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☞ Details: Audit Report 06-9, State Economic Development Programs

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

Joint

(Assembly, Senate or Joint)

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 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (October 2012)



STATE OF WISCONSIN

Legislative Audit Bureau

22 E. Mifflin St., Ste. 500
Madison, Wisconsin 53703
(608) 266-2818
Fax (608) 267-0410
Leg.Audit.Info@legis.state.wi.us

Janice Mueller
State Auditor

April 4, 2006

Senator Robert Cowles
319 South, State Capitol
Madison, Wisconsin 53702

Dear Senator Cowles:

At your request, we have compiled information about the major provisions in 2007 Senate Bill 40, the Governor's 2007-09 Biennial Budget Proposal, that relate to recommendations made in our Review of State Economic Development Programs (report 06-9). The report includes five specific recommendations for the Department of Commerce:

- identify duplicative and outdated programs (p. 40);
- improve procedures for tracking and reporting actual project results (p. 77);
- improve procedures for monitoring the long-term success of projects (p. 79);
- improve tracking and reporting of tax credits claimed by businesses located within development zones (p. 96); and
- provide additional information on the effectiveness of the Certified Capital Companies program (p. 101).

In addition, our report includes five recommendations for the Legislature to consider:

- specifying criteria for designating future development zones (p. 90);
- encouraging the establishment of clear and measurable goals to ensure that programs are coordinated effectively (p. 113);
- reducing the number of programs by consolidating statutory requirements and standardizing eligibility criteria for similar programs (p. 115);
- consolidating reporting requirements for state agencies (p. 116); and

- enacting public disclosure requirements to improve the transparency in the use of state funds for economic development (p. 117).

In addressing your request, we reviewed the text of 2007 Senate Bill 40, as well as the Comparative Summary of Budget Provisions prepared by the Legislative Fiscal Bureau. We found that the bill partially addresses our recommendations to eliminate outdated programs and to reduce the number of programs by standardizing grant and loan requirements for some programs administered by Commerce. Specifically, the bill would consolidate eight grant and loan programs identified in our report that are currently funded through the Wisconsin Development Fund. These include:

- Customized Labor Training Grants and Loans (program 98, from report 06-9);
- Employee Ownership Program (program 99);
- Major Economic Development Program (program 101);
- Rapid Response Fund (program 102);
- Revolving Loan Fund Capitalization Program (program 103);
- Technology Development Commercialization Loans (program 105);
- Technology Development Fund Grants and Loans (program 106); and
- Urban Early Planning Grants (program 107).

The bill would increase general purpose revenue (GPR) funding for the Wisconsin Development Fund by \$3.25 million for the 2007-09 biennium. In addition, the bill would eliminate provisions authorizing Commerce to make grants or loans to businesses for pollution control equipment and grants to the Wisconsin Procurement Institute. These outdated programs had also been funded through the Wisconsin Development Fund, but they were not included in our report because they did not meet our definition of economic development and because no awards were made during the four-year period we reviewed.

The bill would also eliminate two programs administered by the Department of Agriculture, Trade and Consumer Protection. The bill would allow the Payments to Ethanol Producers (program 14) to sunset and eliminate the Biobased Industry Opportunity Grants program, which was not included in our inventory because it fell outside of the time period included in our review. This program received a one-time appropriation of \$1.0 million in Fiscal Year (FY) 2005-06 and is discussed in Appendix 3, page 2 of our report.

Finally, we note that 2007 Senate Bill 40 would create four new economic development programs within Commerce, with a proposed total cost of \$34.8 million during the 2007-09 biennium. Table 1 summarizes these programs and their proposed funding sources. The bill would also create or expand a number of programs that offer state tax credits for business activities that

business activities that require certification or approval from Commerce. These include the angel investment and early stage seed capital tax credits, tax credits for electronic medical records, enterprise zones jobs tax credits, and the Beloit development opportunity zone.

Table 1

New Economic Development Programs in 2007 Senate Bill 40
Department of Commerce

<u>Program Name</u>	<u>Funding Source</u>	<u>Proposed Funding for 2007-09 Biennium</u>
Renewable Energy Grants and Loans	SEG	\$30,108,700
Wisconsin Venture Center	GPR	2,000,000
Manufacturing Technology Grants ¹	GPR	1,500,000
Economic Development Promotion	GPR	1,180,000
Total		\$34,788,700

¹ Included as part of a \$3.25 million increase for the Wisconsin Development Fund.

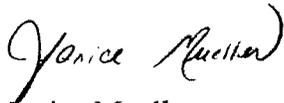
In addition to the changes in 2007 Senate Bill 40, Commerce has undertaken a number of administrative and management actions to address our audit recommendations. These were described in Commerce's written response to the Joint Legislative Audit Committee that was dated February 15, 2007. They include:

- creating a state coordinating council led by the Secretary of the Department of Commerce with representatives of other state agencies that administer economic development programs;
- undertaking planning for a comprehensive Web site listing all state economic development programs;
- consolidating entrepreneur and small business telephone help lines maintained by Commerce and the Wisconsin Small Business Development Center;
- identifying 28 programs that could be consolidated or eliminated in statutes;
- consolidating small local revolving loan funds into larger regional funds;
- initiating discussions with the Department of Revenue to identify options to improve tracking and reporting of tax credits;

- reorganizing Commerce's Division of Business Development and reallocating two vacant positions to enhance compliance monitoring efforts; and
- improving existing information systems to track additional data on the long-term success of economic development projects.

I hope that you find this information helpful. Please contact me if you have any questions.

Sincerely,

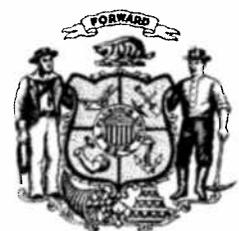


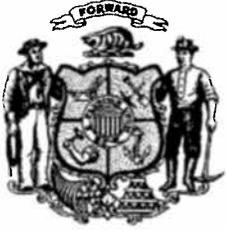
Janice Mueller
State Auditor

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WISCONSIN STATE LEGISLATURE



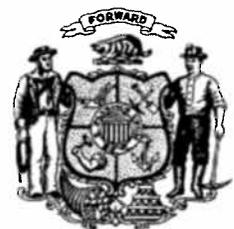


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State of Wisconsin - Legislative Reference Bureau
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Madison, WI 53703



A Review

State Economic Development Programs

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Scott Fitzgerald
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Suzanne Jeskewitz, Co-chairperson
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State Auditor - Janice Mueller

Audit Prepared by

Paul Stuibler, Deputy State Auditor and Contact Person
Jeff Ripp
Kellie Aquino
Cara Coburn
Allison Schill
Kate Strom-Hiorns

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- Appendix 4—Entitlement Communities and Community Development Block Grant Allocations
- Appendix 5—Inactive or Outdated Economic Development Programs
- Appendix 6—Legislative Awards
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- Appendix 9—Grants and Loans Awarded in the Milwaukee-Waukesha Primary Metropolitan Statistical Area
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- Appendix 13—Development Zone Tax Credits Awarded, by County
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Response

From the Department of Commerce



STATE OF WISCONSIN

Legislative Audit Bureau

22 E. Mifflin St., Ste. 500
Madison, Wisconsin 53703
(608) 266-2818
Fax (608) 267-0410
Leg.Audit.Info@legis.state.wi.us

Janice Mueller
State Auditor

August 8, 2006

Senator Carol A. Roessler and
Representative Suzanne Jeskewitz, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Roessler and Representative Jeskewitz:

As requested by the Joint Legislative Audit Committee, we have completed a review of the State's economic development programs. The Department of Commerce is the State's lead agency for economic development. It administered 88 of the 152 programs we identified to encourage the establishment and growth of businesses, including creating and retaining jobs. Seven other state agencies administered the remaining programs.

