
WHAT WISCONSIN WANTS

LESSONS, INSIGHTS AND STORIES FROM A YEAR OF BUILDING
BRIDGES INTO COMMUNITIES ACROSS WISCONSIN

2023

A REPORT AUTHORED BY:



INSTITUTE FOR
REFORMING GOVERNMENT



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The Institute for Reforming Government is for those who want a thriving Wisconsin. We build bridges - connecting people to policy, amplifying voices, and solving everyday problems. Wisconsin should be the heart of the American dream.

WHY WISCONSIN MATTERS

I don't have to tell you all the reasons why Wisconsin is an exceptional place to call home. If you're from here, you know it. From our farmers to our manufacturers, Wisconsin is home to the hardest working people in the country that contribute billions of dollars annually to the national economy. We're blessed to be surrounded by abundant natural resources, including the world's largest freshwater system on earth. Wisconsin even has a fascinating history and politics. Not only is it the birthplace of the Republican Party, but it also produced the first Socialist mayor in the country during the Progressive Era.

With all its contradictions and quirks, ranging from cheese heads to cheese castles, it's a beautiful and diverse place that almost 6 million people are lucky to call home.

I believe in taking her best parts and strengthening them so they can endure for our children and our children's children. Of course free-market, conservative policies are integral to this dream - IRG is a proud supporter and co-author of the plan to eliminate the individual income tax and our team has worked tirelessly to expand school choice and overhaul the administrative state.

But we also know that some of the best ideas can come from the people and communities all across the state. That's why a deeper understanding of the social fabric that supports strong families, schools and communities is the precursor to ensuring Wisconsin remains the heart of the American Dream for generations to come.

And that's also why IRG is investing into community engagement. Thank you for your support and I hope you find our work as insightful as I do.

CJ Szafir
CEO



“

As a life-long resident and advocate for northern Wisconsin, I've seen firsthand the struggles and neglect experienced in our rural communities. Here in the Northwoods, we face major problems from a lack of economic opportunity, and drug and substance abuse, to worsening mental health and declining schools. Making matters worse, far too many of our communities across the state have been ignored by policymakers, groups, and politicians.

I am proud of the way IRG continues to buck the status quo of what it means to be a policy organization by going outside of the Madison bubble; building bridges into communities to listen, learn, and be an advocate for change.”

- Bill Johnson, President of Johnson Timber Corp, and Member of the Board of Directors at the Institute for Reforming Government



WHY WE DID THIS



Building Bridges | Connecting Policy to People | AmplifyingVoices

In 2006, then-Speaker of the Florida Assembly Marco Rubio organized community leaders all throughout Florida - called "Idea-raisers" - to get input from the people in crafting the vision for Florida's future. It was eventually published in a book that would serve as the blueprint for Florida state government reforms.

Modeled after Rubio's efforts, in 2022, IRG embarked on an ambitious year-long community engagement project to learn *What Wisconsin Wants*:

- We met with hundreds of community members in every corner of the state, such as school board members in rural Luxemburg, small business owners in Green Bay, faith leaders in urban Milwaukee, skilled workers in Brillion, and teachers and superintendents in nearly every region of the state.
- The rules were simple: Listen and Learn. IRG did not pitch any solutions; our role was to simply keep the conversation going.
- Our team traveled over 5,000 miles, hosting over 40 listening sessions with hundreds of Wisconsinites.

Our vision? To build bridges into communities all across the Badger state, listening and learning about the challenges people face, and brainstorming ways to strengthen the social fabric of Wisconsin.

What Wisconsin Wants is the culmination of what we learned from this fact-finding mission. Our hope is that this report will serve as an educational tool and resource for anyone looking to gain a better understanding of what industry leaders and every-day Wisconsinites think about some very important issues impacting the state.

We will build on this report in the future as our learning and listening never ends.

**This report was authored by:
Madison Hartmann
Director of External Affairs**



WHAT'S NEXT

COMMUNITY ENGAGEMENT AS IRG'S NORTH STAR

IRG's 2022 community engagement work helped guide our policy team in developing and advancing solutions to kitchen table issues that impact everyday Wisconsinites. This included the first-ever proposal to eliminate the income tax and major efforts on universal school choice, charter school expansion, welfare reform, and healthcare reform. Our policy solutions are being adopted by lawmakers and opinion makers, setting the stage for major wins this year and beyond.

Now, IRG has dramatically expanded its footprint to build a community engagement infrastructure in all regions of the state. In 2023, we are building deep and enduring ties to marginalized communities in Milwaukee's north and south sides, Rock County and the rural Northwoods. Our goal is to build trust, amplify voices and help solve difficult problems confronting communities that are in high-need of transformational reforms and expanded opportunities.

