

Open Meetings Notice

The teleconference of the Board of Directors for the Wisconsin Economic Development Corporation will be held on Tuesday, August 13, 2019, in WEDC's Sixth Floor Conference Room, located at 201 West Washington Avenue, Madison, WI 53703. The items to be discussed are included below. Note that some members of the Board may attend by phone. Note also that the meeting may be closed under Wis. Stat. § 19.85(1) if indicated below.

Agenda

Wisconsin Economic Development Corporation Teleconference of the Board of Directors

**WEDC
Sixth Floor Conference Room
201 West Washington Avenue
Madison, WI 53703**

**August 13, 2019
3:00 – 3:30 PM**

1. Call to Order and Roll Call
2. Review and Vote on Budget Amendment for Disaster Recovery Microloan Program
3. Adjournment



MEMO

To: WEDC Board of Directors
From: Brian Nowicki, CFO
CC: Mark Hogan, CEO; Tricia Braun, COO
Date: August 13, 2019

Re: Fiscal Year 2020 Budget Amendment

WEDC believes that it is appropriate to complete an amendment of the Fiscal Year 2020 (FY20) budget to better reflect our operating activities and organizational structure which may have changed since July 1, 2019.

The budget serves as a valuable tool to communicate priorities and manage our finances. During any given year, the actual financial results may differ from the budget, which may necessitate periodic adjustments to the budget.

Attached please find the detailed changes related to the FY20 budget amendment. There are three reports for your review:

1. Budget Summary – Revenue and Expense (page 2)
2. Budget Breakout of Expenses by Department (page 3)
3. Summary of Unallocated Program Funds (page 4)

The sole change to the FY20 budget is summarized below:

Program Grants – Revised from \$25.7 million to \$26.7 million, or an increase of \$1.0 million (3.7%) and represents \$1.0 million in additional program grants to the Business and Community Development (BCD) division to provide funding for the Disaster Recovery Microloan (DRM) program.

Recommendation:

For the Board to approve the fiscal year 2020 budget amendment resolution, dated August 13, 2019.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
Budget Summary - By Object

	FY 20 Original Budget	FY20 Budget Amend August	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
Revenues				
State General Purpose Revenue	\$ 16,392,500	\$ 16,392,500	\$ -	0.0%
State Economic Development Fund (SEG)	24,158,200	24,158,200	-	0.0%
State Brownfield Site Assessment	1,000,000	1,000,000	-	0.0%
Other Intergovernmental Revenue	321,500	321,500	-	0.0%
Interest on Loans	1,460,000	1,460,000	-	0.0%
Charges for services	285,000	285,000	-	0.0%
Interest on Investments	1,709,000	1,709,000	-	0.0%
Other Revenues	397,400	397,400	-	0.0%
Total Revenues	\$ 45,723,600	\$ 45,723,600	\$ -	0.0%
Expenditures				
Program Grants	25,705,000	26,705,000	(1,000,000)	-3.7%
Loan loss reserve -Collectible	1,000,000	1,000,000	-	0.0%
Key Strategic Partners	5,032,500	5,032,500	-	0.0%
Promotions	7,158,057	7,158,057	-	0.0%
Payroll and Benefits	12,214,203	12,214,203	-	0.0%
Operations and General	5,754,848	5,754,848	-	0.0%
Capital	30,000	30,000	-	0.0%
Debt Service	225,000	225,000	-	0.0%
Total Expenditures	57,119,608	58,119,608	(1,000,000)	-1.7%
Net Change in Fund Balance	(11,396,008)	(12,396,008)	1,000,000	-8.1%
Adjustment to Fund Balance - State Payment	(25,000,000)	(25,000,000)	-	0.0%
Beginning Fund Balance	117,516,241	117,516,241	-	0.0%
Ending Fund Balance	\$ 81,120,233	\$ 80,120,233	\$ 1,000,000	1.2%
Projected Ending Fund Balance Composition				
Nonspendable	22,409,856	22,409,856		
Restricted	44,325,117	44,325,117		
Assigned	6,472,326	6,472,326		
Unassigned	7,912,934	6,912,934		
Total	\$ 81,120,233	\$ 80,120,233		

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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
Budget Summary - by Department

