

Wisconsin Economic Development Corporation Resolution of the Board of Directors

July 14, 2016

Re: Resolution Accepting the Fiscal Year 2017 Budget and Operations Plan

The following resolution of the Board of Directors (the Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board held on the date set forth above, following the required notice and with quorum of the Board present pursuant to Chapter 238 of the Wisconsin Statutes:

WHEREAS, WEDC was created to be the State of Wisconsin's lead economic development organization.

WHEREAS, Wis. Stat. § 238.04(6) empowers the Board to establish WEDC's annual budget and monitor its fiscal management.

WHEREAS, on June 16, 2016 the Budget and Finance Committee did recommend for approval by the Board, the fiscal year 2017 budget and operations plan attached.

WHEREAS, on June 30, 2016 the Awards Administration Committee did recommend for approval by the Board, the fiscal year 2017 program guidelines attached.

NOW, THE BOARD OF DIRECTORS RESOLVES:

RESOLVED, that the fiscal year 2017 budget and operations plan and accompanying program guidelines attached which is made a part of this resolution, are approved.

RESOLVED, that the CEO may, if deemed necessary, authorize the transfer of budget from operations to programs for the remainder of this fiscal year. The CEO shall notify the Board of any transfer of funds from operations to programs. The transfer of budget from division to division may only be authorized by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board for the remainder of the fiscal year.

This Resolution shall take effect immediately upon its adoption on July 14, 2016, and shall be retroactive to the start of the fiscal year, July 1, 2016.

MEMO



To: Board of Directors
From: Brian Nowicki, CFO
CC: Mark Hogan, CEO; Tricia Braun, COO
Date: June 23, 2016
Re: Fiscal Year 2017 Budget and Operations Plan

Attached please find the FY17 Budget and Operations Plan your review. Included in the document are both consolidated and departmental information.

I have summarized the most significant budget changes at the consolidated level below:

- **Revenues – Increasing \$5.6 million (17%) from FY16.** The primary changes are:
 - \$5.5 million in additional State funding, as approved in the State biannual budget.
 - \$0.2 million in additional investment income, resulting from a projected increase in short-term interest rates in FY17 and the extension of the average duration of the investment portfolio.
- **Expenditures – Decreasing \$0.4 million (1%) from FY16.** The primary changes by expense category are:
 - **Program Grants** – Increasing \$0.7 million (3%)
 - Targeted Industry Project (TIP) grant program will be receiving \$1.4 million in additional program allocation to implement and fund 4 new centers of excellence.
 - Workforce Training Grant (WTG) program will be receiving \$0.6 million in additional program allocation in FY17 to help companies expand and retain manufacturing jobs.
 - Brownfield Grant (BF) program and Small Business Innovation Research (SBIR) grant programs received additional funding in FY16 as part of the FY16 Amended Budget. These increases were not carried over into FY17, resulting in a reduction in those programs of (\$0.6 million) and (\$0.3 million) respectively.
 - Capital Catalyst (CC) program was reduced by \$0.3 million in order to help offset the cost of a new Capacity Building (CB) Grant pilot program for entrepreneurship support of \$0.5 million.
 - **Program Loans** – Decreasing by \$3.5 million (27%) due to the statutory program cap.
 - Loan activity does not directly affect budgeted expenditures, other than through the loan loss reserve. However, the combination of Program Grants and Loans activity does represent the total direct economic development activity using WEDC revenues.
 - **Loan Loss Reserve Expense** – Decreasing \$2.9 million (42%)
 - Will be broken out by “collectable” and “performance-based” loan portfolios for FY17 Budget.

MEMO



To: WEDC Board of Directors
From: Mark R. Hogan, Secretary and CEO
Date: July 14, 2016

Re: FY17 Program Guidelines Summary

As part of the FY17 operations planning process, WEDC has drafted new or revised program guidelines representing the program offerings the organization intends to use to advance and maximize opportunities for businesses, communities and people in Wisconsin. This memo summarizes proposed revisions and new programs. On June 30, 2016, the WEDC Awards Administration Committee voted to recommend these revisions for approval by the Board of Directors. For more information on any individual program, please refer to the appropriate program guideline.

FY17 Program Guideline Template

The Office of Public Policy has updated the Program Guidelines using the new template for FY17 to better align the goals, activities & expected outcomes, and performance reporting for all WEDC programs. Many of the revisions are as a response to recommendations from the Center for Regional Economic Competitiveness study. These revisions impact the following sections in the FY17 Program Guidelines:

- Program Goal
 - Distilled and standardized goal language
 - Identified WEDC Strategic Pillar and Focus Area
- Activities and Expected Outcomes
 - Standardized language
 - Added leverage as a measurement to several programs
 - Changed section title to “Activities & Expected Outcomes” to more accurately describe the measurements

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WEDC OPERATIONS PLAN AND BUDGET

FISCAL YEAR 2017



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DIRECTORY OF OFFICIALS

BOARD OF DIRECTORS

Dan Ariens	Chair
Lisa Mauer	Vice-Chair
David J. Drury	Treasurer
Nancy Hernandez	Secretary
Rep. Peter Barca	Board Member
Raymond Dreger	Board Member
Sen. Rick Gudex	Board Member
Rep. Rob Hutton	Board Member
Jim Ladwig	Board Member
Sen. Julie Lassa	Board Member
R.D. Nair	Board Member
C. Thomas Sylke	Board Member
Scott Neitzel	Ex-Officio – Department of Administration
Richard Chandler	Ex-Officio – Department of Revenue

ADMINISTRATORS

Mark R. Hogan	Secretary and Chief Executive Officer
Tricia R. Braun	Deputy Secretary and Chief Operating Officer
Brian Nowicki	Chief Financial Officer
Hannah Renfro	Chief Legal Officer
Aaron Hagar	Vice President of Entrepreneurship and Innovation
Anne Jesko	Vice President of Human Resources
Barb LaMue	Vice President of Business and Community Development
Kelly Lietz	Vice President of Marketing and Brand Strategy
Joshua Robbins	Vice President of Technology and Information Systems
Katy Sinnott	Vice President of International Development
Lee Swindall	Vice President of Sector Strategy Development
Amy Young	Senior Director of Public Policy



SECRETARY MESSAGE

Following a comprehensive review of our operations by the nationally respected Center for Regional Economic Competitiveness (CREC), the Wisconsin Economic Development Corporation (WEDC) reaffirmed its commitment to helping create and sustain a prosperous Wisconsin, recasting the organization’s mission statement to reflect the full breadth of our work and its outcomes:

To advance and maximize opportunities in Wisconsin for business, communities and people to thrive in a globally competitive environment.

We understand that fulfilling this mission draws upon the hard work, knowledge and skills of many economic development partner organizations whose work complements our own.

With CREC’s help, WEDC also aligned its services with five key Catalysts of Economic Growth, which form the basis of our Strategic Pillars, in order to most effectively activate and accelerate economic opportunity In Wisconsin®:

- Strategic Economic Competitiveness
- Business Development
- Community and Economic Opportunity
- Brand Development and Management
- Operational and Fiscal Excellence

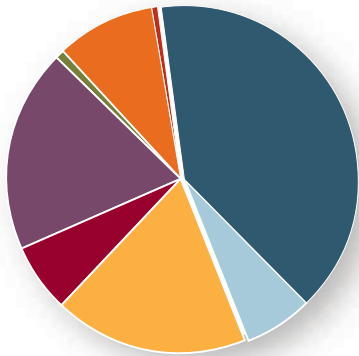
This expansive economic development approach allows us, with the help of more than 600 partners throughout the state, to execute a wide range of strategic initiatives—each with different timelines and deliverables, all of which contribute to Wisconsin’s long-term economic health.

At \$56.2 million, WEDC’s fiscal year 2017 (FY17) budget represents a decrease of sources and uses of 5 percent over fiscal year 2016 (FY16).

While we continue to operate within a similar budgetary framework, we are taking advantage of our ability to align our program funding with new opportunities. For FY17, this includes a new, competitive Entrepreneurship Support Grant that will help organizations provide critical services to entrepreneurs or emerging companies to help them grow and succeed in Wisconsin. We have also shifted additional funds into our Targeted Industry Project and Workforce Training Grant Programs to help create new centers of excellence in Aerospace & Aviation, Advanced Composites and Food & Beverage, as well as to help companies expand and retain manufacturing jobs in Wisconsin.

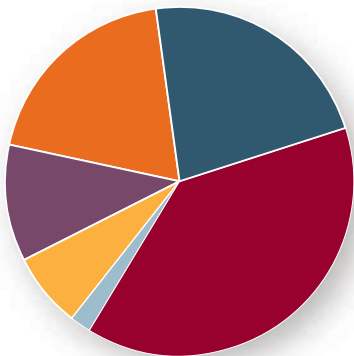
WEDC will also be investing in new systems and practices which, in concert with the addition of compliance and quality assurance staff hired at the end of FY16, are designed to deliver on WEDC’s unwavering commitment to accountability and transparency.

FY17 BUDGET –
USES OF FUNDS \$56.2 MILLION



- 40% – Program Grants
- 7% – Key Strategic Partners
- 18% – Loans, net
- 6% – Promotions
- 19% – Payroll and Benefits
- 0.4% – Pass Through Fed Grants
- 9% – Operations and General
- 0.4% – Capital and Debt Service

FY17 BUDGET –
SOURCES OF FUNDS \$56.2 MILLION

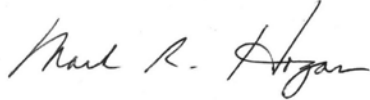


- 22% – General Revenue Purpose
- 39% – Economic Development Fund (SEG)
- 2% – Site Assesment Grants
- 7% – Other Revenue
- 11% – Loan Principal Repayments
- 19% – Fund Balance

WEDC's FY17 budget leverages \$10.8 million of the agency's reserve funds to support its programs and achieve the measurable outcomes outlined in this plan, putting to good use these funds, which have been assigned for programs in FY17, while maintaining necessary reserves within policy guidelines.

We are pleased to share with our board; our economic development partners and stakeholders; and the citizens of Wisconsin WEDC's operations plan and budget for FY17.

For more information about WEDC's mission and operations, please visit InWisconsin.com

A handwritten signature in black ink, reading "Mark R. Hogan". The signature is fluid and cursive, with the first name "Mark" and last name "Hogan" clearly legible.

Mark R. Hogan
Secretary and Chief Executive Officer

CATALYSTS OF ECONOMIC GROWTH

When a state's economic partners work together, the whole system is stronger and its output is more robust. WEDC works with more than 600 partners across the state, including regional economic development organizations, academic institutions and industry cluster leaders. WEDC's economic development strategies are built upon five key Catalysts of Growth:

STRATEGIC ECONOMIC COMPETITIVENESS



- Future Industry Strategies
- Government Relations
- Policy and Research
- State/Regional Talent and Workforce Initiatives

BUSINESS DEVELOPMENT



- Entrepreneurship and Innovation
- Export and International Trade
- Business Retention and Expansion
- Business and Investment Attraction

COMMUNITY AND ECONOMIC OPPORTUNITY



- Community Development
- Downtown Development
- Minority Business Development
- Rural Economic Development

BRAND DEVELOPMENT AND STRATEGY



- State Asset Marketing
- WEDC Program Marketing
- Events, Tradeshows and Conferences

OPERATIONAL AND FISCAL EXCELLENCE



- Information Systems and Data Management
- Budget and Finance
- Underwriting and Program Management
- Operations and Program Performance
- Legal Services, Contract, Compliance and Risk
- WEDC Talent Resources and Development

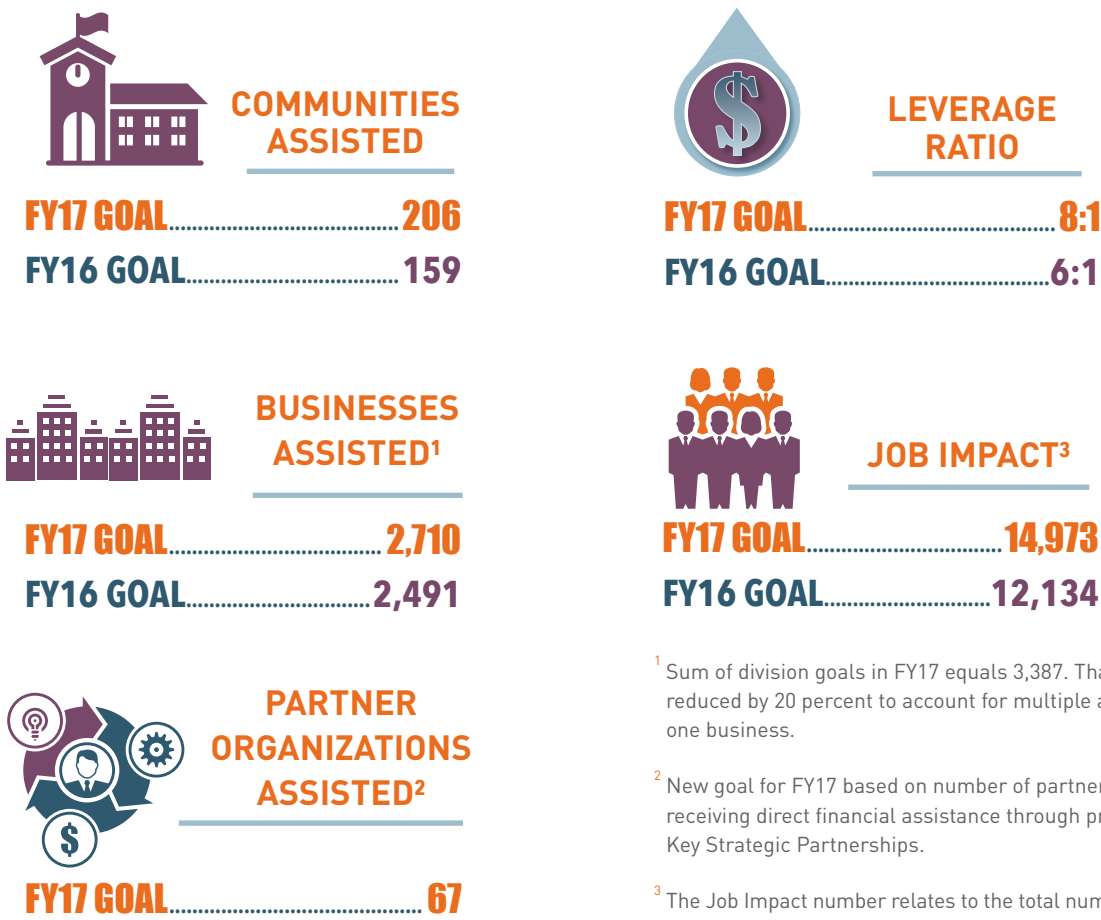
SUCCESS MEASURES

Economic development is a disciplined public service designed to remove barriers, fulfill opportunities and attract investment that would not be feasible from a financial, competitive or timing perspective without public assistance. The top criteria WEDC considers when assessing a project is the return on investment it will deliver to the state.

WEDC’s economic development initiatives range from tax credits for investments in early-stage companies to export readiness programs, industry cluster advancement strategies and downtown redevelopment financing.

Clear, real-time measurable outcomes result from funding (grants, tax credits and loans) WEDC provides to companies that make significant capital investments in Wisconsin that result in the retention or creation of jobs. But this is only part of the story.

WEDC FY17 PERFORMANCE GOALS



¹ Sum of division goals in FY17 equals 3,387. That number was reduced by 20 percent to account for multiple assistances to one business.

² New goal for FY17 based on number of partner organizations receiving direct financial assistance through programs and Key Strategic Partnerships.

³ The Job Impact number relates to the total number of jobs to be created and retained. The FY17 goal is the creation of 6,413 and retention of 8,560 jobs. The FY16 goal was the creation of 6,147 and retention of 5,987 jobs.

To balance our responsibility to protect taxpayer money with the inherent risks associated with pursuing new business development opportunities, WEDC requires significant co-investment in the majority of the initiatives we fund. It is important that we not be the sole or even the majority investor in a project. In FY17, we project a leverage ratio of 8-to-1 (\$8 of outside investment for every \$1 of WEDC funds) across all of our financial investments.

When a company spends millions of dollars on an expansion project, much of that money is pumped into the local economy through the direct purchasing of contractor services. Oftentimes, an increase in jobs in one industry will create offshoots in other industries, resulting in a jobs multiplier effect.

BUDGET OVERVIEW

What is the purpose of a budget?

The budget serves as a tool to facilitate; 1) the alignment of resources with organizational objectives, 2) governing body oversight, 3) management oversight, and 4) communication to external stakeholders about WEDC priorities and activities.

What is the process for developing and adopting the budget?

For FY17, which is the second year of the state's biennial budget, WEDC's budget process began in February after the first six months of actual results had been closed. Budget worksheets showing the previous two years' actual results, six months of current year results and the current year's budget were developed. The Finance Department, in coordination with the Human Resources Department, next calculated the salary and benefits amounts for all departments based on the current staffing levels and authorized open positions.

All department heads were responsible for completing projections for the current year by the end of February. In mid-March the executive team, which includes all department heads, met to discuss current year projections, new position requests and potential new program ideas.

Budget requests for the upcoming year were due at the end of March. Final budget decisions were made in May as updated financial projections were also being completed.

The Budget and Finance Committee then met at the end of May to review a draft of the budget and ask questions. The Budget and Finance Committee met again in June to review the final budget and recommend approval of the budget to the Board of Directors. The Board of Directors reviewed and adopted the budget at their July meeting.

How is the budget presented?

There are many ways that financial information can be presented and summarized for annual financial reporting, interim reporting and budgeting. The three most common ways are by: 1) department, 2) function, and 3) object.

Departmental reporting means that financial information is summarized by the department that controls the expenditures or that is the most knowledgeable about the costs that are incurred. This can also be thought of as operational reporting because the costs are reported along the organizational structure. The departments used by WEDC are shown below.

Much of the operational plan is organized around individual departments and each department is responsible, with oversight from Finance, for developing and monitoring their operational plan and budget requests.

WEDC Divisions/Departments

- Legal and Compliance – 1100
- Executive Office – 1200
- Entrepreneurship and Innovation – 2000
- Business and Community Development – 3000
- Business and Investment Attraction – 3500
- Sector Strategy Development – 4000
- Marketing and Brand Strategy – 5000
- Human Resources – 6100
- Finance – 6200
- Technology and Information Systems – 6300
- Credit and Risk – 6600
- International Business Development – 7000
- Office of Public Policy – 8000

Functional reporting is a nationally recognized standard way of grouping departments into larger categories to aid in the comparison between organizations. WEDC is required under generally accepted accounting standards as applied to governments to report our financial results by function in our annual financial statements. The table below shows the function that each department is grouped into for financial reporting purposes.

WEDC Division	Departments	Functions
Legal and Compliance	1100	General Administration
Executive Office	1200	
Human Resources	6100	
Finance	6200	
Technology and Information Systems	6300	
Credit and Risk	6600	
Office of Public Policy	8000	
Entrenpreunership and Innovation	2000	Economic Development
Business and Community Development	3000	
Business and Investment Attraction	3500	
Sector Strategy Development	4000	
International Business Development	7000	
Marketing and Brand Strategy	5000	Marketing
Capital related costs within any department		Capital Outlay
Principal or interest payment within any department		Debt Service

Non-governmental financial reports for service organizations typically present expenses in categories based on the nature of the expense, such as salaries, benefits, rent, supplies, or training. These natural expenses are then often grouped into larger categories for financial reporting; this is often called object level reporting. Non-profits also follow this method, often using three main objects: program/service, management and general, and fund- raising. Object level reporting is useful to show expenditures at an organization-wide level rather than by the specific department that oversees the activities. This is often a more useful way of reviewing expenditures for external stakeholders.

FY17 WEDC Object Categories

- Program grants
- Loan loss reserve
- Key strategic partners
- Promotions
- Payroll and benefits
- Operational and general
- Pass-through federal grant activity
- Capital
- Debt Service

How is the budget formally adopted?

WEDC adopts the annual budget at the departmental level. Under this method, department heads are responsible for ensuring their department as a whole stays within budget. This means that an individual department may overspend in one account as long as they underspend in another area. This allows management to track and hold department heads accountable for their spending and activities, while still providing flexibility to adjust to changing factors during the year.

While WEDC adopts the budget by department, most of our interim financial reports focus on reporting by object category. This is done because often those categories are more meaningful in how WEDC is carrying out our mission. This budget document will present information using both levels in order to facilitate understanding of how resources are allocated and how management monitors and controls spending.

The FY17 budget shows only how WEDC plans to spend new funds or funding from reserves for current year awards or operations. WEDC also has commitments and contracts made to awardees in previous years that have not been fully disbursed at the start of the budget year. The exact amount of these open commitments and contracts is not determinable until after the close of FY16. Since these awards were funded in previous years the funding is available and included in WEDC's equity position at the beginning of the budget year. The budget resolution will reaffirm authorization and funding for these existing awards as well.

How are amendments approved?

When it is determined that an individual department may need to exceed its budget in aggregate, a budget amendment will be requested and approved by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board of Directors. EXCEPTION: When it is determined that an individual department may increase program funding, using available funds from the Assigned for Program FY17 Fund Balance, a budget amendment will be requested and approved by the CEO.

When it is determined that funds may need to be transferred between departments, a budget amendment will be requested and approved by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board of Directors.

When it is determined that funds may need to be transferred within a department, but the transfers do not exceed its total budget in aggregate, a budget amendment will be requested and approved by the CEO.

FINANCIAL OVERVIEW AND BUDGET SUMMARY

The budget summary can be found on pages 22 – 26. It includes a summary by object and a summary broken out by department.

Revenue categories shown include the following:

State General Purpose Revenues (GPR) – revenues are received from the State of Wisconsin budget appropriation that were primarily collected through taxes such as individual income, sales, excise, corporate and other State of Wisconsin levied taxes.

State Economic Development Fund (SEG) – revenues that are received from the State of Wisconsin that were collected through a 3% of gross tax liability on corporations.

State Brownfield Site Assessment – revenues that are received from the State of Wisconsin that were collected through the environmental fund. These revenues are restricted for use on the Brownfield Site Assessment Grant.

Other Intergovernmental Revenues – intergovernmental revenues are those received from another level of government, including federal revenues. State GPR, SEG and Brownfield Site Assessment revenues are also forms of intergovernmental revenues. However, due to the size and importance of those revenues, they are shown separately.

Interest Income – represents interest earned on outstanding collectible loan balances, interest on investments, and market value adjustments needed to report investments at market value rather than purchase cost or face value.

Other Revenues – generally revenues that do not fall into one of the other categories above or are one-time in nature.

Expenditures are shown by object category for the organization as a whole. The following objects are used:

Program Grants – represents financial grant awards to be made during the year. This budget does not include tax or investor tax credits as WEDC does not make cash payments for these credits.

Loan Loss Reserve – this is a provision for bad debt on loans that WEDC collects. The reserve is based on outstanding loan balances by program and are evaluated for risk of non-payment at the program and individual loan level. Performance based loans are reserved at 100%.

Key Strategic Partners – represents funding for awards to other organizations that function as an extension of WEDC, such as regional economic development organizations.

Promotions – includes marketing related expenses that promote the State of Wisconsin and WEDC programs.

Payroll and Benefits – includes expenditures for salaries, wages, benefits such as health and life insurance, pension, payroll taxes, unemployment, employee recruitment and professional development.

Operations and General – includes expenditures not included in another category, such as office expense, supplies, rent, general insurance, professional services and travel.

Pass-Through Federal Grants – includes expenditures related to federal grant activity that WEDC administers that is not associated with a program activity.

Capital – under governmental accounting for general governmental activities, capital or fixed assets are reported as expenditures in the period purchased. The capital category includes one-time purchase costs such as for vehicles, software or leasehold improvements.

Debt Service – expenditures include principal and interest payments on long term debt and capital leases.

The budget summary includes FY15 actual results, projected allocated expenditures, the previous year's budget for new funds and the proposed budget. Projected allocated expenditures include accounting expenditures as well as commitments and open contracts. To better understand what this means we need to understand the award process.

Awards are encumbered as part of the fund balance when they are first approved, even though the awardee may have several years to request payment. Because of this significant time lag, it is important to understand the stages an award progresses through, from a financial perspective.

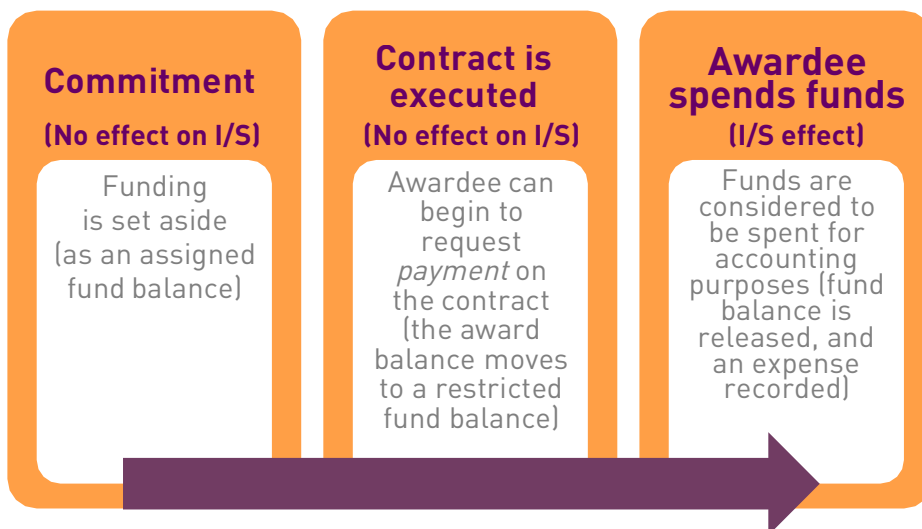
What are the stages of a grant award?

A commitment represents an award that has been fully approved through WEDC's award process. At this stage, WEDC is in the process of contracting or negotiating final contract terms with the awardee. We expect that the majority of our commitments will become contracts in the near term. Once a commitment has been made we set funding aside in the fund balance to satisfy the commitment.

Once the contract has been fully executed (signed) by the awardee and WEDC, it is considered to be contracted. The awardee can begin requesting payment under the terms of the award at this stage. Payments on contracts are called expenditures, or draws for loans. Oftentimes the entire award is not paid out all at one time. The remaining unpaid balance on a contract is called the open contract or award balance and remains as a set aside in the fund balance.