THE TOWNS AND CITIES IRG HAS VISITED INCLUDE:

- Arcadia, WI
- Beloit
- Brillion
- Brookfield
- De Pere
- Eau Claire
- Elkhorn
- Green Bay
- Appleton
- Hayward
- Janesville
- Kenosha
- La Crosse
- Luxemburg
- Madison
- Milwaukee
- Oconomowoc
- Onalaska
- Sheboygan Falls
- South Milwaukee
- Spring Green
- Stevens Point
- Waukesha
- Wausau



THE WINDSHIELD REPORT

Cities visited	25
Miles travelled	5,367
Listening sessions held	42



FARMERS

SUMMARY

From Spring Green to Arcadia, IRG listened to dairy, cattle and produce farmers regarding the challenges they face in their industry and what policies they see as helping or hurting Wisconsin. It goes without saying that farmers are integral to Wisconsin's commerce and legacy. We have long been known as "America's Dairyland," and are in the top two producers of every category of dairy product in the country. If Wisconsin is to thrive, we need to support and grow this vital industry.



INDUSTRY FACTS

- Dairy products make up more than half of Wisconsin's total agricultural output annually.
- The number of dairy farms in Wisconsin has been rapidly declining - there are 10,000 less farms than there were a decade ago.
- Over the same time period, the cost to grow crops and agricultural products has increased while the prices farmers get to sell these items has decreased.
- Agriculture contributes more than \$100 billion to the Wisconsin economy every year.

LISTENING SESSION HIGHLIGHTS


- One of the most difficult challenges of farming is the uncertainty of being able to plan for and financially support current and future generations. Historically, three generations used to be able to live off of one farm, but farmers tell us that this is no longer the case.
- While they are often demonized by environmental groups, farmers are actually some of the best stewards of the land. It's in their best interest to keep our natural resources plentiful and free of pollution.
- Overbearing federal and state regulations are killing farms - especially family farms. Too often, rules written with the regulation of large farms in mind often end up hurting small farms even more. In the worst cases, these regulations strangle small farms to the point of closure.

TOP ISSUES DISCUSSED

- 1. Healthcare.** Federal laws on drugs for animals have made it prohibitively expensive to treat cows when they get sick. Medications that used to be easy to get, like penicillin, now require a prescription, which adds costs and time to the process.
- 2. Executive branch overreach.** DNR manure pit regulations cause many farms to incur so many costs that they sold their dairy herd and now only raise cows for other farms. The cost of producing milk is too expensive for them to bear.
- 3. Higher Education.** Local farmers used to partner with UW extension programs - where students learned with real animals, and farmers received testing and other services for a lower cost. Since UW ended this program, farmers feel that UW is no longer rooted in the communities they were supposed to serve which was the basis for the Wisconsin Idea.
- 4. Municipal regulations.** Townships are passing laws that eliminate late night farm work and movement of animals in some areas. This is a burden in the bedroom communities of western Wisconsin where food has been raised for over a hundred years and a neighborhood association can band together to impose their will on the real world where we work. Farmers get outvoted since they are such a small part of the population.
- 5. Regulations.** Both federal and state regulations are often so complicated that farmers feel forced to take what the government offers rather than spend time and money learning and working the system.

PROPOSED POLICY SOLUTIONS

1. Allow commonly-used pharmaceuticals to be available over the counter for animals like we already do for humans.
2. Make regulators more accountable to the people they regulate and ensure that rules are simple, fair, and reasonable.
3. Listen to all farmers, not just ones who can afford lawyers and lobbyists, when promulgating rules that impact all farmers.



“Our most valuable reform would be to have farmers who have managed the land for decades to be allowed to continue. Land ownership for farmers needs to be protected so that foreign investment and commercialization does not destroy our agricultural land base.”

- Farmer and Educator in Arcadia, WI

MANUFACTURERS

SUMMARY

IRG sat down on five different occasions with manufacturers in Wisconsin, including Ariens Company and Waupaca Foundry, to hear about the challenges they face in doing business in Wisconsin, and what policies they see as helping or hurting their industry in the state.

As Wisconsin's second largest industry after agriculture, manufacturing - comprising a wide-range of specialities from food ingredients to ship building - is impacted greatly by regulations and state economic policy.



INDUSTRY FACTS

- The industry maintains 795 jobs per 10,000 people, establishing Wisconsin as a top 10 hub in the nation for manufacturing.
- Manufacturers in Wisconsin account for over 18% of the total output in the state, employing 16.97% of the workforce.
- Manufacturing employs almost half a million Wisconsinites, and produces over \$60 billion in economic output annually.
- The industry has a large share and number of employees over the age of 55. Finding replacement workers will be one of the industry's biggest challenges over the next decade.

TOP ISSUES DISCUSSED

1. **Investments:** Investing in new machinery is crucial but expensive. Many companies choose to wait, but that means they work with broken machines.
2. **Bureaucratic Wait-Times:** Expanding plants and physical properties to increase production capacity often has to go through long and costly processes from the DNR and other agencies.