The 152 programs we identified provided financial assistance and direct services to businesses, individuals, local governments, and nonprofit and other organizations from fiscal year (FY) 2001-02 through FY 2004-05. During the period we reviewed, these programs awarded \$180.9 million in grants and loans, as well as \$56.3 million in targeted tax credits, \$240.4 million in bonding authorization, and \$64.4 million in loan guarantees.

We make a number of recommendations to streamline economic development programs by clarifying their purposes, consolidating statutory requirements, and standardizing eligibility criteria. In addition, accountability could be enhanced by strengthening agency reporting requirements and disclosing project costs and benefits to the public.

We appreciate the courtesy and cooperation extended to us by the Department of Commerce and the other agencies we reviewed. A response from Commerce follows the appendices.

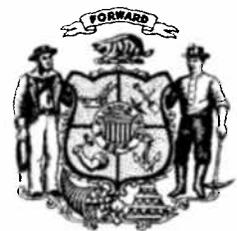
Respectfully submitted,

Janice Mueller
State Auditor

JM/PS/ss



WISCONSIN STATE LEGISLATURE





STATE OF WISCONSIN

Legislative Audit Bureau

22 E. Mifflin St., Ste. 500
Madison, Wisconsin 53703
(608) 266-2818
Fax (608) 267-0410
Leg.Audit.Info@legis.state.wi.us

Janice Mueller
State Auditor

August 8, 2006

Representative Suzanne Jeskewitz
314 North, State Capitol
Madison, Wisconsin 53702

Dear Representative Jeskewitz:

At your request, we have compiled additional information related to our report 06-9, a Review of State Economic Development Programs. Attached is a list of businesses that have received investments from certified capital companies through January 1, 2005, which is the most recent information available. This information was received directly from the Department of Commerce.

We also investigated staffing reductions in Commerce's international programs. Attached are excerpts from the Legislative Fiscal Bureau's comparative summaries for the past two biennial budgets. The 2003-05 budget eliminated 10.8 full-time equivalent (FTE) staff, including 2.0 FTE staff in the Division of International and Export services that were funded with General Purpose Revenue (GPR). The 2005-07 budget eliminated an additional 5.7 FTE staff funded with GPR in the Divisions of Business Development and International and Export Development.

I hope you find this information helpful. Please contact me if you have additional questions.

Sincerely,

Janice Mueller
State Auditor

JM/JR/bm

Enclosures

2003-05
LFB Comparative
Summary, Commerce

COMMERCE

Budget Summary							
Fund	2002-03 Base Year Doubled	2003-05 Governor	2003-05 Jt. Finance	2003-05 Legislature	2003-05 Act 33	Act 33 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$36,637,200	\$42,892,600	\$40,910,900	\$40,910,900	\$40,910,900	\$4,273,700	11.7%
FED	75,089,400	146,759,800	146,757,400	146,757,400	146,757,400	71,668,000	95.4
PR	86,714,800	94,215,000	89,511,900	89,511,900	89,511,900	2,797,100	3.2
SEG	<u>169,924,200</u>	<u>151,976,900</u>	<u>166,751,100</u>	<u>166,751,100</u>	<u>166,551,100</u>	-3,373,100	-2.0
TOTAL	\$368,365,600	\$435,844,300	\$443,931,300	\$443,931,300	\$443,731,300	\$75,365,700	20.5%
BR		\$115,000,000	\$94,000,000	\$94,000,000	\$94,000,000		

FTE Position Summary						
Fund	2002-03 Base	2004-05 Governor	2004-05 Jt. Finance	2004-05 Legislature	2004-05 Act 33	Act 33 Change
						Over 2002-03 Base
GPR	73.00	68.00	68.00	68.00	68.00	- 5.00
FED	48.50	54.15	54.15	54.15	54.15	5.65
PR	262.45	237.45	236.45	236.45	236.45	- 26.00
SEG	<u>99.30</u>	<u>77.90</u>	<u>82.40</u>	<u>82.40</u>	<u>82.40</u>	<u>- 16.90</u>
TOTAL	483.25	437.50	441.00	441.00	441.00	- 42.25

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR-REV			\$58,800		\$58,800	
GPR	-\$156,800	0.00	-\$21,400	0.00	-\$178,200	0.00
FED	466,400	-0.60	-2,400	0.00	464,000	-0.60
PR	-50,000	0.00	-79,800	0.00	-129,800	0.00
SEG	<u>121,500</u>	<u>-3.00</u>	<u>-19,000</u>	<u>0.00</u>	<u>102,500</u>	<u>-3.00</u>
Total	\$381,100	-3.60	-\$122,600	0.00	\$258,500	-3.60

Governor: Provide adjustments of -\$80,000 GPR, \$92,600 SEG and -2.0 SEG positions in 2003-04, and -\$76,800 GPR, \$28,900 SEG and -3.0 SEG positions in 2004-05, and \$233,200 FED

and -\$25,000 PR and -0.6 FED positions annually as standard budget adjustments. Adjustments are for: (a) turnover reduction (-\$76,700 GPR, -\$330,600 PR, and -\$60,100 SEG annually); (b) removal of noncontinuing funding and positions (-\$90,800 SEG and -2.0 SEG positions in 2003-04, and -\$154,500 SEG and -3.0 SEG positions in 2004-05, and -\$127,000 GPR, -\$163,900 FED, -0.60 FED position and -\$175,000 PR annually); (c) full funding of continuing salaries and fringe benefits (\$92,400 GPR, \$392,000 FED, \$335,600 PR, and \$203,500 SEG annually); (d) reclassifications (\$20,600 GPR in 2003-04, and \$23,800 GPR in 2004-05, and \$3,900 FED, \$5,200 PR and \$30,500 SEG annually); (e) overtime (\$99,900 PR annually); (f) fifth week vacation as cash (\$10,700 GPR, \$1,200 FED, \$39,900 PR, and \$9,500 SEG annually); and (g) minor transfers within the same alpha appropriation. In total, changes due to standard budget adjustments would increase funding by \$220,800 and decrease positions by 2.0 in 2003-04, and increase funding by \$160,300 and decrease positions by 3.0 in 2004-05.

Joint Finance/Legislature: Delete funding for fifth week of vacation as cash (-\$10,700 GPR, -\$1,200 FED, -\$39,900 PR, and -\$9,500 SEG annually). Require the agency to lapse to the general fund in each year a total of \$49,400 from those PR and SEG accounts or funds from which the fifth week vacation as cash payments had been budgeted. Estimate GPR-REV to be \$29,400 annually. Specify, however, that the agency is not required to lapse to the general fund any such PR or SEG amount that is from federal funds or that is from another fund source whose lapse to the general fund would be prohibited by state or federal laws or the state or federal constitution. Federal accounting requirements may prevent a lapse to the general fund of up to \$20,000 PR annually from the administrative services appropriation.

