



Legislative Fiscal Bureau

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March 2, 2004

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 859: Commerce -- Manufacturing Extension Center Grants

Assembly Bill 859, which would appropriate \$2.3 million GPR in the 2003-05 biennium for the Manufacturing Extension Center grant program, was introduced on February 19, 2004, and referred to the Assembly Committee on Economic Development. On February 24, that Committee recommended the bill for passage on a vote of 9 to 0.

BACKGROUND

Under current law, Commerce is authorized to make a grant to a technology-based nonprofit organization to provide support for a manufacturing extension center if: (a) the technology-based nonprofit organization submits a plan to Commerce detailing its proposed expenditures and performance measures related to the project; and (b) the Secretary of Commerce approves the plan. Annual funding of \$100,000 GPR is provided in a separate appropriation for the grants.

Prior to the 2003-05 biennium, manufacturing extension grants were funded through a separate program revenue appropriation with \$500,000 PR annually in tribal gaming revenue. This funding was eliminated under the provisions of 2003 Wisconsin Act 33 (the 2003-05 biennial budget). Annual funding of \$500,000 PR was also provided in 2001-03 from the program revenue repayments appropriation of the Wisconsin Development Fund (WDF).

Manufacturing extension grants are only made to provide assistance to the Wisconsin Manufacturing Extension Partnership (WMEP). WMEP is operated by an organization, the Wisconsin Center for Manufacturing and Productivity, Inc., that includes the Department of Commerce, University of Wisconsin System and extension, Wisconsin Technical College System (WTCS), Marquette University, Milwaukee School of Engineering, labor and business. WMEP

provides process improvement and technology transfer services to small and medium-sized manufacturers.

SUMMARY OF BILL

Assembly Bill 859 would provide \$900,000 GPR in 2003-04 and \$1,400,000 GPR in 2004-05 to increase funding for manufacturing extension grants. Total annual funding for manufacturing extension grants would be \$1,000,000 GPR in 2003-04 and \$1,500,000 GPR in 2004-05. The bill would provide \$1.5 million annually for grants beginning in 2004-05. Further, a requirement that WMEP could not receive this grant and funding from the Wisconsin Development Fund would be deleted.

FISCAL EFFECT

The bill would appropriate \$2,300,000 GPR in the 2003-05 biennium for manufacturing extension grants.

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