In summary, for financial accounting purposes only the amounts that have been paid on an award grant are considered to be expended. However, WEDC sets funds aside in its fund balance for an award once we have made the commitment to the awardee. The graphic below summarizes these ideas:

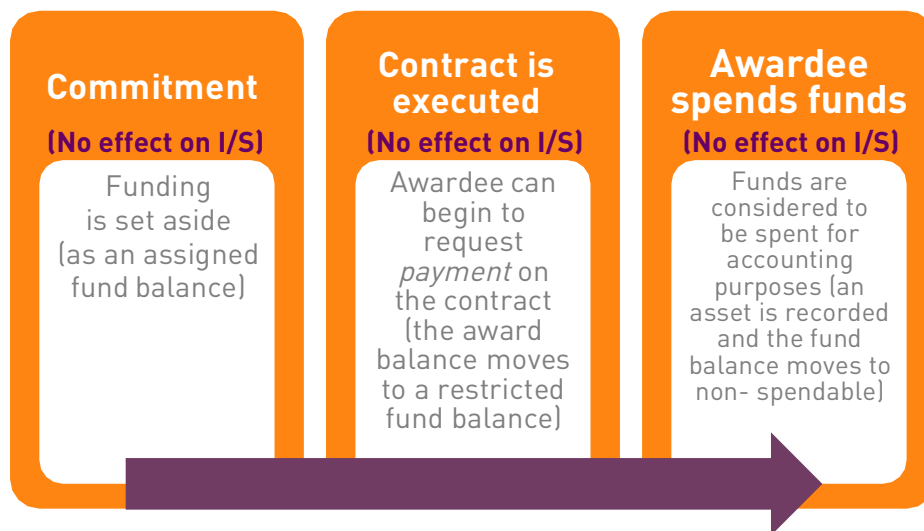
STAGES OF A GRANT AWARD



What are the stages of a loan award?

The awarding of loans represents a commitment, then a contract, just like program grants. Both of those processes represent a financial transaction because funding is set aside in the fund balance when a commitment is made. Once a loan is drawn by the awardee, it becomes an asset to WEDC. It is also reserved as a long-term receivable as part of the non-spendable fund balance. Similarly, when WEDC receives payments back from an awardee on a loan, the principal repayment is not considered to be a revenue. Instead, this is considered to be a reduction of the loan asset and a reduction of the non-spendable fund balance.

STAGES OF A LOAN AWARD



In summary, while loan draws do not result in expenditures and repayments do not result in revenues, they do represent the use or receipt of financial resources and accordingly do have an impact on the composition of WEDC's fund balance. Loan draws increase the nonspendable category of fund balance, while loan repayments decrease the nonspendable category. Fund balance can be thought of as WEDC's equity position. The specifics of the various categories of fund balance are described below, and all of the categories of fund balance used by WEDC are shown on the budget summary.

In order for WEDC to best manage our financial position, including understanding the commitments, open contracts and loans that have been made, WEDC focuses on fund balance.

What are the categories of fund balance?

Non-spendable – used for amounts that cannot be spent, such as prepaid expenses, and long-term receivables.

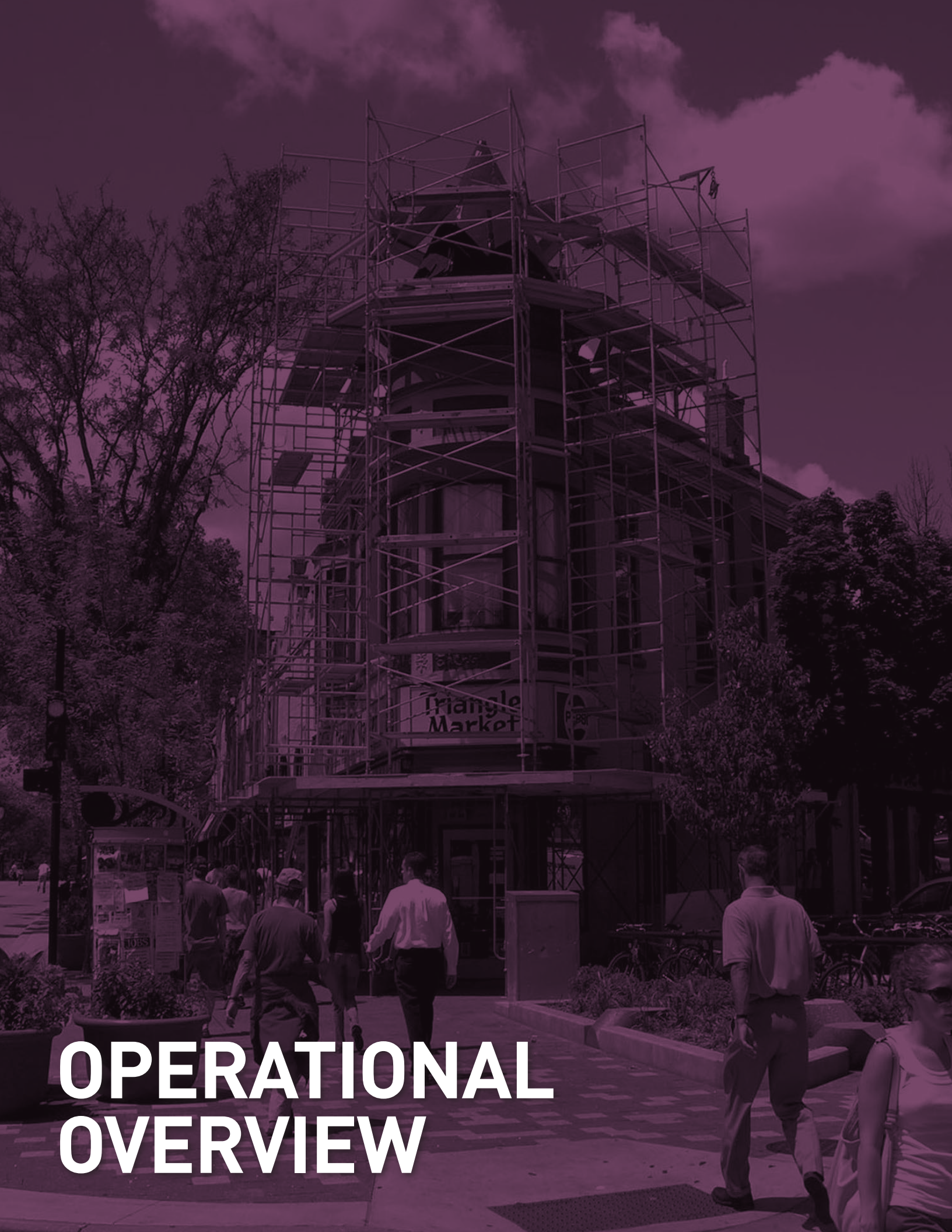
The majority of WEDC's non-spendable fund balance represents outstanding loan balances. Once an awardee has drawn on a loan, that amount is added to non-spendable fund balance.

Restricted – unspent funds with third party constraints on their use, including open award contracts. WEDC also receives Brownfield Site Assessment and State Small Business Credit Initiative (SSBCI) funding which can only be spent on those specified programs.

Assigned – these are amounts that are intended to be used for a specific purpose. Amounts included in the assigned category on the budget summary include funds set aside for:

- open commitments,
- outstanding loan guarantees,
- estimated amount owed to the State for a long-term note payable incurred under the Department of Commerce for pension obligation, and
- other amounts expected to be used in the next year's budget, excluding open contracts and commitments, if any.

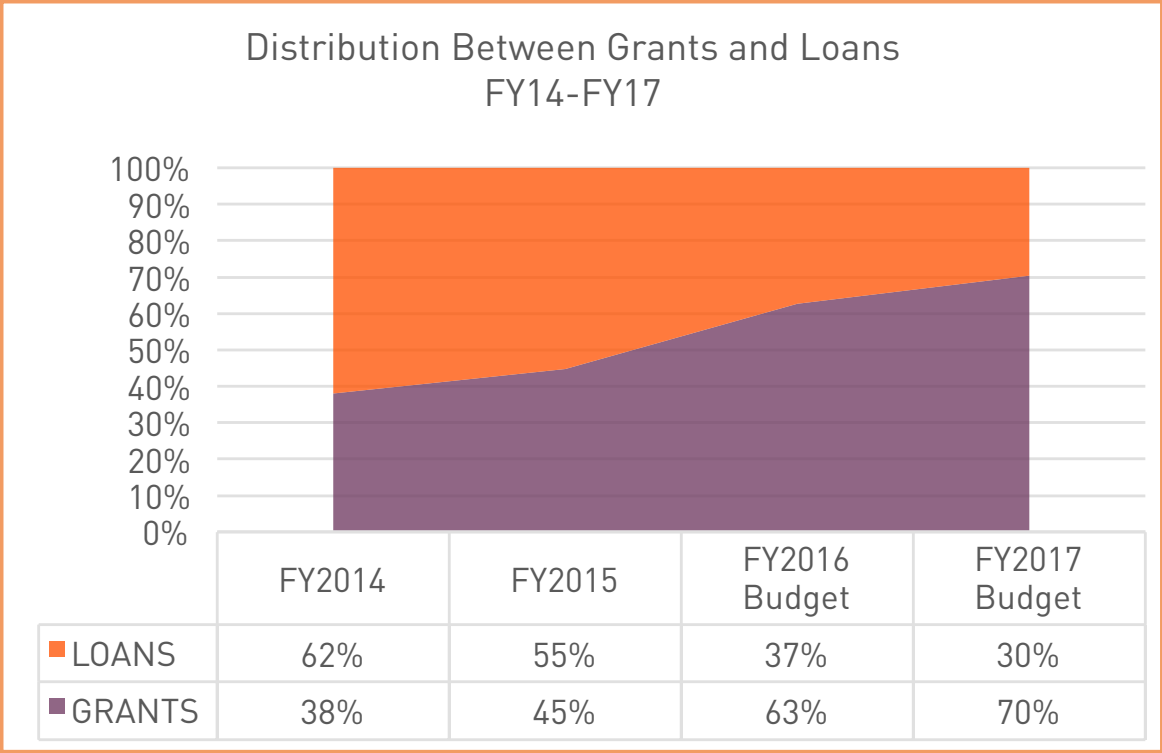
Unassigned – any remaining equity after all other categories have been calculated. WEDC targets unassigned fund balance to be 2 months of operating expenditures.



OPERATIONAL OVERVIEW

OVERVIEW OF PROGRAMS

The budget summary provides a good overview of WEDC’s budget request and the impact of the budget on WEDC’s overall financial position. The following page is intended to provide more detail on the economic development programs that are included in the FY17 budget. The first section lists the program grants, which match the amounts included on the budget summary for program grants. These are followed by the loan programs which are not considered to be expenditures, but are assets to WEDC, so they are not included in the budget summary directly.



WEDC's award programs are designed to align with WEDC's Strategic Pillars. Following the Program Grants and Loans schedule is a brief description of each program including the strategic objective it supports and advances.

The chart above shows the distribution between program grants and loans for FY14 through the proposed budget. Significant programmatic budget changes are as follows:

Brownfield Grants – The grant program budget is decreasing by \$600,000, from \$4,100,000 in FY16 to \$3,500,000 in FY17. The FY16 budget was amended from \$3,500,000 to \$4,100,000 in May 2016 to accommodate for additional demand. The reduction for FY17 brings the funding for Brownfields back to original FY16 budget levels.

Capital Catalyst Program – The grant program budget is decreasing by \$265,000, from \$1,765,000 in FY16 to \$1,500,000 in FY17. This decrease is allowing for the creation of a new Capacity Building Grant pilot program for Entrepreneurship Support

Capacity Building – Entrepreneurship Support Grant – This new pilot competitive grant program is receiving \$500,000 in FY17 to support organizations that provide key services to entrepreneurs or emerging companies which enhance the ability for emerging companies to succeed or grow in the State of Wisconsin.

Targeted Industry Projects Grants – The grant program budget is increasing by \$1,400,000, from \$2,600,000 in FY16 to \$4,000,000 in FY17. The increase in funding will incent new centers of excellence in the Aerospace & Aviation, Advanced Composites, and Food & Beverage industry sectors.

Workforce Training Grants – The grant program is increasing by \$550,000, from \$450,000 in FY16 to \$1,000,000 in FY 17. The increase in funding is expected to help companies expand and maintain manufacturing jobs in the State of Wisconsin.

Business Opportunity Loan Fund – The loan program budget is decreasing by \$2,950,000, from \$7,950,000 in FY16 to \$5,000,000 in FY17.

Special Project Loan Fund – The loan program is not being funded in FY17, resulting in a decrease from its FY16 budget of \$500,000.

FINANCIAL OVERVIEW

The section of this document focuses on the consolidated information of WEDC, and includes the following information:

1. Revenue and Expenditures by Object
2. Revenue and Expenditures by Department
3. Program Grant and Loan Allocations
4. Further Expenditure Breakout of Expenses by Department

Individual department budgets are also further presented and discussed within the departmental operations plan.

The discussion of the changes below follows the **Revenue and Expenditures by Object** format:

Revenues – Increasing \$5.6 million (17%) from FY16. The primary changes are:

- \$5.5 million in additional state funding, as approved in the biannual state budget.
- \$0.2 million in additional investment income, resulting from a projected increase in short-term interest rates in FY17 and the extension of the average duration of the investment portfolio.

Expenditures – Decreasing \$0.4 million (1%) from FY16. The primary changes by expense category are:

Program Grants – Increasing \$0.7 million (3%)

- Targeted Industry Project (TIP) Grant Program will be receiving \$1.4 million in additional program allocation to implement and fund 4 new Centers of Excellence.
- Workforce Training Grant (WTG) Program will be receiving \$0.6 million in additional program allocation in FY17 to help companies expand and retain manufacturing jobs.
- Brownfield Grant (BF) Program and Small Business Innovation Research (SBIR) Grant Program received additional funding in FY16 as part of the FY16 Amended Budget. These increases were not carried over into FY17, resulting in a reduction in those programs of (\$0.6 million) and (\$0.3 million) respectively.
- Capital Catalyst (CC) program was reduced by \$0.3 million in order to help offset the cost of a new Capacity Building (CB) Grant pilot program for entrepreneurship support of \$0.5 million.

Program Loans – Decreasing by \$3.5 million (27%) due to the statutory program cap

- Loan activity does not directly affect budgeted expenditures, other than through the loan loss reserve. However, the combination of program grants and loans activity does represent the total direct economic development activity using WEDC revenues.

Loan Loss Reserve Expense – Decreasing \$2.9 million (42%)

- Will be broken out by “collectible” and “performance-based” loan portfolios for FY17 budget.
- The performance-based loan reserve expense is based on total originations for FY17, as we reserve 100% of the performance-based loan balance.
- The collectible loan reserve expense is based on new origination activity and a risk-based approach for determining the reserve on the current portfolio.

Key Strategic Partners – Increasing \$25,000 (1%)

- Additional funds will be allocated to regional economic development organizations (REDOs).

Marketing/Promotions – Increasing \$0.1 million (4%)

- Additional marketing and promotional expenses.

Payroll – Increasing \$0.6 million (6%)

- Assumptions for FY17
 - Staffing levels in FY17 to remain level.
 - In FY16 WEDC added FTE positions related to back office compliance and quality assurance support.
 - Includes merit and equity adjustments, and increases in health insurance premiums.

Operations and General – Increasing \$0.7 million (16%)

- \$0.4 million (10%) in IT-related expenses for WEDC's data system integration project and to replace network equipment for its security infrastructure.
- Remaining increases in Operating and General Expense results in a \$0.3 million (6%) increase from FY16.

Pass-through federal grant expenditures

- Increasing \$0.4 million. WEDC received a federal grant from the Department of Defense in FY16. \$0.4 million has been budgeted to be spent in FY17. The offsetting revenue to be received has also been budgeted for.

Capital and Debt Service – Increasing \$44,000 (62%)

- \$40,000 for the replacement of two fleet vehicles.

Fund Balance

- In order to achieve a balanced budget, WEDC will need to use \$10.8 million of our current fund balance.
- The effect of using fund balance on the "Assigned for Programs FYXX" will be to reduce the available balance from \$21.6 million at the end of FY15 to \$7.9 million at the end of FY17.

	TOTAL FUND BALANCE	ASSIGNED FOR PROGRAMS
FY15 Actual	\$123.6 million	\$21.6 million
FY16 Estimate	\$106.8 million	\$18.3 million
FY17 Budget	\$ 96.0 million	\$ 7.9 million

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary - By Object

	FY 15 Actual	FY16 Projected Cash Disbursed	FY16 Budget Original	FY16 Budget Amended	FY17 Budget Proposed	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
Revenues							
State General Purpose Revenue	\$ 36,524,400	\$ 6,974,700	\$ 6,974,700	\$ 6,974,700	\$ 12,474,700	\$ 5,500,000	79%
State Economic Development Fund (SEG)	21,776,300	21,776,000	21,776,000	21,776,000	21,776,000	-	0%
State Brownfield Site Assessment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	0%
Other Intergovernmental Revenue	1,499,955	2,281,000	2,020,000	2,281,000	2,357,600	76,600	3%
Interest on Loans	1,352,399	1,000,000	1,300,000	1,000,000	1,000,000	-	0%
Charges for services	181,154	245,500	218,000	245,500	205,000	(40,500)	-16%
Interest on Investments	309,471	150,000	5,000	150,000	350,000	200,000	133%
Other Revenues	318,312	264,073	252,750	264,073	100,950	(163,123)	-62%
Total Revenues	\$ 62,961,992	\$ 33,691,273	\$ 33,546,450	\$ 33,691,273	\$ 39,264,250	\$ 5,572,977	17%
Expenditures							
Program Grants	12,488,131	18,917,401	16,015,000	21,719,441	22,392,600	(673,159)	-3%
Loan loss reserve - Collectible	402,961	4,096,912	3,500,000	4,096,912	2,575,000	1,521,912	37%
Loan loss reserve - Performance Based	2,461,882	2,950,041	-	2,950,041	1,500,000	1,450,041	49%
Key Strategic Partners	4,227,536	3,590,000	3,585,000	3,590,000	3,615,000	(25,000)	-1%
Promotions	4,538,552	3,360,577	3,104,097	3,360,577	3,478,719	(118,142)	-4%
Payroll and Benefits	9,406,546	10,065,575	9,994,911	10,065,575	10,671,170	(605,595)	-6%
Operations and General	3,564,206	4,456,431	4,477,052	4,456,431	5,173,363	(716,933)	-16%
Pass-through federal grant expenditures	-	-	-	-	435,000	(435,000)	0%
Capital	145,824	71,000	86,812	71,000	115,000	(44,000)	-62%
Debt Service	203,687	117,000	117,000	117,000	117,000	-	0%
Total Expenditures	37,439,325	47,624,937	40,879,872	50,426,977	50,072,852	354,125	1%
Net Change in Fund Balance	25,522,666	(13,933,664)	(7,333,422)	(16,735,702)	(10,808,602)		
Beginning Fund Balance	98,050,532	123,573,198	123,573,198	123,573,198	106,837,496	-	0%
Ending Fund Balance	\$ 123,573,198	\$ 109,639,534	\$ 116,239,776	\$ 106,837,496	\$ 96,028,894	(10,808,602)	-10%
Projected Ending Fund Balance Composition							
Nonspendable	42,556,241			43,598,518	40,168,552		
Restricted	33,799,765			23,596,704	32,935,186		
Assigned							
Loan Guarantees	639,463			854,556	611,440		
Note Payable to State of Wisconsin	2,102,329			2,102,329	2,102,329		
Open Contracts and Commitments	20,843,203			15,398,315	8,979,470		
Programs FYXX	21,595,268			18,275,310	7,972,709		
Unassigned	2,036,929			3,011,764	3,259,209		
Total	\$ 123,573,198			\$ 106,837,496	\$ 96,028,894		

Wisconsin Economic Development Corporation
Budget Summary - by Department

	FY 15 Actual	FY16 Projected Cash Disbursed	FY16 Budget Original	FY16 Budget Amended	FY17 Budget Proposed	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
Revenues							
State General Purpose Revenue	\$ 36,524,400	\$ 6,974,700	\$ 6,974,700	\$ 6,974,700	\$ 12,474,700	\$ 5,500,000	79%
State Economic Development Fund (SEG)	21,776,300	21,776,000	21,776,000	21,776,000	21,776,000	-	0%
State Brownfield Site Assessment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	0%
Other Intergovernmental Revenue	1,499,955	2,281,000	2,020,000	2,281,000	2,357,600	76,600	3%
Interest on Loans	1,352,399	1,000,000	1,300,000	1,000,000	1,000,000	-	0%
Charges for services	181,154	245,500	218,000	245,500	205,000	(40,500)	-16%
Interest on Investments	309,471	150,000	5,000	150,000	350,000	200,000	133%
Other Revenues	318,312	264,073	252,750	264,073	100,950	(163,123)	-62%
Total Revenues	\$ 62,961,992	\$ 33,691,273	\$ 33,546,450	\$ 33,691,273	\$ 39,264,250	\$ 5,572,977	17%
Expenditures							
Operational Divisions							
Sector Strategy Development - 4000	\$ 4,442,166	\$ 4,665,778	\$ 5,353,907	\$ 6,387,755	\$ 7,097,949	\$ (710,194)	-11%
Business & Community Development - 3000	12,713,156	21,780,327	14,308,053	20,061,815	18,158,546	1,903,269	9%
Entrepreneurship & Innovation - 2000	5,836,793	6,041,255	6,821,915	8,470,038	7,396,866	1,073,172	13%
International Business Development - 7000	2,021,902	3,351,537	3,028,092	3,721,329	3,486,515	234,814	6%
Marketing & Communications - 5000	5,342,498	4,063,483	3,836,605	4,063,483	4,158,825	(95,342)	-2%
Executive Office - 1200	880,709	1,376,454	1,226,323	1,376,454	1,772,347	(395,893)	-29%
Business & Investment Attraction - 3500	-	-	-	-	964,583	(964,583)	0%
Credit and Risk - 6600	1,209,116	1,121,784	1,241,484	1,121,784	1,015,109	106,675	10%
Finance - 6200	1,004,482	877,958	1,016,337	877,958	899,502	(21,544)	-2%
Human Resources - 6100	990,006	1,132,471	1,159,385	1,132,471	1,248,104	(115,633)	-10%
Technology & Information Systems - 6300	1,950,930	1,934,058	1,965,139	1,934,058	2,378,810	(444,752)	-23%
Legal Services - 1100	758,130	806,881	800,258	806,881	980,415	(173,534)	-22%
Office of Public Policy - 8000	289,403	472,951	322,375	472,951	515,281	(42,330)	-9%
Total Expenditures	\$ 37,439,290	\$ 47,624,937	\$ 40,879,873	\$ 50,426,977	\$ 50,072,852	\$ 354,125	1%
Net Change in Fund Balance	25,522,702	(13,933,664)	(7,333,423)	(16,735,702)	(10,808,602)		
Beginning Fund Balance	98,050,496	123,573,198	123,573,198	123,573,198	106,837,496		
Ending Fund Balance	\$ 123,573,198	\$ 109,639,533	\$ 116,239,775	\$ 106,837,496	\$ 96,028,894	\$ (10,808,602)	0%
Projected Ending Fund Balance Composition							
Nonspendable	42,556,241			43,598,518	40,168,552		
Restricted	33,799,765			23,596,704	32,935,186		
Assigned	45,180,263			36,630,510	19,665,947		
Unassigned	2,036,929			3,011,764	3,259,209		
Total	\$ 123,573,198			\$ 106,837,496	\$ 96,028,894		

Wisconsin Economic Development Corporation
Program Grants and Loans

Div.	Account No. and Name	FY 15 Actual	FY16 Budget Original	FY16 Budget Amended	FY17 Budget Proposed	Variance Favorable (Unfavorable)	Amended New Funds % Chg
Program Grants							
2000	6630 - Seed Accelerator	\$ 989,250	\$ 1,000,000	\$ 1,235,000	\$ 1,000,000	\$ 235,000	24%
2000	6646 - Entrepreneurial Micro-Grant	176,660	175,000	225,000	200,000	25,000	11%
2000	6650 - Capital Catalyst	1,296,900	2,000,000	1,765,000	1,500,000	265,000	15%
2000	6731 - SBIR/STTR Matching Grant	750,000	1,000,000	1,275,000	1,000,000	275,000	22%
2000	6756 - Business Incubator	-	250,000	250,000	-	250,000	100%
2000	6600.1 Capacity Building Grants - E&I	-	-	550,000	500,000	(500,000)	0%
3000	6600 - Capacity Building Grants - BCD	283,253	550,000	550,000	500,000	50,000	9%
3000	6620 - Workforce Training Grants	154,889	-	450,000	1,000,000	(550,000)	-122%
3000	6670 - Minority Business Development	-	-	-	750,000	(750,000)	0%
3000	6680 - Community Development Investment Grant	2,287,329	1,500,000	2,850,000	3,000,000	(150,000)	-5%
3000	6710 - Site Assessment Grants	667,186	1,000,000	1,150,000	1,000,000	150,000	13%
3000	6720 - Brownfield Grants	2,075,495	3,500,000	4,100,000	3,500,000	600,000	15%
3000	6725 - Idle Sites Redevelopment	1,525,916	1,000,000	2,300,000	2,300,000	-	0%
4000	6640 - Targeted Industry Project Grants	1,278,271	1,850,000	2,600,000	4,000,000	(1,400,000)	-54%
4000	6670 - Minority Business Development	525,000	400,000	575,000	-	575,000	100%
4000	6755 - Fabrication Laboratories	-	500,000	601,841	500,000	101,841	17%
7000	6655 - ExportTech	37,000	90,000	210,000	210,000	-	0%
7000	6665 - Global Business Development Grants	440,982	1,200,000	1,200,000	1,200,000	-	0%
7000	6665.4 - International Market Access Grant - STEP	-	-	382,600	232,600	150,000	39%
Total Program Grants		\$ 12,488,131	\$ 16,015,000	\$ 21,719,441	\$ 22,392,600	\$ (673,159)	-3%
Loans							
2000	11xx - Technology Development Loans--State	2,251,080	3,000,000	3,000,000	3,000,000	-	0%
2000	11xx - Technology Development Loans--SSBCI	1,000,000	1,500,000	1,524,000	1,500,000	24,000	2%
3000	11xx - Business Opportunity Loan Fund	11,698,428	9,000,000	7,950,000	5,000,000	2,950,000	37%
3000	11xx - Special Project Loan Fund	500,000	1,000,000	500,000	-	500,000	100%
Total Loans Gross		15,449,508	14,500,000	12,974,000	9,500,000	3,474,000	27%
Less: Expected Loan Repayments		(5,533,358)	(5,700,000)	(8,917,867)	(6,103,876)	(2,813,991)	32%
Less: Loan Loss Reserve in Expenditures		(2,864,843)	(3,500,000)	(7,046,953)	(4,075,000)	(2,971,953)	42%
Net Funding for Loans		7,051,307	5,300,000	(2,990,820)	(678,876)	(2,311,944)	77%
Total Direct Economic Development		\$ 27,937,639	\$ 30,515,000	\$ 34,693,441	\$ 31,892,600	\$ 2,800,841	

