

## 2013 DRAFTING REQUEST

### Bill

Received: **5/17/2013** Received By: **rchampag**  
Wanted: **Soon** Same as LRB:  
For: **Julie Lassa (608) 266-3123** By/Representing: **Mark**  
May Contact: Drafter: **rchampag**  
Subject: **Econ. Development - bus. dev.** Addl. Drafters:  
**Legislature - miscellaneous** Extra Copies: **FFK**

Submit via email: **YES**  
Requester's email: **Sen.Lassa@legis.wisconsin.gov**  
Carbon copy (CC) to:

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#### Pre Topic:

No specific pre topic given

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#### Topic:

WEDC Board Composition and Duties

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#### Instructions:

See attached.

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#### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rchampag 5/20/2013			_____			
/1		csicilia 5/21/2013	jfrantze 5/21/2013	_____	lparisi 5/21/2013	mbarman 6/4/2013	

FE Sent For:

→ Not Needed

<END>

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/?	rchampag	1 gjs 5/21					
		13					

FE Sent For:

<END>

## Champagne, Rick

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**From:** Knickelbine, Mark  
**Sent:** Thursday, May 16, 2013 3:53 PM  
**To:** Champagne, Rick  
**Cc:** McKinny, Chris  
**Subject:** WEDC Board Drafting Instructions

Rick:

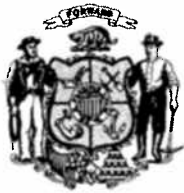
Please draft a bill that will contain the following provisions regarding the WEDC Board of Directors. I'm cc-ing Chris McKinney because he will need an Assembly companion.

- WEDC board members are appointed by the Governor from among a slate of two or more qualified candidates approved by the board; they would continue to be confirmed by the Senate
- Require the Chair of the Board be elected by the Board.
- Give the Board the authority to hire/fire the WEDC CEO, CFO, and COO).
- Require that all WEDC internal policies must be approved by a majority of the Board.
- The Board must include members with financial management experience, municipal/regional economic development experience, and private sector business experience. At least one member of the Board must be an expert in corporate ethics.
- A Finance Committee must be maintained by the Board, consisting of five elected Board members. One member would serve as Finance Chair. The Finance Committee would review and approve proposed offers of grants, loans and tax credits to businesses.
- The WEDC board must have an Audit and Compliance Committee to audit the corporation's programs and finances and ensure that the corporation is in compliance with state and federal statutes. The Committee must meet monthly and publish minutes of its meetings and report to the board at each board meeting on the current status of compliance with state statutes, the status of contracts in which companies are out of compliance with contract terms, and what actions have been planned or taken to resolve out-of-compliance contracts (grants, loans, tax credit awards).
- The chairs of WEDC board committees have the authority to establish agendas for their meetings.
- One member of the WEDC board shall be elected by its members as Lead Director for a two-year term to provide guidance to other board members, facilitate communication between board members and WEDC management, and advise the Chair and the CEO.
- Require members of the WEDC board of directors to serve fixed, four-year terms that are staggered so that half of the member's terms expire every two years.
- If the WEDC board establishes a foundation to solicit donations, it must list all donors online and in its annual report. No company that contributes to the foundation can receive aid from a state economic development program for two years after making the donation.

Let me know if you have questions. Thanks!

Mark Knickelbine  
Policy Analyst  
Office of State Senator Julie Lassa

24<sup>th</sup> Senate District  
P.O. Box 7882  
Madison, WI 53707-7882  
(608) 266-3123



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-2394/1  
RAC&MPG:/:....

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2013 BILL

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1 AN ACT ...; relating to: board of directors of the Wisconsin Economic  
2 Development Corporation.

*Analysis by the Legislative Reference Bureau*

This bill makes all of the following changes to the organization, powers, and duties of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC):

1. Currently, the WEDC board ~~consists of~~ <sup>includes e</sup> six members who are nominated by the governor and appointed with the advice and consent of the senate and who serve at the pleasure of the governor; three members appointed by the speaker of the assembly, consisting of one majority and one minority party representative to the assembly and one person employed in the private sector; <sup>and</sup> three members appointed by the senate majority leader, consisting of one majority and one minority party senator and one person employed in the private sector.

