

Wisconsin Economic Development Corporation Resolution of the Board of Directors

July 13, 2017

Re: Resolution Accepting the Fiscal Year 2018 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, the State of Wisconsin's 2017-2019 Biennial Budget (“Wisconsin State Budget”) has not been enacted as of the date of this Resolution.

WHEREAS, on June 30, 2017 the Budget and Finance Committee did recommend for approval by the Board, the fiscal year 2018 budget and operations plan attached.

WHEREAS, on June 23, 2017 and July 12, 2017, the Awards Administration Committee did recommend for approval by the Board, the fiscal year 2018 program guidelines attached.

NOW, THE BOARD OF DIRECTORS RESOLVES:

RESOLVED, that the fiscal year 2018 WEDC budget and operations plan and accompanying program guidelines (“Budget and Operations Plan”) attached which is made a part of this resolution, shall be retroactive to the start of the fiscal year, July 1, 2017; WEDC is authorized to operate at its current appropriation authority until the Wisconsin State Budget is enacted.

RESOLVED, WEDC will present the Board with a revised Budget and Operations Plan in the event of unanticipated changes to the Wisconsin State Budget that will have a material impact on WEDC's Budget or Operations Plan; a revised Budget and Operations Plan shall take effect immediately upon its adoption, and shall be retroactive to the start of the fiscal year, July 1, 2017.

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 13, 2017, and shall be retroactive to the start of the fiscal year, July 1, 2017.



WEDC OPERATIONS PLAN AND BUDGET

FISCAL YEAR 2018

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DIRECTORY OF OFFICIALS

BOARD OF DIRECTORS

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

ADMINISTRATORS

Mark R. Hogan	Secretary and Chief Executive Officer
Tricia R. Braun	Deputy Secretary and Chief Operating Officer
Brian Nowicki	Chief Financial Officer
Jennifer Jin	Chief Legal Officer
Aaron Hagar	Vice President of Entrepreneurship and Innovation
Anne Jesko	Vice President of Human Resources
Barbara 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 Business Development
Vacant	Vice President of Sector Strategy Development
Amy Young	Senior Director of Public Policy

SECRETARY MESSAGE

The Wisconsin Economic Development Corporation (WEDC) annually fulfills its responsibility as Wisconsin's lead economic development organization by producing an operations plan and budget reflecting key strategies and planned investments designed to fulfill our mission: **To advance and maximize opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment.**

This document reflects the insights and objectives not only of WEDC's divisional leaders and highly capable staff, but also those of hundreds of partners and stakeholders with whom we collaborate daily in our service to the people of Wisconsin. We fully understand successful economic development respects and honors wide-ranging perspectives—from local business representatives and industry executives to academic leaders and community members.

WEDC's economic development strategies are built upon five key Catalysts of Growth:

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

WEDC's fiscal year 2018 (FY18) budget of \$56.9 million represents a decrease in sources and uses of 5 percent over the amended fiscal year 2017 (FY17) budget. For the third consecutive year, WEDC will be using a portion of its unrestricted reserves to support a balanced budget.

WEDC's FY18 operations plan carries forward our commitment to the many successful programs that continue to make a difference in our state's economic performance. Where we are seeing strong results, we will continue to increase our resources. For example, WEDC plans to expand its outreach to business decision makers nationally and globally following the success of such celebrated business attraction projects as Dollar General, The Little Potato Company, American Packaging Corp., Vonco, and HARIBO. We will also be implementing an aggressive international trade mission schedule in FY18, with a total of six trips planned.

One of the many advantages of WEDC's organization structure is our flexibility to adapt to evolving economic forces by channeling our financial resources to address critical needs. On an ongoing basis, WEDC is able to reallocate funds to meet the needs of areas where they will have the greatest impact.

With a historically low unemployment rate, Wisconsin businesses face rising challenges hiring and retaining the qualified workers they need to grow. In response, WEDC has increased the funding available through our Workforce Training Grant, and we will be covering the costs of communities throughout the state to access an online portal—INSPIRE—that connects

students to local employers and mentors. We also plan to add a full-time staff member dedicated solely to coordinating efforts between WEDC and our partners related to workforce development, retention and attraction.

Our collaborative efforts also include the development and deployment of a powerful marketing message—**Think-Make-Happen In Wisconsin**—designed to promote the career and lifestyle opportunities Wisconsin offers.

It is also important that business ownership in Wisconsin reflect the diversity of our communities. WEDC works side by side with the four statewide minority chambers of commerce to help minority-owned businesses overcome obstacles in starting and growing their companies. In FY18, four minority business development organizations that have historically qualified for WEDC's Minority Business Development Program will receive funding as Key Strategic Partners of WEDC. This shift, which reallocates funds from the Minority Business Development Program to WEDC's operational budget, adds greater structure and accountability to the minority chambers of commerce under contract.

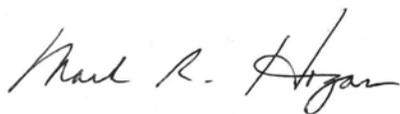
WEDC also recognizes the diversity our state offers by way of geography and demographics, and we will continue to engage local partners in Wisconsin's rural and urban areas alike in order to support entrepreneurs throughout the state whose ideas hold promise for new company formation and job creation.

These and many more highly targeted economic development initiatives are detailed in this plan, which we are pleased to share with our board of directors, the State Legislature, our economic development partners, and the citizens of Wisconsin. This document and our Annual Report on Economic Development published in October serve as important guideposts in Wisconsin's ongoing journey toward widespread economic prosperity.

We look forward to delivering upon the strategies detailed in WEDC's FY18 operations plan and to sharing the results of the collective efforts they represent.

Thank you for your support of WEDC's mission and for your contributions in helping to move Wisconsin Forward.

Sincerely,



Mark R. Hogan

MISSION

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

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 Economic Growth**:



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. A key criteria WEDC considers when assessing a project is the **return on investment** it will deliver to the state.

WEDC’s economic development initiatives include 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 FY18 PERFORMANCE GOALS



COMMUNITIES ASSISTED¹

FY18 GOAL..... **203**
FY17 GOAL..... **206**



LEVERAGE RATIO

FY18 GOAL..... **8:1**
FY17 GOAL..... **8:1**



BUSINESSES ASSISTED²

FY18 GOAL..... **3,782**
FY17 GOAL..... **2,710**



JOB IMPACT³

FY18 GOAL..... **13,423**
FY17 GOAL..... **14,973**



PARTNER ORGANIZATIONS ASSISTED

FY18 GOAL..... **69**
FY17 GOAL..... **67**

¹ The number of communities assisted goal for FY18 may increase, based on the passage of the 2017-19 Biennial Budget.

² Sum of division goals in FY18 equals 4,727. That number was reduced by 20 percent to account for multiple assistances to one business. The number of businesses assisted goal for FY18 may increase, based on the passage of the 2017-2019 Biennial Budget.

³ The Job Impact number relates to the total number of jobs to be created and retained. The FY18 goal is the creation of 6,213 and retention of 7,210 jobs. The FY17 goal was the creation of 6,413 and retention of 8,560 jobs. The job impact goal for FY18 may increase, based on the passage of the 2017-19 Biennial Budget.

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 FY18, 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 FY18, which is the first year of the state's 2017-19 Biennial Budget, WEDC's budget process began in February, 2017 after the first six months of actual results had been finalized. 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, calculated the salary and benefits amounts for all departments based on the current staffing levels and authorized open positions.

All department heads are responsible for completing projections for the current year by the end of March. Final budget decisions are made in May, after updated financial projections for FY17 are completed.

The Budget and Finance Committee then meets at the end of June to review the final budget and recommend approval of the budget to the Board of Directors. The Board of Directors reviews and adopts the budget at their July meeting.

How is the budget presented?

There are many ways 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 financial information is summarized by the department that controls the expenditures or that is the most knowledgeable about the costs 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
- Operations and Program Performance – 1300
- 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 in which each department is grouped for financial reporting purposes.

WEDC Division	Departments	Functions
Legal and Compliance	1100	General Administration
Executive Office	1200	
Operations and Program Performance	1300	
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.

