

**2015 DRAFTING REQUEST**

**Senate Amendment (SA-SSA1-SB21)**

Received: 7/7/2015 Received By: mgallagh  
For: Jennifer Shilling (608) 266-5490 Same as LRB:  
May Contact: By/Representing: Kara  
Subject: Econ. Development - misc. Drafter: mgallagh  
Econ. Development - WEDC Addl. Drafters:  
State Govt - miscellaneous Extra Copies:

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

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Package #1

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mgallagh 7/7/2015	kfollett 7/7/2015	_____			
/1			_____	lparisi 7/7/2015	lparisi 7/7/2015	

FE Sent For:

<END>

**Gallagher, Michael**

**From:** Pennoyer, Kara  
**Sent:** Monday, July 06, 2015 10:50 PM  
**To:** Champagne, Rick; Hanaman, Cathlene  
**Cc:** Pfothenauer, Mary; Shea, Elisabeth; Gary, Aaron; Gallagher, Michael  
**Subject:** jobs & economic development amendments

Hello,

Thank you so much for sending amendments so quickly!

Our members have requested to bundle some our amendments into packages – combining amendments into one for one vote. Below is jobs & economic development. Let me know if that’s an issue. THANK YOU!

#1	SBIR matching grants for small business start-ups ✓	2015 SB 124	<i>in drafting</i>	
	Workforce Growth Act capacity building grants for tech colleges ✓ <i>MD</i>	2015 SB 163	<i>in drafting</i>	LRB 15b0508
	Entrepreneurial Access Tax Credits (Small Business Credit Now)	2015 SB 162	<i>in drafting</i>	LRB b0529/P1
	Entrepreneurial Assistance Grants (internship subsidies) ✓	2015 SB 112	<i>in drafting</i>	
	Farm to School to \$200,000 annually ✓ <i>MCT</i>		<i>in drafting</i>	LRB 15b0578

#2	Provision that would require that, if a company that has received a WEDC grant outsources jobs, WEDC must commence action to reclaim the grant within 6 months.		<i>in drafting</i>	LRB 15b0569
	Prohibit businesses who outsource jobs from receiving loans, grants or tax credits for five years.	Motion #536, item # 11	<i>in drafting</i>	LRB 15b0568
	Remove the provision that would make the new consolidated economic development credits refundable.		<i>in drafting</i>	
	Require that the Governor remain chairman of the WEDC board until the board has selected his replacement.		<i>in drafting</i>	LRB b0572/P1
	Require any employee of a state agency or authority (including WEDC), if they are aware that fraud has been perpetrated against their agency, to cause that information to be reported to law enforcement.		<i>in drafting</i>	LRB 15b0570
	Specify that state laws governing misconduct in public office for public officers and public employees also apply to WEDC employees.	Motion #501, item #44	<i>in drafting</i>	LRB 15b0575
	Transfer the funding amounts recommended for WEDC in 2015-16 and 2016-17 to the applicable Joint Committee on Finance program supplementation appropriations and require WEDC to report on how it will implement the Legislative Audit Bureau’s findings before requesting the release of funding from the Committee.	Motion #501, item #50	<i>in drafting</i>	

**Kara Pennoyer**  
**Office of Senator Jennifer Shilling**  
 608.266.5490



7/7  
State of Wisconsin  
2015 - 2016 LEGISLATURE

IMPACTS!

LRBb070617

11  
all

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION  
SENATE AMENDMENT,  
TO SENATE SUBSTITUTE AMENDMENT 1,  
TO SENATE BILL 21**

MPL/EDW/MCP/MDK

1

At the locations indicated, amend the substitute amendment as follows:

2

(END)

INSERT A

|| B

|| BM

|| C (including CC)



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRBb0508/1  
MDK:jld

SENATE AMENDMENT,  
TO SENATE SUBSTITUTE AMENDMENT 1,  
TO SENATE BILL 21

1 At the locations indicated, amend the substitute amendment as follows:

2 1. At the appropriate places, insert all of the following:

3 "SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place,  
4 insert the following amounts for the purposes indicated:

5 2015-16 2016-17

6 20.292 Technical college system board

7 (1) TECHNICAL COLLEGE SYSTEM

8 (aj) Workforce growth program GPR A 20,000,000 20,000,000

9 (fd) Dual enrollment opportunity

10 grants GPR A -0- 3,000,000

Insert A



				2015-16	2016-17
1	(fh)	Innovation grants	GPR A	500,000	500,000
2	(fj)	Veterans success grants	GPR A	2,500,000	2,500,000

3           **SECTION 2.** 20.292 (1) (aj) of the statutes is created to read:

4           20.292 (1) (aj) *Workforce growth program.* The amounts in the schedule for  
5 grants to technical college district boards under s. 38.39.

