

Gov. Evers: Announces Badger Bounceback budget investments to support small business, kickstart innovation

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Governor proposes \$200 million to assist small businesses in recovering from COVID-19 pandemic

MADISON — Gov. Tony Evers today announced his 2021-23 budget will include aggressive economic development plans that invest more than \$200 million in assisting small businesses, more than \$29 million for workforce development initiatives, and a new \$100 million venture capital program to jumpstart innovation as all part of his Badger Bounceback agenda to help the state's economy rebound, rebuild, and recover.

“Over the past year, our small businesses have seen the effects of this pandemic firsthand. I am proud of our small businesses and of the critical investments we made with our We're All In grant program, but we know we have more work to do in making sure we can recover from this pandemic,” said Gov. Evers. “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.”

Helping Wisconsin Businesses Bounce Back

During the COVID-19 pandemic, Wisconsin was able to respond quickly to the needs of businesses through the Wisconsin Economic Development Corporation's (WEDC) We're All In grant program, providing nearly 55,000 small businesses a total of approximately \$240 million to help weather the pandemic. Building off of this success, the governor's Badger Bounceback agenda creates a biennial appropriation to provide the WEDC with \$200 million to assist Wisconsin's small businesses recover from the global pandemic, including assistance for job retention and rehiring.

Additionally, the governor is proposing increasing WEDC's annual block grant by \$10 million in each year of the biennium to bring the total investment to \$51.5 million per year, providing WEDC with additional resources across its range of programs to assist businesses, communities, and organizations. In order to ensure that the state's economic investments are felt statewide and in an equitable manner, the Gov. Evers' proposal includes:

- Providing a one-time \$8 million investment for WEDC to award to organizations focused on local or regional economic development;
- Promoting entrepreneurship in underserved communities, including minority and women-owned businesses, with \$10 million in direct investment activity; and
- Supporting tribal economic development by providing \$780,000 in tribal gaming revenue over the biennium to support business and communities among Wisconsin's 11 federally recognized Native Nations.

Workforce Initiatives

The governor recognizes Wisconsin's economy is only as strong as its workforce. That's why Gov. Evers is proposing to:

- Provide \$8 million over the biennium in funding for pandemic recovery grants to local workforce development boards;
- Invest \$10 million over the biennium in the Fast Forward program supporting training for individuals, businesses, and organizations affected by the pandemic;
- Providing an additional \$1 million over the biennium in the Fast Forward program for training specifically in green jobs throughout the state, encouraging career paths in conservation and sustainability;
- Transferring \$250,000 from the Fast Forward program to provide greater resources for young adults with disabilities through Project SEARCH;
- Providing \$500,000 over the biennium to expand youth apprenticeship opportunities to more school districts and youth throughout the state; and
- Creating a new “customer centric” worker program within the Department of Workforce Development with Career Coaches to assist individuals in overcoming barriers to meaningful employment with a \$9.7 million investment over the biennium.

Venture Capital Investment

In addition to short-term recovery initiatives, the governor recommends numerous proposals to enhance Wisconsin's long-term economic growth prospects in the years ahead. Now, more than ever, is the time for Wisconsin to recommit to innovation and economic growth to come out of the COVID-19 pandemic stronger than ever. The largest of these proposals is the creation of a \$100 million venture capital fund under the direction of the WEDC to jumpstart innovation and startup growth in Wisconsin.

The program will be a fund of funds investment program, and no investment made by the fund of funds in a recipient venture capital fund may exceed \$25 million. Venture capital funds receiving investment from the fund of funds program must commit to investing that amount in Wisconsin and that these investments must attain at least a one-to-one match with private sources, such that the program as a whole attains a required match rate of two private dollars for every state dollar invested. The program will require that at least 20 percent of the total funds under management be invested in minority-owned or women-owned firms or in businesses that are located in underserved areas. WEDC will establish an oversight board with various enumerated responsibilities related to the establishment and management of the program. Both investments made by this new fund, as well as investments made by the Badger Fund of Funds, will be able to be reinvested in perpetuity.