WEDC Object Categories

- Program grants
- Loan loss reserve – collectable
- Loan loss reserve – performance based
- Key strategic partners
- Promotions
- Payroll and benefits
- Operational and general
- Pass-through federal grant expenditures
- 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 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 to how WEDC is carrying out our mission. This budget document will present information using both levels of reporting in order to facilitate understanding of how resources are allocated and how management monitors and controls spending.

The FY18 budget presented 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 FY17. 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 provide 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.

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 23 – 24. 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 levy 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 on Loans – represents interest earned on outstanding collectable loan balances.

Charges for Services – revenues collected for loan origination fees, bond servicing fees, tax transfer fees and sponsorship contribution

Interest on Investments - represents interest earned 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 - Collectable – 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.

Loan Loss Reserve – Performance Based – this is a provision for loans that WEDC would expect to forgive, based on the loan recipient meeting all contractual performance obligations. The reserve is 100% of the outstanding loan balance.

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

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 FY17 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 (i.e., committed), even though the awardee may have several years to request payment(s). Because of this significant time lag, it is important to understand the stages a grant and loan award progresses through, from a financial perspective.

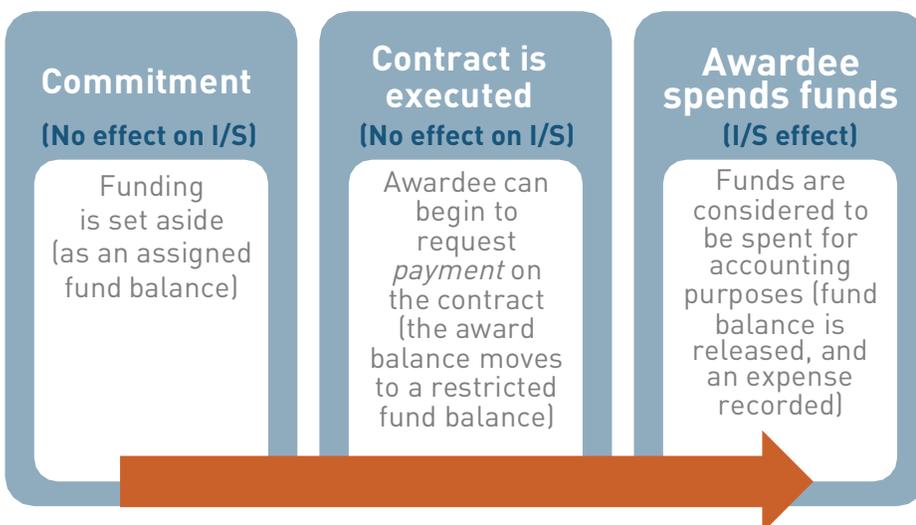
What are the stages of a grant award?

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 very near term. Once a commitment has been made, we set funding aside in the fund balance to satisfy that commitment.

Once the contract has been fully executed (signed) by the awardee and WEDC, it is contracted. The awardee can begin requesting payment under the terms of the award at this stage. Payments on contracts are called expenditures. 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:

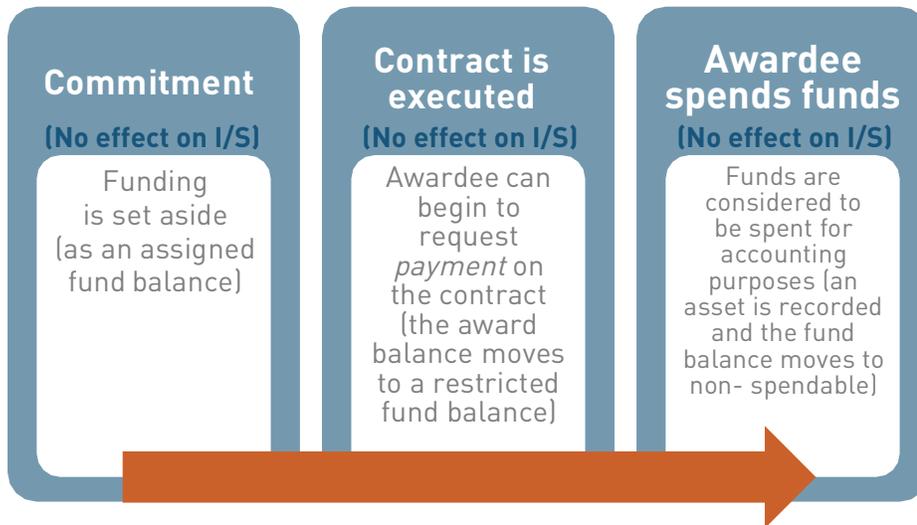
STAGES OF A GRANT AWARD



What are the stages of a loan award?

The awarding of loans represents a commitment first, and then a contract, just like a grant award. Both of these processes represent a financial transaction because funding is set aside as an assigned fund balance when a commitment is first made, and later as a restricted fund balance when the contract is executed. Once a loan is drawn by the awardee, it becomes an asset to WEDC. It results in another move in the fund balance, from a restricted fund balance to a non-spendable fund balance. Similarly, when WEDC receives payments back from an awardee on a loan, the principal repayment reduces the loan asset balance and the non-spendable fund balance is released.

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.

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.

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

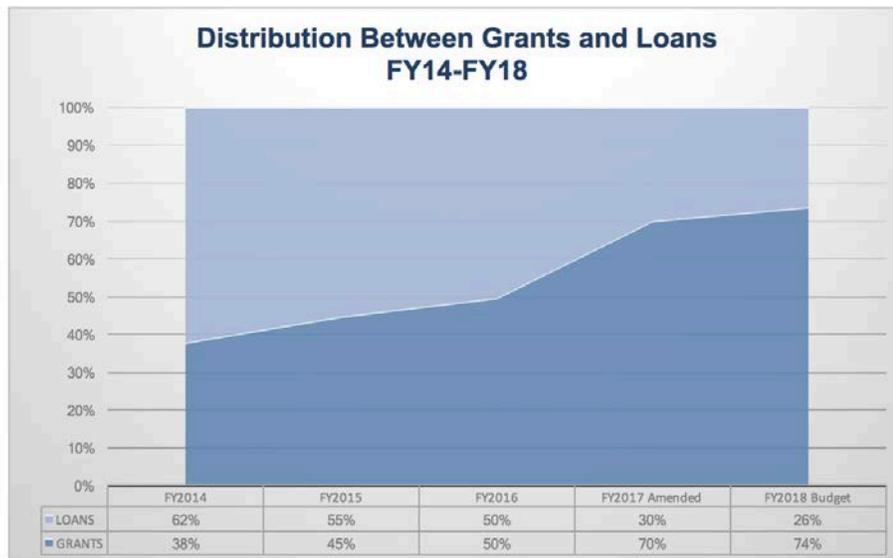


OPERATIONAL OVERVIEW

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 FY18 budget. The first section lists the 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.

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



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

Workforce Training Grants – The grant program budget is increasing by \$1,055,000, from \$945,000 in FY17 to \$2,000,000 in FY18. The increase in funding is expected to help companies expand and retain manufacturing jobs in the State of Wisconsin.

Targeted Industry Projects Grants – The grant program budget is decreasing by \$550,000, from \$3,550,000 in FY17 to \$3,000,000 in FY18. The decrease in funding will not affect new centers of excellence in FY18.

International Market Access Grants – The grant program budget is increasing by \$300,000, from \$450,000 in FY17 to \$750,000 in FY18 to assist additional companies in increasing export revenues.

Strategic Initiatives Fund - A new grant program has been created to addresses unique funding opportunities that meet WEDC’s strategic initiatives, but would otherwise not qualify for our other programs. The program is receiving \$250,000 in funding for FY18.

Revolving Loan Fund - A new initiative for the Marathon County Economic Development Corporation, specified in the 2017-19 Biennial Budget, if passed, would use \$100,000 to fund a revolving loan fund to support minority owned businesses in Marathon County.

Fabrication Laboratory Technical Assistance Grants – A new initiative, specified in the 2017-19 Biennial Budget, for the purpose of making fabrication laboratory technical assistance grants to one or more nonprofit organizations for the provision of services to Wisconsin school districts. If passed, \$300,000 would be provided, split between FY18 (\$100,000) and FY19 (\$200,000).

