There is a Workforce Shortage.
NOW WHAT?
SAVE 15%

SAME BENEFITS
LOWER COSTS
2-YEAR RATE GUARANTEE

WMC Insurance and Argus have partnered to bring you the exact same benefits as your current dental plan, but with premiums that are 15% lower than what you currently pay. Groups with 2 to 200 eligible employees and effective dates through June 1 qualify for this special plan – only available for WMC members!

Contact WMC Insurance today to find out more!
Robert Baker
rbaker@wmc.org
608-661-6922

Matt Flynn
mflynn@wmc.org
608-661-6929

Table of Contents

In This Issue...

FROM THE PRESIDENT
Businesses Need Action on Workforce

2019-21 BIENNIAL STATE BUDGET
What the Proposed State Budget Means for Business

ENVIRONMENTAL POLICY
The Economic Impact of PFAS Regulations

HEALTH CARE POLICY
Tackling the High Cost of Health Care

FUTURE WISCONSIN PROJECT
Future Wisconsin Project Releases Workforce Report

COVER STORY
There is a Workforce Shortage. Now What?

LEGISLATIVE PRIORITIES

MARIJUANA LEGALIZATION
Don’t be a Dazed and Confused Employer

TAX POLICY
Taxes & Spending: Gov. Evers vs. Gov. Walker

SMALL BUSINESS SPOTLIGHT
Beyond Vision

WISCONSIN’S WORKFORCE
Pro-Growth Policies Can Address Workforce Needs
Trade Critical to Wisconsin’s Growth

By Nick Novak
WMC Director of Communications & Marketing

There is a lot to discuss in this issue of Wisconsin Business Voice. The new governor has proposed his first state budget. The Future Wisconsin Project – a program of WMC Foundation – released a new report on tackling the state’s workforce needs. And our cover story highlights how businesses and educators are partnering throughout the state.

However, one topic not covered in too much detail – though it is important – is that of international trade. Wisconsin is a manufacturing and agricultural state, and much of what we make, grow and process is shipped to markets around the world. In fact, Wisconsin exported $22.7 billion in goods and $6.3 billion in services in 2017.

That’s why WMC has been tracking the tariff and trade issues so closely. WMC Foundation even featured this topic at the Focus on Manufacturing Breakfast in February (pg. 31).

And we aren’t alone. Recently the D.C.-based Business Roundtable (BR), issued a report highlighting the benefits of trade and foreign investment in every state, including Wisconsin.

The BR report points out that 95 percent of the world’s population and 80 percent of the world’s purchasing power is outside the U.S. That means many Wisconsin companies will have to export in order to grow.

The facts surrounding Wisconsin make it clear how important global engagement is to our state’s economy. Wisconsin goods and services are purchased by 202 countries and territories around the world.

International trade supports 748,500 jobs in the state – that is more than one in five jobs. And foreign-owned companies employ 86,600 workers in Wisconsin.

The BR also points out that 54 percent of Wisconsin’s goods exports – $12.3 billion – went to partners that we have free trade agreements with. That represents a 33 percent increase since 2007.

If Wisconsin wants to continue to grow its economy, robust international trade is critical to doing so. That means the United States must negotiate strong, fair and free trade deals with partners across the globe, and Wisconsin businesses must be willing to reach out to the 95 percent of the world’s population that is outside our country.

Trade has helped build up our state’s economy in the past, and it is imperative to our economic future.

At the end of the day, I really believe that we need to make an impact on our clients, protecting and building their wealth, and earning their trust in the process. We work hard to understand them and their personal financial goals better than anyone else. That’s what motivates me, and I know that’s what motivates our team. If we’re making a difference for our clients, we’re doing great work.

BRENDAN FREEMAN
PRESIDENT, FIRST BUSINESS TRUST & INVESTMENTS

GROWING & PROTECTING WEALTH

Wisconsin Business Voice is published quarterly by Wisconsin Manufacturers & Commerce. WMC is Wisconsin’s chamber of commerce, manufacturers’ association, and safety council representing businesses of all sizes and from every sector of the economy.

WMC
501 E. Washington Avenue
Madison, WI 53703
tel.: 608.256.3400

Follow us:
WisconsinMC
Wisconsin Manufacturers & Commerce
WMC501
@WisconsinMC
Businesses Need Action on Workforce

By Kurt R. Bauer
WMC President & CEO

The labor shortage is the biggest challenge facing Wisconsin businesses and, thus, the Wisconsin economy. As a result, state business leaders need Gov. Tony Evers and the legislature to include tangible measures to address the problem in the state budget, which is the only piece of legislation that is required to be enacted during the biennium.

As the largest business association in Wisconsin, WMC has a few suggestions based on comprehensive research commissioned by WMC Foundation’s Future Wisconsin Project (see details on page 16).

First, as a state with births below the rate of replacement for the last 20-plus years, we need to retain as many born-and-raised Wisconsinites as possible. The best way to do that is to make sure young people are exposed to the diverse and rewarding professions the Wisconsin economy has to offer so they can make informed career choices.

That is one of the reasons WMC asked Gov. Evers’ predecessor to proclaim October as Manufacturing Month in Wisconsin. The goal is to get as many young students as possible to visit a local manufacturing facility so they can see firsthand what advanced manufacturing looks like and whether it matches their career interests.

But manufacturing isn’t the only sector with a workforce shortage. In fact, I can’t think of any sector that isn’t having difficulty finding workers. To help, Gov. Evers and state lawmakers can provide funding in the budget for more instructors to teach students technical skills that are in demand, such as welding, machining, carpentry, plumbing, pipelining, electrical, tool and die making, automotive maintenance, millwright, metal fabrication and computer programming.

The final state budget should also include allocations for schools to acquire the specialized equipment necessary to train students for the aforementioned professions. This includes items such as welding bays, computer numeric control (CNC) machines and tools for metal and metal shop classes.

The budget should also fund the state's marketing campaigns, intended to lure workers from neighboring states to take advantage of Wisconsin’s thriving economy and quality of life. After all, the best solution for an acute shortage of working-age people is to attract more working-age people.

Just as important is to encourage people now on the sidelines to get into the workforce. Whether it is increasing training for individuals coming out of the criminal justice system or discovering new ways for Wisconsinites with physical and developmental disabilities to contribute to our economy, we cannot leave anyone behind.

WMC is also concerned about the decriminalization of recreational marijuana, which Gov. Evers put in his budget proposal. Given that Wisconsin’s Safety Council is a division of WMC, our concerns are largely over workplace safety and legal liability. But we also wonder what impact decriminalized marijuana will have on the labor participation rate when many businesses report too many job applicants already can’t pass or don’t bother to show up for a drug test, if it is required.

All of the above are state level reforms. At the federal level, WMC urges President Trump and Congress to find common ground on immigration reform to help provide low, middle and highly skilled workers where they are needed.

With a severe worker shortage, we have no room for error. We need every student to graduate high school with the best preparation possible to be a successful worker, university student or technical college student. That begins with exposing kids to the careers available in our economy, and giving them the skills to be successful at them. Gov. Evers and lawmakers should include funding for the priorities mentioned above to help make that goal a reality.
Repair and Maintenance in Food Manufacturing
Success Story

Who needs a half-baked environmental services program?

The retail baking business is no cake walk. And the last thing a food manufacturing operation needs is a vendor that takes their piece of the pie and delivers service that falls flat as a pancake.

At Crystal Clean, we know where our bread is buttered. It’s all about our customers.

Crystal Clean offers products and services that really take the cake, including parts washing equipment and advanced aqueous cleaning technologies, like Mirachem 500, with NSF registration for use in FDA-regulated food manufacturing applications.

When it comes to environmental services, getting quality products and great service isn’t pie in the sky. Call Crystal Clean and find out how your service partner can be the greatest thing since sliced bread.

What the Proposed State Budget Means for Business

By Scott Manley
WMC Senior Vice President of Government Relations

Very few politicians understood the interplay between higher taxes and their detrimental impact on workers than President Calvin Coolidge.

In a meeting with laborers in 1924, Coolidge told a room full of workers that “No matter what anyone may say about making the rich and the corporations pay the taxes, in the end they come out of the people who toil. It is your fellow workers who are ordered to work for the government every time an appropriation bill is passed.”

President Coolidge’s words ring every bit as true today as they did nearly one hundred years ago.

Unfortunately, Gov. Tony Evers failed to heed this wisdom when he recently introduced his first appropriation bill, the 2019-20 Biennial Budget. The governor’s budget would impose a massive tax increase on businesses and “the rich,” which are defined as families with more than $150,000 of combined income.

Specifically, Evers’ budget would raise taxes by $1.6 billion over the next two years, primarily through income tax hikes.

Evers’ budget would raise taxes by $1.6 billion over the next two years, primarily through income tax hikes.

Aqueous Advantage

√ Better Performance
√ Worker Safety
√ Easier EHS Compliance
√ More Flexibility

Ready to clean up your cleaning process? Call us at 877-938-7948.
Learn more about this Success Story at b.Mirachem.com/APP-0103

WMC Senior Vice President of Government Relations

Evers’ budget would raise taxes by $1.6 billion over the next two years, primarily through income tax hikes.

Tax Hike on Manufacturers

Gov. Evers would all but eliminate the Manufacturing Production Tax Credit, resulting in a $516 million tax hike on manufacturers. Taxing manufacturing production is a great way to kill middle class manufacturing jobs, which pay an average of $57,000 per year in Wisconsin – much higher than the state average.

Minimum Wage Increase

The budget would immediately raise the minimum wage by one dollar to $8.25 per hour, then gradually increase it to $10.50 per hour by 2023, with automatic inflationary increases thereafter. History and an elementary understanding of economics tell us that when you make it more expensive to hire low-skilled and entry level workers, you will necessarily have fewer of both. Sawing off the first rung of the economic ladder for people entering the workforce is a terrible idea, especially at a time when we face a significant labor shortage.

