

Superior Days Issue 2014
WEDC Agency/Potential Legislative Issue
Economic Development needs of Northern Wisconsin topic:

Job Creation & Retention Funding

The needs of Economic Development in Northern and Rural Wisconsin are much different than those needs of larger metropolitan areas of the state. For example, WEDC programs that work in Madison do not always work in Rural/Northern Wisconsin. In Northern Wisconsin, wages are lower, not as many jobs are created, but any jobs that are created really add to the northern economy, so the programs need to be flexible. Many businesses do not pay the \$10.88 per hour needed to qualify for state programs. WEDC could base the wage scale similar to the Davis-Bacon wage scale (average job wage per county). Tax Credits for small business and startups aren't seen as a viable strategy in the early years, as in those years, the businesses are not accruing much in profit. Also, as the state lowers the manufacturing tax, these will no longer work, or have even less value to applicable businesses at that time.

The base funding for tax credits/funding per job are currently @ \$3,000, \$5,000, and \$7,000 per wages paid. This scale of funding for businesses does not provide adequate gap funding for projects, in many cases, compared to the amount of time needed to submit an application for such funding. In previous years, the rate was \$20,000 per job created or retained to receive funding from the state for a project. We ask that the \$20,000 per job be re-instated.

Another associated program of interest would be a Graduated Interest/Payment Loan Program for expanding businesses, equipment, training, etc. An example would be – loan to company, no payments for two years, interest only starting third year, and principal and interest the fourth year. Loan money would return to the state to be loaned out again.

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