

## SECRETARY MESSAGE

The Wisconsin Economic Development Corporation (WEDC) is committed to creating an environment in Wisconsin where companies and the communities in which they do business are able to achieve their full potential—both in terms of economic success and quality of life. Our priorities are formed through input we receive from the many stakeholders, economic development and industry partners, and businesses that we serve throughout the state.

As WEDC enters its fifth year of operations, the organization is at the point where it needs to assess the impact and effectiveness of its programs and internal processes in order to make strategic decisions on the organizational structure, its delivery and compliance processes, and programs and services offered. In addition, it is critical that WEDC is diligently working to build and maintain trust with elected leaders while providing transparency with and accountability to the public.

To do this, the Center for Regional Economic Competitiveness (CREC) has been retained to provide technical assistance and work with staff, the WEDC Board of Directors and various stakeholders to review our organizational mission and goals, and make recommendations on how WEDC can better balance the provision of economic development programs that respond to a hyper-competitive business environment while also meeting the highest standards of public accountability. CREC is a nationally-recognized non-partisan thought-leader on state economic development issues and currently provides evaluation support to Federal-state partnerships such as the US Treasury's State Small Business Credit Initiative (SSBCI), the NIST Hollings Manufacturing Extension Partnership, and is a national partner with The Pew Charitable Trusts.

As it is anticipated that these recommendations may include fairly substantial changes to the WEDC structure, programs, and the services it provides, it is impractical for us to provide a detailed operations plan for FY16 at this time. Therefore, we are recommending adoption of the accompanying Resolution on the Interim FY16 Budget and Operations Plan and Continuing Program Guidelines, with the understanding that a new Operations Plan with revised expected outcomes will be developed in conjunction with the CREC review of WEDC's organizational and program structure. Expected outcomes for the Interim FY16 Operations Plan will be prorated based on the FY15 targets.

As always, WEDC will continue its commitment to helping drive business and economic success in Wisconsin through fueling business start-ups, supporting industry development, maximizing global opportunities, creating thriving communities, expanding and attracting business and investment, and leveraging our statewide network of partners and resources. For more information on WEDC's mission and operations, I invite you to visit [InWisconsin.com](http://InWisconsin.com).

Sincerely,

Reed E. Hall  
Secretary and Chief Executive Officer

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**  
**FY 16 BUDGET DISCUSSION**  
 By Department