[Act 33 Section: 9160(3f)]

2. BASE BUDGET REDUCTIONS

Funding Positions		
GPR	-\$1,735,200	- 10.80

Governor/Legislature: Delete \$867,600 GPR and 10.80 GPR annually to reflect base year state operations budget reductions of 14.0%. The reductions are as follows:

a. Delete \$139,300 and 1.0 vacant Division Administrator position annually and consolidate the Division of Marketing, Advocacy and Technology Development into the Division of Economic Development. Reduce the number of unclassified positions authorized for Commerce by one, from seven to six.

The Division of Marketing, Advocacy and Technology Development advertises the state's economic advantages, publicizes business developments, and provides information on the specific public and private sector programs encouraging growth. The Division also provides entrepreneurial assistance for small businesses, advises small businesses on federal Clean Air Act compliance, conducts manufacturing assessments for small and medium-sized businesses (through the Manufacturing Assessment Center that would be eliminated under another provision in the bill), and consults with employers to improve workplace safety. Base level

funding for salary, fringe benefits, supplies and services for the Division is \$968,700 GPR, 12.0 GPR positions, \$1,244,100 PR and 11.0 PR positions.

The Division of Economic Development consists of the Bureau of Business Finance, the Bureau of Business Development, and the Bureau of Minority Business Development. The Bureau of Business Finance is responsible for completing the due diligence process on requests for economic development financing, preparing comprehensive analyses and making funding recommendations for financing economic development projects. The Bureau of Business Development serves as the first point of contact between businesses, local development organizations and the Department. The Bureau also administers the business retention program for municipalities. The Bureau of Minority Business Development provides technical and financial assistance to minority individuals and businesses. The Bureau also administers the minority business certification program that certifies minority businesses for participation in the state's minority business purchasing and contracting program. Base level funding for salary, fringe benefits, supplies and services for the Division of Economic Development is \$1,658,000 GPR, 23.11 GPR positions, \$824,400 PR, 10.0 PR positions, \$84,000 SEG and 1.0 SEG position.

b. Delete \$287,800 and 4.8 positions annually to eliminate vacancies and other positions in the Department's economic development and administration programs.

c. Delete \$189,000 and 2.0 positions annually to reduce the number of administrative manager positions in Commerce.

d. Delete \$251,200 and 2.0 positions to downsize the operations of the Division of International and Export Services.

The Division of International and Export Services primarily assists small and medium-sized businesses in increasing their sales in the international marketplace. Division staff help state firms assess the demand for their products outside the U.S., help plan a systematic approach to international markets, and introduce them to potential customers, distributors, partners and service providers. Services are provided both through activities in Wisconsin and overseas offices. The Division is provided \$1,295,600 GPR, 10.0 GPR positions, \$57,800 PR, and 2.0 PR positions in 2002-03.

[Act 33 Section: 2394]

3. WISCONSIN DEVELOPMENT FUND

GPR	- \$2,910,800
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Governor: Delete \$1,455,400 GPR annually from the Wisconsin Development Fund (WDF).

The WDF provides financial assistance to businesses, consortia, nonprofit organizations, and local governments for economic development projects through the following programs: (a) technology development grants and loans; (b) customized labor training grants and loans; (c) major economic development grants and loans; (d) urban early planning grants; (e) Wisconsin

COMMERCE

Budget Summary							
Fund	2004-05 Base Year Doubled	2005-07 Governor	2005-07 Jt. Finance	2005-07 Legislature	2005-07 Act 25	Act 25 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$48,737,000	\$58,156,200	\$43,676,200	\$43,379,900	\$43,379,900	-\$5,357,100	- 11.0%
FED	147,260,000	147,669,100	149,091,100	149,091,100	149,091,100	1,831,100	1.2
PR	91,454,000	88,540,500	104,040,500	104,040,500	104,040,500	12,586,500	13.8
SEG	<u>167,186,800</u>	<u>165,896,900</u>	<u>108,983,500</u>	<u>108,983,500</u>	<u>108,983,500</u>	<u>-58,203,300</u>	- 34.8
TOTAL	\$454,637,800	\$460,262,700	\$405,791,300	\$405,495,000	\$405,495,000	-\$49,142,800	- 10.8%
BR		\$0	-\$49,076,000	-\$49,076,000	\$0		

FTE Position Summary						
Fund	2004-05 Base	2006-07 Governor	2006-07 Jt. Finance	2006-07 Legislature	2006-07 Act 25	Act 25 Change
						Over 2004-05 Base
GPR	68.00	61.80	61.80	61.80	61.80	- 6.20
FED	58.65	45.35	54.35	54.35	54.35	- 4.30
PR	236.45	207.10	207.10	207.10	207.10	- 29.35
SEG	<u>82.40</u>	<u>71.40</u>	<u>74.40</u>	<u>74.40</u>	<u>74.40</u>	<u>- 8.00</u>
TOTAL	445.50	385.65	397.65	397.65	397.65	- 47.85

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Provide adjustments of \$320,400 FED and \$300,800 SEG in 2005-06; \$230,700 FED and \$250,100 SEG in 2006-07; and \$330,300 GPR, -\$237,800 PR, and -4.0 FED, -1.5 PR, and -1.0 SEG positions annually as standard budget

	Funding	Positions
GPR	\$660,600	0.00
FED	551,100	- 4.00
PR	- 475,600	- 1.50
SEG	<u>550,900</u>	<u>- 1.00</u>
Total	\$1,287,000	- 6.50

adjustments. Adjustments are for: (a) turnover reduction (-\$246,400 PR annually); (b) removal of noncontinuing items from the base (-\$143,600 FED and -40,900 SEG in 2005-06; -\$233,300 FED and -\$91,600 SEG in 2006-07; and -\$392,900 PR, -4.0 FED, -1.5 PR, and -1.0 SEG positions annually); (c) full funding of continuing salaries and fringe benefits (\$327,100 GPR, \$464,000

FED, \$393,500 PR, and \$341,700 SEG annually); (d) position reclassifications (\$3,200 GPR annually); (e) overtime (\$8,000 PR annually); and (f) minor transfers within the same alpha appropriation. In total, changes due to standard budget adjustments would increase funding by \$713,700 in 2005-06 and \$573,300 in 2006-07.

2. BUDGET REDUCTIONS

Governor/Legislature: Delete \$1,585,600 PR and 22.1 PR positions in 2005-06 and \$1,660,700 PR and 23.10 PR positions in 2006-07; and \$571,900 GPR, 8.2 GPR positions, \$920,400 SEG, 8.0 SEG positions, and 0.8 FED position annually for base level budget reductions. The reductions, by appropriation, are shown in the table below.

