



JIM DOYLE
GOVERNOR
STATE OF WISCONSIN

September 10, 2003

My Fellow Wisconsin Citizens:

We face significant economic challenges in Wisconsin. Since January 2001, our national economy has lost more than 2.7 million jobs, including tens of thousands here in Wisconsin. Health care costs are spiraling upward. Our traditionally robust manufacturing sector is under incredible cost pressure and intense international competition. And too many of our young, talented workers are finding better job opportunities outside Wisconsin.

Since the day I took office, I have made growing our economy a top priority for my administration. The most important step required to turn our economy around was to eliminate our \$3.2 billion budget deficit without a tax increase – and my budget accomplished that. With bipartisan support, I signed the single sales factor bill to keep Wisconsin competitive and to end the tax increase on companies that create jobs. I signed important legislation to encourage utility siting and cogeneration, and brokered an agreement that will vastly improve our approval process for transmission lines and help avoid the blackouts that have damaged other states' economies. But we must do more.

This "Grow Wisconsin" plan lays out my vision and strategy to create good paying jobs and a "high end" economy. What does the "high end" mean? It means a great business climate where government is careful with your money. It means keeping standards high to protect our quality of life, but making it easier to do business. It means a high wage economy, one where our companies can be the most productive in the world. It means investing in education, training and sound infrastructure. The high end means whatever the business or industry, Wisconsin strives to produce the highest quality products made by a highly trained workforce. It is not about creating jobs; it is about creating good jobs that support families. This plan is a multi-faceted strategy to make more effective use of existing resources to create good paying jobs and to leverage additional private and federal investment in Wisconsin. In total, this plan represents a strategy to put over \$1 billion to work to grow our economy, not counting the billions that we invest in schools and roads.

The strategy focuses on four areas:

- Fostering a competitive business climate, to create fertile conditions for growth.
- Investing in people, to help families climb the economic ladder.
- Investing in Wisconsin businesses, to encourage job creation.
- Making government responsive, to reform regulations and unleash the economic power of our companies without sacrificing our shared values.

This plan reflects the input received at 12 economic growth roundtables held across the state last spring. It is bipartisan, incorporating ideas offered by both Democrats and Republicans. It is not all-inclusive, but, rather, is a starting point. I look forward to working with businesspeople, community groups, labor unions, elected officials, education leaders and others to continue to expand our efforts.

Our challenges may be great, but so is our ability to meet them. It's a matter of capitalizing 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.

Working together, I believe we can fulfill Wisconsin's promise. And I know our best days are still ahead.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Doyle". The signature is fluid and cursive, with the first name "Jim" and last name "Doyle" clearly distinguishable.

Jim Doyle
Governor

Grow Wisconsin

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EXECUTIVE SUMMARY

Grow Wisconsin represents Governor Doyle's vision for creating more good-paying jobs. He wants to raise incomes in Wisconsin and create new opportunities for our workers and businesses. This document lays out the challenges we face and the Governor's plan to meet them.

Wisconsin faces significant economic challenges. Our wages have lagged behind other states, the national trend of manufacturing job loss has severely impacted us, and investments in high-growth, high-octane companies have been slow to be realized. But these challenges are no match for our ability to meet them.

Wisconsin is an extraordinary state. We are blessed with natural beauty and wildlife, safe communities, the nation's best education system, hardworking people, and a tradition of innovation. Working together, we can create a high end economy that creates better paying jobs and increases growth. We can take advantage of the Milwaukee region to tap its full potential as a national economic, financial, and cultural center. Our manufacturing sector can improve its productivity and remain the envy of the country. Wisconsin can modernize our dairy industry and create new value in our agricultural economy. We can reform regulations to make it easier to do business while keeping standards high to protect Wisconsin's beauty. Hunting, camping, and fishing will continue to flourish in Wisconsin even as new companies spring up encouraged by our investments in world class infrastructure. The researchers at our universities will churn out the best new ideas, get funding to grow new companies, and keep our talented children and grandchildren here in Wisconsin. The high end future will be Wisconsin's future if we work together and focus on creating good paying jobs.

STRATEGIC GOALS

Governor Doyle has set eight strategic goals to grow Wisconsin's economy:

Retain and Create High Wage Jobs

Governor Doyle rejects the idea that, with a great workforce, the best educational and research institutions, and businesses that lead the nation, Wisconsin's incomes should trail the national average. The decline in relative wages has occurred over many years, and will be challenging to turn around, but a key goal of the Doyle economic plan is that by the end of the decade, Wisconsin will be above, the national average in income. For too long, state government has focused on creating jobs without a strategy to raise incomes. One of the central priorities of the Doyle plan is to focus state economic efforts on creating and expanding job opportunities that will increase earning power for average Wisconsin families.

Prepare Workers for Tomorrow's Economy

Wisconsin's people are the best advantage we have today and the most important advantage in Wisconsin's future. The Governor's plan will target over \$50 million to build our workers' skills so they can advance up the career ladder as our economy prospers and grows.

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Add Value in Wisconsin's Economic Base

Wisconsin's economic base, including manufacturing, agriculture, and tourism, needs to be strengthened, not abandoned. Governor Doyle's high end strategy is designed to help increase productivity, export more, add value, increase skills, and employ technology to maximize the value of our current economic base.

Create and Unleash Knowledge to Build Emerging Industries

Wisconsin is producing incredible knowledge and intellectual property in our universities, laboratories, and companies. Some of the fastest growing, highest paying, and emerging industries depend on commercializing this knowledge.

Tap Wisconsin's Full Urban Potential

States need at least one dense, vibrant urban economic and cultural center to attract the full range of people, industries, and opportunities that characterize 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 and benefit 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 strategies across the state.

Lower Regulatory Burdens, Keep Standards High

Wisconsin can gain a dual economic advantage by having a business friendly regulatory climate and being a good steward of our environment. The Governor's high end approach to regulatory reform calls for keeping standards high, but lowering regulatory burdens and hassles.

Build a World Class Infrastructure

Wisconsin's manufacturing and agricultural economy flourished in part, because we invested in an extensive road network decades ago to move products to market. The Governor is working to secure the energy, transportation, and communication infrastructure Wisconsin needs to be fully engaged in the national and world economy.

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SUMMARY OF GROW WISCONSIN INITIATIVES

Since Governor Doyle took office, he has made economic growth and job creation the top priority of his administration. The Governor recognized that tackling the state's \$3.2 billion budget deficit was the first opportunity to begin implementing his vision for economic growth. While more than half the states raised, or tried to raise, taxes, Wisconsin cut spending, downsized government and balanced the budget without raising taxes. Preventing tax hikes sent a powerful signal that Wisconsin is a great place for business and workers. The Governor also protected Wisconsin's priorities and the assets that we need to grow the economy. The budget increased spending on schools to preserve their quality and keep property taxes down, protected Wisconsin's investment in our technical colleges, and invested in vital transportation infrastructure.

The initiatives outlined in *Grow Wisconsin* are the first steps the Doyle administration has taken and the next steps that Wisconsin must take to succeed. The central goal is to raise Wisconsin's incomes to a level above the national average by the end of the decade. Economic growth is a continual process and will remain a priority throughout Governor Doyle's tenure. This plan represents a multi-faceted strategy to use resources strategically and leverage additional investment to put more than \$1 billion to work to grow Wisconsin including more than \$500 million in investments, more than \$400 million in capital deployment, and more than \$150 million in tax cuts and credits.

Grow Wisconsin focuses on four key areas:

- 1) Create a Competitive Business Climate
- 2) Invest in People
- 3) Invest in Wisconsin Businesses
- 4) Reform Regulations and Make Government Responsive

Create a Competitive Business Climate

Government cannot create companies, but it can create fertile conditions for growth by building a strong business climate and transportation, communication, and energy infrastructure. A strong business climate includes a responsible government that spends money wisely and does not raise taxes. A strong transportation system – including roads, rail, air, and water – is crucial. The energy crisis on the West Coast and the outage on the East Coast are dramatic demonstrations of the need for reliable energy at reasonable costs. A competitive business climate means opening Wisconsin for global business and capitalizing on our urban areas.

The Governor's plan commits to creating a competitive business climate to nurture growth in Wisconsin. Some key initiatives include:

- Eliminate the \$3.2 billion budget deficit without a tax increase
- Adopt the Single Factor Sales Tax
- Increase investment in roads, rail, and air
- Streamline and offer incentives to help site energy plants and transmission lines
- Promote the deployment of broadband infrastructure
- Create an Urban Venture Capital Fund

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- Redevelop the Menomonee Valley
- Secure sufficient low cost, environmentally sound, reliable energy
- Protect and plan for future demand on our water resources
- Create the Economic Growth Council

Invest in People

The Governor has made investing in people a priority because increasing the skills, knowledge, and abilities of Wisconsin's citizens is our best economic development tool. Wisconsin has a strong system of education, a foundation on which we can build. Talented workers are in demand and having an abundant supply is a major competitive economic advantage. Wisconsin ranks high on the education of our manufacturing workforce in particular, a tribute to our public schools and technical colleges. And we are blessed with some of the finest public and private universities in the country. We must protect these investments and fuel our economy by nurturing new generations of leaders, workers, scientists and entrepreneurs.

The Governor's plan invests in the skills of all of our people – from basic to advanced, general to specific – in order to increase productivity, wages, and opportunities. Some key initiatives will:

- Target over \$50 million to train workers in urgently needed skills, strategic growth areas, and skill upgrades to enable workers to climb the career ladder
- Compete for higher wage jobs by expanding job training programs for companies that create jobs
- Fund the Youth Apprenticeship Program
- Improve K-12 education with investments, early education, and small class sizes
- Raise the minimum wage

Invest in Wisconsin Businesses

In this challenging national economy, it is critical that Wisconsin help our existing businesses compete and prosper and invest in creating new businesses. Investment capital is a key ingredient that allows ideas to be transformed into business. Wisconsin currently ranks in the bottom half of states for venture capital investments and is particularly weak in seed capital. In the height of the technology boom, Minnesota received over six times as much venture capital as Wisconsin, despite our similar size. Because venture capitalists seek high returns by investing in entrepreneurial growth companies, capturing our fair share of venture-backed companies is critical to boosting the state's overall growth rate.

