

2015 DRAFTING REQUEST

Bill

Received: **10/3/2014** Received By: **zwyatt**
Wanted: **As time permits** Same as LRB:
For: **Administration-Budget (608) 266-1923** By/Representing: **Quinn**
May Contact: Drafter: **zwyatt**
Subject: **Econ. Development - WEDC** Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email:
Carbon copy (CC) to: **zachary.wyatt@legis.wisconsin.gov**
michael.gallagher@legis.wisconsin.gov
sbostatlanguage@webapps.wi.gov

Pre Topic:

DOA:.....Quinn, BB0135 -

Topic:

Schedule of expenditures

Instructions:

See attached

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>
/?	zwyatt 10/8/2014			_____			
/P1		jdyer 1/10/2015	jmurphy 1/13/2015	_____	sbasford 10/9/2014		
/P2				_____	lparisi		

Vers. Drafted

Reviewed

Typed

Proofed

Submitted

Jacketed

Required

1/13/2015

FE Sent For:

<END>

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/?	zwyatt 10/8/2014	<i>PZ/10jld</i>		_____			
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FE Sent For:

Quinn
1/13/1

<END>

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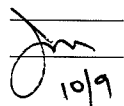
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Schedule of expenditures ✓

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See attached

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/?	zwyatt	PI 10/9 JLD	JLD	 10/9			

FE Sent For:

<END>

Gallagher, Michael

From: Hanaman, Cathlene
Sent: Friday, October 03, 2014 2:09 PM
To: Gallagher, Michael; Wyatt, Zachary
Subject: FW: Statutory Language Drafting Request - BB0135

From: brian.quinn@wisconsin.gov [mailto:brian.quinn@wisconsin.gov]
Sent: Friday, October 03, 2014 12:01 PM
To: Hanaman, Cathlene
Cc: Ziegler, Paul - DOA; Quinn, Brian D - DOA; Connor, Christopher B - DOA
Subject: Statutory Language Drafting Request - BB0135

Biennial Budget: 2015-17

DOA Tracking Code: BB0135

Topic: Schedule of Expenditures

SBO Team: TLGED

SBO Analyst: Quinn, Brian D - DOA
Phone: (608) 266-1923
E-mail: brian.quinn@wisconsin.gov

Agency Acronym: WEDC

Agency Number: 192

Priority: Low

Intent:

Modify s. 238.03(3)(a) to:

1. Increase the dollar threshold for reporting to \$500,000.
2. Provide an exemption for other state-related entities.
3. Allow the submission deadline to be determined at WEDC's discretion.

Attachments: False

Please send completed drafts to SBOSatlanguage@webapps.wi.gov

Wyatt, Zachary

From: Quinn, Brian D - DOA <Brian.Quinn@wisconsin.gov>
Sent: Monday, October 06, 2014 10:23 AM
To: Wyatt, Zachary
Subject: RE: Statutory Language Drafting Request - BB0135

Zachary,

Specifically other state agencies such as DWD or the UW System. I think that the reason WEDC used broader language in their request (the "state-related entities" language) is because they might also partner with WHEDA or some organization affiliated with a UW campus, which would not be state agencies, technically speaking.

The request, as written, is for WEDC to have the discretion to set the deadline. At this stage, strike it entirely, but we might revisit that one to establish the 120 days as a default.

Let me know if you have any other questions.

-Brian Q.

From: Wyatt, Zachary [mailto:Zachary.Wyatt@legis.wisconsin.gov]
Sent: Monday, October 06, 2014 10:15 AM
To: Quinn, Brian D - DOA
Subject: FW: Statutory Language Drafting Request - BB0135

Brian,

I am hoping you can clarify a couple of points from this request.

When you say "other state-related entities," who exactly are you intending?

Also, do you want the 120-day deadline to remain, but with an option for WEDC to set a different deadline? Or do you want the 120 day deadline stricken entirely?

