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Joint Committee on Finance

Paper #842

Repeal Obsolete Appropriation 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.

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. However, all funding transferred from Commerce has been expended and no funding remains in the PR appropriation. Because the functions performed by Commerce have long since transferred to WEDC, no additional funding is needed nor will be provided.

This obsolete PR appropriation remains in the statutory schedule of appropriations even though it is no longer operative and has no programmatic effect. Repealing the appropriation 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 five.

2. 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 in 2015-16. This obsolete provision remains in statute even though it is no longer operative and has no programmatic effect. Repealing it would have no impact on WEDC's operations under current law.

ALTERNATIVES

1. Repeal the continuing PR appropriation for transferred general fund moneys from the Department of Commerce. 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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