The Governor is proposing a plan to invest in Wisconsin businesses by making more capital available and helping Wisconsin companies grow and prosper. Key initiatives include:

- Deploy \$300 million to Seed and Venture Capital funds through a new authority
- Capture \$200 million through New Markets Tax Credits
- Accelerate the deployment of \$200 million of available funds
- Create a \$10 million new program to help manufacturers improve their productivity and competitiveness
- Create a \$5 million program to win federal grants to commercialize research

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- Modify tax credits programs to deploy nearly \$100 million
- Create a program to modernize the dairy industry
- Convene a Manufacturing Summit
- Champion technology research and transfer
- Launch three new initiatives to tap the growth potential of entrepreneurs

Reform Regulations and Make Government Responsive

One of the most important things a government can do for the economy is create a good climate for businesses and workers. That means a government that is responsive to businesses and residents. It means lowering regulatory barriers to business growth. But it also means keeping sensible protections in place to protect our environment and keep our high quality of life. As Governor Doyle travels the state, he hears continually about the need to reform regulations and make government more responsive to businesses and workers. His plan includes sensible reforms designed to lower the burden of regulations without sacrificing our standards or jeopardizing our health or safety. Some key elements include:

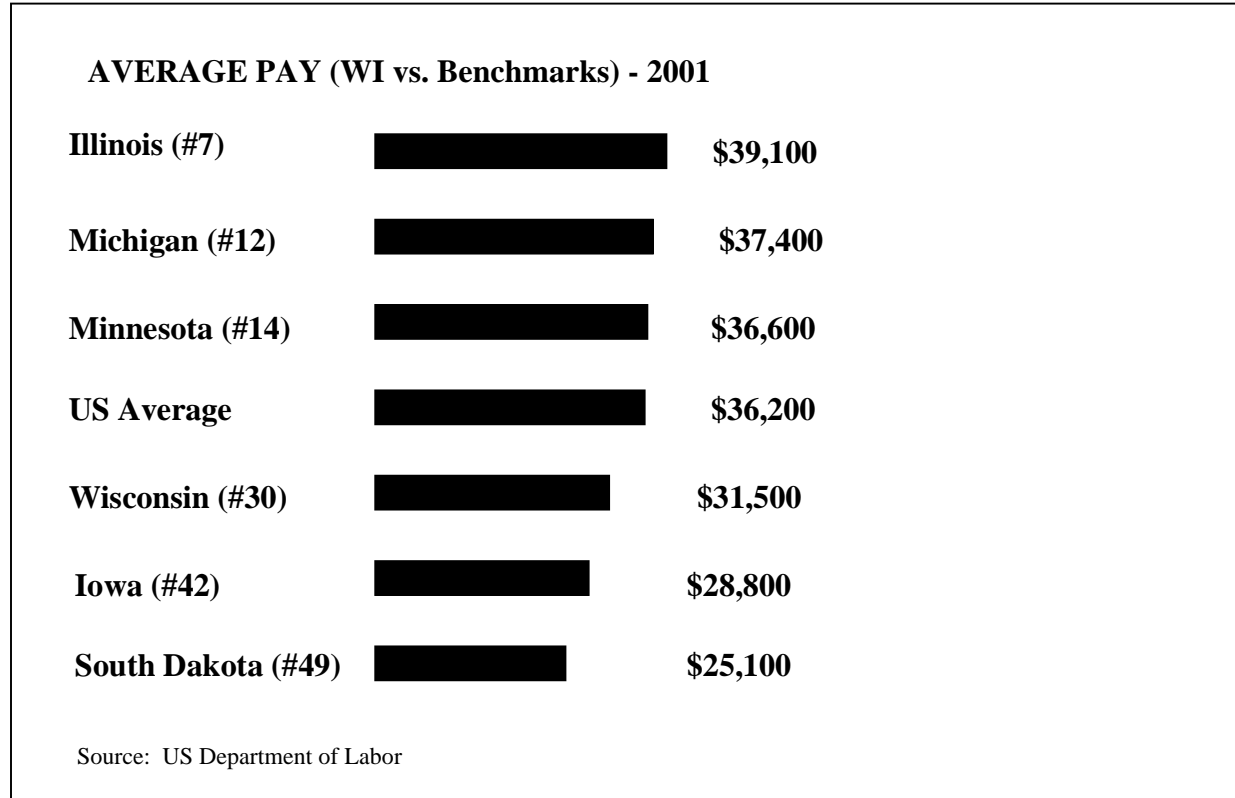
- Eliminate the backlog and expedite the processing of Title V Air Operating Permits
- Enact legislation that rewards companies with good environmental records
- Dramatically simplifying permits for “new source review”
- Using the internet to lower the regulatory burden across government

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WISCONSIN'S ECONOMIC CHALLENGES

Lower Pay in Wisconsin

Wisconsin lags behind the national average in average pay, or wages, and in per capita income. By contrast, neighboring states such as Illinois and Minnesota are above the national average. Raising Wisconsin's wages would result in a significant windfall for Wisconsin's families and our economy.



Regulatory Obstacles to Creating Jobs

One continual refrain heard is the need to streamline state regulations to make it easier to do business in Wisconsin. In meetings with businesses and citizens, at his Economic Growth Roundtables, and at meetings of his Economic Growth Council, the Governor has heard from many groups about the need to improve permitting and regulatory processes. Most people have not called for measures that would lower standards or jeopardize our pristine resources. Rather, advocates – including the Governor – have called for speeding up, streamlining, and simplifying permitting processes. The Governor's high end vision for regulatory reform is to keep standards high, but reduce the financial burden and length of time taken by the regulatory process.

Low Angel, Seed and Venture Capital Investment

Wisconsin, like some other Midwestern states, receives a disproportionately low share of angel, seed, and venture capital investments. These investments are important because they fund companies with aggressive growth plans. Those companies that achieve rapid growth end up creating most of the new jobs in the United States. By missing out on investment capital and the entrepreneurial energy it fuels, Wisconsin has not maximized our long-term growth potential.

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The following chart shows some of the implications of the capital shortage. Wisconsin is an innovative state with many research-intensive companies and institutions. In fact, the UW-Madison is the third largest research university in the nation as measured by research expenditures. This chart shows patents issued to Wisconsin residents (a proxy for innovation), the amount of venture capital Wisconsin firms received, and the number of new firms. While Wisconsin is relatively strong in innovation (as measured by patents), we do not have a corresponding level of investment in growth firms or the frequency of new firms. Colorado, for example, with one million fewer people than Wisconsin, created slightly fewer patents in 2001, but generated nearly nine times the amount of venture capital investment. Minnesota, which had only 30% more patents received five times the amount of venture capital, which helped fuel 22% more start-ups per capita than Wisconsin.

	Patents Issued (2001)	Venture Capital Investments (2002)	Startups / 1000 people (2002)
Colorado	2,108	\$ 547,276,000	5.6
Connecticut	2,071	\$ 218,610,700	2.5
Maryland	1,636	\$ 624,753,200	3.8
North Carolina	2,265	\$ 547,287,400	2.8
Illinois	4,266	\$ 229,006,900	2.2
Indiana	1,593	\$ 52,104,000	2.2
Iowa	815	\$ 2,000,000	1.9
Michigan	4,236	\$ 72,994,000	2.3
Minnesota	2,926	\$ 326,089,000	2.7
Wisconsin	2,249	\$ 64,491,200	2.2

Sources: USPTO, Pricewaterhouse Coopers MoneyTree Survey, SBA

Rising Health Care Costs

Health care costs are rising dramatically, often at double-digit growth rates. While not unique to Wisconsin, spiraling costs are especially burdensome for small businesses, farms and sectors such as manufacturing that are under intense price pressure. If any state is able to control health care costs, they will reap a significant economic development advantage by increasing the competitive position of their firms and becoming a relatively more attractive place to do business. It should be noted that a growing health care industry is also an economic benefit as many high paying jobs are created by the health care industry. If Wisconsin can “export” health care services by attracting patients from outside the state for treatment or to wellness centers, we will help control costs and create jobs.

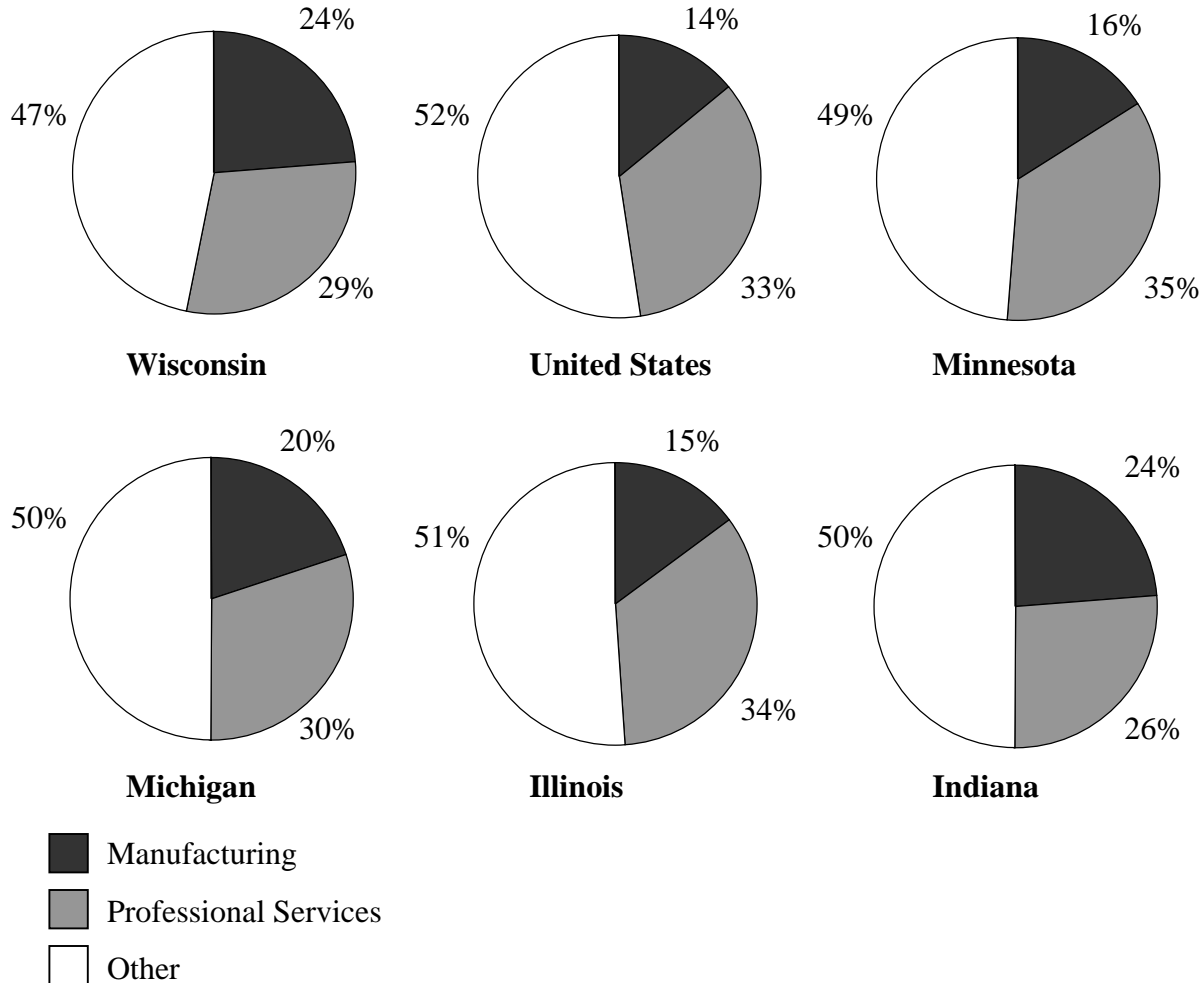
Manufacturing Under Intense Pressure and Competition

Wisconsin has an especially strong manufacturing base which provides many high-paying jobs. Currently, this sector is under intense pressure including unfavorable currency exchange rates (particularly with the Chinese Yuan), price pressure from customers, improving but sluggish orders, as well as rising costs. The pressure that is affecting manufacturing nationally is hitting Wisconsin disproportionately hard because of our relatively large manufacturing sector. Wisconsin has lost 54,000 manufacturing jobs in just the last two years. The following pie charts

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show the size of Wisconsin's manufacturing sector relative to the United States and other Midwestern states.