	Funding	Positions
GPR	-\$1,143,800	- 8.20
FED	0	- 0.80
PR	- 3,246,300	- 23.10
SEG	<u>- 1,840,800</u>	<u>- 8.00</u>
Total	<u>-\$6,230,900</u>	<u>- 40.10</u>

	<u>2005-06</u>		<u>2006-07</u>		Source
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	
a. Community and Economic Development					
General Program Operations	-\$392,600	-5.70	-\$392,600	-5.70	GPR
Wisconsin Development Fund Administration	-25,100	-0.50	-25,100	-0.50	PR
American Indian Economic Development Administration	-25,000	0.00	-25,000	0.00	PR
Brownfields Redevelopment Administration	-122,000	0.00	-122,000	0.00	SEG
b. Housing Assistance					
General Program Operations	-34,100	-0.50	-34,100	-0.50	GPR
c. Regulation of Industry Safety and Buildings					
Safety and Building Operations	-1,353,600	-18.60	-1,428,700	-19.60	PR
Fire Prevention and Fire Dues Administration	-72,300	-1.00	-72,300	-1.00	PR
Federal Operations	0	-0.80	0	-0.80	FED
PECFA Administration	-293,800	-3.00	-293,800	-3.00	SEG
Petroleum Inspection Administration	-504,600	-5.00	-504,600	-5.00	SEG
d. Executive and Administrative Services					
General Program Operations	-145,200	-2.00	-145,200	-2.00	GPR
Administrative Services	<u>-109,600</u>	<u>-2.00</u>	<u>-109,600</u>	<u>-2.00</u>	PR
Total	-\$3,077,900	-39.10	-\$3,153,000	-40.10	Total
	-571,900	-8.20	-571,900	-8.20	GPR
	0	-0.80	0	-0.80	FED
	-1,585,600	-22.10	-1,660,700	-23.10	PR
	-920,400	-8.00	-920,400	-8.00	SEG

The reductions under the programs would include the following:

a. The economic and community development reductions include eliminating 5.7 positions from the Divisions of Business Development and International and Export Development, reducing funding for marketing for the American Indian Economic Development program, eliminating a vacant position for Wisconsin Development Fund administration, and deleting supplies and services funding for brownfields administration.

5.7
.5

6.2
1

b. A 0.5 position and related funding would be eliminated in the Bureau of Housing.

c. Funding and position reductions in the Division of Safety and Buildings would include eliminating 2.4 program assistants, 5.9 inspectors, and 4.0 plan reviewers. Two positions would be eliminated by consolidating sections within the Integrated Services Bureau and by eliminating a program manager in the Bureau of Program Development. Other positions and related funding that would be eliminated include a vacant position associated with private, on-site wastewater treatment system reviews, 2.0 positions from the code consultant section, the OSHA director, a vacant position associated with the credentialing program, a vacant fire dues administration position, and a position in the rental unit weatherization program in 2006-07. In addition, a 0.8 vacant federal mine inspector would be eliminated but the associated expenditure authority retained. Petroleum inspection program reductions include eliminating 5.0 positions, closing three labs, reducing supplies and services funding, and replacing some local contractors for petroleum inspection programs with existing staff. Three PECFA positions and supplies funding would also be deleted.

d. An administrative services and an Office of the Secretary position, a budget and policy analyst, and a communications position and related funding would be eliminated in the Division of Administrative Services.

3. PROGRAM REVENUE APPROPRIATION LAPSES

GPR-REV \$2,881,700

Governor/Legislature: Require the Secretary of Administration to lapse \$1,403,300 in 2005-06 and \$1,478,400 in 2006-07 from program revenues to the general fund as follows:

a. *Safety and Building Operations.* The required lapse would be \$1,353,600 in 2005-06 and \$1,428,400 in 2006-07. The appropriation funds various program activities of the Division of Safety and Buildings. The source of funding for the appropriation is fees from several plan review and inspection activities related to construction such as commercial buildings, multi-family and manufactured dwellings, plumbing, private sewage systems, electrical and heating systems, and elevators.

b. *Safety and Buildings Auxiliary Services.* The required lapse would be \$24,600 in 2005-06 and \$24,600 in 2006-07. The appropriation provides funding for the costs of publications and seminars provided by the Division and the source of revenue is fees charged for those items.

c. *Wisconsin Development Fund Administration.* The required lapse would be \$25,100 in 2005-06 and \$25,100 in 2006-07. The appropriation is funded with a loan origination fee equal to 2% of major economic development and customized labor training loans in excess of \$200,000. The appropriation provides funding for administration of Wisconsin Development Fund grants and loans.

The lapses from the safety and buildings operations and WDF administration appropriations equal the expenditure reductions included in base level funding reductions.

Qualified Investments as of January 1, 2005

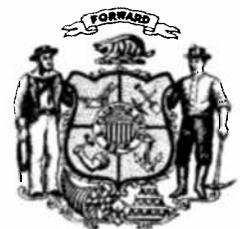
Business Name	City	Date Placed	Funds
Advantage Capital Wisconsin Partners I, Limited Partnership AlfaLight, Inc.	Madison	5/12/2000	\$625,000.32
		6/9/2000	\$80,128.22
		12/12/2000	\$961,536.00
		11/27/2002	\$18,333.00
		4/9/2003	\$33,500.00
			\$1,718,497.54
FoodUSA.com	Madison	1/10/2000	\$500,000.00
		3/30/2000	\$250,000.00
		6/23/2000	\$150,000.00
		9/29/2000	\$50,000.00
		10/26/2000	\$50,000.00
		11/27/2000	\$50,000.00
	\$1,050,000.00		
Gala Design, Inc.	Middleton	3/31/2000	\$600,000.00
		3/5/2001	\$180,132.00
		9/26/2001	\$119,867.68
	\$899,999.68		
Guild, LLC	Madison	7/15/2003	\$250,000.00
		10/2/2003	\$250,000.00
	\$500,000.00		
Silicon Logic Engineering, Inc.	Eau Claire	5/1/2002	\$1,250,000.00
			\$1,250,000.00
Soft Switching Technologies, Inc.	Middleton	7/21/2000	\$282,350.00
		3/15/2001	\$499,995.44
		10/29/2001	\$205,123.22
		3/14/2002	\$377,126.16
	\$1,364,594.82		
TomoTherapy, Inc.	Madison		

		11/15/2000	\$143,000.00
		3/20/2001	\$853,037.90
		8/29/2002	\$334,153.08
		5/2/2003	\$127,723.19
		10/24/2003	\$127,723.19
		2/18/2004	\$25,344.33
			\$1,610,981.69
Total Advantage Capital Wisconsin Partners I, Limited Partnership (7 records)			\$8,394,073.73
Banc One Stonehenge Capital Fund Wisconsin, LLC			
Buyseasons, Inc.	New Berlin		
		5/24/2004	\$600,000.00
			\$600,000.00
Felins U.S.A., Inc.	Milwaukee		
		9/17/2003	\$1,500,000.00
			\$1,500,000.00
Gala Design, Inc.	Middleton		
		3/6/2001	\$300,220.00
		9/26/2001	\$199,780.00
			\$500,000.00
House of Harley-Davidson, Inc.	Milwaukee		
		6/30/2000	\$1,300,000.00
			\$1,300,000.00
Instrument Development Corporation	Mukwonago		
		7/22/2004	\$1,750,000.00
			\$1,750,000.00
Mortgagebot LLC	Cedarburg		
		3/30/2001	\$500,000.00
		10/21/2002	\$600,000.00
			\$1,100,000.00
NameProtect, Inc.	Madison		
		9/24/2002	\$300,000.00
		10/23/2002	\$400,000.80
		1/12/2004	\$150,000.00
			\$850,000.80
Oppen, Inc.	Madison		
		10/24/2002	\$200,000.00
		5/11/2004	\$95,000.22
			\$295,000.22