6           **SECTION 3.** 20.292 (1) (fd) of the statutes is created to read:

7           20.292 (1) (fd) *Dual enrollment opportunity grants.* The amounts in the  
8 schedule for grants to technical college district boards under s. 38.04 (33). No moneys  
9 may be encumbered under this paragraph after June 30, 2017.

10          **SECTION 4.** 20.292 (1) (fh) of the statutes is created to read:

11          20.292 (1) (fh) *Innovation grants.* The amounts in the schedule for grants to  
12 technical college faculty, staff, and students under s. 38.04 (34).


13          **SECTION 5.** 20.292 (1) (fj) of the statutes is created to read:

14          20.292 (1) (fj) *Veterans success grants.* The amounts in the schedule for grants  
15 to technical college district boards under s. 38.04 (35). No moneys may be  
16 encumbered under this paragraph after June 30, 2019.

17          **SECTION 6.** 38.04 (33) of the statutes is created to read:

18          38.04 (33) DUAL ENROLLMENT OPPORTUNITY GRANTS. (a) In this subsection, “dual  
19 enrollment programs” has the meaning given in s. 38.28 (1m) (am).

20          (b) From the appropriation under s. 20.292 (1) (fd), the board shall award  
21 grants to district boards to expand dual enrollment programs or create new dual  
22 enrollment programs. No grant may be awarded under this paragraph after June  
23 30, 2017.



1           **SECTION 7.** 38.04 (34) of the statutes is created to read:

2           38.04 (34) INNOVATION GRANTS. From the appropriation under s. 20.292 (1) (fh),  
3 the board shall award grants to technical college faculty, staff, and students to assist  
4 such persons in commercializing and bringing to market innovative technology,  
5 products, and processes developed at technical colleges.

6           **SECTION 8.** 38.04 (35) of the statutes is created to read:

7           38.04 (35) VETERANS SUCCESS GRANTS. (a) In this subsection, “veteran” has the  
8 meaning given in s. 38.24 (8) (a) 1r.


9           (b) From the appropriation under s. 20.292 (1) (fj), the board shall award grants  
10 to district boards to expand existing efforts and implement additional strategies to  
11 assist veterans in a successful transition to college and careers. No grants may be  
12 awarded under this subsection after June 30, 2019.


13           **SECTION 9.** 38.28 (1m) (a) 1. of the statutes is amended to read:

14           38.28 (1m) (a) 1. “District aidable cost” means the annual cost of operating a  
15 technical college district, including debt service charges for district bonds and  
16 promissory notes for building programs or capital equipment, but excluding all  
17 expenditures relating to auxiliary enterprises and community service programs, all  
18 expenditures funded by or reimbursed with federal revenues, all receipts under ss.  
19 38.04 (33), (34), and (35), 38.12 (9), 38.14 (3) and (9), 38.39, 118.15 (2) (a), and 118.55  
20 (7r), all receipts from grants awarded under ss. 38.04 (8), (28), and (31), 38.14 (11),  
21 38.26, 38.27, 38.33, and 38.38, all fees collected under s. 38.24, and driver education  
22 and chauffeur training aids.

23           **SECTION 10.** 38.39 of the statutes is created to read:

24           **38.39 Workforce growth program.** (1) A district board may obtain grants  
25 under sub. (2) for the purpose of partnering with a business, consortium of





1 businesses, local workforce investment board established under 29 USC 2832, or  
2 economic development organization that is located or provides service in the district,  
3 in a project to help meet local needs for supporting sectors of the economy with a  
4 documented skills gap or high workforce shortage, which could include  
5 manufacturing, energy, information technology, skilled trades, and health care. A  
6 project may provide for activities that address development of individuals prior to  
7 entering the workforce and workforce training, which could include one or more of  
8 the following:

9 (a) Job training scholarships based on local labor market needs.