EMPLOYMENT BY SECTOR - 2000



Source: US Census Bureau

Smaller Foothold in High Growth, High Wage Industries

The flip side of having a strong manufacturing base is that Wisconsin has smaller concentrations in other industries, which would help to shelter our economy against recessions and diversify our job base. Professional services, for example, which include education services, health care, management, finance and insurance, are growing faster nationally than other sectors and contributing more growth and high wage job creation in states like Minnesota and Illinois.

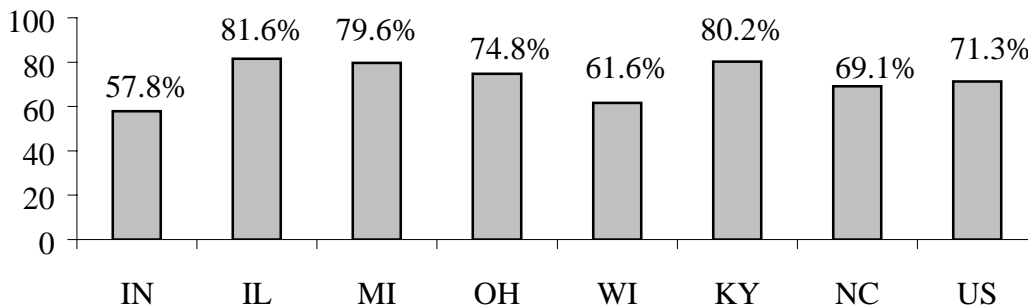
Young People Looking Outside the State for Career and Living Choices

In Wisconsin, only 24.7% of adults over 25 years old in Wisconsin have a college degree compared to 26.7% of the United States population. We have great universities and colleges that attract and educate students from around the world. Most observers believe that the central

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reason Wisconsin does not have more college graduates living here is that Wisconsin does not attract many graduates from outside the state and loses most of the out-of-state students. Over the last ten years, Wisconsin has educated more than 70,000 college graduates who have chosen to leave the state. To some extent, this reflects the high quality of our colleges and universities that are attractive to out of state students. But it also shows that young people look outside of Wisconsin for work opportunities. The below average education level of Wisconsin workers results in lower wages and fewer job opportunities.

The following chart shows the retention rates of college graduates. A study conducted by the Indiana Fiscal Policy Institute measured the percentage of students who remain in the state following their graduation.



Source: Indiana Fiscal Policy Institute.

Adequacy and Cost of Energy Under Question

The recent power outages in the Northeast and in Great Britain and the continuing challenges on the West Coast demonstrate the vital importance of reliable, low cost energy to a healthy economy. Because of Wisconsin's strong manufacturing base, energy reliability is particularly important here. As other states are also under increasing demand for energy, Wisconsin needs to plan carefully to ensure that our energy generation and transmission capabilities are sufficient to provide reliable power at reasonable costs and with adequate environmental protections to Wisconsin's growing economy.

Aging Population and Potential Labor Shortage

According to demographic projections prepared by the state Department of Administration, Wisconsin will be faced with a significant labor shortage in ten to fifteen years. The shortage will be driven by the number of people turning sixty-five, fueled by the aging of the "Baby Boomer" generation. The number of workers entering the labor force or migrating into Wisconsin is projected to be insufficient to replace workers who are retiring.

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Initiatives to Grow Wisconsin

Governor Jim Doyle's administration is dedicated to building stronger, safer communities and extending opportunities and prosperity to all of Wisconsin's people and industries. Improving our economy and creating more well paying jobs is the path toward achieving both of these goals. That is why Governor Doyle has made economic growth and job creation a top priority.

This section summarizes the policy goals the Governor is pursuing to grow our economy and lists the first wave of initiatives the Governor has completed or is pursuing. Broadly, these initiatives fall into four categories:

- Create a Competitive Business Climate
- Invest in People
- Invest in Wisconsin Businesses
- Reform Regulations and Make Government Responsive

These initiatives represent actions completed, underway, and planned, as well as new initiatives the Governor is proposing in *Grow Wisconsin*. Some of the initiatives require legislation or new appropriations while others can be advanced by his administration.

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Create a Competitive Business Climate

The most important thing that government can do to promote economic growth is to create fertile conditions for private-sector activity. Creating fertile conditions, or setting the table, is about building the infrastructure that business and workers depend upon and creating a business climate geared toward prosperity. It means having a government that balances its budget and avoids raising taxes on workers and businesses. And it means leadership that keeps state government focused on economic growth and job creation. Creating fertile conditions means investing in constructing and maintaining a comprehensive transportation system to move workers, goods, and supplies. The recent energy problems around the globe demonstrate the need for government to ensure a reliable low cost energy supply that is balanced with environmental concerns. A good climate welcomes new workers and embraces opportunities for global engagement. In short, a competitive business climate that boasts strong infrastructure lays a foundation that the private sector can build on.

To send the message that Wisconsin is a great place to live and do business, Governor Doyle is committed to building a strong foundation through a competitive business environment that will:

- Budget Responsibly with No Tax Increases
- Focus Government on Economic Growth
- Work to Control Health Care Costs
- Build a Balanced and Comprehensive Transportation System
- Safeguard Reliable, Low Cost Energy and the Environment
- Build the Next Generation Infrastructure
- Build a World-Class Urban Center in Milwaukee
- Create a Fair, Equitable and Efficient System of Taxation

BUDGET RESPONSIBLY WITH NO TAX INCREASES

Governor Doyle balanced the budget without a tax increase. While other states have raised taxes or used gimmicks, Governor Doyle is proud of the work that Wisconsin completed to clean up our fiscal mess responsibly. Governor Doyle is committed to no tax increases, cutting the size of government, and improving efficiency and ending duplication.

☐ No Tax Increases

Governor Doyle balanced the budget—wiping out the \$3.2 billion deficit he inherited--without a tax increase because he knew it was the single most important thing he could do for our economy. While the majority of states are raising or trying to raise taxes, Governor Doyle's commitment to fighting tax increases stands out. His no tax increase budget signals that Wisconsin is truly open for business and committed to helping the working people of the state.

☐ Protect Priorities – Education, Health Care, Vital Local Services, and the Environment

Despite a \$3.2 billion budget deficit, Governor Doyle's first budget protected Wisconsin's core priorities. He plugged a \$1.2 billion hole in funding for local services like police and firefighters. He protected successful school programs like SAGE and 4-year old kindergarten. He maintained the SeniorCare program that helps the elderly with prescription drugs. He protected the Stewardship Program and provided \$3.5 million to combat Chronic Wasting Disease.

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❑ Cut the Size of Government and Distribute Cuts Fairly

The Governor cut state operations by 10% and reduced the state workforce by almost 2,300 positions. He did this by distributing the cuts fairly and asking everyone to sacrifice. Governor Doyle is committed to government that is more efficient, more creative, and more strategic in using scarce resources wisely.

❑ Do it Once and Do it Right

Governor Doyle does not believe in using accounting tricks or gimmicks. His budget eliminates the deficit and puts Wisconsin back on the path to fiscal stability. He was able to use his veto pen to create a \$205 million Budget Reserve Fund to guard against future revenue shortfalls.

SAFEGUARD RELIABLE, LOW COST ENERGY AND THE ENVIRONMENT

A low cost, reliable, environmentally sound energy policy is the cornerstone of economic growth and job creation in Wisconsin. If we are to compete in the 21st Century, we must have an energy policy that encourages the creation of high skill, high wage jobs. That policy must balance the need for additional investment in our infrastructure with the need to protect our competitive rate structure, while enhancing energy conservation and renewables efforts. Governor Doyle's longstanding call for new investments in energy infrastructure has only become more urgent against the backdrop of recent blackouts.

❑ Streamline Siting of Transmission Lines and Power Plants

The Wisconsin Public Service Commission (PSC) and Department of Natural Resources have completed a new cooperative agreement that will simplify and streamline the application process for siting of transmission lines. The Governor, through an executive order, directed the PSC and DNR to develop this synchronized system for siting transmission lines. The agreement will cut the average approval time in half, down to one year. This improvement in our transmission infrastructure is critical if Wisconsin is to remain competitive.

Similarly, the Governor will direct the DNR and PSC to develop a cooperative agreement to improve through streamlining the application process for siting power plants to bolster generation, while not lowering environmental standards.

❑ Adopted Utility Siting Legislation

On July 15, 2003, Governor Doyle signed Wisconsin Act 31 into law, granting communities financial assistance for siting power plants. This law helps Wisconsin's economy by ensuring that we can meet our future energy needs. Communities that agree to host power plants also agree to take on the additional costs often incurred with utility siting – such as road construction, safety improvements, environmental impacts, loss of property tax revenue, and other expenses. Our state must balance the need for low-cost, reliable power with the needs of the communities where power plants are sited. Wisconsin must continue to invest in its energy infrastructure to meet its growing demand for power. We have not built a baseload plant in this state in 25 years, yet at the same time our energy consumption has increased by 2 to 3 percent each year.

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Available energy at reasonable rates and minimal environmental impact is crucial to economic growth.

❑ Develop Long-term Energy Plan

Wisconsin is faced with significant, multi-billion dollar decisions regarding our long-term energy needs. In order to ensure the private sector and regulators are making decisions in the best economic interests of Wisconsin ratepayers, we must have an energy planning process that provides policy makers, regulators and the public with the information necessary to make these difficult decisions. In April 2003, Governor Doyle asked the PSC to launch a new planning initiative to do just that. In response to Governor Doyle's challenge, the PSC launched the Enhanced Strategic Energy Assessment to develop a seven-to-ten-year view of state energy needs. The new assessment will be sent to the Governor by April 2004.

❑ Affordable Energy for Schools and Local Governments

Wisconsin will conduct an energy assessment of the potential savings of a Green Schools and Local Government program in four selected Wisconsin cities with the support of a non-profit foundation. By targeting critical investments in energy conservation, Wisconsin schools and local governments could save millions of dollars every year on energy costs, easing property tax pressure while increasing the reliability of our state's energy infrastructure. Based on the results of the energy audit, the state will develop a funding mechanism to make the necessary energy conservation investments. If the demonstration project proves successful, the program will be expanded beyond the four cities. Energy conservation programs such as these will help manage demand for energy while simultaneously creating job opportunities in retrofitting buildings to be more energy efficient.

❑ Increase Energy from Renewable Sources

Governor Doyle has called for electric producers to provide at least 10% of their total retail electric sales from renewable energy sources by 2013. Wisconsin is a major importer of fossil fuels, like coal and natural gas, with nearly \$6 billion spent to purchase those products for our energy needs. Increasing the renewable portfolio standard helps Wisconsin's economy, provides a more diversified fuel mix and reduces the stress on our energy infrastructure. The focus on renewable energy will also spur job creation in the state in companies developing and producing alternative energy technologies.

FOCUS GOVERNMENT ON ECONOMIC GROWTH

Government interacts with the private sector in thousands of ways that can help or hinder. Governor Doyle has made economic growth a top priority. To keep his administration focused, he has launched a number of initiatives to gather information, to remain focused on economic growth, and to monitor our state's economy and progress.

❑ Engage Business and Labor Leaders on Economic Development

Earlier this year, Governor Doyle conducted twelve Economic Growth Roundtables around the state. The purpose was to describe his vision of economic growth and to listen to challenges and

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concerns from business, labor, education, and community leaders. The administration gathered a wealth of input that has informed the creation of this strategy.