Silicon Logic Engineering, Inc.	Eau Claire	5/1/2002	\$1,250,000.00
			\$1,250,000.00
Zystor Therapeutics, Inc.	Milwaukee	9/23/2004	\$125,000.00
			\$125,000.00
Total Banc One Stonehenge Capital Fund Wisconsin, LLC (10 records)			\$9,270,001.02
Wilshire Investors, LLC			
BuySeasons, Inc.	Waukesha	6/28/2001	\$300,000.00
			\$300,000.00
Copia Technology Services, LLC	Mequon	2/1/2000	\$2,500,000.00
			\$2,500,000.00
Global Business Advisers of Wisconsin, LLC	Mequon	3/31/2003	\$2,200,000.00
			\$2,200,000.00
Hypercosm, Inc.	None	4/18/2001	\$250,000.00
			\$250,000.00
Universal Processing Services of Wisconsin, LLC	Milwaukee	6/27/2001	\$750,000.00
		9/26/2001	\$1,350,000.00
		3/31/2003	\$1,000,000.00
			\$3,100,000.00
Total Wilshire Investors, LLC (5 records)			\$8,350,000.00
Total for All CAPCOs (22 records)			\$26,014,074.75



WISCONSIN STATE LEGISLATURE





WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

August 21, 2006

Ms. Mary P. Burke, Secretary
Department of Commerce
201 West Washington Avenue, 6th Floor
Madison, Wisconsin 53703

Dear Ms. Burke:

The Joint Legislative Audit Committee will hold a public hearing on the Legislative Audit Bureau's evaluation of *State Economic Development Programs* (report 06-9), on Tuesday, August 29, 2006, at approximately 11:00 a.m. in Room 411 South of the State Capitol.

As the Department of Commerce is the lead agency responsible for administering the state's economic development programs, we ask you, and the appropriate members of your staff, to be present at the hearing to offer testimony in response to the audit findings and to respond to questions from committee members. Please plan to provide each committee member with a written copy of your testimony at the hearing.

Please contact Ms. Karen Asbjornson in the office of Senator Carol Roessler at 266-5300 to confirm your participation at the hearing. Thank you for your cooperation and we look forward to seeing you on August 29th.

Sincerely,

Senator Carol A. Roessler, Co-chair
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

Enclosure

cc: Janice Mueller
State Auditor



WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

August 21, 2006

Mr. Daniel Clancy, President
Wisconsin Technical College System Board
4622 University Avenue
Madison, Wisconsin 53707

Dear Mr. Clancy:

The Joint Legislative Audit Committee will hold a public hearing on the Legislative Audit Bureau's evaluation of *State Economic Development Programs* (report 06-9), on Tuesday, August 29, 2006, at approximately 11:00 a.m. in Room 411 South of the State Capitol.

As this report relates to the activities of the Wisconsin Technical College System, we ask you, or the appropriate members of your staff, to be present at the hearing to offer testimony in response to the audit findings and to respond to questions from committee members. Please plan to provide each committee member with a written copy of your testimony at the hearing.

Please contact Ms. Karen Asbjornson in the office of Senator Carol Roessler at 266-5300 to confirm your participation at the hearing. Thank you for your cooperation and we look forward to seeing you on August 29th.

Sincerely,

Senator Carol A. Roessler, Co-chair
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

Enclosure

cc: Janice Mueller
State Auditor



WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

August 21, 2006

Dr. Kevin P. Reilly, President
University of Wisconsin System
1720 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin 53706

Dear Dr. Reilly:

The Joint Legislative Audit Committee will hold a public hearing on the Legislative Audit Bureau's evaluation of *State Economic Development Programs* (report 06-9), on Tuesday, August 29, 2006, at approximately 11:00 a.m. in Room 411 South of the State Capitol.

As this report relates to the activities of the University of Wisconsin System, we ask you, or the appropriate members of your staff, to be present at the hearing to offer testimony in response to the audit findings and to respond to questions from committee members. Please plan to provide each committee member with a written copy of your testimony at the hearing.

Please contact Ms. Karen Asbjornson in the office of Senator Carol Roessler at 266-5300 to confirm your participation at the hearing. Thank you for your cooperation and we look forward to seeing you on August 29th.

Sincerely,

Senator Carol A. Roessler, Co-chair
Joint Legislative Audit Committee

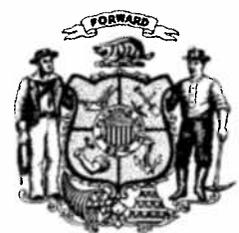
Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

Enclosure

cc: Janice Mueller
State Auditor



WISCONSIN STATE LEGISLATURE



Matthews, Pam

From: Jim Hough [hough@hamilton-consulting.com]
Sent: Monday, August 28, 2006 4:03 PM
To: Rep.Jeskewitz; Handrick, Diane
Cc: 'JAMES OTTERSTEIN'; peth@gotoltc.edu; lisaka@developmentassociation.com; 'Roger Nacker'
Subject: WEDA LAB Report
Attachments: WEDA 2006 LAB Member Survey Summary1.doc; WEDA LAB Survey 08-28-06.pdf

Sue and Diane,

Attached are a copy of the WEDA Member Survey and the Survey Summary which will be referenced at tomorrow's hearing. Those testifying on behalf of WEDA will be James Otterstein, President, Andy Lisak, President-Elect and Peter Thillman, Past President and Legislative Co-Chair. In the interest of time, they are prepared to testify together. WEDA will also provide a copy of the organization's statement to committee members at the hearing tomorrow.

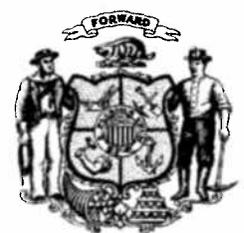
Thank you.

Jim

James Hough
The Hamilton Consulting Group, LLC.
hough@hamilton-consulting.com
Phone: (608) 258-9506
Fax: (608) 283-2589



WISCONSIN STATE LEGISLATURE





THE BUSINESS COUNCIL INC.
ECONOMICS • EQUITY • EXCELLENCE

August 30, 2006

The Honorable James Doyle
Governor – State of Wisconsin
PO Box 7863
Madison WI 53707

Dear Governor Doyle:

It has come to our attention that the Legislative Audit Bureau's (LAB) audit of state economic development programs, reported that minority-owned businesses secured only \$46.1 million in direct state agency purchases in FY2004-05. As you well know, this amount equals just 2.8% of the \$1.65 billion total and falls well short of state's voluntary goal of 5% participation.

The state's continued failure to meet this goal is troubling and concerning on many fronts. The fact that this voluntary goal has not been met for the last 20 years communicates to our membership that economic development in communities of color and growth of minority-owned businesses is unimportant to this and past administrations. This repeated failure also signals that the processes in place to communicate, administer and monitor the state's minority business procurement functions are antiquated, lack real accountability and are in desperate need of an over haul.

Governor Doyle, we can't continue to do the same old things and expect different results. We all know that just doesn't work.

It is our sincere belief that our state and its cities will continue to struggle economically and socially as long as the state's efforts to drive economic development in communities of color and truly grow minority business are continually allowed to under perform without consequence.

The growth of minority owned businesses in Wisconsin has never been more important to the well being of this state and its citizens. We at The Business Council know that there are a number of qualified, and infinitely capable minority-owned business in this state. We would like to offer our services to you and your administration to help re-design the current, failed processes and help identify minority owned businesses capable of helping the state achieve its goals.

Governor Doyle, the time for real, accountable, measurable action is now! We can't continue to allow the state's minority business community to struggle and suffer and we support State Representative Jason Fields' efforts to bring these issues to the forefront.

