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☛ Details: Public Hearing: Annual Economic Development Programs Report (October 2008)

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

Joint

(Assembly, Senate or Joint)

Committee on Audit...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**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)

Record of Committee Proceedings

Joint Legislative Audit Committee

Annual Economic Development Programs Report (October 2008)

November 13, 2008 **PUBLIC HEARING HELD**

Present: (10) Senators Sullivan, Lassa, Miller, A. Lasee and Cowles; Representatives Jeskewitz, Rhoades, Kerkman, Cullen and Parisi.

Absent: (0) None.

Appearances For

- None.

Appearances Against

- None.

Appearances for Information Only

- Janice Mueller, Madison — State Auditor, Legislative Audit Bureau
- Paul Stuber, Madison — Legislative Audit Bureau
- Zachariah Brandon, Madison — Executive Assistant, Department of Commerce

Registrations For

- None.

Registrations Against

- None.

Registrations for Information Only

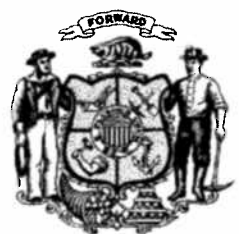
- None.



Diane Handrick
Committee Clerk



WISCONSIN STATE LEGISLATURE



State of Wisconsin
Annual Economic Development Programs Report
2008



Wisconsin Act 125 Compliance Report
October 1, 2008

Contributing Agencies

Forward Wisconsin (Forward)

Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP)

Wisconsin Department of Commerce (Commerce)

Wisconsin Department of Natural Resources (DNR)

Wisconsin Department of Tourism (Tourism)

Wisconsin Department of Transportation (DOT)

Wisconsin Housing and Economic Development Authority (WHEDA)

Wisconsin Technical College System (WTCS)

University of Wisconsin System (UW)

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Act 125 Introduction

Agency Reports

Forward Wisconsin (Forward)

Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP)

Wisconsin Department of Commerce (Commerce)

Wisconsin Department of Natural Resources (DNR)

Wisconsin Department of Tourism (Tourism)

Wisconsin Department of Transportation (DOT)

Wisconsin Housing and Economic Development Authority (WHEDA)

Wisconsin Technical College System (WTCS)

University of Wisconsin System (UW)

Appendix

Comprehensive Award listing for fiscal year 2008 (July 1, 2007-June 30, 2008)

Struggled - Asked for money -

Act 125

In August of 2006, the Legislative Audit Bureau released an audit of the State of Wisconsin's economic development programs. The Audit identified 152 programs that provided financial and technical assistance to businesses, individuals, nonprofit organizations, and local governments. These programs focused on creating jobs, attracting, expanding and retaining businesses, or otherwise encouraging economic growth. The audit recommended that accountability could be improved by standardizing each state agency's reporting requirements pertaining to project costs and benefits to the public. On March 20, 2008 Wisconsin Act 125 was signed into law to implement these recommendations and to generate efficiency, accountability, and transparency in the state programs concerning economic development.

The Act defines economic development programs as the following:

"A program or activity having the primary purpose of encouraging the establishment and growth of businesses in the state, including the retention and creation of jobs, and that satisfies all of the following:

- a) The program receives funding from the state or federal government and is allocated through an appropriation under Chapter 20 (Wisconsin Stats.)*
- b) The program provides financial assistance, tax benefits, or direct services to specific industries, businesses, local governments or local organizations."*

The Act charges the Department of Commerce, the University of Wisconsin System, the Department of Agriculture, Trade, and Consumer Protection, the Department of Natural Resources, the Wisconsin Housing and Economic Development Authority, the Department of Tourism, the Wisconsin Technical College System, and the Department of Transportation with the following responsibilities:

Goals

In order to ensure that state and federal funds for economic development are used effectively, each agency is required to do the following for each of its economic development programs:

- Establish clear and measurable performance goals for each economic development program.
- Establish at least one performance measurement benchmark for each goal.
- Require each grant or loan recipient to submit to the agency a report. Each contract with a recipient must specify the frequency and format of the report, and the performance measures to be contained in it. The agency must annually independently verify these reports by testing a sample.
- Establish a method for evaluating projected results of programs with actual outcomes.
- Require recipients of \$100,000 or more to submit a verified statement signed by a certified public accountant and the principal officer of the recipient attesting to the accuracy of the statement.
- Establish by rule policies and procedures to recoup payments, withhold payments, or impose fines or penalties if a recipient submits false or misleading information or fails to comply with a contract with the department.

Reporting Responsibilities

By October 1 of each year, each agency must submit a comprehensive report assessing the economic development programs it administers to the Joint Legislative Audit Committee and the appropriate standing committees of the Assembly and the Senate. Commerce is responsible for coordinating the information of all entities and that the information is readily accessible to the public on an Internet-based system.

This report must contain information for the previous fiscal year about:

- A description of each program.
- Quantifiable performance measures directly related to the purpose of the program including an accounting of the municipality and industry classification of each job created or retained in the state in the previous year as a result of the program.
- A comparison of actual and expected program outcomes.
- The number of grants and loans made each year.
- The amount of each grant and loan.
- The name of each recipient.
- The sum total of all grants and loans received by each recipient.

The following annual report implements the goal-setting, performance measurement benchmarking and reporting responsibilities contained in 2007 Wisconsin Act 125.