❑ Establish Economic Growth Council

Governor Jim Doyle proposed creating a unified economic development advisory board in his campaign paper, Grow Wisconsin. The Economic Growth Council, which has already met twice, embodies this goal. The Economic Growth Council is comprised of private sector advisors along with representatives of educational institutions and other economic development organizations. They have been sharing ideas and advice with the Governor, offering feedback, and helping to prioritize strategies for economic growth.

❑ Create Office of Economic Advisors

Having the most crucial information and analysis is vital for the state's strategic planning. The Department of Workforce Development is leading an effort and has created an Office of Economic Advisors. This office will tap the expertise of economists throughout state agencies to advise the Governor and other executive branch agencies on economic trends and labor forecasting. The office will assist in the development of metrics that will measure and report on the progress of the Governor's economic development initiatives.

❑ Develop a Scorecard to Track Progress

The Office of Economic Advisors will produce a regular report, or scorecard, to track economic progress. The Governor and the Economic Growth Council will use this scorecard to track Wisconsin's economic progress over time.

❑ Develop Cluster Strategies

The Governor has asked agencies to prioritize development projects that assist an entire industry rather than a single company. By developing shared resources or infrastructure, Wisconsin will enhance the competitive position of our industries. For example, the Department of Commerce is making \$250,000 available to attract the national headquarters of the printing industry's association, which conducts research and training for the industry. The Department of Workforce Development is targeting Workforce Investment Act funds in key industry clusters. The Office of the Commissioner of Insurance, is working with the insurance industry and the University of Wisconsin System and Wisconsin's private colleges to identify means to encourage students to pursue careers in the insurance industry to address talent issues challenging the industry.

❑ Created a Cross-Departmental Economic Development Team

As part of his effort to increase efficiency within state government, Governor Doyle has asked his cabinet to work together as a economic development team. This team provides a forum for these agencies to discuss economic development initiatives and programs and to coordinate existing programs and new initiatives.

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WORK TO CONTROL HEALTH CARE COSTS

Health care costs are one of the most challenging issues facing businesses, schools, local governments, and individuals. During his first eight months as Governor, Jim Doyle has worked to control health care costs in state government. He supported an innovative three-tier system to reform the state employee health care plan and pursued numerous strategies to reduce the cost of health care and prescription drugs for the state Medicaid program. The Governor is committed to working closely with business, labor, and the health care sector to develop and implement innovative policies, which will help address similar cost pressures in the private sector.

❑ Implement Pharmaceutical Purchasing Pool for Businesses and Individuals

The Governor's budget, adopted in July, made it possible for all Wisconsin citizens to participate in a pharmaceutical purchasing pool being developed by the Department of Employee Trust Funds to reduce the cost of prescription drug purchases for state employees. Once the pool has been established, it will be opened to participation by Wisconsin businesses and individuals. This joint public-private partnership will enable Wisconsin companies to join with the buying power of the state to help control the costs of prescription drug coverage, one of the principal factors behind the rising health care costs in the state.

❑ Focus Economic Growth Council on Health Care Costs and Opportunities

Health care costs are a critical economic development issue that will be the subject of ongoing efforts. The Governor has requested that the next meeting of his Economic Growth Council in November of 2003 focus on the challenges presented by rising health care costs as well as the employment opportunities Wisconsin's health care sector is creating.

BUILD A BALANCED AND COMPREHENSIVE TRANSPORTATION SYSTEM

Governor Doyle is committed to making investments in all modes of transportation – state highways and local roads, airports, water ports, railroads and transit – to support economic growth. Transportation impacts everyone, and the Doyle Administration is committed to providing the safest, most efficient and highest quality transportation services to best serve the needs of the state, its citizens, its businesses and its many visitors.

The state will continue to proactively plan, promote and financially support a balanced investment in roadways, air, rail and water transportation, as well as bicycle and pedestrian facilities that promote economic development and stimulate economic growth. The Governor will also protect our highway investments by preserving our roads through proper maintenance.

❑ Support a Comprehensive Road-Building Program

Despite a difficult budget environment, Governor Doyle signed a budget that provides more than \$3 billion in state and federal funding for transportation in 2003-05, including \$1.8 billion for highway rehabilitation and construction projects. In fact, the state will spend \$77 million more

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on transportation than the previous biennium. A good road system not only enhances our companies' ability to move goods and services efficiently at low cost, but also improves safety for our citizens. The Governor's transportation plan includes funds to rebuild the vital Marquette Interchange to improve safety and traffic flow while shaving approximately 10% of the planned cost.

☐ Promote Rail and Mass Transportation

As part of Wisconsin's future transportation system, commuter rail will provide an additional transportation choice and improve mobility by connecting suburban and urban areas. Additional investment in mass transit and commuter rail will help connect workers to jobs and provide an alternative for those who cannot or choose not to drive. Governor Doyle recognizes that commuter rail could spur economic re-development and revitalization in central cities and small downtowns, and enhance property values around commuter rail stations. His budget provides \$400,000 for the Commuter Rail Development Grant program to assist with the preliminary engineering costs of commuter rail opportunities in the state. Looking forward, the state will promote funding for transit in urban and rural areas to connect workers to jobs.

☐ Improve Air Travel

Airline access is a vital transportation resource and strategic economic asset. Direct flights to Wisconsin locations are important to attracting outside investment and recruiting companies. Keeping an airline headquartered in Wisconsin is a major goal. Earlier this year, Governor Doyle announced a \$4 million package to help Midwest Airlines continue to operate in Milwaukee. The Governor appreciates the service they provide Wisconsin citizens and companies and is committed to their continued success. The state also needs a safe, efficient and convenient system of airports to link Wisconsin residents and businesses to the rest of the nation and the world. Governor Doyle has directed the Department of Transportation to develop options to increase funding for improvements to airports of all sizes to stimulate economic growth.

☐ Expand Access to Harbor Improvement Resources

The Harbor Assistance Program is designed to preserve and improve commercial ports on the Great Lakes and Mississippi River. HAP provides grants to local governments to cover 50% to 80% of the cost of harbor improvements such as dock wall repair and maintenance, construction of new dock walls, the construction of facilities to dispose of dredged material, and the placement of dredged materials in containment facilities, and other improvements to support cargo ship, cruise ship, and ferry services. Current HAP eligibility requirements limit grant funding to publicly owned ports and docks even though the majority of docks in the state are privately owned. Expanding the Harbor Assistance Program (HAP) to include privately owned ports and docks will facilitate economic development by allowing private businesses, which otherwise would not have sufficient funding, to improve their port facilities.

☐ Streamline Permits to Improve Local Transportation Planning

Existing administrative rules require the Department of Transportation (DOT) to review the development choices of local units of government for access to the State Trunk Highway (STH). DOT is developing revisions to the existing guidelines to protect highway access while recognizing the importance of local planning decisions on economic development. These

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changes will permit local governments to have more involvement in local or regional transportation planning and infrastructure development.

BUILD THE NEXT GENERATION INFRASTRUCTURE

Communications and water stand out as infrastructure areas that will require increasing attention in the coming decades. As more and more commerce is conducted electronically, communities that lack high speed internet access are at a disadvantage. Wisconsin needs to develop more communications infrastructure, particularly in rural communities. Similarly, clean water will be increasingly important. Water has been called the “oil of the twenty-first century.” Wisconsin has an abundance of precious, clean water. We need to plan for the increasing demand and pressure on our water resources.

❑ Develop a Comprehensive Water Strategy

The Department of Natural Resources is working to create a comprehensive state water policy to assess the current state of Wisconsin’s water resources and recommend ways to protect that water for the future. Clean water is critical to Wisconsin’s quality of life. It is also an anchor of Wisconsin’s \$11.7 billion-a-year tourism industry that provides not only recreational opportunities, but also 280,000 full-time jobs – the third largest industry in Wisconsin.

❑ Strengthen Groundwater Quantity Management

Governor Doyle has directed the Department of Natural Resources to help lead an effort to get strong groundwater quantity management legislation signed into law by next spring. Three-fourths of Wisconsin citizens use groundwater daily for their domestic needs and 95% of municipalities use groundwater for their public water supplies. Almost all water for agriculture comes from groundwater, as does one-third of industrial water and half of commercial water use. Our lakes, streams and wetlands are also fed by groundwater, as are fish, fowl and other creatures that live in them.

❑ Promote Broadband Deployment

Access to advanced telecommunications services is a critical tool for economic development in the 21st century. Wisconsin businesses and residents must have access to high speed, interactive telecommunications services if they are to compete in today’s economy. While progress is being made to provide universal access in the state, we have far too many communities and far too many businesses that are falling behind. 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. To accomplish this goal, in the Fall of 2003, Governor Doyle will convene a meeting of every provider of advanced telecommunications services in the state 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.

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BUILD A WORLD-CLASS URBAN CENTER IN MILWAUKEE

Wisconsin needs its largest city to be a vibrant, thriving cultural, economic, and social center to prosper. Milwaukee contributes to the rest of the state by being home to Wisconsin corporations committed to our state, financing businesses statewide, attracting visitors and tourists, being a magnet to keep young people in Wisconsin, and offering cultural and economic amenities that can only be supported by a large metropolitan area. The Doyle administration will work with business groups and leaders, labor, and education to tap the full potential of the Milwaukee area as a dense, attractive urban environment that will contribute to the entire state.

☐ Support Milwaukee's Initiative for a Competitive Milwaukee (ICM)

The Initiative for a Competitive Milwaukee is a partnership of business, government, education, labor, and foundations aimed at helping to create new economic opportunities in Milwaukee. The Governor supports this effort and has directed his cabinet to support the Initiative for a Competitive Milwaukee with leadership, time, and resources.

☐ Redevelop the Menomonee Valley

In concert with local partners, Wisconsin will transform the Menomonee Valley into a hub of economic activity. The Governor is directing the Department of Natural Resources to work creatively and constructively with local partners to address environmental remediation issues. In addition, the Governor is directing the Departments of Administration, Commerce and Transportation to identify funding opportunities to complete the conversion of the Valley.

☐ Improve Milwaukee Graduation Rates

A key factor in the long-term vitality of the Milwaukee region is improving the quality of the public schools in the city of Milwaukee, especially increasing high school graduation rates. Our children need the education to succeed in the workforce and our businesses need these educated workers to grow their companies. The Governor's Task Force on Educational Excellence has been charged with exploring creative solutions to one of our most challenging educational issues.

☐ Rebuild the Marquette Interchange

The Governor's budget included funds to rebuild the Marquette Interchange. The Governor's plan shaved 10% off the costs and allows the construction to be completed in four years to minimize the disruption of traffic and commerce. The Marquette interchange project will create thousands of high paying construction jobs while investing in infrastructure vital to Wisconsin's economy. The Governor has also directed the Department of Transportation to ensure active participation of minority businesses in the Marquette Interchange project to help address the wide disparity in minority unemployment in Milwaukee.

☐ Expanded WHEDA's Business Guarantee Program

To address the scarcity of capital in urban markets, the Wisconsin Housing and Economic Development Authority (WHEDA) has developed the Neighborhood Business Revitalization Guarantee program serving the mid-size market above the start-up phase. The program will stimulate economic development in redeveloping urban neighborhoods by attracting new

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businesses to the neighborhood and supporting the expansion of existing businesses. The guarantees will range from \$200,000 - \$750,000 and will provide up to \$12 million in total loan guarantees. The program is designed to be very flexible to accommodate the various needs facing businesses in the market today. While it can be used by businesses across the state, WHEDA expects several Milwaukee businesses to take advantage of the powerful new program.