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
Appropriation by Object - with Department Detail

	FY 15 Actual	FY16 Budget Original	FY16 Budget Amended	FY17 Budget Proposed	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
Programs						
Entrepreneurship & Innovation - 2000	\$ 3,212,810	\$ 4,425,000	\$ 4,750,000	\$ 4,200,000	\$ 550,000	12%
Business & Community Development - 3000	6,994,068	7,550,000	11,400,000	12,050,000	(650,000)	-6%
Sector Strategy Development - 4000	1,803,271	2,750,000	3,776,841	4,500,000	(723,159)	-19%
International Business Development - 7000	477,982	1,290,000	1,792,600	1,642,600	150,000	8%
Total Programs	12,488,131	16,015,000	21,719,441	22,392,600	(673,159)	-3%
Partnerships						
Entrepreneurship & Innovation - 2000	1,500,000	1,275,000	1,275,000	1,250,000	25,000	2%
Business & Community Development - 3000	789,334	450,000	450,000	805,000	(355,000)	-79%
Sector Strategy Development - 4000	1,554,036	1,550,000	1,555,000	1,250,000	305,000	20%
International Business Development - 7000	384,166	310,000	310,000	310,000	-	0%
Total Partnerships	4,227,536	3,585,000	3,590,000	3,615,000	(25,000)	-1%
Loan Loss Reserve						
Entrepreneurship & Innovation - 2000	503,193	350,000	1,886,338	1,400,000	486,338	26%
Business & Community Development - 3000	2,361,650	3,150,000	5,160,615	2,675,000	2,485,615	48%
Total Loan Loss Reserve	2,864,843	3,500,000	7,046,953	4,075,000	2,971,953	42%
Marketing & Communications - 5000	4,538,552	3,104,097	3,360,577	3,478,719	(118,142)	-4%
Payroll and Benefits						
Legal Services - 1100	657,242	669,810	709,413	865,584	(156,171)	-22%
Executive Office - 1200	668,422	839,323	1,005,254	1,420,647	(415,393)	-41%
Entrepreneurship & Innovation - 2000	491,200	519,616	508,350	510,166	(1,816)	0%
Business & Community Development - 3000	2,251,045	2,325,553	2,360,149	2,057,546	302,603	13%
Business & Investment Attraction - 3500	-	-	-	440,860	(440,860)	0%
Sector Strategy Development - 4000	846,004	813,207	820,214	768,749	51,465	6%
Marketing & Communications - 5000	718,896	732,508	702,906	680,106	22,800	3%
Human Resources - 6100	374,281	453,678	422,556	470,529	(47,973)	-11%
Finance - 6200	634,781	674,837	542,958	495,492	47,466	9%
Technology & Information Systems - 6300	644,099	733,671	646,622	694,598	(47,976)	-7%
Credit and Risk - 6600	1,195,033	1,211,683	1,104,084	996,859	107,225	10%
International Business Development - 7000	649,172	715,849	788,843	779,003	9,840	1%
Office of Public Policy - 8000	276,371	305,175	454,226	491,031	(36,805)	-8%
Total Payroll and Benefits	9,406,546	9,994,910	10,065,575	10,671,170	(605,595)	-6%

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
Appropriation by Object - with Department Detail

	FY 15 Actual	FY16 Budget Original	FY16 Budget Amended	FY17 Budget Proposed	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
Operations and General						
Legal Services - 1100	100,888	130,448	97,468	114,831	(17,363)	-18%
Executive Office - 1200	212,287	387,000	371,200	351,700	19,500	5%
Entrepreneurship & Innovation - 2000	129,590	52,300	50,350	36,700	13,650	27%
Business & Community Development - 3000	317,060	832,500	691,051	571,000	120,051	17%
Business & Investment Attraction - 3500	-	-	-	523,723	(523,723)	0%
Sector Strategy Development - 4000	238,856	240,700	235,700	144,200	91,500	39%
Human Resources - 6100	580,399	618,895	638,915	702,575	(63,661)	-10%
Finance - 6200	197,713	224,500	218,000	247,010	(29,010)	-13%
Technology & Information Systems - 6300	1,249,684	1,231,466	1,287,436	1,684,212	(396,776)	-31%
Credit and Risk - 6600	14,082	29,800	17,700	18,250	(550)	-3%
International Business Development - 7000	510,582	712,243	829,886	754,912	74,974	9%
Office of Public Policy - 8000	13,032	17,200	18,725	24,250	(5,525)	-30%
Total Operation and General	3,564,171	4,477,052	4,456,431	5,173,363	(716,933)	-16%
Pass-through federal grant expenditures	-	-	-	435,000	(435,000)	0%
Capital						
Finance - 6200	-	-	-	40,000	-	0%
Business & Community Development - 3000	-	-	-	-	-	0%
Marketing & Communications - 5000	85,050	-	-	-	-	0%
Human Resources - 6100	35,327	86,812	71,000	75,000	(4,000)	-6%
Technology & Information Systems - 6300	25,448	-	-	-	-	0%
Total Capital	145,824	86,812	71,000	115,000	(44,000)	-62%
Debt Service						
Finance - 6200	171,988	117,000	117,000	117,000	-	0%
Technology & Information Systems - 6300	31,699	-	-	-	-	0%
	203,687	117,000	117,000	117,000	-	0%
Total	\$ 37,439,290	\$ 40,879,871	\$ 50,426,977	\$ 49,637,852	\$ 789,125	2%



**EXECUTIVE
OFFICE**

EXECUTIVE OFFICE

MISSION

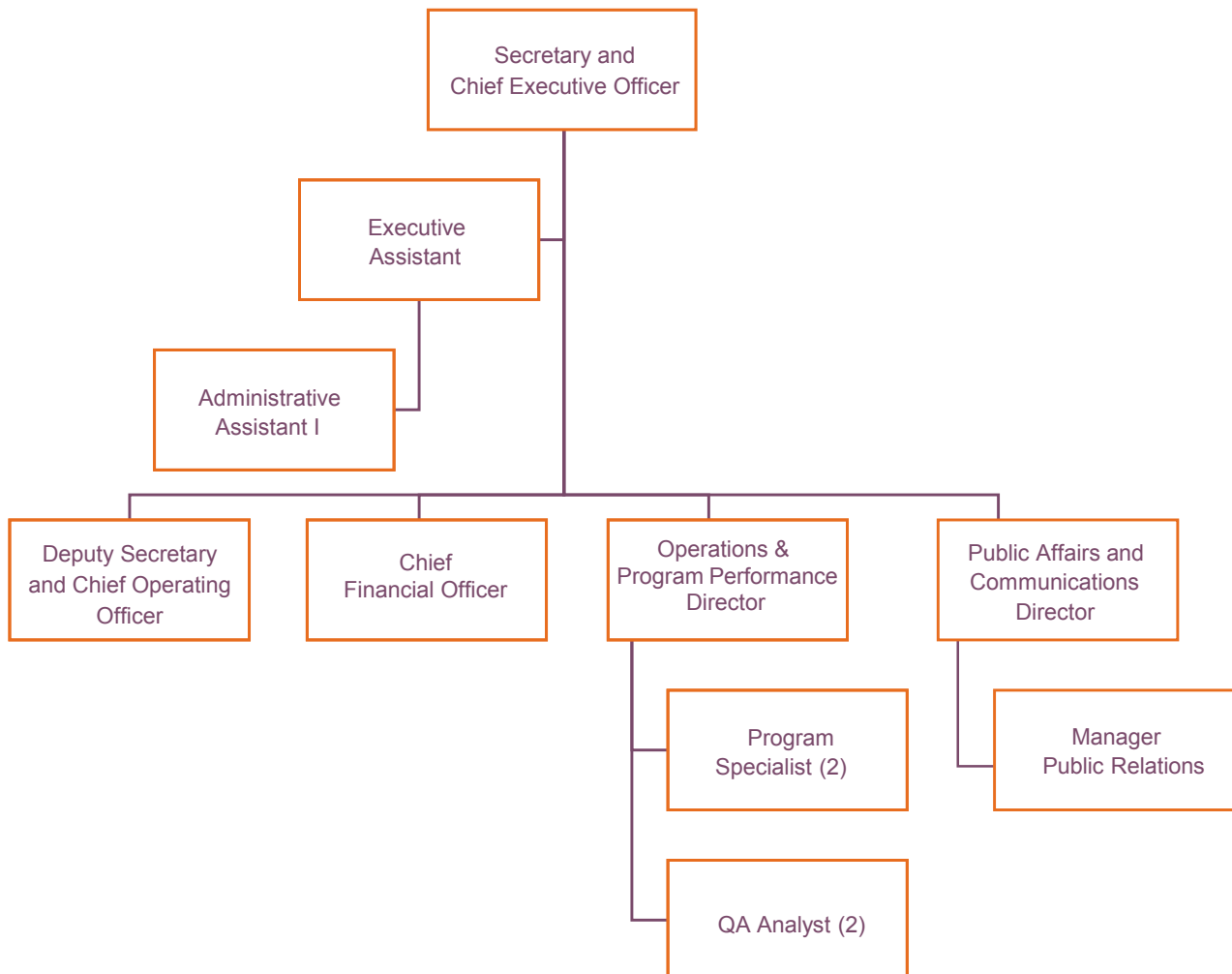
WEDC's mission is to advance and maximize opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive economy.

GOALS

The Executive Office has six goals:

- Work with and support the Board of Directors to set long-term and annual economic development strategies and goals and to ensure oversight and compliance with statute and policy.
- Develop and manage the Strategic Plan, which communicates and supports the strategic goals and objectives for senior leadership and which ensures outcomes and benchmarks are met.
- Coordinate WEDC strategies and communication with State of Wisconsin leadership (Governor and Legislature).
- Manage external stakeholder relations.
- Recommend innovative economic development policy initiatives for Governor and Legislature.

STAFFING



OPERATIONS AND PROGRAM PERFORMANCE

GOALS

The Operations and Program Performance Department has three goals:

- Reach and maintain high levels of awards administration data quality.
- Facilitate program administration in an efficient and customer-oriented manner.
- Align data and reporting requirements with the strategic and operational needs of WEDC.

ADMINISTRATIVE OVERSIGHT

The Operations and Program Performance Department is responsible for the monitoring and oversight of system data generated from the awards administration process. This department will monitor and communicate the status of our data, in the aggregate as well as data field reconciliations, and will report findings and results to management, both implementing the appropriate controls within department and recommending controls external to the department. This department will also have subject matter experts on program and award administration. Staff will be an internal resource to ensure consistency among divisions and ensure consistent administration of awards.

STAFFING

Director – Reports to the CEO. Oversees performance reporting compliance and manages collections; responsible for evaluating and managing process risk.

Quality Assurance Analyst – Performs quality assurance, quality control, inspection and audit of existing documentation and processes to reach a high level of accuracy within the critically defined data set. Assists in redefining and documenting processes, performs staff training, creates of training documentation and tracks results.

Program Specialist – Performs collections on performance reports, SOEs and loans. Ensures appropriate follow-up to ensure completed data on performance reports and that the system is consistent with results. Maintains forms and reports—specifically, performance reports and collections reporting. Assists with program guideline development and alignment with organizational process.

KEY STRATEGIC INITIATIVES

- Awardee reporting process improvement.
- Develop baseline for monitoring process.
- Implement post-contracting packet.

PUBLIC AFFAIRS

GOALS

The Public Affairs Department has four goals:

- Strategically promote the programs and initiatives that showcase the broad spectrum of work done at WEDC.
- Collaborate with businesses and communities to host events that showcase our completed or upcoming economic development projects.
- Assist WEDC to build relationships with legislators, other state agencies and local economic development organizations so they are more aware of the work we do to impact their area.
- Respond to inquiries about WEDC's operations in a timely and accurate fashion.

ADMINISTRATIVE OVERSIGHT

The Public Affairs Department is the front line for questions received from the media, and seeks opportunities to promote WEDC's projects. This division works collaboratively with all of WEDC to help promote, host and respond to questions about the work being done at WEDC. The department works especially close with the executive office, the Office of Public Policy and the marketing team to ensure that WEDC's message is being strategically and thoroughly distributed throughout the state.

STAFFING

Director – Reports to the CEO. Works across divisions to strategically identify, communicate and promote WEDC's accomplishments.

Public Relations Manager - Develops and delivers strategic communications that build core organizational messages relating to the economic development work being done in the state of Wisconsin; identifies communications opportunities, fosters and maintains strong contacts within stakeholder groups, and coordinates media events and public appearances.

KEY STRATEGIC INITIATIVES

- Develop methods to communicate the successful results of past awards and programs.
- Align WEDC's communications with the broader definition of economic development.
- Promote WEDC's efforts to continuously improve our customer service and operations.
- Promote WEDC's key partnerships, such as talent attraction initiatives and the work we do with the University of Wisconsin System and WWBIC.

UW SYSTEM ECONOMIC DEVELOPMENT LIAISON

GOALS

The Office of Economic Development liaison, a shared function of WEDC and the UW System, has three goals:

- Foster increased UW System connection with current and prospective Wisconsin businesses.
- Accelerate entrepreneurship, tech transfer and commercialization of university research.
- Support and encourage “Triple Helix” collaborations of university, government and business initiatives to develop a stronger workforce, build communities and foster job creation.

ADMINISTRATIVE OVERSIGHT

The UW System is one of Wisconsin’s largest economic development assets. The liaison role represents a vital partnership for identifying and coordinating linkages between the UW System and WEDC’s strategies of targeted business and industry development, entrepreneurial growth, international business development and job creation. We believe this jointly funded position is unique within university/government collaborations across the nation. A core function of this role is to work in close collaboration with WEDC leadership, with the UW System Board of Regents, and with internal and statewide networks in order to leverage UW System resources in support of WEDC’s economic and business development initiatives.

STAFFING

Associate Vice President of Economic Development - Reports to the CEO. Responsible for leading the planning and implementation of initiatives and programs to leverage the University of Wisconsin System’s economic development assets in order to drive statewide business development and growth.

KEY STRATEGIC INITIATIVES

- Expand student access to entrepreneurial/career development opportunities and experiences.
- Explore and launch additional seed fund/match grant programs to support commercialization.
- Review and assess research, technology and innovation assets and roadblocks.

BUDGET NOTES – EXECUTIVE OFFICE

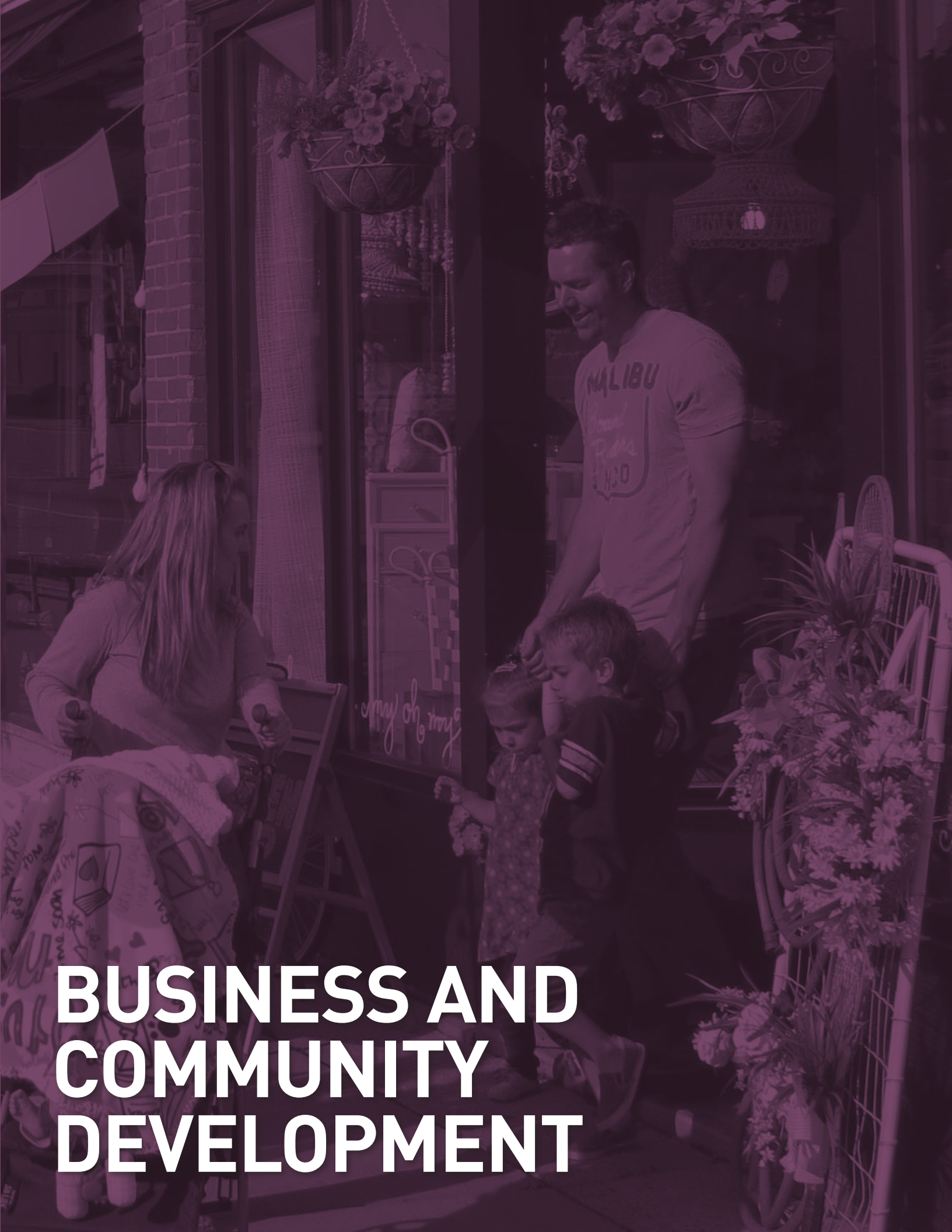
Significant changes between the FY16 and FY17 budget include:

- Payroll and benefits increase due to moving five employees from Credit and Risk, creating the Operations and Program Performance team, and moving the CFO from Finance to the Executive Office

**Wisconsin Economic Development Corporation
Detailed Budget Worksheet**

Executive Office - 1200

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Revenues					
4043 - Revenue - SKILLS Admin	\$ 151,369	\$ -	\$ -	\$ -	0.0%
4110 - State GPR Funds	36,524,400	6,974,700	6,974,700	12,474,700	78.9%
4120 - State SEG Funds	21,776,300	21,776,000	21,776,000	21,776,000	0.0%
4170 - Revenue - Other Income	1,412	-	-	-	0.0%
Total	58,453,480	28,750,700	28,750,700	34,250,700	19.1%
Expenditures					
Payroll and Benefits					
6000 - Benefits - Health Insurance	70,501	62,177	124,966	180,411	44.4%
6010 - Benefits - Life Insurance	259	97	263	491	86.7%
6015 - Benefits - Retirement	34,645	35,821	47,857	67,447	40.9%
6020 - Benefits - Payroll Taxes	34,737	39,715	51,162	78,179	52.8%
6040 - Merit/Incentives	2,625	172,822	30,000	74,181	147.3%
6045 - Employee Recruitment	68	-	-	-	0.0%
6050 - Compensation - Salary	515,549	519,141	741,456	999,938	34.9%
6055 - Professional Development	10,037	9,550	9,550	20,000	109.4%
Total Payroll and Benefits	668,422	839,323	1,005,254	1,420,647	41.3%
Operating and General					
5400 - Extended Enterprise	49,124	-	-	-	0.0%
6120 - Office Expense - Other	21,061	9,000	25,000	25,000	0.0%
6200 - Professional Fees - Consulting Fees	79,174	275,000	275,000	255,000	-7.3%
6245 - Dues, Subscriptions and Memberships	3,402	4,200	4,200	4,200	0.0%
6260 - Software Services	646	-	-	-	0.0%
6310 - Repairs & Maintenance - Automobiles	15	-	-	-	0.0%
6320 - Supplies & Equipment - Computer Supplies	30	-	-	-	0.0%
6360 - Supplies & Equipment - Office Supplies	15,016	30,000	18,000	18,000	0.0%
6375 - Events and Conferences	8,154	10,000	10,000	10,000	0.0%
6380 - Travel - Lodging	8,721	20,000	10,000	10,000	0.0%
6390 - Travel - Meals	10,169	9,800	8,000	8,500	6.3%
6410 - Travel - Other	(137)	1,000	1,000	1,000	0.0%
6430 - Travel - Transportation	16,913	28,000	20,000	20,000	0.0%
Total Operating and General	212,287	387,000	371,200	351,700	-5.3%
Total Expenditures	\$ 880,709	\$ 1,226,323	\$ 1,376,454	\$ 1,772,347	28.8%



BUSINESS AND COMMUNITY DEVELOPMENT

BUSINESS AND COMMUNITY DEVELOPMENT

GOALS

The Business and Community Development (BCD) Division has four goals:

- Provide financial and technical assistance to Wisconsin businesses and communities to help them take advantage of opportunities that improve their economic future and chances of long-term success.
- Effectively leverage WEDC funds with private dollars to maximize business and community investments.
- Expand the capacity of stakeholders and economic development partners.
- Increase the number of Wisconsin economic developers with professional certifications through a partnership with WEDA.

KEY PERFORMANCE INDICATORS

In FY17, the BCD division intends to accomplish the following:

KPI	TRACKING
Provide financial assistance to 123 businesses	Unique number of businesses determined by reports generated through awards administration system
Provide programmatic technical assistance to 1,413 businesses	Unique number of businesses reported through WEDC's CRM and Key Strategic Partnerships
Provide financial assistance to 38 communities	Unique number of communities determined by reports generated through awards administration system
Provide programmatic technical assistance to 105 communities	Unique number of communities reported through WEDC's CRM
Impact 12,660 jobs <ul style="list-style-type: none">• Assist in creating 5,560 jobs• Assist in retaining 7,100 jobs	Reports generated through awards administration system
Achieve a 12:1 leverage ratio	Reports generated through awards administration system
Assist 30 partner organizations	Awards made through Capacity Building and Minority Business Development programs and through Key Strategic Partnerships and others
Increase the training and certification of local economic development partners by 20% through our contact with the Wisconsin Economic Development Association (WEDA)	Through reporting by WEDA on new CECDs and EDFPs
Provide WEDC presentations to at least 80 professional service providers	Professional Service Provider Outreach campaigns in CRM

OPERATING PLAN

In FY17, BCD will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

BUSINESS DEVELOPMENT PROGRAMS

BUSINESS OPPORTUNITY LOAN FUND	
Description	Provide financing options to businesses for retention, expansion or relocation to Wisconsin. WEDC loans generally range between \$200,000 and \$1,000,000 based on need, quality and quantity of jobs, and other programs, statute and policy requirements. Public participation should generally not exceed 35% of the total project and never exceed the private contribution.
Strategic Pillar	Business Development – Business Retention & Expansion
Budget (Non-Staff Expenses)	\$5,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 8 businesses • Support the creation of 350 jobs and retention of 600 jobs • Achieve a 10:1 leverage of other investment

INDUSTRIAL REVENUE BONDING	
Description	Allocate the bonding authority or the volume cap under 238.10 Wisconsin Statutes for tax-exempt bonds that can be used to stimulate capital investment and job creation by providing private borrowers with access to financing at interest rates that are lower than conventional bank loans. The IRB process involves five separate entities – the borrower, the lender, the bond attorney, the issuer and WEDC.
Strategic Pillar	Business Development – Business Retention & Expansion
Budget (Non-Staff Expenses)	\$283,566,850 CY16 allocation
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 5 businesses

WORKFORCE TRAINING GRANTS	
Description	Provide grants to businesses for workforce retention and expansion into new markets and technology. Funding would allow for upgrades or improvements to job-related skills of business' full-time employees after other state training options have been explored.
Strategic Pillar	Business Development – Business Retention & Expansion
Budget	\$1,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 4 businesses • 200 Employees trained

MINORITY BUSINESS DEVELOPMENT	
Description	Support minority business development through business creation, expansion and attraction, and training. This is accomplished through direct grant assistance to qualifying minority business associations in Wisconsin for revolving loan funds (RLF) and technical assistance.
Strategic Pillar	Community & Economic Opportunity – Minority Business Development
Budget (Non-Staff expenses)	\$750,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 10 minority business associations • Support 27 businesses through RLF loans • Support 123 businesses through substantive technical assistance

CAPACITY BUILDING GRANTS	
Description	Funds assist local and regional economic development groups, furthering the efforts of WEDC to create an advanced economic development network within the state of Wisconsin. The primary use of the funds is for assessment of the economic competitiveness of the area; development of a Comprehensive Economic Development Strategy; and support of strategies that will benefit the recipient organizations and their members through operational efficiencies, strategy development, education/skill development or increased collaboration with other organizations.
Strategic Pillar	Projects must support at least one strategic pillar
Budget (Non-Staff expenses)	\$500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> Support 10 projects

DEVELOPMENT OPPORTUNITY ZONE	
Description	Supports job creation, job retention, capital investment and environmental remediation to businesses in the cities of Beloit, Janesville and Kenosha by providing non-refundable tax credits that help to reduce a company's Wisconsin state income tax liability, thereby helping to enhance its cash flow to increase the expansion project's scope and/or accelerate the timing of the project and/or enhance payroll.
Strategic Pillar	Business Development – Business Expansion & Retention
Budget (Non-Staff Expenses)	\$2,972,650 Janesville \$9,519,000 Beloit \$9,250,000 Kenosha
Activities and Expected Outcomes	<ul style="list-style-type: none"> Assist 4 businesses Support the creation of 10 jobs Support the retention of 200 jobs Achieve a leverage ratio of 25:1

ENTERPRISE ZONE TAX CREDITS	
Description	Supports projects involving major expansion of existing Wisconsin businesses or relocation of major business operations from other states to Wisconsin by providing refundable tax credits for job creation, job retention, capital investment, employee training and Wisconsin supply chain investment. 19 zones currently designated; up to 30 zones authorized, 3 of which must be designated in areas with populations totaling less than 5,000, and 2 of which must be designated in areas with populations totaling at least 5,000 but less than 30,000.
Strategic Pillar	Business Development – Business & Investment Attraction
Budget (Non-Staff Expenses)	11 zones remaining
Activities and Expected Outcomes	<ul style="list-style-type: none"> Assist 3 businesses Support the creation of 1,500 jobs and retention of 1,000 jobs Achieve a leverage ratio of 5:1.

