



Tony Evers

Office of the Governor | State of Wisconsin

VIA ELECTRONIC DELIVERY

December 9, 2019

Dear Honorable Members of Congress:

Over the past several decades, the growth of the high-tech innovation sector has yielded significant but uneven economic growth in our nation. As sector activity has increasingly concentrated in a handful of “superstar” metropolitan areas located largely on the coasts, other parts of the country—including Wisconsin—have not experienced the same sort of rapid expansion. As this trend continues, the gap widens between our states and communities, resulting in lower wages, slower growth, and declining populations.

A proposal released today by the Metropolitan Policy Program at the Brookings Institution and the Information Technology and Innovation Foundation offers a roadmap for closing this gap by providing federal funding of up to \$10 billion annually over the next decade to advance “eight to 10 new regional growth centers across the heartland.” This funding would include support for institutions of higher education, workforce development, and potential tax incentives for investments in these centers. The report lists both Madison and Milwaukee as among the top 20 candidates for these regional growth centers. Based on the study’s proposed criteria, we believe Wisconsin is uniquely poised to lead the nation in this exciting next phase of entrepreneurship and innovation. Therefore, we urge you to give close attention to this proposal as it advances in the coming weeks and months and the potential it offers to build on our state’s strengths.

The report recognizes that Wisconsin has an existing framework, strategies, and partnerships to support and capitalize on a major federal investment in transformative innovation. Wisconsin is home to two R1 research universities that receive \$1.2 billion in federal research spending annually. On the private side, Wisconsin companies attracted 51 Small Business Innovation Research (SBIR) awards totaling \$25.4 million last year and an active state-funded program that provides \$1.5 million in competitive matching grants to SBIR awardees.

As you know, education is a central focus of my administration and our institutions are well-positioned to support bold technology-focused initiatives. There are four major technology transfer offices at public and private universities in Madison and Milwaukee and an umbrella organization that works with 13 comprehensive University of Wisconsin campuses. The state is home to two medical schools and 85 degree-granting institutions that foster innovation and support the state’s technology workforce needs. These institutions confer more than 17,000 undergraduate and graduate STEM degrees per year.

In addition, Wisconsin's technical colleges system offers more than 500 programs awarding two-year associate degrees, one- and two-year technical diplomas, and short-term technical diplomas and certificates. With over 300,000 students enrolling each year, the technical college system is also the major provider of customized instruction and technical assistance for Wisconsin employers.

Wisconsin has also taken unique step of investing in our K-12 students with the goal that they graduate from high school career or college-ready. Our rapidly growing Inspire Wisconsin program connects employers with their future workforce in public schools across the state. Students benefit from career coaches, descriptive company profiles, and career-based learning experiences in selecting their future occupation.

Our state's economic development strategy includes a wide array of partners and a collaborative framework to both coordinate and capitalize on the type of investment proposed by the report. Our collective economic development efforts, led by the Wisconsin Economic Development Corporation (WEDC), in partnership with more than 600 local and regional organizations, includes programs focused on tech-based economic development, startup and entrepreneurship support, industry cluster development, talent development and attraction initiatives, and more. These existing programs and networks are in place and ready to capitalize on bold initiatives today. Additionally, WEDC's board has, at my request, created a Committee on Entrepreneurship and Innovation to ensure the state has the full range of development tools needed.

Our major corporations are also committed to ensuring that our communities and state can capitalize on technology and innovation as economic differentiators. Milwaukee's corporate leaders are working together to support the Milwaukee Tech Hub initiative, there are significant corporate investments in Madison's tech startup ecosystem, and both communities are home to a growing number of corporate venture capital funds.

More specifically on the investment side, the state established a fund-of-funds program in 2013 and the private investment community has banded together under the Wisconsin Venture Capital Association. The state is also home to major investors in the venture capital asset class that are able to help the state gain the attention of larger funds that tend to reside in the existing tech centers identified by the report. It is our belief that a significant statement in the form of a federal initiative will help us leverage our existing assets to more effectively capture not just the attention of, but private dollars from the existing tech centers.

The local infrastructure exists to capture new growth if the proposal is adopted and launched by the federal government. Our research parks, downtowns, incubators, and coworking offices have already landed tenants with out-of-town roots such as Zendesk, Google, Exact Sciences, and many other smaller, fast-growing firms. These companies are not locating in our state by accident. They are the global innovation leaders and provide strong evidence for the attractiveness and continued potential for investment and growth in Wisconsin's tech economy.

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As the report points out, we are well-situated to support exactly the type of initiative the report proposes. Just last month, I brought together leaders of state agencies, public and private investors and business leaders from across the state to engage with national thought leaders to discuss investment strategies to grow our economy and workforce. Like me, they are proud of what Wisconsin has already accomplished and are ready to do more.

Our state has demonstrated it has the infrastructure, institutions, and importantly, the relationships and commitment to transform ideas into successful outcomes, and Wisconsin could benefit immensely from the type of initiative proposed in the report. Moreover, this type of bold initiative could not only support the communities that receive funding but ultimately strengthen our state and our country and support our position on an increasingly competitive world stage. I urge you to learn more about this proposal, and I look forward to working with you to make Wisconsin the first state in the nation to benefit from it.

Sincerely,

A handwritten signature in black ink that reads "Tony Evers". The signature is written in a cursive, flowing style.

Tony Evers
Governor

cc: Members of the Wisconsin Congressional Delegation