

# MARY WILLIAMS

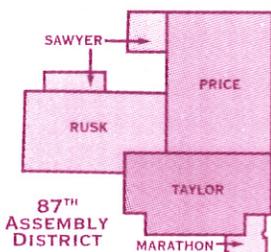
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Assembly Committee on Jobs, Economy and Mining  
Public Hearing – AB 510  
Wednesday, January 22, 2014

- Good morning, I would like to thank members of the committee for hearing my testimony today on AB 510.
- Last summer, the WEDC board voted unanimously to tweak it's methods of operation. After my reappointment to the board late last year, I felt it necessary to introduce this legislation along with Sen. Leibham to fulfill the wishes of the board. Sen. Leibham covered much of this bill already in his testimony, so I will use this time to briefly give what I feel are the reasons why the changes this bill calls for are necessary.
- While the organization has helped entrepreneurs across the state grow and create jobs over the past few years, there is room for improvement. This legislation will help the organization carry out it's mission to a better degree than it has in the past. The ability to delegate authority to committees created by the board, which this bill does, will help the organization's leadership become more efficient and nimble.
- We can all agree that the faster and more efficient an organization is, the better it will perform. There are many issues facing our state's economy, this bill will help the WEDC address them much better than it has been able before given this authority.
- The WEDC was meant to be an organization that was to operate outside the political realm. Keeping this organization free from political influence will only make it better and more transparent. I believe this bill reinforces and improves on that idea. Giving the board the power to elect the CEO, COO, and CFO will only strengthen it's autonomy and keep it insulated from politics. I'm sure most members of the legislature and this committee can agree on this premise when it comes to organizations like the WEDC: The less political influence there is, the better.
- Thank you for your time, I will be happy to answer any questions the committee may have.



*Working for you!*

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Thank you Representative Williams and Representative Knodl and members of the committee for the opportunity to testify today. AB 510, coauthored by WEDC Legislative Board members, Representative Williams and Senator Leibham, makes several changes to WEDC's corporate governance and reporting.

Delegation of Authority to WEDC Board Committees

Since its inception, WEDC's Board of Directors has sought to enhance its corporate governance by leveraging the expertise of the Wisconsin business community. WEDC's Board has five committees: Compensation and Benefits, Audit, Awards Administration, Contracts, and Policy. The Board has strengthened its operations by recently adding the latter three committees. In addition to including voting WEDC Board members, these three new committees have also enlisted expertise from outside volunteers, including UW-Madison law and business school professors, and retired bankers. Under current statute, these volunteer committee members have no voting authority.

We support the technical change contained in AB 510 that would empower WEDC Board committees to act with the full consent and delegation of the Board of Directors. This would also allow WEDC to react quickly to Wisconsin's business environment, as our committees are often able to meet on a more frequent schedule than the full board.

Economic Development Planning Report Deadline

WEDC establishes its Operating Plan and Budget based on a July 1 – June 30 fiscal year calendar, consistent with the timeline by which the Legislature allocates funds. Once the plan is drafted, it is presented to the Board of Directors for review and approval.

The planning process for WEDC's operating plan begins halfway through the fiscal year. It is multi-faceted to allow for input from staff, partners and stakeholders, and aligns with WEDC's four-year Strategic Plan. All programs presented in WEDC's plan correlate with a specific strategy designed to help WEDC meet organizational goals.

However, statute currently requires WEDC to submit an Economic Development Planning Report on January 1<sup>st</sup> of each year, covering operations for the forthcoming calendar year. This means that every year, the legislature is requiring a report that can only reasonably cover half the year.

(over)



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In order to maximize the value of our reporting to you, it is essential that the requirement change to align with our fiscal year. AB 510 re-establishes the reporting deadline for our Economic Development Planning Report to October 1 of each year, which also corresponds with the submittal of our retrospective Annual Report on Economic Development.

*Appointment of WEDC's Officers*

This bill also authorizes the Board, rather than the Governor, to hire the Chief Executive Officer, and clarifies that the Board also retains authority to hire the Chief Operating Officer and Chief Financial Officer. Additionally, it requires that the CEO be afforded the same status as Governor-appointed cabinet members. It's important to note that WEDC's Board unanimously passed a resolution at its July 23<sup>rd</sup> annual meeting in support of empowering the board to hire and fire WEDC's CEO, COO and CFO, and to determine the qualifications, duties and compensation of each of these positions.

We thank you for the opportunity to comment today and strongly encourage your support for AB 510.



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