



State of Wisconsin Minority Business Report

Fiscal Year 2006 Annual Report

Minority Business Enterprise Program
Department of Administration
101 East Wilson Street
Madison, WI 53702



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

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April 18, 2007

Honorable Jim Doyle
Governor, State of Wisconsin
115 East, State Capitol
Madison, Wisconsin 53702

Dear Governor Doyle:

This letter accompanies the State of Wisconsin Minority Business Report for Fiscal Year 2006. The report, required under §16.75(3m)(c)4, Wis. Stats., provides information on State purchases made with minority business enterprises (MBE) certified by the Wisconsin Department of Commerce.

Overall MBE purchasing rose from \$46,066,169 in Fiscal 2005 to \$48,352,422 in Fiscal 2006. The Fiscal 2006 figure represents 2.81% of overall spending, up from 2.78% in Fiscal 2005.

The majority of MBE spending continues to occur in the area of general purchasing by State agencies and campuses. We are pleased to report that general MBE purchasing increased by \$986,176 from Fiscal 2005 (\$23,909,746) to Fiscal 2006 (\$24,895,922).

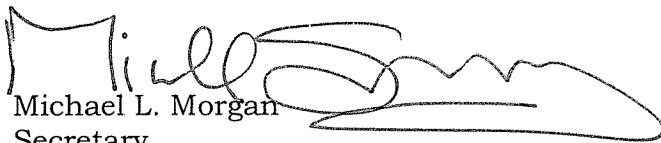
Despite producing modest growth in MBE spending during Fiscal 2006, the State continues to lag the five percent MBE goal provided in statute. Pursuant to your directive, however, we are taking steps to improve MBE spending performance across State government, including the following:

- In September 2006, you appointed the Business Opportunity Advisory Commission to identify ways the State can procure more products and services from minority businesses. The Commission—co-chaired by Senator Spencer Coggs and Milwaukee Urban League President Ralph Hollmon—is working toward recommendations that will be released later this year.
- Lt. Governor Barbara Lawton is leading an effort among State agencies to streamline application and approval processes for MBE certification. The Lt. Governor's project will produce more efficient, user-friendly practices and help more minority businesses qualify for MBE certification.
- The State Bureau of Procurement is examining purchasing policies and procedures employed by agencies and campuses to ensure MBEs are given full and fair access to State contracting.

- The Department of Administration has initiated a national recruitment for a Minority Business Director. The person we hire will be a capable, outward facing individual who will work collaboratively with State agencies and the minority business community to overcome barriers to participation on State contracts.

State agencies and campuses share your commitment to work with Wisconsin's minority business community. The initiatives now underway will provide agencies and vendors with the tools needed to increase State purchasing with minority-owned businesses.

Sincerely,


Michael L. Morgan
Secretary

cc: Robert J. Marchant, Senate Chief Clerk
Patrick E. Fuller, Assembly Chief Clerk

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Section 1: MBE Procurement Activity

Statutory Background

Five Percent Minority Business Purchasing Goal. §16.75(3m)(b), Wis. Stats., provides that executive, legislative and judicial agencies of State government "shall attempt to ensure that 5% of the total amount expended under this subchapter in each fiscal year is paid to minority businesses." Statutes define the term "minority business" as a "business certified by the Department of Commerce under s. 560.036 (2)." The Department of Administration (DOA) monitors this State goal through the office of the State Minority Business Enterprise (MBE) Program.

The five percent expenditure goal applies to all State purchases with the exception of Department of Transportation (WisDOT) Federal Surface Transportation Assistance Act funds and Department of Natural Resources Environmental Protection Agency (EPA) funds.

Five Percent Minority Business Price Preference. §16.75(3m)(b), Wis. Stats., also provides that agencies "may purchase materials, supplies, equipment and contractual services from any minority business submitting a qualified responsible competitive bid that is no more than 5% higher than the apparent low bid or competitive proposal that is no more than 5% higher than the most advantageous offer." The statute further provides that agencies "shall maximize the use of minority businesses which are incorporated under ch. 180 or which have their principal place of business in this state." The permissive five percent low-bid preference is applicable to all State purchases except printing and stationery.

MBE Certification. The Department of Commerce certifies minority businesses through a process governed by §560.036 (2), Wis. Stats., and Comm 105. The process includes an application submitted by the minority business and an investigation to ensure compliance with the statute and administrative code. Of an estimated 18,000 Wisconsin minority-owned businesses¹, 891 were certified MBEs (plus 223 domiciled outside of Wisconsin)².

Annual Reporting. §16.75(3m)(c)4., Wis. Stats., requires that DOA annually report enterprise-wide MBE activity to the Governor and Legislature.

Overall Direct MBE Activity

Agencies and campuses conduct direct purchasing through MBEs under the authority of several statutes governing both general and specialized procurements. In FY06, the following four areas combined to produce \$48,352,422 in direct purchases from certified MBEs, or 2.81% of purchases totaling \$1,722,329,523 (see page 10 for details):

- General procurement, all agencies and UW, under §16.75, Wis. Stats.³
- Construction projects, DOA Division of State Facilities (DSF), under §16.855, Wis. Stats.
- Engineering or architectural services, DOA DSF, under §25.185, Wis. Stats.
- State highways, WisDOT, under §84.075, Wis. Stats.

¹ Source: 2002 Survey of Business Owners, U.S. Department of Commerce, Census Bureau

² Source: Wisconsin Department of Commerce, June 30, 2006

³ Includes State Lottery (§565.25 (2) (a) 3. data reported with Department of Revenue general procurement spend (see page 11)

The following tables demonstrate recent progress toward the 5% MBE purchasing goal, expressed as both percentage of overall spending and dollars spent with MBEs:

State of Wisconsin MBE Activity

Percent of total spending, by fiscal year

Fiscal Year	General Procurement	Construction Projects	Architecture/ Engineering	State Highway	Total
2004	1.75%	2.97%	5.94%	3.23%	2.14%
2005	2.21%	4.24%	7.04%	3.06%	2.78%
2006	2.39%	7.16%	5.19%	1.66%	2.81%

State of Wisconsin MBE Activity

Dollars spent with MBEs, by fiscal year

Fiscal Year	General Procurement	Construction Projects	Architecture/ Engineering	State Highway	Total
2004	\$25,934,588	\$8,332,055	\$1,439,671	\$7,708,438	\$43,414,752
2005	\$23,909,746	\$13,535,910	\$1,519,306	\$7,101,207	\$46,066,169
2006	\$24,895,922	\$14,845,371	\$1,049,827	\$7,561,302	\$48,352,422

In addition, MBEs receive other direct and indirect (e.g., commissions and fees) benefit from programs administered by individual state agencies, including:

- DOA Capital Finance (§16.87, Wis. Stats.): Bonds and notes sold
- DOA and DNR Environment Improvement Fund: Loan and grant spending
- WisDOT Federal Highway Program: Includes women-owned and other disadvantaged businesses
- State of Wisconsin Investment Board: Bond and stock commission
- Wisconsin Housing and Economic Development Authority (WHEDA): Discretionary purchases

Please see page 10 for details.

General Procurements under §16.75, Wis. Stats.

State statutes and administrative code govern purchasing activities conducted by agencies and campuses. The DOA State Bureau of Procurement (SBOP) oversees administration of the State Procurement Manual that sets policies and procedures to carry out procurement laws. In general, State laws and policies establish competitive bidding as the preferred procurement method, require that awards be made to the low-cost responsible bidder, and permit the delegation of some purchases to state agencies and institutions.

State agencies and campuses purchased goods and services under §16.75, Wis. Stats., totaling \$1.04 billion in FY06⁴. MBE purchasing totaled \$24.9 million, or 2.39% of all purchases under §16.75 (see

⁴ Sources: WISMART and University of Wisconsin System Administration data. The figure includes both general (e.g., office supplies) and specialized (e.g., research equipment) purchases. However, it excludes spending authorized outside of §16.75 such as interagency or municipal spend, fellowships and scholarships, services provided in conjunction with building or road construction projects, Chapter 36 research or instructional services, utilities and grant-related expenditures.

page 11 for a summary of MBE purchasing by agency). FY06 general procurement MBE activity included the following highlights:

- Seven agencies achieved at least five percent of §16.75 spending through certified MBEs in FY06:⁵

1. Department of Financial Institutions	30.40%
2. State of Wisconsin Investment Board	17.98%
3. Department of Tourism	12.39%
4. Department of Workforce Development	7.27%
5. Department of Regulation and Licensing	5.81%
6. Department of Revenue	5.77%
7. Department of Transportation	5.61%
- The dollar volume of general MBE purchasing increased by \$986,176—or 4.12%—from FY05 (\$23,909,746) to FY06 (\$24,895,922).
- The general procurement MBE spend percentage rose from 2.21% in FY05 to 2.39% in FY06.
- Purchasing card spend totaling \$125 million contained approximately \$724,000 of activity through certified MBEs.⁶
- General procurement activity includes both direct purchasing from MBEs and second-tier MBE participation on contracts awarded to non-MBE vendors.
- In FY06, three MBE firms were awarded procurement contracts using the five percent minority business price preference under §16.75(3m)(b), Wis. Stats. Preference awards were made to MBE firms in the following areas:

1. Printers
2. Software
3. Luminaries

State Building Program: Construction Projects and Architectural/Engineering Services

The DOA Division of State Facilities provides oversight of the state building program. The State building program consists of two main activities – design work (architectural/engineering services) and construction. The MBE Program is fully integrated in the activities of the state building program and serves as a strong advocate for MBEs seeking opportunities. Consistent results that meet and exceed the State’s goal have been achieved in the design area. The MBE Program is a member of the Selection Committee on architectural and engineering services. Activities in the building program are tracked regularly. DSF provides quarterly reports to the State MBE Program Office detailing the firms and amounts paid to them as either primes or subcontractors on various state projects.