Thanks,**Zachary D. Wyatt**
Legislative Attorney
Wisconsin Legislative Reference Bureau
zachary.wyatt@legis.wisconsin.gov
608.267.3362

From: Hanaman, Cathlene
Sent: Friday, October 03, 2014 2:09 PM
To: Gallagher, Michael; Wyatt, Zachary
Subject: FW: Statutory Language Drafting Request - BB0135



Jkd

DOA:.....Quinn, BB0135 - Schedule of expenditures

FOR 2015-2017 BUDGET - NOT READY FOR INTRODUCTION

do not gen
AN ACT ...; relating to: the budget.

head
1
sub

COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Analysis by the Legislative Reference Bureau

Under current law, a recipient of a WEDC loan or grant of at least \$100,000 must provide WEDC a schedule of expenditures within 120 days after the end of the fiscal year in which funds were expended. This bill amends this requirement to require a recipient of at least \$500,000 to provide a schedule of expenditures at a time determined by WEDC. This bill also exempts from the reporting requirements a department, independent agency, or authority of the state and the University of Wisconsin System.

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

- 2 SECTION 1. 238.03 (3) (a) of the statutes is amended to read:
- 3 238.03 (3) (a) That each recipient of a grant or loan under the program of at
- 4 least \$100,000 \$500,000 submit to the corporation, within 120 days at a time
- 5 determined by the corporation, after the end of the recipient's fiscal year in which any
- 6 grant or loan funds were expended, a schedule of expenditures of the grant or loan

1 funds, including expenditures of any matching cash or in-kind match, signed by the
 2 director or principal officer of the recipient to attest to the accuracy of the schedule
 3 of expenditures. The recipient shall engage an independent certified public
 4 accountant to perform procedures, approved by the corporation and consistent with
 5 applicable professional standards of the American Institute of Certified Public
 6 Accountants, to determine whether the grant or loan funds and any matching cash
 7 or in-kind match were expended in accordance with the grant or loan contract. The
 8 board shall also require the recipient of such a grant or loan to make available for
 9 inspection the documents supporting the schedule of expenditures. The board shall
 10 include the requirements under this paragraph in the contract with grant or loan
 11 recipients. The requirements of this paragraph do not apply to a department, as
 12 defined in s. 15.01 (5), an independent agency, as defined in s. 15.01 (9), an authority
 13 created under subch. II of ch. 114 or under ch. 231, 233, 234, 237, 238, or 279, or the
 14 University of Wisconsin System.

History: 2011 a. 7; 2013 a. 20.

****NOTE: I did not use the term "state-related entities" as included in the request,
 because it is not clear what entities that might include. Instead, I created a list of entities
 that would be exempt from the reporting requirements. Please advise if this list should
 be modified.

SECTION 9350. Wisconsin Economic Development Corporation.

(1) SCHEDULE OF EXPENDITURES. The treatment of section 238.03 (3) (a) of the
 statutes first applies to grant and loan contracts entered into on the effective date
 of this subsection.

****NOTE: I created an initial applicability provision so that this change would not
 impact existing contracts. Please advise if the intent is to apply these changes to existing
 contracts.

(END)

Wyatt, Zachary

From: Quinn, Brian D - DOA <Brian.Quinn@wisconsin.gov>
Sent: Sunday, January 04, 2015 6:50 PM
To: Wyatt, Zachary
Subject: Schedule of Expenditures Draft 15-0376/P1

Follow Up Flag: Follow up
Flag Status: Flagged

Zachary,

For that draft, from request BB0135, modify the language to require audited reports for those receiving more than \$500,000 as the draft currently has, but require the submission of unaudited reports for those between \$100,000 and \$500,000. The intention here is that they still report, but that the standard of report for those within that range is not as high to reduce the compliance burden cost.

Also, regarding the flexibility that WEDC to set different due dates, 120 days will be the default guidance, but WEDC may promulgate a system of exceptions to this rule that would be approved by the board. The purpose of that is to ensure uniformity in flexibility provided so it's not just an arbitrary case-by-case basis. WEDC cited the fact that sometimes this can align oddly with other reporting requirements or with the tax season, which can probably be addressed through some uniform procedure adopted by WEDC as opposed to just allowing blanket flexibility.

Let me know if you have questions.

Brian Quinn
Executive Policy and Budget Analyst - Senior
Wisconsin Department of Administration
Division of Executive Budget and Finance
(608)-266-1923
Brian.quinn@wisconsin.gov



INSERT

*due Tues,
1-13*

DOA:.....Quinn, BB0135 - Schedule of expenditures

FOR 2015-2017 BUDGET - NOT READY FOR INTRODUCTION

✓
1 *do not gen*
AN ACT ...; relating to: the budget.

**Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT**

ECONOMIC DEVELOPMENT

INS A ✓
Under current law, a recipient of a WEDC loan or grant of at least \$100,000 must provide WEDC a schedule of expenditures within 120 days after the end of the fiscal year in which funds were expended. This bill amends this requirement to require a recipient of at least \$500,000 to provide a schedule of expenditures at a time determined by WEDC. This bill also exempts from the reporting requirements a department, independent agency, or authority of the state and the UW System.

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

2 SECTION 1. 238.03 (3) (a) of the statutes is amended to read:

3 238.03 (3) (a) That each recipient of a grant or loan under the program of at

4 least *no strike* ~~\$100,000~~ *no strike* \$500,000 submit to the corporation, *no strike* ~~within 120 days~~ *no strike* ~~at a time~~

5 ~~determined by the corporation,~~ after the end of the recipient's fiscal year in which any

NS 2-1

1 grant or loan funds were expended, a schedule of expenditures of the grant or loan
 2 funds, including expenditures of any matching cash or in-kind match, signed by the
 3 director or principal officer of the recipient to attest to the accuracy of the schedule
 4 of expenditures. ~~The recipient shall engage an independent certified public~~
 5 ~~accountant to perform procedures, approved by the corporation and consistent with~~
 6 ~~applicable professional standards of the American Institute of Certified Public~~
 7 ~~Accountants, to determine whether the grant or loan funds and any matching cash~~
 8 ~~or in-kind match were expended in accordance with the grant or loan contract. The~~
 9 ~~board shall also require the recipient of such a grant or loan to make available for~~
 10 ~~inspection the documents supporting the schedule of expenditures. The board shall~~
 11 ~~include the requirements under this paragraph in the contract with grant or loan~~
 12 ~~recipients.~~ The requirements of this paragraph do not apply to a department, as

← strike

NO SCORING

13 defined in s. 15.01 (5), an independent agency, as defined in s. 15.01 (9), an authority
 14 created under subch. II of ch. 114 or under ch. 231, 233, 234, 237, 238, or 279, or the
 15 University of Wisconsin System.

****NOTE: I did not use the term "state-related entities" as included in the request, because it is not clear what entities that might include. Instead, I created a list of entities that would be exempt from the reporting requirements. Please advise if this list should be modified.

NS 2-16

16 **SECTION 9350. Initial applicability; Wisconsin Economic Development**
 17 **Corporation.**

(ad), (ah), (ap), and (at)

18 (1) SCHEDULE OF EXPENDITURES. The treatment of section 238.03 (3) (a) of the
 19 statutes first applies to grant and loan contracts entered into on the effective date
 20 of this subsection.

****NOTE: I created an initial applicability provision so that this change would not impact existing contracts. Please advise if the intent is to apply these changes to existing contracts.

1 **INS A**

Under current law, a recipient of a WEDC loan or grant of at least \$100,000 must provide WEDC an audited schedule of expenditures within 120 days after the end of the fiscal year in which funds were expended. This bill eliminates the requirement that the schedule of expenditures be audited except for a loan or grant of at least \$500,000. This bill also authorizes WEDC to set a deadline for submission other than 120 days by creating policies and procedures approved by the WEDC board of directors. This bill also exempts from the reporting requirements a department, independent agency, or authority of the state and the UW System.

2 **INS 2-1**

3 NO or at a different time as provided in policies and procedures approved by the
4 board, NO

5 score ↑ **INS 2-16**

6 **SECTION 2** 238.03 (3) (ad) of the statutes is created to read:

7 238.03 (3) (ad) That each recipient of a grant or loan under the program of at
8 least \$500,000 shall engage an independent certified public accountant to perform
9 procedures, approved by the corporation and consistent with applicable professional
10 standards of the American Institute of Certified Public Accountants, to determine
11 whether the grant or loan funds and any matching cash or in-kind match were
12 expended in accordance with the grant or loan contract.

entire

13 **SECTION 3** 238.03 (3) (ah) of the statutes is created to read:

14 238.03 (3) (ah) That each recipient required to submit a schedule of
15 expenditures make available for inspection the documents supporting such schedule
16 of expenditures.

