

POLICY RESOURCES FOR WISCONSIN LAWMAKERS

2017
UPDATE

A photograph of the Wisconsin State Capitol building, featuring a large white dome with a lantern on top, set against a blue sky with light clouds. The building's facade is white with classical architectural details like columns and arches. In the foreground, a red-tinted section of another building is visible.

WPRI

Free-Market Paths to Better Lives

WPRI

This is a busy time of year for state policy-makers in Madison. The policies you debate and the legislation you pass can contribute to economic growth, opportunity and prosperity — or have an adverse effect.

Over the years, the Wisconsin Policy Research Institute has provided elected officials with reports, data, testimonies and stories that can help inform their decisions. In recent months, we have analyzed issues ranging from professional licensure to tolling to expungement.

Here are some of the resources we have provided on issues currently being debated in the Capitol.

Professional Licensure

Wisconsin regulates **over 200 professions** and often throws obstacles in the way of job- and business-creation. In fact, for the third year in a row Wisconsin ranked dead last in the Kauffman startup activity index of all 50 states. Fortunately, there are bills circulating in Madison that could substantially reduce the burdensome regulation of cosmetologists, barbers and manicurists. WPRI has produced the following publications and videos on this topic:

- [“Government’s Love for Licensure,”](#) our April 2017 Special Report that includes a policy brief on the deleterious impacts of licensure.

WPRI.org/WPRI-Files/Special-Reports/LicensureReport2017.pdf



Albert Walker and his family

- Videos and stories of Wisconsinites harmed by onerous licensing requirements: [Albert Walker](#) of Green Bay, [Cassie Mrotek](#) of Milwaukee and [Krissy Hudack](#) of Iron River. (Check out the Albert Walker video if you're a Packer fan.)

Albert: WPRI.org/WPRI/Multimedia/Albert-Walker-Video.htm

Cassie: WPRI.org/WPRI/Multimedia/Professional-licensing-Cassie-Mrotek1.htm

Krissy: WPRI.org/WPRI/Multimedia/Professional-licensing-Krissy-Hudack.htm

Corrections

Wisconsin can't afford another prison. Nor can it grow without workers, especially when our unemployment rate is hovering around just 3 percent. As a result, WPRI is working to reduce recidivism, to hold Corrections spending in check and to increase Wisconsin's workforce. Specific initiatives and publications include:

- ["Black Robes and Blue Collars,"](#) our May 2017 study of the state's expungement and sentence adjustment statutes. WPRI partnered with researchers at Court Data Technologies (CDT) in Madison to identify over 10,000 cases filed since Jan. 1, 2010, and later expunged, in order to identify trends and disparities. WPRI and CDT also partnered to create a unique, computerized data search to analyze petition filings

by county and judges' decisions on those petitions, again identifying patterns and shortcomings within the system.

WPRI.org/WPRI-Files/Special-Reports/Reports-Documents/BlackRobesBlueCollarpagesMay20171.pdf

- “Unlocking Potential,” our December 2016 report that highlighted programs such as Hope for Prisoners and the potential use of Social Impact Bonds.

WPRI.org/WPRI-Files/Special-Reports/Reports-Documents/Unlocking_Potential_2016.pdf



- Because four of every 10 people imprisoned in this state every day did not commit a new crime, we are helping facilitate unique, in-depth research on revocation of supervision, why it occurs so frequently and whether policy changes should be considered.

Tolling

Wisconsin must find a way to fund its roads — and there's little appetite for a tax increase or more and more debt. Key Assembly Republicans now want the State to apply for federal permission to implement toll roads and Senate Majority Leader Scott Fitzgerald recently said that tolling “should be explored.” WPRI has consistently provided research on tolling for years and continues to promote the idea. Specific initiatives and publications include:

- [A recent WPRI “Wisconsin Interest” article and subsequent op-ed by the Reason Foundation’s Bob Poole](#), a tolling expert who has worked with WPRI on the subject for years.

WPRI.org/WPRI/Commentary/Wisconsin-should-act-now-on-Interstate-tolling.htm

- The original WPRI white paper by Poole on [“Rebuilding and Modernizing Wisconsin’s Interstates with Toll Financing.”](#)

WPRI.org/WPRI/Reports/2011/Rebuilding-and-Modernizing-Wisconsins-Interstates-with-Toll-Financing.htm

Early Childhood Development

In 2012, WPRI published a report on early childhood education that found that investment in young children supports economic development by boosting the long-run productivity of the labor force and reducing public costs. WPRI is following up on that study with an analysis of how the state’s YoungStar program is promoting high-quality early childhood education. This new report will be posted online at www.wpri.org by early June, along with detailed data that provides a snapshot by ZIP code of the number of child care slots, the percent of child care slots that are high quality, as well as research that promotes better market incentives for higher-quality centers.

