September 11, 2017



**Members**

African Methodist

Episcopal Church

American Baptist Churches

of Wisconsin

Armenian Oriental

Orthodox Church

Christian Church:

Disciples of Christ

Christian Methodist

Episcopal Church

Church of God in Christ (COGIC)

Church of the Brethren

Coptic Orthodox Church

Episcopal Church

Evangelical Lutheran

Church in America

Ecumenical Catholic Communion

Greek Orthodox Church

Mennonite Church USA

Moravian Church

Orthodox Church in America

Presbyterian Church (USA)

Reformed Church in America

United Church of Christ

United Methodist Church

**Observers**

Roman Catholic

Archdiocese of Milwaukee

Diocese of Green Bay

Diocese of LaCrosse

**Associate Members**

Benedictine Women of Madison

Church Women United

Interfaith Conference of Greater Milwaukee

The Leadership Conference of Women Religious Region 9

Madison-area Urban Ministry

TO: Wisconsin State Senate

RE: August 2017 Special Session AB1/SB1

FROM: Peter Bakken, Coordinator for Public Policy

The Wisconsin Council of Churches has some serious concerns about the August 2017 Special Session AB1/SB1, which would subsidize Foxconn to move to our state.

The Council believes that the role of government is to seek justice and uphold the common good; that jobs should support the dignity and well being of workers and their families; and that development should safeguard the integrity of people and the environment. (WCC Statement on Economic Justice)

We support investing substantial resources to increase the availability of accessible, sustainable, dignified, family- and self-supporting jobs. However, those investments must be made responsibly, using our public funds in the most effective way to enable our communities to thrive while protecting the integrity of our natural resources. In this case, we do not believe that the subsidies Wisconsin is offering to the Foxconn Corporation are a responsible investment.

The legislation weakens safeguards that protect Wisconsin’s precious natural heritage. It exempts Foxconn from performing an environmental impact statement and from protections for wetlands and public waterways. These exemptions set an extremely bad precedent: Why should not other businesses also demand that the environmental safeguards affecting them also be removed?

This legislation does not prudently weigh the purported benefits of this deal against the costs to the state. The subsidies would be outright payments, in effect pure profit subsidies, not tax abatements, because the corporation would probably owe no income tax thanks to the existing Manufacturing and Agriculture tax credit. The number of jobs created would depend on how far the company relies on automation, and also on the “multiplier effect” related to creation of other jobs. That is difficult to estimate and should take into account the opportunity cost of other jobs (such as those in education and health care) that could be created if the same money was spent by the state in a different way.

Regardless of job creation, Foxconn investors would receive capital subsidies, including those for robotization of their production facilities. The subsidies Wisconsin is offering to Foxconn are much larger per job than in other states, which sets another bad precedent: Will not other businesses also demand equally

large subsidies to locate in Wisconsin? What about existing Wisconsin companies that want to expand?

In the end we feel that this bill is poor stewardship of our public resources, both fiscal and natural. We can find better ways to spend three billion dollars to create jobs, boost our economy, and make our state an even better place to live, work, and play.

The people of Wisconsin urgently need a much fuller public discussion of the proper direction and strategies for our state’s economic development – not a headlong rush into a deal that places Wisconsin’s natural and financial resources at risk on the basis of unrealistic expectations.

Thank you for your attention to our concerns.