Additional Employment Regulation

WMC fought successfully last year for a new law that prohibits municipalities from forcing businesses to comply with more stringent employment regulations related to family leave, hours of work, scheduling, overtime and minimum benefits than the state. Evers’ budget would repeal this law, and open the door to a costly and con-

2019-20 Biennial State Budget | wisconsinbusinessvoice.org | Spring 2019
Drug Testing Repeal

Right to Work Repeal

(FMLA) Expansion

Family & Medical Leave Act

people to our state. enacted, and we are attracting more wage growth since Right to Work was has experienced significant job and will. In addition to being anti-worker, workers to pay union dues against their condition. Finally, the proposal would allow employees to take FMLA leave under both state and federal law to keep their benefits. Gov. Evers proposes to repeal these drug testing and treatment programs, thereby making it easier for people with addiction to be paid to remain unemployed.

Recreational Marijuana Legalization

The budget would decriminalize possession of up to 25 grams of marijuana for recreational purposes. Businesses have an affirmative legal obligation under both state and federal law to maintain a safe work environment for employees and visitors, and they take this requirement very seriously. WMC is concerned that legalizing recreational marijuana use will make it harder for businesses to maintain a safe and drug-free workplace.

Energy Tax Increase

Gov. Evers proposes to allow the Public Service Commission (PSC), a three-member appointed board that regulates utilities, to increase the current 1.2 percent tax on monthly electricity and heating bills for homeowners and businesses. The PSC could set the new energy tax at whatever level they choose, subject to review by the Joint Committee on Finance. If the Finance Committee took no action, the tax increase would occur.

Unemployment Benefit Increase

Weekly unemployment benefits would increase by about 10 percent, to $406 per week. The maximum weekly benefit is currently $707. This increase will more rapidly deplete employers’ reserve accounts, resulting in a higher unemployment tax rate.

Unemployment Benefits for Fired Employees

The budget would allow employees fired for “substantial fault,” which includes violating reasonable requirements of the employer that the employee has control over, to collect unemployment benefits.

Unemployment Benefits for Absenteeism

Employers may currently terminate an employee for as few as one unexcused absence without having to pay unemployment benefits to the employee. The budget would allow employers to be absent without excuse four times every year and still collect unemployment benefits if terminated.

School Choice Cap

Gov. Evers proposes to cap the number of students allowed to participate in the Milwaukee parental choice program, the Racine parental choice program and the statewide parental choice program. Doing so would give parents fewer options with respect to the education of their children, and trap students in failing schools.

 Talent Attraction Campaign Elimination

The budget proposes to eliminate all funding for a successful marketing campaign focused on persuading young workers to move to Wisconsin to live and work. The campaign used video and social media advertising in major cities like Chicago and Minneapolis, as well as proactive recruitment efforts at military bases.

Worker Training Program Elimination

Gov. Evers would eliminate $20 million to fund the Wisconsin Career Creator employee training program to be administered by the Department of Workforce Development, in consultation with the Wisconsin Technical Colleges and the Wisconsin Economic Development Corporation. Given the dire need to upskill workers to meet the unmet demand for skills in our workforce, the elimination of this worker training funding is inexplicable.

Labor Coercion

The budget proposal would make it illegal for the state government or a municipality to compel businesses to waive their rights under either state or federal labor law as a condition of receiving a regulatory permit or other approval. Government should never coerce anyone, whether labor or management, to give up their legal rights.

Taxpayer Subsidized Healthcare Expansion

Despite the absence of a health insurance coverage gap in Wisconsin, Gov. Evers proposes to expand the number of people eligible to receive the taxpayer-subsidized BadgerCare health insurance entitlement. Because this entitlement under-reimburses medical providers for their costs, the expansion will further shift healthcare costs to employer-sponsored health plans, making it less affordable for employers to offer healthcare to their employees.

Business Property Tax Hikes

Gov. Evers proposes to expand the state tax on real estate, to give up their legal rights. Government should never approve of anything that would harm workers and our economy as a whole if it were to become law.

Thankfully, none of these items can become law unless they are approved by a majority of members of the State Senate and State Assembly. Both houses of the legislature have strong pro-growth Republican majorities.

To say that the policy proposals highlighted above have not been met favorably by Republican lawmakers would be an understatement. Many have described Gov. Evers’ budget as a non-starter.

It will be interesting to see if lawmakers attempt to rehabilitate the governor’s budget by removing all of the objectionable items, or if they decide that there isn’t enough worth salvaging, and start crafting a new budget of their own. Given the enormity of the damage the budget would do to our state as a whole, we are fortunate to have brave and principled pro-growth lawmakers to serve as a firewall between Wisconsin’s successful economy, and the blueprint to destroy it.

If you ever wondered why WMC devotes so many resources to political and issue advocacy during elections, this budget is a great example of why we engage. Having the right people making decisions at the Capitol matters.
The Economic Impact of PFAS Regulations

By Lane Ruhland
WMC Director of Environmental & Energy Policy

What do nonstick cookware, firefighting foam, water resistant clothing, food packaging, stain resistant carpets and dental floss have in common? They all contain per- and polyfluoroalkyls, or “PFAS” chemicals. These chemicals are found in food, drinking water, soil, household products and even certain types of dental floss. It follows then, that nearly every American has had some exposure to PFAS. Although these man-made chemicals have been used in industry and consumer products around the world since the 1940s, they haven’t garnered much attention until very recently at both the state and federal level.

There is some evidence that exposure to higher levels of PFAS could lead to different health effects. While some scientists aren’t settled, there is a significant amount of concern on all sides of the issue. On one side, many environmental groups are calling for swift and strict regulation. On the other, the regulated community is calling for additional science to drive policy.

The Origins of PFAS

The discovery of this industry changing compound was born mostly out of accident. In 1938, Chemist Dr. Roy Plunkett, while working with Freon refrigerant gases, discovered that his frozen sample of fluorocarbon had polymerized into a waxy white solid that later became known as Teflon. Later in the ’50s, an accidental spill of fluorocarbon rubber fell onto a chemist’s assistant’s tennis shoes. After many failed attempts to remove the material, the chemist’s focus shifted to developing the new protectant. This accident led to the creation of Scotchgard which is now found on furniture, upholstery, carpets and rain gear, among a myriad of other products. Finally, in the late ’60s, continued refinement of these compounds led to the creation of Gore-Tex, a popular water-safe protectant.

The Science of PFAS

Perhaps the most well-known study conducted regarding the impact of PFAS on health was conducted by the Agency for Toxic Substances and Disease Registry (ATSDR). It concluded that humans could be exposed to PFAS through drinking contaminated water, eating fish, eating food packaged in PFAS materials or using certain types of non-stick cookware. The study did not conclude that PFAS causes cancer in humans, but did study the effects of high levels of exposure in animals. Further, the study supported the EPA’s current Drinking Water Health Advisory of a safe exposure level for PFOA of 70 parts per trillion (ppt). The science isn’t settled, and according to some experts, the potentially harmful type of PFAS has not been in production for decades. The PFAS currently produced are “short chain” PFAS which have very different effects than the previously produced “long chain” PFAS. Further, PFAS travel unusually in the environment, which makes regulating without a better understanding difficult.

Regulating PFAS

Action on PFAS has been taken at both the federal and state level. The EPA recently released an action plan to address PFAS. This includes the establishment of the Maximum Contaminant Level (MCL), strengthening enforcement authorities, clarifying clean up strategies, continued scientific research and additional enforcement tools.

At the state level, the regulation of PFAS has been a top priority for Gov. Tony Evers’ Administration and ties directly into the governor’s call for 2019 to be the “Year of Clean Drinking Water.” Sec. Preston Cole, head of the Wisconsin Department of Natural Resources (DNR), has repeatedly highlighted PFAS regulation as a top priority of his agency. In his senate confirmation hearing, he intimated that the health impact of PFAS was so dire that the regulation necessitated an exemption from rulemaking. However, that would require an act of the legislature to amend the statute governing the creation of groundwater standards. PFAS are not only regulated in the water. Wisconsin DNR has already begun regulating PFAS in the context of its Remediation and Redevelopment Program. Without any sort of opportunity for public input, DNR added PFAS chemicals to a Reclamation and Remediation spreadsheet that sets soil residual contaminant levels. This has led to the DNR issuing only partial Certificates of Completion (COC) to participants in the Voluntary Party Liability Exemption program (VPLE).

The authority for this partial COC as an “in between” measure for voluntary parties who have conducted a full cleanup is not found in statute or in rule. Wisconsin law allows a voluntary party to be issued partial clean up COC if the party conducts only a partial cleanup and DNR determines that the remaining hazardous substances do not endanger the public health, safety or the environment. The purpose of this partial COC measure is to allow more instances where parties can receive liability exemptions from certain substances if they voluntarily undertake cleanup efforts. It was not meant as an alternative to a full COC in cases of uncertainty. Absent the fears regarding PFAS, these voluntary parties would receive full COCs. Without the promulgation of a rule or a legislative change, DNR is acting outside of its authority with this new policy.

What’s Next

Currently, the Wisconsin Department of Health Services (DHS) and DNR are working to establish groundwater standards for two PFAS compounds through a statutory process which requires DHS to set an initial standard, and for DNR to ultimately promulgate a rule enforcing the standard recommended by DHS. DHS expects that it will have a standard to DNR later this year, and only then can DNR begin the rulemaking process. Wisconsin Senate Bill 109, authored by Sen. Rob Cowles and Rep. John Nygren, pushes that timeline up for DHS to set the standard. Any regulation or legislative directive stands to have a drastic impact on Wisconsin’s economy and the business community generally given the prevalence of PFAS in everyday products. This is why WMC is actively monitoring this issue. We will advocate that the state follow recommendations from the federal government and avoid regulation in the absence of data and better science on the health impacts of PFAS.
Tackling the High Cost of Health Care

By Chris Reader
WMC Director of Health and Human Resources Policy

Given the cost of health care in Wisconsin ranks among the most expensive in the nation, finding affordable health care remains a top concern for employers in Wisconsin. A 2018 study by WalletHub found that Wisconsin had the 47th most expensive health care costs in the nation. The same analysis found that the quality of care in Wisconsin was ninth best in the nation.

Fortunately for payers of health care, it should not be a binary choice between quality and affordability. We can have both. The same WalletHub analysis found Hawaii ranks fifth best in outcomes and fifth best in cost. Minnesota is eighth best in each category. Iowa is 14th in outcomes, sixth in cost. Wisconsin should not settle for having high quality but very expensive health care. We can do better.