DSF is open to more MBE involvement in all aspects of the state building/construction program. This is especially true in the construction area. In FY06, there was MBE involvement in 138 construction projects undertaken by DSF totaling \$207,283,746. MBE participation on those contracts totaled \$14,845,371, a 7.16% MBE participation rate in FY06.

⁵ In past reports, sub-agency (i.e., division, institution) data were compiled and reported to recognize achievement at lower agency levels. In FY06, recognition is provided at the full agency level consistent with the intent of §16.75(3m)(b), Wis. Stats.

⁶ Source: US Bank. Purchasing card data is reported separately in this and past reports because of potential double counting of both overall and MBE spend in addition to that reported through WISMART.

Significant results were achieved by MBEs in architectural/engineering services. In FY06, DSF again exceeded the state MBE goal of 5% in this area. This is the nineteenth year in a row that DSF has exceeded the goal. Twenty-eight minority firms provided services in various architectural and engineering contracts to the State earning \$1,049,827 in fees in FY06. This figure represents a 5.19% MBE participation rate on \$20,225,787 expended for architectural and engineering services contracts for the fiscal year.

The success of DSF is due to its unique approach. DSF and the State MBE Program are involved in the formative stages of design and construction. This process allows the early identification of potential opportunities for MBEs. These opportunities are then presented to private sector firms that assist in their realization. Both DSF and the State MBE Program undertake constant outreach including construction site visits, meetings with private architectural and engineering firms, participation in professional gatherings such as the annual Association of Consulting Engineers Council (ACEC) Conference, Marketplace, and other participation with trade associations. DSF is a key sponsor of DOA's biennial Business Opportunities in the Government Sector (BOGS) workshops. The next BOGS event is scheduled for 2007.

No preference was granted by DSF to minority owned businesses in FY06 for construction contracts.

State Highways: Road and Bridge Building

WisDOT reports that \$455,050,598 was expended by the State for road and bridge building in FY06. Participation by minority-owned firms in the State Highway Construction Program was \$7,561,302, or 1.66%.

In an effort to increase minority business participation in the State Highway Construction Program, WisDOT continued to expand the base of firms certified in the construction highway industry by ensuring that all minority firms certified by WisDOT standards are also certified with the Department of Commerce. During FY06, 627 firms were certified in the Disadvantaged Business Enterprise (DBE) Program. With the execution of the Marquette Interchange Project, considerable opportunities await MBEs in the Milwaukee and surrounding areas.

WisDOT operates a Minority Business Guarantee Loan Program that offers mobilization assistance to minority firms on a contract. In FY06, six loans totaling \$443,903 were made to three different minority firms performing on WisDOT projects. The North Milwaukee State Bank and the Milwaukee Urban League administer this program. Under the Loan Guaranty Program, a DBE that has a prime contract or subcontract for a WisDOT project can borrow money secured by the contract and the loan guaranteed mechanism supported by WisDOT. The Loan Guarantee Program provides DBE firms with the flexibility to seek further opportunities and additional contracts as there is less stress on their cash flow and the attendant financial barriers associated with the lack of working capital.

WisDOT's ongoing challenge is to ensure that the DBE Program continues to function effectively and serve the basic goals of the total transportation contracting community. Some of their intensive efforts include:

- Continuing a \$1.5 million DBE Loan Guarantee Program
- Conducting workshops and training seminars for DBEs
- Providing ongoing management and technical assistance to DBEs
- Evaluating the work activities of the DBE firms to identify areas where more support is necessary
- Outreach to Native Americans, women-owned businesses and other minority construction companies workforce participants

Capital Market Opportunities: DOA Capital Finance and Environment Improvement Fund

DOA's Capital Finance Office supports the state's infrastructural financing needs through the sale of bonds and notes in the capital market. The State Building Commission by law set a goal of ensuring minority business participation in such activities. Minority owned firms have been encouraged to participate in the selling, advising and underwriting of State of Wisconsin bonds and notes in the capital market.

The Capital Finance Office reports that during FY06 minority-owned underwriting firms had the liability and opportunity for \$48,202,726, or 4.52%, of \$1,066,165,000 of bonds and notes sold. In general, there is greater leeway for inclusion of MBEs when the State offers a negotiated bond sale; however only one such sale was offered in FY06.

The Capital Finance Office also manages other funds including the Wisconsin Environment Improvement Fund (EIF). The EIF is a loan program to municipalities for clean water improvement projects and is monitored jointly with the Wisconsin Department of Natural Resources (DNR). The EIF Program had MBE participation of 4.64% in FY06.

State of Wisconsin Investment Board

The State of Wisconsin Investment Board (SWIB) manages the State's retirement program. It is required by §25.185, Stats., to ensure that 5% of its funds expended for financial and investment analysis are with minority owned firms. SWIB expended 3.88% of its bond and stock commission for its financial and investment services with minority owned firms in FY06. This represented payments of \$509,855 on total discretionary commission of \$13,139,687.

WisDOT Federal Highway Program

Federal highway projects undertaken by WisDOT feature expanded eligibility for small, disadvantaged businesses. The Disadvantaged Business Enterprise (DBE) Program seeks to increase participation of small companies owned by disadvantaged individuals including minorities, women and others as allowed under the Surface Transportation Assistance Acts of 1982 and 1987. In FY06, the WisDOT Federal Highway Program provided contracts totaling \$48,188,600, or 6.57%, to DBEs.

Wisconsin Housing and Economic Development Authority

The Wisconsin Housing and Economic Development Authority (WHEDA) is an independent state authority that works with lenders to provide low-cost financing for housing and small business development in Wisconsin. In FY06, WHEDA provided contracts totaling \$77,560, or 5.79%, to minority firms.

Section 2: State Agency Programs Serving MBEs

Department of Administration Minority Business Enterprise Program

The role of the State MBE Program at DOA is to undertake activities that ensure opportunities for MBEs in accordance with the State's goal. The Program has undertaken various activities including a special effort to encourage MBE involvement in the information technology area. Some specific activities undertaken during FY06 included:

- Conducted orientation in various parts of the State for newly certified firms on "How to do business with the State of Wisconsin."
- Attended regular monthly meetings of the State Agencies Purchasing Council (SAPC) to discuss strategies on how to improve minority participation in state procurement.
- Initiated meetings with prime and subcontractors to identify potential MBE firms wishing to participate in the State MBE program. The newly recruited firms were forwarded to the Department of Commerce for final certification.
- Arranged "mini opportunity forums" with prime vendors to encourage greater diversity in the utilization of MBEs in statewide contracts.
- Arranged "mini opportunity forums" with prime vendors to encourage greater diversity in the utilization of MBEs on state construction design projects.
- Participated in major vendor conferences to encourage potential prime contractors to provide opportunities for MBEs prior to award of contracts.
- Cooperated with the Wisconsin Department of Commerce in the annual Marketplace event. Marketplace is the showcase event of minority business achievement in Wisconsin providing interaction between government purchasing agents/corporate buyers and minority vendors.
- Participated in community workshops including those by the African American Black Business Association (AABBA) held in the Madison area.
- Continued to initiate the automatic registration of all Wisconsin certified MBEs on VendorNet. While those MBEs not on VendorNet continue to receive mailed copies of bids and RFPs, the goal is to ensure all MBE firms can be part of the State's e-commerce activities.
- Served as advocate for MBEs in agency quarterly procurement plans.
- Continued to enhance DOA's Minority Business Enterprise website (www.doa.state.wi.us/deo/mbe). The website contains a listing of certified MBEs that is updated daily and links to opportunities in construction, procurement and the University of Wisconsin System.
- Broadcast opportunities directly to each MBE that has an e-mail address on its certification information.
- Met with the major minority chambers of commerce and trade associations. The Office stresses such interaction as one of the best ways for these trade associations to understand state policies and pass opportunities to their members.

