



DAVE ARMSTRONG

STATE REPRESENTATIVE - 75TH ASSEMBLY DISTRICT

Testimony on Assembly Bill 235

April 6, 2021

Madame Chair and committee members, thank you for the opportunity to speak today on behalf of Assembly Bill 235, which recognizes the vital role Wisconsin's farmers and rural communities play in our state's economy.

Wisconsin will receive over \$3 billion dollars in federal funding under the American Rescue Plan Act, and AB 235 directs the Governor to allocate \$100 million of that amount between two overarching priorities: rural economic development and farm support.

The first half of AB 235 is substantially similar to 2017 Assembly Bill 912, which the Assembly passed unanimously. Under AB 235, the Wisconsin Economic Development Corporation will be responsible for distributing \$50 million toward:

- Existing economic development programs if the expenditure assists economic development in rural counties.
- Future economic development programs if the expenditure assists economic development in rural counties, subject to passive review by the Joint Finance Committee.
- Grants to state agencies if the agencies' expenditure will in turn help economic development in rural counties, again subject to JFC passive review.
- Onetime grants to county and regional economic development organizations to create or expand revolving loan funds that promote economic development and start-ups in rural counties; with additional onetime grants of up to \$50,000 each for program operations or marketing.

AB 235 requires WEDC to make "every effort" to prioritize underserved rural communities, and WEDC must also submit annual reports to JFC describing its use of these federal funds.

The second half of AB 235 is similar to the Farm Support Program that Governor Evers created last year with funding from the CARES Act. AB 235 allocates \$50 million of ARPA funds for grants to farmers through the Department of Revenue in consultation with the Department of Agriculture, Trade, and Consumer Protection. Eligible farmers must have had gross sales between \$35,000 and \$5 million in 2019 and have experienced financial hardship as a result of the pandemic.



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Economic development in rural Wisconsin often lags behind our urban and suburban areas, and I believe AB 235 – in combination with the many other bills this and other committees are hearing this week – is an important step in helping our entire state not just get back to normal as we emerge from the pandemic but stronger.

Thank you for your consideration, and I would be happy to answer any questions you may have.



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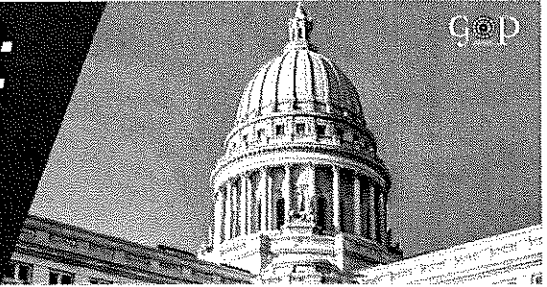
STATE SENATOR • 17TH SENATE DISTRICT

RESPONSIBLE STIMULUS PLAN:

INVEST IN PEOPLE.

IMPROVE INFRASTRUCTURE.

BOOST OUR ECONOMY.



April 6, 2021

**Assembly Committee on Rural Development
Testimony on Assembly Bills 235 and 239**

Thank you Chair VanderMeer and members of the committee for the opportunity to testify in favor of Assembly Bills (AB) 235 and 239. These bills are part of our Responsible Stimulus Plan and I appreciate the opportunity to support our efforts on behalf of the people of Wisconsin.

The Responsible Stimulus Plan reflects the legislature's priorities to invest in people, improve infrastructure and boost our economy as we recover from the COVID-19 pandemic. It is a thoughtful, thorough plan to work with the Governor to dedicate massive Federal investments from the American Rescue Plan Act (ARPA) into the things that matter most to the people we serve.

Both houses of the legislature have spent considerable time and effort to develop a real plan after listening and understanding the needs of our people, communities and industries. This plan provides relief and investment to all communities, of all sizes, statewide. Our plan puts money back into the hands of the people.

AB 235 directs the Governor to allocate \$50 million to the Wisconsin Economic Development Corporation (WEDC) to provide grants to rural counties. It also allocates \$50 million to make grants directly to farmers through a program similar to the Wisconsin Farm Support program, which was used to distribute Coronavirus Aid, Relief and Economic Security (CARES) Act funding last year.

AB 239 directs the Governor to dedicate \$500 million of ARPA funds for broadband expansion through the Rural Broadband Expansion Grant program. This program has successfully expanded broadband into unserved and underserved areas of our state since 2014. It is important that we continue using the grant program, which is working well, to expand. This bill also directs the grant program to spend \$125 million per year from 2021-2024 in order to allow stakeholders time to develop meaningful projects for maximum expansion to unserved communities.

