



State of Wisconsin
2011 – 2012 LEGISLATURE

January 2011 Special Session



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**SENATE AMENDMENT 16,
TO SENATE BILL 6**

January 27, 2011 – Offered by COMMITTEE ON ECONOMIC DEVELOPMENT AND
VETERANS AND MILITARY AFFAIRS.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 4, line 6: after that line insert:

3 “**SECTION 6e.** 13.94 (1) (dr) of the statutes is created to read:

4 13.94 (1) (dr) Biennially, beginning in 2013, conduct a financial audit and a
5 program evaluation audit of the economic development programs administered by
6 the Wisconsin Economic Development Corporation under ch. 238. The legislative
7 audit bureau shall file a copy of each audit report under this paragraph and with the
8 distributees specified in par. (b).

9 **SECTION 6h.** 13.94 (1) (mm) of the statutes is amended to read:

10 13.94 (1) (mm) No later than July 1, 2012, prepare a financial and performance
11 evaluation audit of the economic development programs administered by the
12 department of commerce, the University of Wisconsin System, the department of
13 agriculture, trade and consumer protection, the department of natural resources, the

1 Wisconsin Housing and Economic Development Authority, the Wisconsin Economic
2 Development Corporation, the department of tourism, the technical college system,
3 and the department of transportation. In this paragraph, economic development
4 program has the meaning given in s. 560.001 (1m). The legislative audit bureau shall
5 file a copy of the report of the audit under this paragraph with the distributees
6 specified in par. (b).

7 **SECTION 6m.** 13.94 (1s) (c) 5. of the statutes is created to read:

8 13.94 (1s) (c) 5. The Wisconsin Economic Development Corporation for the cost
9 of the audit required to be performed under sub. (1) (dr).

10 **SECTION 6r.** 13.94 (4) (a) 1. of the statutes is amended to read:

11 13.94 (4) (a) 1. Every state department, board, examining board, affiliated
12 credentialing board, commission, independent agency, council or office in the
13 executive branch of state government; all bodies created by the legislature in the
14 legislative or judicial branch of state government; any public body corporate and
15 politic created by the legislature including specifically the Wisconsin Quality Home
16 Care Authority, the Fox River Navigational System Authority, the Lower Fox River
17 Remediation Authority, and the Wisconsin Aerospace Authority, the Wisconsin
18 Economic Development Corporation, a professional baseball park district, a local
19 professional football stadium district, a local cultural arts district and a long-term
20 care district under s. 46.2895; every Wisconsin works agency under subch. III of ch.
21 49; every provider of medical assistance under subch. IV of ch. 49; technical college
22 district boards; every county department under s. 51.42 or 51.437; every nonprofit
23 corporation or cooperative or unincorporated cooperative association to which
24 moneys are specifically appropriated by state law; and every corporation, institution,
25 association or other organization which receives more than 50% of its annual budget

1 from appropriations made by state law, including subgrantee or subcontractor
2 recipients of such funds.”.

3 **2.** Page 6, line 23: after that line insert:

4 “**SECTION 15d.** 16.417 (1) (a) of the statutes, as affected by 2011 Wisconsin Act
5 (this act), is amended to read:

6 16.417 **(1)** (a) “Agency” means an office, department, independent agency,
7 institution of higher education, association, society, or other body in state
8 government created or authorized to be created by the constitution or any law, that
9 is entitled to expend moneys appropriated by law, including the legislature and the
10 courts, but not including an authority or the body created under subch. III of ch. 149
11 ~~or under ch. 238.~~

12 **SECTION 15h.** 16.417 (1) (b) of the statutes is amended to read:

13 16.417 **(1)** (b) “Authority” means a body created under subch. II of ch. 114 or
14 ch. 52, 231, 232, 233, 234, 235, 237, 238, or 279.”.

15 **3.** Page 18, line 20: after that line insert:

16 “**(3)** “Economic development program” means a program or activity having the
17 primary purpose of encouraging the establishment and growth of business in this
18 state, including the creation and retention of jobs.”.

19 **4.** Page 19, line 12: after “**of board.**” insert “**(1)**”.

20 **5.** Page 19, line 17: after that line insert:

21 “**(2)** For each program developed and implemented by the board, the board
22 shall do all of the following:

23 (a) Establish clear and measurable goals for the program that are tied to
24 statutory or programmatic policy objectives.

1 (b) Establish at least one quantifiable benchmark for each program goal
2 described in par. (a).

3 (c) Require that each recipient of a grant or loan under the program submit a
4 report to the corporation. Each contract with a recipient of a grant or loan under the
5 program must specify the frequency and format of the report to be submitted to the
6 corporation and the performance measures to be included in the report.

7 (d) Establish a method for evaluating the projected results of the program with
8 actual outcomes as determined by evaluating the information described in pars. (a)
9 and (b).

10 (e) Annually and independently verify, from a sample of grants and loans, the
11 accuracy of the information required to be reported under par. (c).

12 **(3)** The board shall require for each program developed and implemented by
13 the board all of the following:

14 (a) That each recipient of a grant or loan under the program of at least \$100,000
15 submit to the corporation a verified statement describing the recipient's expenditure
16 of the grant or loan funds, signed by both an independent certified public accountant
17 and the director or principal officer of the recipient to attest to the accuracy of the
18 verified statement. The board shall also require the recipient of such a grant or loan
19 to make available for inspection the documents supporting the verified statement.
20 The board must include the requirement in the contract with grant or loan recipients.

21 (b) That the board, if a recipient of a grant or loan under the program submits
22 false or misleading information to the corporation or fails to comply with the terms
23 of a contract entered into with the corporation, without providing satisfactory
24 explanation for the noncompliance, do all of the following:

- 25 1. Recoup payments made to the recipient.

1 2. Withhold future payments to be made to the recipient.

2 3. Impose a financial penalty on the recipient.”.

3 **6.** Page 21, line 1: delete lines 1 to 4 and substitute:

4 **“238.07 Submission of annual reports to legislature. (1)** Annually, by
5 January 1, the board shall submit to the chief clerk of each house of the legislature,
6 for distribution to the legislature under s. 13.172 (2), a report identifying the
7 economic development projects that the board intends to develop and implement
8 during the current calendar year.

9 **(2)** Annually, no later than October 1, the board shall submit to the joint
10 legislative audit committee and the chief clerk of each house of the legislature, for
11 distribution to the legislature under s. 13.172 (2), a report for the previous fiscal year
12 on each of the economic development programs of the corporation that contains all
13 of the following:

14 (a) A description of each program.

15 (b) A comparison of expected and actual program outcomes.

16 (c) The number of grants made under the program.

17 (d) The number of loans made under the program.

18 (e) The amount of each grant and loan made under the program.

19 (f) The recipient of each grant or loan made under the program.

20 (g) The sum total of all grants and loans awarded to and received by each
21 recipient under the program.

22 (h) Any recommended changes to the program.

23 **(3)** The board shall make readily accessible to the public on an Internet–based
24 system the information required under sub. (2).”.

