

Evers proposes \$329M in new economic development initiatives, small business assistance

Local lawmakers, stakeholders offer perspective

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MADISON — Gov. Tony Evers will propose more than \$329 million in new economic development initiatives as part of his state budget proposal tonight, including a new \$100 million venture capital fund to help startups and \$200 million to assist small businesses hurt by the coronavirus pandemic.

Republicans have blamed Evers, a Democrat, for hurting businesses with his “safer at home” order last year that forced all non-essential businesses to close. Republicans successfully challenged the order, which the Wisconsin Supreme Court struck down in May, after it had been in effect less than two months.

“Over the past year, our small businesses have seen the effects of this pandemic firsthand,” Evers said, in a statement. “These investments will ensure our Main Street businesses, our workers, and our state bounce back and better than before by helping folks recover from this pandemic while investing in new innovation and startups.”

Securing capital for new business startups has been an ongoing issue for years in Wisconsin. Evers is proposing a new \$100 million venture capital program that will make awards of up to

\$25 million. Recipients must match the award with private money and invest in Wisconsin. At least 20% of the money being managed will be invested in minority-owned or women-only firms.

The plan calls for the Wisconsin Economic Development Corporation to create an oversight board to manage the program.

Evers is also calling for an additional \$200 million to WEDC to assist businesses in recovering from the pandemic, including assistance for job retention and hiring. He also wants to increase an existing block grant at WEDC by \$10 million, for a total of \$51.5 million a year, that’s used for a wide range of programs.

Reaction

Waukesha County Business Alliance Senior Vice President of Public Policy Amanda Payne said the organization is “encouraged to hear there will be continued support for those in the business community that have been severely impacted by COVID-19, particularly in areas that align with the Alliance’s priorities such as support of the Fast Forward program and expansion of Youth Apprenticeship.”

Assembly Rep. Adam Neylon, R-Pewaukee, was not convinced Evers’ proposals are optimal. “Overall, I think the best way to help small businesses in the state of Wisconsin is to lower

taxes across the board as opposed to putting money into some sort of development fund,” he said, adding that if lowering taxes is not the direction taken, he would prefer to see investments made into existing programs like the Badger Fund of Funds or Qualified New Business Venture Tax credits.

State Rep. Sara Rodriguez, D-Brookfield, voiced support for Evers’ proposals.

“We know COVID has really hurt a lot of our small businesses here,” she said, adding that business such as restaurants in her district could use some help. Rodriguez said she’d also like to see the venture capital proposal boost entrepreneurship in Wisconsin, citing a 2019 Kauffman study ranking the state 45th in the nation on “Early-Stage Entrepreneurship Index.”

State Rep. Scott Allen, R-Waukesha, said he’s open to considering Evers’ proposals but wants to take the budget as a whole into account following the meeting tonight.

“We need to look at the full scope of what he’s proposing,” he said. “We have gone through an interesting year, so I think that the more ideas we put on the table to get our economy moving, the better.”

Contributing:
The Associated Press