

# McCabe campaign: McCabe calls for ending 2 state subsidies benefiting select few to invest in community prosperity

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MARCH 6, 2018 – Wisconsin governor candidate Mike McCabe today suggested a rule of thumb for evaluating government spending priorities that should be applied when the next state budget is put together to free up funding for needed investments to empower working people in Wisconsin.

“If a program works, keep it and fund it. If it doesn’t work, get rid of it,” McCabe said. “By that standard, the state’s corporate welfare office should be closed and taxpayer-subsidized private schooling should end.”

Phasing out Wisconsin’s school voucher program and the Wisconsin Economic Development Corporation would save close to \$700 million in Wisconsin’s two-year budget that could be used to make education and job training more affordable and bring high-speed Internet to parts of the state currently lacking access. Two other measures McCabe favors to empower working people involve no additional state spending and can be done without creating any new program or state bureaucracy. These include boosting wages by turning the state’s minimum wage into a living wage and expanding access to health care by changing a single word in state law to make nearly every state resident eligible to get affordable health insurance through

the BadgerCare program.

Handing out state-funded subsidies that make taxpayers pick up the tab for more than 33,000 Wisconsin students to attend private schools will cost the state in the neighborhood of \$580 million over the next two years. Nearly 900,000 students attend public schools in Wisconsin.

When the voucher program was started in 1990, it was pitched as a way to boost student achievement, improve school quality and give families more educational choices. Test scores and other indicators mostly show voucher students are not doing any better than those attending public schools and by some measures are actually doing worse. Overall school quality in Wisconsin has slipped. Most families receiving vouchers already were privately schooling their children before receiving vouchers, shooting a hole in the argument that the program provides choices that didn't previously exist.

"This private school subsidy program has been around for 27 years and has failed to deliver the promised results. Student achievement hasn't increased. Wisconsin's education system has not been made better, it's been made worse. Families aren't getting more choices, taxpayers are mostly just subsidizing the decisions some families already were making and previously were paying for themselves," McCabe said. "Resources are being siphoned away from community schools, weakening them badly, especially in rural areas of the state. After all these years, it's clear the voucher experiment hasn't worked. We shouldn't throw good money after bad. We should pull the plug on this failed subsidy."

The Wisconsin Economic Development Corporation was created in 2011 to promote new business start-ups. WEDC's budget is slightly more than \$50 million a year, or over \$100 million for the next two-year state budget. Wisconsin has ranked last in the nation in new business start-ups for the last three straight years.

A 2015 audit of WEDC was harshly critical of the agency's financial management and internal operations. A subsequent 2017 audit concluded that WEDC couldn't account for the number of jobs its assistance programs had helped create or retain.

"WEDC is a train wreck. It's done a lousy job of keeping track of taxpayer money and has had chronic internal management problems. But most importantly, it has failed in its mission. Its purpose is to promote new business start-ups and Wisconsin is dead last in the nation in new business start-ups three years running," McCabe

said. “Why flush more money down this toilet? There are so many better uses for the funds being wasted on WEDC.”

Under McCabe’s streamlining plan, three existing agencies – the Wisconsin Housing and Economic Development Authority, the state Department of Agriculture, Trade and Consumer Protection and the Department of Workforce Development – would share responsibility for business development efforts and protecting the economic interests of the people of Wisconsin.