Minority Business Development – Four key statewide minority business development organizations, which have historically qualified for WEDC minority business development program funding, will be provided funding beginning in FY18 as Key Strategic Partners to WEDC. As a result, \$750,000 in funding has been moved from Program Grants to Key Strategic Partners in FY18.

Community Development Investment Grants - The grant program budget is decreasing by \$430,000, from \$3,430,000 in FY17 to \$3,000,000 in FY18 to reflect anticipated demand for the program in FY18.

Business Opportunity Loan Fund – The loan program is not being funded in FY18, resulting in a decrease from its FY17 budget of \$5,000,000.

NEW Business Lending Fund – Contingent on passage in the 2017-19 Biennial Budget, a new loan program is currently being developed which will replace the Business Opportunity Loan Fund for FY18. The new program will be allocated \$3,000,000 in FY18.

Technology Development Loan Fund (TDL) - The loan program budget is increasing by \$500,000, from \$4,500,000 in FY17 to \$5,000,000 in FY18.

FINANCIAL OVERVIEW

This section 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 – Decreasing \$1.5 million (4%) from FY17. The primary changes are:

- \$1.5 million decrease in federal funding, resulting from the completion of the State Small Business Credit Initiative (SSBCI) which was used to assist in the funding of Technology Development Loans (TDL).
- The total amount of funds collectively from the State General Purpose Revenue, State Economic Development Fund, and State Brownfield Site Assessment funds remains level for FY18.

EXPENDITURES – Decreasing \$1.1 million (2%) from FY17. The primary changes by expense category are:

Program Grants – Decreasing \$28,600 (<1%)

- Workforce Training Grant (WTG) program will be receiving \$1.1 million more in program allocation in FY18 to help companies improve the skills of their workforce.
- International Market Access Grant (IMAG) program will be allocated an additional \$0.3 million more in program allocation in FY18 to assist companies in increasing export revenues.
- Strategic Initiatives Fund (SIF) grant program will be created in FY18 and will receive \$250,000 in program funds. This new grant program has been designed to help addresses unique funding opportunities that meet WEDC’s strategic initiatives, but would otherwise not qualify for other programs.
- Two new initiatives specified in the 2017-19 Biennial Budget, if passed, would increase program funding by \$0.2 million in FY18.
- Four statewide key minority business development organizations which have historically qualified for WEDC’s Minority Business Development Program funding will be provided funding, beginning in FY18, as Key Strategic Partners to WEDC. As a result, \$750,000 in funding has been moved from Program Grants to Key Strategic Partners in FY18.
- Targeted Industry Projects (TIP) grant program will be reduced \$0.6 million to fund new centers of excellence in FY18.
- Community Development Investment (CDI) grant program will be receiving \$0.4 million less in program allocation to adjust to the expected demand for the program in FY18.

Loan Loss Reserve Expense – Decreasing \$3.7 million (60%)

- The performance-based loan reserve expense is expected to decrease by \$2.1 million (58%), but will not be completely reduced in FY18, even though WEDC will no longer originate performance-based loans in FY18. The reason for the performance-based loan loss reserve expense in FY18 is that for performance-based loans that were committed in FY17 but not drawn on until FY18, we will need to reserve for these loans in FY18.
- The collectable loan reserve expense is expected to decrease by \$1.6 million (61%) based on new origination activity and a risk-based approach for determining the reserve on the current portfolio.

Key Strategic Partners – Increasing \$0.7 million (20%)

- Minority Business Development (MBD) program has been reclassified to more appropriately align the minority chambers of commerce as Key Strategic Partners. As a result, \$750,000 in funding moved from Program Grants to Key Strategic Partners in FY18.

Marketing/Promotions – Increasing \$0.3 million (8%)

- Additional marketing and promotional expenses related to the “Think-Make-Happen” campaign and increased targeted attraction efforts.

Payroll – Increasing \$0.8 million (8%)

Assumptions for FY18

- An increase of three FTEs, filling new roles in the Talent Attraction, IT, and Credit and Risk divisions.
- 3% budgeted for equity increases.
- 3% health insurance premium increase.
- New employee benefit programs.

Operations and General – Decreasing \$80,782 (2%)

- Reductions in Professional Service fees for both the Executive Office and Finance divisions, and partially offset by moderate increases in other division spending.

Pass-through federal grant expenditures – Increasing \$0.2 million (47%)

- WEDC received a federal grant from the Department of Defense in FY16. \$0.6 million has been budgeted to be spent in FY18. The offsetting revenue to be received has also been budgeted for.

Capital and Debt Service – Increasing \$0.6 million (178%)

- WEDC’s portion of the State pension liability is expected to increase substantially in FY18 due to a scheduled principal balloon payment.

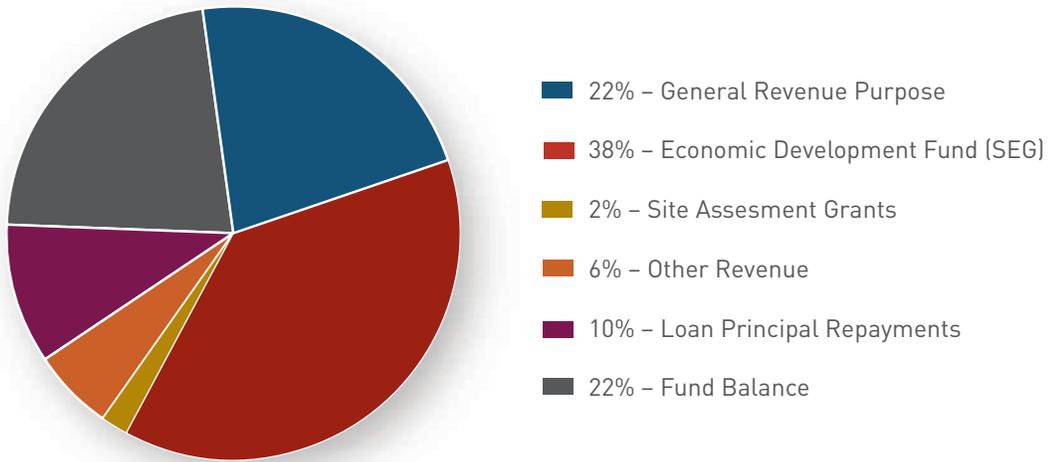
Program Loans – Decreasing by \$1.5 million (16%) from \$9.5 million in FY17 to \$8.0 million in FY18, due to the availability of funds.

- The Business Opportunity Loan Fund is not being funded in FY18, resulting in a decrease from its FY17 budget of \$5,000,000.
- If allowed in the 2017-19 Biennial Budget, a New Loan Fund will be developed to replace the Business Opportunity Loan Fund for FY18. The new program will be allocated \$3,000,000 in FY18.
- The Technology Development Loan Fund (TDL) program budget is increasing by \$500,000, from \$4,500,000 in FY17 to \$5,000,000 in FY18.
- 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.

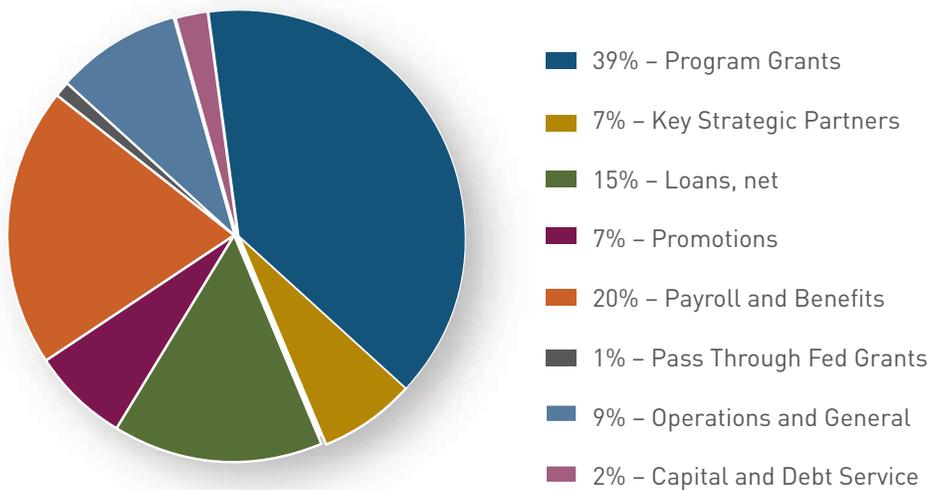
FUND BALANCE

- In order to achieve a balanced budget for FY18, WEDC will need to use \$12.4 million of our current fund balance.
- It is expected that by the end of FY18, we will have effectively used the remaining excess fund balance that has been available to WEDC since FY15. Based on the current 2017-19 Biennial Budget, beginning in FY19, WEDC will be positioned to achieve a balanced budget with little or no help from current fund balance sources.