❑ Create a Milwaukee-Based Urban Venture Capital Fund

The Department of Commerce, WHEDA, and several private and non-profit organizations in Milwaukee are establishing a new Urban Venture Fund for businesses, especially minority businesses, located in southeastern Wisconsin. The fund will initially be seeded with \$1 million and will eventually raise \$45-50 million through state, federal, and private investment.

❑ Foster Downtown Development

The Department of Commerce is coordinating and targeting community development programs including Community Development Block Grants, the Mainstreet Program, Brownfields program, and Housing programs to bring a unified strategy to help communities develop their downtown areas. By using programs in concert, Commerce will provide better services to places like Portage which the Governor designated as a new Main Street Community earlier this year.

CREATE A FAIR, EQUITABLE AND EFFICIENT SYSTEM OF TAXATION

Wisconsin taxpayers already pay their fair share of taxes. Governor Doyle helped the state take a giant step in this regard by holding the line on state taxes while most other states reverted to tax increases in order to balance their budgets. Governor Doyle is committed to maintaining Wisconsin's long tradition of progressive taxation and building a fair, equitable, and efficient system of taxation.

❑ Adopted Single-Factor Sales Tax

After years of talking about passing a single-factor sales tax, Governor Doyle got the Single-Factor Sales tax signed into law in his first year in office. It was one of his early economic growth successes. The Single-Factor Sales tax ends the penalty on companies that create jobs or expand their operations in Wisconsin. The nonpartisan Legislative Fiscal Bureau estimates that it will create 67,000 jobs. It improves Wisconsin's competitive position against other states. The tax change was implemented in a fiscally responsible manner. By phasing it in, the state avoided increasing the deficit, but allowed companies to plan ahead for expansion in Wisconsin knowing they can depend on a \$45 million tax cut.

❑ Vetoed \$23 Million Tax Increase on Farmers

As part of his commitment to avoid any tax increases, Governor Doyle vetoed a \$23 million tax increase on farmers. By restoring the farmland preservation program, the Governor prevented a tax increase and helped Wisconsin farmers. The Governor also extended use-value to agricultural forest and wetlands, providing further tax relief to Wisconsin's agricultural economy.

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☐ Streamline Sales Tax Initiative

The Streamline Sales Tax Project (SSTP) is an effort, created by state governments, with input from local governments and the private sector, to simplify and modernize sales and use tax collection and administration. Thirty-nine states and the District of Columbia are currently participating in this project. Wisconsin is one of the leaders in this effort. Once enacted, SSTP legislation will help simplify tax compliance and reduce red tape for “Main Street” Wisconsin businesses. Governor Doyle has directed the Department of Revenue to work with the legislature to ensure enactment of SSTP legislation in Wisconsin before the end of this year.

☐ Assess the Impact of Wisconsin Tax System on Economic Growth

Governor Doyle has directed the Department of Revenue to examine the impact of Wisconsin’s tax system on economic development and growth. The Department of Revenue, in concert with other state agencies, will solicit ideas from the business community, organized labor and other interested parties on how Wisconsin’s tax system can be reformed to encourage more economic growth. The DOR will study disincentives to work that may exist within the state’s tax system. Following completion of the study, DOR will provide policy recommendations to Governor Doyle based on the study’s findings.

☐ Complete Tax Incidence Study

It has been over 20 years since a thorough examination of who actually pays taxes in Wisconsin was conducted. In that time, much has changed both in terms of tax policy as well as in the nature of the Wisconsin economy. Governor Doyle has ordered the DOR (in consultation with business groups, labor organizations and the University of Wisconsin) to conduct a “Tax Incidence Study” to determine who actually pays taxes in Wisconsin in order to better ascertain whether or not Wisconsin has a truly fair, equitable and efficient tax system. Following completion, DOR will provide policy recommendations to the Governor.

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Invest in People

An abundant supply of talented, highly skilled, highly motivated workers is the best advantage a state can offer a company considering relocation. A deep talent pool is more likely to spur new business start-ups and aid growth and expansion of existing companies. Fortunately, Wisconsin is already well positioned and we can build on our strength.

Wisconsin has great educational institutions. Wisconsin families can, for the most part, send their children to safe, high quality neighborhood schools. Graduates can pursue a college degree or technical training at the finest public and private universities and technical colleges. We also have a great workforce. Wisconsin's workers are known for their strong work ethic, which can be seen in our high labor force participation rates.

Governor Doyle wants to build on these strengths and increase opportunities for high wage jobs by utilizing our schools, universities, and technical colleges and enhancing training.

ENHANCE OPPORTUNITIES, TRAINING AND EDUCATION

To raise workers wages and the success of Wisconsin businesses, we must increase productivity by investing in training and skills. Not only is high productivity the key to raising wages of workers and incomes of companies, but a talented, hard-working labor force is one of Wisconsin's best assets in fostering additional growth. We must equip all citizens with basic skills and invest in advanced training to help workers and employers maximize their potential.

❑ Deploy Federal Training Funds Strategically

Governor Doyle wants to direct training funds to achieve the greatest impact. In the past, the federal training resources provided to the State have not been used in a strategic fashion. Funds have been distributed to local workforce boards and through the Council on Workforce Investment with little direction provided with regard to their allocation. The Department of Workforce Development is working with local Workforce Development Boards to develop performance measures and goals that strategically allocate training dollars to increase the job skills of workers to compete for and secure high-wage industry jobs.

In addition, discretionary federal funds will be used to train current and future workers in regions of the state and strategic industry clusters with urgent needs, including construction, manufacturing and information technology.

These initiatives build on the Governor's \$14.8 million budget appropriation to the Technical College System to train health care workers. These investments will provide workers the skills they need for better paying jobs and give Wisconsin's companies the highly skilled labor force they need to remain globally competitive.

❑ Compete for Higher Wage Jobs

Being able to offer free training to employers is a powerful incentive that Wisconsin lacks, making our training incentives less competitive than other states. The Governor will introduce legislation to create a \$10 million training fund to offer free training to companies that create

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significant numbers of new, high paying jobs or need to introduce new technologies to retain workers in a competitive world economy. 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% of the total training costs up to \$5,000 per employee.

❑ Raise Wages for Working Families

Governor Doyle has directed the Department of Workforce Development to convene a wage council to review the current minimum wage and propose an appropriate increase. A high minimum wage helps workers provide for their families, provides strong incentives to remain in the labor market, and helps buoy our local communities that depend on consumer spending. Many Wisconsin families are dependent on jobs that pay the minimum wage, yet a family with two wage earners working full-time at the current minimum wage will only earn a combined family income of \$21,424 a year. A single parent working full-time at minimum wage earns only half that amount (\$10,712). The minimum wage is currently paid to approximately 130,000 Wisconsin workers. Two-thirds of these workers are employed twenty hours a week or more and most are women. The current minimum wage, \$5.15 per hour, has not been increased since 1997. Illinois recently raised their \$5.15 minimum wage to \$6.50 per hour. The wage council's recommendations will be advanced through the administrative rule process.

❑ Increase Funding for Technology Training

The Departments of Workforce Development and Commerce, working with business partners, are aggressively seeking federal aid to train engineers and scientists and other individuals in high-skill fields related to technology. Annually, Wisconsin businesses apply for over 8,000 foreign work visas to bring workers with these skills from other countries into Wisconsin jobs. Wisconsin should build its own skill-based workforce right here at home.

❑ Improve Public Education

Wisconsin's public education system is the most basic building block in our economy, and it is critical that our educational system produces graduates that are well equipped with the skills necessary to be productive members of the Wisconsin workforce. Education was Governor Doyle's top priority in the 2003-05 biennial budget. Despite a record \$3.2 billion budget deficit, the Governor invested an additional \$189 million in equalization aid to school districts and protected two programs with proven results: the Student Achievement Guarantee in Education small class size program (SAGE) and 4-year old kindergarten. Further, the Governor knows the importance of ensuring that each classroom is equipped with a high quality teacher and proposed ending the qualified economic offer (QEO) to help Wisconsin schools attract and retain the best teachers. In August 2003, Governor Doyle convened the Governor's Task Force on Educational Excellence, which will recommend proposals to continue to improve our K-12 educational system. Governor Doyle believes that continued collaboration between the state agencies, the education community, and business is critical to improving learning opportunities for Wisconsin students and developing a highly-skilled workforce.

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☐ Increase Investment in Apprenticeship

The Governor is proposing to allocate \$1.5 million to fully fund the Youth Apprenticeship Program. High school students enrolled in this program couple traditional classroom learning with an experience at a worksite. At the worksite the students receives hands-on training as well as professional development from a mentor. The program is attractive to students who may not have considered post-secondary educational opportunities and it begins to prepare students for high-paying jobs in fields such as masonry, plumbing, and small engine repair. After completing the program, many of these students elect to enroll in programs at the Technical Colleges for further training.

☐ Facilitate Transfers between the Technical College and University of Wisconsin Systems

The Technical College and University systems have developed an agreement to improve credit transfers to ensure that students can move with the greatest possible ease between systems. This agreement will improve access to educational opportunities by providing a list of Technical College core courses that will transfer to all UW institutions. These courses will have common titles, course numbers and competencies at all WTCS institutions. Making the most efficient use of our educational resources is important if the state is to constantly upgrade the skills of our workforce.

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Invest in Wisconsin Businesses

The best way for a state to grow its economy is to invest in helping existing and emerging industries increase productivity and grow faster. The companies already here are more likely to grow and stay committed to our state. The Governor's high end strategy is to help the existing base – including agriculture, manufacturing, tourism, and other industries – grow by adding value and increasing their productivity. To add octane to the economy, the Governor's strategy invests in new companies and entrepreneurs in emerging high growth industries such as biotechnology.

To help these sectors grow, Wisconsin needs to make dramatic improvements in the amount of seed capital available to growth companies, help our economic base compete and grow, and harness the potential of entrepreneurs to power the next generation of companies.

ATTRACT AND BUILD INVESTMENT CAPITAL POOLS

Capital is the fuel for economic growth and expansion. Wisconsin and the Midwest have traditionally attracted less capital, especially venture capital, than states on the coasts. To increase economic growth, facilitate entrepreneurship, and unleash ideas being developed by researchers and companies, we need to build a larger pool of investment capital with a special emphasis on seed and early-stage capital.

❑ Create \$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.

❑ Accelerate Deployment of \$200+ Million

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 an acceleration of the deployment of available capital and resources. Specifically the Governor is calling on the venture capital funds that received funding from the State of Wisconsin Investment Board (SWIB) to begin making investments as soon as possible. In addition, the Governor is calling for the public health foundation that received millions from the sale of Cobalt

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Corporation 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.

❑ Create Technology Commercialization Program

Governor Doyle is proposing 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. Not only do these grants provide seed money, but they are powerful signals to investors, acting like magnets for venture capital. To fully utilize resources like the University of Wisconsin, we need to capture more awards including SBIR, STTR, and ATP grants. While Wisconsin's performance has improved, we are still short by at least \$30 million relative to our peer states. The Governor will propose a new \$5 million initiative to create a grant program with three facets to help researchers win these grants and turn knowledge into jobs. Specialists at the Department of Commerce will help researchers prepare applications, match federal grants to enhance applicants' chances of winning, and provide bridge grants to help Phase 1 winners compete in Phase 2.