	Final/Audited	Budget			
	FY 14 Actual	FY 15 Approved Budget	FY 16 Initial Proposed Budget	\$ Change	% Change
<b>Programs</b>					
Entrepreneurship & Innovation - 2000	\$ 1,571,504	\$ 4,870,000	4,175,000	\$ (695,000)	-14.3%
Economic & Community Development - 3000	7,308,627	14,050,000	7,550,000	(6,500,000)	-46.3%
Business & Industry Development - 4000	1,047,335	3,100,000	2,250,000	(850,000)	-27.4%
International Business Development - 7000	508,558	1,426,250	1,290,000	(136,250)	-9.6%
<b>Total Programs</b>	<b>10,436,024</b>	<b>23,446,250</b>	<b>15,265,000</b>	<b>(8,181,250)</b>	<b>-34.9%</b>
<b>Partnerships</b>					
Entrepreneurship & Innovation - 2000	1,397,720	1,500,000	1,275,000	(225,000)	-15.0%
Economic & Community Development - 3000	589,029	900,000	450,000	(450,000)	-50.0%
Business & Industry Development - 4000	1,505,000	1,550,000	1,550,000	-	0.0%
International Business Development - 7000	318,796	340,000	310,000	(30,000)	-8.8%
<b>Total Partnerships</b>	<b>3,810,545</b>	<b>4,290,000</b>	<b>3,585,000</b>	<b>(705,000)</b>	<b>-16.4%</b>
<b>One Time Appropriation Grants</b>					
	-	-	750,000	750,000	0.0%
<b>Loan Loss Reserve</b>					
Entrepreneurship & Innovation - 2000	1,022,675	950,000	350,000	(600,000)	-63.2%
Economic & Community Development - 3000	6,535,849	6,000,000	3,150,000	(2,850,000)	-47.5%
<b>Total Loan Loss Reserve</b>	<b>7,558,524</b>	<b>6,950,000</b>	<b>3,500,000</b>	<b>(3,450,000)</b>	<b>-49.6%</b>
<b>Marketing - 5000</b>	<b>4,655,729</b>	<b>5,035,277</b>	<b>3,104,097</b>	<b>(1,931,180)</b>	<b>-38.4%</b>
<b>Payroll and Benefits</b>					
Legal Services - 1100	654,657	679,132	669,810	(9,322)	-1.4%
Executive Office - 1200	724,562	758,159	839,323	81,164	10.7%
Entrepreneurship & Innovation - 2000	558,936	505,134	519,616	14,482	2.9%
Economic & Community Development - 3000	2,120,277	2,244,098	2,325,553	81,455	3.6%
Business & Industry Development - 4000	815,289	824,872	813,207	(11,665)	-1.4%
Marketing & Communications - 5000	630,837	700,264	732,508	32,244	4.6%
Human Resources - 6100	324,666	384,230	453,678	69,448	18.1%
Finance - 6200	592,451	648,847	674,837	25,990	4.0%
Information Technology - 6300	510,311	622,012	733,671	111,659	18.0%
Credit and Risk - 6600	1,029,284	1,137,248	1,211,683	74,435	6.5%
International Business Development - 7000	657,408	655,914	715,849	59,935	9.1%
Office of Public Policy - 8000	272,179	280,058	305,175	25,117	9.0%
<b>Total Payroll and Benefits</b>	<b>8,890,857</b>	<b>9,439,968</b>	<b>9,994,910</b>	<b>554,942</b>	<b>5.9%</b>
<b>Operations and General</b>					
Legal Services - 1100	49,320	130,599	130,448	(151)	-0.1%
Executive Office - 1200	202,508	187,500	387,000	199,500	106.4%
Entrepreneurship & Innovation - 2000	120,305	138,000	52,300	(85,700)	-62.1%
Economic & Community Development - 3000	560,034	662,397	832,500	170,103	25.7%
Business & Industry Development - 4000	232,482	208,875	240,700	31,825	15.2%
Human Resources - 6100	565,007	583,802	618,895	35,093	6.0%
Finance - 6200	172,121	215,935	224,500	8,565	4.0%
Information Technology - 6300	838,331	1,197,515	1,231,466	33,951	2.8%
Credit and Risk - 6600	9,847	23,150	29,800	6,650	28.7%
International Business Development - 7000	383,576	759,051	712,243	(46,808)	-6.2%
Office of Public Policy - 8000	10,369	18,645	17,200	(1,445)	-7.8%
<b>Total Operation and General</b>	<b>3,143,900</b>	<b>4,125,469</b>	<b>4,477,052</b>	<b>351,583</b>	<b>8.5%</b>
<b>Capital</b>					
Executive Office - 1200	215,028	153,000	-	(153,000)	-100.0%
Economic & Community Development - 3000	480,752	140,000	-	(140,000)	-100.0%
Marketing & Communications - 5000	60,250	-	-	-	0.0%
Human Resources - 6100	514,404	99,830	86,812	(13,018)	-13.0%
Finance - 6200	-	-	-	-	0.0%
Information Technology - 6300	285,236	15,000	-	(15,000)	-100.0%
<b>Total Capital</b>	<b>1,555,670</b>	<b>407,830</b>	<b>86,812</b>	<b>(321,018)</b>	<b>-78.7%</b>
<b>Debt Service</b>					
Finance - 6200	193,308	117,000	117,000	-	0.0%
Information Technology - 6300	76,749	32,368	-	(32,368)	-100.0%
	270,057	149,368	117,000	(32,368)	-21.7%
<b>Total</b>	<b>\$ 40,321,306</b>	<b>\$ 53,844,162</b>	<b>40,879,871</b>	<b>\$ (12,964,291)</b>	<b>-24.1%</b>