WMC’s 2019-20 legislative agenda offers several policy positions to tackle these issues head on.

Maintain an employer-based system. The current employer-based health insurance system is in everyone’s best interest. When it becomes too expensive for employers to provide coverage, workers and their families are shifted to costly government programs, increasing the financial burden on taxpayers and further threatening provider reimbursements. Health care systems already estimate the “hidden health care tax,” the amount they are underpaid by government that they then shift to private group health insurance plans and worker’s compensation, to be over $1 billion annually.

Promote consumer-driven health care and access to cost and quality data. Informed health care consumers are necessary to create a competitive market. Wisconsin has long sought cost and quality transparency for medical charges, but the data as currently presented is not useful for consumers who want to make informed decisions. Earlier this year President Donald Trump ordered robust price transparency at the federal level. The door is open for private sector innovation to turn the cost and quality data into a useful tool for consumers.

Promote consumer-empowering options. Beyond simply making data available, individuals and other payers, like employers, need to be empowered as consumers to help market forces pull health care costs down. Health savings accounts, direct primary care, shopping for bundled pricing and other options turn payers into smart consumers.

Oppose Medicaid expansion. Expanding Medicaid will only increase the number of Wisconsinites receiving taxpayer-subsidized health insurance, adding to the hidden health care tax. Expanding Medicaid also leaves state taxpayers responsible for a large underfunded program when the federal government reduces reimbursement levels to states.

Avoid Mandates that increase insurance costs. Although often well intended by policymakers, mandating that health insurance plans must cover specific procedures increases costs, making it less affordable for employers to provide.

Repeal & replace the Affordable Care Act. The effort to repeal and replace the Affordable Care Act (ACA) should not be abandoned. Shifting back to a free market system is critical to containing costs and ensuring that high quality remains long term.

Repeal the Health Insurance Tax. The ACA contained a new tax on health insurance plans, the Health Insurance Tax (HIT), estimated to cost $260 billion over the first decade. Federal policymakers should permanently repeal the HIT so the $260 billion tax doesn’t hit consumers.

Worker’s Compensation cost containment. Last but certainly not least, WMC continues to support efforts to enact a medical fee schedule for worker’s compensation medical bills. Wisconsin remains an outlier by not having a fee schedule for workplace injuries. National studies routinely find that the cost of worker’s compensation medical bills in Wisconsin are among the highest in the nation, far outpacing every other health care payer in the state. Identical procedures covered under a worker’s compensation plan will often cost two to three times more compared to if the injury was paid by a group insurance plan.

The current employer-based health care system is in every-one’s best interest. When it becomes too expensive for employers to provide coverage, workers and their families are shifted to costly government programs, increasing the financial burden on taxpayers and further threatening provider reimbursements. Health care systems already estimate the “hidden health care tax,” the amount they are underpaid by government that they then shift to private group health insurance plans and worker’s compensation, to be over $1 billion annually.

Promote consumer-driven health care and access to cost and quality data. Informed health care consumers are necessary to create a competitive market. Wisconsin has long sought cost and quality transparency for medical charges, but the data as currently presented is not useful for consumers who want to make informed decisions. Earlier this year President Donald Trump ordered robust price transparency at the federal level. The door is open for private sector innovation to turn the cost and quality data into a useful tool for consumers.

Promote consumer-empowering options. Beyond simply making data available, individuals and other payers, like employers, need to be empowered as consumers to help market forces pull health care costs down. Health savings accounts, direct primary care, shopping for bundled pricing and other options turn payers into smart consumers who can make decisions based on cost and quality data.

Oppose Medicaid expansion. Expanding Medicaid will only increase the number of Wisconsinites receiving taxpayer-subsidized health insurance, adding to the hidden health care tax. Expanding Medicaid also leaves state taxpayers responsible for a large underfunded program when the federal government reduces reimbursement levels to states.

Avoid Mandates that increase insurance costs. Although often well intended by policymakers, mandating that health insurance plans must cover specific procedures increases costs, making it less affordable for employers to provide.

Repeal & replace the Affordable Care Act. The effort to repeal and replace the Affordable Care Act (ACA) should not be abandoned. Shifting back to a free market system is critical to containing costs and ensuring that high quality remains long term.

Repeal the Health Insurance Tax. The ACA contained a new tax on health insurance plans, the Health Insurance Tax (HIT), estimated to cost $260 billion over the first decade. Federal policymakers should permanently repeal the HIT so the $260 billion tax doesn’t hit consumers.

Worker’s Compensation cost containment. Last but certainly not least, WMC continues to support efforts to enact a medical fee schedule for worker’s compensation medical bills. Wisconsin remains an outlier by not having a fee schedule for workplace injuries. National studies routinely find that the cost of worker’s compensation medical bills in Wisconsin are among the highest in the nation, far outpacing every other health care payer in the state. Identical procedures covered under a worker’s compensation plan will often cost two to three times more compared to if the injury was paid by a group insurance plan.
Future Wisconsin Project Releases Workforce Report

By Wade Goodsell
WMC Foundation Executive Director

WMC Foundation, through the Future Wisconsin Project, released a new report in March detailing Wisconsin’s workforce challenges and highlighting ways to address the pressing issue. The report was authored by Raleigh, North Carolina-based research firm Economic Leadership, who interviewed 50 Wisconsin stakeholders across business, government and academia, while combining national best practices and quantitative research.


The first three recommendations listed above and outlined by WMC’s President & CEO Kurt Bauer as it relates to the state budget discussions on page 6 are the leading recommendations that the Future Wisconsin Project Steering Committee will earnestly begin the process of implementing later this month. Much of the report and the three leading recommendations can be summarized as: talent attraction, talent retention and talent reintegration into the labor force. As we begin the coordinated work of implementing some of the report’s recommendations and engaging other stakeholders.

Our work will be centered upon five foundational roles of the Future Wisconsin Project.

1. Facilitator and convener to connect the business community, education, government leaders and training providers. The Future Wisconsin Project is the quintessential “big tent.” The project provides a statewide, geographic and industry diverse compilation of business executives at the same table with government and education leaders. What enables the effectiveness of the project is that while we’re collaborative in approach, it is intentionally led by industry.

2. Advocate at the state level through WMC’s lobbying team to ensure that lawmakers understand the magnitude of workforce issues impacting Wisconsin, advancing innovative and strategic policy solutions to address them. The ability to leverage the strength of WMC’s 3,800 member companies throughout the state and speak as an amplified voice of the business community is pivotal.

3. Scorekeeper to track successes and setbacks in our efforts. I’m reminded of the adage, “measure what matters.” It is not only an accountability metric for policymakers and other stakeholders, it’s an accountability measure for the project.

4. Communicator sharing best practices by businesses and organizations around Wisconsin and the nation—especially with smaller businesses that often have fewer resources. Having a statewide footprint and diverse employer and academic partners fosters the ability to highlight and share best practices across multiple communication channels and events.

5. Being the voice of opportunity so that students, parents, teachers and career counselors are aware of the great business and career opportunities available in each region of the state.

As our team traveled across the state for the Wisconsin Workforce Tour last month, we presented the report’s recommendations and interacted with local media in Milwaukee, Madison, Appleton, Wausau, Eau Claire and La Crosse, I was encouraged with the engagement of attendees and the press. Standing alone, none of the report’s recommendations are overtly game changing, but when combined, strategically implemented and appropriately funded, the report’s recommendations have the potential to significantly address both Wisconsin’s skills gap and body gap, which combined make up the workforce challenge, which of course is Wisconsin’s leading short (and long) term economic challenge.

Individuals, organizations and recommendations can be important, but when coordinated under the big tent of the Future Wisconsin Project importance can be transformed into impactful. To read the full Future Wisconsin Report please visit FutureWI.org and to engage with the project please contact me at 608.258.5400 or wgoodsell@wmc.org.

“We need a robust marketing campaign that brings more people into Wisconsin and we need to be a national leader when it comes to apprenticeships, internships and training opportunities for current and future workers.”

“We can’t afford to lose another generation of talent.”

“We’ve got some of the best technical colleges in the country. We can skill people up for the jobs we have. At this point, it’s a population gap. We just don’t have the bodies.”

“Wisconsin’s working age population is projected to be flat to slightly down by 2040 and the number of residents between the ages of 25 and 44 has already fallen from 1.38 million in 2000 to 1.43 million in 2017. Bauer said the state’s challenges are the result of a lower birth rate and historically being a net out migration state.”

“Companies are looking for employees with personal and people skills and the ability to think and solve problems. They also need people with technical skills ‘but most companies will do that training,’ Abernethy said.”

Spring 2019 wisconsinbusinessvoice.org | Future Wisconsin Project
Badgers Are United Behind UW-Madison

By Amber Schroeder
Executive Director, Badgers United

Wisconsin residents can do amazing things when we work together toward a common goal. I’ve spent my entire career advocating and working on behalf of businesses, which means I’ve had a front row seat for some of the incredible achievements and transformations born out of manufacturing and commerce. I’m also a proud alumnus of the University of Wisconsin-Madison. Of course I love seeing our athletic teams rally together to round up victories on the field and on the court, but I’m even more excited about the collaborations happening in the classrooms and research labs.

Every day, UW-Madison’s faculty and students are living out the Wisconsin idea, bringing their groundbreaking discoveries and innovations beyond the university’s walls and making a real difference in the lives of real people in this state—and beyond.

That’s how I know Wisconsin is getting a remarkable return on investment with UW-Madison. In fact, for every dollar we invest in this institution, we get $24 in economic activity. Here are just some of the ways that is realized:

• A Strong Economic Asset: Each year, UW-Madison generates billions in economic impact for Wisconsin. Private businesses enjoy 90 percent of those benefits.

• An Incubator for Innovation: UW-Madison research has sparked 350-plus start-ups in Wisconsin that support nearly 25,000 jobs and contribute $2.3 billion annually to the state’s economy.

• A Retainer of Talent: As of 2015, 88 percent of UW-Madison graduates were living in Wisconsin one year after earning their bachelor’s degrees. UW-Madison is a critical component to solving the state’s workforce crisis.