3. **Trade Policy:** Tariffs can negatively affect Wisconsin manufacturers' ability to import raw materials and export their goods to untapped markets in other countries.
4. **Over-regulation:** Safety is a top priority for manufacturers and thanks to investments in safety, workplace injuries are no longer commonplace. Yet, some agencies like OSHA can be overbearing on their regulatory reach.
5. **Workforce issues:** Companies are having a hard time attracting qualified workers to replace an aging workforce. Wisconsin needs an aggressive strategy to keep the next generation here and to draw workers into our state.
6. **Tax Policy:** Gov. Evers' budget proposals repeatedly attempt to severely limit the Manufacturers Tax Credit, which would make Wisconsin less competitive for the industry by making it more expensive to operate in the state.

PROPOSED POLICY SOLUTIONS

1. **Eliminate the Income Tax.** Transformational tax reform will help keep and draw workers to Wisconsin, especially in our rural areas.
2. **Protect the agriculture and manufacturing tax credit.** This ensures that businesses vital to Wisconsin stay in Wisconsin.
3. **Strengthen the Research and Development tax credit.** This tax credit helps our manufacturers afford and attract top talent in their Wisconsin-based R&D departments.
4. **Streamline and refocus the bureaucracy.** Too often state and federal bureaucrats come across as hostile to employers. Instead, they should be refocused so they attempt to be helpful to manufacturers, not antagonistic.
5. **Bolster apprenticeship programs.** Strengthening and better promoting apprenticeship opportunities in manufacturing helps students earn as they learn in a rewarding career without accumulating student debt.

BY THE NUMBERS

- 71 percent of registered voters in Wisconsin agree that creating tax credits for businesses that offer on the job training would help reduce our worker shortage (Morning Consult/State Policy Network, April 2023).
- 45 percent of Wisconsinites support eliminating the income tax (Morning Consult/State Policy Network, April 2023)

People are our strength in Wisconsin and at Waupaca Foundry. I support policies that continue to sustain our team such as tax reform and educational (alt: workforce development) initiatives that continue to provide a pipeline of talent. What keeps me up at night is our current energy policies. Making iron castings is highly energy intensive and the current direction will make manufacturing less competitive globally, which will negatively affect our business in the future.

- Michael Nikolai, President, COO and CEO of Waupaca Foundry



PUBLIC SCHOOL TEACHERS AND ADMINISTRATORS

SUMMARY

IRG sat down with several groups of public school teachers and administrators from rural districts like Luxembourg, Wausaukee and Kenosha to urban and suburban districts in Milwaukee, Madison, and Waukesha. We learned about the challenges they face in their profession and what policies they see as helping or hurting Wisconsin schools and students. What was clear to IRG is that when it comes to education, there are no silver bullet solutions to the problems facing schools and students.



KEY FACTS

- In recent years, Wisconsin public school enrollment has been steadily declining, a sign of the demographic challenges our state faces.
- Nationwide, nearly 10% of students have been diagnosed with anxiety or ADHD, 20% are depressed, and the youth suicide rate is 7 in 100,000.
- More districts asked voters through referendums for additional funding than ever before in this century.
- The expectations for post-high school are rapidly changing at the same time that the state faces a worker shortage. As a result, many places are trying new and innovative ways to connect potential employers with potential employees.

School District Spotlight: Luxemburg-Casco

Some districts are done waiting on Madison bureaucrats to implement the reforms they need for student success. Instead, they are taking it upon themselves to get creative and innovate new ways to improve education and student outcomes. For example, the Luxemburg-Casco School District in the northeast is partnering with local hospitals and businesses to teach real-world skills, and coming up with innovative ways to provide mental health care for their students. Despite being a rural district, they are now in the top 7% of school districts in Wisconsin.

TOP ISSUES DISCUSSED

- 1. Mental Health:** Worsening mental health among Wisconsin youth was the number one issue discussed at every listening session. Administrators, teachers, and parents alike all discussed the devastating impact that social media is having on students' mental health. Paired with isolation during the pandemic and economic and political instability, and things are only getting worse. Ultimately, the mental health crisis is not only hampering students' ability to learn, but it is putting their lives at risk.
- 2. Learning Loss:** Students are still suffering the learning loss effects of COVID lockdowns, even years after the pandemic. Before the pandemic, Wisconsin was already seeing declining math and reading literacy rates. These numbers are even lower, especially for Black students in places like Milwaukee and Beloit. This will likely have devastating consequences on Wisconsin's workforce for decades to come.
- 3. Broadband Access:** School closures during the pandemic highlighted the lack of – and critical need for – better Internet access in Wisconsin's rural communities. During the pandemic, many students went months with zero access to their teachers, school work or any education materials at all as they had no Internet at home. Eventually, as lock-down orders were lifted, school libraries began to serve as an internet cafe for students and community members. This exacerbated the levels of learning loss in rural areas.
- 4. Funding:** The state aid formula is overly complicated and hasn't been properly updated in years. In recent years, the number of unfunded state mandates over what has to be taught has increased, leaving teachers forced to do more things while having to find the resources to do them at the same time.
- 5. Teacher shortage:** This has been an issue for years in Wisconsin, but has been made worse by the pandemic. Existing teachers feel severe burnout. Not only are there not enough teachers for core subjects like math and reading, but teachers and staff members are having to step-in and help with the mental health crisis, effectively serving as therapists for students who are seeking help but have nowhere else to turn.