The success of the State MBE Program in providing opportunities to Wisconsin certified MBEs continues to be the result of strategic alliances it has built. It collaborated with other local, State and Federal agencies with a similar mission. It has participated in joint outreach and workshops with the Small Business Development Centers of the University of Wisconsin System, the US Department of Commerce Minority Business Development Agency through its Milwaukee Business Opportunities Committee (MBOC), Milwaukee Enterprise Centers, the Wisconsin Department of Commerce, Wisconsin Minority Supplier Development Council, US Small Business Administration, Wisconsin Department of Transportation, Milwaukee County, Dane County, City of Milwaukee, and the Business Procurement Assistance Center at MATC-Madison. The Program has also attended training on best practices offered by the National Minority Supplier Development Council (NMSDC).

Department of Commerce Minority Business Development Program

The Department of Commerce Bureau of Minority Business Development is responsible for providing resources such as financing and training that strengthen the capacity of minority-owned firms. During FY06, the Department of Commerce reported 1,114 certified minority firms in the Wisconsin program. This is an increase of 1.08% from the previous fiscal year as a result of more firms seeking minority status as a result of either bid opportunities utilizing the minority business certification as a marketing tool.

Four distinct programs are operated within the Minority Business Development Fund at the Department of Commerce.

1. **Minority Business Development Fund.** The 2005-07 total appropriation/allocation available for the Minority Business Development Fund is \$1,042,800. This Fund was originally created in response to recommendations in the Wisconsin Challenge Report from the Governor's Committee on Minority Business in the 1990s and is still the major source of funding for MBEs at the Department of Commerce. The Fund provides greater accessibility to capital resources for start up, expansion and technical assistance. A seven-member board governs the Fund. FY06 marked the Minority Business Development Fund's fifteenth year of operation. Its activities for FY06 included:
 - A Development Project component provides capital for existing businesses, newly acquired businesses, and business expansion. Qualified businesses may receive loans up to \$100,000 for working and fixed capital at 4% interest. Beneficiaries and businesses are required to obtain a match for the funds received from the state. The terms of the award are based upon the results of a careful credit analysis.
 - During FY06, the Minority Business Fund Program awarded \$694,500 of financing to nine capital finance projects, leveraging \$4,563,835 in public and private capital with a projection for creating or retaining 102 jobs.
2. **Early Planning Grant (EPG) Program.** The EPG Program provides grants of up to \$3,000 to minority entrepreneurs who need assistance in developing a business plan, or conducting feasibility or marketing study for a business idea. The EPG program requires a 25% equity match. Five EPG projects received \$15,000 funding during FY06. The EPG Program is now managed by one of Commerce's Collaborative Partners, Wisconsin Entrepreneurs Network (WEN).
3. **Minority Business Development Revolving Loan Fund (MBDRLF).** The MBDRLF was designed to provide seed capital to revolving loan funds administered by local development corporations that comply with the mission of the Minority Business Development Fund. No MBDRLF project award was approved in FY06.
4. **MBE Certification Program.** The MBE Certification Program enrolls minority-owned firms that seek the opportunities to sell their products and services to the State of Wisconsin who meet the statutory requirements of the certification program. These include the authentication of ownership and the performance of a useful business function. The department has made several enhancements to the MBE certification Program. In which, two of the major enhancements are the annual renewal period changed to a three-year renewal rather than annual. The department may also waive some or all of the certification requirements and procedures under s. Comm 105.14 for an applicant who is already certified by a state, federal or local agency or a private business if the department determines that the agency's or business's certification procedure is substantially equivalent to its own.

Department of Tourism

In 2006, the Wisconsin Department of Tourism committed more than a half million dollars to reach African American, Hispanic and Asian multicultural markets in Chicago, Milwaukee and Madison. Plans to take this now nationally respected outreach to new levels in its tenth year—having begun in 1997—are underway.

The multicultural budget was nearly \$525,000 and included a \$452,000 general marketing campaign, \$15,000 for special outreach and sponsorship opportunities, and \$55,000 for multicultural public relations.

Working in conjunction with its multicultural marketing/public relations agency, Creative Marketing Resources of Milwaukee, the Department continued to expand its effective multicultural brand, “All that and then some...” The multicultural tagline is an overlay to the Department’s main marketing brand, “Wisconsin, Life’s So Good,” to ensure a cohesive voice, yet at the same time offering an individualized multicultural invitation.

The multicultural brand has been augmented through the participation of Deputy Secretary, Sheree Dallas Branch, with the instigation of several specific multicultural outreach projects. These projects include launching a quarterly travel column, guest appearances on radio and television shows targeting multicultural audiences, and sponsorships and promotions designed to entice target audience members to try something new, and perhaps unexpected, by traveling in Wisconsin. Such efforts give important credibility to our efforts to assure all travelers that they are welcomed and respected.

On a special note, Prentice Hall Publishers contacted Marketing Director Sarah Klavas about including the Department’s highly successful and nationally recognized multicultural marketing program in a marketing textbook entitled, “Consumer Behavior.” The Department’s “Immerse Yourself in Family Fun and Culture” featuring waterparks and Ko Thi Dance Company was featured in the section on African American markets.

The Department’s marketing goals for the past year were to:

- Encourage African American, Hispanic and Asian travelers to experience Wisconsin as a year-round destination
- Place special emphasis on the Hispanic market
- Enhance promotional and public outreach relationships with multicultural radio, print and magazine outlets

An important added-value goal in 2006 was to encourage multicultural travelers to move beyond their comfort zones to try new experiences and destinations in Wisconsin. This was accomplished by offering special promotional packages and images from an expanding radius of destinations across the state.

In 2006, several successful radio campaigns were used to imbed Tourism’s main marketing and multicultural brands in potential travelers’ memories. Radio spots featuring well-known blues man Eddie Butts and a playful exchange between two female “girlfriends” were both well received and effective in reaching target market listeners.

Last year also was spent planning to expand the Department’s ability to present meaningful images in its advertising and public relations print and film campaigns. The Marketing and Communications bureaus have partnered in a yearlong plan to enhance the Department’s selection and quality of images featuring multicultural travelers enjoying Wisconsin’s destinations, events and culture.

Most importantly, these high-quality images are being used to guarantee that diversity and the multicultural traveler is represented in every aspect of the general marketing and public relations programs.

Targeted Spanish-language and Hispanic market outreach. In 2006, the Department developed and distributed a Hispanic television commercial that played primarily in the Chicago market. The theme of a little girl wanting to revisit the sites in her family's photo album translated in Spanish spoke to this high-growth market. Also integrated into the Hispanic plan were targeted multicultural print advertisements which include not only images of Hispanic travelers, but also a Spanish translation for placement in Spanish language and Spanish bilingual publications.

Meetings, Conventions and Motor Coach Marketing. The Department's national outreach has included participation in the Travel Industry Association conference and the Travel Professionals of Color, where Wisconsin was promoted as a travel destination that meets the needs and interests of people of all cultures and ethnicities.

In 2006, the Department hosted a media outreach event in New York City, which resulted in articles on Wisconsin Tourism destinations in two national multicultural publications: "African American Golf Digest" and "Black Diaspora." For the first time, the Department of Tourism met with African American tour operators to invite this specific group market to Wisconsin.

Minority Communications Business Outreach Program. Once again, in addition to the core marketing communication channels reaching the multi-cultural traveler, the Department designated a portion of its opportunity-marketing budget to place advertising in minority publications. This resulted in an increase in better publicity for minority events and led to strong partnerships between the Department and key multicultural publications, radio stations and television programs.

FY2006 MBE Participation with State Agencies
By Procurement Area

Direct Agency Purchasing from Certified Minority Business Enterprises

Purpose or Program	Total Spending	MBE Spending	% MBE
General Purchasing (All Agencies) ¹	\$1,039,769,392	\$24,895,922	2.39%
DOA DSF Construction	\$207,283,746	\$14,845,371	7.16%
DOA DSF Architecture/Engineering	\$20,225,787	\$1,049,827	5.19%
WisDOT State Highway Program	<u>\$455,050,598</u>	<u>\$7,561,302</u>	1.66%
Total	\$1,722,329,523	\$48,352,422	2.81%

Other Agency Participation with Certified Minority Business Enterprises

Purpose or Program	Total Spending	MBE Spending	% MBE
DOA and DNR Environment Improvement Fund	\$184,822,733	\$8,581,841	4.64%
DOA Capital Finance Office Bonds & Notes	\$1,066,165,000	\$48,202,726	4.52%
WisDOT Federal Highway Program ²	\$733,881,354	\$48,188,600	6.57%
SWIB Financial and Investment Services	\$13,139,687	\$509,855	3.88%
WHEDA Discretionary Purchasing	\$1,338,500	\$77,560	5.79%

¹ Does not include purchases made by quasi-state agencies.