10 (b) Building or infrastructure construction.

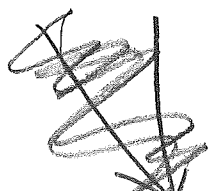
11 (c) Equipment and material purchases.

12 (d) Faculty hiring.

13 (e) Development in partnership with industry of curricula, based on industry  
14 standards, that lead to certificates or degrees.

15 (f) Student career support services, including job placement and business  
16 recruitment.

17 (2) From the appropriation under s. 20.292 (1) (aj), the board shall award  
18 grants to district boards that apply to the board to fund the costs of projects under  
19 sub. (1). The board shall consider the speed by which the activities specified in  
20 applications could meet training and employment needs and give a preference in  
21 awarding the grants to projects that seek to eliminate waiting lists for courses  
22 pertaining to jobs with high employment demand.”





**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

**SENATE AMENDMENT ,  
TO SENATE SUBSTITUTE AMENDMENT 1,  
TO SENATE BILL 21**

1 At the locations indicated, ~~amend the substitute amendment as follows:~~

2 **1.** At the appropriate places, insert all of the following:

3 **"SECTION 1.** 238.137 of the statutes is created to read:

4 **238.137 Entrepreneurial assistance grants.** (1) In this section:

5 (a) "Institution of higher education" means an institution within the University  
6 of Wisconsin System, a technical college, or a private, nonprofit institution of higher  
7 education located in this state.


8 (b) "New business" means a business organized in this state on a date not more  
9 than 60 months before the date on which the business applies for a grant under sub.

10 (2).

INSERT







1           (2) The corporation may award to a new business a grant of up to \$3,000 for  
2 expenses related to hiring a paid intern who will assist with research, marketing,  
3 business plan development, or other functions relating to the creation of a new  
4 business. A recipient may use the grant under this subsection only for hiring a  
5 student who is enrolled in an institution of higher education in the field of business,  
6 engineering, or information technology or in a similar field as determined by the  
7 corporation.

8           (3) If the corporation awards grants under sub. (2) to 3 or more businesses to  
9 fund internships for students enrolled in a single institution of higher education, and  
10 the institution of higher education develops a program to facilitate internships  
11 funded with grants under sub. (2), the corporation may award a grant of up to  
12 \$25,000 to the institution of higher education for costs associated with hiring interns  
13 under sub. (2), including faculty or staff time and curriculum development. If the  
14 corporation lacks sufficient funds to award grants to all qualified applicants, the  
15 corporation shall allocate available funds to applicants that have the greatest  
16 potential to create jobs in this state.

17           (4) From the appropriations under s. 20.192 (1) (k) and (r), the corporation shall  
18 allocate at least \$125,000 in each fiscal year to provide the grants under subs. (2) and  
19 (3).

20           (5) The corporation shall actively pursue gifts and grants from private sources  
21 for funding grants under subs. (2) and (3).

22           (6) Not later than February 1, 2019, the corporation shall submit to the  
23 legislature under s. 13.172 (2) a report evaluating the effectiveness of grants under  
24 subs. (2) and (3).”



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRBb0578/1  
MCP:amn

**SENATE AMENDMENT ,  
TO SENATE SUBSTITUTE AMENDMENT 1,  
TO SENATE BILL 21**

INSERT

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 94, line 5: increase the dollar amount for fiscal year 2015-16 by  
3 \$200,000 and increase the dollar amount for fiscal year 2016-17 by \$200,000 for the  
4 purpose for which the appropriation is made.

5

(END)

Insert  
BM



**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**  
**SENATE AMENDMENT,**  
**TO SENATE SUBSTITUTE AMENDMENT 1,**  
**TO SENATE BILL 21**

INSERT CC

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 1227, line 8: after that line insert:


3 **SECTION 3979o.** 238.147 of the statutes is created to read:

4 **238.147 Grants to recipients of federal grants for research and**  
5 **innovation.** (1) DEFINITIONS. In this section:

6 (a) "Phase I federal grant" means a grant awarded by the federal government  
7 under Phase I of the federal Small Business Innovation Research Program or Phase  
8 I of the federal Small Business Technology Transfer Program.

