



Testimony on Assembly Bill 660 before the
Assembly COMMITTEE ON Ways and Means
November 29, 2023

Wisconsin Economic Development Association

Good morning, Chairman Macco and members of the committee. My name is Michael Welsh, and I serve as the Legislative Affairs Director for the Wisconsin Economic Development Association (WEDA). Thank you for the opportunity to testify today in favor of Assembly Bill 660. This proposal will create a refundable tax credit to incentivize employers to provide childcare benefits for their employees. The bill will help address the lack of access to childcare in Wisconsin, which is an obstacle to strengthening the state's workforce.

I would like to thank Chairman Macco for holding a public hearing on AB 660, as well as Rep. Armstrong and Sen. Feyen for introducing this bill. WEDA is grateful for their work to increase access to affordable childcare for Wisconsin working families through this exciting public-private partnership initiative.

By way of background, WEDA is a statewide association representing over 400 public and private sector economic development professionals. We are dedicated to advancing economic prosperity in Wisconsin and providing our members with the necessary tools to encourage business expansion, promote private investment, and attract much-needed talent to the state. And over the last several years, childcare has quickly become a top economic development issue for our members.

Employers across Wisconsin are facing unprecedented hiring challenges, as many workers are choosing to remain out of the workforce. While there are numerous reasons for this, one key factor is the lack of access to affordable childcare. While childcare remains an important family issue, it is also a growing business issue. It plays a major role in employment decisions made by families, and as a result has a significant impact on employers and the bottom line of businesses.

In fact, a recent childcare and the workforce analysis compiled by the Wisconsin Economic Development Institute (WEDI) and Baker Tilly reported that 80% of Wisconsin employers believe the economy is impacted by the availability of affordable childcare. In addition, 73% of businesses believe that without greater access to childcare, Wisconsin employers will face workforce shortages now and in the future. The report found another 64% of businesses said it is important for them to support childcare for their employees.

By creating a business childcare tax credit, AB 660 will forge an effective public-private partnership by incentivizing businesses to offer childcare benefits for their employees. With 50% of Wisconsin residents living in childcare deserts – and up to 80% in rural communities – it is critical for policymakers to provide the private sector with the necessary tools to increase access to childcare and help address the workforce shortage.

In closing, AB 660 represents a creative approach to the state's childcare challenges. The refundable tax credit established by the bill will encourage employers to offer childcare benefits for their workers, helping to knock down a key obstacle to employment and strengthening workforce participation and employee productivity, which is essential to growing the economy.

As such, I would request your support for AB 660 and ask that you pass it out of committee as soon as possible.

Thank you for your consideration.