BUSINESS DEVELOPMENT TAX CREDITS

Description	Supports job creation, capital investment, training and corporate headquarters location or retention by providing businesses located in or relocating to Wisconsin with refundable tax credits that can help reduce their Wisconsin income/franchise tax liability or provide a refund, thereby helping to enhance their cash flow to expand payroll and/or the project's scope, and/or accelerate the timing of the project.
Strategic Pillar	Business Development – Business Expansion & Retention
Budget (Non-Staff Expenses)	\$19,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 45 businesses • Support the creation of 3,500 jobs and the retention of 5,000 jobs • Achieve a 14:1 leverage ratio

COMMUNITY DEVELOPMENT PROGRAMS**BROWNFIELD REDEVELOPMENT FINANCIAL ASSISTANCE**

Description	Provide grant funds under Wis. Stat. §238.13 to local governments, businesses, non-profits and individuals for redeveloping commercial and industrial sites that have been adversely impacted by environmental contamination documented in Phase I and II environmental reports. Grants require at least a 70 percent match of the eligible project expenditures, and are awarded primarily to reimburse remediation expenditures so that environmental closure can be attained for the project site and the property can be utilized for a more productive use.
Strategic Pillar	Community & Economic Opportunity – Community Development
Budget (Non-Staff Expenses)	\$3,500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 10 communities • Achieve a 12:1 leverage ratio

IDLE SITES REDEVELOPMENT

Description	Grant funds up to \$500,000 to Wisconsin communities for implementation of redevelopment plans for large sites that have been idle, abandoned, or underutilized for a period of at least five years. Approved projects can use funds for demolition, environmental remediation, infrastructure or site-specific improvements defined in a redevelopment plan to advance the site to shovel ready status or enhance the site's market attractiveness.
Strategic Pillar	Community & Economic Opportunity - Community Development
Budget (Non-Staff Expenses)	\$2,300,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 6 communities • Achieve a leverage ratio of 30:1

HISTORIC PRESERVATION TAX CREDITS

Description	Provides transferable tax credits (20% of qualified rehabilitation expenses) to eligible entities rehabilitating certified historic buildings. Historic rehabilitation incentivized through this program must be recommended by the State Historic Preservation Office (SHPO) as certified historic properties. The credits may be transferred to a third party in exchange for cash.
Strategic Pillar	Community & Economic Opportunity - Downtown Development
Budget (Non-Staff Expenses)	Certifications are awarded on a rolling basis
Activities and Expected Outcomes	<ul style="list-style-type: none"> Assist 40 community projects Achieve 5:1 leverage ratio

SITE ASSESSMENT GRANTS

Description	Provide grants up to \$150,000 to local governments seeking to redevelop sites with economic or community development potential that are or may be adversely impacted by environmental contamination. Grant funds are to be utilized to define the degree and extent of groundwater and soil contamination, along with identifying and assessing vapor intrusion issues.
Strategic Pillar	Community & Economic Opportunity - Community Development
Budget (Non-Staff Expenses)	\$1,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> Assist 10 communities Achieve a 2:1 leverage ratio

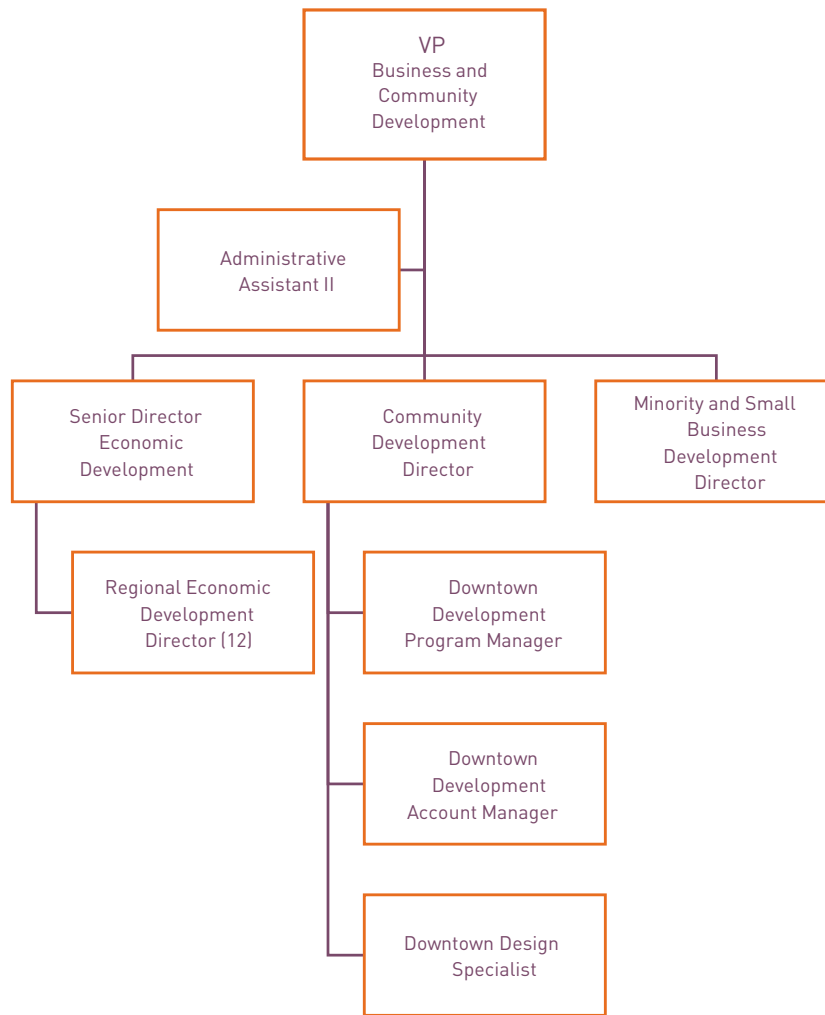
COMMUNITY DEVELOPMENT INVESTMENT GRANT PROGRAM

Description	Provides grants to support urban, small city and rural community redevelopment efforts by providing financial incentives for shovel-ready projects with emphasis on, but not limited to, downtown community-driven efforts.
Strategic Pillar	Community & Economic Opportunity - Community Development
Budget (Non-Staff expenses)	\$3,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> Assist 12 communities Achieve a 15:1 leverage ratio.

MAIN STREET AND CONNECT COMMUNITIES

Description	Provides technical assistance to communities in the planning, management and implementation of strategic development projects in downtowns and urban neighborhoods. This includes Main Street support and the Connect Communities Program, which is aimed at supplementing the Main Street Program by expanding services to more downtowns across the state.
Strategic Pillar	Community & Economic Opportunity - Downtown Development
Budget (Non-Staff expenses)	\$250,000 (non-aids)
Activities and Expected Outcomes	<ul style="list-style-type: none"> Add one Main Street community to the current 34 Add up to 20 new Connect Communities to the current 50 Assist 90 businesses

STAFFING



Vice President - Reports to the COO. Responsible for the overall direction and management of the division, and will assure execution of the divisional operating plan.

Administrative Assistant – Provides administrative support to senior-level staff and supports daily operational needs of the BCD division.

Senior Economic Development Director – Responsible for managing and developing programs, making policy recommendations and the development of staff, and is the immediate supervisor for the regional economic development directors. First point of contact between the 12 regional directors and underwriting/legal/fiscal with business investment strategies.

Regional Economic Development Director - Responsible to provide project management and to deliver projects within the established budget and timeline as it relates to business and community development assistance within the BCD division. Primary contact for intake of applications, technical and financial assistance for BCD programs, and initial intake for other WEDC opportunities.

Community Development Director – Oversees WEDC involvement in all aspects of the minority business community and relationships with the State's four minority based chambers of commerce and related associations. Direct oversight of WEDC's investment in minority revolving loan funds and its key strategic partnership with the Wisconsin Procurement Institute.

Downtown Development and Regional Director – Coordinates support staff and resources as necessary to meet program goals; makes policy recommendations; serves as the immediate supervisor for the downtown development team. Point of contact between the 12 regional directors and underwriting/legal/fiscal with community investment strategies.

Downtown Development Program Manager; Downtown Development Account Manager/Downtown Designer – Responsible for program design, execution and performance for downtown development programs. The downtown development team coordinates outreach to stakeholders, staff and customers on program-related issues. The team is responsible for ongoing improvement of program execution, including making policy recommendations if appropriate, and for assisting property owners and businesses located within the respective districts.

KEY STRATEGIC PARTNERSHIPS

In FY17, BCD will work with the following organizations to deliver WEDC's mission:

REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS	
Description	WEDC awards annual grants to regional economic development organizations under Wis. Stat. §238.135 to fund marketing and other activities. Currently there are nine regional economic development entities: M7, MadREP, Prosperity Southwest, 7 Rivers Region, Momentum West, Visions Northwest, Grow North, Centergy and New North.
Strategic Pillar	<p>Entrepreneurship and Innovation</p> <p>Export and International Trade</p> <p>Business Retention and Expansion</p> <p>Business and Investment Attraction</p>
Budget (Non-Staff Expenses)	\$500,000 (\$450,000 base funding - \$50,000 for familiarization tours and brand alignment with WEDC)
Activities and Expected Outcomes	<p>Annual contracts with the regions relate to five primary focuses:</p> <ul style="list-style-type: none"> • Convener, facilitator and partner for local economic development entities in their respective regions • Marketing agents for the region • Business retention and expansion (BRE) coordinated efforts • Generate business and community data information • Resource referral or primary contact for business

WISCONSIN PROCUREMENT INSTITUTE	
Description	Wisconsin Procurement Institute (WPI) is a nonprofit organization whose mission is to assist Wisconsin businesses in creating, developing and growing their federal, state and local government sales, revenues, profits and jobs by providing access to federal and state contracting opportunities.
Strategic Pillar	Business Development – Business Retention & Expansion
Budget (Non-Staff Expenses)	\$305,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 1,200 businesses • Assist in the creation of 200 jobs and the retention of 300 jobs • Assist Wisconsin companies to secure \$100 million in new federal and state procurement contracts • Provide 10 conferences, technical trainings or outreach events in Wisconsin

KEY STRATEGIC INITIATIVES

- Lead talent attraction task force to identify needs and goals.
- Lead development of rural economic development strategy.
- Develop and deliver Economic Development Academy in partnership with WEDA to increase awareness of profession to elected officials.
- Develop method by which to leverage the previous investment in Capacity Building Grants to better share success and replicate model.

BUDGET NOTES

Significant changes between the FY16 and FY17 budget include:

- Payroll and benefits changed due to adding Minority Business Development Manager from Sector Strategy Development and moving four employees to Business and Investment Attraction (a new division)
- 5185 – Wisconsin Procurement Institute (Key Strategic Partner) was moved from Sector Strategy Development
- 6620 – Workforce Training Grants Program was inactive at start of FY16. Program guidelines were revised and funding was moved from other programs in FY16. The FY17 budget increase is due to expected demand
- 6670 – Minority Business Development was moved from Sector Strategy Development
- Marketplace event moved from Sector Strategy Development
- 11xx – Business Opportunity Loan Fund - The program decreases due to statutory program cap
- 11xx – Special Project Loan Fund program is not being funded for FY17

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

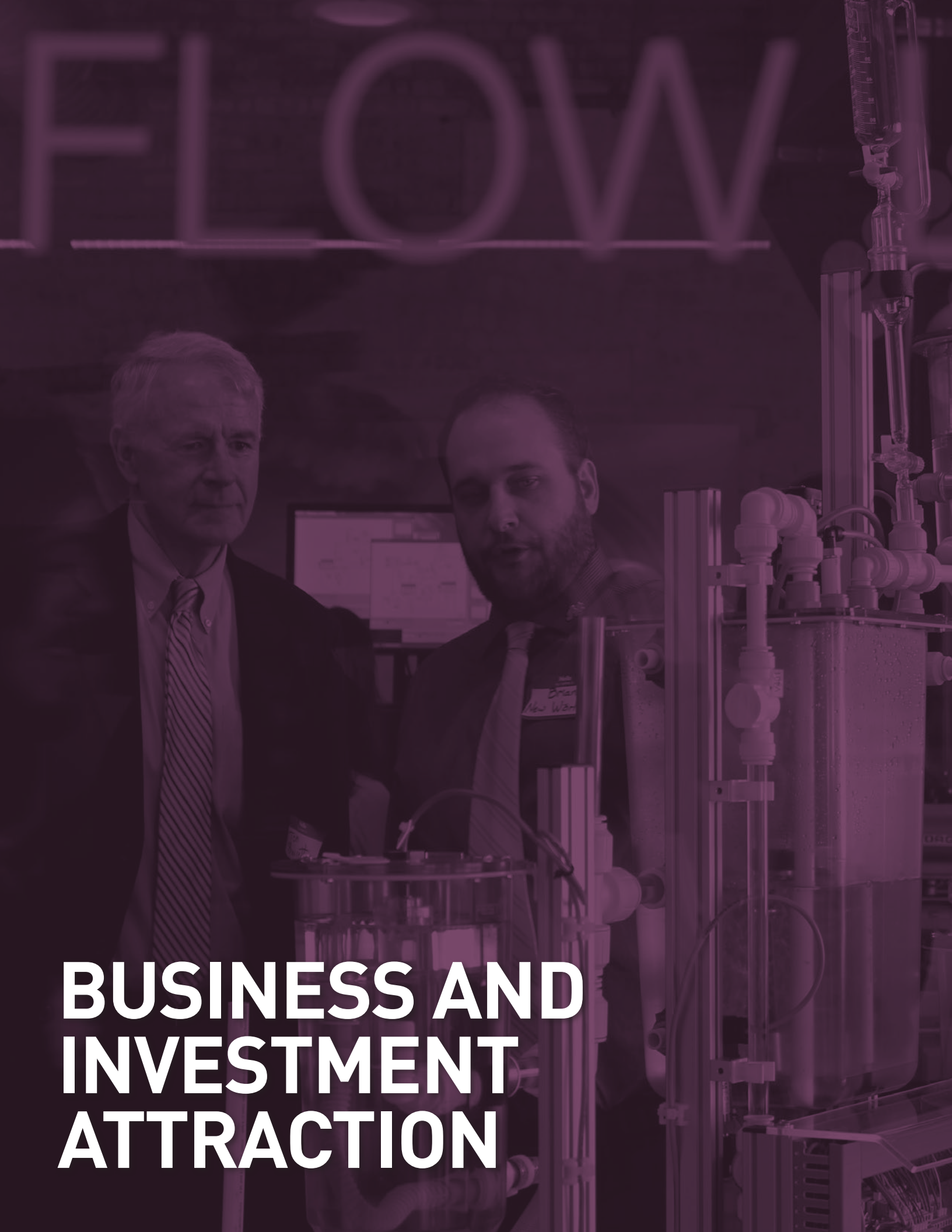
Business & Community Development - 3000

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Revenues					
4130 - State Brownfield Site Assess. Grant	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	0.0%
4145 - State Loan Repayments	649,151	500,000	700,000	500,000	-28.6%
4146 - Contra-Revenue	(468,094)	-	-	-	0.0%
4147 - Interest - Performance Based Loans	664,462	-	-	-	0.0%
4148 - Contra Interest Revenue - Collectible Loans	(36,494)	-	-	-	0.0%
4160 - Revenue - Investment Income	-	5,000	-	-	0.0%
4170 - Revenue - Other Income	52,324	54,000	21,300	-	0.0%
4180 - Loan Origination Fees	29,000	-	-	-	0.0%
4185 - Sponsorship Contributions	3,250	-	-	40,000	0.0%
Total	1,893,600	1,559,000	1,721,300	1,540,000	-10.5%
Expenditures					
Program Grants					
6600 - Capacity Building Grants - BCD	283,253	550,000	550,000	500,000	-9.1%
6620 - Workforce Training Grants	154,889	-	450,000	1,000,000	100.0%
6670 - Minority Business Development	-	-	-	750,000	100.0%
6680 - Community Development Investment Grants	2,287,329	1,500,000	2,850,000	3,000,000	5.3%
6710 - Brownfield Site Assessment Grants	667,186	1,000,000	1,150,000	1,000,000	-13.0%
6720 - Brownfield Program Grants	2,075,495	3,500,000	4,100,000	3,500,000	-14.6%
6725 - Idle Sites Redevelopment Program	1,525,916	1,000,000	2,300,000	2,300,000	0.0%
Total Program Grants	6,994,068	7,550,000	11,400,000	12,050,000	5.7%
Key Strategic Partnerships					
5160 - Regionals	789,334	450,000	450,000	500,000	11.1%
5185 - Wisconsin Procurement Institute	-	-	-	305,000	100.0%
Total Key Strategic Partnerships	789,334	450,000	450,000	805,000	78.9%
Payroll and Benefits					
6000 - Benefits - Health Insurance	359,491	367,805	367,892	325,942	-11.4%
6010 - Benefits - Life Insurance	1,859	1,509	1,647	1,626	-1.3%
6015 - Benefits - Retirement	110,736	115,184	115,775	100,913	-12.8%
6020 - Benefits - Payroll Taxes	118,953	127,667	129,809	116,964	-9.9%
6025 - Benefits - Other	696	611	507	684	34.9%
6040 - Merit/Incentives	4,300	-	-	-	0.0%
6045 - Employee Recruitment	35	955	-	-	0.0%
6050 - Compensation - Salary	1,608,008	1,668,847	1,723,519	1,484,417	-13.9%
6055 - Professional Development	46,967	42,975	21,000	27,000	28.6%
Total Payroll and Benefits	2,251,045	2,325,553	2,360,149	2,057,546	-12.8%
Operating and General					
5400 - Extended Enterprise	97,041	155,000	51,744	42,000	-18.8%
6057 - Research & Marketing Tools	148,375	166,500	179,250	-	-100.0%
6120 - Office Expense - Other	16,490	14,000	11,510	12,000	4.3%
6150 - Office Expense - Rent	23,973	28,000	24,522	24,800	1.1%
6200 - Professional Fees - Consulting Fees	133,307	217,000	168,000	207,000	23.2%
6230 - Advertising Production	9,572	-	-	-	0.0%
6236 - Print Material Production	1,423	2,500	100	1,000	900.0%
6245 - Dues, Subscriptions and Memberships	14,226	11,000	8,727	8,700	-0.3%

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Business & Community Development - 3000

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
6260 - Software Services	500	-	-	-	0.0%
6310 - Repairs & Maintenance - Automobiles	1,004	3,000	5,009	5,000	-0.2%
6360 - Supplies & Equipment - Office Supplies	2,254	5,000	1,413	1,500	6.2%
6375 - Events and Conferences	91,253	55,000	67,475	130,000	92.7%
6380 - Travel - Lodging	48,841	42,000	40,801	35,000	-14.2%
6390 - Travel - Meals	34,359	32,000	31,500	28,000	-11.1%
6410 - Travel - Other	40	1,500	1,000	1,000	0.0%
6430 - Travel - Transportation	103,830	100,000	100,000	75,000	-25.0%
6530 - Other Expense	(409,427)	-	-	-	0.0%
Total Operating and General	317,060	832,500	691,051	571,000	-17.4%
6798 - Bad Debt Expense - Performance-Based Loans	-	-	2,950,041	1,500,000	-49.2%
6799 - Bad Debt Expense - Collectible Loans	2,361,650	3,150,000	2,210,574	1,175,000	-46.8%
Total Bad Debt	2,361,650	3,150,000	5,160,615	2,675,000	-48.2%
Total Expenditures	\$ 12,713,156	\$ 14,308,053	\$ 20,061,815	\$ 18,158,546	-9.5%
Loans are not considered to be expenditures, but do constitute a use of funds.					
Loans Proposed					
11xx - Business Opportunity Loan Fund - Collectible Loans	9,098,428	9,000,000	7,950,000	3,500,000	-56.0%
11xx - Business Opportunity Loan Fund - Performance-Based	2,600,000	-	-	1,500,000	0.0%
11xx - Special Project Loan Fund	500,000	1,000,000	500,000	-	-100.0%
Total Loans	12,198,428	10,000,000	8,450,000	5,000,000	-40.8%
Less: Loan Principal Repayments	(3,594,785)	(5,000,000)	(5,817,976)	(3,912,215)	-32.8%
Less: Loan Loss Reserve (included above)	(2,361,650)	(3,150,000)	(5,160,615)	(2,675,000)	-48.2%
Net Additional Funding for Loans	6,241,993	1,850,000	(2,528,591)	(1,587,215)	-37.2%
Total Appropriation	\$ 18,955,149	\$ 16,158,053	\$ 17,533,224	\$ 16,571,331	-5.5%



BUSINESS AND INVESTMENT ATTRACTION

BUSINESS AND INVESTMENT ATTRACTION

GOALS

The Business and Investment Attraction (B&IA) Division has five goals:

- Increase awareness of Wisconsin as a destination for businesses to expand or relocate by promoting the state in domestic and international markets through a strategic approach that leverages Wisconsin's driver industries and competitive advantages.
- Increase the number of deals in which Wisconsin is able to compete by continuing to build relationships with commercial real estate and site selection decision-makers and high-level executives within key industry clusters.
- Provide business and investment attraction support to our statewide network of economic development partners by providing cooperative event, outreach and/or sponsorship opportunities.
- Ensure effective research and analysis tools are available and utilized to assess market conditions/comparisons, industry or supply chain opportunities and/or economic impact.
- Align the needs of business development and talent retention/recruitment throughout the state.

KEY PERFORMANCE INDICATORS

In FY17, the B&IA division intends to accomplish the following:

KPI*	TRACKING
Facilitate 10 Requests for Information (RFI)	Determined by reports generated through WEDC's CRM
Assist in 12 successful attraction projects	Determined by reports generated through awards administration system
Host 8 call trips to targeted metros or countries (domestic or abroad)	Determined by activities organized by the BI&A division
Host 6 events for CREs or targeted industry execs (domestic or abroad)	Determined by activities organized by BI&A with support of the Marketing & Brand Strategy Division
Assist in 5 partner-led attraction events	Determined by activities organized by EDOs
Assist in 5 new Certified In Wisconsin sites	Determined by number of sites successfully completing the certification process

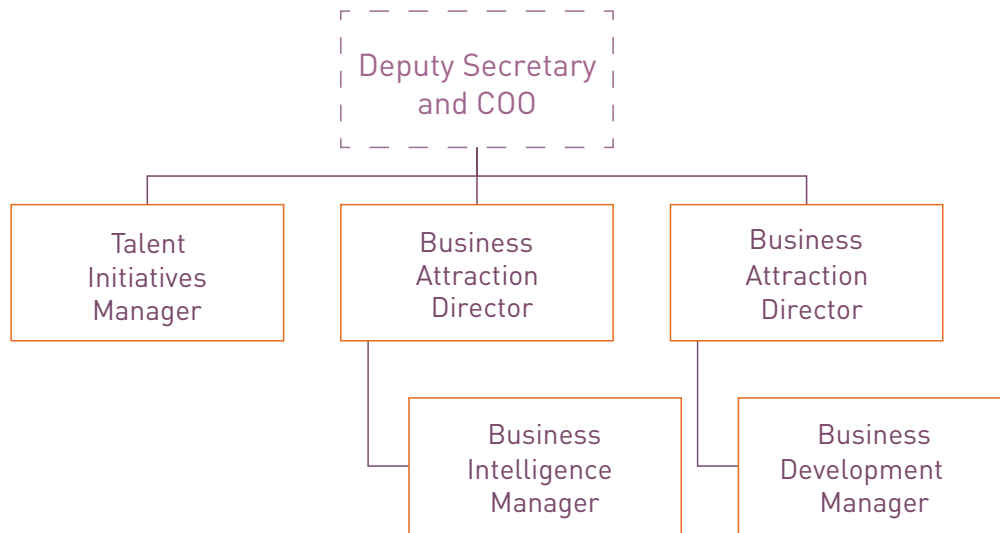
**Financial and technical assistance goals are reflected in BCD KPIs, as projects typically get reassigned to regional economic development directors once a location/site has been determined.*

OPERATING PLAN

In FY17, B&IA will accomplish its goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

CERTIFIED IN WISCONSIN SITES PROGRAM	
Description	In partnership with a contracted site selector consultant and community partners, apply consistent standards for industrial site certification in Wisconsin. Certification means that the key approvals, documentations and assessments most commonly required for industrial uses will already be in place.
Strategic Pillar	Business Development – Business & Investment Attraction
Budget (Non-Staff Expenses)	\$90,500 (non-aids)
Activities and Expected Outcomes	<ul style="list-style-type: none">• Assist in 5 new Certified In Wisconsin sites• Promote existing 15 sites

STAFFING



Business Attraction Director (2) – Reports to the COO. Responsible for the design and implementation of a strategic and methodical approach to business attraction efforts across WEDC, statewide economic development partners and the State of Wisconsin. One position focuses on commercial real estate; the other focuses on international business and targeted industries.

Business Development Manager – Provides research and attraction outreach support. This includes managing the inventory of research tools utilized by researchers and other staff within WEDC, and managing the Certified In Wisconsin Program and the Locate In Wisconsin Web portal.

Business Intelligence Manager – Assists the B&IA team with lead development through research and analytics that identifies companies with specific domestic and international expansion plans. Plans and implements measures to promote the state of Wisconsin's key business strengths to potential investors.

Talent Initiatives Manager– Leads WEDC's efforts to align and coordinate statewide talent attraction, retention and growth initiatives. (New position; job description yet to be developed.)

KEY STRATEGIC INITIATIVES

- Develop a plan for WEDC to align and coordinate statewide talent attraction and retention initiatives, as well as sharing of best practices that have been implemented throughout the state.
- Develop a training program for statewide economic development partners on the primary research tools that assist with economic development strategic planning, impact evaluations and market assessments.

