

# One Wisconsin Now: Foxconn deal flounders in state legislature

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Contact:

Mike Browne, Deputy Director

[mike@OneWisconsinNow.org](mailto:mike@OneWisconsinNow.org)

[\(608\) 444-3483](tel:(608)444-3483)

MADISON, Wis. — Gov. Scott Walker’s proposed deal with Taiwanese electronics manufacturer Foxconn is floundering in the legislature as the State Assembly delays committee action following a devastating analysis from the nonpartisan Legislative Fiscal Bureau. Meanwhile, in the State Senate, the leader of the Republican majority suggested he may lack the votes to pass it and revealed he and his colleagues have been excluded from discussions on amendments.

“The reality of just how a bad a deal this is for Wisconsin are starting to sink in,” commented One Wisconsin Now Executive Director Scot Ross. “How else can you describe a deal that cost us over \$15.6 million in the yet to be adopted 2017 budget, over \$522 million in the next one and is a net loser of \$1 billion over the next 15 years?”

In an interview the chair of the Assembly committee considering the Foxconn bill cited over a dozen areas of concern with the deal and announced he is delaying any votes on the measure until next week at the earliest. Meanwhile no action on the bill has been scheduled by the Republican controlled Senate where, in speaking to the media, the majority party leader revealed he may not have the votes to pass the bill and that he and his fellow Senators have been excluded from talks on possible amendments.

The delays in action and revelations about trouble behind the scenes come on the

heels of the release of an independent analysis of the proposed deal by the Legislative Fiscal Bureau. They find that the costs to taxpayers could start adding up almost immediately with an over \$15.6 million fiscal impact in the 2017 budget that has still not been passed. Costs quickly balloon in the 2019 budget to over \$522 million, and even with projections of new revenue being generated the net cost will be over \$307 million. Over the next 15 years the deal would be a net loser of over \$1 billion for state taxpayers.

Ross raised the question, “How will legislators explain to their constituents that instead of supporting their public schools, fixing their roads or investing in their main street small businesses they voted to send billions in state tax dollars to subsidize the operations of a Taiwanese manufacturer and create jobs for Illinois workers?”

Based on the rosy projections of Walker’s administration and an analyst hired by Foxconn, the Fiscal Bureau finds Wisconsin wouldn’t recoup its investment for nearly three decades, in the 2042-43 fiscal year. But the analysis warns that date could be significantly delayed based on factors like how many out of state residents are employed at Foxconn and pay taxes elsewhere, changes in markets or changes in manufacturing processes like increased reliance on automation replacing taxpaying workers.

He concluded, “It seems that for a growing number of legislators they’d prefer to vote no instead of try to explain why they supported this awful deal for the next quarter century.”