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**Contact:** Representative Gordon Hintz

608-266-2254

## **Hintz Column: Undermining Wisconsin's Future**

Scott Walker has had the advantage of being Wisconsin's governor during the third-longest national economic expansion in U.S. history. While Wisconsin's economy has lagged behind the national average during his time as governor, there still has been state revenue growth in each state budget. Yet even with these increases, Gov. Walker has slashed funding for higher education and K-12 education.

If Wisconsin has more money, why haven't we increased investment in educational opportunity? The answer is simple. For Gov. Walker and Republicans, it is a bigger priority to direct those state resources to tax cuts for the wealthy.

Wisconsin's budget has become increasingly strained by the governor's so-called "Manufacturing and Agriculture Tax Credit". When it was abruptly slipped into the 2011 budget, the credit was forecast to cost \$128 million each year when fully phased in by 2016-'17. However, state estimates show that the credit cost has more than doubled. This tax giveaway is now expected to balloon to \$334 million a year by 2018-'19. In addition to cuts made to public schools and higher education, 148 school districts have voted to raise their own property taxes by nearly \$630 million to avoid harmful cuts to educational programs since 2011. The state resources being diverted to this credit have also resulted in the governor actually borrowing \$209 million the last three years from future taxpayers—just to keep the budget in the black.

There have been huge consequences and costs associated with this credit. It would be one thing if the hundreds of millions spent on this giveaway had resulted in successful job creation. But they have not. Under Gov. Walker, Wisconsin dropped from 12,009 manufacturing jobs gained in 2010 to 3,776 manufacturing jobs lost in 2016.

Which brings us to Foxconn, and what it means for Wisconsin's future.

Since becoming Governor, Scott Walker has desperately tried to define himself as the pro-jobs governor. His efforts have, of course, been a gigantic failure. Currently, Walker's track record includes: an unfulfilled pledge to create 250,000 jobs by the end of his first term; a mining bill which promised thousands of jobs but created zero; anti-worker reforms; and more reckless tax credits aimed at drawing new business.

These failures have led our frantic governor to double-down on a costly economic trickle-down fantasy: his proposal to offer the most expensive state taxpayer-funded subsidy to a foreign company in U.S. history. It is important to note that because slashing taxes for the wealthy and corporations is now the operating principle of the Wisconsin Republican Party, Foxconn's billionaire owner will now owe basically nothing in taxes. Therefore, he will be receiving up to \$3 billion in tax credits as a cash payment from Wisconsin taxpayers.

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Before the 2017-'19 budget is signed—and before the legislature approved \$3 billion in taxpayer-funded incentives—Wisconsin faces a \$1 billion deficit in the 2019-'21 budget. With economic growth projections being lowered for the next few years, state growth will likely slow as well.

Walker has left the state fiscally unprepared for slower economic times. Now he is betting it all on the Foxconn package, which, under the best-case scenario, would not break even for a quarter-century. And knowing Walker's and Foxconn's history of "overpromising and underperforming," this best case is not likely to happen.

The opportunity cost of not investing in transportation, the future education of our children and further incentivizing entrepreneurship is very real. Just like public school and university cuts paid for massive tax cuts the past few years, you can assume that taxpayer funding for Foxconn will come at the expense of these programs once again.

*Rep. Gordon Hintz (D-Oshkosh) represents the 54<sup>th</sup> District in the Wisconsin State Assembly and is a member of the Legislature's budget-writing Joint Committee on Finance.*

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