**FY18 BUDGET –
SOURCES OF FUNDS \$56.9 MILLION**



**FY18 BUDGET –
USES OF FUNDS \$56.9 MILLION**



WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
Budget Summary - By Object

	FY 16 Actual	FY17 Amended Budget	FY17 Budget	FY18 Budget New Funds	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
Revenues						
State General Purpose Revenue	\$ 6,974,700	\$ 12,474,700	\$ 12,474,700	\$ 1,519,500	\$ (10,955,200)	-88%
State Economic Development Fund (SEG)	21,776,000	21,776,000	21,776,000	32,731,200	10,955,200	50%
State Brownfield Site Assessment	1,000,000	1,000,000	1,000,000	1,000,000	-	0%
Other Intergovernmental Revenue	393,199	2,462,376	2,357,600	1,028,590	(1,433,786)	-58%
Interest on Loans	1,120,827	1,675,047	1,000,000	1,475,000	(200,047)	-12%
Charges for services	233,108	262,000	205,000	282,000	20,000	8%
Interest on Investments	390,417	350,000	350,000	425,000	75,000	21%
Other Revenues	221,391	134,695	100,950	201,602	66,907	50%
Total Revenues	\$ 32,109,642	\$ 40,134,818	\$ 39,264,250	\$ 38,662,892	\$ (1,471,927)	-4%
Expenditures						
Program Grants	18,190,422	22,392,600	22,392,600	22,364,000	28,600	0%
Loan loss reserve -Collectible	4,637,799	2,575,000	2,575,000	1,000,000	1,575,000	61%
Loan loss reserve - Performance Based	4,374,037	3,600,000	1,500,000	1,500,000	2,100,000	58%
Key Strategic Partners	3,567,123	3,640,000	3,615,000	4,352,500	(712,500)	-20%
Promotions	3,173,972	3,604,367	3,478,719	3,885,528	(281,161)	-8%
Payroll and Benefits	9,439,874	10,425,500	10,671,170	11,259,902	(834,402)	-8%
Operations and General	3,975,904	5,145,374	5,173,363	5,064,592	80,782	2%
Pass-through federal grant expenditures	-	435,000	435,000	640,590	(205,590)	-47%
Capital	148,449	115,000	115,000	124,000	(9,000)	-8%
Debt Service	231,199	235,000	117,000	850,000	(615,000)	-262%
Total Expenditures	47,738,779	52,167,841	50,072,852	51,041,112	1,126,729	2%
Net Change in Fund Balance	(15,629,137)	(12,033,023)	(10,808,602)	(12,378,220)		
Beginning Fund Balance	123,573,198	107,944,061	107,944,061	95,911,038		
Ending Fund Balance	\$ 107,944,061	\$ 95,911,038	\$ 97,135,459	\$ 83,532,818	\$ (12,378,220)	-13%
Projected Ending Fund Balance Composition						
Nonspendable	43,185,830	43,964,722		43,622,682		
Restricted	30,074,692	24,673,994		20,014,063		
Assigned	19,777,098	18,893,147		16,365,403		
Program FYXX	11,894,677	5,124,968		-		
Unassigned	3,011,764	3,254,207		3,530,670		
Total	\$ 107,944,061	\$ 95,911,038		\$ 83,532,818		

Wisconsin Economic Development Corporation
Budget Summary - by Department

	FY 16 Actual	Total FY17 Projected Allocated*	FY17 Budget	FY18 Budget	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
Revenues						
State General Purpose Revenue	\$ 6,974,700	\$ 12,474,700	\$ 12,474,700	\$ 1,519,500	\$ (10,955,200)	-88%
State Economic Development Fund (SEG)	21,776,000	21,776,000	21,776,000	32,731,200	10,955,200	50%
State Brownfield Site Assessment	1,000,000	1,000,000	1,000,000	1,000,000	-	0%
Other Intergovernmental Revenue	393,199	2,462,376	2,357,600	1,028,590	(1,433,786)	-58%
Interest on Loans	1,120,827	1,675,047	1,000,000	1,475,000	(200,047)	-12%
Charges for services	233,108	262,000	205,000	282,000	20,000	8%
Interest on Investments	390,417	350,000	350,000	425,000	75,000	21%
Other Revenues	221,391	134,695	100,950	201,602	66,907	50%
Total Revenues	\$ 32,109,642	\$ 40,134,818	\$ 39,264,250	\$ 38,662,892	\$ (1,471,927)	-4%
Expenditures						
Operational Divisions						
Entrepreneurship & Innovation - 2000	\$ 6,611,956	\$ 7,624,063	\$ 7,396,866	\$ 6,515,762	\$ 1,108,301	15%
Business and Community Development - 3000	22,856,218	20,880,074	18,158,546	18,955,648	1,924,426	9%
Business & Investment Attraction - 3500	-	836,907	964,583	888,303	(51,396)	-6%
Sector Strategy Development - 4000	4,621,263	6,600,270	7,097,949	6,413,420	186,850	3%
Marketing & Brand Strategy - 5000	3,961,364	4,302,414	4,158,825	4,700,454	(398,040)	-9%
International Business Development - 7000	2,671,688	3,192,990	3,486,515	3,672,093	(479,093)	-15%
Legal and Compliance - 1100	801,359	1,037,342	980,415	1,136,668	(99,326)	-10%
Executive Office - 1200	1,238,814	1,656,360	1,772,347	1,237,673	418,688	25%
Operations & Program Performance - 1300	-	-	-	407,762	(407,762)	0%
Human Resources - 6100	972,091	1,292,247	1,248,104	1,503,681	(211,434)	-16%
Finance - 6200	858,404	945,583	899,502	1,464,277	(518,694)	-55%
Technology and Information Systems - 6300	1,686,571	2,389,227	2,378,810	2,303,876	85,351	4%
Credit and Risk - 6600	1,011,792	907,936	1,015,109	1,067,168	(159,232)	-18%
Office of Public Policy - 8000	447,259	502,427	515,281	774,337	(271,910)	-54%
Total Expenditures	\$ 47,738,779	\$ 52,167,841	\$ 50,072,852	\$ 51,041,112	\$ 1,126,729	2%
Net Change in Fund Balance	(15,629,137)	(12,033,023)	(10,808,602)	(12,378,220)		
Beginning Fund Balance	123,573,198	107,944,061	107,944,061	95,911,038		
Ending Fund Balance	\$ 107,944,061	\$ 95,911,038	\$ 97,135,459	\$ 83,532,818	\$ (1,224,421)	-1%
Projected Ending Fund Balance Composition						
Nonspendable	43,185,830	43,964,722		43,622,682		
Restricted	30,074,692	24,673,994		20,014,063		
Assigned	19,777,098	18,893,147		16,365,403		
Program FYXX	11,894,677	5,124,968		-		
Unassigned	3,011,764	3,254,207		3,530,670		
Total	\$ 107,944,061	\$ 95,911,038		\$ 83,532,818		