❑ Capture and Utilize New Markets Tax Credits (NMTC)

The Wisconsin Housing and Economic Development Authority (WHEDA) has partnered with Legacy Bank, Impact Seven and several organizations across the state to submit a single New Markets Tax Credit allocation application which could bring approximately \$200 million to Wisconsin. This federal tax credit for businesses is designed to attract and support businesses located in low-income communities. It is a powerful tool to improve the economic conditions in our most distressed areas.

❑ Update Financial and Non-Financial Institution Laws

Wisconsin's laws regulating financial and other lending institutions are out-dated and out of step. Passing the Financial Modernization Bill (AB2) with appropriate protections for workers will allow an estimated \$200 to \$300 million of new investment to flow into Wisconsin while protecting employees.

❑ Consolidate, Refocus, and Enhance Commerce Programs

Across the administration, the Governor has directed agencies to consolidate programs and refocus incentive programs based on his high end strategic vision. Many of the programs at the Department of Commerce fill crucial capital gaps in the private sector. Commerce is consolidating and refocusing some of these and the Governor is proposing to enhance others. These include:

- **Consolidating Housing and Brownfields Program:** In the state budget the Bureau of Housing was transferred to the Department of Commerce to unite the federal Community Development Block Grant funds in one place. In addition, the Governor's budget proposed consolidating the Brownfields program at the Department of Natural Resources, but this efficiency was rejected by the Legislature.
- **Enhancing Technology Zone Tax Credits:** The Governor supports legislative changes that will increase investment in technology businesses by over \$38 million. These legislative changes will enhance Wisconsin's Technology

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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 – and many technology start-ups do not generate profits for many years. Passage of the substitute bills for Assembly Bill 299 and Senate Bill 174 with the amendments recommended by the legislative authors, the Department of Revenue and the 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. Eliminating the numerical caps will allow the state to utilize the existing resources.
- **Refocusing Commerce Incentives:** The Department of Commerce has prioritized incentives toward companies paying higher wages, companies hiring dislocated workers, and creative packages that leverage additional private-sector capital. For example, Commerce will forgive loans to companies hiring recently dislocated workers and using state capital as collateral to leverage private investment.
- **Focus on Accountability:** Commerce is working to ensure that companies that receive state assistance are producing the results they promise. Commerce now has underwriters involved in drafting contracts that include performance measures and typically include “clawback” provisions to recover state funds if companies fail to meet their targets. In addition, Commerce is reviewing IT systems to provide better information about awards and increase transparency of the result.

INVEST IN WISCONSIN’S ECONOMIC BASE

While attracting capital to foster new growth is crucial, Wisconsin’s economic base of existing companies is so great and employs so many people, it would be a mistake to neglect opportunities for retention and expansion. The Governor’s plan invests in improving the productivity and competitiveness of various sectors and clusters to maximize the potential of Wisconsin’s existing companies. Some of the key elements include championing technology research and transfer, creating a manufacturing competitiveness program, launching a dairy modernization program, and developing shared resources to anchor industrial clusters.

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Technology

☐ Champion and Invest in the BioStar and TechStar Initiatives

The Governor, as chair of the Building Commission, recently approved several projects under the BioStar Initiative. This \$317 million initiative will allow the University of Wisconsin to construct state-of-the-art research facilities, improve educational opportunities, and spawn new life science companies. The Governor's approval of a new co-generation plant on the UW-Madison campus was also a vital step. The co-generation plant will provide cooling and heating capacity to the campus and enable the BioStar initiative to go forward beginning with the Microbial Science Building.

TechStar is a collaboration designed to transfer technology, harness research, and create companies based on the work being conducted by its partners: the Medical College of Wisconsin, UW-Milwaukee, UW-Parkside, Marquette University, the Milwaukee School of Engineering, and the Metropolitan Milwaukee Association of Commerce. Governor Doyle is investing an additional \$600,000 through the Department of Commerce to allow TechStar to create new tools to help launch companies.

☐ Promote, Protect, and Expand Research

Wisconsin has a long history of innovation, especially in agriculture and life sciences. From UW Professor Stephen Babcock's late 19th century test for determining the butter fat content in milk to UW Professor Jamie Thomson's 21st century breakthrough research on stem cells, Wisconsin has improved the world through its knowledge and research. The UW-Madison is now the country's second largest public research university. Governor Doyle will support efforts to extend Madison's leadership and will veto any attempts to curb critical research, such as stem cells.

☐ Improve Technology Transfer and Commercialize Research

One of the most effective ways to generate a high-wage, high-tech, and high-end economy for Wisconsin is to leverage the knowledge, research, technology and commercial ideas of our world class University of Wisconsin System, the Medical College of Wisconsin, Milwaukee School of Engineering, private clinics and other research leaders. The Governor is committed to fully harnessing all of Wisconsin's intellectual property to create new jobs. Initiatives include:

- Tap the UW System through WiSys: The Governor supports WiSys, the non-profit, wholly-owned subsidiary of the Wisconsin Alumni Research Foundation (WARF). WiSys will assist the 25 UW System campuses, other than the UW-Madison, in patenting discoveries, licensing the technology to companies for commercial development, and returning the licensing revenues to the inventor, the university and the WiSys network. WiSys has already helped one company get started based on technology from the UW-Milwaukee.
- Wisconsin Technology Initiative: WARF is launching a new Wisconsin Technology Initiative to help license technology to Wisconsin companies. The Governor has directed his administration to support WARF's efforts to transfer technology to Wisconsin-based companies

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- UW Review of Best Practices: The Governor is calling on the UW to ensure that the UW matches the best practices of other universities, such as two-year unpaid faculty leaves, that are aimed at facilitating entrepreneurship and technology transfer.
- Other Initiatives: In addition to the specific initiatives mentioned in this passage, the Governor has funded TechStar to commercialize research in Southeastern Wisconsin, launched three entrepreneurship initiatives covered in another section, invested money in seed and venture capital to fuel commercialization, proposed expanded eligibility for Technology Zone Tax Credits, and proposed a new initiative to leverage federal grants to commercialize research.

Manufacturing

❑ Create Manufacturing Competitiveness Program

The Governor is calling for a new initiative to help a minimum of 50 Wisconsin manufacturers improve their productivity to become competitive by leveraging the full resources of the state. Working collaboratively, the Wisconsin Technical College System, UW System and Department of Commerce will launch this new initiative to help Wisconsin manufacturers to improve their productivity and to apply new technology. The Technical Colleges and UW System have leveraged their funds with other sources to create 20 new account managers. These joint system account managers will help manufacturers find the specialists they need, obtain training to improve their operations, and help firms find other state resources such as applied research and development services, technical expertise and consulting. The goal is to leverage the resources of the UW, the Technical Colleges, the state, the Manufacturing Extension Partnerships, the Milwaukee School of Engineering, and other institutions. The Governor proposes providing \$10 million to the Department of Commerce to support this initiative by making grants to a minimum of 50 manufacturers to improve their productivity through training, consulting, and application of technology. If Wisconsin acts now to retool its industries and streamline its educational outreach and resources for manufacturers, we can raise productivity by 10-15% to compete, and prosper, in a changing world.

❑ Convene a Manufacturing Summit

Wisconsin has a strong base in manufacturing that is under incredible pressure. We cannot afford to wait for a recovery. The Governor will convene a Manufacturing Summit later this year to bring together business, labor, and economic leaders. The Summit is aimed at developing strategies, focusing national attention on the challenges of Wisconsin manufacturers, and building consensus for actions aimed at supporting our manufacturing sector.

❑ Created \$1 Million Fund for Manufacturers and Other Businesses in Distressed Areas

The budget the Governor signed in July set aside \$1 million to assist manufacturers and other businesses affected by plant closings, layoffs, and the economic downturn. The Governor and the Department of Commerce are using this fund in conjunction with other economic development programs to assist the areas of the state that have been hit hardest. For example, the Governor awarded a manufacturer a loan earlier this year but made a portion of the loan forgivable if the company hired displaced workers from the Mirro plant in Manitowoc.

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☐ Focus Commerce Training Funds on Manufacturing

Governor Doyle has asked the Department of Commerce to focus training programs to help manufacturers upgrade the skills of their workforce. Commerce will direct at least 75% of their training funds to manufacturing companies. Hitting this target will make at least \$4,500,000 available over the biennium.

☐ Expand Opportunities for Paper/Printing through a Sustainable Forest Certification

Many large consumers of paper are demanding that the pulp being used to make their paper come from forests that are certified as managed in a sustainable way. These consumers, such as Time/Warner publishing are demanding “green” inputs into their products. Many of Wisconsin’s paper mills rely on these consumers as key customers. Governor Doyle has directed the Governor’s Council on Forestry to develop a sustainable forest certification in order to protect the customer base of the state’s forest product and printing industries.

☐ Promote Exports to Assist Wisconsin Manufacturing and Agriculture

At Governor Doyle’s request, the Department of Commerce is working with businesses to increase exports and attract foreign investment. Commerce is developing a Governor-led Trade Mission schedule to strategic markets. These missions will assist companies in entering a market for the first time or increasing their market share, and will meet with foreign companies that might consider Wisconsin as a location for a new investment. To help small and medium-sized companies increase access to international markets, Commerce opened a Pan-European Trade office in July and will soon open an office in our fastest growing export market, China, to help companies understand and sell to these markets.

Agriculture

☐ Create Dairy Modernization and Competitiveness Program

Agriculture accounts for \$40 billion of the Wisconsin economy and nearly one in five jobs. The dairy industry is the centerpiece of Wisconsin agriculture and the state has unique advantages to build on this traditionally strong economic base.

The Department of Agriculture, Trade, and Consumer Protection (DATCP), Commerce, and UW System - along with other public and private partners - are developing a set of initiatives to accelerate the modernization of farms, the enhancement of farm profitability and the growth of milk production. Every cow adds \$13,737 to the economy. Modernization of facilities and equipment, full adoption of low-input, low-cost grazing methods, and a focus on adding value through specialty and artisan cheese and dairy production will grow the dairy industry in Wisconsin. These initiatives include:

- **Establish a State Dairy Team.** The joint coordinated effort of DATCP, Commerce and the UW will create a new focus that will provide technical, financial and other assistance or a virtual dairy team to dairy farms and dairy plants in Wisconsin. This will make Wisconsin the world leader as the place to be in producing milk and marketing dairy products. Our dairy industry deserves a streamlined and focused approach to obtain state help in modernizing, growing and adopting new technologies.

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- Provide Investment Tax Credits. The modernization of facilities and equipment is a key barrier to growing dairy profitably and sustainability. Passing AB 283 will provide a tax credit to farmers that invest in new facilities and equipment. Wisconsin farms will be able to increase profitability, grow their businesses and compete for the long pull. The increased milk production will help retain processors and generate revenue for the state.
- Create a Rural Finance Authority. The Governor will support legislation to establish a Rural Finance Authority to strengthen and better focus our existing agricultural loan guarantee programs located in Wisconsin Housing and Economic Development Authority (WHEDA) and Commerce. Agriculture needs one agency with the focus and commitment to administering existing agricultural loan programs and to position Wisconsin to establish new funding programs through the use of federal and other resources.
- Expand the Dairy Artisan and Specialty Cheese Industry. There are many opportunities for adding value to milk though the growing market for specialty cheeses and artisan dairy products. DATCP is working to ensure that a “halo” effect is created for the entire Wisconsin dairy industry as it competes nationally and internationally for consumers and new business investments.