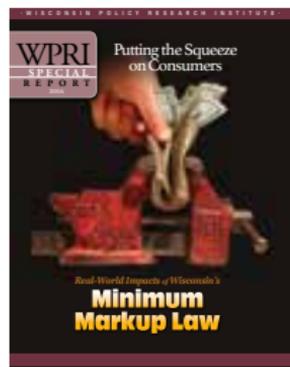
Minimum Markup

The state’s “Unfair Sales Act” — also called the “minimum markup” law — requires retailers, pharmacists and gasoline stations to “mark up” their prices as much as 9.18 percent and forbids the sale of most products below cost. Decades of WPRI research has conclusively shown that the minimum markup drives up prices for consumers, impedes competition and should be eliminated. WPRI publications on this issue include:

- Our 2016 Special Report, [“Putting the Squeeze on Consumers: Real-World Impacts of Wisconsin’s Minimum Markup Law,”](#) a compendium of research on the history of the law, earlier WPRI and FTC findings,

negative impacts on retailers such as the Krist Oil Company, the prevalence of independent gas retailers across the country regardless of the existence of markup laws, and consumer sentiment.

WPRI.org/WPRI-Files/Special-Reports/Minimum_Markup_SpecialReport_2016.pdf



- [“Pumping Up Gas Prices in Wisconsin,”](#) a 1999 WPRI report on the costs to consumers.
- [“Mandated Pain at the Pump,”](#) a 2008 WPRI study on minimum markup.

WPRI.org/WPRI-Files/Special-Reports/Reports-Documents/Vol12no7.pdf

WPRI.org/WPRI-Files/Special-Reports/Reports-Documents/painatthepumpjuly2008.pdf

Prevailing Wage

The “prevailing wage” law drives up government construction costs by artificially inflating wages. While the 2015-17 state budget eliminated prevailing wage requirements for local government construction projects, the law retained prevailing wage requirements for state building and highway construction projects. Now, some legislators want to eliminate prevailing wage from state projects as well. WPRI examined the impact of the prevailing wage and argued for its repeal in our [2015 Special Report, “Real-World Impacts of Prevailing Wage.”](#)

WPRI.org/WPRI-Files/Special-Reports/Reports-Documents/MinimumwageFINAL.pdf

Performance Measures for the UW System

Gov. Scott Walker and legislators are debating how to tie a portion of UW funding to performance measures, something WPRI advocated in the recent publication, [“Back to the Drawing Board: How to Recreate the Outstate](#)

University and Finally Start Giving Students Their Money's Worth." WPRI also circulated [an op-ed on the issue by Mike Nichols and Ike Brannon](#), one of the authors of "Back to the Drawing Board." We believe that graduation rates should be among the metrics considered.

WPRI.org/WPRI-Files/Special-Reports/Reports-Documents/WPRIwhitepaper_UniversityRebuildNewFINALreport.pdf

WPRI.org/WPRI/Commentary/Help-students-succeed-before-they-get-to-college.htm

Earned Income Tax Credit

Gov. Walker has proposed raising and altering the Earned Income Tax Credit so that newly married couples are not penalized for their marriage and so that poorer families with one child have an additional incentive to work. WPRI advocated for a strengthened EITC as an alternative to higher minimum wages in our 2014 report, ["Raising Wisconsin's Minimum Wage: Who Would be Helped? Who Would be Hurt?"](#)

WPRI.org/WPRI-Files/Special-Reports/Reports-Documents/MinimumwageFINAL.pdf

Project for 21st-Century Federalism

We are in the middle of a three-year analysis of the impacts of ever-growing federal grants-in-aid to state and local governments.

- This spring we [published articles](#) on the federalization of the state Department of Public Instruction, revealing that half of DPI staff now work for the federal government. We also found that it costs about **\$54 million** in federal tax funds just to process \$824 million in grant funds that go to local school districts. That's \$54 million intended for the classroom but consumed by bureaucracy.

- We are now looking into exactly what those federally paid DPI workers do. We also are launching an ambitious effort this summer to find out how many local school employees are paid to do federal bidding, how many of those man-hours and federal dollars reach the classroom, and how much the matching and maintenance of effort requirements cost. We've filed open records requests with every local school district in the state and will soon survey administrators, school board members, business managers and teachers.

Wisconsin simply cannot flourish without a renewed commitment to free enterprise, limited government, educational opportunity and individual initiative.

At WPRI, we spend every day researching and promoting the principles and policies that ensure opportunity and promote widespread prosperity. Please let us know if we can be of help to you during these critical policy discussions.

An online version of this booklet with links to the publications and resources is available at www.wpri.org.

Contact information:

Mike Nichols, President
mike@wpri.org
262-389-8239

Michael Jahr
Vice President
michael@wpri.org
262-442-5208

Wisconsin Policy
Research Institute
633 W. Wisconsin Ave.
Suite 330
Milwaukee, WI 53203

WPRI

Free-Market Paths to Better Lives