Sincerely,

Members of The Business Council:

Edna Abernathy
E.R. Abernathy Industrial,
Inc.

Curtiss Harris
Business Opportunity,
LLC

Troy Shaw
TDS Management Group,
Inc.

Norman Barrientos, AIA
Barrientos Design &
Consulting, LLC

Earl Hill
Hill Monument Company

Delores Sims
Legacy Bank

William Beckett
CHRYSPAC

Ruben Hopkins
Wisconsin Black Chamber
of Commerce

Art Smith
Keystone Travel,
American Express/Travel
Services

Carl Brown
Red Brown Kle'

Henry Hurt
Hurt Electric, Inc.

Joseph Tucker, Sr.
Victory Personnel
Services, Inc.

Michelle Burt
Ador Agency

Gary Palmer
Manutec, Inc.

Devon Turner
Executive Director, TBC
Vice President of Urban
Affairs, MMAC

Carla Cross
Cross Management
Services, Inc.

Shelia Payton
Sales & Marketing
Communications
Associates, Inc.

Christopher Ware
Reinhart Boerner Van
Deuren sc

Lafayette Crump
Crump Law Firm, LLC

Adonica Randall
Connection Strategies
Enterprises, Inc.

Wallace White
W2EXCEL LLC

Randy Crump
Prism Technical
Management &
Marketing Services

Don Rosette
Milwaukee Radio Alliance
1290 WMCS

Noel Williams
Williams CPA LLC

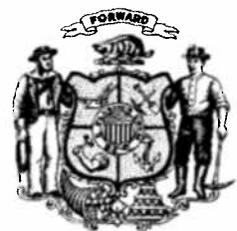
Ylonda Glover
Tri-Success Management
Institute

Helen Scaife
Scaife Day Care, LLC

cc: Secretary, Department of Commerce
Secretary, Department of Administration
Secretary, Department of Revenue
Secretary, Department of Transportation
Wisconsin Assembly
Wisconsin State Senate



WISCONSIN STATE LEGISLATURE





Federal Relations

1764 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin 53706
(608) 263-3362
(608) 262-3985 Fax

email: kandrews@uwsa.edu
website: <http://www.wisconsin.edu>

September 5, 2006

TO: State Representative Sue Jeskewitz

cc: Kevin P. Reilly, President, UW System
Don Mash, Executive Senior Vice President, UW System
Margaret Lewis, Associate Vice President, UW System
Tom Still, President, Wisconsin Technology Council

FROM: Kris Andrews 
Assistant Vice President for Federal Relations

RE: Wisconsin Security Research Consortium (WSRC)

UW System President Reilly asked that information be provided to you about the Wisconsin Security Research Consortium (WSRC). This is to follow-up on his meeting with you on August 28 and your discussion about what Wisconsin is doing to compete for classified federal research dollars.

In 2005, a memorandum of agreement was signed by representatives of the UW System, UW-Madison, UW-Milwaukee, the Medical College of Wisconsin, Marshfield Clinic and the Wisconsin Technology Council to form a consortium to position Wisconsin to attract funds in the homeland security area.

The UW System and Wisconsin Technology Council then asked Wisconsin's congressional delegation to help secure a \$500,000 federal grant to organize the consortium. U.S. Senator Herb Kohl helped guide the proposal through Congress and U.S. Representative David Obey guided the legislation on the House side. Federal funds were appropriated in Fiscal Year 2006 (however, the Small Business Administration has not, to date, released the funds).

The Wisconsin Technology Council is the agent for the WSRC for administrative purposes. WSRC has been formally organized as a 501(c)3. Business leader and former Waukesha County Executive Tom Hefty was elected president of the Board of Directors. Since signing the memorandum of agreement, in addition to the aforementioned public and private academic partners, others, including UW-Stevens Point, UW-Superior, UW-La Crosse, UW-Stout, UW-Extension, and the La Crosse Health Science Consortium, have joined the consortium. Plans are to eventually include associate members from private industry.

The Honorable Sue Jeskewitz
Page Two
September 5, 2006

The goals of the Wisconsin Security Research Consortium are as follows:

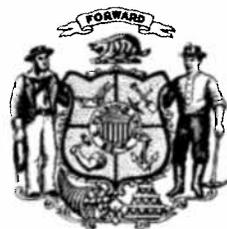
- Assess Wisconsin's core competencies in technologies related to homeland security, from both research institution and private company perspectives.
- Help lead companies through the process of applying for federal grants and seeking federal contracts.
- Provide a pathway to federal opportunities for professors and researchers through the UW-Madison Office of Corporate Relations and comparable offices within the UW System and private institutions.
- Partnering with various campuses, establish a system to easily facilitate questions from businesses in search of UW System or private college expertise.
- Organize a team of research, development and tech transfer experts to systematically identify federal opportunities and to advise members of the congressional delegation. The consortium is an associate member of the Institute for Defense and Homeland Security in Herndon, VA.
- When necessary, designate the independent, non-profit WSRC to serve as a "catch point" for federal R&D dollars in classified and sensitive research areas.

Tom Still, President of the Wisconsin Technology Council, and I would be pleased to meet with you to discuss the WSRC and other economic development efforts. If this is of interest to you, please ask your staff to contact me by phone at 608-263-3362 or by email at kandrews@uwsa.edu.

kad



WISCONSIN STATE LEGISLATURE



***Economic Development (Report 06-9)
Recommendations and Options for Legislative Consideration***

1. *We recommend the Legislature, as it reviews proposals to expand existing development zone programs or to create new programs, consider establishing specific criteria to ensure that zones are designated only in those areas that meet each specific program's intent. (Page 90)*

Next Step: **Include in initial draft legislation.**

NOTES: **Do co-chairs wish to tighten zone designation?**

2. The Legislature could consider designating a single entity that would be responsible for coordinating all of Wisconsin's economic development programs, although ss. 560.01 and 560.08, Wis. Stats., already require Commerce to undertake some planning efforts that could serve this purpose. However, as noted, Commerce has limited authority over programs administered by other state agencies. (Page 112)

Next Step: **Include in initial draft legislation.**

NOTES: **Do co-chairs wish to strengthen role of Commerce?**

1. **Redraft language in s. 560.01, Wis. Stats.?**
2. **Ask Commerce for input on how to strengthen role among agencies?**

3. *We recommend the Legislature, in future reviews of economic development planning and coordination activities, consider encouraging the establishment of:*

- *clear and measurable goals to ensure that programs are working toward achieving state policy objectives;*
- *benchmarks to measure progress toward each goal; and*
- *models for consistently evaluating and reporting economic development results among state agencies. (Page 113)*

Next Step: **Include in initial draft legislation.**

NOTES: **1. Combine with number 4 below and create statutory requirement for biennial report containing these elements.**

4. *We recommend the Legislature consider consolidating the reporting requirements for state economic development programs. One option for consolidating reporting requirements is to require that each agency submit an economic development progress report as part of its biennial report to the Legislature. Alternatively, Commerce could coordinate the production of a single biennial economic development report that:*

- incorporates information from all state agencies that administer economic development programs and provides detailed information about each program's accomplishments;
- establishes a consistent format for reporting program outcomes and describes actual results compiled from individual projects;
- demonstrates progress in achieving long-term economic development policies and goals; and
- identifies projects and programs that did not meet anticipated goals and makes recommendations for their improvement. (Page 116)

Next Step: Include in initial draft legislation.

