



Legislative Fiscal Bureau

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June, 2021

Joint Committee on Finance

Paper #658

Repeal Obsolete Appropriations and Statutory Provisions (Wisconsin Economic Development Corporation)

CURRENT LAW

The Wisconsin Economic Development Corporation (WEDC) was created to replace the former Department of Commerce (Commerce) as the state's lead agency in promoting economic development under 2011 Acts 7 and 32. All moneys from any general fund appropriation used to fund economic development programs of Commerce, and the unencumbered balance in certain appropriations administered by Commerce, were transferred to WEDC under Acts 7 and 32. These funds were deposited into a continuing all moneys received PR appropriation created under WEDC for the purposes of funding programs it administered. The transfer was completed in 2011-12 upon enactment of Act 32. Base funding of \$0 is provided to this appropriation.

Under 2017 Act 318, a talent attraction and retention initiatives continuing appropriation was created under WEDC to provide one-time funding of \$6,800,000 GPR in 2017-18. WEDC was required to collaborate with state agencies to develop and implement initiatives for the attraction of talent and retention of talent in this state, including by leveraging the existing programs of state agencies for those purposes within the scopes of those existing programs. All moneys were expended from this appropriation as of December, 2019. Base funding of \$0 is provided to this appropriation.

The 2015-17 biennial budget bill (2015 Act 55) created a statutory provision requiring WEDC to make a grant of \$250,000 to the River Falls Economic Development Corporation to construct the St. Croix Valley Business Incubator, provided that federal moneys were secured for the same purpose. WEDC made this grant award in 2015-16.

DISCUSSION POINTS

1. Funding provided to continuing appropriations can remain available in the appropriation

until utilized in future years. For example, Act 318 provided \$6.8 million in a continuing appropriation in 2017-18 for talent attraction and retention initiatives in 2017-18. WEDC was able to utilize one-time funding to this appropriation in state fiscal years 2017-18, 2018-19, and 2019-20, until all monies appropriated were expended from that appropriation in December, 2019. No funding remains in either WEDC's talent attraction and retention initiatives GPR appropriation or its transferred general fund moneys from Department of Commerce PR appropriation. Repealing these appropriations would have no impact on WEDC's operations under current law and would reduce the number of state appropriations provided to WEDC from six to four.

2. As described above, during deliberation of the 2015-17 biennial budget, the Joint Committee on Finance provided \$250,000 GPR in 2015-16 to WEDC for the purpose of making a grant to the River Falls Economic Development Corporation. The award was required in statute, and GPR funding was provided for the award to WEDC on a one-time basis. This statute has not affected grant award considerations after the grant was made in 2015-16.

3. These obsolete appropriations remain in the statutory schedule of appropriations even though they are no longer operative and have no programmatic effect.

ALTERNATIVES

1. Repeal the transferred general fund moneys from Department of Commerce PR appropriation and the talent attraction and retention initiatives GPR appropriation and associated statutory language. Repeal the statute created under 2015 Act 55 requiring WEDC to make a \$250,000 grant to the River Falls Economic Development Corporation.

2. Take no action.

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