9 (b) "Phase I matching grant" means a grant awarded by the corporation under  
10 sub. (3).

This is Insert C



1 (c) "Phase II federal grant" means a grant awarded by the federal government  
2 under Phase II of the federal Small Business Innovation Research Program or Phase  
3 II of the federal Small Business Technology Transfer Program.

4 (d) "Phase II matching grant" means a grant awarded by the corporation under  
5 sub. (4).

6 (2) GRANT PROGRAM IMPLEMENTATION. The corporation shall develop and  
7 implement an economic development program to award Phase I and Phase II  
8 matching grants under this section.


9 (3) PHASE I MATCHING GRANTS. (a) A Phase I federal grant recipient may apply  
10 for a Phase I matching grant on a form provided by the corporation.


11 (b) Subject to par. (c) and the limitations under sub. (5), the corporation may  
12 award a Phase I matching grant to an applicant under par. (a) if the applicant meets  
13 all of the following conditions:

14 1. The applicant submits to the corporation a copy of the applicant's executed  
15 Phase I federal grant agreement with the federal government or evidence  
16 satisfactory to the corporation that the applicant has received at least one payment  
17 of Phase I federal grant moneys.

18 2. The applicant's business is located in this state and will not relocate outside  
19 of this state during the 3 years after it receives a Phase I matching grant. For the  
20 purposes of this subdivision, a business relocates outside of this state when the  
21 business locates more than 51 percent of its employees, its total payroll, or the  
22 activities of its headquarters, as determined by the corporation, outside of this state.

23 3. The applicant submits evidence satisfactory to the corporation that the  
24 research to be conducted in connection with the Phase I federal grant will benefit the





1 economy of this state and that at least 51 percent of that research will be conducted  
2 in this state.

3 4. The applicant intends to apply for a Phase II federal grant.

4 5. The applicant submitted its application under par. (a) within 180 days after  
5 the applicant first received any moneys from the federal government under the  
6 applicant's Phase I federal grant.


7 6. The applicant satisfies any other requirements established by the  
8 corporation.


9 (c) Before the corporation awards a Phase I matching grant, the corporation  
10 shall contract with the Phase I federal grant recipient. The corporation shall  
11 determine the contract's terms, including the amount of the Phase I matching grant,  
12 after negotiation with the Phase I federal grant recipient. The contract shall include  
13 all of the following provisions:

14 1. That, at a time determined by the corporation and specified in the contract,  
15 the Phase I federal grant recipient shall file with the corporation a report that shows  
16 the Phase I federal grant recipient's expenditures of the Phase I federal grant and  
17 the Phase I matching grant; and that, if the Phase I federal grant recipient fails to  
18 submit a report under this subdivision that is acceptable to the corporation, the  
19 corporation may order repayment of all or a portion of the Phase I matching grant.

20 2. That the Phase I federal grant recipient may assign the contract only upon  
21 the prior written consent of the corporation.

22 3. That, in addition to any other purposes for which the Phase I federal grant  
23 may be expended, the Phase I matching grant may be used for patenting, market  
24 research, and marketing.





1           (4) PHASE II MATCHING GRANTS. (a) A Phase I matching grant recipient may  
2 apply for a Phase II matching grant on a form provided by the corporation.

3           (b) Subject to par. (c) and the limitations under sub. (5), the corporation may  
4 award a Phase II matching grant to an applicant under par. (a) if the applicant meets  
5 all of the following conditions:


6           1. The applicant submits evidence satisfactory to the corporation that the  
7 federal government approved the applicant's final report for its Phase I federal grant,  
8 the applicant has satisfied any other applicable requirements for its Phase I federal  
9 grant, and the applicant has been awarded a Phase II federal grant.


10          2. The applicant submitted its application under par. (a) within 90 days after  
11 the applicant completed its research under the applicant's Phase I federal grant.

12          3. The applicant satisfies any other requirements established by the  
13 corporation.

