

Wisconsin Technology Council: 'White papers' urge investing in workforce, young companies, broadband

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MADISON, Wis. – Improving access to investment capital for young Wisconsin companies, educating and building a strong workforce, enhancing the startup and business climate, and updating the tech infrastructure are four major themes of the Wisconsin Technology Council's 2018 "white papers" report.

The Tech Council is the bipartisan, non-profit science and technology policy adviser to the governor and the Legislature, and a catalyst for tech-based development in Wisconsin. The Tech Council periodically issues "white papers" and special reports to assist those policymakers.

"The ideas offered in our 2018 white papers will continue the public discussion about improving the state's tech-based economy," said Greg Lynch, chairman of the Tech Council. "As the state weighs its budget priorities for the next two years, policymakers deserve to hear ideas that focus on the creation of next-generation jobs for Wisconsin – and keeping our best and brightest young people at home."

Here are major recommendations of the 2018 report, "Pathways to Success":

1. Develop talent through means-tested student aid in higher education, much like what is done in Minnesota and other states.
2. Create a “Future Workers Tax Credit” to help employers attract and retain talent.
3. Establish a \$150 million venture capital “fund-of-funds” to invest in emerging companies, preferably following private models used in states such as Michigan and Ohio.
4. Create matching funds of 20 percent for seed funds, angel groups and venture debt programs targeting the first \$250,000 in private funds invested. This could be financed with a portion of the return on the state “rainy-day” fund, if that fund was re-invested through the State of Wisconsin Investment Board versus current low-yield results.
5. Avoid state-based research restrictions that put Wisconsin at a competitive disadvantage.
6. Welcome emerging platforms in broadband development, including “small-cell” technology to enhance internet speed and coverage. This can be done by removing regulatory barriers and leveraging existing federal dollars and Wisconsin grants with private support.
7. Re-invest in higher education. This is a core recommendation in the Tech Council’s spring 2016 report, “The Value of Higher Education to Wisconsin’s Economy.”

Past Tech Council reports have helped produce lasting policy initiatives, such as the Act 255 investor tax credits and the public-private Badger Fund of Funds, which has launched five funds and made eight investments in Wisconsin companies thus far.

In the most recent session of the Wisconsin Legislature, policymakers acted on two recommendations in the Tech Council’s 2015 and 2017 white papers.

Lawmakers voted to raise the \$8 million cap on credit-eligible investments for Act 255 firms to \$12 million, which is helping existing, state-based companies poised for growth. Those same lawmakers ended a state tax on capital raised by Wisconsin-based C corps based in other states, making sure to limit changes to firms of a certain size and age.

Other ideas contained in the 2018 papers:

1. Re-examine professional and occupational licensing.
2. Enhance access to out-of-state power.

3. Embrace innovation in transportation.
4. Work with the State of Wisconsin Investment Board on early stage investment strategies and contacts.
5. Get behind efforts to improve airline connections to Wisconsin.
6. Make use of the Tech Council's "Tech Metrics" gallery to chart the state's economic progress.
7. Support federal bills to create a clear path for a Startup Visa for foreign-born workers and entrepreneurs.

Starting on page 26 of the 36-page report, our Tech Metrics section covers data related to investment capital, intellectual property, educational attainment and test scores, population and migration, real domestic product and gross state tech product, tech employment and average tech salaries, research and development spending, Small Business Innovation Research grants, exports and more.

To read past white papers and other policy reports, visit www.wisconsintechcouncil.com.