Under this bill, the members of the WEDC board nominated by the governor no longer serve at the pleasure of the governor but serve four-year terms. The governor must select nominees from a list of candidates prepared by the WEDC board. In addition, the members of the board appointed by the speaker of the assembly and senate majority leader who are employed in the private sector no longer serve at the pleasure of the speaker or majority leader but serve four-year terms.

2. Under the bill, the WEDC board must prepare a list of candidates from which the governor may nominate members of the board. The WEDC board must include on the list at least 2 candidates for each position. In addition, the board must select

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**BILL**

*Currently, the governor serves as chairperson of the WEDC board.*

candidates who have financial management experience, municipal or regional economic development experience, or private sector business experience. The board must also ensure that some of the candidates have expertise in corporate ethics.

3. Under the bill, the WEDC board must elect a chairperson. The board must also elect one of its members to serve as a lead director for a two-year term. Under the bill, the lead director is to provide guidance to the WEDC board, facilitate communication between the board and the corporation, and advise the chairperson of the board and the chief executive officer.

4. Currently, the WEDC chief executive officer is nominated by the governor, and with the advice and consent of the senate appointed, to serve at the pleasure of the governor. This bill provides that the board shall appoint the chief executive officer and may not delegate to any WEDC employee the power to appoint or terminate the employment of any executive employee of WEDC.

5. The bill also provides that the WEDC board may not delegate to any WEDC employee the power or duty to develop or implement any internal policy without the board first approving the policy.

6. The bill requires the WEDC board to establish a finance committee consisting of five board members. The members of the finance committee must elect a chairperson. Under the bill, no offers of grants, loans, or tax credits may be made by WEDC to any business without the approval of the finance committee.

7. The bill requires the WEDC board to establish an audit and compliance committee to audit the programs and finances of WEDC and to ensure that WEDC is in compliance with applicable state and federal law. The committee must meet monthly and publish the minutes of its meetings. The committee must also report at each WEDC board meeting on the current compliance of WEDC with applicable state and federal law, the status of any contracts with businesses that are out of compliance with the contract, and what actions have been planned or taken to resolve the compliance issues.

8. The bill provides that the chairpersons of all committees established by the WEDC board must prepare agendas for committee meetings.

9. Finally, the bill provides that if the WEDC board establishes or incorporates a foundation or other entity to solicit funds for economic development in this state, the board must publish a list of all donors on a Website maintained by WEDC and must include the list in its annual report to the legislature. Under the bill, no person who contributes moneys to the foundation or other entity may participate in any WEDC economic development program for 2 years from the date of the contribution.

*an Internet*

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*two*

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1 SECTION 1. 238.02 (1) of the statutes is repealed and recreated to read:

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1           238.02 (1) There is created an authority, which is a public body corporate and  
2           politic, to be known as the "Wisconsin Economic Development Corporation." The  
3           members of the board shall consist of all of the following:

4           (a) The governor.

5           (b) Six members nominated by the governor, and with the advice and consent  
6           of the senate appointed, to serve for 4-year terms. The governor shall nominate  
7           members from a slate of candidates prepared by the board under sub. (1d), ~~except~~  
8           ~~that~~ <sup>and</sup> at least one of the nominees must be an expert in corporate ethics.

9           (c) Three members appointed by the speaker of the assembly, consisting of one  
10          majority and one minority party representative to the assembly, appointed as are the  
11          members of standing committees in the assembly.

12          (d) One person appointed by the speaker of the assembly who is employed in  
13          the private sector for a 4-year term.

14          (e) Three members appointed by the senate majority leader, consisting of one  
15          majority and one minority party senator, appointed as are members of standing  
16          committees in the senate.

17          (f) One person appointed by the senate majority leader who is employed in the  
18          private sector for a 4-year term.

19          **SECTION 2.** 238.02 (1d) of the statutes is created to read:

20          238.02 (1d) The board shall prepare a list of candidates from which the  
21          governor shall nominate members of the board under sub. (1) <sup>✓</sup>(b). The board shall  
22          include on the list at least 2 candidates for each position. The board must select  
23          candidates who have financial management experience, municipal or regional  
24          economic development experience, or private sector business experience. The board  
25          shall also ensure that some of the candidates have expertise in corporate ethics.

① (g) The <sup>secretaries</sup> secretaries of administration and revenue, <sup>as nonvoting</sup> but as nonvoting members.