Wisconsin Economic Development Corporation
Program Grants and Loans

Div.	Account No. and Name	FY 16 Actual	Original FY17 Budget	FY17 Budget Amended	FY18 Budget Proposed	Amended New Funds % Chg
	Program Grants					
2000	6600.1 - Capacity Building Grants - E&I	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	0.0%
2000	6630 - Seed Accelerator	859,307	1,000,000	1,000,000	1,000,000	0.0%
2000	6646 - Entrepreneur Micro Grant Program	58,500	200,000	270,000	200,000	-25.9%
2000	6650 - Capital Catalyst	81,566	1,500,000	1,500,000	1,500,000	0.0%
2000	6731 - SBIR / STTR Matching Grant	1,675,000	1,000,000	1,125,000	1,000,000	-11.1%
2000	6756 - Business Incubator	250,000	-	-	-	0.0%
3000	6600 - Capacity Building Grants - BCD	334,313	500,000	480,000	500,000	4.2%
3000	6620 - Workforce Training Grants	108,222	1,000,000	945,000	2,000,000	111.6%
3000	6670 - Minority Business Development	-	750,000	750,000	-	-100.0%
3000	6676 - Regional Revolving Loan Fund Expansion	40,625	-	-	-	0.0%
3000	6680 - Community Development Investment Grant	3,817,645	3,000,000	3,430,000	3,000,000	-12.5%
3000	6710 - Site Assessment Grants	1,118,610	1,000,000	1,025,000	1,000,000	-2.4%
3000	6720 - Brownfield Grants	5,139,576	3,500,000	3,975,000	4,000,000	0.6%
3000	6725 - Idle Industrial Sites Redevelopment	2,167,410	2,300,000	2,000,000	2,000,000	0.0%
3000	6753 - Revolving Loan Fund - LEG	-	-	-	100,000	100.0%
4000	6640 - Targeted Industry Projects Grants	1,577,439	4,000,000	3,550,000	3,000,000	-15.5%
4000	6670 - Minority Business Development RLF	425,000	-	-	-	0.0%
4000	6754 - FabLab TA - LEG	-	-	-	100,000	100.0%
4000	6755 - Fabrication Laboratories	23,438	500,000	500,000	500,000	0.0%
7000	6655 - Expotech	84,900	210,000	210,000	214,000	1.9%
7000	6665.1 - International Market Access Grant	659,670	750,000	450,000	750,000	66.7%
7000	6665.2 - Collaborative Market Access Grant	202,497	450,000	450,000	450,000	0.0%
7000	6665.4 - International Market Access Grant - STEP	-	232,600	232,600	300,000	29.0%
8000	6795 - Strategic Initiatives Fund	-	-	-	250,000	100.0%
	Total Program Grants	\$ 18,623,718	\$ 22,392,600	\$ 22,392,600	\$ 22,364,000	-0.1%
	Loans					
2000	11xx - Technology Development Loans--State	4,563,780	3,000,000	3,000,000	3,000,000	0.0%
2000	11xx - New Technology Development Loans--SSBCI	700,000	1,500,000	1,500,000	2,000,000	33.3%
3000	11xx - Business Opportunity Loan Fund- Collectible Loans	9,445,283	3,500,000	3,500,000	-	-100.0%
3000	11xx - Business Opportunity Loan Fund - Performance Based Loans	3,670,000	1,500,000	1,500,000	-	-100.0%
3000	11xx - New Loan Fund - Collectible Loans	-	-	-	3,000,000	100.0%
3000	11xx - Special Project Loan Fund	373,667	-	-	-	0.0%
	Total Loans Gross	18,752,730	9,500,000	9,500,000	8,000,000	-15.8%
	Less: expected loan repayments	(9,381,426)	(6,103,876)	(7,409,934)	(5,901,040)	-20.4%
	Less: loan loss reserve in expenditures	(9,011,636)	(4,075,000)	(6,175,000)	(2,500,000)	-59.5%
	Net funding for loans	359,468	(678,876)	(4,084,934)	(401,040)	-90.2%
	Total Direct Economic Development	\$ 37,376,448	\$ 31,892,600	\$ 31,892,600	\$ 30,364,000	

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
Appropriation by Object - with Department Detail

	FY 16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
Programs						
Entrepreneurship & Innovation - 2000	\$ 2,924,373	\$ 4,200,000	\$ 4,395,000	\$ 4,200,000	\$ 195,000	4%
Business and Community Development - 3000	12,293,105	12,050,000	12,605,000	12,600,000	5,000	0%
Sector Strategy Development - 4000	2,025,877	4,500,000	4,050,000	3,600,000	450,000	11%
International Business Development - 7000	947,067	1,642,600	1,342,600	1,714,000	(371,400)	-28%
Office of Public Policy - 8000	-	-	-	250,000	(250,000)	0%
Total Programs	18,190,422	22,392,600	22,392,600	22,364,000	28,600	0%
Partnerships						
Entrepreneurship & Innovation - 2000	1,275,000	1,250,000	1,275,000	1,250,000	25,000	2%
Business and Community Development - 3000	494,763	805,000	805,000	1,622,500	(817,500)	-102%
Sector Strategy Development - 4000	1,555,000	1,250,000	1,250,000	1,250,000	-	0%
International Business Development - 7000	242,360	310,000	310,000	230,000	80,000	26%
Total Partnerships	3,567,123	3,615,000	3,640,000	4,352,500	(712,500)	-20%
Loan Loss Reserve						
Entrepreneurship & Innovation - 2000	1,912,845	1,400,000	1,400,000	500,000	900,000	64%
Business and Community Development - 3000	7,098,991	2,675,000	4,775,000	2,000,000	2,775,000	58%
Total Loan Loss Reserve	9,011,836	4,075,000	6,175,000	2,500,000	3,675,000	60%
Marketing & Brand Strategy - 5000	3,173,972	3,478,719	3,604,367	3,885,528	(281,161)	-8%
Payroll and Benefits						
Legal and Compliance - 1100	663,961	865,584	933,910	1,025,803	(91,893)	-10%
Executive Office - 1200	897,388	1,420,647	1,312,860	969,923	342,938	26%
Operations & Program Performance - 1300	-	-	-	373,212	(373,212)	0%
Entrepreneurship & Innovation - 2000	451,514	510,166	517,113	529,062	(11,949)	-2%
Business and Community Development - 3000	2,292,562	2,057,546	2,074,214	2,185,448	(111,234)	-5%
Business & Investment Attraction - 3500	-	440,860	309,184	315,260	(6,076)	-2%
Sector Strategy Development - 4000	794,824	768,749	761,870	781,455	(19,585)	-3%
Marketing & Brand Strategy - 5000	657,373	680,106	698,047	814,926	(116,879)	-17%
Human Resources - 6100	379,350	470,529	515,222	675,395	(160,173)	-31%
Finance - 6200	510,777	495,492	425,816	439,009	(13,193)	-3%
Technology and Information Systems - 6300	614,945	694,598	714,068	802,102	(88,034)	-12%
Credit and Risk - 6600	998,380	996,859	892,886	1,049,418	(156,532)	-18%
International Business Development - 7000	749,902	779,003	784,233	801,052	(16,819)	-2%
Office of Public Policy - 8000	428,898	491,031	486,077	497,837	(11,760)	-2%
Total Payroll and Benefits	9,439,874	10,671,170	10,425,500	11,259,902	(834,402)	-8%

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION
Appropriation by Object - with Department Detail

	FY 16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
Operations and General						
Legal and Compliance - 1100	137,398	114,831	103,432	110,865	(7,433)	-7%
Executive Office - 1200	341,426	351,700	343,500	267,750	75,750	22%
Operations & Program Performance - 1300	-	-	-	34,550	(34,550)	0%
Entrepreneurship & Innovation - 2000	48,224	36,700	36,950	36,700	250	1%
Business and Community Development - 3000	676,797	571,000	620,860	547,700	73,160	12%
Business & Investment Attraction - 3500	-	523,723	527,723	573,043	(45,320)	-9%
Sector Strategy Development - 4000	245,562	144,200	103,400	141,375	(37,975)	-37%
Human Resources - 6100	592,741	702,575	702,025	744,286	(42,261)	-6%
Finance - 6200	116,428	247,010	244,768	135,268	109,500	45%
Technology and Information Systems - 6300	1,053,196	1,684,212	1,675,159	1,501,774	173,385	10%
Credit and Risk - 6600	13,412	18,250	15,050	17,750	(2,700)	-18%
International Business Development - 7000	732,359	754,912	756,157	927,031	(170,874)	-23%
Office of Public Policy - 8000	18,361	24,250	16,350	26,500	(10,150)	-62%
Total Operation and General	<u>3,975,904</u>	<u>5,173,363</u>	<u>5,145,374</u>	<u>5,064,592</u>	<u>80,782</u>	<u>2%</u>
Pass-through federal grant expenditures	-	435,000	435,000	640,590	(205,590)	-47%
Capital						
Marketing & Brand Strategy - 5000	130,019	-	-	-	-	0%
Human Resources - 6100	-	75,000	75,000	84,000	(9,000)	-12%
Finance - 6200	-	40,000	40,000	40,000	-	0%
Technology and Information Systems - 6300	18,430	-	-	-	-	0%
Total Capital	<u>148,449</u>	<u>115,000</u>	<u>115,000</u>	<u>124,000</u>	<u>(9,000)</u>	<u>-8%</u>
Debt Service						
Finance - 6200	231,199	117,000	235,000	850,000	(615,000)	-262%
Technology and Information Systems - 6300	-	-	-	-	-	0%
Total	<u>231,199</u>	<u>117,000</u>	<u>235,000</u>	<u>850,000</u>	<u>(615,000)</u>	<u>-262%</u>
Total	<u>\$ 47,738,779</u>	<u>\$ 50,072,852</u>	<u>\$ 52,167,841</u>	<u>\$ 51,041,112</u>	<u>1,126,729</u>	<u>2%</u>