PROPOSED POLICY SOLUTIONS

- 1. Literacy Reforms** to get students back on track after the lockdown learning losses, including replacing outdated curricula with phonics-based ones, restoring teacher pride by retraining current teachers and new teachers in phonics methods, and screening students early to inform families of struggles.
- 2. Redesigning the State Funding Formula** to ensure local districts have the tools they need without overburdening local taxpayers.
- 3. Opportunities for public and private partnerships** by allowing and encouraging localities to participate in partnerships with local private enterprise so that districts can create solutions that work best for them, and at the same time get further rooted in their communities.

BY THE NUMBERS

61 percent of Wisconsin voters say that childhood literacy is a problem in Wisconsin (Morning Consult/State Policy Network, April 2023).

“We need parents to view us as their teammates, not adversaries in holding kids accountable for high academic and behavioral expectations.”

- High School Teacher, Mequon-Thiensville School District

CHARTER SCHOOL TEACHERS AND ADMINISTRATORS

SUMMARY

IRG sat down with a group of charter school teachers and administrators in Waukesha and Beloit to hear about the challenges they face in their community and what policies they see as helping or hurting Wisconsin. Wisconsin was the first state to try school choice, and our dozens of innovative charter schools are at the forefront of innovation in education.



KEY FACTS

- Over 200 Wisconsin charter schools are currently in operation, serving more than 50,000 students.
- Charter schools play an important role in under-served communities. A majority of students served by charter schools in Wisconsin are on free or reduced lunch programs.
- The per pupil amount that DPI pays independent charter schools is less than the amount they pay to “normal” public schools (approximately \$9,000 versus \$15,000).
- Charter schools are given the flexibility to specialize education for their students, giving them stronger backgrounds before they graduate. In Wisconsin alone, there are schools focused on Montessori, computer science, outdoor learning, cultural immersion, and the trades.

TOP ISSUES DISCUSSED

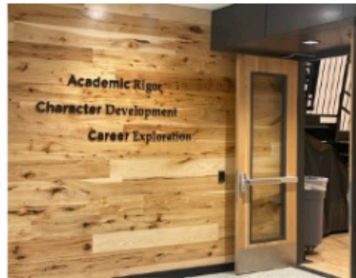
1. **Workforce:** Teacher shortages permeate the system, and the lack of ability to competitively pay staff is a major factor in why teachers leave.
2. **Higher Education:** Nowadays, school administrators prefer teachers to have formal training and sometimes an advanced degree. This is impractical because of the lack of qualified teachers to begin with.
3. **Representation:** CESAs are broken - they seem to operate with no clear mission or purpose, and identify “problems” without finding solutions. Created by the state legislature over 50 years ago, CESAs are Cooperative Educational Service Agencies that serve as a connector between school districts and DPI.
4. **Stigma:** A stigma still exists among the general public regarding what public charter schools actually are and do.

PROPOSED POLICY SOLUTIONS

1. Allow more groups to authorize charter schools.
2. Fund charter schools at the same level as other public schools.
3. Prioritize recruiting teachers with practical experience over simply holding multiple degrees.
4. Connect charter schools with industry experts who want to broaden the workforce to help make more relationships useful.

The concepts and pathways that we offer within the Waukesha Engineering Preparatory Academy aren't designed to solely drive students to a singular post-secondary pathway; but rather to give them the tools and skills to see how everything in society is connected. The greatest corporations, businesses, and societies are made up of people with a variety of skills that can recognize the connections between all forms of design, construction, and implementation of a best practices system. The charter school system allows for the best researched and applied practices to be implemented, so that students can learn within a system that offers equal opportunity to a path that is best for them to become a productive member of their society.

- Nathan Schmitt, Technology Education Teacher, Waukesha STEM Academy



Pictured here: The Lincoln Academy (TLA), is a new, independent public charter school in Beloit that is already one of the state's best charters.

BY THE NUMBERS

Nearly 40 percent of Wisconsin voters do not trust our public education system, helping strengthen the case for authorizing more charter schools that return the power back to the people and community (Morning Consult/State Policy Network, April 2023).

VETERANS

SUMMARY

IRG sat down with three groups of veterans in Milwaukee, Madison, and Eau Claire to hear about the challenges they face in their community and what policies they see as helping or hurting the Wisconsin veteran community. Currently, there are more than 300,000 veterans living in Wisconsin, comprising roughly 7% of the state's population. Veterans are deeply rooted throughout the state, and often serve as business owners, parents, community leaders, and more. The issues they face as a group can often be seen as a microcosm for societal issues at large. For Wisconsin to succeed, we need to make sure our veterans succeed.