• Tax Revenue: UW-Madison generates 90 percent more tax revenue for state and local governments than is invested by state government.

Despite decades of impressive results for Wisconsin, UW-Madison continues to face challenges that threaten its impact on our state:

• Declining State Support: State funding per UW System full-time student has dropped nearly $1,150 since 2010. And only 14.3 percent of UW-Madison’s budget in 2018-2019 comes from state revenue.

• Limited Flexibility to Grow: Stalled renovations and a nearly decade-long tuition freeze have limited UW-Madison’s ability to positively impact Wisconsin. Today, the university ranks 10th in Big Ten for in-state resident undergraduate tuition and fees.

• A Drop in the Rankings: In 2017, UW-Madison fell from the Top 10 U.S. News & World Report’s Best Public Colleges ranking, which limits its ability to recruit world-class faculty and the brightest students.

How can we ensure UW-Madison remains a powerful resource for people across Wisconsin? We start by channeling our Badger spirit and working together. Recently, a group of residents from around the state joined forces to create a new organization—appropriately named Badgers United.

Badgers United has one purpose: to help all of Wisconsin succeed. That starts with supporting the UW-Madison. Together, we can ensure more students, citizens and businesses in Wisconsin feel the university’s lasting impact on our communities.

As Badgers United’s executive director, I promise that you’re going to be hearing more from us very soon. But if you’re eager to know how UW-Madison is making a difference in your communities and companies, please visit BadgersUnited.org or contact me at amber@badgersunited.org.

Until then, On Wisconsin!
There is a Workforce Shortage.

NOW WHAT?

By Nick Novak
WMC Director of Communications & Marketing

For the last five-plus years, Wisconsin Manufacturers & Commerce (WMC), businesses around the state, government leaders and academics have said, “Wisconsin has a workforce shortage.” Anyone who is unaware — or who doesn’t think it is true — has been living under a rock for quite some time.

Everywhere we look in the state, there are “Now Hiring” signs plastered on manufacturing facilities, “Help Wanted” ads for local construction companies and an ever-growing number of job openings in countless industries on Wisconsin’s employment website: jobcenterofwisconsin.com. It is pretty obvious that there are not enough people to fill the jobs currently available — and especially not the ones that will be available in the future.

But, when the business community encounters a challenge, they do not pack up their bags and go home. If an entrepreneur gave up when things got hard, the economy would look a lot different today. So, instead of giving up, businesses find solutions.

Solving the first problem — the people gap — is not something that can be done by one CEO or even one company. Wisconsin needs to attract more people to live here, fill the jobs currently open and enjoy the opportunities available in communities around the state. That is why WMC has consistently advocated for a robust talent attraction campaign done by the Wisconsin Economic Development Corporation (WEDC).

The talent attraction campaign is just one leg of the stool to solve the workforce shortage, but it is an important one. Wisconsin needs people with a variety of skills to move here, and the only way to do that is to tell them how great this state really is. No one else will do it for us.

However, there are other important things that must be done to build the state’s workforce. While the talent attraction campaign will take an act of legislation — and agreement between Democrat Gov. Tony Evers and the Republican legislature — businesses are already taking steps to ensure they have a pipeline of ready and skilled workers.

Why Businesses are Partnering with Educators

As employers face challenges finding a steady supply of workers, they have taken it upon themselves to solve the issue on their own. Working with their K-12 schools, tech colleges and universities, many employers are finding ways to not only reach out to potential employees, but also help support their local communities.

Steve Grundahl is Founder and President of Midwest Prototyping — an additive manufacturing company in Blue Mounds — and he has taken an all of the above approach when it comes to building a talent pipeline. You name it, and they have likely thought of it.

Midwest Prototyping first and foremost has an “open door” attitude when it comes to workforce.

“We’ve hosted just about everything — university engineering classes to Girl Scout troops and youth entrepreneur camps,” said Grundahl. “We place a strong emphasis on education at our organization, and actively engage both students and educators about ways to bring additive manufacturing into their lesson plans.”

This attitude has helped develop numerous partnerships with a variety of educational institutions. One program that has helped encourage more young people to consider a career in manufacturing is Youth Apprenticeship. Midwest Prototyping — which is about a 30 minute drive southwest of Madison — has participated in the Dane County Manufacturing Pipeline.

Businesses are already taking steps to ensure they have a pipeline of ready and skilled workers.

Youth Apprenticeship program for several years. In fact, they currently have two students from the Mt. Horeb school district and one from Verona.

Youth Apprenticeship allows juniors and seniors in high school to gain practical experience in an industry not just manufacturing — and they apply these credits towards graduation. This situation not only is a win for students, but also for employers by providing them an opportunity to hire and retain their future employees.

But it isn’t just one thing that Midwest Prototyping is doing to develop their future workforce.

“We serve on the advisory boards of the Prototype and Design program at Northwestern Wisconsin Technical College in Green Bay and the Mechanical Design program at Madison College,” added Grundahl. “We also work very closely with the Milwaukee School of Engineering, UW-Platteville Engineering program and the Maker-space at UW-Madison, having drawn interns and employees from all of these institutions.”

Looking to western Wisconsin, one of the state’s largest companies has made it a priority to develop the state’s future workforce.

“Ashley and the Wanek Family continue to support education to help secure our country’s position as a world-leader in technology and advanced manufacturing,” said Todd Wanek, President and CEO of Ashley Furniture Industries.

What does that look like? Ashley Furniture Industries has developed a number of partnerships with K-12 schools, tech colleges and universities in the form of investments in STEM-based learning opportunities, scholarships and increased exposure to career opportunities, instructor training and robotics programs.

One example of this is Ashley’s partnership with the Trempealeau Valley Cooperative, which is made up of the Arcadia, Blair-Taylor, Independence and Whitehall school districts. Each of the districts are within a 25 minute drive of the Ashley Furniture Industries headquarters, located about halfway between La Crosse and Eau Claire.

Ashley has provided the districts with cutting-edge equipment and curriculum in the areas of electronics, manufacturing processes, automation and robotics. In fact, the company has invested more than $3 million to provide students with over 300 competency-based courses for high school credit and to teach the students skills that are needed for high-demand career fields at Ashley and beyond.

The impact Ashley has reaches past K-12 education, though. The company has also partnered with Western Technical College — based in La Crosse with regional locations in Black River Falls, Independence, Mauston, Tomah and Viroqua.

The partnership with Western Technical College includes the establishment of a robotics lab with six Yaskawa robots and three simulator units. The
Yaskawa robots can be used in a variety of automation processes, and Western Technical College is the only training facility with Yaskawa robot- ics in Wisconsin thanks to Ashley’s involvement.

The partnership goes beyond just equipment, however. The Ron and Joyce Wanek Foundation also made a donation to the college’s foundation to ensure its facilities are certified on the equipment. In total, Ashley Furniture Industries and the Wanek Foundation have contributed over $470,000 for this program.

We wanted to create courses that would provide foundational skill sets to students wishing to pursue multiple careers and career paths in techn- ology,” said Jim Dotta, Senior Vice President of Manufacturing at Ashley Furniture Industries. “We also want- ed the courses to include interactive learning, to be competency based and hands-on demonstration of skills learned.”

**Why Educators are Partnering with Businesses**

Wisconsin’s schools are the number one pipeline for the state’s business community. And students intrinsically are looking for a place that best prepares them for their career. So, educa- tors at every level must be looking out for the best interest of their students – which means they need to be understanding of where those students are going after graduation.

To be successful, WAICU members need to be responsive first of all to students,” said Dr. Rolf Wegenke, President of the Association of Independent Colleges and Universities (WAICU). “Students’ expectation is that their education will prepare them for life as well as for a job.”

WAICU represents Wisconsin’s 24 private, nonprofit institutions of higher education currently educating over 56,000 students, with thousands of graduates each year. The University of Wisconsin System echoes that sentiment. UW System President Ray Cross believes it is criti- cal to get input from the business com- munity to understand what the state’s public colleges need to be focusing on. That is why he established the UW-Sys- tem Business Council in 2017, which is made up of members from a variety of industry sectors including WMC Presi- dent and CEO Kurt Bauer.

“Establishing the Business Council so that the university understands the future workforce demands of Wiscon- sin employers, and provides ideas, research and other resources that help keep Wisconsin’s businesses, com- munities, and residents innovative and prosperous,” said Cross.

Like the state’s private colleges and universitles, the UW System has thou- sands of students currently enrolled and graduated a record-high 36,825 students in the 2017-18 academic year. Cross explains that the UW System is not just a great supplier of for Wiscon- sin’s talent pipeline – which is no doubt appreciated by the state’s business community – but also one of the lead- ing reasons young people move to Wisconsin.

“We are the state’s number one magnet for attracting bright, motivated young people into the state, many of whom remain residents launching their careers with Wisconsin employers,” added Cross. “Over 1.4 million UW System alumni live and work in the Badger State five years after gradua- tion.”

To help assist businesses with attracting and keeping talent after graduation, the UW System has worked concurrently to engage students with local businesses. A new program that is going to be fully up-and-running by the end of 2019 helps students in northwestern Wisconsin gain work ex- perience during college and also helps small and medium-sized businesses launch internship programs. The University of Wisconsin Intern- ship Network (UWWIN) is a cross-cam- pus collaboration between UW-Eau Claire, UW-River Falls and UW-Stout. It will help connect current students with local businesses looking for interns, which can dramatically improve the chance that a university student stays in the area after graduation.

A recent study from the National Association of Colleges and Employ- ers found that paid internships are offered a full-time position 65 percent of the time and a part-time position 39 percent of the time. Both rates were higher than the 37 per- cent rate for outside applicants.

“To help assist companies with spec- ific needs, WAICU-member Lakeland University took a very direct approach to connecting business and education. The college even brought together nu- merous companies – including compet- itors – to create a brand new bachelors degree program.

The Plymouth-based university launched its bachelors degree pro- gram in food safety and quality last year – the first-of-its-kind program in the nation. Lakeland partnered with the state’s largest food manufacturers, comprising Johnsonville, Sargento, Masters Gallery Foods, Old Wiscon- sin, Usinger’s, Klement’s Sausage and Miesfeld’s.