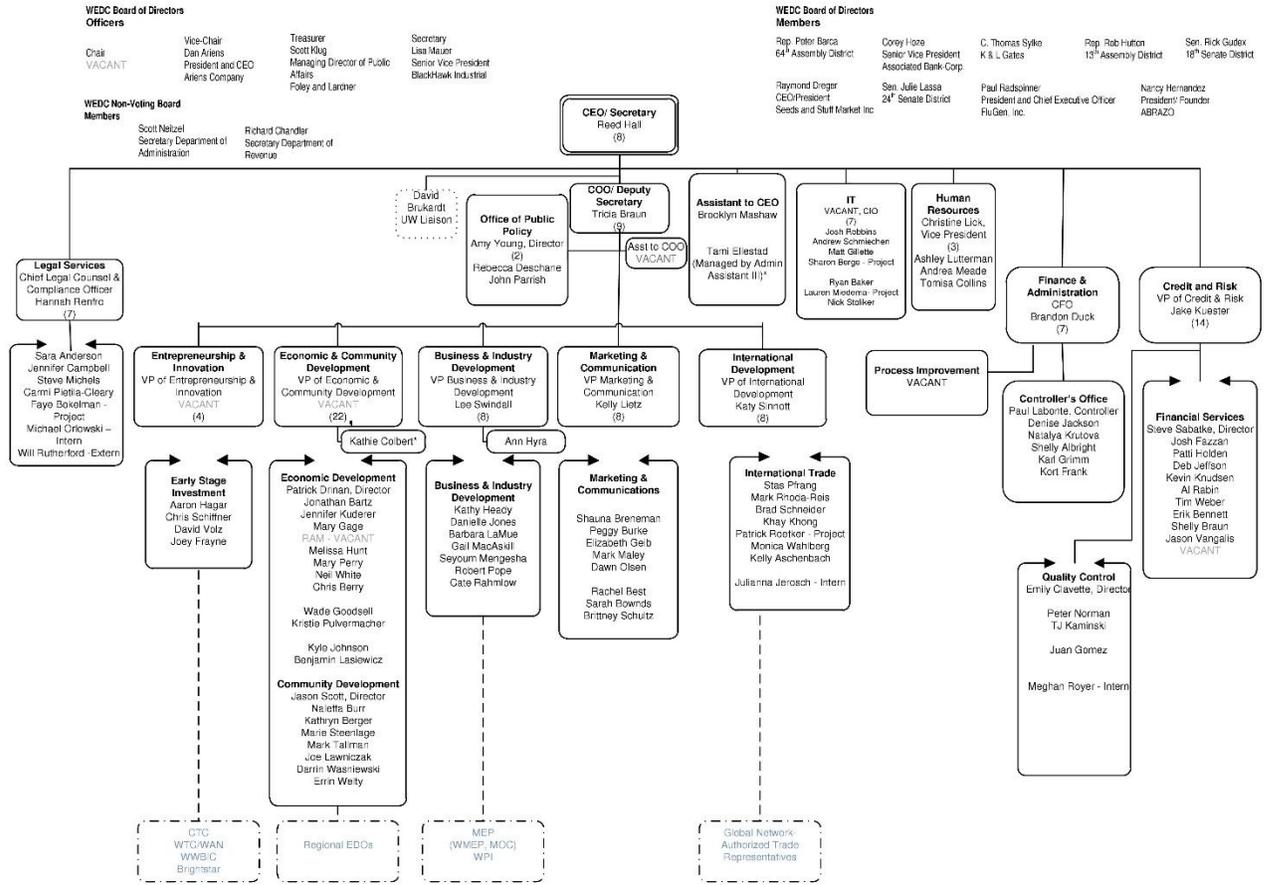
**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**  
**FY 16 BUDGET DISCUSSION**  
**Program Grants and Loans**