## BILL

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1 SECTION 3. 238.02 (1h) of the statutes is created to read:

2 238.02 (1h) The board shall elect a chairperson. The board shall also elect one  
3 of its members to serve as a lead director for a two-year term. The lead director shall  
4 provide guidance to the board, facilitate communication between the board and the  
5 corporation, and advise the chairperson of the board and the chief executive officer.

6 SECTION 4. 238.02 (3) of the statutes is amended to read:

7 238.02 (3) A chief executive officer shall be ~~nominated by the governor, and~~  
8 ~~with the advice and consent of the senate appointed by the board,~~ to serve at the  
9 pleasure of the ~~governor~~ board. The board may delegate to the chief executive officer  
10 any powers and duties the board considers proper, except any power to appoint or  
11 terminate the employment of any executive employee of the corporation or to develop  
12 or implement any internal policy without the board first approving the policy. The  
13 chief executive officer shall receive such compensation as may be determined by the  
14 board.

History: 2011 a. 7, 32.

15 SECTION 5. 238.02 (4) of the statutes is amended to read:

16 238.02 (4) All powers and duties assigned to the corporation under this chapter  
17 shall be exercised or carried out by the board, unless the board delegates the power  
18 or duty to an employee of the corporation. The board may not delegate to an employee  
19 of the corporation any power to appoint or terminate the employment of any  
20 executive employee of the corporation or to develop or implement any internal policy  
21 without the board first approving the policy.

History: 2011 a. 7, 32.

22 SECTION 6. 238.02 (5) of the statutes is created to read:

23 238.02 (5) (a) The board shall establish a finance committee consisting of 5  
24 board members. The members of the finance committee shall elect a chairperson.

**BILL**

1 No offers of grants, loans, or tax credits may be made to any business under this  
2 chapter without the approval of the finance committee.

3 (b) The board shall establish an audit and compliance committee to audit the  
4 programs and finances of the corporation and to ensure that the corporation is in  
5 compliance with applicable state and federal law. The committee shall meet monthly  
6 and shall publish the minutes of its meetings. The committee shall report at each  
7 board meeting on the current compliance of the corporation with applicable state and  
8 federal law, the status of any contracts with businesses that are out of compliance  
9 with the contract, and what actions have been planned or taken to resolve the  
10 compliance issues.

11 (c) The chairpersons of all committees established by the board shall prepare  
12 agendas for committee meetings.

an Internet

13 (d) If the board establishes or incorporates a foundation or other entity to solicit  
14 funds for economic development in this state, the board shall publish a list of all  
15 donors on a Website maintained by the corporation and shall include the list in the  
16 report under s. 238.07 (1). No person who contributes moneys to the foundation or  
17 other entity may participate in any economic development program under this  
18 chapter for 2 years from the date of the contribution.

**SECTION 7. Nonstatutory provisions.**

(1) TERM LIMITS AND STAGGERING OF TERMS.

21 (a) The current members of the board of the Wisconsin Economic Development  
22 Corporation who are nominated by the governor under section 238.02 (1), 2011  
23 ~~Stats.~~, shall no longer serve at the pleasure of the governor, but shall have terms  
24 expiring as follows:

**BILL**

1           1. The terms of 2 members, as determined by the governor, shall expire on July  
2 1, 2015.

3           2. The terms of 2 members, as determined by the governor, shall expire on July  
4 1, 2016.

5           3. The terms of 2 members, as determined by the governor, shall expire on July  
6 1, 2017.

7           (b) The current member of the board of the Wisconsin Economic Development  
8 Corporation who is employed in the private sector and appointed by the speaker of  
9 the assembly under section 238.02 (1), 2011 ~~Stats.~~, shall no longer serve at the  
10 pleasure of the speaker of the assembly but shall have a term expiring on July 1,  
11 2014.

12           (c) The current member of the board of the Wisconsin Economic Development  
13 Corporation who is employed in the private sector and appointed by the senate  
14 majority leader under section 238.02 (1), 2011 ~~Stats.~~, shall no longer serve at the  
15 pleasure of the senate majority leader but shall have a term expiring on July 1, 2014.

16

(END)

**Barman, Mike**

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**From:** Knickelbine, Mark  
**Sent:** Tuesday, June 04, 2013 11:24 AM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB -2394/1 Topic: WEDC Board Composition and Duties

Please Jacket LRB -2394/1 for the SENATE.