Promote Agricultural Stewardship Initiative

Wisconsin’s citizens, communities and economy depend on careful stewardship of land and water resources. The Wisconsin Agricultural Stewardship Initiative (WASI) works with producers to employ the best possible environmental practices. DATCP is working to strengthen the scope of this innovative and pioneering initiative.

Expand Agriculture’s Role in Energy Production

Agriculture has great potential in renewable energy production including biomass, biodiesel and wind. Two new renewable energy sectors are emerging in Wisconsin: ethanol and manure digesters. DATCP is working on expanding these sectors through additional research, development and commercialization support. Wisconsin’s ethanol production payments is one example of a policy that helps harness agriculture for energy. Focus on Energy’s work with digesters is an example of research and commercialization, demand-side enhancements such as renewable standards, green marketing, and pilot or demonstration programs that will help tap agriculture’s full potential.

Lead the Nation in Organic Food Production

Wisconsin has built its presence in the rapidly expanding organic food sector into a national leader, especially in dairy products. DATCP is helping Wisconsin’s industry become an international leader in the organic food industry by encouraging transition to organic production, construction of processing and marketing capacities, and focusing on expanding national and international market opportunities. Organic agriculture is a great way to build and sustain Wisconsin’s economy.

Enhance Investment and Capital Formation in Producer-Owned Businesses

Wisconsin is a historic leader in agricultural cooperatives. There is a resurgence of cooperatives in agriculture, in small businesses, and in communities. Farmers are no longer able to survive

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without the entrepreneurial investments into value added businesses in food, fiber, energy and science based agriculture. DATCP and the UW are providing staff and technical expertise to develop a business plan and bylaws in order to attract new investment capital through Badger AgVest. This investment alliance will help to align producer capital in agriculture with the business opportunities that extend beyond the farm gate. Farmers, rural communities and Wisconsin's economy will gain as a result.

❑ Encourage Consumers and Businesses to Buy Wisconsin

There is a major trend towards reconnecting consumers and producers directly in the marketplace—in farmers markets, in specialty food shops, in restaurants and in tourism. Wisconsin citizens and our regional neighbors in Illinois and Minnesota love the diverse treasures of Wisconsin agriculture when they have the choice. DATCP and UW Extension are partnering with farmers and food businesses to develop a “virtual farmers market”. This innovative marketing technique will extend the reach of farmers to consumers who wish to “buy Wisconsin”—from cranberries to pork, from fish to kidney beans. Wisconsin's economy can grow in the comfort of our backyard through innovation in the marketplace.

❑ Protect a Safe and Secure Food Supply

DATCP is preparing the State Agriculture Vulnerability Assessment for the Department of Homeland Security. DATCP is also staffing a public-private effort involving of the Wisconsin Livestock Identification Consortium to develop a Livestock Premises Identification System, which will be unveiled at the World Dairy Expo 2003. The tracking system is an integral component of the State's bio-security plan and will allow animal produced foods to be traced from the producer through the processing and marketing chain. These efforts will help ensure the safety of Wisconsin's food supply and instill confidence in Wisconsin food products.

❑ Reformed Payment Security for Agricultural Producers

Governor Doyle signed into law Wisconsin Act 38, an innovative new agricultural producer security program to protect producers from calamitous financial losses due to buyer defaults while at the same time freeing up \$90 million in processor working capital for investments in new products, new technologies and new markets.

❑ Promote New Business Models for Wisconsin Agriculture

Agriculture is a very capital-intensive industry. Globalization and major consolidation of retail food marketers have led to significant restructuring throughout this industry. To meet the challenges posed by this change in the market, there is general consensus that Wisconsin needs to grow and diversify its value-added agriculture base. In order to accomplish this, greater use of multiple-owner models at the producer level, including expansion of traditional cooperative and development of limited liability corporations and defined-member cooperatives, will need to occur. The Department of Agriculture, Trade, and Consumer Protection will propose amendments to modernize Wisconsin statutes governing cooperatives and will partner with the UW-Extension to establish a Center for Cooperative Innovation to provide the needed information and technical assistance to foster the adoption of these new business models.

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Tourism

☐ Travel Industry Professional Development Seminars

The Departments of Tourism and Workforce Development, along with the Technical College System, will cooperate to develop a statewide network of standard professional development seminars for front line tourism business employees. The seminars will teach employees how to deliver exceptional customer service, solve problems for business owners, conduct themselves professionally and serve with pride as ambassadors for their employer as well as their state and community.

☐ Sustain Tourism-based Businesses with Snow Emergency Program

Recognizing the snow emergency of the winter of 2002-03, the Governor created a Snow Emergency Loan Program that has dispersed over \$500,000 in low interest loans to 28 businesses in northern Wisconsin to help them stay solvent until next season. In addition, the Departments of Tourism and Commerce in cooperation with the UW-Extension's Small Business Development Centers are currently planning grants to counties to facilitate diversification of the business base and planning for future weather contingencies.

☐ Expand Wisconsin Tourism Base

Wisconsin tourism activities provide recreation and entertainment opportunities to residents and non-residents alike. Governor Doyle wants to expand opportunities to include urban tourism, arts, cultural attractions, nature and wildlife viewing, auto racing, and other unique events.

☐ Protected Stewardship Funding

Governor Doyle protected the Knowles-Nelson Stewardship fund in the budget process to defend our quality of life and natural resources. Protecting Wisconsin's natural and recreational lands is vital to the health of our tourism industry. High quality recreational areas also contribute to our quality of life and help to keep and attract young people who are more likely to start new, high end enterprises. The Knowles-Nelson Stewardship Fund purchases high quality recreational and environmental lands like the Ice Age trail, the Turtle Flambeau Flowage and the Lower Wisconsin Riverway. In the 2003-05 state budget, the Governor vetoed a proposal that directed the Department of Natural Resources to sell off 27,000 acres of conservation lands throughout the state. He also defeated attempts to cut the program by nearly 80% over the next two years and by \$245 million over the next 7 years.

HARNESS ENTREPRENEURIAL GROWTH POTENTIAL

Start-up companies with aggressive growth plans account for the majority of job growth. Wisconsin can improve its job growth, wage growth, and output growth, by helping more people start and grow companies across the state. Entrepreneurs require fewer resources to assist than large companies, but offer high potential. Small entrepreneurs have created some of the 20th century's most revolutionary industries: the airplane, the heart valve, the helicopter, the high capacity computer, soft contact lenses and prefabricated housing. Most of Wisconsin's dominant employers started and grew up here to become giants. Fostering entrepreneurship is the best long-term way to increase the amount of employment and corporate headquarters in Wisconsin.

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❑ **Create Office of Entrepreneurship**

Earlier this year, Governor Doyle announced the creation of the Office of Entrepreneurship at the Department of Commerce. The office serves as a one-stop shop for entrepreneurs who can access information about starting a business, permitting and regulatory assistance, entrepreneurial training grants, the business helpline, and technology-related assistance.

❑ **Launched the Governor's Business Plan Competition**

At the Entrepreneurs Conference this year, Governor Doyle announced the Governor's Business Plan Competition, fulfilling a campaign proposal. Across the country, business plan competitions have stimulated hundreds of new start-ups and matched companies with millions of dollars of venture capital investments. Run by the Wisconsin Technology Council, the Governor's Business Plan Competition will encourage current and potential entrepreneurs to develop their business ideas, network with potential funders, and raise their visibility. The competition culminates in a championship cash award being presented at next year's Entrepreneurs Conference.

❑ **Create Governor's CEO Peer Networks through "Partners for Entrepreneurship"**

The Partners for Entrepreneurship is an initiative of the Department of Commerce, the UW-Extension's Small Business Development Center (SBDC), and the Technical Colleges to foster high growth entrepreneurship. The Governor is directing the Partners for Entrepreneurship to organize quarterly peer-collaboration sessions for entrepreneurs around the state. The SBDC will take the lead on organizing the networks at their 13 locations utilizing the support of the Lowe Foundation. The Lowe Foundation will make available their Peer Network Newsletter and other resources to assist Wisconsin entrepreneurs. Historically, many entrepreneurs with growing businesses have used similar networks of their peers to advise, support and help them take their companies to the next level. These networks help small companies tap resources and expertise that might not be available.

❑ **Promote Minority Business and Entrepreneurship**

Minority businesses are an important contributor to economic growth and job creation in Wisconsin. Governor Doyle is working to promote and expand minority businesses through several initiatives.

- Centralized Certification: The administration is creating a centralized certification process for minority-owned businesses that wish to take advantage of government business opportunities.
- Minority Business Opportunity Committee: Governor Doyle provided \$200,000 in the budget to the Minority Business Opportunity Committee to make business opportunities more accessible to Wisconsin's minority businesses.
- Participation in Transportation Projects: The Governor has directed the Department of Transportation to maximize the participation of women or minority owned Disadvantaged Business Enterprises on important transportation projects like the Marquette Interchange and other transportation projects.
- Contractors Loan Guarantee Program: WHEDA is creating the Contractors Loan Guarantee Program to assist in the development and expansion of small businesses,

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especially those owned by minority businesspeople, by providing an opportunity to enter into contracts with government or eligible large businesses. Participants in the Contractors Loan Guarantee may obtain new loans to pay expenses necessary to secure contracts.

Reform Regulations and Make Government Responsive

Regulatory reform is a key ingredient to growing Wisconsin's high end economy. Governor Doyle believes that regulatory reform can and must be accomplished while protecting important health and safety standards. Governor Doyle's regulatory reform proposals will lead to real reforms right now, increase internet and high tech reforms, improve agency accountability and encourage innovative approaches to regulation. Every state agency will be directed to improve the services they provide to businesses and the public. Effective regulatory reform will encourage innovative approaches and cooperation between state government and citizens and businesses to protect the public and the environment, while spurring new investments to support economic development and create jobs. For our regulatory programs to be successful, state agencies must adapt to the changes and diversification in our economy and respond in kind.

IMPLEMENT REAL REFORM NOW

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.

Expedite Air Operating Permits

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.

Streamline New Source Review Air Permit Process at DNR

The DNR will provide regulated facilities more operational flexibility in construction permits as they attempt to meet their federal Clean Air Act requirements. Changes will ensure that Wisconsin companies continue to invest in their plants without being penalized by a new source review program that requires substantial investment in order to make often minor and environmentally beneficial changes to a facility's operation.

Continue Fast Issuance of Wastewater Permits

The DNR has worked hard to create one of the fastest wastewater discharge permit systems in the United States. The DNR will continue their efforts to provide timely issuance of wastewater permits.

Continue Timely Issuance of Water Permits

The DNR has reduced the amount of time required to approve water permits under Chapter 30. These permit times have been reduced from 110 days six years ago to 34 days currently.

Consolidate Permits to Facilitate Construction Projects

The DNR will consolidate the three permits currently required to grade land adjacent to waterways into a single permit. By streamlining three timetables, three permit applications and

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interaction with three DNR staff into a single process, these construction permits will be approved faster, with less cost to the applicant and the agency.

Consolidate Construction and Operating Air Permits

The DNR will work to consolidate of construction and operating air permits into a single document. Consolidating these permits could make it easier for companies to document regulatory compliance.

Explore Alternative Regulation Methods

The Governor is directing the DNR to evaluate the use of more general permits and other alternative regulation methods such as cooperative agreements and environmental management systems.