KEY FACTS

- Despite there being 71 county offices for veteran services, a majority of needed resources are government-run and centralized in either Madison or Washington, D.C., thus leading to inefficiencies and bloated bureaucracies that get in the way of serving veterans how they need.
- The Wisconsin GI bill offers more benefits than the federal equivalent. While veterans theoretically have access to many resources between what is offered at both the federal and state levels, in practice, they are often unable to utilize those resources due to failure of communication between them and agencies.
- Veterans are struggling. 5.8% live in poverty and it's estimated that over 350 are homeless in Wisconsin. Over 20% of Wisconsin veterans have a disability rating.

TOP ISSUES DISCUSSED

1. **Benefits Process:** The American Legion would love to help new veterans begin their benefits process, but the WDVA won't just give them the list of names, so the onus is on veterans to be proactive. WDVA doesn't provide a good way to start that process themselves.
2. **Outdated Facilities:** Current facilities are built for the needs of the 1970s - they don't have the physical abilities to take care of veterans, and they have shortages of crucial staffers like therapists.

- 3. Healthcare:** Most veterans don't need a lot of care (such as retirement homes); private hospitals could probably take care of them if the system was more efficient. Telehealth could be a major help to veterans, but many of their houses in rural areas don't have broadband.
- 4. Bureaucracy:** Definitions of how the state categorizes "veterans" and "disabilities" are arbitrary and lead to some people being kept out of systems when they should be in, and others being allowed in when they shouldn't qualify. The best services generally come from the County offices (CVSOs), then the State, then the Federal government has the least effective/efficient system.

PROPOSED POLICY SOLUTIONS

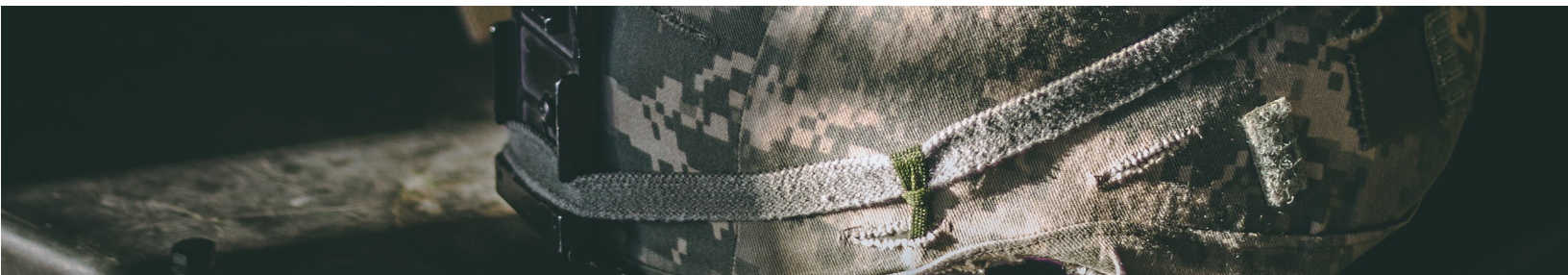
- 1. Create new resources.** Create an online "one stop shop" for veterans' benefits, to reduce stress and bureaucracy.
- 2. Reimbursement reform.** The federal government reimburses the state for the number of beds at state-run facilities. The system should be changed so that the funding can go to group homes/families/smaller providers.
- 3. Increase veteran involvement.** We need more veterans and private agencies/nonprofits involved in helping new veterans - they know what the issues are, so they can provide the best help.

BY THE NUMBERS

Over 82 percent of active and retired service members find the cost of healthcare problematic (Morning Consult/State Policy Network, April 2023).

Ensuring accessible mental health care and fostering economic opportunities are essential elements for a flourishing veteran community in Wisconsin, regardless of their service era. By eliminating bureaucratic obstacles and promoting a business-friendly atmosphere, we can significantly support those who have bravely served our country.

- Jason Church, Wisconsinite and United States Army Veteran



COLLEGE STUDENTS

SUMMARY

IRG sat down with groups of college students in Waukesha, Madison and Oconomowoc to hear about the challenges they face in their community and what policies they see as helping or hurting Wisconsin. Young people are the future of Wisconsin - students come from around the country to attend world-class universities here, and if we want our state to succeed, then we need to find a way to keep them here after they graduate.



KEY FACTS

- UW Madison is ranked in the middle of colleges in terms of free expression allowed on campus.
- College enrollment has been steadily declining nationwide for the past decade. About 125,000 students are enrolled in UW schools, the lowest number since 2010 - enrollment is declining, without much reason to think it will go up without changes being made.
- The 2022 midterms saw young voter turnout across the country, including in Wisconsin, at its highest percentage in 30 years.