	FY 20 Original Budget	FY20 Budget Amend August	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
Revenues				
State General Purpose Revenue	\$ 16,392,500	\$ 16,392,500	\$ -	0.0%
State Economic Development Fund (SEG)	24,158,200	24,158,200	-	0.0%
State Brownfield Site Assessment	1,000,000	1,000,000	-	0.0%
Other Intergovernmental Revenue	321,500	321,500	-	0.0%
Interest on Loans	1,460,000	1,460,000	-	0.0%
Charges for services	285,000	285,000	-	0.0%
Interest on Investments	1,709,000	1,709,000	-	0.0%
Other Revenues	397,400	397,400	-	0.0%
Total Revenues	\$ 45,723,600	\$ 45,723,600	\$ -	0.0%
Expenditures				
Operational Divisions				
Entrepreneurship & Innovation - 2000	\$ 7,186,763	7,186,763	-	0.0%
Business and Community Development - 3000	20,546,540	21,546,540	(1,000,000)	-4.6%
Business & Investment Attraction - 3500	1,132,787	1,132,787	-	0.0%
Sector Strategy Development - 4000	6,597,926	6,597,926	-	0.0%
Marketing & Brand Strategy - 5000	8,039,265	8,039,265	-	0.0%
International Business Development - 7000	3,501,872	3,501,872	-	0.0%
Legal Services - 1100	1,217,788	1,217,788	-	0.0%
Executive Office - 1200	1,253,832	1,253,832	-	0.0%
Operations & Program Performance - 1300	572,034	572,034	-	0.0%
Human Resources - 6100	1,574,642	1,574,642	-	0.0%
Finance - 6200	910,614	910,614	-	0.0%
Information Technology - 6300	2,298,797	2,298,797	-	0.0%
Credit and Risk - 6600	1,347,899	1,347,899	-	0.0%
Office of Public Policy - 8000	938,849	938,849	-	0.0%
Total Expenditures	\$ 57,119,608	58,119,608	(1,000,000)	-1.7%
Net Change in Fund Balance	(11,396,008)	(12,396,008)	1,000,000	-8.1%
Adjustment to Fund Balance - State Payment	(25,000,000)	(25,000,000)	-	0.0%
Beginning Fund Balance	117,516,241	117,516,241	-	0.0%
Ending Fund Balance	\$ 81,120,233	\$ 80,120,233	\$ 1,000,000	1.2%
Projected Ending Fund Balance Composition				
Nonspendable	22,409,856	22,409,856		
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Assigned	6,472,326	6,472,326		
Unassigned	7,912,934	6,912,934		
Total	\$ 81,120,233	\$ 80,120,233		

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WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
Program Grants and Loans

Div.	Account No. and Name	FY 20 Original Budget	FY20 Budget New Funds	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
	Program Grants				
2000	6600.1 - Capacity Building Grants - E&I	\$ 500,000	\$ 500,000	\$ -	0.0%
2000	6630 - Seed Accelerator	1,000,000	1,000,000	-	0.0%
2000	6646 - Entrepreneur Micro Grant Program	250,000	250,000	-	0.0%
2000	6650 - Capital Catalyst	1,500,000	1,500,000	-	0.0%
2000	6731 - SBIR / STTR Matching Grant	1,500,000	1,500,000	-	0.0%
3000	6600 - Capacity Building Grants - BCD	750,000	750,000	-	0.0%
3000	6620 - Workforce Training Grants	1,000,000	1,000,000	-	0.0%
3000	6670 - Minority Business Development	200,000	200,000	-	0.0%
3000	6671 - Disaster Recovery Microloan	-	1,000,000	(1,000,000)	-100.0%
3000	6680 - Community Development Investment Grant	6,000,000	6,000,000	-	0.0%
3000	6710 - Site Assessment Grants	1,500,000	1,500,000	-	0.0%
3000	6720 - Brownfield Grants	3,000,000	3,000,000	-	0.0%
3000	6725 - Idle Sites Redevelopment	2,500,000	2,500,000	-	0.0%
4000	6640 - Targeted Industry Projects Grants	3,800,000	3,800,000	-	0.0%
4000	6755 - Fabrication Laboratories	750,000	750,000	-	0.0%
7000	6655 - Expotech	180,000	180,000	-	0.0%
7000	6665.1 - International Market Access Grant	975,000	975,000	-	0.0%
7000	6665.2 - Collaborative Market Access Grant	300,000	300,000	-	0.0%
	Total Program Grants	\$ 25,705,000	\$ 26,705,000	\$ (1,000,000)	-3.7%
	Loans				
2000	11xx - Technology Development Loans	3,200,000	3,200,000	-	0.0%
2000	11xx - New Technology Development Loans - SSBCI	1,800,000	1,800,000	-	0.0%
3000	11xx - Business Development Loan Program	1,000,000	1,000,000	-	0.0%
	Total Loans Gross	6,000,000	6,000,000	-	0.0%
	Less: expected loan repayments	(8,339,108)	(8,339,108)	-	0.0%
	Less: loan loss reserve in expenditures	(1,000,000)	(1,000,000)	-	0.0%
	Net funding for loans	(3,339,108)	(3,339,108)	-	0.0%
	Total Direct Economic Development Programs	\$ 31,705,000	\$ 32,705,000	\$ (1,000,000)	-3.1%

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**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
RESOLUTION OF THE BOARD OF DIRECTORS**

Resolution Amending the Fiscal Year 2020 Budget

August 13, 2019

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.

NOW, THE BOARD OF DIRECTORS RESOLVES:

RESOLVED, that the fiscal year 2020 budget as amended, to increase total program grant spending \$1 million, from \$25.7 million to \$26.7 million, on the attached, which is made a part of this resolution, is 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 August 13, 2019.