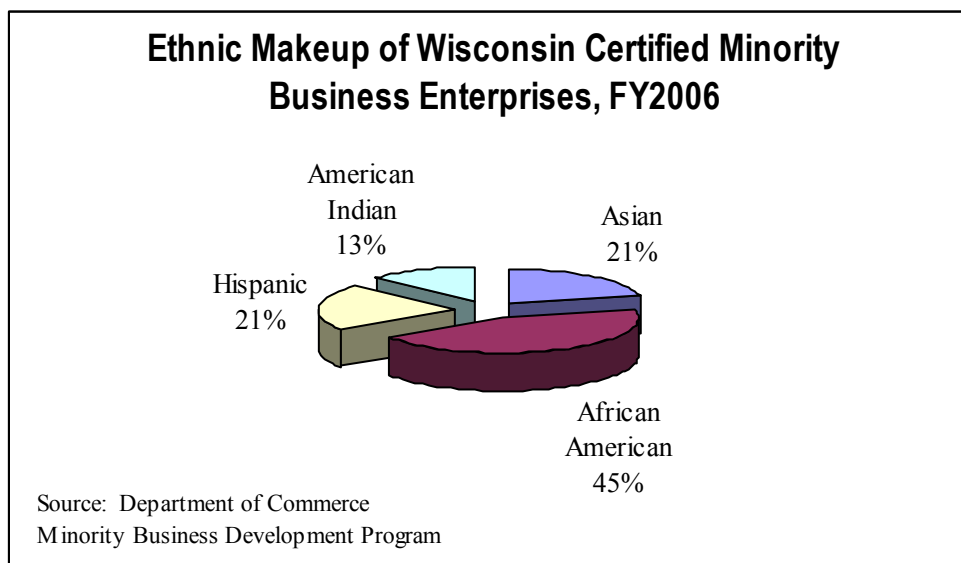
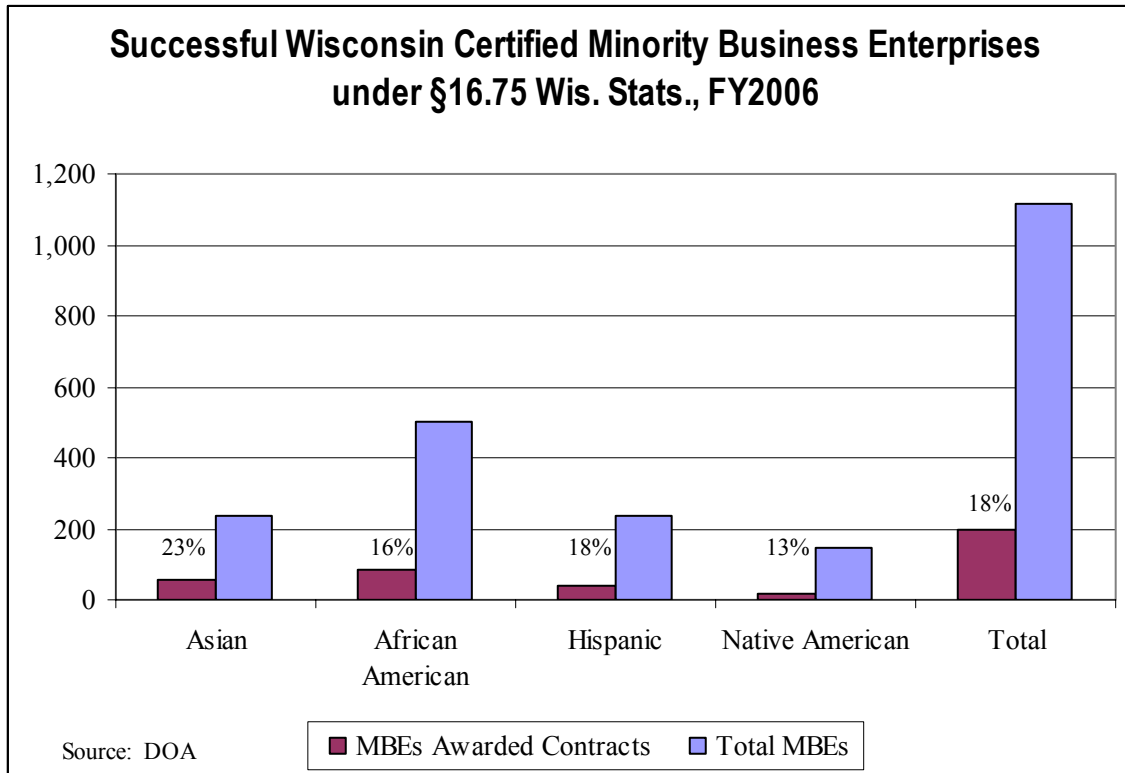
² WisDOT Federal Highway Program figures include Disadvantaged Business Enterprise (DBE) participation.

FY2006 MBE General Procurement Spend under \$16.75, Wis. Stats.
By Agency

Agency	Total Spend	MBE Spend	MBE %
Administration, Department of ¹	\$84,620,317	\$4,030,049	4.76%
Aging, Board on	78,022	973	1.25%
Agriculture, Trade and Consumer Protection, Department of	8,731,127	64,618	0.74%
Arts Board	445,474	0	0.00%
Child Abuse and Neglect Prevention Board	153,509	0	0.00%
Circuit Courts	767,225	0	0.00%
Commerce, Department of	2,791,200	51,330	1.84%
Corrections, Department of	124,177,527	1,720,070	1.39%
Court of Appeals	404,165	0	0.00%
District Attorneys (DOA)	273,321	0	0.00%
Educational Communications Board	3,397,949	9,854	0.29%
Elections Board	10,594,552	229,545	2.17%
Employee Trust Funds	5,113,781	142,876	2.79%
Employment Relations Commission	54,525	0	0.00%
Employment Relations, Office of State	160,465	0	0.00%
Ethics Board	131,269	2,312	1.76%
Financial Institutions, Department of	2,181,123	663,008	30.40%
Fox River Navigational System Authority	209,635	0	0.00%
Governor, Office of the	199,069	8,525	4.28%
Health and Family Services, Department of	155,316,359	728,575	0.47%
Higher Educational Aids Board	43,215	0	0.00%
Historical Society	2,259,415	827	0.04%
Insurance Commissioner, Office of the	3,126,193	125,635	4.02%
Investment Board, State of Wisconsin	705,780	126,916	17.98%
Judicial Commission	7,467	0	0.00%
Justice, Department of	7,839,428	98,840	1.26%
Legislature	3,256,598	7,599	0.23%
Lieutenant Governor, Office of the	8,477	0	0.00%
Lower Wisconsin Riverway Board	9,314	0	0.00%
Military Affairs, Department of	5,238,284	30,858	0.59%
Misc. Appropriations	1,142,781	0	0.00%
Natural Resources, Department of	48,072,545	353,017	0.73%
Public Defender ²	2,319,295	22,038	0.95%
Public Instruction, Department of	33,540,721	54,805	0.16%
Public Lands, Board of Commissioners of	195,728	0	0.00%
Public Service Commission	692,562	17,046	2.46%
Regulation & Licensing, Department of	1,904,903	110,635	5.81%
Revenue, Department of	28,618,697	1,651,917	5.77%
Secretary of State, Office of the	58,999	0	0.00%
State Fair Park	6,121,305	70,395	1.15%
Supreme Court	5,820,213	46,888	0.81%
Technical College System Board	861,555	0	0.00%
Tourism, Department of	8,279,519	1,025,796	12.39%
Transportation, Department of	51,257,935	2,873,189	5.61%
Treasurer, Office of the State	4,850,422	0	0.00%
Veterans Affairs, Department of	9,552,321	188,229	1.97%
Workforce Development, Department of	<u>28,453,801</u>	<u>2,068,772</u>	7.27%
State Agency Total	\$654,038,089	\$16,525,137	2.53%
University of Wisconsin System	<u>\$385,731,303</u>	<u>\$8,370,785</u>	2.17%
State of Wisconsin Total	\$1,039,769,392	\$24,895,922	2.39%

¹Includes enterprise-wide spend on behalf of multiple agencies

²Public Defender spend excludes contracting with private attorneys under §977.08, Wis. Stats.; Public Defender contract rates are set by statute and not developed following procurement processes specified in §16.75, Wis. Stats.





JIM DOYLE
GOVERNOR

Attachment A

MICHAEL L. MORGAN
SECRETARY

Division of Executive Budget and Finance
Capital Finance Office
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-5355/TTY (608) 261-6630
Fax (608) 266-7645
E-mail: DOACapitalFinanceOffice@wisconsin.gov
www.doa.state.wi.us/capitalfinance

FRANK R. HOADLEY
CAPITAL FINANCE DIRECTOR
Telephone: (608) 266-2305
Facsimile: (608) 266-7645
frank.hoadley@wisconsin.gov

January 16, 2007

State of Wisconsin Minority Business Program
Department of Administration
Division of State Agency Services
101 East Wilson Street
Madison, WI 53707

Re: Minority Underwriting Participation for Fiscal Year 2005-06

To Whom It May Concern:

During the 2005-06 fiscal year, the Capital Finance Office assisted the Building Commission in contracting \$1,066,165,000 of State of Wisconsin bonds and notes. Minority-owned firms underwrote 4.52% of these obligations, or \$48,202,726.

