



STATE OF WISCONSIN  
**Legislative Audit Bureau**  
NONPARTISAN • INDEPENDENT • ACCURATE

Hearing Date  
November 8, 2023

# Wisconsin Economic Development Corporation

(report 23-11)



# Governing Board

WEDC is governed by an 18-member board.

WEDC did not comply with its policies because it did not post on its website:

- the minutes of board meetings; or
- board meeting materials after the meetings occurred.



# Assistance Provided through WEDC's Economic Development Programs

In FY 2021-22, WEDC administered 30 economic development programs through which it:

- allocated \$58.0 million in tax credits;
- awarded \$91.3 million in grants and \$4.8 million in loans; and
- authorized local governments to issue \$53.4 million in bonds.



# Monitoring Loans

From December 31, 2020, to December 31, 2022, WEDC's potentially uncollectable loan balance decreased from \$6.6 million to \$5.3 million.

WEDC wrote off loans and amended loan contracts to defer repayments, and new loans became 90 days or more past due.



# Enterprise Zone Program

Statutes require WEDC to award Enterprise Zone program tax credits for the wages paid to employees for services performed in an enterprise zone.

In our two prior reports and our current report, we found that WEDC's written procedures did not require WEDC to award program tax credits only for the wages paid to employees for services performed in an enterprise zone.



# Grant Programs Supported by Supplemental Federal Funds

From March 2020 through June 2023, WEDC administered three grant programs supported by supplemental federal funds.

Five ineligible recipients were awarded a total of \$50,000 in grants through the Main Street Bounceback program.



# Verifying Performance Measure Information

WEDC did not attempt to collect repayment of \$64,300 in questioned expenditures identified through the verification efforts for two grant programs supported by supplemental federal funds.

Policies indicated WEDC will not:

- pursue repayments of grants under programs created in response to the public health emergency; or
- collect repayments less than \$5,000.



# Program Results

From FY 2011-12 through FY 2021-22, the recipients of:

- 338 tax credit and loan awards created 66.9 percent of the planned number of jobs; and
- 379 tax credit and loan awards retained 73.7 percent of the retained number of jobs.



# Timeliness of Tax Credit Revocations

From May 2022 through May 2023, WEDC did not revoke \$2.6 million in tax credits from 20 tax credit recipients that did not meet contractual obligations because:

- an average of 3.6 years had passed since the awards ended; and
- WEDC's contracts did not comply with statutory provisions for charging interest on revoked tax credits.



# Assessing Program Results

In reports 19-6 and 21-7, we recommended that WEDC improve how it assesses the results of its programs.

We found that WEDC did not implement our recommendations.

In our current report, we provide WEDC with a detailed recommendation to improve how it assesses program results.

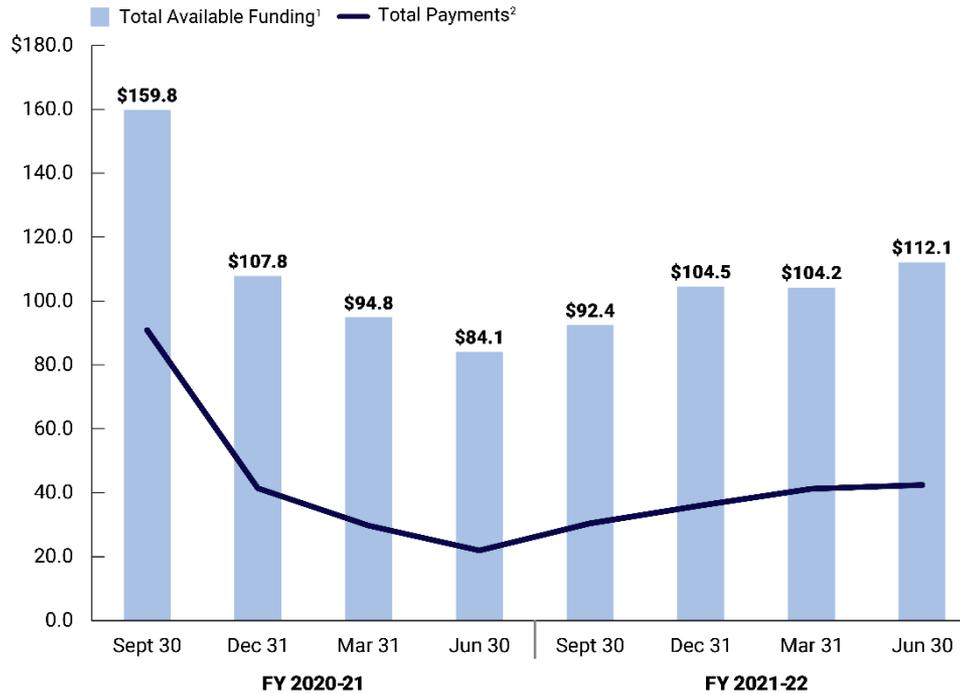


## Concerns We Identified with WEDC's Online Data

Type of Concern	Legislative Audit Bureau Report			
	17-9	19-6	21-7	23-11
Inaccurate numbers of jobs were reported	✓	✓	✓	✓
Double-counted jobs were reported	✓	✓	✓	✓
Jobs information was removed from the online data		✓	✓	



**WEDC's Total Available Funding and Total Payments, at Quarter End**  
(in millions)



<sup>1</sup> Includes the cash and investments balance at the start of a given quarter, as well as the amounts received during that quarter.

<sup>2</sup> Includes all payments to grant and loan recipients and for administrative costs. Excludes tax credits, which WEDC does not pay.





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