	Budget			%
	FY 15 Approved Budget	FY 16 Initial Proposed Budget	\$ Change	
<b>Program Grants</b>				
6630 Seed Accelerator	\$ 1,370,000	\$ 1,000,000	\$ (370,000)	-27.0%
6646 Entrepreneurial Micro Grant	200,000	175,000	(25,000)	-12.5%
6650 - Capital Catalyst	2,000,000	2,000,000	-	0.0%
6731 - SBIR / STTR Matching Grant	1,300,000	1,000,000	(300,000)	-23.1%
Entrepreneurship & Innovation - 2000	<u>\$ 4,870,000</u>	<u>\$ 4,175,000</u>	<u>\$ (695,000)</u>	-14.3%
6600 - Capacity Building Grants	\$ 500,000	\$ 550,000	\$ 50,000	10.0%
6620 - Workforce Training Grants	500,000	-	(500,000)	-100.0%
6680 - Community Development Investment Grant	4,500,000	1,500,000	(3,000,000)	-66.7%
6710 - Site Assessment Grants	1,300,000	1,000,000	(300,000)	-23.1%
6720 - Brownfield Grants	4,250,000	3,500,000	(750,000)	-17.6%
6725 - Idle Industrial Sites Redevelopment	3,000,000	1,000,000	(2,000,000)	-66.7%
Economic & Community Development - 3000	<u>\$ 14,050,000</u>	<u>\$ 7,550,000</u>	<u>\$ (6,500,000)</u>	-46.3%
6640 - Targeted Industry Projects Grants	\$ 2,500,000	\$ 1,850,000	\$ (650,000)	-26.0%
6670 - Minority Business Development RLF	600,000	400,000	(200,000)	-33.3%
Business & Industry Development - 4000	<u>\$ 3,100,000</u>	<u>\$ 2,250,000</u>	<u>\$ (850,000)</u>	-27.4%
6655 - Expotech	\$ 226,250	\$ 90,000	\$ (136,250)	-60.2%
6665 - Global Business Development Grants	1,200,000	1,200,000	-	0.0%
International Business Development - 7000	<u>\$ 1,426,250</u>	<u>\$ 1,290,000</u>	<u>\$ (136,250)</u>	-9.6%
<b>Total Program Grants</b>	<u>\$ 23,446,250</u>	<u>\$ 15,265,000</u>	<u>\$ (8,181,250)</u>	-34.9%
<b>Loans</b>				
11xx - Technology Development Loans--State	\$ 3,000,000	\$ 3,000,000	\$ -	0.0%
11xx - Technology Development Loans--SSBCI	1,750,000	1,500,000	(250,000)	-14.3%
Entrepreneurship & Innovation - 2000	<u>\$ 4,750,000</u>	<u>\$ 4,500,000</u>	<u>\$ (250,000)</u>	-5.3%
11xx - Business Opportunity Loan Fund	\$ 18,000,000	\$ 9,000,000	\$ (9,000,000)	-50.0%
11xx - Special Project Loan Fund	2,000,000	1,000,000	(1,000,000)	-50.0%
Economic & Community Development - 3000	<u>\$ 20,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ (10,000,000)</u>	-50.0%
<b>Total Loans (Gross)</b>	<u>\$ 24,750,000</u>	<u>\$ 14,500,000</u>	<u>\$ (10,250,000)</u>	-41.4%
<b>Total Direct Economic Funding</b>	<u>\$ 48,196,250</u>	<u>\$ 29,765,000</u>	<u>\$ (18,431,250)</u>	-38.2%

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION**  
**FY 16 BUDGET DISCUSSION**  
Key Strategic Partners

	Budget			%
	FY 15 Approved Budget	FY 16 Initial Proposed Budget	\$ Change	
<b>Key Strategic Partnerships</b>				
5170 - WI Mfg Extension Partnership	\$ 1,000,000	\$ 1,000,000	\$ -	0.0%
5180 - UW Stout - Mfg Outreach Center	250,000	250,000	-	0.0%
5185 - Wisconsin Procurement Institute Business & Industry Development - 4000	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>0.0%</u>
	<u>\$ 1,550,000</u>	<u>\$ 1,550,000</u>	<u>\$ -</u>	<u>0.0%</u>
5120 - Wisconsin Women's Business Initiative Corp	\$ 350,000	\$ 350,000	\$ -	0.0%
5130 - Center for Technology Commercialization (CTC)	540,000	565,000	25,000	4.6%
5140 - Wisconsin Technology Council	310,000	310,000	-	0.0%
5141 - BrightStar Wisconsin Foundation Entrepreneurship & Innovation - 2000	<u>300,000</u>	<u>50,000</u>	<u>(250,000)</u>	<u>-83.3%</u>
	<u>\$ 1,500,000</u>	<u>\$ 1,275,000</u>	<u>\$ (225,000)</u>	<u>-15.0%</u>
5160 - Regional Economic Development Org's Economic & Community Development - 3000	<u>\$ 900,000</u>	<u>\$ 450,000</u>	<u>\$ (450,000)</u>	<u>-50.0%</u>
	<u>\$ 900,000</u>	<u>\$ 450,000</u>	<u>\$ (450,000)</u>	<u>-50.0%</u>
5105 - Global Partner Network	<u>\$ 340,000</u>	<u>\$ 310,000</u>	<u>\$ (30,000)</u>	
	<u>\$ 340,000</u>	<u>\$ 310,000</u>	<u>\$ (30,000)</u>	
<b>Total Indirect Economic Funding</b>	<u>\$ 4,290,000</u>	<u>\$ 3,585,000</u>	<u>\$ (705,000)</u>	<u>-16.4%</u>

# Wisconsin Economic Development Corporation



## **Executive Office**

### **Mission**

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The mission of the Executive Office is to provide strategic direction, ensure effective programming and compliance, manage stakeholder relations, and build a high-performing organization.