14          (c) Before the corporation awards a Phase II matching grant, the corporation  
15 shall contract with the Phase II federal grant recipient. The corporation shall  
16 determine the contract's terms, including the amount of the Phase II matching grant,  
17 after negotiation with the Phase II federal grant recipient. The contract shall include  
18 all of the following provisions:

19          1. That, at a time determined by the corporation and specified in the contract,  
20 the Phase II federal grant recipient shall file with the corporation a report that shows  
21 the Phase II federal grant recipient's expenditures of the Phase II federal grant and  
22 the Phase II matching grant; and that, if the Phase II federal grant recipient fails to  
23 submit a report under this subdivision that is acceptable to the corporation, the  
24 corporation may order repayment of all or a portion of the Phase II matching grant.





1           2. That the Phase II federal grant recipient may assign the contract only upon  
2 the prior written consent of the corporation.

3           3. That, in addition to any other purposes for which the Phase II federal grant  
4 may be expended, the Phase II matching grant may be expended for patenting,  
5 market research, and marketing.

6           (5) LIMITATIONS. (a) The corporation may not award a Phase I or Phase II  
7 matching grant that exceeds \$50,000 or the amount of the Phase I or Phase II federal  
8 grant, whichever is less.

9           (b) The corporation may not award grants under this section totalling more  
10 than \$300,000 per state fiscal year.”

11

~~(END)~~

SENATE BILL 162

SECTION 1

39790

1 SECTION 238.14 of the statutes is created to read:

2 **238.14 Entrepreneurial tax credit access grants.** (1) The corporation  
3 shall establish and administer a program to make grants under this section. The  
4 corporation may award a grant under the program to a person who intends to use the  
5 grant to secure financing for making expenditures that would qualify for a credit  
6 under s. 71.07 (2dy) or (3g) (a) 2., 71.28 (1dy) or (3g) (a) 2., or 71.47 (1dy) or (3g) (a)  
7 2., if the expenditures are made for a business located in this state that has fewer  
8 than 25 employees in this state or less than \$5,000,000 in gross receipts for the  
9 taxable year in which the person applies for a grant under this section.

10 (2) Any person who wishes to receive a grant under this section shall complete  
11 and submit an application to the corporation and enter into an agreement with the  
12 corporation to use the grant to secure financing for making expenditures described  
13 under sub. (1) and to repay any or all of the grant proceeds to the corporation if the  
14 person fails to comply with the agreement. An agreement under this subsection may  
15 provide that repayment shall be obtained through full or partial repayment of the  
16 principal amount of the grant plus interest, through receipt of a share of future  
17 profits from or an interest in a product or process, or through any other appropriate  
18 means.

19 (3) (a) No person may receive a grant under this section unless the person has  
20 submitted business and financing plans to a commercial lending institution and  
21 submitted copies of the plans to the corporation. Before awarding a grant, the  
22 corporation shall verify that the lender has approved the person's plans and will  
23 underwrite a loan for expenditures described under sub. (1), contingent on the  
24 person receiving a grant under this section.

This is Insert CC





**SENATE BILL 162**

1 (b) The amount of any grant awarded under this section is the amount equal  
2 to 95 percent of the tax credit that the recipient could otherwise receive for making  
3 expenditures described under sub. (1), except that the amount of the grant may not  
4 exceed an amount equal to 20 percent of the cost of the project that is being financed.

5 (c) The corporation shall require, as a condition of the grant, that the recipient  
6 contribute to a project an amount that is not less than the amount the recipient  
7 receives as a grant under this section.

8 (4) A person who receives a grant under this section to secure financing for  
9 making an expenditure described under sub. (1) may not claim a credit under s. 71.07  
10 (2dy) or (3g) (a) 2., 71.28 (1dy) or (3g) (a) 2., or 71.47 (1dy) or (3g) (a) 2. for that  
11 expenditure.

12 (5) (a) The corporation shall pay grants under this section from the  
13 appropriation under s. 20.192 (1) (r). The total amount that the corporation may  
14 award under this section in a fiscal year is \$8,000,000.

15 (b) The corporation shall establish policies and procedures to administer this  
16 section.

17 (c) The corporation may not award grants under this section after January 1,  
18 2017.