BUDGET NOTES

Significant changes between the FY16 and FY17 budgets include:

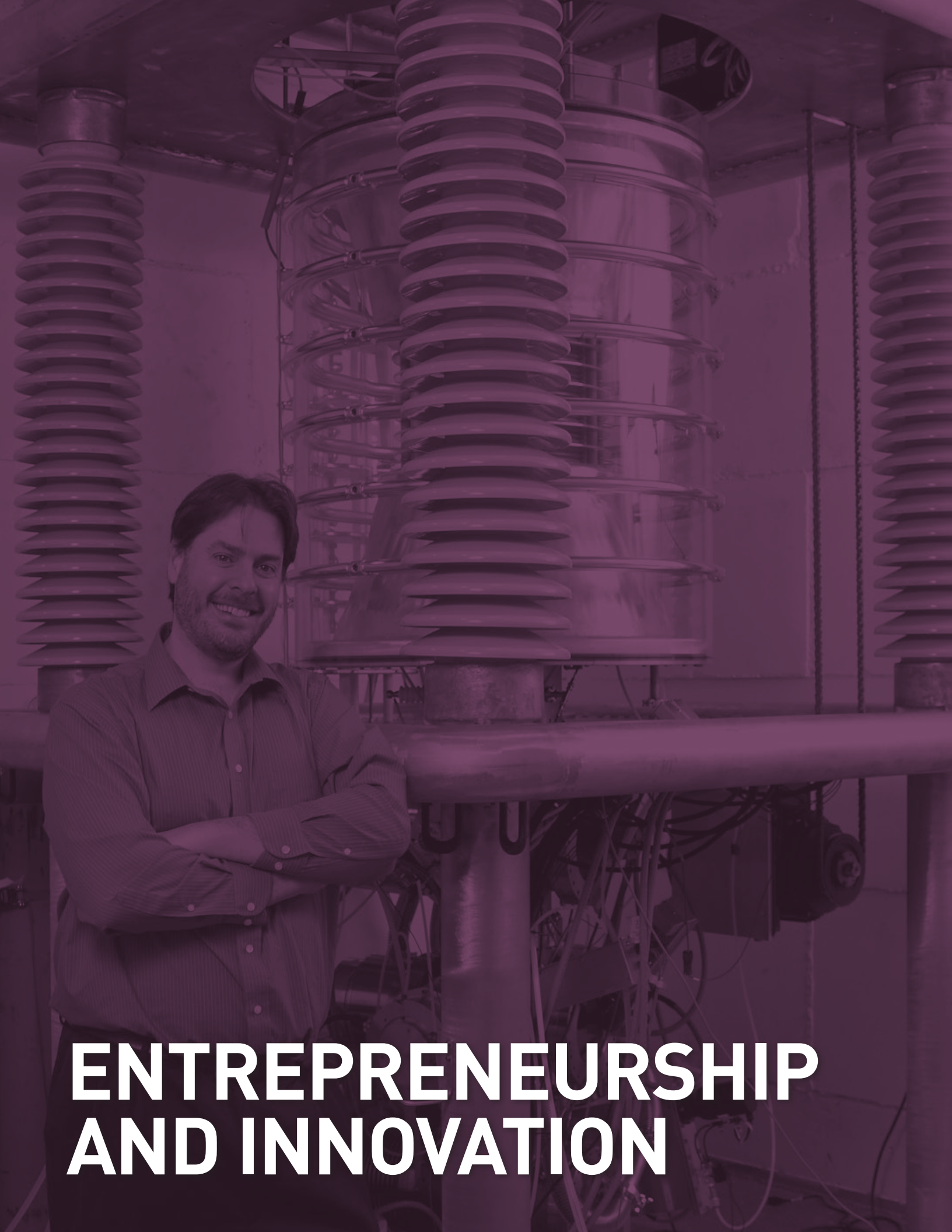
Business and Investment Attraction is a new department created after agency reorganization.

- Payroll and benefits include four employees moved from Business and Community Development
- 6245 - Dues, Subscriptions, and Memberships includes companywide research tools

**Wisconsin Economic Development Corporation
Detailed Budget Worksheet**

Business & Investment Attraction - 3500

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Expenditures					
Payroll and Benefits					
6000 - Benefits - Health Insurance	\$ -	\$ -	\$ -	\$ 49,470	0.0%
6015 - Benefits - Retirement	-	-	-	22,194	0.0%
6020 - Benefits - Payroll Taxes	-	-	-	25,411	0.0%
6050 - Compensation - Salary	-	-	-	331,785	0.0%
6055 - Professional Development	-	-	-	12,000	0.0%
Total Payroll and Benefits	-	-	-	440,860	0.0%
Operating and General					
6120 - Office Expense - Other	-	-	-	2,000	0.0%
6200 - Professional Fees - Consulting Fees	-	-	-	100,500	0.0%
6245 - Dues, Subscriptions and Memberships	-	-	-	325,423	0.0%
6375 - Events and Conferences	-	-	-	30,500	0.0%
6380 - Travel - Lodging	-	-	-	29,650	0.0%
6390 - Travel - Meals	-	-	-	6,600	0.0%
6430 - Travel - Transportation	-	-	-	29,050	0.0%
Total Operating and General	-	-	-	523,723	0.0%
Total Expenditures	\$ -	\$ -	\$ -	\$ 964,583	0.0%



ENTREPRENEURSHIP AND INNOVATION

ENTREPRENEURSHIP AND INNOVATION

GOALS

The Entrepreneurship and Innovation (E&I) Division has four goals:

- Support the development of new and emerging entrepreneurial and high-growth businesses throughout the state.
- Increase the amount of seed, early-stage and expansion capital in Wisconsin.
- Support the research and development of novel technologies that have the potential to increase a company's ability to compete and grow, and help drive Wisconsin's economy.
- Improve the viability and success of startups and emerging growth companies through substantive technical assistance.

KEY PERFORMANCE INDICATORS

In FY17, the E&I division intends to accomplish the following:

KPI	TRACKING
Assist 618 businesses	Determined by reports generated through awards administration system and partner reporting
Achieve a direct 4:1 leverage on program investment	Determined by reports generated through awards administration system
Achieve a total leverage of 8:1 from additional investment	Determined by reports generated through awards administration system and partner reporting
Assist in the creation of 358 jobs	Determined by reports generated through awards administration system and partner reporting
Assist in the retention of 350 jobs	Determined by reports generated through strategic key partnerships
Assist 16 partner organizations	Determined by the number of commitments for Capital Catalyst and Seed Accelerator awards and key strategic partnerships

OPERATING PLAN

In FY17, E & I will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

CAPITAL CATALYST	
Description	Provide matching funds to communities/regional entities, thematic organizations or university affiliations to create seed funding for local, regional and international entrepreneurs and for R&D to commercialization activities.
Strategic Pillar	Business Development – Entrepreneurship & Innovation
Budget (Non-Staff Expenses)	\$1,500,000
Activities and Expected Outcomes	<ul style="list-style-type: none">• Assist 4 seed funds• Support 45 startups/early-stage companies• Support the creation of 60 jobs• Maintain an average co-investment ratio of 1:1 and a further leverage ratio from company financing of 3:1

SEED ACCELERATOR	
Description	Provide matching funds to communities/regional entities, thematic organizations or university affiliations to launch seed accelerators based on Lean Startup or other innovative business modeling concepts for local, regional and international entrepreneurs. Funding is based on at least one class per accelerator.
Strategic Pillar	Business Development – Entrepreneurship & Innovation
Budget (Non-Staff Expenses)	\$1,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> Assist 6 organizations Support 30 business startups/early-stage companies Maintain an average co-investment ratio of 1:1 Support the creation of 45 jobs

TECHNOLOGY DEVELOPMENT LOANS	
Description	Provide loan funding to innovative companies with promising economic futures to clear the hurdles associated with bringing new technologies, products and concepts to market. Funding will be through the federally funded State Small Business Credit Initiative (SSBCI) or state funds.
Strategic Pillar	Business Development – Entrepreneurship & Innovation
Budget (Non-Staff Expenses)	\$3,000,000 state; \$1,500,000 SSBCI
Activities and Expected Outcomes	<ul style="list-style-type: none"> Assist 15 businesses Achieve leverage ratio of 4:1

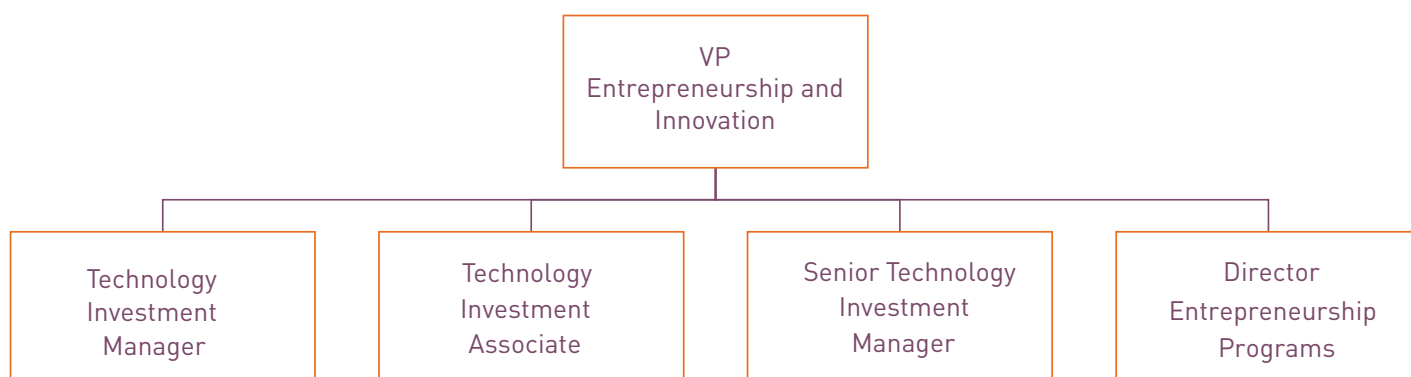
ENTREPRENEURIAL MICRO-GRANT	
Description	Provide micro-grants to UW-Extension clients for services including SBIR/STTR assistance, business and commercialization planning and entrepreneurial training. Micro-grants are administered by the Center for Technology Commercialization.
Strategic Pillar	Business Development – Entrepreneurship & Innovation
Budget (Non-Staff Expenses)	\$200,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> Assist 125 businesses

SBIR/STTR MATCHING GRANT	
Description	Provide funds to technology-based businesses in or relocating to Wisconsin by matching a portion of Phase I and/or Phase II awards under the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. The program is administered by the Center for Technology Commercialization and largely supports business development objectives not funded by the federal grants.
Strategic Pillar	Business Development – Entrepreneurship & Innovation
Budget (Non-Staff Expenses)	\$1,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> Assist 13 businesses Leverage federal grants 3:1 Support the creation of 13 jobs

QUALIFIED NEW BUSINESS VENTURE (QNBV)	
Description	Certify companies for early-stage investment tax credits for angel and/or venture fund investors.
Strategic Pillar	Business Development – Entrepreneurship & Innovation
Budget (Non-Staff Expenses)	\$30,000,000 CY 16 tax credit allocation
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Certify 35 companies and funds • Achieve 4:1 leverage ratio

CAPACITY BUILDING - ENTREPRENEURSHIP SUPPORT GRANT	
Description	Pilot competitive grant to support organizations that provide key and/or unique services to entrepreneurs or emerging companies that enhance the ability to succeed or grow in Wisconsin.
Strategic Pillar	Business Development – Entrepreneurship & Innovation
Budget (Non-Staff Expenses)	\$500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 7 organizations and 250 businesses

STAFFING



Vice President – Reports to the COO. Responsible for the overall direction and management of the division and will assure execution of the divisional operating plan.

Director of Entrepreneurship Programs – Manages partner-delivered programs and initiatives that support E&I mission and goals.

Senior Technology Investment Manager – Manages WEDC-delivered direct support programs (QNBV, TDL) and existing business portfolio.

Technology Investment Manager – Develops new opportunities for WEDC-delivered direct support programs (QNBV, TDL) and maintains existing business portfolio.

Technology Investment Associate – Supports implementation of WEDC-delivered direct support programs (QNBV, TDL) and contributes to maintenance of existing business portfolio.

KEY STRATEGIC PARTNERSHIPS

In FY17, E&I will work with the following organizations to deliver WEDC's mission.

WISCONSIN WOMEN'S BUSINESS INITIATIVE CORPORATION (WWBIC)	
Description	WWBIC is a statewide economic development corporation that provides quality business education and financing to Wisconsin's entrepreneurs and small business owners. WWBIC provides services to help entrepreneurs launch and expand small businesses. Expanded service now includes rural Wisconsin.
Strategic Pillar	Business Development – Entrepreneurship & Innovation
Budget (Non-Staff Expenses)	\$350,000
Activities and Expected Outcomes	<ul style="list-style-type: none">• Support the creation of 250 jobs• Support the retention of 350 jobs• Finance 25 startups• Provide at least \$2,500,000 in financing• Finance up to \$500,000 in loans to rural early-stage companies

CENTER FOR TECHNOLOGY COMMERCIALIZATION (CTC)	
Description	CTC provides statewide access to high-quality business development services and will implement and manage the Ideadvance Seed fund; administer training and grants for state-wide approved applicants; implement statewide SBIR assistance program; administer grants to serve financing business startups and driving R&D to commercialization activities.
Strategic Pillar	Business Development – Entrepreneurship & Innovation
Budget (Non-Staff Expenses)	\$565,000
Activities and Expected Outcomes	<ul style="list-style-type: none">• Assist 200 businesses• Support the creation of 25 jobs• Support the retention of 10 jobs

BRIGHTSTAR	
Description	BrightStar is a nonprofit statewide investment fund designed to attract private donations that will be invested into Wisconsin's high-growth-potential, early-stage companies, providing them capital to grow their business and create jobs.
Strategic Pillar	Business Development – Entrepreneurship & Innovation
Budget (Non-Staff Expenses)	\$50,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Provide at least \$1.5M in financing • Support the creation of 10 jobs • Finance 10 startup/emerging growth companies

WISCONSIN TECHNOLOGY COUNCIL (WTC) <i>Including Wisconsin Angel Network (WAN)</i>	
Description	<p>WTC will provide local support for increasing seed, early-stage and expansion-stage financing, and will collaborate with WEDC's International Business Development Division.</p> <p>WAN's mission is to build angel network capital capacity throughout Wisconsin in order to increase the number and amount of seed-stage equity investments in Wisconsin companies.</p>
Strategic Pillar	Business Development – Entrepreneurship & Innovation
Budget (Non-Staff Expenses)	\$310,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • 120 companies receiving assistance through events and programs • Manage and facilitate connections between 50 entrepreneurs and investors • Conduct 5 angel investing seminars

KEY STRATEGIC INITIATIVES

- Develop and implement a pilot initiative through the Capacity Building Grant Program.
- Develop and implement an alternative financing structure to better fit early-stage business needs.

BUDGET NOTES

Significant changes between the FY16 and FY17 budgets include:

- 6650 - Capital Catalyst Program budget is being reduced in FY17 in order to fund a pilot competitive entrepreneurship support sub-program through the Capacity Building Program.

**Wisconsin Economic Development Corporation
Detailed Budget Worksheet**

Entrepreneurship & Innovation - 2000

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Revenues					
4009 - Federal - SSBCI	\$ 1,200,000	\$ 1,500,000	\$ 1,524,000	\$ 1,500,000	-1.6%
4145 - State Loan Repayments	677,468	800,000	300,000	500,000	66.7%
4146 - Contra-Revenue	(20,000)	-	-	-	0.0%
4147 - Interest - Performance Based Loans	(71,890)	-	-	-	0.0%
4148 - Contra Interest Revenue - Collectible Loans	(42,205)	-	-	-	0.0%
4170 - Revenue - Other Income	10,000	10,000	128,434	10,000	-92.2%
4180 - Loan Origination Fees	61,890	72,000	90,000	90,000	0.0%
4181 - Tax Transfer Fees	1,944	2,000	75,000	35,000	-53.3%
4182 - Award Penalty Fees	100,270	5,000	16,000	10,000	-37.5%
Total	1,917,478	2,389,000	2,133,434	2,145,000	0.5%
Expenditures					
Program Grants					
6630 - Seed Accelerator Program	989,250	1,000,000	1,235,000	1,000,000	-19.0%
6646 - Entrepreneurial Micro-grant Program	176,660	175,000	225,000	200,000	-11.1%
6650 - Capital Catalyst Program	1,296,900	2,000,000	1,765,000	1,500,000	-15.0%
6600.1 Capacity Building Grants - E&I	-	-	-	500,000	0.0%
6731 - SBIR/STTR Matching Grant	750,000	1,000,000	1,275,000	1,000,000	-21.6%
6756 - Business Incubator	-	250,000	250,000	-	-100.0%
Total Program Grants	3,212,810	4,425,000	4,750,000	4,200,000	-11.6%
Key Strategic Partnerships					
5105 - Global Partner Network	-	-	-	-	
5120 - WWBIC	350,000	350,000	350,000	350,000	0.0%
5130 - WEN	540,000	565,000	565,000	540,000	-4.4%
5140 - Wisconsin Technology Council	310,000	310,000	310,000	310,000	0.0%
5141 - BrightStar Wisconsin Foundation	300,000	50,000	50,000	50,000	0.0%
Total Key Strategic Partnerships	1,500,000	1,275,000	1,275,000	1,250,000	-2.0%
Payroll and Benefits					
6000 - Benefits - Health Insurance	42,437	45,623	58,440	56,811	-2.8%
6010 - Benefits - Life Insurance	74	63	66	66	0.0%
6015 - Benefits - Retirement	25,771	28,075	25,921	26,590	2.6%
6020 - Benefits - Payroll Taxes	28,871	31,126	29,328	30,821	5.1%
6025 - Benefits - Other	221	204	169	228	34.9%
6040 - Merit/Incentives	25	-	-	-	0.0%
6050 - Compensation - Salary	386,979	406,884	384,972	391,150	1.6%
6055 - Professional Development	6,823	7,640	9,454	4,500	-52.4%
Total Payroll and Benefits	491,200	519,615	508,350	510,166	0.4%
Operating and General					
6100 - Insurance - Workers' Compensation	120	-	-	-	0.0%
6120 - Office Expense - Other	1,703	1,500	1,500	1,700	13.3%
6245 - Dues, Subscriptions and Memberships	6,602	8,000	5,750	6,000	4.3%
6260 - Software Services	20,000	17,000	17,000	-	-100.0%

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Entrepreneurship & Innovation - 2000

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
6375 - Events and Conferences	64	-	300	3,200	966.7%
6376 - Sponsorships	75,000	-	-	-	0.0%
6380 - Travel - Lodging	7,772	8,000	8,000	8,000	0.0%
6390 - Travel - Meals	3,683	4,500	4,500	4,500	0.0%
6410 - Travel - Other	20	300	300	300	0.0%
6430 - Travel - Transportation	14,625	13,000	13,000	13,000	0.0%
Total Operating and General	129,590	52,300	50,350	36,700	-27.1%
6799 - Bad Debt Expense - Collectible Loans	503,193	350,000	1,886,338	1,400,000	-25.8%
Total Expenditures	\$ 5,836,793	\$ 6,621,915	\$ 8,470,038	\$ 7,396,866	-12.7%
Loans are not considered to be expenditures, but do constitute a use of funds.					
Loans Proposed					
11xx - Technology Development Loans--State	2,251,080	3,000,000	3,000,000	3,000,000	0.0%
11xx - Technology Development Loans--SSBCI	<u>1,000,000</u>	<u>1,500,000</u>	<u>1,524,000</u>	<u>1,500,000</u>	<u>-1.6%</u>
Total Loans	<u>3,251,080</u>	<u>4,500,000</u>	<u>4,524,000</u>	<u>4,500,000</u>	<u>-0.5%</u>
Less: Loan Principal Repayments	<u>(1,938,573)</u>	-	<u>(3,099,891)</u>	<u>(2,191,661)</u>	<u>-29.3%</u>
Less: Loan Loss Reserve (included above)	<u>(503,193)</u>	<u>(350,000)</u>	<u>(1,886,338)</u>	<u>(1,400,000)</u>	<u>-25.8%</u>
Net Additional Funding for Loans	<u>809,314</u>	<u>4,150,000</u>	<u>(462,229)</u>	<u>908,339</u>	<u>-296.5%</u>
Total Appropriation	\$ 6,646,107	\$ 10,771,915	\$ 8,007,809	\$ 8,305,205	3.7%



INTERNATIONAL BUSINESS DEVELOPMENT

INTERNATIONAL BUSINESS DEVELOPMENT

GOALS

The International Business Development (IBD) Division has three goals:

- Build Wisconsin's export community by strengthening Wisconsin's export partnerships and by increasing Wisconsin companies' export skills.
- Increase the number of Wisconsin companies exporting as well as increasing the markets they engage with.
- Increase the number of FDI expansion and attraction projects, with a focus on Wisconsin's key industry clusters and key geographies, including Western Europe, Canada and China.

KEY PERFORMANCE INDICATORS

In FY17, the IBD division intends to accomplish the following:

KPI	TRACKING
Provide financial assistance to 188 businesses	Determined by reports generated through awards administration system
Provide technical assistance to 400 businesses	Determined by reports generated from authorized trade representatives
Assist 4 partner organizations	Determined by the number of commitments for Collaborative Market Access Grants and deploying ExporTech™
Conduct 6 FDI events abroad in 4 targeted international trips	Determined by activities organized through global trade ventures

OPERATING PLAN

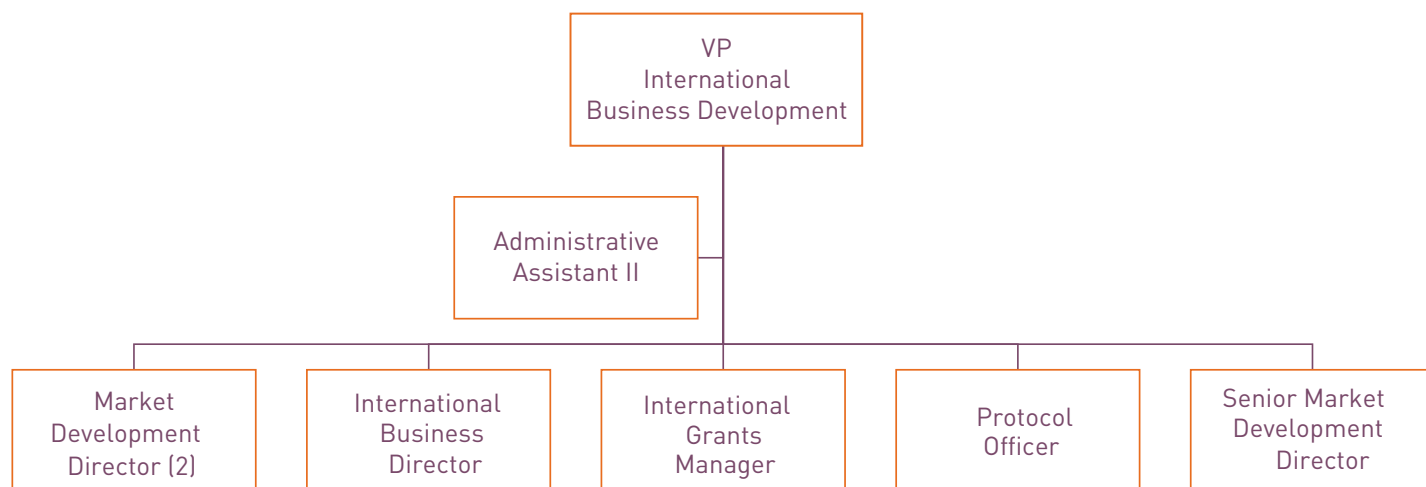
In FY17, IBD will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

EXPORTECH™	
Description	Support Wisconsin companies with a program that facilitates writing an export strategy and identification of each company's top three target markets.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$210,000
Activities and Expected Outcomes	Award one organization to support 30 businesses

GLOBAL BUSINESS DEVELOPMENT PROGRAM	
Description	Accelerate the export development and expansion of Wisconsin companies by providing financial support for export-related services on a tiered basis.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$1,582,600
Activities and Expected Outcomes	Assist 123 businesses <ul style="list-style-type: none">• IMAG: Assist 95 businesses• CMAG: Award 3 organizations to support 28 businesses

GLOBAL TRADE VENTURES	
Description	Take Wisconsin companies to their foreign target markets to accelerate their exports to those countries.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$531,752 (non-aids)
Activities and Expected Outcomes	Support 7 global trade ventures in WEDC's target markets in 9 countries and assist 35 businesses

STAFFING



Vice President – Reports to the COO. Responsible for the overall direction and management of the division, and will assure execution of the divisional operating plan.

International Business Director – Manages international foreign direct investment initiatives. Assists team with goals relating to the Global Network.

Senior Market Development Director – Coordinates and manages the Global Network. Assists companies with technical assistance to create and implement their export strategies, thus meeting IBD's mission.

Market Development Director – Assists companies with technical assistance to create and implement their export strategies, thus meeting IBD's mission.

International Grant Manager – Responsible for the vision and management of all IBD grants, which assist companies in creating and implementing their export strategies, thus meeting IBD's mission.

Protocol Officer – Responsible for the communication and initiatives between IBD and the Governor's office and/or WEDC's executive office with regard to their participation in international exporting activities.

Administrative Assistant II – Responsible for the organization of schedules and activities of the VP and team members. Assists team in various administrative duties.

KEY STRATEGIC PARTNERSHIPS

In FY17, IBD will work with the following organizations to deliver WEDC's mission.

GLOBAL NETWORK OF AUTHORIZED TRADE REPRESENTATIVES (ATR)	
Description	IBD works with Wisconsin's contracted ATRs to support the export needs of Wisconsin companies.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$310,000
Activities and Expected Outcomes	Assist 400 businesses by: <ul style="list-style-type: none">• Providing market assessments and partner searches for Wisconsin companies in their country of representation• Visiting Wisconsin to meet with Wisconsin companies to better understand their export needs and to support enrollment in business development ventures• Resolving immediate export problems of Wisconsin companies

KEY STRATEGIC INITIATIVES

- Create a group of Expotech™ supporters that consists of industry professionals (e.g., banks, accountants, logistics, lawyers, Web designers) who can help our companies improve their exports.
- Consider revisions to improve the effectiveness of the Global Business Development Program for implementation in FY18.
- Develop data-driven and need-based methodologies for selecting target countries for future ventures.