EXECUTIVE OFFICE

EXECUTIVE OFFICE

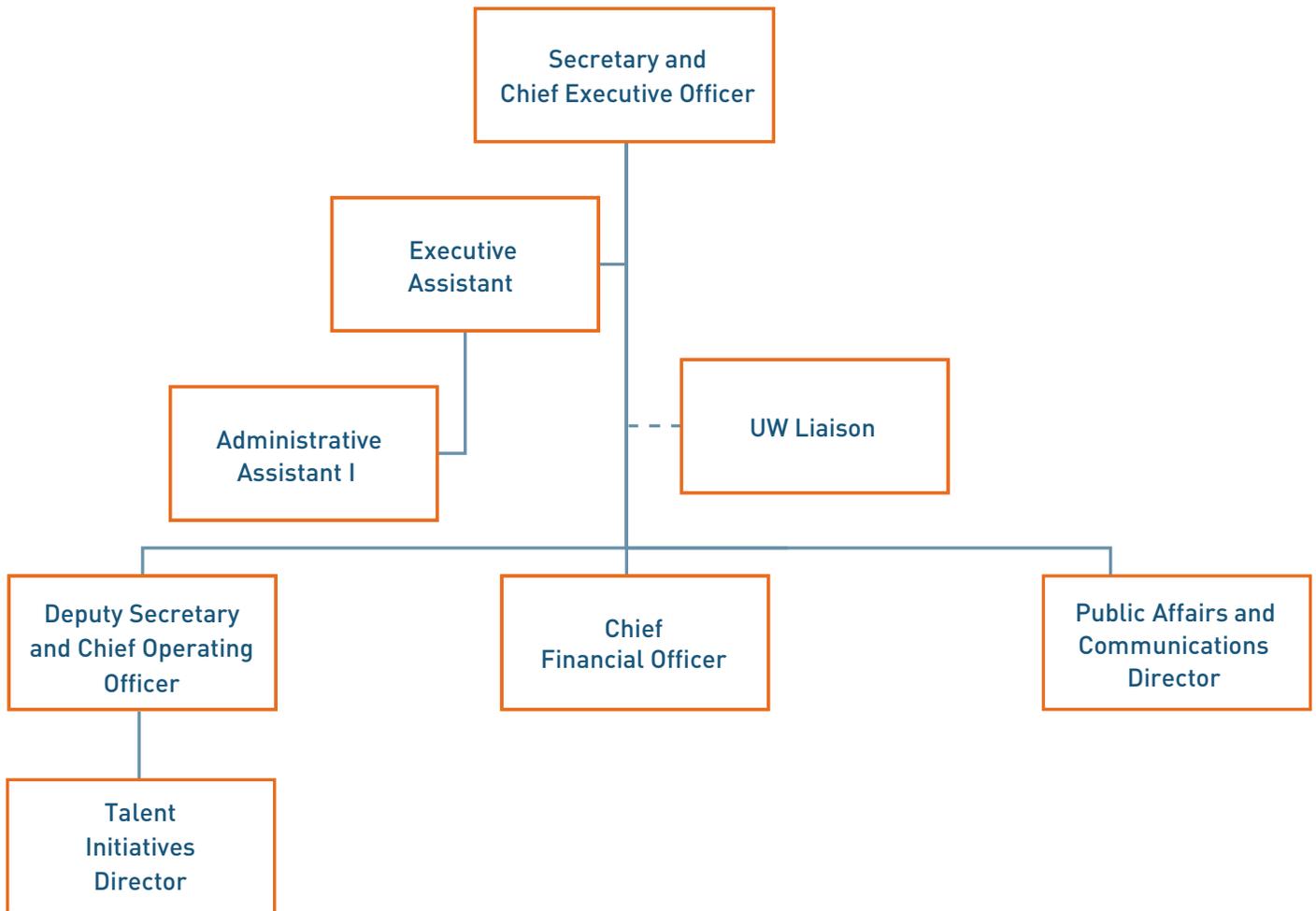
The Executive Office is charged with providing strategic direction, ensuring effective programming and compliance, managing stakeholder relations, and building a high-performing organization.

GOALS

The Executive Office has five 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 the Governor and Legislature to consider.

STAFFING



PUBLIC AFFAIRS AND COMMUNICATIONS DIRECTOR

GOALS

The Public Affairs and Communications Director has five goals:

- Strategically promote the programs and initiatives that showcase the broad spectrum of work done by WEDC.
- Collaborate with businesses, communities and other stakeholders to plan and implement public events that highlight WEDC economic development initiatives.
- Help build relationships with legislators, other state agencies, academic institutions, and local, regional and state economic development organizations to increase awareness of WEDC's economic development efforts and their local impact.
- Work with WEDC leadership to develop consistent internal and external messaging regarding the organization's operations, programs and policies.
- Respond to inquiries about WEDC in a timely and accurate manner.

ADMINISTRATIVE OVERSIGHT

The Public Affairs and Communications Director manages the “public face” of WEDC and the front line for inquiries received from the media, and utilizes several strategies to promote WEDC's role in growing the state's economy. The director works collaboratively with all divisions to assist them in promoting their key initiatives and programs. The director works especially close with the Executive Office, the Office of Public Policy and the Marketing and Brand Strategy Division to ensure that WEDC's message is consistently and strategically conveyed throughout the state.

STAFFING

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

KEY STRATEGIC INITIATIVES

- Pursue 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.
- Promote WEDC's organizational and programmatic successes through the @WEDCNews Twitter account. Develop strategies to increase the number of followers and audience engagement.

TALENT INITIATIVES DIRECTOR

GOALS

The Talent Initiatives Director, a shared function of WEDC and the UW System, has four goals:

- Work closely with WEDC Executive Team to support strategic talent initiatives across the organization.
- Actively engage with the leadership of young professional (YP) groups across Wisconsin to serve as a strategic communicator and central point of contact to help in the development and execution of cohesive and aligned YP strategies and initiatives
- Provide support for the UW System Business Council and other public/private discussion forums to increase dialogue with business leaders, elected officials, and citizen groups.
- In conjunction with the UW System Office of Economic Development, provide support for execution of strategic initiatives developed as part of the 2020FWD agenda.

ADMINISTRATIVE OVERSIGHT

The Talent Initiatives Director leads and coordinates efforts to attract, retain and develop the workforce that communities and businesses will need to thrive in a globally competitive environment. Specifically, the individual will serve as the primary point person for WEDC to help align local, regional and statewide talent and workforce initiatives; develop and disseminate best practices; work across organizational boundaries to provide insight and policy development that supports the talent needs of Wisconsin's businesses; and serve as liaison to organizations and institutions seeking to develop and support complementary talent initiatives.

This role serves as a joint liaison with the UW System Office of Economic Development and supports the planning and implementation of efforts to leverage the University of Wisconsin System's economic development assets to drive statewide growth.

STAFFING

Talent Initiatives Director - Reports to the COO. Works closely with the UW System leadership, the UW System Board of Regents, its Research, Economic Development and Innovation (REDI) Committee, and its statewide network of institutions to assess, shape and coordinate the implementation of mutually beneficial strategies targeting talent development supported jointly by WEDC and UW System.