According to WAICU, the new pro- gram will have a state-of-the-art labora- tory giving students hands-on experi- ence crucial to what they would find on the job with the partnering companies. Additionally, the program is meant to attract people currently employed in the industry to learn new skills and bring in a new pipeline of potential em- ployees for in-demand field.

This, and other examples that in- clude an expanded computer science program with a focus on artificial intelligence at the Milwaukee School of Engineering, are because universities and colleges are listening to the busi- ness community.

“Working with students at a younger age is critical to helping them understand career opportunities available in Wisconsin. That is exactly what Ben Niehaus is trying to do at the School District of Florence County. Located just east of the Chequa- megon-Nicolet National Forest and on the border of the Upper Peninsula of Michigan, the school district in Florence helps prepare local students for a career, or a business, and also deals with trying to keep students in a rural area after graduation.

“We provide numerous transcribed and post-secondary opportunities that spark students’ interest in a specific career or field, so they have focus, all while saving them time and money in the process,” said Niehaus. “Getting them to the workforce sooner and contributing to our economy,” said Niehaus, the school’s District Adminis- trator.

What Niehaus calls the school’s “greatest endeavor” in partnering with industry just became a reality this school year. The school district creat- ed an “Employability Class” based on input from a group of business leaders. The course, which better prepares stu- dents for the workforce, is now going through a review process with local businesses improve upon the first year course offering.

**Working with students at a younger age is critical to helping them understand career opportunities available in Wisconsin.**

It is obvious that more can be done to help develop a talented pipeline of workers for businesses throughout the state, but it is also obvious that many businesses and educational institutions are tackling the challenge head on.

No matter where in the state a business is, there is a local technical college, university or K-12 school who is willing to partner with the hopes of better preparing young people – and many people already in the workforce – for new careers.

As WMC advocates at the state level for a robust talent attraction campaign and other policy changes that will grow the state’s workforce, the business community must be ready to reach out, too. Many of the best practices in the article highlight different approaches, and your company might even come up with something new.

The important thing to note is that the issue of the workforce shortage cannot be solved by just one person or group. This will take a concerted effort from every part of the state, both sides of the political aisle and business and academia alike.
I
and 28; the impact of public policy
discussed in Madison are going to
state level, you have likely noticed
Senate Minority Leader
A Wisconsin For Us

LEGISLATIVE PRIORITIES

In order to foster growth, innovation and opportunity in Wisconsin, we need to invest in our state's future, increase wages for workers struggling to get ahead and ensure long-term economic success so that all Wisconsinites have access to the American Dream. While our state has seen modest economic growth thanks largely to strong economic growth, too many workers still remain unemployed, wages are stagnant and our aging infrastructure continues to shift costs onto small businesses. From my conversations with business owners, parents and workers across the state, it is apparent that too many families feel like they are falling further behind and local elected officials feel abandoned by Madison. We need to take proactive steps to ensure all families have a fighting chance in this economy. Too many families face skyrocketing repair costs because our roads are filled with potholes. Too many small businesses in rural communities are unable to compete
in the global economy because they lack access to a high-speed internet. While immediate infrastructure investments will help to strengthen Wisconsin communities, we must also invest in our future by improving local public schools and providing quality educational opportunities for all children. By making smart investments, we can improve educational outcomes at all levels from pre-K to our technical colleges and universities.

Facing a nearly $1 billion shortfall in our transportation budget, state and local officials will need to work together to face urgent transportation infrastructure challenges. Senate Democrats are ready to support innovative, long-term transportation funding solutions that ensure responsible investment in projects across Wisconsin without kicking the can further down the road. These investments are important to the economic success of our state as well as the local quality of life in our communities. Rather than wasting time on policies that divide communities, I hope the majority party in Madison will focus on being problem solvers and find commonsense solutions to the challenges facing our state. We must put aside partisan politics and work together in order to build a Wisconsin that works for everyone – a Wisconsin for us.

For more details about the proposed state budget or other policies impacting your business, contact the WMC Government Relations team at 608.258.3400. Keep Wisconsin Working

Eight years ago, our state was in rough shape. Wisconsin had almost double-digit unemployment, job creators were leaving our state, and our budget was a mess. Republicans in the Senate fought for common-sense reforms to turn things around and get our state back on track. The results have been clear – our unemployment has hit record lows in recent months and more people are working than ever before. Wisconsin is one of the best states to do business. Republicans in the legislature have no greater priority than to protect our state's prosperity for generations to come.

That means we won't raise taxes on hard-working manufacturers and farmers. In the limited number of meetings that I've had with Gov. Tony Evers, I've made it clear that when it comes to the state's financial health, we want to make sure that Wisconsin is in as good a shape as it is now moving forward. It's disheartening to see that one of Gov. Evers' first actions was a push to raise the tax burden on our state's leg- acy industries. The Manufacturing and Agricultural Tax Credit is the bedrock that so many small businesses around Wisconsin depend on to fuel hiring and expansion in our state. Maintaining this credit is a top priority for Republicans in the Senate – reducing or eliminating it would be a huge mistake for the economy of our state. Keeping the tax burden low on busi- nesses isn't enough. We've cut taxes by over $8 billion the last eight years, but Wisconsin is still a high tax state. Earlier this year, Republicans passed a middle-class tax cut bill that the governor vetoed. I'm hopeful that during the upcoming legislative session, we'll be able to work out a plan that gives taxpayers much-needed tax relief.

The Manufacturing and Agricultural Tax Credit is the bedrock that so many small businesses around Wisconsin have relied on to fuel hiring and expansion in our state. Maintaining this credit is a top priority for Republicans in the Senate – reducing or eliminating it would be a huge mistake for the economy of our state. In the limited number of meetings that I've had with Gov. Tony Evers, I've made it clear that when it comes to the state's financial health, we want to make sure that Wisconsin is in as good a shape as it is now moving forward. It's disheartening to see that one of Gov. Evers' first actions was a push to raise the tax burden on our state's legacy industries. The Manufacturing and Agricultural Tax Credit is the bedrock that so many small businesses around Wisconsin have relied on to fuel hiring and expansion in our state. Maintaining this credit is a top priority for Republicans in the Senate – reducing or eliminating it would be a huge mistake for the economy of our state. Keeping the tax burden low on businesses isn't enough. We've cut taxes by over $8 billion the last eight years, but Wisconsin is still a high tax state.

Earlier this year, Republicans passed a middle-class tax cut bill that the governor vetoed. I'm hopeful that during the upcoming legislative session, we'll be able to work out a plan that gives taxpayers much-needed tax relief.

We also know that if we want to keep employers in Wisconsin we need to continue to provide them with a ready and able workforce. I've been proud to be part of the efforts by Republicans last budget to boost funding for our state's K-12 schools, and look forward to working with my colleagues again to come up with a plan that helps develop the workforce of tomorrow for Wisconsin businesses.

Even in an era of divided government, we have to work the best we can to come up with bipartisan solutions to Wisconsin's problems. I look forward to working with my colleagues to come up with a solution to the pressing transportation infrastructure issues facing our state. Voters around Wisconsin sent us to the Capitol to solve complex issues just like these.

I am hopeful that the best years are ahead for businesses in our state. While it is clear that the governor and I disagree on how to achieve this, I believe that his decision to keep the Wisconsin Economic Development Corporation sends an early sign to the state's business community that Wisconsin will continue to be one of the best places in the country to grow. WEDC has played an important role in our state's success, and I look forward to them continuing to have an impact for years to come.

Wisconsin is headed in the right direction. We've done so much to get here and with the help of job creators from every corner of the state, I know that we can continue to share in our state's success for years to come. Wisconsin Republicans will continue to fight for our past reforms and make sure that Wisconsin is the best place in the country to grow a business or raise a family.
**Don’t be a Dazed and Confused Employer**

By Michael Gotzler, Jonathan Levine and Casey Kaiser

Littler Mendelson

Recently, Gov. Tony Evers announced that his budget would include proposals to legalize marijuana use for medical purposes and decriminalize possession of small amounts of marijuana for personal use. While passage of the governor’s proposals is far from certain during this legislative session, legalized marijuana in Wisconsin, in one form or another, seems inevitable.

At present, 32 states and the District of Columbia have legalized marijuana for medical use generally, and 11 of those states and the District of Columbia have legalized recreational use of marijuana – despite the fact that marijuana remains a controlled substance under federal law. While early legalization laws contained no explicit employment protections for marijuana users, more recently enacted marijuana laws broadly prohibit discrimination in employment based on an individual’s participation in a medical marijuana program under the supervision of a licensed health care professional. Job protections for recreational users, however, have remained virtually non-existent. Wisconsin employers can use the experience of employers in these other jurisdictions to begin preparing to address some potentially vexing issues:

**Reasonable Accommodation**

In states where marijuana use for medical purposes is legal, employers with disabilities may request that their employers tolerate their use of marijuana as a reasonable accommodation under state law. Current state laws vary widely on employers’ obligations in this regard. Some states’ medical marijuana laws explicitly prohibit discrimination against medical marijuana users, yet do not address whether employers must accommodate use of the drug. Without changes to Wisconsin’s disability accommodation law, employers would need to be prepared to accommodate disabled individuals’ medical use marijuana (insomuch as the individual is using the drug during nonworking hours and not impaired at work). Courts applying state medical marijuana laws have held that employers can be liable for discrimination under state laws when they terminate medical marijuana users based on positive drug tests, unless there is evidence that the employee had marijuana at work or was otherwise impaired while working.

It’s not too early for employers to start a dialogue about how legalization may impact their workplace.

**Save the Date**

**July 17th, 2019 | 9th Annual Brewers Briefing**

A Labor & Employment Law Conference

Contact Donnielle Amrein at damrein@littler.com to be added to the invite list.

**A New Beginning For Healthcare**

By Sean P. Johnson

NOVO Health

There is no greater social imperative to business success today than the costs and management of employee health care.

As the Oracle of Omaha, Warren Buffett, himself noted in a 2017 interview with the New York Times, “...a specter much more sinister than corporate taxes is looming over American businesses: health care costs. And chief executives ... would be smart to shift their attention to these costs, which are swelling and swallowing their profits.”

