

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary						FTE Position Summary
Fund	2022-23	Act 19		2023-25 Change Over		
	Adjusted Base	2023-24	2024-25	Base Year Doubled	Amount	
GPR	\$4,550,700	\$0	\$0	-\$9,101,400	-	100.0%
SEG	<u>37,000,000</u>	<u>47,000,000</u>	<u>45,870,000</u>	<u>18,870,000</u>		25.5
TOTAL	\$41,550,700	\$47,000,000	\$45,870,000	\$9,768,600		11.8%

There are no authorized state positions for the Wisconsin Economic Development Corporation.

Budget Change Items

1. REESTIMATE WEDC GPR AND SEG APPROPRIATIONS [LFB Papers 106 and 840]

GPR	-\$9,101,400
SEG	<u>18,870,000</u>
Total	\$9,768,600

Estimate funding provided for the Wisconsin Economic Development Corporation's (WEDC) existing state appropriations at \$47,000,000 SEG in 2023-24 and \$45,870,000 SEG in 2024-25, comprised of: (a) \$0 GPR annually; (b) \$46,000,000 SEG in 2023-24 and \$44,870,000 in 2024-25 from its all monies received operations and programs SEG appropriation; and (c) \$1,000,000 SEG annually for brownfield site assessment grants.

The primary source of WEDC's funding is from the segregated economic development fund. The revenue source for the economic development fund is the economic development surcharge imposed upon C corporations and tax-option (S) corporations. SEG funding is also provided from the environmental fund for brownfield site assessment grants. In addition, WEDC receives GPR funding for its operations and programs under a sum sufficient appropriation. GPR may be expended from WEDC's sum sufficient appropriation only if there are no unencumbered moneys available in the economic development fund. Thus, the first draws for programs and operations must come from the economic development fund until the available balance of the SEG appropriation is depleted. Specifically, the funding for operations and programs is provided in an amount of GPR equal to \$41,550,700 minus the amounts expended from the economic development fund and the environmental fund. However, GPR programs and operations spending in any year is limited to no more than \$16,512,500.

The reestimate for WEDC's SEG appropriation from the economic development fund for operations and programs reflects: (a) an increase in surcharge revenues of \$10,000,000 SEG in 2023-24 and \$9,000,000 SEG in 2024-25 estimated under current law; and (b) a revenue reduction of \$130,000 in 2024-25 estimated for tax law changes [see "General Fund Taxes -- Income and Franchise Taxes"]. Base funding for WEDC's brownfield site assessment grants SEG

appropriation from the environmental fund is unchanged. Because SEG funding is estimated to exceed \$41,550,700, WEDC's GPR appropriation is estimated to be \$0 annually (an annual decrease of \$4,550,700).

2. DATA SHARING WITH DEPARTMENT OF REVENUE

Permit the Chief Executive Officer and employees of WEDC to examine tax information, including returns, certain claims, schedules, exhibits, writings, and audit reports, pursuant to an agreement with the Department of Revenue (DOR) and to the extent necessary to administer tax benefit programs. This includes review of tax benefit applications, compliance with tax benefit certifications, and confirming the amount of tax benefit used for purposes of revoking tax benefits. Confidential tax information received by WEDC from DOR would not be considered a record open to the public. These provisions take effect October 1, 2023.

[Act 19 Sections: 346, 347, 433, 434, and 9437(3)]

3. REPEAL OBSOLETE APPROPRIATION [LFB Paper 842]

Repeal the obsolete continuing PR appropriation for transferred general fund monies from the Department of Commerce.

[Act 19 Section: 62]

4. REPEAL OBSOLETE STATUTORY PROVISION [LFB Paper 842]

Repeal the obsolete statutory provision requiring WEDC to make a one-time grant of \$250,000 in 2015-16 to the River Falls Economic Development Corporation.

[Act 19 Section: 435]

5. OPPORTUNITY ATTRACTION AND PROMOTION FUND [LFB Paper 751]

Create an opportunity attraction and promotion fund, supported by a new continuing GPR appropriation under WEDC, for attracting opportunities and events to the state. Provide \$10,000,000 GPR in 2023-24 to the Committee's supplemental appropriation for this purpose. The fiscal effect of this provision is shown under "Program Supplements."

[Act 19 Section: 60]

6. CHILD CARE FUND

Create a child care fund, supported by a new continuing GPR appropriation under WEDC, for child care providers. Provide \$15,000,000 GPR in 2023-24 to the Committee's supplemental

appropriation for this purpose. The fiscal effect of this provision is shown under "Program Supplements."

[Act 19 Section: 61]

7. MODIFICATIONS FOR TAX LAW CHANGES

Require WEDC to administer a sales and use tax exemption for certified data centers, including the certification of qualified data centers, as described under "General Fund Taxes -- General Sales and Use Taxes." Further, make a number of modifications to tax credit programs that are administered, in part, by WEDC, which are described under "General Fund Taxes -- Refundable Tax Credits and Other Payments."