Again, please accept this testimony in support of legislation that will support the people of our state who are working to recover and move forward after the last unprecedented year in our history. I believe these bills will make a real difference. I apologize that I was not able to attend in person due to a meeting of the Joint Committee on Finance (JFC). However, I appreciate the opportunity to testify in support of these bills.



TO: Chairperson VanderMeer and Members of the Assembly Rural Development Committee
FROM: Michael Welsh, Wisconsin Economic Development Association
DATE: April 6, 2021
RE: **Please support Assembly Bill 235 – WI Rural Economic Development Bill**

On behalf of the Wisconsin Economic Development Association (WEDA), I would like to take this opportunity to request your support for Assembly Bill 235, legislation that would make a significant and much-needed investment to promote economic growth in rural areas of Wisconsin.

Rural economic development is unique with its own set of challenges and opportunities. Unfortunately, the challenges faced today by rural communities outweigh the opportunities, and often include a shrinking workforce and a fading infrastructure. The population in rural areas of the state is declining or stagnant, and the foundation needed for economic growth, such as reliable broadband access and available housing, is generally inadequate. The COVID-19 pandemic has certainly magnified these problems.

The \$50 million investment in rural economic development provided by AB 235 would help meet the needs of Wisconsin rural communities and accelerate COVID-19 recovery by expanding programs administered by the Wisconsin Economic Development Corporation that promote business growth, attract private investment, and strengthen the rural workforce. The legislation would also provide additional tools and resources for regional and county economic development organizations to spur local growth, including:

- \$5 million in one-time funding to create a revolving loan fund grant program for rural economic development organizations. Eligible organizations would receive \$250,000 to establish or expand a revolving loan fund that promotes economic development and entrepreneurial start-ups; and
- One-time grants of \$50,000 to rural economic development organizations for program operations and marketing.

This important legislation can help transform Wisconsin's rural economy and create new opportunities for sustainable growth. It will allow rural communities to more effectively promote certain features that businesses and prospective employees are looking for, including accessible real estate, natural amenities, and a good quality of life. While WEDA supports the bill in its current form, we would encourage you to consider amending the bill to expand the definition of "rural county" to make more counties eligible under the legislation.

In closing, WEDA would again request your support AB 235. The proposal will reshape the state's approach to rural economic development, aid in the pandemic recovery, and provide more Wisconsin communities with the opportunity to secure greater economic prosperity. Please do not hesitate to contact me at mwelsh@weda.org with any questions.

Thank you for your consideration.

Grant County Economic Development

Date: April 6, 2021

To: The Honorable Chair Nancy VanderMeer & Committee Members

Re: Assembly Bill 235

Dear Honorable Members of the Assembly Committee of Rural Development:

Please accept this letter as a letter of support for AB 235. Having served in my current role as Executive Director of the Grant County Economic Development Corporation for 21+ years, and as one of the founders of Prosperity Southwest Wisconsin, the recognized regional economic development entity serving 6 counties of southwest Wisconsin, I can state with certainty that economic development funding is overwhelmingly needed in Grant County, southwest Wisconsin, and across the rural areas of Wisconsin. For as long as I can recall, economic development in Wisconsin has not been effectively funded, particularly in Grant County which borders Iowa and Illinois. We regularly compete with these two states for business expansion opportunities and with limited success.

Simply put, we need more and better tools in our toolbox, we need tools to help build our economy, tools to assist our businesses and communities to grow. Tools such as a revolving loan fund program are in real need in Grant County. Recently the Wisconsin DOA took back many of the RLF programs in non-entitlement counties of rural Wisconsin. This take-back removed a critical tool from our county and many other municipalities in Wisconsin. In 17 years, my office alone used the RLF program to leverage 53 loans totaling over \$3.3MM. In the month of March, 2021, my office had 5 request for funding totaling over \$250,000. Most were entrepreneurs looking for gap financing of \$5,000 - \$15,000 but one was for an expansion of 60,000 square feet which was looking for a larger loan amount. But we currently have no resources of business lending. Funding is needed for revolving loan, but also for other uses as described in AB 235.

Our businesses are emerging from the pandemic, and they have goals and dreams that could not be realized over the past year, now is the time to assist them.

I appreciate your time in the matter.

Sincerely,



Ron Brisbois
Executive Director