The obligations issued in the 2005-06 fiscal year consisted of four competitive sales, one negotiated sale, and three placements of variable rate obligations. This report (i) summarizes participation of minority-owned firms in advising, underwriting and selling State of Wisconsin bond and notes, and (ii) describes on-going actions taken by the Capital Finance Office to further encourage participation by minority-owned firms.

Participation of Minority-Owned Firms. There are three reporting requirements imposed by law on the Building Commission regarding the participation of minority-owned firms in the underwriting of State of Wisconsin bond and note issues. In addition, the Building Commission paid \$42,446 in financial advisor fees in fiscal year 2005-06, but none of these fees were paid to minority-owned firms.

	<u>Amount</u>	<u>Percentage</u>
• Section 18.16 (Public Indebtedness)		
Total Obligations Issued	\$ 986,165,000	
Underwritten by Minority-Owned Firms	48,202,726	4.89%
Sold by Minority-Owned Firms	39,349,265	3.99
• Section 18.64 (Revenue Obligations)		
Total Obligations Issued	\$ 80,000,000	
Underwritten by Minority-Owned Firms	0	0.00%
Sold by Minority-Owned Firms	0	0.00

- **Section 18.77 (Operating Notes)**

No Obligations Issued

TOTALS

Total Obligations Issued	\$1,066,165,000	
Underwritten by Minority-Owned Firms	48,202,276	4.52%
Sold by Minority-Owned Firms	39,349,265	3.69

On-Going Actions to Encourage Participation of Minority-Owned Firms.

Negotiated Sales

In a negotiated sale, the State has direct control over the amount of participation by minority-owned firms. The State only had one negotiated sale in the past fiscal year, which has a direct impact on the amount of underwriting participation by minority-owned firms. As demonstrated in the previous fiscal year (2004-05), a greater number of negotiated sales results in a larger amount of participation by minority-owned firms. In the 2004-05 fiscal year, there were five negotiated sales and 8.70% of all obligations were underwritten by minority-owned firms. With negotiated sales, the Capital Finance Office is also able to recommend the use of a minority-owned firm as underwriter's counsel or co-underwriter's counsel. This can only be a recommendation since the final selection of underwriter's counsel for a negotiated sale is the responsibility of the underwriter.

Competitive Sales

With a competitive sale, the State is not able to control the amount of participation by minority-owned firms. However, the State has taken certain actions to promote minority participation in the competitive sale process.

First, each bidding package includes the current list of approximately 35 minority-owned financial firms that have been certified by the State of Wisconsin Department of Commerce. A copy of this certified listing is attached to this report. It should be noted that only a handful of firms on the attached list actually participate in public finance and underwriting of municipal bonds and notes.

Secondly, the Capital Finance Office also includes direct statements in its bidding documents. The following items appear in the Official Notice of Sale:

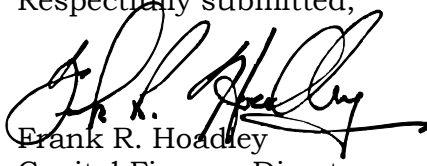
"Official Bid Form and Award. Proposals must be on the Official Bid Form. In the event two or more bids specify the same lowest true interest cost rate, then the award will be made to the bidder with the lowest true interest cost rate and the largest minority-owned firm participation, . ." The Capital Finance Office did use this tie-breaking criteria in the current fiscal year in awarding the Operating Notes of 2003.

“Minority Participation. It is the policy of the Commission to endeavor to ensure that *firms that are certified by the State as being minority owned underwrite 6% of the Bonds*. The Commission urges prospective bidders to obtain from the Commission a list of firms so certified and to include such firms in their bidding group. The Commission further encourages certified minority-owned firms to submit bids directly and to assemble bidding groups for the submission of bids. Minority-owned firms that are not yet certified by the State, and wish to be, may contact the Department of Commerce, Bureau of Minority Business Development (608) 267-9550 or MBD@commerce.state.wi.us.”

Conclusion. Final results for fiscal year 2005-06 show the following:

- **Certified minority-owned firms underwrote 4.52%** of all State bonds and notes issued by the State of Wisconsin.
- Certified minority-owned firms sold 3.69% of the above State debt.
- When compared to results from the 2004-05 fiscal year, the smaller amount of participation by minority-owned firms is directly the result of only one negotiated sale occurring in the 2005-06 fiscal year.

Respectfully submitted,



Frank R. Hoadley
Capital Finance Director

Attachment

MINORITY UNDERWRITER PARTICIPATION FOR 2005-06 FISCAL YEAR
State of Wisconsin Building Commission; Prepared by DOA Capital Finance Office

ISSUE	PAR/ ORIGINAL ISSUE AMOUNT	BOOK MANAGER/ SYNDICATE LEADER	MINORITY UNDERWRITERS	INITIAL LIABILITY (UNDERWRITING)	FINAL ALLOTMENT (UNDERWRITING)
SECTION 18.16, STATS.					
G.O. Bonds of 2005, Series D	C	\$186,640,000	Morgan Stanley	37,328,000	37,328,000
G.O. Bonds of 2005, Series E	C	48,275,000	Lehman Brothers	0	0
G.O. Commercial Paper Notes of 2005, Series A	P	100,350,000	Goldman Sachs & Co.	0	0
			Merrill Lynch & Co.	0	0
G.O. EMCP of 2005, Series A	P	61,000,000	Merrill Lynch & Co.	0	0
G.O. Refunding Bonds of 2006, Series 1	N	96,780,000	Morgan Stanley	8,874,726	21,265
G.O. EMCP of 2006, Series A	P	161,905,000	Goldman Sachs & Co.	0	0
			Merrill Lynch & Co.	0	0
G.O. Bonds of 2006, Series A	C	331,215,000	JP Morgan Securities Inc.	1,000,000	1,000,000
			Ramirez & Co., Inc.	1,000,000	1,000,000
Subtotal (Public Indebtedness)		\$986,165,000	Subtotal: Minority Owned:	\$48,202,726	\$39,349,265
				4.89%	3.99%
SECTION 18.77, STATS.					
Subtotal (Public Indebtedness)		\$0	Subtotal: Minority Owned:	\$0	\$0
				0.00%	0.00%
SECTION 18.64, STATS.					
Clean Water Revenue Bonds, 2006 Series	C	\$80,000,000	Morgan Stanley	0	0
Subtotal (Revenue Bonds)		\$80,000,000	Subtotal: Minority Owned:	\$0	\$0
				0.00%	0.00%
TOTALS:		\$1,066,165,000	CERTIFIED MINORITY OWNED:	\$48,202,726	\$39,349,265
				4.52%	3.69%

**MINORITY-OWNED UNDERWRITING FIRMS
CERTIFIED BY THE
WISCONSIN DEPARTMENT OF COMMERCE
June 27, 2006**

Note: The following list of minority-owned underwriting firms is provided for the information of potential bidders on the Bonds and does not constitute a part of the Official Notice of Sale. Minority participation in bids is strongly encouraged by the State but is not a requirement for submitting a bid.

Mr Michael Yap
Americal Securities Inc
290 7th Ave
San Francisco CA 94118
415-666-0633

Mr Elton Johnson Jr
Amerivet Securities Inc
PO Box 1074
Inglewood CA 90308
310-641-6284

Mr Timothy Lingenfelder
Apex Securities Inc
333 Clay St Ste 1310
Houston TX 77002
713-650-1122

Mr Jessie Ruckes
Bagley Financial Corp
645 Griswold Ste 1300
Detroit MI 48226
313-237-8125

Mr Sano Shimoda
Bio Science Securities Inc
2 Theatre Sq #210
Orinda CA 94563-3346
925-253-9520

Mr Nathaniel H Christian
Blaylock & Partners L P
399 Park Ave Fl 15
New York NY 10022
212-715-6623

Mr Bufus Outlaw
Boe Securities
210 Ctr Pl 1500 JFK Blvd Ste 430
Philadelphia PA 19102
215-568-5500

Mr Martin Cabrera Jr
Cabrera Capital Markets Inc
10 S LaSalle St Ste 1050
Chicago IL 60603
312-236-8888

Mr Rick Barfield
Capital Mgmt Group Securities LLC
123 N Wacker Dr Ste 1150
Chicago IL 60606
312-578-0470

Mr Samuel D Ewing Jr
Ewing Capital Inc
2722 Unicorn Lane NW
Washington DC 20015-2234
202-364-3996

