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Contacts: Jessica Erickson, Governor's Office, 608-261-2156

## **Governor Announces 'Grow Wisconsin' Initiative to Create Jobs and Raise Incomes**

Governor Jim Doyle today announced his "Grow Wisconsin" initiative, which he called "a comprehensive agenda of action to get Wisconsin's economy moving again, producing the kind of good paying jobs that permit people to support their families, buy a home, and enjoy the great life Wisconsin has to offer."

"Since January 2001, our national economy has lost more than 2.7 million jobs, including tens of thousands here in Wisconsin," Governor Doyle said. "Economists say we are technically in recovery, but that technicality means very little to a laid off single parent, or a recent college graduate who can't find work in their field, or a factory worker whose job just moved to China. Wherever I go – in communities large and small – people tell me the same thing: Wisconsin needs more jobs at better wages."

"This ambitious plan will vastly improve job training, promote high-tech industries, invest in and upgrade manufacturing, implement important regulatory reforms, improve our vital infrastructure, and unleash over \$1 billion in public and private investment," the Governor said.

"The heart of our strategy is to capitalize on Wisconsin's strengths – excellent schools, universities, and technical colleges, a high quality of life, natural beauty, a legacy of innovation, a commitment to quality, and – above all – a hardworking, highly educated labor force that is second to none," Governor Doyle said.

The Governor made the announcements in visits to Third Wave Technologies in Madison, the Milwaukee School of Engineering, and Pierce Manufacturing in Appleton.

The Governor outlined the following goals for his "Grow Wisconsin" initiative:

- **Retain and Create High Wage Jobs**

Despite Wisconsin's highly educated and skilled workforce, the state has fallen behind the national average in wages. Governor Doyle has set a goal that Wisconsin will exceed the national average by the end of the decade.

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- **Prepare Workers for Tomorrow's Economy**

Wisconsin's people are our best and most important asset. The Governor's plan will target well over \$50 million to build our workforce's skills to help families move up the economic ladder.

- **Create and Unleash Knowledge to Build Emerging Industry**

Wisconsin is producing incredible knowledge and intellectual property in our universities, laboratories, and companies. Some of the fastest growing, highest paying, emerging industries depend on converting these discoveries into successful businesses and new products.

- **Add Value in Wisconsin's Economic Base**

Wisconsin's economic base – including manufacturing, agriculture, and tourism – needs to be augmented, not abandoned. Governor Doyle's high-end strategy aims to help increase productivity, export more, increase skills, and employ technology to expand on our traditional economic base.

- **Tap Wisconsin's Full Urban Potential**

States need at least one vibrant urban economic and cultural center to support a high growth, high wage economy. Governor Doyle's strategy will help tap the full potential of the Milwaukee area to ensure that finance, culture, entertainment, and urban amenities are fully developed in Wisconsin and benefiting the entire state.

- **Implement Strategies Regionally**

Wisconsin is a diverse state with differing economic needs and dominant industries across the state. The Governor is committed to working with regional groups and officials to tailor implementation across the state.

- **Lower Regulatory Burdens, Keep Standards High**

Wisconsin's beautiful natural environment is a major economic asset and must be vigorously protected. The Governor's high end approach to regulatory reform calls for keeping standards high, but lowering regulatory burdens and hassle.

- **World Class Infrastructure**

The Governor is working to secure the energy, transportation, and communication infrastructure Wisconsin needs to be fully engaged in the national and world economy.

To achieve these goals, the "Grow Wisconsin" initiative calls for a series of executive actions, private sector partnerships and legislative steps. The steps outlined in the plan are bipartisan – drawing on ideas offered by Democrats and Republicans – and also reflect comments received at 12 economic growth roundtables held across the state, as well as the advice of his Economic Growth Council.

The Governor stressed that his plan would be ambitious, yet affordable. "In developing a strategy to Grow Wisconsin, we also must recognize the ongoing need to be fiscally responsible. We cannot afford a return to the days of staggering deficits, which would quickly undermine our every effort to create jobs," Doyle said. "That means we need to be innovative without breaking the bank. We must be focused and use resources efficiently."

"The fact is, we already have a wealth of state and federal programs devoted to economic development, but what has been missing is focus and strategic vision," the Governor said. "My plan takes a comprehensive look at our existing resources, and makes strategic decisions on how to deploy them as efficiently and effectively as possible."

**Highlights of the "Grow Wisconsin" Initiative:**

**1) Raising Wages at all Levels**

To meet Governor Doyle's goal of raising Wisconsin's incomes to above the national average by the end of the decade, the plan focuses on increasing wages at all levels, including targeting job training dollars on high-paying industries, helping workers move to higher paying jobs, and raising the minimum wage.

**2) Strengthening Manufacturing**

Since manufacturing accounts for approximately 25 percent of Wisconsin's economy, the Governor will create a new Manufacturing Competitiveness Program. The Governor proposes \$10 million to the Department of Commerce – leveraged with other private funding and existing resources from the UW System, the Wisconsin Technical College System, the Milwaukee School of Engineering, and the Manufacturing Extension Partnerships – to provide grants to 50 manufacturers to improve their productivity through training, consulting, and application of technology. The Governor will also convene a Manufacturing Summit later this year.