KEY STRATEGIC INITIATIVES

- With the Marketing and Brand Strategy Division, coordinate messaging, outreach and events intended to help ensure the targeted talent audiences are engaged in promoting Wisconsin, as well as embrace key Think-Make-Happen messaging.
- Work collaboratively with post-secondary institutions to help encourage Wisconsin graduates via alumni groups and other networks to engage or reconnect with Wisconsin communities and companies.
- Communicate the current and future talent needs of Wisconsin's targeted industries to organizations engaged in talent attraction or development efforts, as well as to help develop programs specific to these recruitment efforts.

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

- Strengthen WEDC/UW partnerships, policy alignment and collaborations, which expand opportunities for internships, mentorships and other career pathways and support talent attraction, development and retention.
- Review and assess research, technology and innovation assets, initiatives, and opportunities, and highlight successes at the Research, Economic Development, and Innovation Committee of the UW System Board of Regents.
- Explore and launch additional seed fund/match grant programs to accelerate technology transfer and product commercialization and seek additional external funding/match grants to further leverage results.

BUDGET NOTES – EXECUTIVE OFFICE

Significant changes between the FY17 and FY18 budgets include

- Payroll and benefits are decreasing due to the breakout of the Operation and Program Performance staff into their own division for FY18 and the transfer of the Public Relations Manager to the Marketing Division.
- In addition, merit and incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.
- Partially offsetting these decreases is the addition of one FTE to assist WEDC in its talent attraction efforts. WEDC and UW-Madison will share this FTE, and UW-Madison’s payments to WEDC will be recognized as other revenue.
- Operating and General expenses are decreasing as the need for professional fees, including temporary help, is expected to decrease.

**Wisconsin Economic Development Corporation
Detailed Budget Worksheet**

Executive Office - 1200

<u>Account No. and Name</u>	<u>FY16 Actual</u>	<u>FY17 Budget</u>	<u>FY17 Amended Budget</u>	<u>FY18 Budget</u>	<u>New Funds % Chg</u>
Revenues					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4043 - Revenue-SKILLS Admin	18,151	-	-	-	0.0%
4110 - State GPR Funds	6,974,700	12,474,700	12,474,700	1,519,500	-87.8%
4120 - State SEG Funds	21,776,000	21,776,000	21,776,000	32,731,200	50.3%
4170 - Revenue-Other Income	-	-	-	44,302	100.0%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
Total Revenues	28,768,851	34,250,700	34,250,700	34,295,002	0.1%
Expenditures					
Payroll and Benefits					
6000 - Benefits- Health Insurance	93,473	180,411	158,478	96,367	-39.2%
6010 - Benefits- Life Insurance	346	491	701	799	14.0%
6015 - Benefits-Retirement	44,514	67,447	66,883	49,932	-25.3%
6020 - Benefits- Payroll Taxes	47,034	78,179	67,997	56,173	-17.4%
6023 - Benefits -HSA	692	-	2,971	1,558	-47.6%
6025 - Benefits Other	-	-	3,473	2,000	-42.4%
6040 - Merit/Incentives	3,550	74,181	74,181	6,630	-91.1%
6050 - Compensation- Salary	696,519	999,938	918,175	741,631	-19.2%
6055 - Professional Development	11,260	20,000	20,000	14,833	-25.8%
Total Payroll and Benefits	897,388	1,420,647	1,312,860	969,923	-26.1%
Operating and General					
6120 - Office Expense- Other	44,418	25,000	23,000	25,000	8.7%
6200 - Professional Fees- Consulting Fees	240,161	255,000	255,000	185,000	-27.5%
6245 - Dues, Subscriptions, and Memberships	8,661	4,200	6,000	4,500	-25.0%
6360 - Supplies & Equipment- Office Supplies	12,982	18,000	12,000	11,250	-6.3%
6375 - Events and Conferences	11,359	10,000	10,000	10,000	0.0%
6377 - Business Meals	-	-	2,500	2,500	0.0%
6380 - Travel- Lodging	3,941	10,000	8,000	6,000	-25.0%
6390 - Travel - Meals	7,564	8,500	6,000	5,500	-8.3%
6410 - Travel - Other	19	1,000	1,000	1,000	0.0%
6430 - Travel - Transportation	12,321	20,000	20,000	17,000	-15.0%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	341,426	351,700	343,500	267,750	-22.1%
Total Expenditures	\$ 1,238,814	\$ 1,772,347	\$ 1,656,360	\$ 1,237,673	-25.3%



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 education and certifications through a partnership with WEDA.

KEY PERFORMANCE INDICATORS

In FY18, the BCD division intends to accomplish the following:

KPI	TRACKING
Provide financial assistance to 105 businesses	Unique number of businesses determined by reports generated through awards administration system
Provide programmatic technical assistance to 1,390 businesses	Unique number of businesses reported through WEDC's CRM and Key Strategic Partnerships
Provide financial assistance to 78 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 11,260 jobs <ul style="list-style-type: none"> • Assist in creating 5,410 jobs • Assist in retaining 5,850 jobs 	Reports generated through awards administration system
Achieve a 17:1 leverage ratio	Reports generated through awards administration system
Assist 30 partner organizations	Awards made through programs and through Key Strategic Partnerships and others
Increase the access to training and certification of local economic development partners through our contact with the Wisconsin Economic Development Association (WEDA)	Through reporting by WEDA on new Certified Economic Developers (CEcD) and Economic Development Finance Professionals (EDFP) and local partners participating in training
Provide WEDC presentations to 20 professional service providers and proactive outreach to 100 Wisconsin companies	Professional Service Provider Outreach campaigns in CRM; Wisconsin Business Outreach Initiative campaigns in CRM

OPERATING PLAN

In FY18, 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 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, the project's scope, or accelerate the timing of the project.
Strategic Pillar	Business Development – Business Retention and Expansion
Budget (Non-Staff Expenses)	\$22,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> Assist 45 businesses Support the creation of 3,500 jobs and retention of 4,000 jobs Achieve a 20:1 leverage of other investment

NEW BUSINESS LENDING FUND	
Description	Pending approval through the 2017-19 Biennial Budget, this program will provide financing options to businesses for retention, expansion or relocation to Wisconsin. Program guidelines for a new lending fund will be developed in Q1 FY18
Strategic Pillar	Business Development – Business Expansion and Retention
Budget (Non-Staff Expenses)	\$3,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> To be developed

CAPACITY BUILDING GRANTS	
Description	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	Community and Economic Opportunity
Budget	\$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 either increase the expansion project's scope and/or accelerate the timing of the project and/or enhance payroll.
Strategic Pillar	Business Development – Business Expansion and 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 25:1 leverage ratio

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. Up to 30 zones authorized, 3 of which must be designated in areas with populations totaling less than 5,000 and 2 of the zones must be designated in areas with populations totaling at least 5,000 but less than 30,000.
Strategic Pillar	Projects must support at least one strategic pillar
Budget (Non-Staff expenses)	7 zones remaining (2 reserved for communities < 5,000 in population)
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 3 businesses • Support the creation of 1,500 jobs • Support the retention of 1,000 jobs • Achieve a 5:1 leverage ratio

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, lender, bond attorney, issuer, and WEDC.
Strategic Pillar	Business Development – Retention and Expansion
Budget (Non-Staff Expenses)	\$283,935,400 (Calendar year allocation)
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 5 businesses

MINORITY BUSINESS DEVELOPMENT

Description	Support minority and underserved communities through business creation, business expansion and minority community business attraction. This is accomplished through direct grant assistance to qualifying entities. The four statewide minority chambers of commerce have been newly assigned as Key Strategic Partners.
Strategic Pillar	Community and Economic Opportunity – Minority Business Development
Budget (Non-Staff Expenses)	\$0
Activities and Expected Outcomes	<ul style="list-style-type: none"> • The expected outcomes will be defined should funding be made available. (\$750,000 has been re-allocated for the state minority chambers of commerce newly designated as Key Strategic Partners.)