TOP ISSUES DISCUSSED

1. **Mental Health:** Mental health, especially after draconian restrictions during COVID, has gotten progressively worse. Over 50 percent of college students and over two-thirds of all female students in Wisconsin report significant problems with anxiety.
2. **Opting-out of College:** College is becoming increasingly expensive, with decreasing value in terms of "real-world" applications. Many young people are opting out in favor of technical schools or career opportunities that don't require degrees.
3. **Bureaucracy:** Not only do students have to pay to complete required courses that have little to do with their degree path, but they also have to navigate labyrinthian bureaucracies to complete the smallest tasks - administrations are bloated, and have little to no checks on their power.
4. **Free Speech:** Conservative college students are almost always in the ideological minority, and often they don't speak up as much because they know they'll be shouted down by their liberal peers. They feel more isolated and atomized than ever.

PROPOSED POLICY SOLUTIONS

1. Cut costs at universities by streamlining bureaucracy and specializing programs. Consolidating campus leadership and specializing degrees will limit the bureaucracy needed at each location.
2. Codify and bolster students' free speech rights so that all students can feel able to fully participate in activities.
3. Create stronger oversight of university policies, so that arbitrary lockdowns don't continue to hamper students' daily lives long after every other citizen is able to move on.

BY THE NUMBERS

It's not just college students who believe mental health is a significant issue in our state. 83 percent of Wisconsinites believe mental health is a problem (Morning Consult/State Policy Network, April 2023).

“I've seen many of my friends who grew up in Wisconsin decide to move out of the state because of the economic opportunities provided in other parts of the country. I would like to see Wisconsin develop policies that encourage companies to invest in our state, create a more prosperous work environment, and help keep Wisconsinites in Wisconsin.”

- Tripp Grebe, Student at UW-Madison



RETAILERS



SUMMARY

From Lacrosse to Stevens Point to Waukesha, IRG visited with a number of Wisconsin retail leaders to hear about the challenges they face in their industry and what policies they see as helping or hurting Wisconsin retailers. Wisconsin is home to some of the nation's top retail companies. Often overlooked by the consumer, their issues are numerous and cut across sectors and industries from public safety to grocers to convenience stores to banking.



NOTABLE RETAILERS HEADQUARTERED IN WISCONSIN

- **ABC Supply, Beloit** – 17,000 employees
- **Kwik Trip, LaCrosse** – 37,000 employees
- **Menard, Inc., Eau Claire** – 45,000 employees
- **Kohl's Corp., Menomonee Falls** – 110,000 employees
- **Kohler, Kohler** – 40,000 employees
- **Ashley Furniture, Arcadia** – 35,000 employees

INDUSTRY FACTS

- Almost one million Wisconsin jobs are retail-based, making the industry more than a quarter of our economy.
- Gas stations and convenience stores make up a large portion of retailers in Wisconsin. Mostly Independent and family-owned, these businesses operate 2,800 convenience stores across the state and employ 45,000 people.

- Issues in the retail industry are a microcosm of the issues across the broader economy, including (but not limited to) cybersecurity, crime and public safety, supply chain, domestic and international trade, and technology and innovation.
- Financial regulations are the biggest strain on the retail industry's growth potential.

TOP ISSUES DISCUSSED

- 1. Financial Regulations.** Credit card swipe fees are a top expense for retailers. At one large retailer in the state, it is their second-highest expense, even more than the costs of health insurance for 20,000 employees. These costs are prohibitive, and have only gone up during COVID.
- 2. Cybersecurity.** In order to use credit card companies' services, retailers such as Kwik Trip have to have fraud protection, but if a data breach occurs, they are held liable. This creates an enormous cost with little benefit.
- 3. Local crime and public safety.** Crime is a serious problem that needs to be treated as such. Prominent Wisconsin companies feel that they can't do business in areas with such high threats to their customers, employees, or property.

PROPOSED POLICY SOLUTIONS

- 1. Bureaucracy Reform.** Regulations should be passed by legislative bodies rather than executive agencies. This would allow for a more proper process, and fewer unforeseen blockages.
- 2. Regulatory Reform.** Financial regulations need to be restrained and standardized. Small costs add up, and can easily kill a thriving business.
- 3. Transformational Tax Reform.** Eliminating or flattening the state's income tax would put more money in the hands of consumers to spend as they see fit.

BY THE NUMBERS

71 percent of registered voters in Wisconsin agree that it's reasonable that retailers are leaving cities due to high crime levels (Morning Consult/State Policy Network, April 2023).

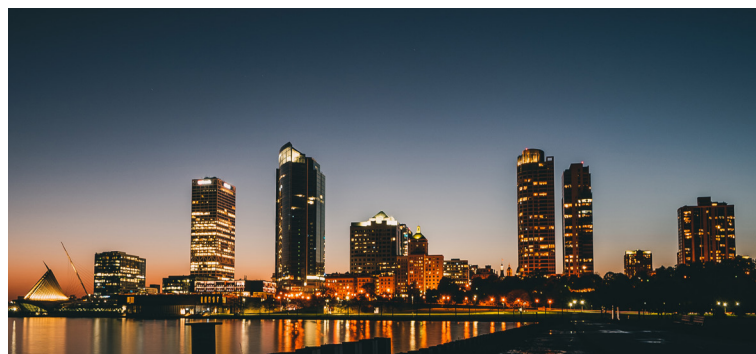




COMMERCIAL REALTORS

SUMMARY

IRG sat down with major commercial real estate professionals from the Milwaukee and Madison areas to discuss the state of the industry in Wisconsin and to gain insights into how it's faring post-pandemic. As if the pandemic didn't effect enough change, the industry has also experienced seismic shifts in how business is done thanks to the rising popularity of shared work and mixed-use space.