BUDGET NOTES

Significant changes between the FY16 and FY17 budgets include:

- WEDC received a 2015 State Trade and Export Promotion (STEP) Grant focusing on three areas for new-to-export small companies and those who are expanding their markets.

**Wisconsin Economic Development Corporation
Detailed Budget Worksheet**

International Business Development - 7000

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Revenues					
4013 - Federal - STEP Grant	\$ 80,044	\$ -	\$ 712,000	\$ 382,600	-46.3%
4170 - Revenue - Other Income	71,146	108,250	79,389	80,750	1.7%
Total	151,190	108,250	791,389	463,350	-41.5%
Expenditures					
Program Grants					
6655 - ExporTech Grants	37,000	90,000	210,000	210,000	0.0%
6665 - Global Business Development Program	440,982	1,200,000	1,200,000	1,200,000	0.0%
6665.4 - International Market Access Grant - STEP	-	-	382,600	232,600	0.0%
Total Program Grants	477,982	1,290,000	1,792,600	1,642,600	-8.4%
Key Strategic Partnerships					
5105 - Global Partner Network	384,166	310,000	310,000	310,000	0.0%
Total Key Strategic Partnerships	384,166	310,000	310,000	310,000	0.0%
Payroll and Benefits					
6000 - Benefits - Health Insurance	71,086	92,352	111,590	107,684	-3.5%
6010 - Benefits - Life Insurance	384	274	326	323	-0.9%
6015 - Benefits - Retirement	33,475	37,253	38,724	38,869	0.4%
6020 - Benefits - Payroll Taxes	38,105	41,302	43,683	45,049	3.1%
6025 - Benefits - Other	53	-	-	-	0.0%
6040 - Merit/Incentives	6,700	-	-	-	0.0%
6050 - Compensation - Salary	493,538	539,893	582,520	572,078	-1.8%
6055 - Professional Development	5,831	4,775	12,000	15,000	25.0%
Total Payroll and Benefits	649,172	715,849	788,843	779,003	-1.2%
Operating and General					
6057 - Research & Marketing Tools	600	15,000	15,000	-	-100.0%
6120 - Office Expense - Other	13,108	11,125	10,310	10,000	-3.0%
6200 - Professional Fees - Consulting Fees	130,467	391,550	276,658	248,585	-10.1%
6236 - Print Material Production	613	15,050	8,000	4,910	-38.6%
6245 - Dues, Subscriptions and Memberships	5,507	9,000	11,213	9,000	-19.7%
6260 - Software Services	667	-	-	-	0.0%
6320 - Supplies & Equipment - Computer Supplies	-	-	3,560	-	-100.0%
6360 - Supplies & Equipment - Office Supplies	-	1,000	1,200	1,000	-16.7%
6375 - Events and Conferences	106,547	52,690	103,190	108,415	5.1%
6376 - Sponsorships	-	42,480	-	-	0.0%
6380 - Travel - Lodging	89,910	51,900	186,618	157,331	-15.7%
6390 - Travel - Meals	25,289	30,448	41,151	45,976	11.7%
6410 - Travel - Other	197	7,000	8,490	7,800	-8.1%
6430 - Travel - Transportation	152,093	85,000	164,496	161,895	-1.6%
6530 - Other Expense	(14,414)	-	-	-	0.0%
Total Operating and General	510,582	712,243	829,886	754,912	-9.0%
Total Expenditures	\$ 2,021,902	\$ 3,028,092	\$ 3,721,329	\$ 3,486,515	-6.3%



SECTOR STRATEGY DEVELOPMENT

SHELLEY
SHELLEY JUREWICZ
EXECUTIVE DIRECTOR

SECTOR STRATEGY DEVELOPMENT (formerly Business & Industry Development)

GOALS

The Sector Strategy Development (SSD) Division has three goals:

- Extend the geographic reach and implementation of Targeted Industry Project investments to achieve increased growth and competitiveness for identified priority industry sectors.
- Support priority special projects to achieve unique and substantial economic benefit to defined needs in Wisconsin. Demonstrate the capacity to engage with priority needs quickly and effectively, with the resources required to positively impact economic development at the local, regional and state level.
- Advance key industry initiatives and collaborative investments to substantially enhance the market power and positioning of priority industry sectors in the state.

KEY PERFORMANCE INDICATORS

In FY17, the SSD division intends to accomplish the following.

KPI	TRACKING
Assist 540 businesses	Determined by reports generated through awards administration system and partner reporting
Achieve overall 3:1 investment leverage ratio	Determined by reports generated through awards administration system and partner reporting
Assist 11 partner organizations	Determined by the number of TIP investments and investment in KSP
Assist 20 communities	Determined by reports generated through awards administration system
Assist in the creation of 450 jobs and the retention of 1,100 jobs through KSP investments	Determined by the number of jobs to be created/retained, tracked through quarterly reporting

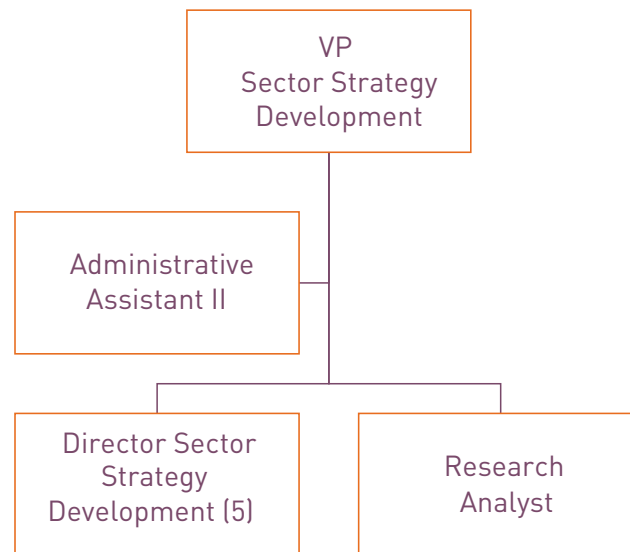
OPERATING PLAN

In FY17, SSD will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

TARGET INDUSTRY PROJECTS	
Description	Provide financial assistance to support the costs of formal strategy development, consortium development, Centers of Excellence, partner development and co-investment (non-WEDC) to advance priority industries, sectors and clusters.
Strategic Pillar	Strategic Economic Competitiveness – Future Industry Strategies
Budget (Non-Staff Expenses)	\$4,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none">• Assist 10 unique organizations• Maintain an overall co-investment leverage ratio of 3:1• Create, attract or expand 40 companies through TIP investments

FABRICATION LABORATORIES (FAB LABS) GRANT PROGRAM	
Description	Supports hands-on science, technology, engineering, arts and mathematics (STEAM) education by assisting Wisconsin public school districts with equipment purchases used for instructional and educational purposes in fabrication laboratories in Wisconsin schools.
Strategic Pillar	Strategic Economic Competitiveness-State/Regional Talent and Workforce Initiatives
Budget (Non-Staff Expenses)	\$500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> Assist 20 school districts and consortiums

STAFFING



Vice President – Reports to the COO. Responsible for the overall direction and management of the division, and will assure execution of the divisional operating plan.

Director of Sector Strategy Development – Responsible for execution of sector strategy and sector portfolio management; investment placement, monitoring and evaluation; impact assessment and reporting; and all associated account management, opportunity management and project management in the assigned industry sector, as well as assigned special initiatives.

Research Analyst – Conducts quantitative/qualitative research, analysis and reporting to support sector portfolio management and priority investment strategy, as well as to inform senior WEDC leadership of important economic/workforce trends. Serves as primary liaison to analysts at other governmental agencies (state, federal and local).

Administrative Assistant II – Supports division Vice President and staff in key operations administration functions.

KEY STRATEGIC PARTNERSHIPS

In FY17, SSD will work with the following organizations to deliver WEDC's mission.

WISCONSIN CENTER FOR MANUFACTURING & PRODUCTIVITY (WCMP)	
Description	WCMP, delivering direct services through the Wisconsin Manufacturing Extension Partnership and the UW-Stout Manufacturing Outreach Center, provides specialized, high-impact advisory and implementation services in continuous improvement to Wisconsin small and mid-size manufacturers (SMMs) at below-market rates.
Strategic Pillar	Business Development – Business Retention and Expansion
Budget (Non-Staff Expenses)	\$1,250,000
Activities and Expected Outcomes	<ul style="list-style-type: none">• Assist 500 small and midsize manufacturers• Assist in the creation of 450 jobs and retention of 1,100 jobs• Actively support the Global Cities Initiative, PSI/ME3, the DoD Supplier Assistance Initiative, the Transformational Productivity Initiative, the Aviation and Aerospace Supplier Development Initiative, and NNMI grant proposal development and delivery

KEY STRATEGIC INITIATIVES

- Incent Centers of Excellence in the aerospace and aviation, advanced composites, and food and beverage sectors.
- Develop and implement the Transformational Productivity Initiative.
- Launch redesigned Fab Labs Program and provide ongoing technical support for FY16 awardees.

BUDGET NOTES

Significant changes between the FY16 and FY17 budgets include:

- Payroll and benefits decrease due to moving Minority Business Development Manager to Business and Community Development
- Sector Strategy Development received a federal grant from the Department of Defense. This program improves outcomes for suppliers by providing them with diagnostics and recommendations to improve their business processes through focus on improved environmental management systems.
- 5185 - Wisconsin Procurement Institute (Key Strategic Partner) was moved to Business and Community Development
- 5170 - WMEP and 5180-NWMOC (Key Strategic Partner) consolidated to 5175-WCMP
- 6640 - Targeted Industry Investment Grants Program increase due to expected demand
- 6670 - Minority Business Development Program moved to Business and Community Development
- Marketplace event moved to Business and Community Development

**Wisconsin Economic Development Corporation
Detailed Budget Worksheet**

Sector Strategy Development - 4000

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Revenues					
4014 - Federal - DOD Grant	\$ -	\$ -	\$ -	\$ 435,000	0.0%
4170 - Revenue - Other Income	56,703	75,000	17,500	-	-100.0%
4185 - Sponsorship Contributions	44,000	50,000	40,500	-	-100.0%
Total	100,703	125,000	58,000	435,000	650.0%
Expenditures					
Program Grants					
6640 - Targeted Industry Investment Grants	1,278,271	1,850,000	2,600,000	4,000,000	53.8%
6670 - Minority Business Development	525,000	400,000	575,000	-	-100.0%
6755 - Fabrication Laboratories	-	500,000	601,841	500,000	-16.9%
Total Program Grants	1,803,271	2,750,000	3,776,841	4,500,000	19.1%
Key Strategic Partnerships					
5170 - WMEP	1,000,000	1,000,000	1,000,000	-	-100.0%
5175 - WCMP	-	-	-	1,250,000	0.0%
5180 - NWMOC	250,000	250,000	250,000	-	-100.0%
5185 - Wisconsin Procurement Institute	304,036	300,000	305,000	-	-100.0%
Total Key Strategic Partnerships	1,554,036	1,550,000	1,555,000	1,250,000	-19.6%
Payroll and Benefits					
6000 - Benefits - Health Insurance	122,416	115,971	118,906	97,249	-18.2%
6010 - Benefits - Life Insurance	672	558	501	476	-5.0%
6015 - Benefits - Retirement	43,058	41,148	39,939	38,929	-2.5%
6020 - Benefits - Payroll Taxes	46,076	45,607	45,075	45,124	0.1%
6040 - Merit/Incentives	1,600	-	-	-	0.0%
6050 - Compensation - Salary	623,486	596,171	597,793	572,671	-4.2%
6055 - Professional Development	8,696	13,752	18,000	14,300	-20.6%
Total Payroll and Benefits	846,004	813,207	820,214	768,749	-6.3%
Operating and General					
6057 - Research & Marketing Tools	9,788	10,000	10,000	-	-100.0%
6120 - Office Expense - Other	3,671	5,000	5,000	5,000	0.0%
6150 - Office Expense - Rent	(472)	3,200	3,200	3,200	0.0%
6200 - Professional Fees - Consulting Fees	1,452	15,000	10,000	35,000	250.0%
6225 - Pass-through federal grant expenditures	-	-	-	435,000	0.0%
6236 - Print Material Production	-	-	3,500	1,500	-57.1%
6245 - Dues, Subscriptions and Memberships	4,712	13,000	3,500	7,000	100.0%
6250 - Video Production	-	1,000	2,500	-	-100.0%
6260 - Software Services	-	18,000	2,500	-	-100.0%
6360 - Supplies & Equipment - Office Supplies	411	2,500	1,000	1,500	50.0%
6375 - Events and Conferences	144,252	115,000	155,000	38,000	-75.5%
6376 - Sponsorships	1,750	-	-	-	0.0%
6380 - Travel - Lodging	13,941	12,000	9,500	12,000	26.3%
6390 - Travel - Meals	5,617	5,000	5,000	5,000	0.0%
6410 - Travel - Other	-	1,000	-	1,000	0.0%

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Sector Strategy Development - 4000

<u>Account No. and Name</u>	<u>FY15 Actual</u>	<u>FY16 Budget</u>	<u>FY16 Amended Budget</u>	<u>FY17 Budget</u>	<u>New Funds % Chg</u>
6430 - Travel - Transportation	53,735	40,000	25,000	35,000	40.0%
Total Operating and General	238,856	240,700	235,700	579,200	145.7%
 Total Expenditures	 \$ 4,442,166	 \$ 5,353,907	 \$ 6,387,755	 \$ 7,097,949	 11.1%



WISCONSIN



THE WISCONSIN WAY.
FASTER. SAFER. FRESHER.

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WISCONSIN'S LEADERSHIP

PROTECTING OUR
CLEAN WATER SUPPLY.

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THE CAPITAL OF WATER

WATER, FOOD AND ENERGY

THE WISCONSIN
ADVANTAGE

MARKETING AND BRAND STRATEGY

MARKETING AND BRAND STRATEGY

GOALS

The Marketing and Brand Strategy Division has four goals:

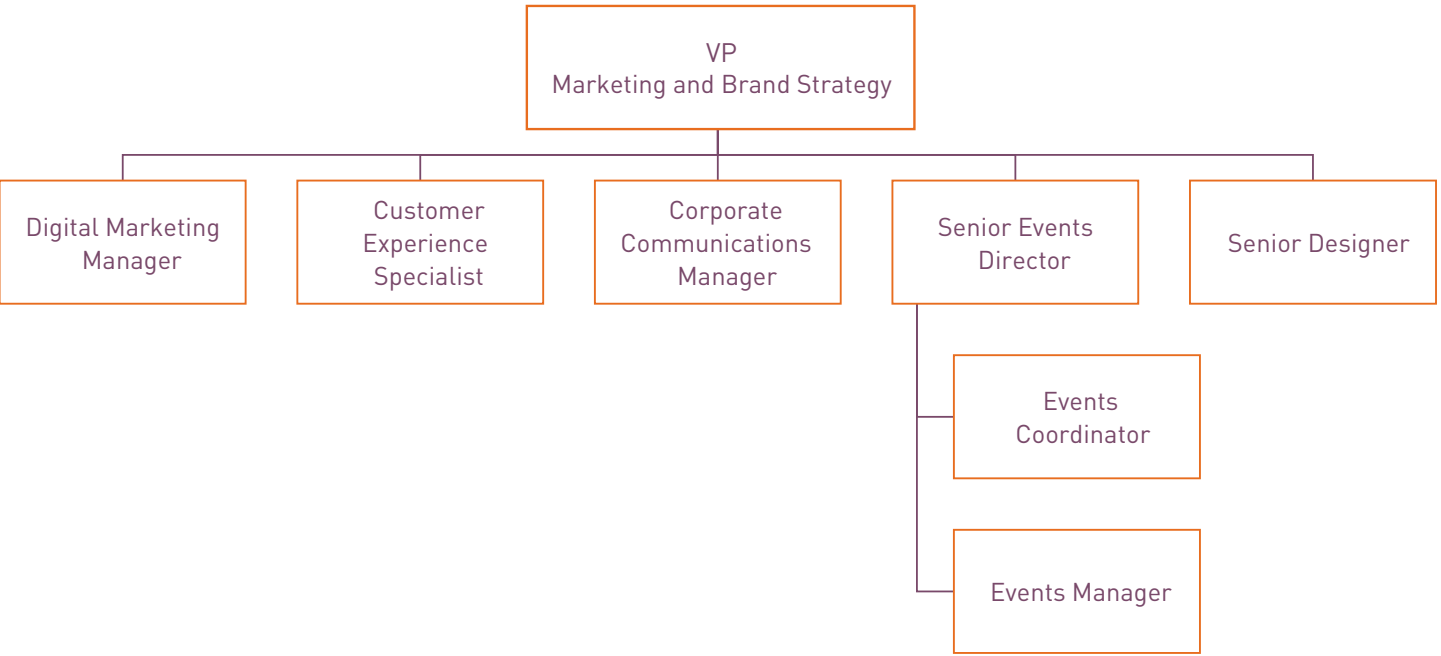
- Develop, manage and deliver compelling brand messages highlighting Wisconsin’s unique economic assets to target audiences.
- Drive action among entrepreneurs pursuing new startup opportunities and business leaders and influencers considering relocation to, or investment in, new or expanded Wisconsin operations.
- Connect Wisconsin companies with information and opportunities relating to international business development.
- Reinforce WEDC’s long-term, positive impact on Wisconsin’s economy.

KEY PERFORMANCE INDICATORS

OBJECTIVES	METRICS AND KPIS
Extend positive business climate brand messaging to include promotion of professional opportunities in Wisconsin	Consensus among Talent Taskforce regarding go-to-market business climate brand statement
Deliver positive Wisconsin business climate messaging to prospects looking to start, grow or relocate their business to Wisconsin	Total Paid Media Impressions: 47,000,000 Online Ad Click-Thru Rate: 0.40% Earned Media Placements: 2,400 Earned Media Impressions: 900,000
Engage prospects with information and tools to drive interest	Website Sessions: 320,000 Website Engagement Actions: 48,000 (15%) Newsletters <ul style="list-style-type: none">• Unique Subscribers: 10,500 (37% Growth) Social Media Engagement <ul style="list-style-type: none">• Followers: 7,540 (31% growth)• Impressions: 2,000,000 Events <ul style="list-style-type: none">• Event Audience (WEDC-organized events): 45,000• Event Contacts (WEDC-organized events): 2,035

Generate business leads for WEDC and its partners	Calls to 855-INWIBIZ: 1,100 Marketing-Generated Leads: 3,500 Marketing-Generated Partner Referrals: 900 WEDC Opportunities from Marketing-Generated Leads: 200
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STAFFING



Vice President – Reports to the COO. Responsible for the overall direction and management of the division, and will assure execution of the divisional operating plan.

Events Director – Oversees the events team, including an Events Manager and Events Coordinator; manages workflows, systems and budgets for the team and ensures the delivery of high-quality services to internal customers and event participants.

Events Manager – Plans and executes strategies relating to WEDC’s participation in trade shows and other face-to-face marketing opportunities.

Events Coordinator – Provides planning and logistics support to all WEDC events, with special attention to business attraction initiatives.

Digital Marketing Manager – Manages WEDC’s electronic communications channels, including but not limited to website, social media and electronic newsletters, ensuring that content is accurate, timely and relevant.

Senior Designer – Designs and produces WEDC marketing materials in accordance with WEDC brand standards, including but not limited to brochures, flyers, advertisements, reports and trade show exhibits. The Senior Designer also assists with the design of WEDC’s website and other electronic communications platforms.

Corporate Communications Manager – Develops and delivers core organizational messages relating to WEDC programs and outcomes. The Communications Manager conducts research and taps internal and external sources in order to ensure the accuracy and suitability of information in WEDC printed publications, electronic postings and presentations.

Customer Experience Specialist – Assists WEDC to deliver consistent and brand-appropriate customer service by defining, executing and measuring standard processes relating to each point within the service continuum. The Customer Experience Specialist manages and measures WEDC’s lead-generation process and administers the Made In Wisconsin® Program.

External Marketing Agency – WEDC uses an external marketing agency to help develop and execute a marketing plan to promote Wisconsin as a premier destination for business, professional and personal fulfillment.

OPERATING PLAN

The following marketing plan is organized by communications objective and reflects input from divisional leaders.

GOAL	STRATEGIES
1. Develop, manage and deliver compelling brand messages highlighting Wisconsin’s unique economic assets to target audiences.	<p>Strategy 1: Leverage WEDC Talent Taskforce to achieve consensus on business climate brand statement that balances business, professional and personal fulfillment messaging.</p> <p>Strategy 2: Conduct market testing of brand statements to gauge alignment with perceptual objectives among key in-state and out-of-state audiences (young professionals, business attraction targets, investors).</p> <p>Strategy 3: Inform key stakeholders, including WEDC board and state legislators, of research findings and taskforce recommendations regarding brand messaging enhancements.</p> <p>Strategy 4: Develop and deliver go-to-market strategy for brand statement, including coordinated messaging strategy reflecting stakeholder participation.</p>

GOAL	STRATEGIES
<p>2. Drive action among business leaders and influencers considering relocation to or investment in new or expanded Wisconsin operations.</p>	<p>Strategy 1: Targeted paid media campaign emphasizing action-oriented lead generation.</p> <p>Strategy 2: Ongoing relationship marketing programs that deliver compelling industry, workforce, quality-of-life and incentive information to key audience segments:</p> <ul style="list-style-type: none"> • Wisconsin entrepreneurs • Established Wisconsin businesses • Startup/early-stage investors • Business attraction prospects/site selectors • Foreign direct investment prospects <p>Strategy 3: National media relations campaign designed to deliver compelling Wisconsin business/talent development success stories and industry expert perspectives to business leaders and young professionals.</p> <p>Strategy 4: Participate in targeted national and international events to engage with business leaders and consultants who drive company expansion/relocation and investment decisions.</p>
GOAL	STRATEGIES
<p>3. Connect Wisconsin companies with information and opportunities relating to international business development.</p>	<p>Strategy 1: Targeted paid media campaign promoting WEDC export development resources and programs</p> <p>Strategy 2: Ongoing relationship marketing program providing Wisconsin companies with actionable information relating to export opportunities</p> <p>Strategy 3: In-state media relations program promoting exporting resources and programs</p> <p>Strategy 4: Promotion of Wisconsin Governor's Export Award Winners</p>

GOAL	STRATEGIES
<p>4. Reinforce WEDC's long-term, positive impact on Wisconsin's economy.</p>	<p>Strategy 1: Prominently convey WEDC responsiveness across all marketing and communications tactics.</p> <p>Strategy 2: Develop and deploy organizational messaging tools including reports, presentations, brochures and webpages that clearly articulate WEDC's priorities, underscore the soundness of WEDC's organizational structure, and powerfully convey the positive impact of WEDC's work.</p> <p>Strategy 3: Deliver regular updates to key stakeholders concerning WEDC programs and initiatives and the results they achieve, specifically highlighting the economic benefits created for businesses, communities and partner organizations by WEDC investments.</p> <ul style="list-style-type: none"> • INsource Newsletter • Legislator Newsletter <p>Strategy 4: Promote WEDC investment outcomes through social and other owned media channels.</p> <p>Strategy 5: Pursue an aggressive in-state media relations strategy that draws positive attention to WEDC strategies, investments and measurable impact, localizing stories to the areas benefitting from new business and community development initiatives.</p> <p>Strategy 6: Maximize the visibility of WEDC-supported projects through public announcements and groundbreaking events, inviting participation by local community and business leaders, partners and lawmakers.</p> <p>Strategy 7: Demonstrate thought leadership by producing and publicizing studies that track economic development trends in Wisconsin.</p> <p>Strategy 8: Seek professional speaking opportunities for WEDC leaders at industry and economic development events.</p> <p>Strategy 9: Attend, support and participate in statewide business development and community development events, providing a leadership perspective on the state of Wisconsin's economic development practice.</p>

The following marketing functions and initiatives will support multiple goals and target audiences.

INITIATIVE
Website Enhancements – Prioritize enhancements based on 1) Functional Features 2) UI Optimization 3) Ongoing Editorial Management and 4) Maintenance.
Sponsorships – Support industry, partner, and economic-development events through investment and involvement in order to connect with audiences looking to startup, grow or relocate operations in Wisconsin.
Performance Metrics – Track, analyze and optimize performance metrics including: lead flow optimization, tracking, reporting, analysis, distribution.
Account Management and Planning: Includes reporting, FY18 planning, strategic consulting and FY17 plan optimization.