NOTES:

1. **Timing for report (suggest submission to coincide with biennial budget)?**
2. **Submission to which legislative committees (JFC, JAC, and standing committees)?**
3. **Coordination with other agencies (use Minnesota model)?**

Tie to number 3 above and include measurable benchmarks.

5. *We recommend the Legislature consider enacting public disclosure requirements to improve transparency in the use of state funds for economic development projects. (Page 117)*

Next Step: Include in initial draft legislation.

NOTES: Develop Web site reporting requirements, like those developed in the TPC legislation.

**ITEMS THAT REQUIRE ADDITIONAL REPORTING
(Due in February 2007)**

6. *We recommend the Department of Commerce report to the Joint Legislative Audit Committee by **February 15, 2007**, with specific statutory changes to consolidate duplicative programs and eliminate inactive and outdated programs. (Page 40)*

**Next Step: Await report from Commerce.
 Introduce separate legislation for consolidation/elimination.**

7. *We recommend that the University of Wisconsin System and the Wisconsin Technical College System:*

- *designate an economic development liaison at each institution, from within existing staff, to coordinate with other state and local economic development efforts;*
- *publish comprehensive directories of their economic development and business assistance programs on the Internet, to assist individuals, businesses, local governments, and other organizations in locating sources of technical and financial assistance; and*
- *report to the Joint Legislative Audit Committee by **February 15, 2007**, on progress toward implementing these recommendations. (Page 49)*

Next Step: Await reports from UW and WTCS.

8. *We recommend the Department of Commerce improve its procedures for tracking and reporting actual results for individual projects, including tracking the number of new businesses started, start-up business success rates, and the levels of wages and benefits for jobs created and employees retained. (Page 77)*

Next Step: Await report from Department of Commerce.

9. *We recommend the Department of Commerce improve its procedures for monitoring the long-term success of the projects it funds. (Page 79)*

Next Step: Await report from Department of Commerce.

10. *We recommend the Department of Revenue report to the Joint Legislative Audit Committee by **February 15, 2007**, on their efforts to improve procedures for tracking and reporting the amount of tax credits claimed by each business within each development zone. (Page 96)*

Next Step: Await report from Department of Revenue.

11. *We recommend the Department of Commerce report to the Joint Legislative Audit Committee by **February 15, 2007**, on the results of its internal audit of the Certified Capital Companies program, including the amount invested in qualified businesses, the amount spent on management and other expenses, and the effectiveness of the program in increasing the availability of investment capital and encouraging economic development. (Page 101)*

Next Step: Await report from Department of Commerce.

12. *We recommend the Legislature consider reducing the number of programs by consolidating statutory requirements and standardizing eligibility criteria for economic development programs that have similar purposes or provide similar services. (Page 115)*

Next Step: Await report from Department of Commerce.

A Medium for Growth: The State of Entrepreneurship in Wisconsin

Survey Findings:

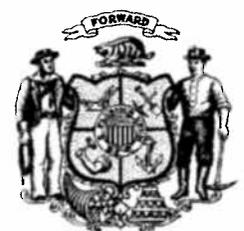
- People in Wisconsin feel that the Entrepreneurial Climate of Wisconsin is “neutral”.
- Half of all people living in Wisconsin are or have been involved in the Entrepreneurial Process (which includes starting or thinking about starting a business). However, the people involved in the Entrepreneurial Process may not necessarily see themselves as entrepreneurs.
- Among the people involved in the Entrepreneurial Process, there is a low awareness and usage of state programs aimed to help entrepreneurs. One quarter of the people who said that they had used state programs or resources complained about receiving conflicting information.

Recommended Actions:

- Educate people about entrepreneurial opportunities.
- Create communities that welcome and encourage entrepreneurs.
- Encourage entrepreneurs to use available resources by:
 - providing relevant programs
 - increasing marketing
 - connecting entrepreneurs to assistance that is appropriate to their stage in the Entrepreneurial Process
 - building a network of the programs/resources to avoid providing entrepreneurs with conflicting information
- Use examples to show that financial assistance is available and help entrepreneurs through the process of getting funding.
- Continue research studying how Wisconsin’s Entrepreneurial Climate compares to other states and to determine what factors affect the success of entrepreneurial projects.

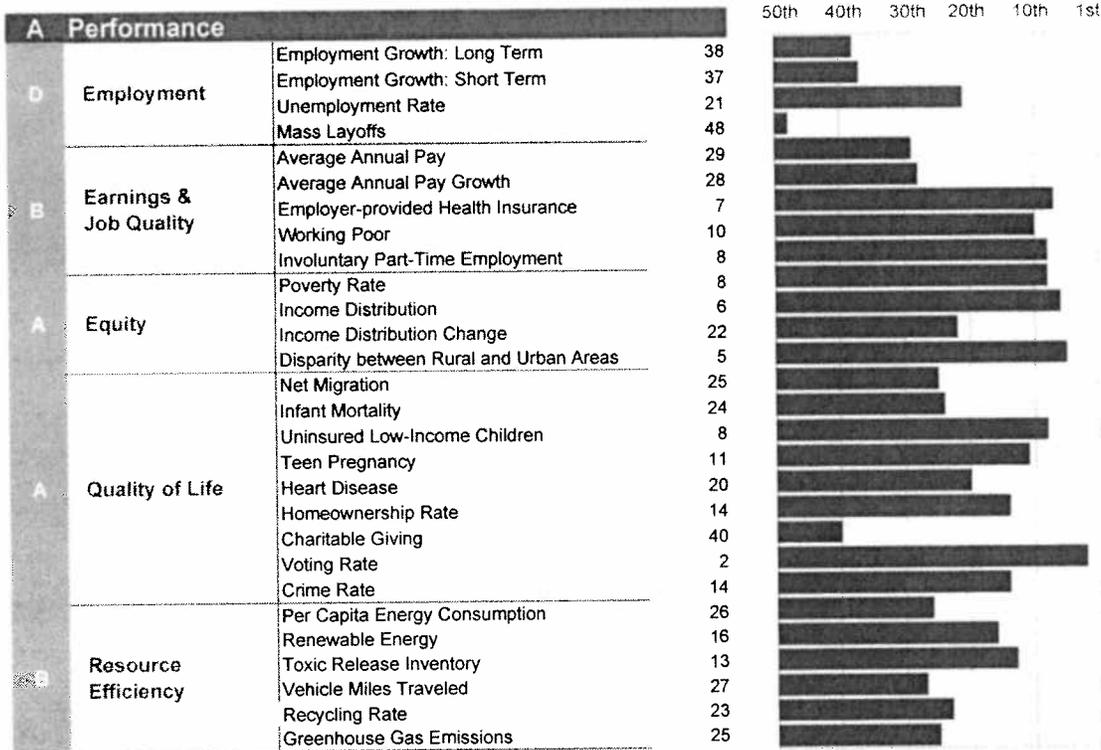


WISCONSIN STATE LEGISLATURE

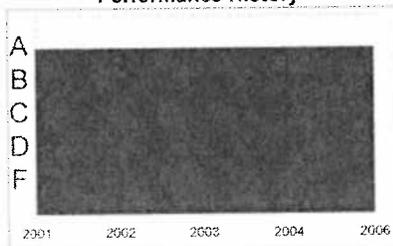


State Rankings: Wisconsin 2006 Development Report Card for the States

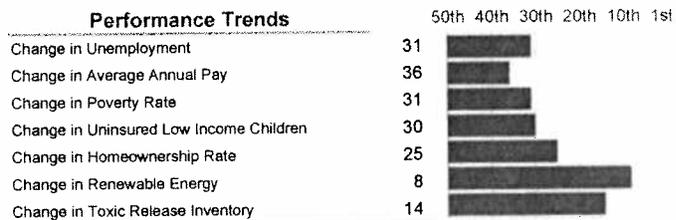
Report Card Structure: **Performance** Business Vitality Development Capacity