Improve Procedures for Agricultural Siting and Expansion

Currently, one of the greatest impediments to the location and expansion of agricultural businesses in our state is uncertainty in local government permitting processes and a myriad of standards that vary by jurisdiction. The Department of Agriculture, Trade, and Consumer Protection (DATCP) will develop new standards to facilitate siting and reduce conflicts surrounding expanding agricultural facilities in Wisconsin. The new statewide standards will ensure that existing farms can continue to operate and create a consistent regulatory framework for the siting of new or expanded agricultural businesses. Producers, communities and the environment will benefit as a result.

Enact Innovative “Good Actor” Legislation

The Governor is calling for bipartisan cooperation to create legislation rewarding companies with strong environmental compliance track records. Legislation to provide enhanced cooperative agreements between DNR and companies who have not been convicted of violating environmental or public safety standards within the previous 5 years and who are willing to complete and adhere to environmental management plans. This approach requires DNR to designate a single point of contact to assist the company with all of their licenses and permits and provides businesses with public recognition of their accomplishments. Participating companies willing to adhere to an environmental management system will be provided with limited audit immunity to ensure compliance with environmental standards.

Establish a Cooperative Air Quality Program

Governor Doyle has directed the DNR to develop cooperative air quality improvement action plans with affected businesses and local governments in counties facing potential violation of federal air quality standards and non-attainment designation. This cooperative approach is designed to improve air quality in a timely manner while providing local governments and businesses flexibility in how they meet air emission requirements. Programs have been initiated in Dane, Brown and Rock/Jefferson Counties.

Designate Small Business Ombudsman in Each State Agency

Governor Doyle will direct every state agency to designate an ombudsman for small businesses to contact. The ombudsman will be responsible for directing business representatives to the

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resources they request, assist them with questions about regulations and permits and work with them to ensure timely consideration of their requests.

HIGH TECH REGULATORY REFORM

The Doyle administration is using technology to reduce the hassle of regulations by making permitting or regulatory processes more transparent, more accessible, and more understandable.

❑ Launched the Business Wizard

Governor Doyle launched the Business Wizard, a web-site that makes regulatory information and requirements from 19 state agencies easy to find. The Wizard is at www.wisconsin.gov/state/app/wizard/LoadIntro.

❑ Created the Online “Permit Primer” Tutorial System

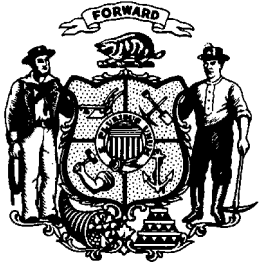
To assist small businesses and other interested parties, the DNR created an online permit primer. This tutorial helps businesses determine what permits they need and how to obtain them.

❑ Create a Permit Tracking System

The DNR will institute an on-line permit tracking system for air permits that allows businesses and citizens to check the status of permit applications on the internet.

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Appendix



Grow Wisconsin
JIM DOYLE
Governor

Report on Economic Growth Roundtables

PURPOSE

In the spring of 2003, Governor Jim Doyle held a series of 12 Economic Growth Roundtables around Wisconsin. The purpose of the roundtables was simple; to create a forum where Governor Doyle could lay out his vision for growing our state's economy, discuss ideas and listen to concerns from around the state. At each of the Roundtables, the Governor explained his vision for competing at the High End.

THE HIGH END

Governments face a fundamental decision about how to compete in tough economic times. One strategy is to compete at the low end by making Wisconsin cheap, allowing wages to fall, allowing our environment to be polluted, cutting basic services like education or law enforcement in the hopes of competing against countries with lower standards of living. The other strategy is competing at the high end, becoming so productive that profits and incomes can rise in Wisconsin because our economic ground is rich and fertile. So how can we enhance our productivity and grow together? At the Roundtables, Governor Doyle shared his seven point vision:

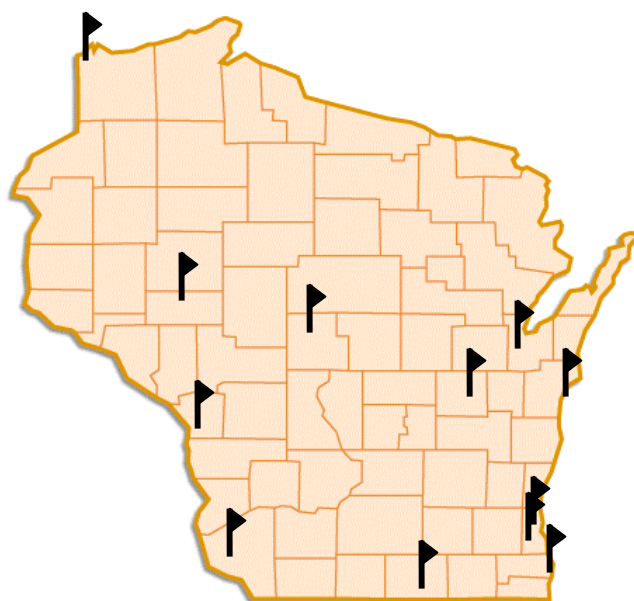
- **Excellent Business Climate**
- **Invest in Our People**
- **High Quality of Life**
- **Increase Growth and Income**

- **Innovate & Commercialize Knowledge**
- **Attract More Capital**
- **Reform State Government**

FORMAT

After being introduced by a local host, the Governor offered his vision for growth. Most of the time was spent listening to a diverse cross-section of participants, answering questions, and discussing ideas. Cabinet Secretaries moderated each Roundtable. The Governor often visited a business or training facility that illustrated his High End vision before or after the Roundtable.

Roundtable Locations



Report on Economic Growth Roundtables

Dates and Locations

April 2	Oshkosh
April 10	Milwaukee
April 15	La Crosse
April 21	Green Bay
April 25	Racine
April 29	Beloit
May 6	Lancaster
May 21	Manitowoc
May 12	West Allis
May 29	Superior
June 3	Menomonie
June 10	Marshfield

Participants

Participants included a diverse, cross-section of each community including:

- Business owners
- Company executives
- Labor leaders
- Educators
- Economic development leaders
- Farmers
- Government leaders and legislators
- Community organizations
- Citizens

SUMMARY OF THEMES

Governor Doyle recognizes and continually emphasizes that a one-size-fits-all solution does not fit Wisconsin. Unlike other states, Wisconsin's population is dispersed across diverse regions and unique cities with varying needs. While some information was obtained that was specific to a region, there were several themes that emerged throughout the state.

Optimism about the Economy

Despite concerns about the sluggish national economy, uncertainty surrounding the war in Iraq, and the federal deficit, there were expressions of optimism at every Roundtable. Many people see the glass half-full and noted the many assets that Wisconsin has to build on. While striving to improve our business climate is important, citizens want to get a positive message out that Wisconsin is a great place to live with a lot to offer businesses and employees.

Collaboration as a Key Strategy

Community leaders pointed out examples of local projects where partners were collaborating to stretch scarce resources while launching projects to strengthen our communities and grow the economy. For example, the Health Science Consortium in La Crosse is addressing training, health care labor needs, and research opportunities. A variety of partners are working to develop a Living, Learning, Serving community in Oshkosh. The Southwestern part of the state is engaged in a Seven Rivers Branding effort working collaboratively with Iowa and Minnesota. The Ten Rivers Consortium in northern Wisconsin is working to create home-grown technology companies.

Report on Economic Growth Roundtables

Critical Role of Education and Skills

Participants expressed a variety of views on the importance of education and training which can be grouped in several categories:

- 1) Wisconsin's great educational institutions - K-12 schools, universities, and technical colleges - are assets that give us an advantage we must protect
- 2) Technical colleges and universities are resources that can help anchor community economic development efforts
- 3) Investing in the skills of our workforces is one of the best economic development strategies
- 4) Stronger training efforts are required to maximize the value of Wisconsin's workforce including basic skills, areas of worker shortage, and new skills

Regulatory Reform

Many participants noted the need for regulatory reform. Few people expressed a desire for lower standards, but rather a faster more efficient process. Businesses asked for faster and simpler permitting. This finding was aligned with Governor Doyle's High End vision of lowering the regulatory burden, not our standards.

Focus on Wages

Wisconsin's wages are below the national average as well as below the levels of neighboring states such as Illinois and Minnesota. Participants identified raising wage and income levels as a top priority. DWD analysis suggest that raising wages just to the national average would produce over \$500 million in tax revenue and many times that in private sector economic activity.

Example: CEO

"The challenge to our company is maintaining basic infrastructure. We need a strong education base. 75% of our executives have degrees from the [local UW campus] which is critical because we require bilingual training. We have to protect the schools and universities"

Health Care Costs

Concern with health care costs came up at every Roundtable. Rising costs are affecting businesses, requiring farmers to have a family member employed with benefits off the farm, and squeezing schools and local government. States that can address health care worker shortages and control health care costs will have a bigger competitive advantage than low tax states.

Roundtable Visits

Oshkosh Truck	General
Trane	Converters & Assemblers
Axle Tech	Badger State
La Crosse	Ethanol
Health Science Center	Milprint
St. Vincent Hospital	Fisher Hamilton
Southern Center	Ball Company
Utility	3M
Construction Certification Program	Superior
	Lidgerwood
	Mundy
	Dental Crafters

Report on Economic Growth Roundtables

Budgeting with Fiscal Discipline

Many participants expressed a desire for the government to balance the state budget while addressing other priorities. The concerns most often cited were protecting education, protecting local services, and not raising taxes.

Example: Business Owner

“I’m pretty well known as a good Republican. I’d like to thank Governor Doyle for coming and commend him for his no tax-increase budget. I’m impressed.”

Business Recruitment and Retention

Roundtable attendees recognized a need to both grow our existing base of business - especially manufacturing and agriculture - and to attract new businesses to the state. The single-factor sales tax was regularly suggested both a recruitment and retention tool.

Example: Executive

“The Governor can be helpful in recruiting businesses to Wisconsin. You can be heavy air support we call in to meet with businesses and cajole them.”

Governor: *“Don’t be bashful in calling me. I’ll make the calls.”*

High Growth Businesses

Wisconsin needs to capture a bigger share of fast-growing industries to provide higher wages, more opportunities, and to keep the workers we are educating in the state. “Brain drain” often came up and participants noted that while we kept most of our graduates, students with high-tech expertise were regularly moving out of state. Creating a critical mass of high growth businesses will in turn attract more of these businesses. Success begets success according to one Mayor.

Entrepreneurs and Small Business

Entrepreneurs should be a part of the state’s economic strategy. Many participants suggested that helping new businesses form with technical assistance and capital could help grow new companies more committed to Wisconsin, would create opportunities for women and minorities, and would allow us to tap existing resources like the University of Wisconsin System. This approach is not only applicable to high-tech, but also to agriculture (organic farming was cited as an example), to manufacturing, and especially in rural areas where large companies are not locating. The SBDC was mentioned as a key resource at several Roundtables.

Regional Implementation

The Governor’s remark that a one-size fits all approach will not work for Wisconsin was echoed at almost every Roundtable. People suggested facilitating collaboration and planning at a regional level and supporting some of the great projects already underway. In addition to working regionally, the border communities emphasized the importance of working across state lines.

Selling What is Good

Above all, Roundtable participants expressed a love for Wisconsin and a desire to raise the visibility of our beauty, cities, and quality of life in order to tell the Wisconsin story.

Example: Planning Commissioner

“We recently completed a survey that showed our scenic views as an asset. By meshing this with our smart growth and agricultural base we can preserve and market our quality of life.”