Budget Notes

Significant changes between the FY16 and FY17 budgets include:

- 6220 - Professional Fees - Other Services budget line item includes a significant, national research proposal to test proposed brand messaging.
- 6229 - Marketing Plan Development includes the development of an enhanced brand strategy based upon input gathered from statewide economic development partners to attract and retain talent.
- 6230 - Advertising Production – increase in this budget line item reflects the development of an independent export marketing strategy, whereas this messaging had previously been included in marketing company growth opportunities.
- 6236 - Print Material Production – the increase reflects the need to develop new materials to support expanded messaging and target audiences related to Wisconsin’s “Opportunity Brand,” which will incorporate business, personal and professional fulfillment.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Marketing & Brand Strategy - 5000

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Expenditures					
Payroll and Benefits					
6000 - Benefits - Health Insurance	\$ 109,524	\$ 119,370	\$ 98,610	\$ 77,433	-21.5%
6010 - Benefits - Life Insurance	437	367	237	195	-17.7%
6015 - Benefits - Retirement	35,145	36,069	34,860	34,693	-0.5%
6020 - Benefits - Payroll Taxes	37,531	39,990	39,143	40,212	2.7%
6040 - Merit/Incentives	1,310	-	-	-	0.0%
6050 - Compensation - Salary	517,959	522,745	520,056	511,992	-1.6%
6055 - Professional Development	16,990	13,967	10,000	15,581	55.8%
Total Payroll and Benefits	718,896	732,508	702,906	680,106	-3.2%
Operating and General					
6057 - Research & Marketing Tools	59,259	42,190	42,109	36,919	-12.3%
6120 - Office Expense - Other	4,603	2,500	5,000	5,000	0.0%
6200 - Professional Fees - Consulting Fees	140	-	-	-	0.0%
6220 - Professional Fees - Other Services	-	15,000	34,569	85,000	145.9%
6229 - Marketing Plan Development	295,750	210,175	210,175	280,000	33.2%
6230 - Advertising Production	528,131	225,225	225,225	295,000	31.0%
6232 - Advertising Placement	1,547,792	770,000	800,000	820,000	2.5%
6236 - Print Material Production	117,825	130,100	50,642	135,000	166.6%
6237 - Public Relations	297,638	330,050	330,050	385,000	16.6%
6238 - Premiums	1,064	5,000	5,000	5,000	0.0%
6245 - Dues, Subscriptions and Memberships	3,165	800	1,500	1,000	-33.3%
6250 - Video Production	154,507	65,225	65,225	70,000	7.3%
6251 - Website	431,609	235,050	235,050	260,000	10.6%
6252 - Displays	4,410	10,000	5,000	5,000	0.0%
6253 - Electronic Media Production	366,427	260,275	293,525	205,000	-30.2%
6260 - Software Services	10	-	-	-	0.0%
6360 - Supplies & Equipment - Office Supplies	578	1,500	1,500	1,500	0.0%
6375 - Events and Conferences	306,849	387,000	463,000	427,200	-7.7%
6376 - Sponsorships	397,640	375,307	550,307	437,600	-20.5%
6380 - Travel - Lodging	8,577	15,000	22,000	13,000	-40.9%
6390 - Travel - Meals	2,471	10,000	7,000	3,500	-50.0%
6410 - Travel - Other	-	500	500	-	-100.0%
6430 - Travel - Transportation	10,107	13,200	13,200	8,000	-39.4%
Total Operating and General	4,538,552	3,104,097	3,360,577	3,478,719	3.5%
Capital					
7000 - Computer Software	85,050	-	-	-	0.0%
Total Capital	85,050	-	-	-	0.0%
Total Expenditures	\$ 5,342,498	\$ 3,836,605	\$ 4,063,483	\$ 4,158,825	2.3%



PUBLIC POLICY

PUBLIC POLICY

GOALS

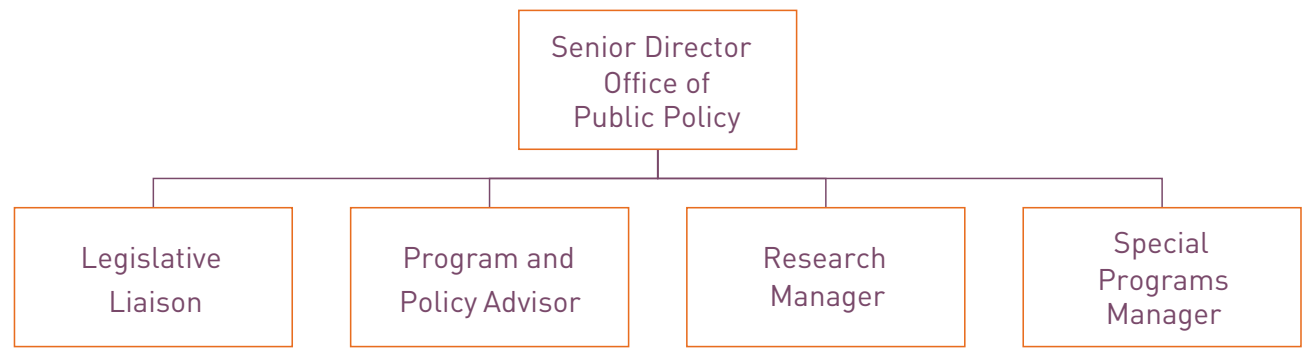
The Office of Public Policy has three goals:

- Develop and advocate for policies and programs to achieve WEDC’s mission and align with strategic pillars.
- Provide timely and relevant policy and market research, trend analyses and oversight to support WEDC program and policy design and implementation.
- Initiate and maintain strong relationships with key stakeholders and government officials to advance WEDC strategies and address constituent issues.

ADMINISTRATIVE OVERSIGHT

As a key advisor to WEDC leadership, the Office of Public Policy develops and manages public policy and government relations programs; advises on intergovernmental affairs and policy initiatives; oversees development and implementation of annual operations planning; and assists leadership with strategic planning; assists in coordinating external outreach and communications to the Governor, Board, stakeholders and government officials. The Office of Public Policy also seeks and manages external grant opportunities and manages cross-organizational special projects.

STAFFING



Senior Director – Reports to the CEO. Develops, manages and directs public policy program development and government relations strategies and programs.

Legislative Liaison – Provides government relations services to policymakers, state agencies and stakeholders. Prepares external communications to the Governor and the Board.

Program and Policy Advisor – Tracks legislation, provides legislative fiscal analysis and program guidance, and oversees development of program guidelines. Conducts research and develops policy on economic development, and industry and business trends; analyzes trends and key issues.

Research Manager - Conducts research on economic development, industry and business trends; analyzes key issues, trends and reports; provides support and training to users with various resources.

Special Programs Manager - Oversees the tracking, procurement and management of federal and other external grant opportunities. Serves as the point person for external users and stakeholders to the Salesforce IN Force Network and Skills Wisconsin Program.

KEY STRATEGIC INITIATIVES

- Develop biennial budget initiatives and oversee process.
- Develop and implement a legislative outreach and engagement strategy.
- Develop and apply return on investment (ROI) standards for business and community development programs.
- Establish federal grant opportunity ombudsman role.

BUDGET NOTES

Significant changes between the FY16 and FY17 budgets include:

- Payroll and benefits increased due to the move of two employees. The Special Programs Manager was previously under Information Technology, and the Research Manager was previously under Business and Community Development.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Office of Public Policy - 8000

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Expenditures					
Payroll and Benefits					
6000 - Benefits - Health Insurance	\$ 36,641	\$ 45,082	\$ 59,551	\$ 64,537	8.4%
6010 - Benefits - Life Insurance	129	97	350	374	6.9%
6015 - Benefits - Retirement	13,852	15,277	24,027	24,540	2.1%
6020 - Benefits - Payroll Taxes	15,273	16,937	27,495	28,442	3.4%
6025 - Benefits - Other	188	173	145	195	34.5%
6040 - Merit/Incentives	1,050	-	-	-	0.0%
6050 - Compensation - Salary	204,643	221,401	338,419	361,298	6.8%
6055 - Professional Development	4,595	6,208	4,240	11,645	174.6%
Total Payroll and Benefits	276,371	305,175	454,226	491,031	8.1%
Operating and General					
6120 - Office Expense - Other	1,300	1,000	1,300	2,100	61.5%
6245 - Dues, Subscriptions and Memberships	1,486	2,000	2,000	2,500	25.0%
6360 - Supplies & Equipment - Office Supplies	-	500	-	-	0.0%
6380 - Travel - Lodging	4,269	6,000	6,000	7,550	25.8%
6390 - Travel - Meals	1,378	2,500	2,825	3,600	27.4%
6430 - Travel - Transportation	4,599	5,200	6,600	8,500	28.8%
Total Operating and General	13,032	17,200	18,725	24,250	29.5%
Total Expenditures	\$ 289,403	\$ 322,375	\$ 472,951	\$ 515,281	9.0%



CREDIT AND RISK

CREDIT AND RISK

GOALS

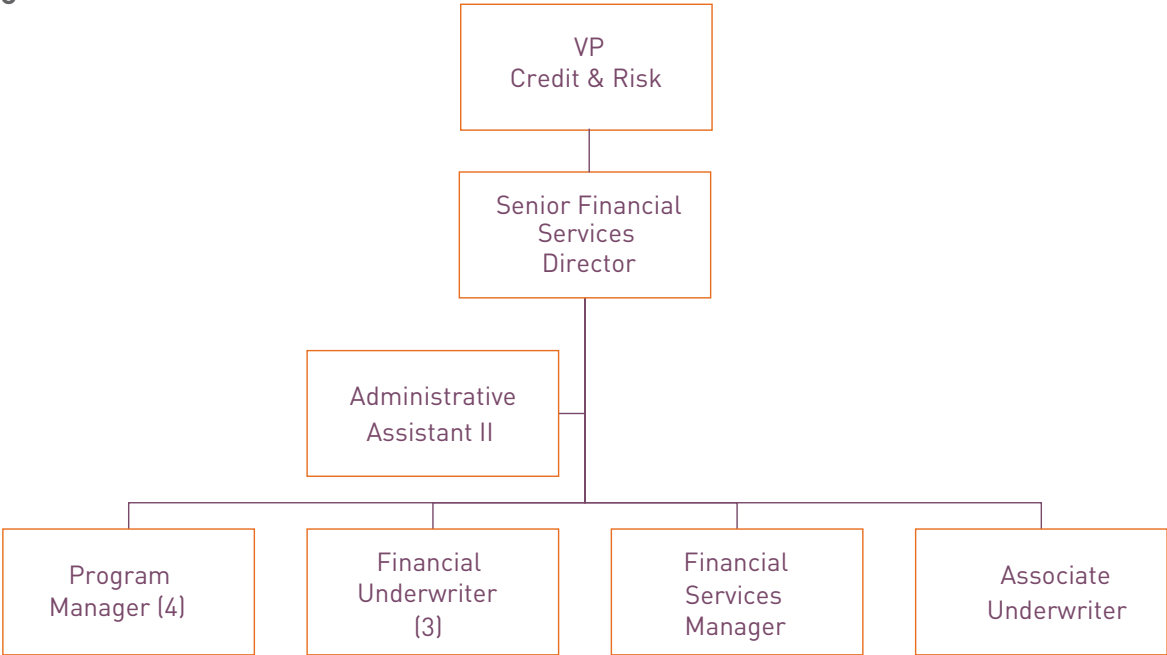
The Credit and Risk Division has four goals:

- Underwrite and service award projects to ensure they are granted on a sound and reasonable basis, and are in payment and reporting compliance during the time in which they are active or outstanding.
- Underwrite and service award projects within the committed timeframe, and communicate delays in a timely fashion to WEDC account managers and other WEDC staff as needed.
- Provide expert and timely technical assistance to WEDC account managers and other WEDC staff on program policies and performance metrics.
- Monitor the performance and risk of the award portfolio.

ADMINISTRATIVE OVERSIGHT

The Credit and Risk Division is primarily responsible for the underwriting and servicing of financial awards. The division analyzes applications for financial assistance, taking into account qualifications outlined in the statutes and program guidelines, as well as the projects’ overall economic impact and financial risk, and makes recommendations for financial assistance to management. The division also monitors the award portfolio for performance and risk through the life of the award; underwrites amendment requests; and processes disbursements, award closeouts and tax credit verifications.

STAFFING



Senior Financial Services Director – Reports to the CFO. Manages and oversees the activities and responsibilities of the Credit and Risk Division. Also responsible for monitoring the performance and risk of the award portfolio.

Financial Services Manager – Acts as a content expert for all current programs offered by WEDC. Helps train new employees and cross-train current employees in the department. Provides analysis and review of award underwriting and servicing processes, process improvement initiatives and new program implementation.

Program Manager – Acts as the content expert within Credit and Risk for the programs to which they are assigned, and serves as the primary contact for stakeholders, staff and customers on issues related to the program. Responsible for ongoing improvement of program execution, including making policy recommendations if appropriate.

Financial Underwriter – Responsible for providing project management support to deliver projects within the established budget and timeline. Participates in project underwriting and servicing. Disseminates project information and is an active participant in project-related work groups and committees.

Associate Underwriter – Responsible for providing support to the Senior Financial Services Director and Credit and Risk team members on special projects, staff reviews, closeouts, disbursements and other activities that are the responsibility of the team.

Administrative Assistant II - Responsible for providing support to the Senior Financial Services Director and Credit and Risk team members on special projects and overseeing underwriting (URG) and management (MRC) committee agendas and support materials.

KEY STRATEGIC INITIATIVES

- Develop the underwriting processes needed to comply with equating the decision date with the contract execution date.
- Establish baseline and improved reporting mechanism for award approval and servicing process timelines to establish and communicate realistic expectations and goals.
- Establish underwriting guidelines and training materials to provide additional consistency in the staff review process.

BUDGET NOTES

Significant changes between the FY16 and FY17 budgets include:

- Payroll and benefits decreased due to the agency reorganization. A Contract Specialist was moved to Legal. The Operations and Performance Management team was moved to the Executive Office. In addition, the Business Analyst and Business Process Improvement Analyst were moved to Information Technology.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Credit and Risk - 6600

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Revenues					
4042 - Revenue - SEP Admin	\$ 61,896	\$ 70,000	\$ 45,000	\$ 40,000	-11.1%
4043 - Revenue - SKILLS Admin	1,231	-	-	-	0.0%
4150 - Bond Servicing Fees	41,070	40,000	40,000	40,000	0.0%
Total	104,197	110,000	85,000	80,000	-5.9%
Expenditures					
Payroll and Benefits					
6000 - Benefits - Health Insurance	153,198	175,746	177,211	118,146	-33.3%
6010 - Benefits - Life Insurance	624	406	529	476	-10.0%
6015 - Benefits - Retirement	56,661	61,044	52,745	50,807	-3.7%
6020 - Benefits - Payroll Taxes	62,247	67,679	62,581	58,892	-5.9%
6025 - Benefits - Other	515	323	178	218	22.5%
6040 - Merit/Incentives	75	-	-	-	0.0%
6045 - Employee Recruitment	27,500	-	-	-	0.0%
6050 - Compensation - Salary	889,930	884,688	795,840	753,320	-5.3%
6055 - Professional Development	4,283	21,798	15,000	15,000	0.0%
Total Payroll and Benefits	1,195,033	1,211,684	1,104,084	996,859	-9.7%
Operating and General					
6120 - Office Expense - Other	6,207	5,000	5,000	5,000	0.0%
6220 - Professional Fees - Other Services	40	200	200	750	275.0%
6245 - Dues, Subscriptions and Memberships	1,203	2,000	1,000	1,500	50.0%
6360 - Supplies & Equipment - Office Supplies	20	500	500	500	0.0%
6380 - Travel - Lodging	2,658	10,000	5,000	5,000	0.0%
6390 - Travel - Meals	896	5,500	2,750	2,250	-18.2%
6410 - Travel - Other	-	100	-	-	0.0%
6430 - Travel - Transportation	3,059	6,500	3,250	3,250	0.0%
Total Operating and General	14,082	29,800	17,700	18,250	3.1%
Total Expenditures	\$ 1,209,116	\$ 1,241,484	\$ 1,121,784	\$ 1,015,109	-9.5%

DO
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LEGAL AND COMPLIANCE

LEGAL AND COMPLIANCE

GOALS

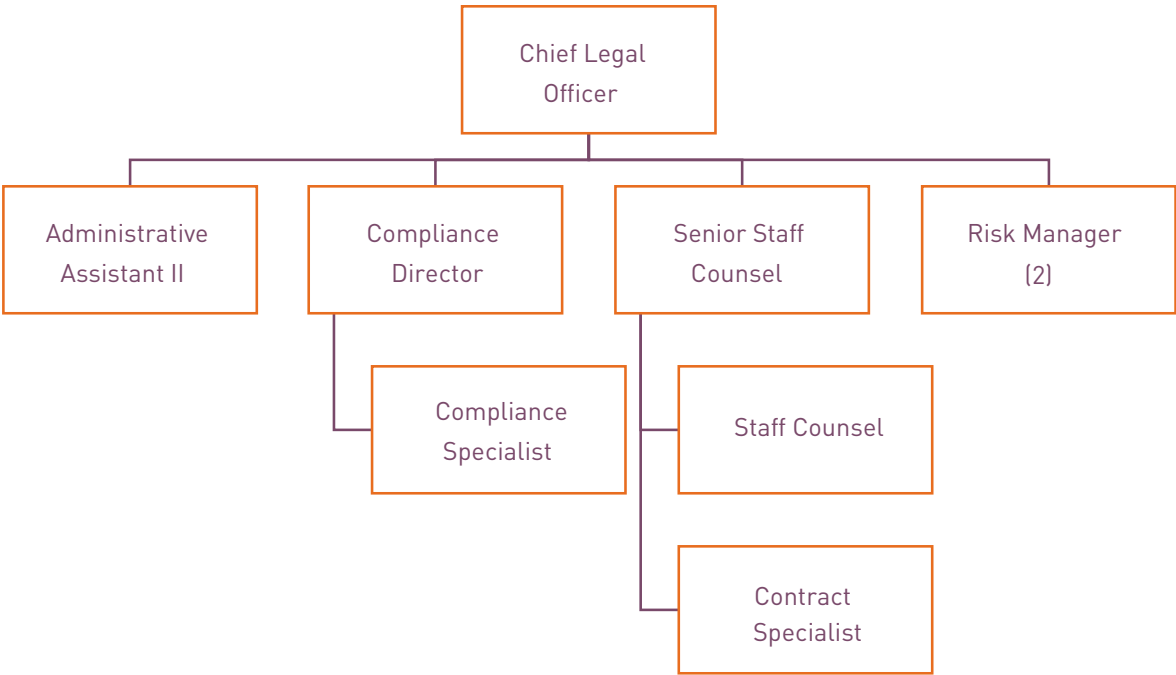
The Legal and Compliance Division has three goals:

- Ensure WEDC adheres to the laws, regulations and policies that govern the organization.
- Provide valuable, timely legal counsel.
- Effectively manage contracting and record management services for the organization.

ADMINISTRATIVE OVERSIGHT

The Legal and Compliance Division supports WEDC to achieve its operational and programmatic goals and obligations, driven by WEDC’s mission and strategic pillars. This support is provided with counsel and analysis on economic development program development and implementation, assisting other support divisions on legal and compliance related matters, providing contracting services for the entire organization, and supporting the Board and management in strategic and operational planning for WEDC. The Legal and Compliance Division also manages an internal monitoring program that tests compliance with WEDC’s systems policies and procedures, develops corrective actions and assesses areas of risk. The division also oversees conflicts of interest, facilitates the timely production of external reports and oversees WEDC’s records management and retention program.

STAFFING



Chief Legal Officer – Reports to the CEO. Responsible for overall direction and management of the division, and for assuring execution of the divisional operations plan.

Administrative Assistant - Executive Office – Manages communications with the Board of Directors and coordinates meetings of the Board and its committees. Performs a wide variety of tasks as an assistant for the Chief Legal Officer as well as Legal and Compliance Division as a whole.

Senior Staff Counsel – Provides legal counsel on a matters covering every step of an economic development assistance (from program development to contract negotiations to closing out awards) and vendor agreements. This position oversees the Staff Counsel and Contract Specialist.

Staff Counsel – Reviews contracts, conducts research and prepares analyses on legal matters; reviews pending awards for compliance with statutory and policy requirements. The Staff Counsel also handles public records requests, including compiling records, reviewing them and responding to requestors.

Contract Specialist – Responsible for the coordination of, drafting, reviewing and finalizing all project-related contracts, amendments and other related WEDC assistance documents. This position also manages, conducts and tracks security filings, including UCCs and mortgages.

Risk Manager – Designs and implements WEDC’s internal monitoring plan, along with performing internal monitoring and evaluations of WEDC’s compliance with both state and federal regulations, as well as organizational policies and procedures; oversees corrective actions.

Compliance Director – Leads WEDC’s ethics program and compliance efforts that ensure compliance with the policies, laws and procedures governing WEDC, including managing external programmatic audits, reporting compliance, and organizational records management and retention.

Compliance Specialist – Responsible for ensuring WEDC’s compliance with the policies, laws and regulations that govern the organization. Provides guidance and training on issues related to ethics, conflicts of interest, and records management, and prepares reports on the same.

KEY STRATEGIC INITIATIVES

- Implement change so that awards are administered based on contract execution date.
- Continue efforts to standardize applications, contracts, drawdown forms and performance reports.
- Create and implement a document management and retention program.
- Develop a document management system for Board of Directors materials.

BUDGET NOTES

Significant changes between the FY16 and FY17 budgets include:

- Payroll and benefits increased due to the agency reorganization. The Contract specialist was moved from Credit and Risk.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Legal and Compliance - 1100

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Revenues					
4170 - Revenue - Other Income	\$ 980	\$ 500	\$ 200	\$ 200	0.0%
4183 - Collection of Previous Loan Writeoffs	22,501	-	1,250	-	-100.0%
Total	23,481	500	1,450	200	-86.2%
Expenditures					
Payroll and Benefits					
6000 - Benefits - Health Insurance	99,401	100,839	92,193	110,276	19.6%
6010 - Benefits - Life Insurance	115	93	80	79	-1.3%
6015 - Benefits - Retirement	32,081	33,655	35,497	43,675	23.0%
6020 - Benefits - Payroll Taxes	33,739	37,313	39,021	50,624	29.7%
6040 - Merit/Incentives	2,826	-	-	-	0.0%
6050 - Compensation - Salary	470,323	487,753	532,465	644,730	21.1%
6055 - Professional Development	18,759	10,157	10,157	16,200	59.5%
Total Payroll and Benefits	657,242	669,810	709,413	865,584	22.0%
Operating and General					
6120 - Office Expense - Other	7,757	27,500	5,000	11,780	135.6%
6210 - Professional Fees - Legal	80,201	85,000	75,000	85,000	13.3%
6231 - Legal Expenses - Other	844	-	-	-	0.0%
6245 - Dues, Subscriptions and Memberships	3,721	2,980	2,500	3,445	37.8%
6360 - Supplies & Equipment - Office Supplies	1,184	1,000	1,000	500	-50.0%
6380 - Travel - Lodging	3,303	5,100	5,100	6,925	35.8%
6390 - Travel - Meals	841	1,730	1,730	1,519	-12.2%
6430 - Travel - Transportation	3,012	7,138	7,138	5,662	-20.7%
6530 - Other Expense	24	-	-	-	0.0%
Total Operating and General	100,888	130,448	97,468	114,831	17.8%
Total Expenditures	\$ 758,130	\$ 800,258	\$ 806,881	\$ 980,415	21.5%



FINANCE

FINANCE

GOALS

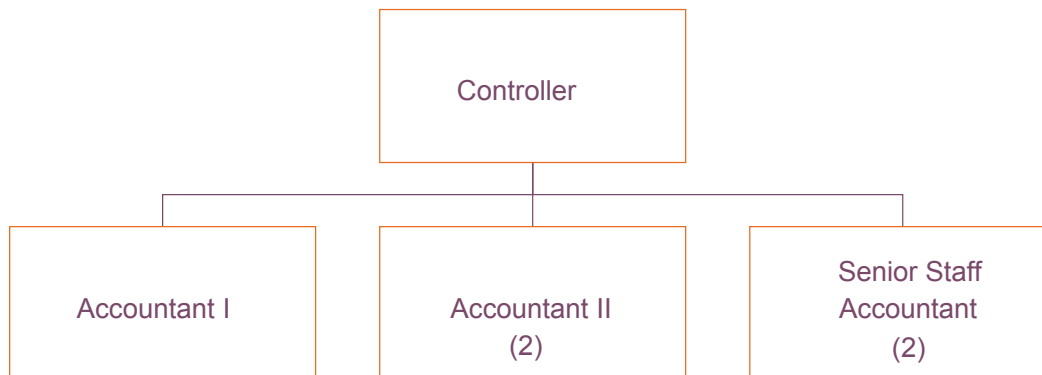
The Finance Division has three goals:

- Through accurate financial reporting, maintain the financial integrity of WEDC.
- Through timely reporting and communication, provide good customer service to meet both internal and external stakeholder needs.
- Ensure the financial processes of the organization, including procurement, travel, disbursements and investments, are being applied consistently and carried out according to approved policy and procedures.

ADMINISTRATIVE OVERSIGHT

The Finance Division is responsible for maintaining the financial records of WEDC in accordance with GAAP and GASB standards. In addition, the division is entrusted with maintaining and monitoring the internal control environment of WEDC, including the maintenance and enforcement of the financial policies and procedures of WEDC.

STAFFING



Controller – Reports to the CFO. Responsible for planning, directing and managing the day-to-day operations of the Finance Division. The Controller has primary responsibility for ensuring regular periodic financial reporting and organizational compliance with internal control policies as they relate to financial matters.

Accountant I – Responsible for reviewing, maintain and controlling financial records related to expenditures and receipts. Administrative functions include but are not limited to vendor management, accounts payable entry, and processing disbursements and employee reimbursements. Additional information reporting is completed.

Accountant II – Responsible for reviewing, maintaining, analyzing and controlling accounts receivable and billing, bank account reconciliations, capital assets and the procurement process. This position requires understanding of generally accepted accounting principles (GAAP) and the reconciliations necessary to ensure proper accounting for assigned divisions or departments.

Senior Staff Accountant – Responsible for reviewing, maintaining, analyzing and controlling financial records related to state grant and/or loan programs and staff credit cards, and controlling financial records related to federal grant programs and payroll financial transactions. This position requires a deeper understanding of GAAP, federal reimbursement regulations, payroll expenses and liabilities, and proper recording and reporting of financial activities.

KEY STRATEGIC INITIATIVES

- Develop a more robust cash liquidity/investment monitoring process.
- Enhance monthly reporting analysis.
- Improve staff development and cross-training opportunities across accounting staff.