Performance History

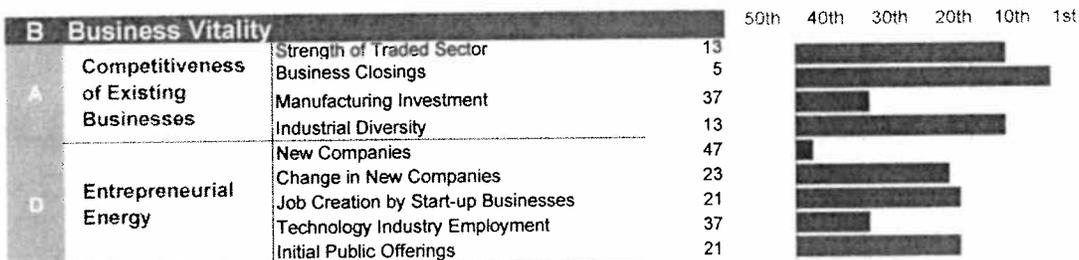


Performance Trends



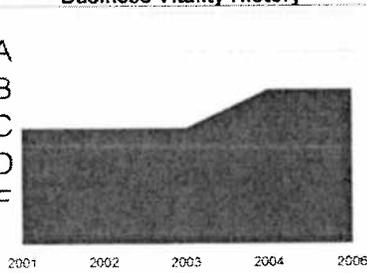
Seven measures were selected to track the change over time. These trend indicators do not contribute to the index or subindex grades.

Report Card Structure: Performance **Business Vitality** Development Capacity



Business Vitality History

A
B
C
D
F



Business Vitality Trends

		50th	40th	30th	20th	10th	1st
Change in Business Closings	22	[Bar]					
Five Year Change in New Companies	26	[Bar]					

Two measures were selected to track the change over time. These trend indicators do not contribute to the index or subindex grades.

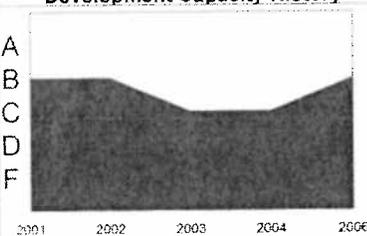
Report Card Structure: Performance Business Vitality **Development Capacity**

B Development Capacity

			50th	40th	30th	20th	10th	1st	
B	Human Resources	Basic Educational Skills Proficiency-Reading	16	[Bar]					
		Basic Educational Skills Proficiency-Math	15	[Bar]					
		Average Teacher Salary	33	[Bar]					
		K-12 Education Expenditures	14	[Bar]					
		High School Completion Rate	14	[Bar]					
		High School Attainment	20	[Bar]					
		College Attainment	28	[Bar]					
C	Financial Resources	Income from Dividends, Interest and Rent	25	[Bar]					
		Venture Capital Investments	35	[Bar]					
		SBIC Financing	26	[Bar]					
		Loans to Small Business	6	[Bar]					
C	Infrastructure Resources	Highway Performance	23	[Bar]					
		Bridge Deficiency	7	[Bar]					
		Urban Mass Transit	19	[Bar]					
		Sewage Treatment Needs	27	[Bar]					
C	Amenity Resources & Natural Capital	Electronic Public Services	43	[Bar]					
		Energy Costs	25	[Bar]					
		Cost of Urban Housing	8	[Bar]					
		Health Professional Shortage Areas	23	[Bar]					
C	Innovation Assets	Conversion of Cropland to Other Uses	44	[Bar]					
		Air Quality Non-attainment	23	[Bar]					
		Ph.D. Scientists & Engineers	34	[Bar]					
		Graduate Students in Science & Engineering	21	[Bar]					
		Households with Computers	22	[Bar]					
		Academic Research & Development	15	[Bar]					
		Federal Research & Development	39	[Bar]					
		Private Research & Development	24	[Bar]					
		SBIR Grants	25	[Bar]					
		Royalties and Licenses	7	[Bar]					
Patents Issued	14	[Bar]							
Business Created via University R&D	36	[Bar]							

Development Capacity History

A
B
C
D
F



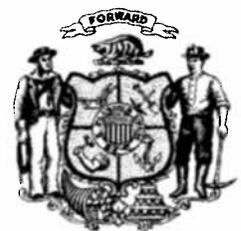
Development Capacity Trends

		50th	40th	30th	20th	10th	1st
Change in Math Proficiency	37	[Bar]					
Change in High School Attainment	37	[Bar]					
Change in Venture Capital Investments	30	[Bar]					
Change in Dividends, Interest and Rent	42	[Bar]					
Change in Health Professional Shortage Areas	24	[Bar]					
Change in Energy Costs	44	[Bar]					
Change in Private Research & Development	16	[Bar]					

Eight measures were selected to track the change over time. These trend indicators do not contribute to the index or subindex grades.



WISCONSIN STATE LEGISLATURE





October 1992

ENTREPRENEURIAL ASSISTANCE NETWORK PROGRAM

State government offers over 65 different programs to which small businesses and entrepreneurs can apply for financial help or for technical assistance in areas such as developing business or marketing plans. To improve access to this large number of programs, and to better coordinate the State's efforts, the Legislature enacted 1987 Wisconsin Act 320, which created the Entrepreneurial Assistance Network program within the Department of Development.

Coordination Among State Programs Is Needed

As a result of state efforts in the past decade, the Department of Development; the State Investment Board; the Wisconsin Housing and Economic Development Authority; the University of Wisconsin campuses and Extension; the Vocational, Technical and Adult Education districts; and several other agencies offer numerous assistance programs. However, business organizations and individuals have found it difficult to learn about available programs, and the large number of offerings has made the system confusing and difficult to access. The Entrepreneurial Assistance Network program was intended to provide better information about, and coordination among, existing assistance programs.

Effective Coordination Has Not Been Realized

The Department has made some efforts to assist small businesses and entrepreneurs by publishing a series of program directories and establishing a toll-free telephone information service to answer questions regarding business assistance programs. In addition, staff have organized and attended various meetings for entrepreneurs and intermediaries, such as bankers and venture capitalists.

However, a major intent of the Entrepreneurial Assistance Network program was coordination among all the various programs offered by state agencies. The Department has instead largely concentrated its efforts on coordinating its own programs. It should be noted that complete coordination of all state programs is difficult because the other state agencies offering business assistance programs have independent and broad statutory missions. Their cooperation with the Department is essential if coordination is to be achieved.

Nevertheless, there are steps the Department can take to provide leadership. These include ensuring training is available, better identifying client needs and program availability, and working to develop measurable goals for program success. Unless such expanded coordination efforts are implemented, the Legislature will need to assess whether the current limited efforts warrant the continued funding that was provided in Act 320.