Health care costs have ballooned more than 180 percent the past 14 years, according to the Milliman Medical Index, and employers and employees are now splitting annual premium costs topping $20,000 for family coverage. Kaiser Health News reports.

As costs escalate, business leaders have found an ever-increasing component of their P&L statement seems both out-of-control and out-of-reach. The traditional, third-party payer system defies normal business performance demands because it offers no cost transparency, no performance accountability and is transactional rather than relationship-based.

NOVO Health is a movement built on the idea there is a better way.

This movement is simple at its core: NOVO Health exists, and is dedicated to, the preservation of concierge medicine, that patients and physicians should be free to choose beneficial, long-term relationships for care without regard to employer, payer or health system.

To deliver this promise, NOVO Health has disrupted the traditional health care market.

Like many disruptors, we are creating a new product. We are creating a way to make that product affordable and accessible with quality results and an outstanding customer experience.

In order to create a new value network for health care, NOVO Health created its sharing economy-based Direct Medical Market, offering the opportunity for employers and independent physician groups to choose partnerships that best manage episodic care for specialty medical procedures such as orthopedic, spine and women’s health.

The DMM provides an efficient and effective connection for independent physicians and employers, eliminating legacy overhead and facility costs and using a bundled payment program delivering known costs upfront on each bill. Employers have access to quality health care at an affordable rate and physicians have access to patients and are compensated with competitive wages.

As the DMM model has grown, so too have the services available. In addition to the bundled payment program, employers can now select services and providers for on-site and near-site care and travel bundles to improve accessibility and affordability.

NOVO has created a shared solution that has enjoyed rapid growth. But it’s also an incomplete one. This is where disruption of the market will continue. As NOVO has worked to meet the promise of accessibility, affordability and quality, our thinking — and NOVO Health — has evolved into a health care ecosystem, with the DMM as one platform delivering solutions.

As an ecosystem, NOVO Health is building a community of like-minded partners interested in solving this problem. Those partners consume health care, but also offer services within the network and create value for one another. This community recognizes provider groups are also small business owners, and helping them control costs continues the cycle for keeping health care costs in check.

It’s a proven model that has enjoyed tremendous success. Apple’s iPhone is one example of this ecosystem, serving as both a platform and supporting a community of app developers and other strategic partners. Airbnb is a platform connecting travelers and spaces for rent but now also serves as a hub of related business and leisure travel services.

By sharing information, members of the NOVO community create future opportunities for solutions making health care costs as manageable and understandable as every other link in the supply chain. Future innovations include solutions in workers’ compensation, mental health, chronic disease management or pharmacy benefit plan design.

We don’t have the complete solution today, but by working together we can continue to innovate and get there.

Your investment today results in more robust solutions tomorrow. It’s time to stop propagating a failed model and choose a better way forward.
Taxes & Spending: Gov. Evers vs. Gov. Walker

By Cory Fish
WMC Director of Tax, Transportation and Legal Affairs

A lot has been said about Gov. Tony Evers’ proposed budget since it was introduced on February 28. In his budget address, Gov. Evers calls his budget “The People’s Budget” and said it would “create a Wisconsin that works for everyone.” His Republican legislative counterparts had different opinions. Senate Majority Leader Scott Fitzgerald said he was “very disappointed” and that “Gov. Evers campaigned on bringing people to the table, however, Republicans were not even consulted before he rolled [the budget] out.” Assembly Speaker Robin Vos said the budget “is out of touch with what Wisconsinites are focused on.” Clearly there is a bridge that needs to be gapped. In contrast to the 2017-19 budget, Evers’ 2017-19 budget also increased spending, however the budget cut taxes and relied on increased revenues due to economic growth to fuel the new spending. The 2017-19 budget got rid of two taxes, including the state property tax (also known as the forestry mill tax) and the alternative minimum tax, saving taxpayers almost $190 million over the course of the budget. Gov. Walker’s 2017-19 budget also took a bite out of Wisconsin’s personal property tax, exempting machinery, tools and patterns helping small businesses save $74 million (though taxpayers have saved an additional $41 million), but the Wisconsin Department of Revenue has refused to allow manufacturers to claim the exemption, though nothing in the statute prohibits them from doing so. This budget also made the Research and Development tax credit 10 percent refundable (which Gov. Evers’ budget builds on), saving taxpayers $9.6 million over the biennium. However, the 2017-19 budget included revenue enhancement mechanisms as well. The major mechanism was adding 34 auditors to the Department of Revenue, which were estimated to provide $56 million over the biennium. The budget also created a new hybrid-electric/electric vehicle fee that was expected to raise $8.4 million over the biennium (the Wisconsin Department of Revenue never implemented the fee and Gov. Evers is proposing to amend the fee to facilitate implementation).

Gov. Evers’ Proposed 2019-21 Budget

Gov. Walker’s 2017-19 Budget

**Total Spending**

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>$187.9 billion</td>
<td></td>
</tr>
<tr>
<td>$174.5 billion</td>
<td></td>
</tr>
</tbody>
</table>

Gov. Evers’ Proposed 2019-21 Budget

Gov. Walker’s 2017-19 Budget

**Net Spending Changes**

**Gov. Evers’ Proposed 2019-21 Budget**

Gov. Walker’s 2017-19 Budget

<table>
<thead>
<tr>
<th>Positions Created</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>701 New positions</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Positions Eliminated</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>27 Positions</td>
<td></td>
</tr>
</tbody>
</table>

Total Full-Time Equivalent Employees

Gov. Evers’ Proposed 2019-21 Budget

Gov. Walker’s 2017-19 Budget

| Revenue increases by $187.9 million in FY 19-20 and $174.5 million in FY 20-21. Pass-through entities, like LLCs, make up 90 percent of businesses in Wisconsin. The budget proposal also includes 24 new positions for Department of Revenue business auditors focusing on corporate and individual income taxes, which are projected to collect $36 million in additional taxes. In addition to the $1.6 billion in general fund revenue increases, the proposal also contains new tax cuts totaling $851 million. The lion’s share of the cuts come in the form of the Fair Tax Credit which is Gov. Evers version of a middle class tax cut. The cut targets individuals with incomes below $80,000 (the credit begins to phase out and is capped at $100,000) and married joint filers with incomes below $125,000 (the credit begins to phase out and is capped at $150,000) who will receive a nonrefundable credit equal to 10 percent of their remaining tax liability or $100, whichever is greater. The average individual filer will see a tax cut of $217. The credit will provide $833 million in tax relief over the biennium. Gov. Evers also proposed making the Research and Development tax credit 10 percent refundable (which Gov. Evers’ budget builds on), saving taxpayers $9.6 million over the biennium. However, the 2017-19 budget included revenue enhancement mechanisms as well. The major mechanism was adding 34 auditors to the Department of Revenue, which were estimated to provide $56 million over the biennium. The budget also created a new hybrid-electric/electric vehicle fee that was expected to raise $8.4 million over the biennium (the Wisconsin Department of Revenue never implemented the fee and Gov. Evers is proposing to amend the fee to facilitate implementation).
Gov. Evers’ budget proposal would increase the state’s portion of K-12 spending by almost $1.6 billion over the biennium, which more than doubles Gov. Walker’s 2017-19 increase of approximately $630 million. In addition, the proposal would eliminate the school levy and first dollar tax credits, which currently provide property tax relief. The revenue gained from the elimination of those credits would go directly into equalization aid. The consequence of those credits would go directly into state aid for low property value school districts and likely a property tax increase.

Transportation spending saw a similar increase corresponding to the growth in transportation-related revenues. The most significant transportation funding increases come in the form of increases to General Transportation Aids provided by the state to counties and municipalities. Gov. Evers would increase payments to both counties and municipalities by 10 percent over base, providing $66 million in funding for a total of $383 million to municipalities and $122 million to counties over the biennium.

Gov. Evers also increases the state highway rehabilitation program by $225.7 million over the biennium. However, the governor would cut funding elsewhere, including to major highway projects by just over $5 million and to “mega projects” by almost $204 million. The proposal would also restore state and local prevailing wages, which would affect the cost of transportation construction projects.

The governor’s proposed budget spends considerably more on healthcare than under Gov. Walker. The headline grabbing policy shift is that Gov. Evers’ budget accepts the federal Medicaid expansion, which the Evers’ Administration claims will save the state $325 million over the biennium. The proposal then uses the $325 million, and more, on a variety of healthcare-related funding including approximately $580 million to healthcare providers for Medicaid patients using the BadgerCare Plus program and a $365 million increase on Medicaid reimbursement payments to hospitals. While increasing funding for a series of Medicaid-related programming and payments, Gov. Evers also proposes repealing a series of reforms enacted by Gov. Walker including work requirements and health risk assessments for childless adults applying for Medicaid, as well as the elimination of nominal premiums.

Conclusion

While there are some areas of similarity between the two budgets, the differences are striking. In his first budget Gov. Evers proposes increasing spending by over $7 billion more than Gov. Walker’s final budget. Gov. Evers’ proposals hiring 701 employees more compared to Gov. Walker, who found efficiencies and eliminated vacancies. Gov. Evers proposes raising over $1.2 billion in new net taxes, raising even more taxes on employers, and allowing local governments to increase property taxes at the local level. Gov. Walker cut almost $300 million in taxes in his final budget. Gov. Evers also plans to spend more on K-12, transportation and healthcare, while rolling back reforms Walker made in these policy areas.

If you have questions, please contact WMC’s government relations team at 608.258.3400.

Transportation spending saw a similar increase corresponding to the growth in transportation-related revenues. The most significant transportation funding increases come in the form of increases to General Transportation Aids provided by the state to counties and municipalities. Gov. Evers would increase payments to both counties and municipalities by 10 percent over base, providing $66 million in funding for a total of $383 million to municipalities and $122 million to counties over the biennium.

Gov. Evers also increases the state highway rehabilitation program by $225.7 million over the biennium. However, the governor would cut funding elsewhere, including to major highway projects by just over $5 million and to “mega projects” by almost $204 million. The proposal would also restore state and local prevailing wages, which would affect the cost of transportation construction projects.