BUDGET NOTES

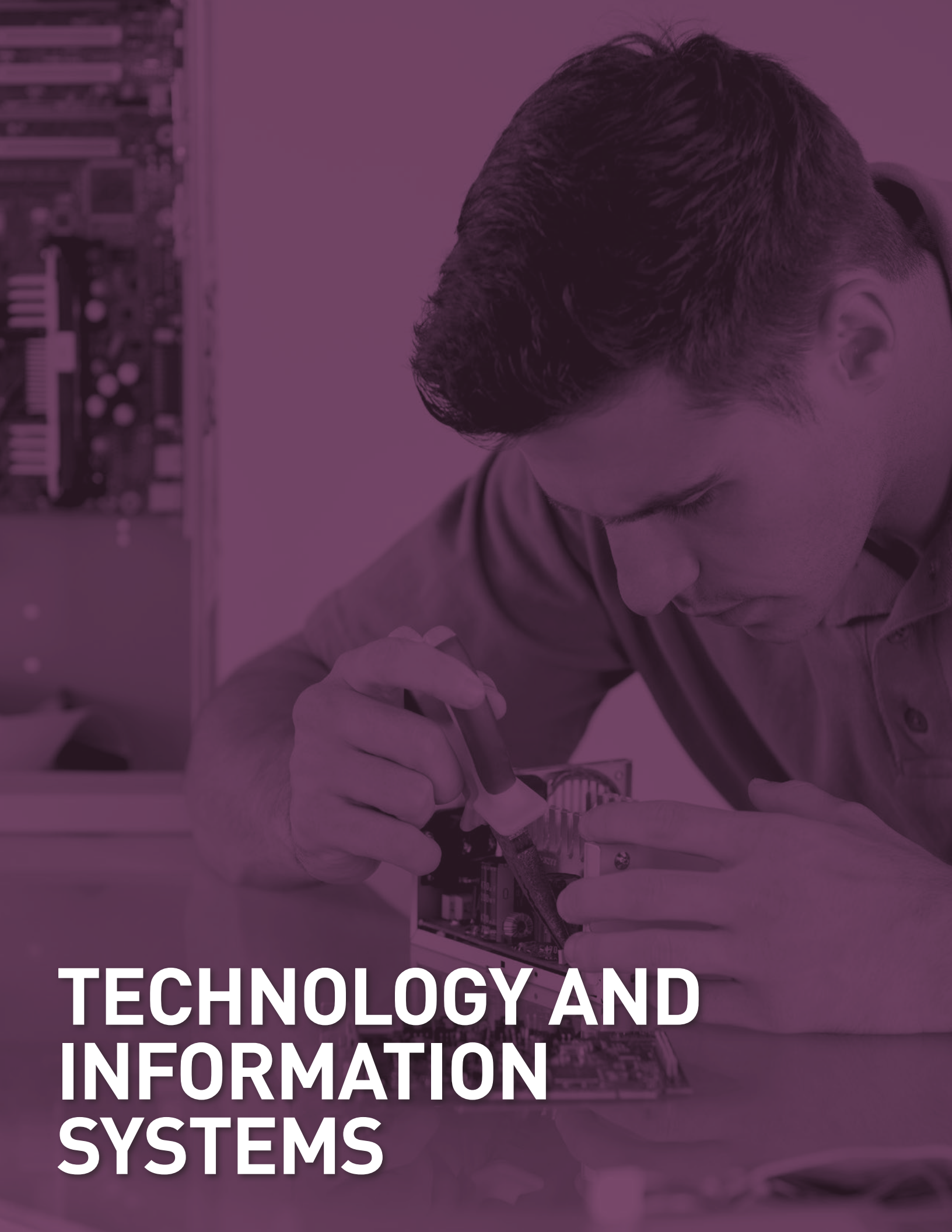
Significant changes between the FY16 and FY17 budgets include:

- Payroll and benefits decrease due to moving CFO position to Executive Office
- Capital Expenditures includes replacement of two fleet vehicles

**Wisconsin Economic Development Corporation
Detailed Budget Worksheet**

Finance - 6200

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Revenues					
4043 - Revenue - SKILLS Admin	\$ 313	\$ -	\$ -	\$ -	\$ -
4160 - Revenue - Investment Income	309,471	-	150,000	350,000	133.3%
4170 - Revenue - Other Income	2,395	-	-	-	0.0%
4185 - Sponsorship Contributions	-	54,000	-	-	0.0%
Total	312,179	54,000	150,000	350,000	133.3%
Expenditures					
Payroll and Benefits					
6000 - Benefits - Health Insurance	77,562	68,319	91,683	84,801	-7.5%
6010 - Benefits - Life Insurance	250	207	176	98	-44.3%
6015 - Benefits - Retirement	27,179	36,086	25,585	23,661	-7.5%
6020 - Benefits - Payroll Taxes	32,952	39,436	29,590	27,426	-7.3%
6025 - Benefits - Other	(4)	-	-	-	0.0%
6040 - Merit/Incentives	10,275	-	-	-	0.0%
6045 - Employee Recruitment	43,051	-	-	-	0.0%
6050 - Compensation - Salary	440,033	515,508	390,924	349,506	-10.6%
6055 - Professional Development	3,484	15,280	5,000	10,000	100.0%
Total Payroll and Benefits	634,781	674,836	542,958	495,492	-8.7%
Operating and General					
6070 - Financial Fees - Bank Service Charges	12,354	13,000	13,000	13,200	1.5%
6120 - Office Expense - Other	8,657	10,000	7,000	32,560	365.1%
6200 - Professional Fees - Consulting Fees	163,150	175,000	175,000	178,750	2.1%
6245 - Dues, Subscriptions and Memberships	965	2,000	1,500	1,000	-33.3%
6310 - Repairs & Maintenance - Automobiles	7,943	13,000	13,000	10,000	-23.1%
6360 - Supplies & Equipment - Office Supplies	815	1,000	1,000	1,000	0.0%
6375 - Events and Conferences	28	500	500	500	0.0%
6380 - Travel - Lodging	1,687	5,000	1,000	3,000	200.0%
6390 - Travel - Meals	898	3,000	1,000	1,000	0.0%
6410 - Travel - Other	2,283	-	-	-	0.0%
6430 - Travel - Transportation	(1,067)	2,000	5,000	6,000	20.0%
Total Operating and General	197,713	224,500	218,000	247,010	13.3%
Capital					
7040 - Vehicles	-	-	-	40,000	0.0%
Total Capital	-	-	-	40,000	0.0%
Debt Service					
8002 - Pension Bonds Principal	57,731	22,000	22,000	22,000	0.0%
8003 - Pension Bonds Interest	114,257	95,000	95,000	95,000	0.0%
Total Debt Service	171,988	117,000	117,000	117,000	0.0%
Total Expenditures	\$ 1,004,482	\$ 1,016,336	\$ 877,958	\$ 899,502	2.5%



TECHNOLOGY AND INFORMATION SYSTEMS

TECHNOLOGY AND INFORMATION SYSTEMS

GOALS

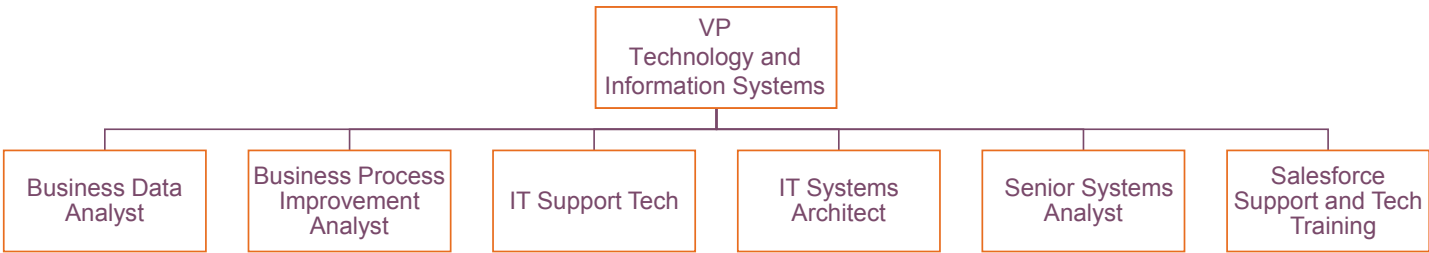
The Technology and Information Systems Division has three goals:

- Focus on implementing internal controls, process alignment and integrations to provide data integrity and transparency.
- Improve process for verifying and reporting on WEDC accomplishments.
- Provide systems and controls to support compliance with legislation, policy and WEDC’s strategic pillars.

ADMINISTRATIVE OVERSIGHT

The Technology and Information Systems Division is tasked with controlling and developing WEDC’s information systems, as well as gathering business requirements and mapping current processes to engineer solutions to mitigate risks and gaps and maintain data integrity. IT/IS works across the organization to maintain continuity of systems and processes to support compliance with legislation, policy and WEDC’s strategic pillars.

STAFFING



Vice President – Reports to the CFO. Responsible for the overall direction and management of the division, and for assuring execution of the divisional operations plan.

IT Systems Architect – Provides specialized advanced system design, technical support, problem diagnosis and resolution, consultation and implementation services for all WEDC IT functions.

Senior Systems Analyst – Assists in designing, developing and configuring computer programs, systems and services across all WEDC systems.

IT Support Technician – Provides first response/call resolution to WEDC employees, partners and customers in the use of WEDC technology solutions.

Salesforce.com Support and Technical Training Specialist – Assists with day-to-day support of the WEDC Salesforce.com environment and development of integration processes across platforms, with the responsibility to provide technical training to WEDC staff on technology systems.

Business Data Analyst – Analyzes and manages data to ensure compliance with regulatory and other reporting requirements. Ensures alignment and consistency of data in operational systems. Proactively communicates and collaborates with staff to analyze information needs and functional requirements and translate them into application and operational requirements.

Business Process Improvement Analyst – Collaborates with IT and IS to ensure that software systems are designed and developed to meet functional requirements. Ensures alignment and consistency of data in operational systems.

KEY STRATEGIC INITIATIVES

- Create an effective data governance framework that will build compliance, accountability and integrity around critical data elements.
- Develop and implement SharePoint, including document management functions.
- Develop and implement online program applications.
- Redesign Salesforce functionality.

BUDGET NOTES

Significant changes between the FY16 and FY17 budgets include:

- Payroll and benefits increase due to agency reorganization. Business Analyst and Business Process Improvement Analyst were moved from Credit and Risk. The Special Programs Manager was moved to Office of Public Policy.
- 6200 Professional Fees increase due to data integrity project
- 6320 Computer Supplies IT/IS will need to replace and upgrade networking equipment and increase focus in security.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Technology & Information Systems - 6300

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Revenues					
4043 - Revenue - SKILLS Admin	\$ 3,984	\$ 450,000	\$ -	\$ -	-100.0%
Total	3,984	450,000	-	-	-100.0%
Expenditures					
Payroll and Benefits					
6000 - Benefits - Health Insurance	91,611	118,238	75,621	72,970	-3.5%
6010 - Benefits - Life Insurance	437	471	191	224	17.3%
6015 - Benefits - Retirement	31,784	36,186	31,573	35,342	11.9%
6020 - Benefits - Payroll Taxes	35,236	40,119	36,516	40,966	12.2%
6025 - Benefits - Other	374	347	80	-	-100.0%
6040 - Merit/Incentives	150	-	-	-	0.0%
6050 - Compensation - Salary	475,296	524,431	482,244	519,899	7.8%
6055 - Professional Development	9,210	13,881	20,397	25,197	23.5%
Total Payroll and Benefits	644,099	733,673	646,622	694,598	7.4%
Operating and General					
6110 - Office Expense - Internet Services	36,441	-	-	-	0.0%
6120 - Office Expense - Other	15,178	59,194	59,194	59,444	0.4%
6200 - Professional Fees - Consulting Fees	188,625	220,000	280,000	415,000	48.2%
6260 - Software Services	879,279	770,747	750,917	797,443	6.2%
6290 - Repairs & Maintenance - Office Equipment	6,760	15,325	15,325	19,325	26.1%
6320 - Supplies & Equipment - Computer Supplies	86,516	125,000	125,000	328,000	162.4%
6330 - Supplies & Equipment - Equipment Rental	27,973	31,000	42,000	50,000	19.0%
6360 - Supplies & Equipment - Office Supplies	200	-	-	-	0.0%
6380 - Travel - Lodging	5,484	6,000	8,000	8,000	0.0%
6390 - Travel - Meals	1,137	1,200	2,000	2,000	0.0%
6430 - Travel - Transportation	1,655	3,000	5,000	5,000	0.0%
6510 - Interest Expense	435	-	-	-	0.0%
Total Operating and General	1,249,684	1,231,466	1,287,436	1,684,212	30.8%
Capital					
7000 - Computer Software	25,448	-	-	-	0.0%
Total Capital	25,448	-	-	-	0.0%
Debt Service					
8000 - Capital Leases - Principal Payment	31,699	-	-	-	0.0%
Total Debt Service	31,699	-	-	-	0.0%
Total Expenditures	\$ 1,950,930	\$ 1,965,139	\$ 1,934,058	\$ 2,378,810	23.0%



HUMAN RESOURCES

HUMAN RESOURCES

GOALS

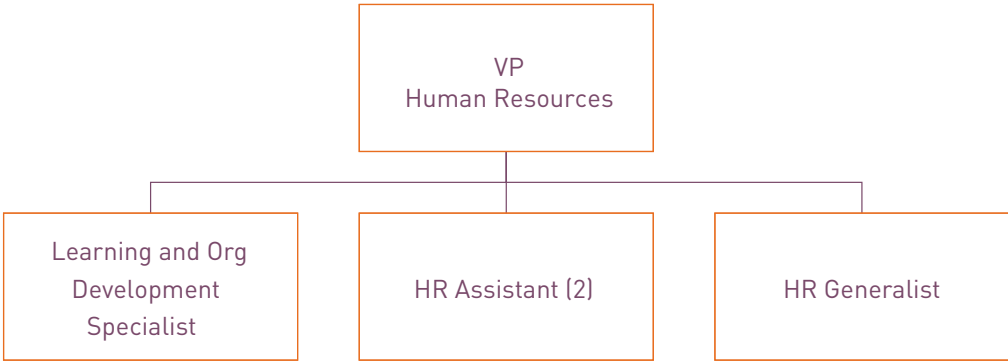
The Human Resources Division has two goals:

- Develop an “employer of choice” platform that touches critical points in the employee life cycle and incorporates employment branding, clear expectations and performance goals, merit compensation and incentives, and frequent recognition, as well as other unique perks and engagement factors.
- Positively impact employee engagement through targeted initiatives to address gaps and leverage opportunities, including onboarding, training and development, career ladders and succession planning.

ADMINISTRATIVE OVERSIGHT

As a strategic partner with WEDC’s leadership, the WEDC Human Resources Division develops and delivers innovative human resource programs and services designed to support WEDC’s mission. The division’s core services and competencies include acquiring, engaging and retaining talent by standing out as an employer of choice; employee relations; organizational and employee development and training; risk management; compensation and benefits; payroll; HR information management; and regulatory compliance related to personnel management.

STAFFING



Vice President – Reports to the CEO. Responsible for overall direction and management of the division, and will assume execution of the divisional operations plan.

Human Resources Generalist – Leads and facilitates key organizational initiatives. This person serves as a consultant to management on HR-related topics, as well as anticipating organizational needs and recommending, designing and facilitating solutions.

Human Resources Assistant – Manages and delivers core HR programs, including payroll, benefits and onboarding.

Learning and Organizational Development Specialist – Works with leaders and individuals across the organization to conduct needs analysis and to design and deliver learning and organizational development solutions that engage talent, grow the corporate culture, and positively impact the workplace.

KEY STRATEGIC INITIATIVES

- Develop a branding program that attracts top talent.
- Implement a robust onboarding program that includes an industry ED module, mentoring and a separate leadership onboarding component.
- Align compensation philosophy with practice, including merit performance reviews, incentives and career ladders.
- Develop and implement talent development and succession planning strategies.

BUDGET NOTES

Significant changes between the FY16 and FY17 budgets include:

- Payroll and benefits changed due to reaching full staff capacity in FY17.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Human Resources - 6100

Account No. and Name	FY15 Actual	FY16 Budget	FY16 Amended Budget	FY17 Budget	New Funds % Chg
Revenues					
4043 - Revenue - SKILLS Admin	\$ 1,118	\$ -	\$ -	\$ -	0.0%
Total	<u>1,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>
Expenditures					
Payroll and Benefits					
6000 - Benefits - Health Insurance	60,007	104,523	49,915	49,292	-1.2%
6010 - Benefits - Life Insurance	6	-	31	50	61.3%
6015 - Benefits - Retirement	16,785	18,143	19,247	23,157	20.3%
6020 - Benefits - Payroll Taxes	18,326	20,110	22,787	26,841	17.8%
6022 - Benefits - Unemployment Compensation	1,110	-	-	-	0.0%
6025 - Benefits - Other	1,717	-	-	-	0.0%
6040 - Merit/Incentives	5,150	-	-	-	0.0%
6045 - Employee Recruitment	7,783	18,050	16,000	9,280	-42.0%
6050 - Compensation - Salary	243,848	262,870	296,576	347,039	17.0%
6055 - Professional Development	19,550	29,982	18,000	14,870	-17.4%
Total Payroll and Benefits	<u>374,281</u>	<u>453,678</u>	<u>422,556</u>	<u>470,529</u>	<u>11.4%</u>
Operating and General					
6090 - Insurance - General Insurance	137,198	117,986	118,315	120,866	2.2%
6120 - Office Expense - Other	600	-	3,500	8,100	131.4%
6150 - Office Expense - Rent	410,862	466,000	483,000	524,000	8.5%
6200 - Professional Fees - Consulting Fees	15,564	13,000	9,000	21,600	140.0%
6245 - Dues, Subscriptions and Memberships	629	2,159	1,500	2,329	55.3%
6260 - Software Services	8,480	-	-	-	0.0%
6270 - Repairs & Maintenance - Building	819	7,000	3,500	3,600	2.9%
6360 - Supplies & Equipment - Office Supplies	3,746	9,800	10,100	12,500	23.8%
6380 - Travel - Lodging	800	1,000	3,500	5,120	46.3%
6390 - Travel - Meals	369	300	2,500	1,080	-56.8%
6430 - Travel - Transportation	1,332	1,650	4,000	3,380	-15.5%
Total Operating and General	<u>580,399</u>	<u>618,895</u>	<u>638,915</u>	<u>702,575</u>	<u>10.0%</u>
Capital					
7020 - Furniture and Fixtures	32,365	24,812	16,000	16,000	0.0%
7030 - Leasehold Improvements	2,962	62,000	55,000	59,000	7.3%
Total Capital	<u>35,327</u>	<u>86,812</u>	<u>71,000</u>	<u>75,000</u>	<u>5.6%</u>
Total Expenditures	<u>\$ 990,006</u>	<u>\$ 1,159,385</u>	<u>\$ 1,132,471</u>	<u>\$ 1,248,104</u>	<u>10.2%</u>

The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing and maximizing opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive economy. WEDC provides resources, operational support and financial assistance to companies, partners and communities in Wisconsin. WEDC achieves its mission through initiatives driven by five strategic pillars: business development; community and economic opportunity; strategic economic competitiveness; state brand management and promotion; and operational and fiscal excellence. Working with more than 600 regional and local partners, WEDC develops and delivers solutions representative of a highly responsive and coordinated economic development network.

Visit InWisconsin.com to learn more.



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- Performance Reporting
 - Simplified and standardized reporting requirements
- Application and Awards Process
 - Revised language to reflect the Awards Administration policies and procedures in the WEDC Code of Ethics and Conduct
- Revision History
 - Added section to document program guideline revisions

In addition, a number of cosmetic changes were implemented in the FY17 Program Guidelines template.

Following is an overview of revisions made to the individual program guidelines.

Business and Community Development

Brownfields Grant

- Changed program name from “Brownfield Redevelopment Financial Assistance” to “Brownfields Grant” to reflect statutory language
- Eligibility Requirements
 - Clarified matching contributions
 - Standardized the list of ineligible costs

Business Development Tax Credit (BTC)

- Certification
 - Clarified health insurance benefit requirements, and standardized across business development programs
- Incentives and Available Funding
 - Added language to clarify when available credits may be allocated. The available funding level includes \$8 million transfer from the Early Stage Investment program that was recently authorized by the Joint Committee on Finance.

Business Opportunity Loan Fund (BOLF)

- Decreased maximum loan amount and required level of public participation due to statutory requirements to reduce program funding

- Simplified the incentive structure by eliminating the Tier structure for award levels and consolidated the eligibility criteria for performance-based reductions in principal
- Condensed Program Description
- Eligibility Requirements – Definitions
 - Modified definitions in order to standardize terms across all WEDC business development programs
 - Deleted definition of Tier I and II counties or municipalities due to program modifications
- Eligibility Requirements – Loan Requirements
 - Clarified health insurance benefit requirements and standardized across business development programs
 - Modified terms related to “Forgivable” to reflect “Performance-Based” language
- Eligibility Requirements – Use of Funds
 - Added a statement that clarifies funding may not be used for past costs
- Incentives and Available Funding
 - Clarified the method WEDC uses to calculate the loan award amounts

Capacity Building Grant

- Expanded the program to accommodate the Entrepreneurial Support pilot
- Condensed Program Description
- Eligibility Requirements
 - Clarified that funding may not be used for past costs and the conditions that allow funding to be used for operational costs

Community Development Investment Grant (CDI)

- Changed the application process from competitive to continual
- Decreased maximum grant amount to \$250,000 to conform with current practice

- Eliminated funding for planning and marketing due to the anticipated increase in applications under the ongoing process
- Requires that at least 50% of program funding be awarded to communities with under 50,000 in population
- Eligibility Requirements
 - Requires applicants to provide resolution from local government authorizing submittal of the CDI application
 - Restricted certain types of eligible activities and projects due to the anticipated increase in applications under the ongoing process
 - Standardized the list of ineligible costs across community development programs
 - Added the list of application criteria WEDC may consider for awarding CDI grants

Development Opportunity Zone Tax Credit (DOZ)

- Eligibility Requirements – Definitions
 - Modified definitions in order to standardize terms across business development programs
- Certification
 - Clarified health insurance benefit requirements and standardized across business development programs
- Added “Verification” section to clarify that WEDC annually verifies the amount of tax credits earned

Enterprise Zone Tax Credit (EZ)

- Eligibility Requirements – Definitions
 - Modified definitions in order to standardize terms across all WEDC business development programs
 - Clarified recipient’s obligation to maintain positions created as a result of the tax credits
- Certification
 - Clarified health insurance benefit requirements and standardized across business development programs

- Added “Verification” section to clarify that WEDC annually verifies the amount of tax credits earned, and to standardize across business development tax credit programs
- Incentives and Available Funding
 - Clarified the criteria for calculating Job Creation, Job Retention and Training tax credits

Historic Preservation Tax Credit (HTC)

- Condensed program description
- Added building eligibility specification for Qualified Rehabilitated Buildings

Idle Sites Redevelopment

- Changed program name from “Idle Industrial Sites Redevelopment” to “Idle Sites Redevelopment” to reflect eligibility of both commercial and industrial sites
- Decreased maximum grant amount to \$500,000 to reflect current practice
- Standardized the list of ineligible costs across community development programs

Industrial Revenue Bonding (IRB)

- Clarified statutory references in Program Description and required documentation in Performance Reporting

Main Street and Connect Communities

- Clarified statutory references in Incentives and Available Funding

Minority Business Development

- Condensed Program Description
- Clarified Eligibility Requirements for RLF administration and technical assistance grant awards

Site Assessment Grant (SAG)

- Eligibility Requirements
 - Added and Standardized Definitions to reflect statutory requirements
 - Eliminated redundant requirements language

- Clarified the required amount and eligible types of matching investment
- Standardized the list of eligible activities to reflect statutory language
- Standardized the list of ineligible costs across community development programs

Workforce Training Grant (WTG)

- Eligibility Requirements
 - Definitions: Modified definitions in order to standardize terms across business development programs
 - Job Quality: Clarified health insurance benefit requirements and standardized across business development programs
 - Eligibility Factors: Simplified the list of application evaluation criteria WEDC may consider for awarding WTG grants
 - Grant Award Conditions: Clarified that WTG funds may not be used for past costs

Business and Investment Attraction

Certified Sites

- Clarified the types of aid and other technical assistance available

Entrepreneurship and Innovation

Capital Catalyst

- Simplified the requirements for the recipient's use of seed funds
- Added condition that funds may not support the relocation of a business between communities in Wisconsin
- Simplified the requirements for the seed fund participants

Entrepreneurial Micro-Grant (EMG)

- Condensed Program Description
- Identified the Center for Technology Commercialization (CTC) as the program administrator

Qualified New Business Venture

- Modified definitions in order to standardize terms across all business development programs
- Clarified the applicable fees WEDC may impose to transfer credits

SBIR/STTR Matching Grant

- Simplified the requirements for SBIR/STTR awardees
- Standardized the Application and Awards Process

Seed Accelerator

- Simplified Eligibility Requirements for Seed Accelerator fund operators
- Simplified the requirements for the recipient's use of accelerator funds
- Simplified the Incentives and Available Funding factors determining grant award amounts

Technology Development Loan (TDL)

- Eligibility Requirements
 - Terms: Consolidated three loan options into a single set of loan term and conditions
 - Modified the list of application evaluation criteria WEDC may consider for awarding TDL funds
 - Clarified criteria around debt to equity

International Business Development

ExporTech™

- Clarified Eligibility Requirements for workshop participants

Global Business Development (GBD)

- Clarified that funds may not be used for past costs and that past costs are ineligible for match
- Simplified disbursement for awards funded by federal STEP funds

Global Trade Ventures (GTV)

- No substantive changes

Sector Strategy Development

Fabrication Laboratories Grant (Fab Labs)

- After meeting the statutory obligations in FY16, WEDC intends to re-introduce Fab Labs as its own program in FY17
- Changes compared to the statutory program include:
 - Multiple school districts allowed to apply as a single consortium
 - Simplified the list of application evaluation criteria WEDC may consider for awarding Fab Lab grants
 - Established a maximum award amount of \$50,000 for a consortium

Targeted Industry Projects (TIP)

- Simplified eligibility
- Clarified that funds may not be used for past costs
- Increased minimum grant amount from \$500 to \$25,000 to reflect current practice

- The performance-based loan reserve expense is based on total originations for FY17, as we reserve 100% of the performance-based loan balance.
 - The collectable loan reserve expense is based on new origination activity and a risk-based approach for determining the reserve on the current portfolio.
- Key Strategic Partners – Increasing \$25,000 (1%)
 - Additional funds will be allocated to Regional Economic Development Organizations (REDOs)
- Marketing/Promotions – Increasing \$0.1 million (4%)
 - Additional marketing and promotional expenses
- Payroll – Increasing \$0.6 million (6%)
 - Assumptions for FY17
 - Staffing levels in FY17 to remain level
 - In FY16 WEDC added FTE positions related to back office compliance and quality assurance support
 - Includes merit and equity adjustments, and increases in health insurance premiums
- Operations and General – Increasing \$0.7 million (16%)
 - \$0.4 million (10%) in IT-related expenses for WEDC’s data system integration project and to replace network equipment for its security infrastructure.
 - Remaining increases in Operating and General Expense results in a \$0.3 million (6%) increase from FY16.
- Pass Through Federal Grants – Increasing \$0.4 million.
 - WEDC received a federal grant from the Department of Defense in FY16. \$0.4 million has been budgeted to be spent in FY17. The offsetting revenue to be received has also been budgeted for.
- Capital and Debt Service – Increasing \$44,000 (62%)
 - \$40,000 for two new fleet vehicles.
- **Fund Balance**
 - In order to achieve a balanced budget, WEDC will need to use \$10.8 million of our current fund balance.
 - The effect of using fund balance on the “Assigned for Programs FYXX” will be to reduce the available balance from \$21.6 million at the end of FY15 to \$7.9 million at the end of FY17.