INDUSTRY FACTS

- Commercial real estate refers to non-residential property or land used for business or investment. This includes shopping malls, apartment buildings, hospitals, office spaces, hotels, and land.
- In Wisconsin, the industry was hit hard by the pandemic which forced many major projects to pause or stop altogether. Despite the short term pain, demand and construction has returned.

TOP ISSUES DISCUSSED

- 1. Tax Environment.** The state of taxes in Wisconsin is a major hindrance to keeping and bringing in new businesses that commercial realtors benefit from. Eliminating the income tax or moving to a flat tax like Iowa, while keeping a lid on property taxes would give real estate investors more confidence in Wisconsin.
- 2. K-12 Education Reform.** Bringing the free-market mentality to education by implementing universal school choice – especially in Wisconsin's larger markets like Milwaukee – would help attract more income and families to Wisconsin which is key to reversing the area's negative growth rates.
- 3. Regulations.** It is not enough to just cap regulations, we need to reduce them and make them less onerous. The current regulatory state and rule making process is preventing innovation. Additionally, there should be regulation oversight to help alleviate businesses and individuals who are dealing with building and license approvals being delayed.

- 4. Advocacy.** There needs to be a stronger pro-business mindset within government and executive agencies, perhaps a business advocate embedded within the Dept. of Administration or the Governor's office who can serve as a single point of contact for commercial realtors and business developers who are trying to grow the Wisconsin economy.
- 5. Housing and Development.** Even without a major influx of new workers to Wisconsin, major portions of the state are struggling to find affordable housing for the workers we do have. This is a major impediment to growth for the state. In addition to better schools, we need sustainable and affordable housing options that bolster lower and middle income families.

PROPOSED POLICY SOLUTIONS

- 1. Eliminate the Income Tax:** Income tax elimination would help Wisconsin make progress in recruiting new workers to the state and encouraging younger generations to stay in the state.
- 2. Government Modernization & Civil Service Reform:** Allow state agencies to update their computer systems to improve inefficiencies and reverse lagging response times to business and citizen requests. There should be a requirement that civil servants must respond to constituents within a 30 day period

BY THE NUMBERS

The people of Wisconsin agree with commercial realtors and the business community at-large on the issue of tax reduction. 70 percent of Wisconsinites believe that lowering state income taxes will help the business environment and alleviate workforce shortages (Morning Consult/State Policy Network, April 2023).

“We need our leaders in Madison to pursue bold regulatory reform. The current rules and regulations on the books are not just onerous, they are actually stifling the growth of our workforce and the industries that will set Wisconsin up for success in the future. It's not enough to just cap the regulations we have on the books – we need to overhaul the entire rule making process.”

- Scott Welsh, Partner, Wisconsin at Colliers International



ENTREPRENEURS

SUMMARY

IRG sat down with start-up owners and entrepreneurs in Milwaukee to hear about the challenges they face in their industry and what policies they see as helping or hurting Wisconsin. Start-ups in Wisconsin face many upcoming challenges to growth, including the “brain drain” of college students leaving after graduation and governmental agencies that seem more equipped to fight entrepreneurs than help them succeed.



INDUSTRY FACTS

- Wisconsin is ripe for opportunity for future start-ups – not only does UW Madison produce more Fortune 500 CEOs than any other university, but the city Madison was recently ranked the best “untapped” city for start-ups.
- Wisconsin consistently ranks near the bottom nationally for having a strong start-up environment. As big companies move out or decrease their presence in Wisconsin, this makes it less likely that the state will attract start-ups as big companies tend to attract start-up investments.
- Start-ups are risky endeavors, with 80% of startups failing within the first five years of operation. This is why it can be hard to find investors, and Wisconsin’s regulatory culture makes it even less attractive for out-of-state investors to come in.
- Since the pandemic, more and more people are moving toward self-employment and entrepreneurial endeavors.

TOP ISSUES DISCUSSED

1. **Attracting Tech:** Outside of Madison, the rest of Wisconsin doesn’t have a strong “narrative” for attracting tech start-ups. This is something often overlooked but that most successful states and cities with vibrant tech scenes have. Wisconsin’s is rural-based and outdated for the new economy.
2. **WEDC:** WEDC used to be a powerhouse of cooperation – now, entrepreneurs rarely hear from them, and when they do, it’s not good. Entrepreneurs often feel that WEDC has become more of an opponent and are ambivalent at best.