The governor’s proposed budget spends considerably more on healthcare than under Gov. Walker. The headline grabbing policy shift is that Gov. Evers’ budget accepts the federal Medicaid expansion, which the Evers’ Administration claims will save the state $325 million over the biennium. The proposal then uses the $325 million, and more, on a variety of healthcare-related funding including approximately $580 million to healthcare providers for Medicaid patients using the BadgerCare Plus program and a $365 million increase on Medicaid reimbursement payments to hospitals. While increasing funding for a series of Medicaid-related programming and payments, Gov. Evers also proposes repealing a series of reforms enacted by Gov. Walker including work requirements and health risk assessments for childless adults applying for Medicaid, as well as the elimination of nominal premiums.

Conclusion

While there are some areas of similarity between the two budgets, the differences are striking. In his first budget Gov. Evers proposes increasing spending by over $7 billion more than Gov. Walker’s final budget. Gov. Evers’ proposals hiring 701 employees more compared to Gov. Walker, who found efficiencies and eliminated vacancies. Gov. Evers proposes raising over $1.2 billion in new net taxes, raising even more taxes on employers, and allowing local governments to increase property taxes at the local level. Gov. Walker cut almost $300 million in taxes in his final budget. Gov. Evers also plans to spend more on K-12, transportation and healthcare, while rolling back reforms Walker made in these policy areas.

If you have questions, please contact WMC’s government relations team at 608.258.3400.

Transportation spending saw a similar increase corresponding to the growth in transportation-related revenues. The most significant transportation funding increases come in the form of increases to General Transportation Aids provided by the state to counties and municipalities. Gov. Evers would increase payments to both counties and municipalities by 10 percent over base, providing $66 million in funding for a total of $383 million to municipalities and $122 million to counties over the biennium.

Gov. Evers also increases the state highway rehabilitation program by $225.7 million over the biennium. However, the governor would cut funding elsewhere, including to major highway projects by just over $5 million and to “mega projects” by almost $204 million. The proposal would also restore state and local prevailing wages, which would affect the cost of transportation construction projects.

The governor’s proposed budget spends considerably more on healthcare than under Gov. Walker. The headline grabbing policy shift is that Gov. Evers’ budget accepts the federal Medicaid expansion, which the Evers’ Administration claims will save the state $325 million over the biennium. The proposal then uses the $325 million, and more, on a variety of healthcare-related funding including approximately $580 million to healthcare providers for Medicaid patients using the BadgerCare Plus program and a $365 million increase on Medicaid reimbursement payments to hospitals. While increasing funding for a series of Medicaid-related programming and payments, Gov. Evers also proposes repealing a series of reforms enacted by Gov. Walker including work requirements and health risk assessments for childless adults applying for Medicaid, as well as the elimination of nominal premiums.

Conclusion

While there are some areas of similarity between the two budgets, the differences are striking. In his first budget Gov. Evers proposes increasing spending by over $7 billion more than Gov. Walker’s final budget. Gov. Evers’ proposals hiring 701 employees more compared to Gov. Walker, who found efficiencies and eliminated vacancies. Gov. Evers proposes raising over $1.2 billion in new net taxes, raising even more taxes on employers, and allowing local governments to increase property taxes at the local level. Gov. Walker cut almost $300 million in taxes in his final budget. Gov. Evers also plans to spend more on K-12, transportation and healthcare, while rolling back reforms Walker made in these policy areas.

If you have questions, please contact WMC’s government relations team at 608.258.3400.
In Case You Missed It...

Check out the highlights from WMC’s programming in early 2019.


WMC and WCCE members outside the Eisenhower Building during the Washington, D.C. Fly-In.

Retired United States Army staff sergeant and recalibrated warrior Travis Mills delivering an inspirational presentation at Business Day.

Assembly Speaker Robin Vos speaking at the VIP Breakfast at Business Day. Speaker Vos spoke about the governor’s proposed budget and the priorities of his caucus during this legislative session.

WMC President & CEO Kurt Bauer moderating a panel discussion with (left to right) Department of Natural Resources Sec. Preston Cole, Department of Administration Sec. Joel Brennan and Department of Revenue Sec. Peter Barca.

Mercury Marine President John Pfeifer and others celebrating their Manufacturer of the Year Award in the Mega Category.

Wisant’s President & CEO Trisha Lemery delivering remarks after the company took home the Grand Award in the Medium Category.

FOX News Chief National Correspondent Ed Henry discussing the latest news and highlighting some entertaining stories from his time in Washington, D.C.
Small Business Spotlight

Company Profile

Company Name: Beyond Vision
Location: Milwaukee, WI
Founded: 1903
Website: www.beyondvision.com
CEO: Jim Kerlin
Number of Employees: 105

What is Beyond Vision?
Beyond Vision, a 501(c)3 social enterprise, was founded in 1903 with the mission of providing employment opportunities to people who are legally blind. Beyond Vision continues to enrich the lives of Americans who are blind through the dignity of work valued by customers and the community with services that include machining, customer care, assembly, packaging, 508 compliance assessment and business supplies. Currently, 51 percent of Beyond Vision’s employees are blind.

Please give us some background on Beyond Vision and your role in it.
Beyond Vision has created a fully inclusive work environment where people who are blind and sighted work side-by-side earning market competitive wages and benefits. This goes from the production floor all the way to senior leadership. Nothing like the sheltered workshops of the past.

As a business development professional, I take great pride not only in the services that I offer, but also in my opportunity to mentor my co-workers who are blind into becoming part of the sales process. This includes keeping a focus on our customers and making sure we are giving them the highest level of service. I offer solutions for customer needs every day.

What future goals do you have for Beyond Vision?
I am always looking to grow the machine shop opportunities so that we can employ more people who are blind in manufacturing. Right now, I want to continue expanding our customer base. Longer term, we are working on moving to a new facility and creating an Ability Center. A place where people with vision loss can access multiple services including eye care, education, training and employment.

Quick Facts:
- Our machine shop was started in 1958. It is one of only two machine shops run with employees who are blind in the United States.
- There is a 70 percent unemployment rate among people who are blind.
- Beyond Vision is a fully self-funded social enterprise that does not operate on any government funding.

Upcoming Small Business Committee Meetings:
Wednesday, May 15
Wednesday, October 9
Wednesday, December 11

For more information on WMC’s Small Business Committee, contact Brittany Rockwell at brockwell@wmc.org or 608.258.3400.
Pro-Growth Policies Can Address Workforce Needs

By Adam Jordahl
WMC Associate Director of Government Relations

Both tax time and the state budget season are upon us once again. While Wisconsinites have finished their tax returns, state legislators have been reviewing Gov. Tony Evers’ proposed budget for the next two fiscal years. With workforce supply and quality a perennial issue for Wisconsin businesses, now seems like a good time to reflect on a few of the ways that taxing and spending policies can impact the development of an appropriately sized and qualified talent pool.

State-funded talent attraction efforts

Over the past year, the Wisconsin Economic Development Corporation (WEDC) has engaged in a multi-pronged talent-recruiting campaign to convince workers to relocate to Wisconsin. The initiative has three main components focused on transitioning military service members, graduates of Wisconsin colleges and universities who have since moved out of state, and millennials living in Chicago and other nearby metro areas.

Working alongside the state Departments of Workforce Development and Veterans Affairs, the agency’s efforts have already generated 100 million paid media impressions and more than 370,000 website visits. Thousands of website visitors have signaled an interest in moving to Wisconsin and hundreds of military service members are working with state officials to learn more about Wisconsin and to identify job opportunities in the state. WEDC’s campaign has also earned national media attention, providing a free boost to the program’s reach.

In its funding request for the 2019-21 biennial budget, the agency asked for $5 million each year to continue these talent attraction efforts. In his executive budget, which proposes spending a total of $83.5 billion, Gov. Evers rejected WEDC’s request entirely. If the governor had included the request in his budget, the talent attraction funds would make up about .01 percent of the state’s spending over the next two years. Despite the initial successes of WEDC’s talent attraction efforts, the governor has proposed scrapping this important program after only one year in operation.

The effects of tax policies on migration rates

A number of recent studies have shown that, in the United States, state tax policies have a significant relationship to domestic migration rates – the patterns of citizens moving from one state to another. A study published last year by the Cato Institute, using the most recent data available, found that “of the 25 highest-tax states, 24 of them had net out-migration in 2016. Of the 25 lowest-tax states, 17 had net in-migration.”

For example, in the Midwest, South Dakota has enjoyed net in-migration for four of the last five years. With no income tax and one of the lowest tax burdens in the country, South Dakota has seen net in-migration from its high-tax neighbors of Minnesota, Iowa, and Nebraska, all of which experienced net out-migration for the last five years.

Similarly, the latest edition of the Rich States, Poor States economic competitiveness index suggests that states that embrace pro-growth policies tend to attract more citizens to move there. Florida, Arizona and Texas, all high performers on the competitiveness index, each gained more than 80,000 new residents from other states last year. Meanwhile New York, California and Illinois, all among the bottom five states for competitiveness, saw more than 110,000 residents apiece leave for another state. Seven out of the nine states with no personal income tax saw net domestic in-migration in the past year, whereas a majority of the states with the highest personal income tax rates saw net domestic out-migration.

So, it is perplexing that in the midst of a worker shortage, Gov. Evers would propose raising state taxes by an estimated $1.6 billion in his first budget – despite a last-minute campaign pledge to the contrary. Gov. Evers’ budget would raise taxes on everything from capital gains to energy, discouraging investments and increasing the cost of doing business in Wisconsin.

Although the governor has also proposed a middle-class income tax cut, his budget would pay for that cut by raising taxes on small manufacturers – a tax shift onto the sort of employers that create middle class jobs in the first place. This is in stark contrast to a tax cut plan passed by the legislature and vetoed by the governor that would have used the state’s budget surplus to pay for the cut.

Arguably worse than all that are the property tax policies in the governor’s budget proposal. According to polling cited by the Cato Institute, “The most disliked state and local tax has long been the property tax,” suggesting that these taxes have a significant impact on citizens’ choices to stay in or move away from the state they live in. Gov. Evers’ budget would enact automatic increases in the property tax levy, allowing local governments to raise property taxes by a minimum of two percent every year. The budget would also create additional exemptions to the levy limits and implement “dark stores” theory, making Wisconsin a national outlier in both the amount of property taxes we charge and the process we use to assess those taxes.