Mr Claude Gregory
Financial & Realty Services LLC
8455 Colesville Rd Ste 1225
Silver Spring MD 20910
301-650-9112

Ms Sherlin Lee
First Honolulu Securities Inc
900 Fort St #950
Honolulu HI 96813
808-523-9422

Ms Lenda P Washington
GRW Capital Corp
501 L St NW
Washington DC 20001
202-628-4141

Mr Leopoldo E Guzman
Guzman & Company
101 Aragon Ave
Coral Gables FL 33134
305-374-3600

Mr Eric H Pookrum
INNOVA Securities Inc
3703 Woodsman Court
Suitland MD 20746-1376
301-967-7368

Mr Ronald Jackson
Jackson Partners & Assoc Inc
381 Park Ave S #621
New York NY 10016
800-932-9863

Ms DeBorah D Wilson
Jackson Securities LLC
100 Peachtree St NW Ste 2250
Atlanta GA 30303-1912
404-522-5766

Ms Deloris Sims
Legacy Bank Inc
2102 W Fond Du Lac Ave
Milwaukee WI 53206-1533
414-343-3002

Mr Albert Grace Jr
Loop Capital Markets LLC
200 W Jackson Ste 1600
Chicago IL 60606
312-356-5856

Mr Robert Campbell
M R Beal & Company
110 Wall St Fl 6
New York NY 10005
212-983-3930

Ms Patricia Winans
MAGNA Securities Corp
420 Lexington Ave Ste 2220
New York NY 10170
212-547-3740

Mr Bryon Taylor
Melvin Securities LLC
111 W Jackson Blvd Ste 2110
Chicago IL 60604
312-341-0050

Mr Philip Y Leung
Montrose Securities Intrntl
44 Montgomery St Ste 3350
San Francisco CA 94104
415-399-9955

Mr Randolph T Myricks
North Milwaukee Bancshares Inc
5630 W Fond Du Lac Ave
Milwaukee WI 53216
414-466-2344

Ms Aditya Mukerji
Redwood Securities Group Inc
600 California St Ste 520
San Francisco CA 94108-2408
415-352-3700

Mr George W Graham
Samuel A Ramirez & Co Inc
61 Broadway Ste 2924
New York NY 10006
212-248-3854

Mr Eric L Small
SBK-Brooks Investment Corp
840 Terminal Twr 50 Public Sq
Cleveland OH 44113
216-861-6950

**MINORITY-OWNED UNDERWRITING FIRMS
CERTIFIED BY THE
WISCONSIN DEPARTMENT OF COMMERCE
June 27, 2006 Continued**

Ms Suzanne Shank
Siebert Brandford Shank & Co LLC
30 N Lasalle St Ste 2120
Chicago IL 60602
312-759-0400

Mr Harvey R deKrafft
Sturdivant & Co Inc
Plaza 1000 at Main St Ste 200
Voorhees NJ 08043
856-751-1331

Ms Charlotte Knight-Marshall
The Knight Group Inc
203 N Wabash Ste 2110
Chicago IL 60601
312-782-8801

Ms Belinda Pedroso
The Malachi Group Inc
75 Ponce de Leon Ave Ste 102
Atlanta GA 30308
404-467-6728

Mr Christopher J Williams
The Williams Capital Group L P
650 Fifth Ave Fl 10
New York NY 10019
212-830-4500

Ms Lehong Tran
Tran Financial Network
5306 W Greenfield Ave
PO Box 370322
Milwaukee WI 53237-1422
414-550-7095

Mr Matthew Greene
Utendahl Capital Partners L P
30 Broad St Fl 42
New York NY 10004
212-797-2660

Mr Stewart M Wangard
Wangard Partners Inc
20800 Swenson Dr Ste 175
Waukesha WI 53186
262-717-0700



State of Wisconsin Investment Board

MAILING ADDRESS
PO BOX 7842
MADISON, WI 53707-7842

121 EAST WILSON ST
MADISON, WI 53702
(608) 266-2381
FAX: (608) 266-2436

August 25, 2006

Honorable Stephen Bablitch
Secretary, Department of Administration
101 East Wilson Street
Madison, WI 53703

Dear Secretary Bablitch:

Wisconsin Statute 25.185 requests that the State of Wisconsin Investment Board (SWIB) attempt to ensure that 5% of the funds expended for financial and investment analysis and for common stock and convertible bond brokerage commissions in each fiscal year are expended for services of minority financial advisors or minority investment firms. This statute also requires SWIB to report annually to the Department of Administration the total amount expended for such services.

In attempting to meet the 5% goal, SWIB must still meet its fiduciary responsibility to select the broker that will achieve the best execution on each trade for the trust funds we manage. While both meeting the fiduciary duty and working to meet the 5% goal, SWIB used the following minority brokers for stock or equity transactions in fiscal year 2006 and paid the commissions noted:

Berean Capital	\$ 1,077
Cathay Financial	46,657
First Honolulu Securities	94,660
Guzman & Company	89,693
Ramirez & Company	85,140
Sturdivant & Company	93,984
Utendahl Capital Partners	<u>98,644</u>
Total Paid to Minority Firms	<u>\$ 509,855</u>

As shown below, of the total discretionary commissions paid, minority brokers received 3.9% of the total:

Total Domestic Equity Commissions	\$14,461,850
Less Non-Discretionary Commissions	<u>\$1,322,163</u>
Total Discretionary Commissions	<u>\$13,139,687</u>
Percent Paid to Minority Firms	3.9%

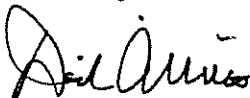
Total commissions include all fees that SWIB pays for security brokerage transactions. Commission amounts do not include those generated by SWIB's international equity portfolio. These commissions were not included because SWIB has not identified minority-owned brokerage firms that produce original research and have trading capabilities in international markets that meet SWIB's needs. Non-discretionary commissions include those that are directed to Wisconsin brokers and trades executed on electronic systems that do not involve broker dealers.

In addition to the stock transactions, the fixed income group makes every attempt to utilize minority firms when investing in public or corporate bonds. During fiscal year 2006, of the newly issued bonds SWIB purchased from major brokerage houses, minority firms were allocated a total of \$17,874,000 and received payment from the brokerage houses rather than SWIB.

In addition to activities covered by the statute, SWIB had business with minority firms through real estate and legal transactions during fiscal year 2006. Coleman & Williams, LTD, a minority-owned accounting firm, was paid \$10,600 in fees and expenses for work relating to a SWIB-owned property. SWIB paid \$1,291 to Gonzalez, Saggio & Harlan, a minority owned legal firm, for work related to investment litigation.

Please feel free to contact me if you have any questions.

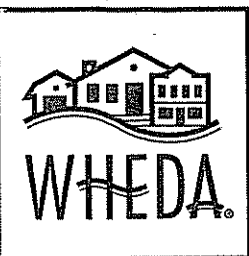
Sincerely,



David C. Mills
Executive Director

cc: Godwin Amegashie, Director
State Minority Business Program

W:\ShrPublicRelations\Reports\2006\Minority Report FY06.doc



TO: Stephen E. Bablitch, Secretary
Department of Administration

FROM: Antonio R. Riley, Executive Director

DATE: August 31, 2006

RE: WHEDA FY 2005-2006 Report on Minority Business

WISCONSIN
HOUSING AND
ECONOMIC
DEVELOPMENT
AUTHORITY

Jim Doyle
Governor

Perry Armstrong
Chairman

Antonio R. Riley
Executive Director

Pursuant to Chapter 234.35(2), Wisconsin Statutes, the Authority is required to report annually to the Department of Administration the total amount purchased from and contracted or subcontracted to minority businesses, the total amount of bonds and notes issued by the Authority with the underwriting services of minority investment firms and the total amount of moneys expended by the Authority for the services of minority financial advisers during the preceding state fiscal year.

Contracted Services

WHEDA's fiscal year 2006 discretionary purchases were \$1,338,500. The Authority expended \$77,560 or 5.8% of its discretionary purchases, with the minority business partners listed below:

Strive Media Institute	\$ 84
North Milwaukee State Bank	117
Radisson Inn - Green Bay	170
The Chronicle	300
Madison Times Weekly Newspaper	336
Milwaukee Courier	540
Comunicar Advertising/Design	625
LOR & Associates Inc	965
UMOJA	1,125
Milw Times Weekly(NCON Communications)	1,281
The Spanish Journal	1,871
Milwaukee Community Journal	2,670
Blackhawk Company Inc	2,975
BIT 360 Inc	3,796
WNOV AM Radio	4,700
Bear Printing	4,705
A Rodgers & Associates Inc	6,282
Bob Lanier Enterprises Inc	8,772
BDP & Associates	11,000
Gonzalez, Saggio & Harlan LLP	25,246
Total Contracted Business	<u>\$77,560</u>

201 West Washington Avenue
Suite 700
P.O. Box 1728
Madison, WI 53701-1728
608/266-7884
800/334-6873
fax 608/267-1099

101 West Pleasant Street
Suite 100
Milwaukee, WI 53212-3962
414/227-4039
800/628-4833
fax 414/227-4704

www.wheda.com
info@wheda.com
www.wisconsin.gov

WHEDA supports equal
housing opportunities for
all persons

Bonded Activity

The Authority continued its minority relationships in both investments and banking. Fiscal year 2006 expenditures for Bonded Activity totaled \$3,492,000 of which \$438,440, or 12.6%, was paid for services rendered by certified minority business enterprises. Activity with those businesses is listed below.