- 3. Regulations:** Navigating our regulatory state requires connections, then when an administration changes and there are new people, you basically have to restart the process of getting to know everyone
- 4. Labor Shortages:** Wisconsin's labor shortage and active "brain drain" needs to be addressed immediately. Students graduate from our world-class universities, then go to other states to work and live.

PROPOSED POLICY SOLUTIONS

- 1. Executive Branch Overhaul.** Restructure WEDC so it better aligns with the needs of the start-up community and is able to offer stronger assistance.
- 2. Transformational tax reform.** Cut income taxes, both to keep students here after graduation and to attract VCs here for investments.
- 3. Improve state and local coordination.** Better align the state and Milwaukee's goals so that both are pushing in the same direction, instead of Milwaukee always being at odds with the rest of the state for state aid and other purposes.

BY THE NUMBERS

For over 60 percent of Wisconsinites, the labor shortage is impacting their local business community (Morning Consult/State Policy Network, April 2023).

Wisconsin is and always has been an amazing place to build things. It's what we do best! But as a young entrepreneur trying to carry on this legacy and bring innovation to the tech hardware space, I have found starting and scaling a business in this state to be needlessly cumbersome.

The rules and regulations in place favor old-fashioned, cookie-cutter businesses that neatly fit into one category which stifles our potential as a state. If we want to encourage cutting-edge innovation and spur economic growth, then we need our law and policy makers to be open to innovation on their end, too. This means bucking the status quo, doing away with outdated rules and regulations, and actually listening to what entrepreneurs are saying.

- Adrian Deasy, Founder of Octane Coffee





HAYWARD

“THE BEST PART OF THE NORTHWOODS IS SIMPLE: FREEDOM.”

SUMMARY

Get out of the Madison–Milwaukee corridor, and you will find that the heart and soul of Wisconsin lies in its patchwork of small, rural communities that dot the entire state. One of these communities is Hayward – a small town an hour and a half north of Eau Claire in the western part of the state – which perfectly represents rural Wisconsin and the Northwoods. Hayward is renowned across the state for its lakes and fishing waters and trails in the Chequamegon National Forest. It is even home to two world-class events, the American Birkebeiner Cross Country Ski Race and the Lumberjack World Championships – both of which have people from all over the world descending into Hayward every year.

IRG was fortunate to spend time in Hayward talking with a variety of workers and touring several of the town’s and several of its businesses, including one major employer, Johnson Timber. Here is some of what we learned.



COMMUNITY FACTS

- Hayward’s population – currently just over 2,400 people – continues to shrink, with many young people leaving home for college or jobs and not returning to raise their families. From 2019 to 2020, the Hayward population shrank by over 11 percent.
- The logging industry once was, and still remains, a bedrock to the Hayward economy. But this is beginning to change. 25 percent of the industry is no longer in business.
- Hayward maintains close ties to the tribal community as the Lac Courte Oreilles Ojibwa reservation lies just southeast of the city.
- Hayward schools have shown signs of underperformance, with 1 in 8 students not graduating from high school, and only 11 percent of students attending a local technical school that would keep them in the area.

TOP ISSUES DISCUSSED

- 1. Government Assistance:** Increasing amounts of unemployment insurance and other government assistance benefits have crippled the local economy, significantly contributing to Hayward's workforce shortage.
- 2. Workforce:** Prior to COVID, Johnson Timber, one of Hayward's largest employers, received eight applications per open position. Since Spring 2022, they had three open positions, received five resumes, and only two people showed up for an interview. Like so many other companies around the state, "ghosting" continues to be an issue.
- 3. Drugs and Opioids:** This is a major problem from growing that continues to grow in urgency. Each year, more and more people are coming over the Minnesota border from the Twin Cities to sell and distribute drugs. This has devastated families and taken hundreds of lives in the community.
- 4. DNR Issues:** It takes too long to get permits and there is a lot of confusion over hunting, fishing and Bear trapping rules.
- 5. K-12 Education:** Many parents feel there should instead be more of an emphasis on teaching the trades and agriculture (specifically timber and logging) which is a critical part of the local economy but one that is dealing with workforce issues. Schools have an important role to play in helping shape the future of the Hayward economy and parents want to see them step back into that role. Additionally, school consolidation and changing districts are a major threat to the stability of the local education system.

PROPOSED POLICY SOLUTIONS

- 1. DNR Reform.** The agency should do more to promote hunting to boost eco-tourism in the area which could be done by hosting statewide hunting and fishing competitions. The agency also needs to bring more clarity to tribal rights to local lakes – there are many local disputes over this issue that leaves the local community frustrated.
- 2. UI Benefits Reform.** Ending "Ghosting" of interviews and jobs by allowing employers to report these incidents to the Department of Workforce and Development. An individual found to have ghosted should be ineligible for weekly benefits.

BY THE NUMBERS

89 percent of Wisconsinites believe that drugs and addiction are a problem (Morning Consult/State Policy Network, April 2023).