### **Goals**

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The Executive Office has six primary 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.
- Guide and support strategic goals and objectives for Senior Leadership and ensure outcomes and benchmarks are met.
- Effectively manage day-to day operations of WEDC.
- 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.

## **Division of Business & Industry**

### **Mission**

The mission of the Business and Industry (BID) division is to advance targeted, high growth economic development opportunities in Wisconsin that produce strategic leaps in the growth and competitiveness of priority industries.

### **Goals**

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The BID division has three primary goals:

- Extend the geographic reach and implementation of Target Industry Projects investments in the Technology Booster model to achieve increased competitiveness for identified priority industry sectors.
  - Achieve short- and long-term sustainable new business creation and retention through deployment of Revolving Loan Funds to the Minority Business Communities of Wisconsin.
  - Support priority special projects to achieve unique and substantial economic benefit to defined needs in Wisconsin. Demonstrate the capacity to engage to priority needs quickly, effectively and with the requisite resources to positively impact economic development at the local, regional and state level.
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## **Division of Economic and Community Development**

### **Mission**

The mission of the Economic and Community Development (ECD) division is to develop business and community assistance opportunities throughout the state; manage key accounts through the assistance process; and improve economic development assistance capabilities in Wisconsin.

### **Goals**

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The ECD division has five primary goals:

- Provide financial and technical assistance to Wisconsin businesses and communities to help them take advantage of opportunities that increase their economic future and long-term success.
  - Effectively leverage WEDC funds with private dollars to maximize business and community investments.
  - Promote Wisconsin as a place attractive for new business and investment, while building relationships with key corporate decision makers and commercial real estate professionals.
  - Expand extended partnership capabilities and coordination in all regions of the state.
  - Provide substantive technical assistance to businesses and communities.
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## **Division of Entrepreneurship and Innovation**

### **Mission**

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The mission of the Entrepreneurship and Innovation (E&I) division is to advance Wisconsin's startup and emerging growth businesses by integrating a system of increased deal flow, entrepreneurial development/support networks, and access to early stage capital and investment incentives.

### **Goals**

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The E&I division has four primary goals:

- Support the development of high potential businesses across industries and throughout the state.
- Increase the amount of seed, early stage and expansion capital in Wisconsin.
- Provide support in developing initiatives that advance research and development to commercialization.
- Provide substantive technical assistance to startups through emerging growth companies.

## **Division of International Business Development**

### **Mission**

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The mission of the International Business Development (IBD) division is to accelerate Wisconsin exports by expanding international markets, enhancing export assistance resources in the state and by promoting Wisconsin as a destination for foreign investment.

### **Goals**

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The IBD division has four primary goals:

- Develop and deploy new-to-export programming to increase the number of Wisconsin firms exporting.
- Align in-country representation with Wisconsin target markets by implementing and deploying a Global Network.
- Execute trade enhancing projects in Wisconsin's strategic markets to increase our state's exports and market share in priority markets.
- Deliver substantive technical assistance to businesses in the areas of export development.

## **Division of Marketing and Communications**

### **Mission**

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To support business/job growth in Wisconsin by promoting the state's unique economic assets, including the economic development programs and services available to companies doing business here.

### **Goals**

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The Marketing and Communications division has five primary goals:

- Communicate to growth-oriented companies Wisconsin's readiness to act on business development opportunities.
- Demonstrate Wisconsin's industry leadership.
- Drive engagement with and participation in programs and resources available to help businesses succeed.
- Promote Wisconsin's career opportunities and high quality of life.
- Reinforce WEDC's long-term impact on Wisconsin's economy.

## **SUPPORT DEPARTMENTS**

### **Division of Credit and Risk**

#### **Goals**

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The Credit and Risk division has four primary goals:

- Underwrite award projects to ensure they are granted on a sound and reasonable basis.
- Provide expert and timely technical assistance to WEDC Account Managers and other WEDC staff on program policies and performance metrics.
- Oversee the Awards Administration process and systems to ensure accuracy of data, internal and external reports generated, and approvals received.
- Track and collect required compliance items including schedules of expenditure, performance reports, and financial payments.