Conclusion

This column has highlighted just a few of the ways in which state budget policies can affect the development of Wisconsin’s workforce. To be sure, this column has only scratched the surface – Gov. Evers’ budget bill is a massive document running over 1,000 pages and filled with hundreds of policies and appropriations. Yet at a time when Wisconsin ranks among the bottom five states for the growth of its young adult population, policymakers should be doing everything they can to make our state a more appealing place for workers, both by promoting our state to potential new residents and by implementing tax policies that will make Wisconsin a more attractive place to live and do business.
Is Your Business Ready for Cyber Threats?

By Buckley Brinkman
Executive Director/CEO, Wisconsin Center for Manufacturing and Productivity

W hat if I told you there was a serious threat facing your business all day, every day? Would you be concerned? What if I told you that your company could become a victim of this threat? Would you listen?

Cybercrime is that threat – a major issue that will affect every organization in the country. Travis Hesselman, the editor of IndustryWeek calls it the plant safety issue of our generation. It affects everyone, yet we’re afraid to discuss it outside our own organizations. That allows the threat to spread rampantly and morph without significant intervention. It’s unfortunate because effective countermeasures are relatively straightforward.

It’s so pervasive a threat that the FBI Director said, “There are those who’ve been hacked in every industry and in every state. It’s so pervasive a threat that the FBI Director said, “There are two kinds of companies: those that have been hacked and those that will be hacked.” Now, you may not be one of those big companies in the quote, but most experts agree that every company will experience a breach. The statistics show that 60 percent of companies will experience a breach. There are those reactions come too late. In every case, reactive corrections cost more and require more effort than proactive approaches.

It makes no sense for companies to wait for trouble because effective action is very straightforward. If you are in the Department if Defense supply chain, comply with the NIST Cybersecurity Framework. It is a comprehensive approach to cybersecurity and will put your company in position for future improvements.

If you’re not required to comply with the NIST Framework, move anyway! Simple steps make you much stronger. Install a firewall. Use multifactor authentication. Retire your outdated software and perform all the updates on your newer software. Finally, help your employees do the right thing. Invest in some basic training and testing so that they can recognize phishing attacks and other threats to your operations. Our experts agree these four moves cover 80 to 90 percent of all threats.

Focus on Energy offers technical support to large energy users across the state through its Strategic Energy Management (SEM) offering. It has proven very helpful to those in energy-intensive industries, like metal sintering.

“With our continuous improvement culture and our experience with ISO 14001 and OHSAS 18001, we found that structuring the energy management into ISO 50001 provided a framework of understanding our significant energy uses. This continues to help us focus on energy improvements and stretch ourselves to save energy and the associated costs during multiple business and market changes.”

Focus on Energy also provides technical support to large energy users across the state through its Strategic Energy Management (SEM) offering. It has proven very helpful to those in energy-intensive industries, like metal sintering.

“We’ve noticed a better overall focus on energy in the plant due to increased awareness training and communication of our SEM efforts,” said John Rau, the Health, Safety and Environmental Manager for GKN Sinter Metals in Germantown. “With our continuous improvement culture and our experience with ISO 14001 and OHSAS 18001, we found that structuring the energy management into ISO 50001 provided a framework of understanding our significant energy uses. This continues to help us focus on energy improvements and stretch ourselves to save energy and the associated costs during multiple business and market changes.”

Employee involvement is key to significant energy savings in large companies, according to Rau. “Our employees are doing what they can to assist with energy management to reduce compressed air use, shutting down equipment to help reduce our energy impacts and looking for the most efficient options when purchasing new equipment.”

Daily continuous improvement can be significant. Focus on Energy responds to the amount of electric energy GKN Sinter Metals saved in 2018, with operational and other non-capital improvements, was about 10 times what the company saved with more traditional energy efficiency savings incentives from 2010-2015.

Rau credits his WE Energies Account Manager and his Energy Advisor from Focus on Energy for the technical support they provided and continue to offer.

“We’re working on a project now to slow down a furnace belt during its idle period,” said Richard Feustel, the Energy Advisor working with GKN, “which we believe will create energy savings of 123,000 kWh at a low cost to the company. With GKN’s diligence, energy efficiency improvements continue to be found and feasibly completed.”
The Power of Positivity

“A world of positivity starts by seeing the world with a positive vision”, is a quote that Gina Peter appreciates and it has served her well in times of change and uncertainty. Gina’s vision after college was to become a commercial banker in Wisconsin which at the time was not an option for a woman. Keeping a positive focus on her long term career vision she took her career to Chicago instead. This decision would eventually bring her back to Wisconsin and she would be recognized as the first female commercial banker in her home state!

Gina spent the majority of her career at that bank until it was acquired and then moved to Wells Fargo in 2011. She currently manages 300+ team members across multiple business lines for Wells Fargo, including small business and commercial banking, for Wisconsin, Minnesota, North and South Dakota. “Having faith and remaining positive can have major impacts on your attitude and how you interact with others” according to Gina. “It is amazing how much can be accomplished with a positive can do attitude, a smile on your face and confidence to tackle anything.”

Gina consistently challenges herself from her earlier days in triathlons and boxing to recently getting her motorcycle license, going skydiving and joining the Cross Fit nation. Gina serves on a number of nonprofit Boards including Wisconsin Manufacturers and Commerce, the Milwaukee Repertory Theater and the Puelicher School of Banking Education. Gina is a past President of the Zoological Society, the Milwaukee Public Library Foundation, TEMPO, the Visiting Nurse Association and the Milwaukee Athletic Club.

FOCUSONENERGY.COM/BUSINESS

Neenah, Inc. decreased their energy costs 4 percent by taking advantage of technical, financial and strategic energy management assistance from FOCUS ON ENERGY. The facility was recognized by the U.S. Department of Energy for instituting global best practices in conformance with the ISO 50001 standard for energy management systems.

Improving efficiency through effective energy management and employee engagement is helping our company stay competitive in a challenging business environment. - Chris Gethers, Operations Manager

- Chris Gethers, Operations Manager
Workforce Shortage Hits Portage, Too

By Marianne Hanson
Executive Director, Portage Area Chamber of Commerce

Portage serves as the county seat for Columbia County and has a population of just over 10,000 people. We are located about 30 minutes north of Madison, right along the Interstate 39/90/94 corridor. Even though some might categorize Portage as rural, we have very similar struggles to communities both big and small. One of the most vexing is trying to fill our workforce needs. Not only with the quality of workers, but quantity.

Almost every manufacturing facility in our business park has expanded in the past three years – some multiple times – in terms of both their physical facility and employment. We will soon see a new industry come into our business park. A vacated big box building is going to be occupied this spring. Our downtown is undergoing a renaissance with many business owners investing in upgrades to their facades.

We are seeing growth, but we do have our struggles like other communities, particularly in numbers of workers to fill open positions. Declining rural school enrollments, indeed, declining rural populations, have a direct effect on our potential pool of workers. Lack of public transportation outside our city caps worker quantity. We are also contending with the increase in drug use, especially opioids in our rural areas. Not to mention making sure we have people to cover our vital services such as fire, police and EMT’s.

When our businesses look to recruit, we need to ask ourselves not only how do we attract workers, but how are we going to retain them? Employers in rural areas need to be a little more creative. They need to provide not only great salary options, but other incentives in employment packages to attract and keep a quality workforce.

Can we compete with metropolitan areas for workforce? I think we can. In fact, we are even persuading workers to move to our rural communities. We dangle the offers of affordable housing, low crime, low taxes, good healthcare, safe schools and parks… and a commute that offers far less congestion.

Things are progressing in Portage. As we cut through these rural challenges, bright spots abound. Recently, two local dentists have had their adult children come back to Portage after graduation to invest in their family business. We are seeing younger people returning to the area to raise their family and start businesses in our community.

Talent attraction is tough and will continue to be tough, but as a rural community we need to stand out above the rest and face our challenges head on to ensure growth.

CHAMBER FACT

The connection between Green Bay and Prairie du Chien is Wisconsin’s third oldest settlement, Portage. For centuries, traders and settlers traveling between the two waterways had to ‘portage’ (meaning: to carry) their canoes and supplies to move goods along the two waterways.

Do You Know a High School Student Interested in Business?

For four days and three nights, high school students are immersed in the world of business on a college campus! They will learn everything from building a company and product from the ground up, to the inner workings of Wisconsin’s economy. Encourage employees to sign up their high school students for this exciting opportunity!

Visit wibusinessworld.org for more information or to register a student for the summer program.

Want to sponsor? Contact Wade Goodsell at wgoodsell@wmc.org or 608.258.3400.
2019-20 EVENTS

WMC EVENTS

WMC Policy Day
August 13 • Monona Terrace, Madison

Worker’s Compensation Law Symposium
Fall • Details Coming Soon!

Wisconsin Safety Council Safety Forum
Fall • Details Coming Soon!

Statesmanship Reception
December 11 • The Madison Club, Madison

32nd Annual Manufacturer of the Year Awards
February 20, 2020 • The Pfister Hotel, Milwaukee

Business Day in Madison Reception
February 25, 2020 • The Madison Club, Madison

Business Day in Madison
February 26, 2020 • Monona Terrace, Madison

Wisconsin Safety Council Annual Conference
April 19-22, 2020 • Kalahari Resort, Wisconsin Dells

WMC FOUNDATION EVENTS

Business World 2019 Summer Programs
June 16-19 • St. Norbert College, De Pere
June 23-26 • UW-Madison, Madison
July 14-17 • UW-Stevens Point, Stevens Point

Foundation Golf Outing
July 31 • Trappers Turn, Wisconsin Dells

State of Wisconsin Business and Industry Luncheon
October • Milwaukee, WI • Details Coming Soon!

Future Wisconsin Summit
December 12 • Monona, Madison

Focus on Manufacturing Breakfast
February 21, 2020 • The Pfister Hotel, Milwaukee

WWW.WMC.ORG

501 East Washington Avenue, Madison, WI  53703  |  608.258.3400  |  www.wmc.org  |       WisconsinMC  |       WMC501  |      @WisconsinMC