**3) Greater Investment in Job Training and Targeting of Existing Training Resources**

The Governor will introduce legislation to create a \$10 million training fund to offer free training to companies that create significant numbers of new, high paying jobs in Wisconsin. However, because we must act now to compete for manufacturing jobs, the Department of Workforce Development will also target \$1.5 million to upgrade the skills of employees in the manufacturing sector. These funds will be matched with Customized Labor Training grants from the Department of Commerce to cover 100 percent of the total training costs up to \$5,000 per employee.

Additionally, Governor Doyle will take steps to target federal job training dollars on areas where they will have the greatest impact, including high wage industries and those that have urgent needs, including construction, manufacturing and information technology.

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#### **4) Create a \$300 Million Fund to Invest in Venture Capital**

Governor Doyle proposes to leverage a minimum of \$300 million over the next decade to invest in seed and early-stage companies. This will address the most significant gap in Wisconsin's venture capital market and transform Wisconsin's enormous intellectual assets into fast-growing companies that create high-paying jobs.

To accomplish this, the Governor proposes creating a new state authority to invest in capital funds managed by experienced investment professionals that focus on early-stage companies in Wisconsin. The authority will be funded annually over the next 10 years with \$10 million from the state, \$10 million from the Patients Compensation Fund (PCF), and a request to the State of Wisconsin Investment Board (SWIB) for \$10 million. The PCF and SWIB investments will be made with the intent of providing market returns for their respective beneficiaries.

The authority will have the ability to structure its investments in a manner which best leverages additional private sector capital from investors, expands the number of young companies that will become the next Third Wave, FiServ, or Johnson Controls, and encourages the development of research and ideas that will lead to high paying jobs in growing industries.

#### **5) Accelerate Deployment of Tax Credits**

Enhancing Technology Zone Tax Credits: The Governor is supporting legislative changes that will increase investment in technology businesses by over \$38 million. These legislative changes will enhance Wisconsin's Technology Zone Tax Credits. Currently, flaws in the program prevent companies without income tax liabilities from receiving the full benefit of the tax credit. In addition, the tax credits are useless to companies that are not yet profitable. Because many technology start-ups do not generate profits for many years, this represents a serious flaw in the design of the program. Passage of the substitute bills for Assembly Bill 299 and Senate Bill 174 with the amendments recommended by the legislative authors, Department of Revenue and Department of Commerce will help make the tax credits more useful to the targeted technology companies. In addition, the Governor proposes making these tax credits refundable to help start-up companies that do not yet have profits.

Reforming Community and Enterprise Development Zone Credits: The Governor will propose legislation to enable deployment of \$60 million of existing tax credits. The proposal will eliminate the caps on the number of Enterprise Development Zone and Community Development Zone tax credits. The Department of Commerce is currently approaching the limit in number of zones, even though there are sufficient resources for many more projects.

#### **6) Launching a New Program to Commercialize Research**

The federal government awards a variety of grants, such as the Small Business Innovation Research grant (SBIR), that help researchers develop their ideas and turn them into companies. To fully utilize resources like the University of Wisconsin, we need to capture more of these awards. Wisconsin currently receives \$30-\$50 million less than our peer states. The Governor will propose a new \$5 million initiative to provide technical assistance, matching grants and bridge grants that will help researchers win this federal funding and turn scientific discoveries into jobs.

## **7) Implementing Comprehensive Regulatory Reform While Protecting Standards**

Governor Doyle has directed each state agency with regulatory functions to identify specific steps they will take or are taking to lower regulatory burdens on Wisconsin businesses and individuals, without reducing standards.

When Governor Doyle took office, he inherited a large backlog of air operating permits at the DNR, some of which have been awaiting action for several years. The Governor is directing the DNR to eliminate the backlog and to establish a target to approve or deny permits within 180 days of their submission.

In addition, the Grow Wisconsin plan outlines a series of other specific steps the Governor is directing DNR and other agencies to take to streamline the regulatory process without lowering standards, including improving the New Source Review Air Permit Process at DNR.

The Governor is also calling for bipartisan cooperation to create legislation rewarding companies with strong environmental compliance track records.

## **8) Promote Broadband Deployment**

Governor Doyle is issuing a challenge to his Administration, the Legislature, the private sector and local governments to provide universal access to competitively priced broadband for every business and home in Wisconsin in five years. In the Fall of 2003, Governor Doyle will convene a meeting of every provider of advanced telecommunications services in Wisconsin to chart the course our state will follow to achieve this goal. The Governor is also directing the Public Service Commission to conduct the first ever statewide, comprehensive review of advanced telecommunications services in Wisconsin to provide the foundation for this effort.

## **9) Accelerate Expenditure of \$200 Million in Capital from the State of Wisconsin Investment Board and Cobalt Funds**

Wisconsin's economy needs a boost from injections of capital that could be used today to create companies, advance research, and stimulate the economy. The Governor is calling for accelerated deployment of available capital and resources. Specifically, the Governor is calling on the venture capital funds that received money from the State of Wisconsin Investment Board (SWIB) to begin making investments as soon as possible. In addition, the Governor is calling for the foundation that received millions from the sale of Cobalt to deploy at least \$100 million for biomedical and life science research. These and other sources can make over \$200 million available to help jump-start our economy.

**NOTE:** Full text of the Governor's "Grow Wisconsin" initiative can be accessed online at <http://www.wisgov.state.wi.us>.