#### **Key Administrative Oversight**

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The Credit and Risk division is primarily responsible for the administration of financial awards from the time they are submitted to underwriting up through the life of the contract. The division analyzes applications for financial assistance taking into account qualifications outlined in the statutes and program guidelines as well as the project's overall economic impact and financial risk, and makes recommendations for financial assistance to management. Once an assistance has been approved, the division is responsible for ensuring that contracts are drafted and executed in accordance with the approved project parameters. The division is also responsible for document management, data management, and collections.

### **Finance Department**

#### **Goals**

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The Finance Department has four primary goals:

- Preparation and monitoring of the annual budget and financial statements
- Provide decision makers with the financial information needed to make decisions on program effectiveness, operations and budgetary commitments.
- Minimize the time spent by the organization on financial activities that do not provide significant customer or organizational value.
- Safeguard WEDC's resources by ensuring appropriate internal controls and compliance with applicable financial state, federal and internal regulations.

#### **Key Administrative Oversight**

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The Finance Department is responsible for aiding in the strategic administration of the finance policies and procedures for WEDC, for maintaining the accounts and financial records, and providing accurate

and timely financial information. The Finance Department's services include transaction processing such as accounts receivable and loan billing and tracking; accounts payable and payment processing; cash management and investment of funds; oversight of all financial transactions and processes to ensure compliance with Federal, State and local regulations; coordination of the annual budget process and continued monitoring of budget to actual results; and preparation of the annual financial statements in accordance with generally accepted accounting principles as applicable to governments. The ultimate goal of the Finance Department is to safeguard WEDC's assets and ensure that Wisconsin taxpayers benefit from a sound and prudent system of financial and administrative management.

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## **Human Resources Department**

### **Goals**

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The Human Resources Department has four primary goals:

- Develop staff through competency building, systems training, and program training to support our strategic goals
- Establish WEDC as an employer of choice to acquire and nourish top performers
- Create clear and consistent management processes throughout WEDC
- Implement systems, philosophies, and procedures that allow for understanding and ease of use of the WEDC compensation program

### **Key Administrative Oversight**

As a strategic partner with WEDC's leadership, the WEDC Human Resources Department develops and delivers innovative human resource programs and services designed to support the mission of WEDC. The department's core services and competencies include acquiring 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.

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## **Information Technology Department**

### **Goals**

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The Information Technology Department has three primary goals:

- Participate in the further development and deployment of the In Force Network to economic development partners across Wisconsin.
- Enhance and extend the Salesforce.com platform to improve efficiency, accuracy and productivity in WEDC business processes.
- Improve operational efficiency and resiliency through completion of projects addressing document management.

## **Key Administrative Oversight**

The goal of the Information Technology Department is to provide strategic IT vision, guidance, and solutions to WEDC staff and partners so they can meet their goals to nurture business growth and job creation in the State of Wisconsin. Information Technology staff members accomplish this by being highly customer focused and act as trusted advisors and well as hands-on implementers of technology solutions.

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## **Legal and Compliance Department**

### **Goals**

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The Legal and Compliance Department has two primary goals:

- Ensure WEDC adheres to the laws, regulations, and policies that govern the organization.
- Provide valuable, timely counsel to the Board of Directors and management.

### **Key Administrative Oversight**

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The Legal & Compliance Department supports the Board and executive management achieve WEDC's operational and programmatic goals and obligations. This support is provided with counsel, analysis, and oversight on economic development program development and implementation, assisting other support divisions on legal or compliance related matters, and supporting the Board and management in strategic and operational plans for WEDC. The Legal & Compliance Department 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 team also oversees conflicts of interests, and facilitates the production of external reports where needed.

## **Office of Public Policy**

### **Goals**

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The Office of Public Policy has three primary goals:

- Develop and advocate for bold policies to create jobs and a pro-growth business climate.
- Provide policy research, analyses and coordination 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.

### **Key Administrative Oversight**

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The Office of Public Policy develops and manages public policy and government relations programs; advises and assists executive management on intergovernmental affairs and policy initiatives; coordinates development and implementation of budget, strategic and operations planning and

implementation; and assists in coordinating external outreach and communications to Governor, Board, stakeholders and government officials.