17 **SECTION 4** 238.03 (3) (ap) of the statutes is created to read:

18 238.03 (3) (ap) That the contract with grant or loan recipients shall include the
19 requirements under pars. (a) to (ah).

Score



*Correct
Component.*

increase

1 SECTION 5 238.03 (3) (at) of the statutes is created to read:

2 238.03 (3) (at) The requirements of pars. (a) to (ap) do not apply to a
3 department, as defined in s. 15.01 (5), an independent agency, as defined in s. 15.01
4 (9), an authority created under subch. II of ch. 114 or under ch. 231, 233, 234, 237,
5 238, or 279, or the University of Wisconsin System.

6 **INS 2-19**
7 and the creation of 238.03 (3) (ad) to (at) of the statutes

er



State of Wisconsin
2015 - 2016 LEGISLATURE



LRB-0376/P2
ZDW:jld:jm

DOA:.....Quinn, BB0135 – Schedule of expenditures

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under current law, a recipient of a WEDC loan or grant of at least \$100,000 must provide WEDC an audited schedule of expenditures within 120 days after the end of the fiscal year in which funds were expended. This bill eliminates the requirement that the schedule of expenditures be audited except for a loan or grant of at least \$500,000. This bill also authorizes WEDC to set a deadline for submission other than 120 days by creating policies and procedures approved by the WEDC board of directors. This bill also exempts from the reporting requirements a department, independent agency, or authority of the state and the UW System.

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3 238.03 (3) (a) That each recipient of a grant or loan under the program of at
4 least \$100,000 submit to the corporation, within 120 days after the end of the

1 recipient's fiscal year in which any grant or loan funds were expended, or at a
2 different time as provided in policies and procedures approved by the board, a
3 schedule of expenditures of the grant or loan funds, including expenditures of any
4 matching cash or in-kind match, signed by the director or principal officer of the
5 recipient to attest to the accuracy of the schedule of expenditures. ~~The recipient shall~~
6 ~~engage an independent certified public accountant to perform procedures, approved~~
7 ~~by the corporation and consistent with applicable professional standards of the~~
8 ~~American Institute of Certified Public Accountants, to determine whether the grant~~
9 ~~or loan funds and any matching cash or in-kind match were expended in accordance~~
10 ~~with the grant or loan contract. The board shall also require the recipient of such a~~
11 ~~grant or loan to make available for inspection the documents supporting the schedule~~
12 ~~of expenditures. The board shall include the requirements under this paragraph in~~
13 ~~the contract with grant or loan recipients.~~

14 **SECTION 2.** 238.03 (3) (ad) of the statutes is created to read:

15 238.03 (3) (ad) That each recipient of a grant or loan under the program of at
16 least \$500,000 shall engage an independent certified public accountant to perform
17 procedures, approved by the corporation and consistent with applicable professional
18 standards of the American Institute of Certified Public Accountants, to determine
19 whether the grant or loan funds and any matching cash or in-kind match were
20 expended in accordance with the grant or loan contract.

21 **SECTION 3.** 238.03 (3) (ah) of the statutes is created to read:

22 238.03 (3) (ah) That each recipient required to submit a schedule of
23 expenditures make available for inspection the documents supporting such schedule
24 of expenditures.

25 **SECTION 4.** 238.03 (3) (ap) of the statutes is created to read:

1 238.03 (3) (ap) That the contract with grant or loan recipients shall include the
2 requirements under pars. (a) to (ah).

3 **SECTION 5.** 238.03 (3) (at) of the statutes is created to read:

4 238.03 (3) (at) The requirements of pars. (a) to (ap) do not apply to a
5 department, as defined in s. 15.01 (5), an independent agency, as defined in s. 15.01
6 (9), an authority created under subch. II of ch. 114 or under ch. 231, 233, 234, 237,
7 238, or 279, or the University of Wisconsin System.

8 **SECTION 9350. Initial applicability; Wisconsin Economic Development**
9 **Corporation.**

10 (1) SCHEDULE OF EXPENDITURES. The treatment of section 238.03 (3) (a), (ad),
11 (ah), (ap), and (at) of the statutes first applies to grant and loan contracts entered into
12 on the effective date of this subsection.

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13

(END)