Gonzales, Saggio & Harlan	176,670
Siebert Brandford Shank & Co.	221,770
Tyson Strong Hill	40,000
Total Bonded Activity	<u>\$438,440</u>
 Total Minority Activity	 <u>\$516,000</u>

Investments in Minority Owned Firms

Legacy Bank, Inc	\$500,000
North Milwaukee State Bank	300,000
Total Investments in Minority Owned Firms	<u>\$800,000</u>

cc: Godwin Amegashie, Director, Department of Administration

NEW
SUITE
300

LAWRENCE R. NINES
EXECUTIVE DIRECTOR

September 6, 2006

Mr. Godwin Amegashie, Director
State Minority Business Program
Department of Administration
101 E. Wilson Street, 6th Floor
Madison, WI 53707-7867

Dear Godwin:

Subject to Chapter 231.27 Minority Financial Interests, I hereby submit the following report outlining the Wisconsin Health and Educational Facilities Authority (WHEFA or Authority) activity involving minority business firms for our fiscal year 2006 (July 1, 2005 – June 30, 2006).

WHEFA, created by the Legislature in 1973 (Chapter 231, Wisconsin Statutes), provides active capital financing assistance to Wisconsin's tax-exempt healthcare and higher educational industries.

Minority Businesses

WHEFA operates with a staff of four. State funds are not used to finance WHEFA's operating budget; the budget is financed completely from user fees. WHEFA's fiscal year 2006 discretionary purchases totaled approximately \$92,000. The Authority expended \$3,244 or 3.53% of its discretionary purchases, with the minority business partners listed below:

Faison Office Products	\$1,567
Business Graphics of Wisconsin	\$987
Wesley Insurance Agency	\$690
Total	\$3,244

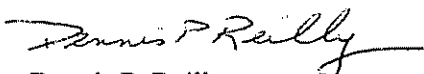
Legal Fees

Gonzalez, Saggio & Harlan provided co-bond counsel services during fiscal year 2006 and received fees totaling \$25,077 or 2.57% of the total bond counsel fees.

The Authority continues to provide interested minority legal firms with a list of pending and active financing projects so that they can solicit other possible legal financing roles, beyond bond counsel services, directly with these borrowers in their financings (all of the legal fees are paid by the healthcare or educational facility borrowing the money). Over one third of all legal services performed for financings completed through WHEFA during fiscal year 2006 were completed by women or minorities within their respective law firm.

WHEFA routinely views the Wisconsin Minority-Owned Business Directory and we will continue to actively review it for other business opportunities. As always, if you have any questions about this report, please feel free to call us at 262-792-0466.

Sincerely,



Dennis P. Reilly
Associate Executive Director

DEPARTMENT OF COMMERCE

Minority Business Development Biennium Award Summary From: July 1, 2005 through June 30, 2006

Group by: Approp, subgroup by Program

Ref#	Beneficiary (Applicant) Description	City	County	Award Date	Project Cost	Award Amount	Leverag e
Approp: MBD							
Program: Minority Business Development							
MBD	12310 Farmer's Meat Company, Inc. Funds would be used for the expansion of an existing business of farming and marketing of frozen meat products.		Douglas	3/14/2006	\$879,912.00	\$50,000.00	\$829,912.00
MBD	12311 Local Initiatives Support Corp. Technical assistance program for minority businesses. The program will target four to five commercial districts within Milwaukee over 2 years.		Milwaukee	3/14/2006	\$492,500.00	\$75,000.00	\$417,500.00
MBD	16559 Production Stamping Expansion of metal stamping and welded service assembly products company which specializes in heavier gage stampings and assemblies.		Milwaukee	6/27/2006	\$1,092,000.00	\$100,000.00	\$992,000.00
MBD	16580 U.S. Foods and Pharmaceuticals, Inc. Finalize bone health product development and expedite commercialization.		Dane	6/27/2006	\$175,000.00	\$100,000.00	\$75,000.00
Total for: (4 records)					\$2,639,412.00	\$325,000.00	\$2,314,412.00

Total for: Program: Minority Business Development (4 records)

\$2,639,412.00 **\$325,000.00** **\$2,314,412.00**

Program: Minority Early Planning Grant

MEPG	11985 Day Care for the Growing, Inc. startup daycare in Milwaukee		Milwaukee	9/19/2005	\$4,000.00	\$3,000.00	\$1,000.00
MEPG	12136 Trails End Motel, LLC Funds will be used to hire the professional services necessary to complete a feasibility study examining the upgrading of a motel.		Columbia	11/8/2005	\$4,000.00	\$3,000.00	\$1,000.00
MEPG	12182 Hmong Wisconsin Chamber of Commerce, Inc. Funds would be used to hire services to complete a study of the development of a revolving loan fund to include any required manuals and guides.		Milwaukee	12/13/2005	\$4,000.00	\$3,000.00	\$1,000.00
MEPG	12188 Charles/Remona Funds would be used to hire the professional services necessary to complete a comprehensive feasibility study of the start up of a fitness center.		Milwaukee	12/20/2005	\$5,000.00	\$3,000.00	\$2,000.00
MEPG	16482 Burkhardt/Melanie Early Planning Grant application for start up of a manufacturing process for powder coating services.		Black Creek	5/10/2006	\$4,000.00	\$3,000.00	\$1,000.00
Total for: (5 records)					\$21,000.00	\$15,000.00	\$6,000.00

Total for: Program: Minority Early Planning Grant (5 records)

\$21,000.00 **\$15,000.00** **\$6,000.00**

Total for Approp: MBD (9 records)

\$2,660,412.00 **\$340,000.00** **\$2,320,412.00**

Ref#	Beneficiary (Applicant) Description	City	County	Award Date	Project Cost	Award Amount	Leverag e
Grand Total (9 records)					\$2,660,412.00	\$340,000.00	\$2,320,412.00

report includes only Status codes ABKJCGWXQ. (Note that includes codes W and X unless filtered).

mperry

(Approp like "MBD" and Status not like "W" and Status not like "X" and Dec>#07/01/05# and Dec <#06/30/06#)

DEPARTMENT OF COMMERCE

FY06 Awards From Non-MBD Funds From: July 1, 2005 through June 30, 2006

Group by: Approp, subgroup by Program

Ref#	Beneficiary (Applicant) Description	City	County	Award Date	Project Cost	Award Amount	Leverag e	Jobs Retained *	Jobs Created*	Beneficiary Class
------	---	------	--------	---------------	-----------------	-----------------	--------------	-----------------------	------------------	----------------------

Approp: CDBG

Program: Economic Development

ED	12089 Burn's Best, Inc. (Washburn County)		Washburn	8/15/2005	\$3,339,500.00	\$506,000.00	\$2,833,500.00	14	78	AF
Funds for equipment as company establishes new state of the art production facility.										
Total for: (1 record)					\$3,339,500.00	\$506,000.00	\$2,833,500.00	14	78	
Total for: Program: Economic Development (1 record)					\$3,339,500.00	\$506,000.00	\$2,833,500.00	14	78	
Total for Approp: CDBG (1 record)					\$3,339,500.00	\$506,000.00	\$2,833,500.00	14	78	

Approp: GAMING

Program: Economic Diversification

GEDL	11981 Great Lakes Inter-Tribal Council, Inc. Working capital for the Native American liaison program.		Vilas	9/15/2005	\$132,200.00	\$50,000.00	\$82,200.00			N
GEDL	12218 First American Capital Corporation, Inc. FACC will use funds to expand a revolving loan fund.		Milwaukee	1/11/2006	\$500,000.00	\$100,000.00	\$400,000.00			N
GEDL	16575 Production Stamping Expansion of metal stamping and welding servicing assembly products company which specializes in heavier gage stampings and assemblies.		Milwaukee	6/20/2006	\$1,092,000.00	\$100,000.00	\$992,000.00		50	BF
GEDL	16599 Production Stamping Corporation Expansion of metal stamping and welding servicing assembly products company which specializes in heavier gage stampings and assemblies.		Milwaukee	6/20/2006	\$1,092,000.00	\$50,000.00	\$1,042,000.00		50	BF
Total for: (4 records)					\$2,816,200.00	\$300,000.00	\$2,516,200.00		100	
Total for: Program: Economic Diversification (4 records)					\$2,816,200.00	\$300,000.00	\$2,516,200.00		100	
Total for Approp: GAMING (4 records)					\$2,816,200.00	\$300,000.00	\$2,516,200.00		100	

Approp: QNBV

Program: Qualified New Business Venture

QNBV	12048 NeuronFarm, LLC^The Early stage education software company seeking QNBV status.		Dane	10/1/2005	\$0.00	\$0.00	\$0.00			FI
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Ref#	Beneficiary (Applicant) Description	City	County	Award Date	Project Cost	Award Amount	Leverag e	Jobs Retained *	Jobs Created*	Beneficiary Class
Approp: QNBV										
Program: Qualified New Business Venture										
QNBV	12193 TrafficCast, Inc. Qualified New Business Venture certification.		Dane	12/22/2005	\$0.00	\$0.00	\$0.00			A
QNBV	12335 Ratio, Inc. Company is seeking Qualified New Business Venture (QNBV) Certification. Ratio, Inc. is a bioscience company developing a self-contained microfluidic patch		Dane	3/21/2006	\$0.00	\$0.00	\$0.00			H
<u>Total for: (3 records)</u>										
Total for: Program: Qualified New Business Venture (3 records)					\$0.00	\$0.00	\$0.00			
Total for Approp: QNBV (3 records)					\$0.00	\$0.00	\$0.00			
Approp: RED										
Program: Rural Economic Development - Phase 1										
RED1	12199 Griffin-Red Bear*Deborah A. Funds to hire services necessary to evaluate start up of a print on demand business, focusing on graphic design & web-based development.		Washburn	12/22/2005	\$4,000.00	\$3,000.00	\$1,000.00			FN
RED1	12260 Hill*Scott Funds will be used to hire the professional services necessary to complete a comprehensive feasibility study of the start up of a screen printing business.		Brown	2/17/2006	\$4,000.00	\$3,000.00	\$1,000.00			N
RED1	12277 Muller*Leo Funds would be used to examine the start up of a business that will produce small personal methane collectors for personal rural use.		Juneau	2/24/2006	\$4,000.00	\$3,000.00	\$1,000.00			NY
RED1	12288 A-Pexx Industries Funds would be used to examine the start up of a tire recycling business.		Juneau	3/6/2006	\$5,000.00	\$3,000.00	\$2,000.00			NY
<u>Total for: (4 records)</u>										
Total for: Program: Rural Economic Development - Phase 1 (4 records)					\$17,000.00	\$12,000.00	\$5,000.00			
Total for Approp: RED (4 records)					\$17,000.00	\$12,000.00	\$5,000.00			
Approp: WDF										
Program: Legislative Award (WDF)										
LEG	11980 Great Lakes Inter-Tribal Council, Inc. Funds will be used by GLITC for Technical Assistance for Wisconsin Indian tribes, per s. 560.875, Wis. Stats.		Vilas	9/15/2005	\$216,000.00	\$188,000.00	\$28,000.00			N
LEG	16447 Urban Hope Corporation Legislative award application for 2005-2007 biennium.		Green Bay	6/26/2006	\$201,000.00	\$200,000.00	\$1,000.00			B
<u>Total for: (2 records)</u>										
Total for: Program: Legislative Award (WDF) (2 records)					\$417,000.00	\$388,000.00	\$29,000.00			
Total for: Program: Legislative Award (WDF) (2 records)					\$417,000.00	\$388,000.00	\$29,000.00			

Ref#	Beneficiary (Applicant) Description	City	County	Award Date	Project Cost	Award Amount	Leverag e	Jobs Retained *	Jobs Created*	Beneficiary Class
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Approp: WDF

Program: Legislative Award (WDF)

Program: Technology Assistance Grant

TAG	11888 NeuronFarm, LLC^The Funds will be used to hire professional marketing services to assist with the development of a comprehensive marketing and sales plan.	Dane		7/1/2005	\$20,000.00	\$15,000.00	\$5,000.00			FI
Total for: (1 record)					\$20,000.00	\$15,000.00	\$5,000.00			

Total for: Program: Technology Assistance Grant (1 record)

Program: Urban Early Planning Grant

UEPG	12128 Li^Changlong Funds to hire the professional services necessary to complete a comprehensive feasibility study of starting an agriculture business producing peonies.	Dane		11/3/2005	\$5,200.00	\$3,000.00	\$2,200.00			A
UEPG	12149 Baxter^Margo A. Funds to complete a comprehensive feasibility study examining the start up of an online business assisting small retail operations.	Dane		11/16/2005	\$3,750.00	\$2,812.00	\$938.00			FI
UEPG	12162 Randolph^Charlotte R. Funds to hire the professional services necessary to evaluate feasibility of opening a childcare center.	Milwaukee		12/5/2005	\$4,000.00	\$3,000.00	\$1,000.00			B
UEPG	12187 Cascade Springs, LLC Funds for professional services to complete feasibility study on opening a processing plant in the Milwaukee area to bottle water and other drinks.	Milwaukee		12/20/2005	\$7,500.00	\$3,000.00	\$4,500.00			I
UEPG	12234 Lofty Ideas, LLC Examining the start up of a company which will design, manufacture, assemble and market unique underbedding and bed coverings.	Dane		1/26/2006	\$4,500.00	\$3,000.00	\$1,500.00			BF
UEPG	12272 Jones^Clarence Funds needed for a study examining the start up of a welding training facility.	Milwaukee		2/21/2006	\$4,000.00	\$3,000.00	\$1,000.00			BY
UEPG	16467 Lewis Custom Cabinets, LLC Funds will be used to examine the expansion of a custom cabinetry shop to include a showroom.	Milwaukee		4/24/2006	\$4,100.00	\$3,000.00	\$1,100.00	1	5	B
UEPG	16478 Delebreau^Dawn M. Funds would be used to hire the professional services necessary to complete a comprehensive feasibility study examining the opening of a child care facility	Outagamie		4/24/2006	\$4,000.00	\$3,000.00	\$1,000.00		17	FN
Total for: (8 records)					\$37,050.00	\$23,812.00	\$13,238.00	1	22	

Total for: Program: Urban Early Planning Grant (8 records)

Total for Approp: WDF (11 records)

Total for: Program: Urban Early Planning Grant (8 records)					\$37,050.00	\$23,812.00	\$13,238.00	1	22	
Total for Approp: WDF (11 records)					\$474,050.00	\$426,812.00	\$47,238.00	1	22	

Ref#	Beneficiary (Applicant) Description	City	County	Award Date	Project Cost	Award Amount	Leverag e	Jobs Retained *	Jobs Created*	Beneficiary Class
Grand Total (23 records)										
					\$6,646,750.00	\$1,244,812.00	\$5,401,938.00	15	200	

Class Categories:

report includes only Status codes ABKJCGWXQ. (Note that includes codes W and X unless filtered).

mperry
(Approp not like "MBD" and (Status not like "W" and Status not like "X") and (Dec>=#7/1/05# and Dec<=#6/30/06# and Beneficiary.Class not like "F" and Beneficiary.Class not like "FY"))



February 13, 2007

Ms. Helen McCain
Department of Administration
101 E. Wilson Street
Madison, WI 53707

Dear Ms. McCain,

The University of Wisconsin-Madison would like to provide additional facts that speak to our efforts to promote the utilization of disadvantaged businesses on campus as a supplement to our Fiscal Year 2006 report.

In addition to the \$4,107,003 the University spent with certified MBE firms during the past fiscal year, the University spent \$1,090,165 dollars with minority businesses that are not presently certified by the Department of Commerce, but are considered minority business enterprises for the purpose of federal reporting. As you are aware, we routinely make the Department of Commerce aware of these firms so that the department may begin pursuing the certification process with the minority vendor.

There are four remaining disadvantaged business categories the University supports, Woman Owned Small Businesses, HubZones (Historically Underutilized Business Zones), Veteran Owned Small Businesses, and Service Disabled Veteran Owned Small Businesses. The total expenditures for these categories are an additional \$ 7,451,007, bringing the total expenditures to disadvantaged businesses for Fiscal Year 2006: \$12,648,175.

It is also relevant to share the fact that our total expenditure report includes \$13,128,943 spent with vendors who were the sole available source for the services or products purchased. These purchases typically are associated with highly specialized research being conducted by the University.

The University's education mission aligns very well with the State's goals for expansion of minority business successes. The Chancellor's "Plan 2008" Diversity Program specifically establishes the increased use of Minority Businesses as one of the objective measures succeeding with the "Plan".

The University remains committed to supporting the MBE program and we will continue to work with you to seek progressive ways to reach our 5% goal.

Best Regards,

Mike Hardiman
Director of Purchasing

Cc: JoAnn Moore
Darrell Bazzell
Ruth Anderson
Don Miner
Hartley Murray

Purchasing Services