WORKFORCE TRAINING GRANTS

Description	Provide grants to businesses in 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 – Retention and Expansion
Budget (Non-Staff Expenses)	\$2,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 8 businesses • Support training of 400 employees

COMMUNITY DEVELOPMENT PROGRAMS

BROWNFIELDS GRANTS	
Description	Provide grant funds under 238.13, Wisconsin Statutes 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 and Economic Opportunity – Community Development
Budget (Non-Staff Expenses)	\$4,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 12 communities • Achieve a 33:1 leverage ratio

COMMUNITY DEVELOPMENT INVESTMENT GRANTS	
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 and 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 22:1 leverage ratio

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 and Economic Opportunity - Downtown Development
Budget (Non-Staff Expenses)	Allocation - pending 2017-19 Biennial Budget passage
Activities and Expected Outcome	<ul style="list-style-type: none"> • Assist 40 communities • Achieve 5:1 leverage ratio • Pending 2017-19 Biennial Budget passage

IDLE SITES REDEVELOPMENT GRANTS

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 and Economic Opportunity – Community Development
Budget (Non-Staff Expenses)	\$2,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 4 communities • Achieve a 20:1 leverage ratio

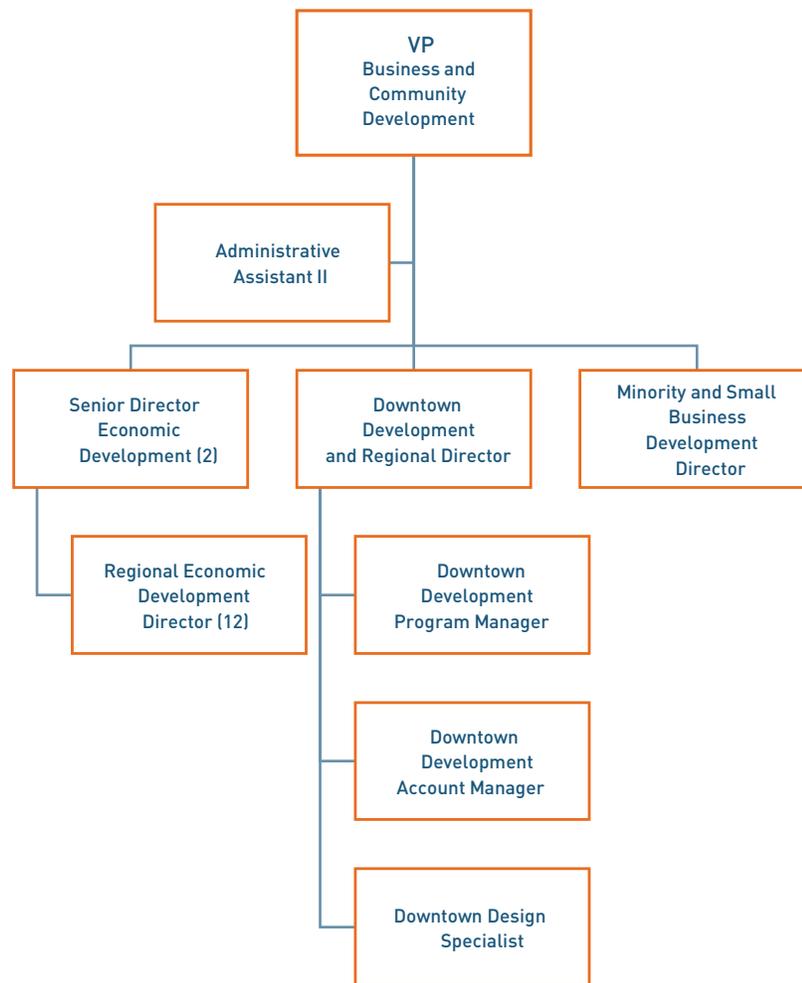
MAIN STREET AND CONNECT COMMUNITIES

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 Connect Communities, which is aimed at supplementing the Main Street program by expanding services to more downtowns across the state.
Strategic Pillar	Community and Economic Opportunity – Downtown Development
Budget (Non-Staff expenses)	\$250,000 (non-aids)
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Add 1 Main Street community to current 34 • Add 6 Connect Communities to current 64 • Assist 90 businesses

BROWNFIELD 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 and 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

STAFFING



Vice President – Reports to the COO. Responsible for the overall direction and management of the division and assures 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 – Manages and develops programs, makes policy recommendations and the development of staff, and is the immediate supervisor for the regional economic development directors. First point of contact between the regional directors and underwriting / legal / fiscal with business investment strategies.

Regional Economic Development Director – Provides project management and delivers 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.

Minority and Small Business Development Director – Oversees WEDC involvement in all aspects of the minority and underserved business community and relationships with the State's four minority-based chambers of commerce and related entities. Direct oversight of WEDC's investment in its key strategic partnership with the Wisconsin Procurement Institute, and the state minority chambers of commerce.

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 regional directors and underwriting / legal / fiscal with business 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 FY18, 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 238.135, Wisconsin Statutes 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	<ul style="list-style-type: none"> • Business Development – Retention and Expansion • Business Development – Business and Investment Attraction • Business Development – Export and International Trade • Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$547,500
Activities and Expected Outcomes	<p>Annual contracts with the regions relate to six primary focus areas:</p> <ul style="list-style-type: none"> • Convener, facilitator and partner for local economic development entities in the respective regions • Marketing agents for the regions • Business retention and expansion (BRE) coordinated efforts • Generate business and community data information • Resource referral or primary contact for business • Talent and Workforce development assistance (Inspire License)

WISCONSIN PROCUREMENT INSTITUTE	
Description	Wisconsin Procurement Institute (WPI) is a non-profit 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 and Expansion
Budget (Non-Staff Expenses)	\$325,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 1,200 businesses • Assist in the creation of 200 jobs • Assist 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

MINORITY CHAMBERS OF COMMERCE

Description	<p>Support minority business development through business creation, expansion and attraction and training. This is accomplished through direct grant assistance to qualifying minority business entities in Wisconsin for revolving loan fund technical assistance, KIVA micro-lending, and organizational support. The organizations are:</p> <p>African American Chamber of Commerce (AACC) Affiliates: Wisconsin Black Chamber of Commerce, Madison Black Chamber of Commerce</p> <p>American Indian Chamber of Commerce/First American Capital Corp. (FACC) Affiliate: Wisconsin Indian Business Alliance (WIBA)</p> <p>Hmong Chamber of Commerce (HWCC) Affiliates: Latino Entrepreneurial Network (LEN), Hmong Business Coalition</p> <p>Hispanic Chamber of Commerce (HCCW) Affiliate: Latino Chamber of Commerce – Dane County</p>
Strategic Pillar	Community and Economic Opportunity – Minority Business Development
Budget (Non-Staff Expenses)	\$750,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 10 minority and diverse business entities • Support 20 businesses through RLF loans • Support 20 businesses through KIVA micro-loans • Support 100 businesses through substantive technical assistance • Create 200 jobs • Retain 350 jobs

KEY STRATEGIC INITIATIVES

- Increase workforce and talent development through increased funding in the Workforce Training Grant program and financially covering the INSPIRE license through the Regional Economic Development Organizations to provide statewide access.
- Lead development of rural economic development strategy.
- Develop and deliver Economic Development academy in partnership with WEDA to increase awareness of profession and measurable economic development outcomes.
- Increase micro-lending access through KIVA.

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Program Grants are relatively flat at an aggregate level. Increases in Workforce Training Grant funding are offset by decreases in Community Development Grants and the movement of four award recipients in the Minority Business Development Program to Key Strategic Partners.
- Key Strategic Partnerships are increasing. In addition to the Minority Business Development partners, whose funding has moved from Program Grants, Regionals KSPs are increasing due to implementation of the INSPIRE platform, and the Wisconsin Procurement Institute partnership is increasing as we add additional support to help companies with federal contracts.

- Payroll and benefits are increasing due to mid-year FY17 positions that were added.
- Operating and General expenses are decreasing as FY17 contained a one time adjustment in Other Expense that is not expected to repeat in FY18.
- Bad Debt for Performance Based loans in FY18 consists of loans committed and contracted for in FY17, but whose draws will not occur until FY18. There are no new Performance Based loans being committed in FY18.
- The Business Opportunity Loan Fund is not being funded in FY18, but is expected to be replaced by a new loan program whose program guidelines will be developed in FY18, if passed in the 2017-19 Biennial Budget.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Business and Community Development - 3000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
Revenues					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4130 - State Brownfield Site Asses. Grant	1,000,000	1,000,000	1,000,000	1,000,000	0.0%
4145 - State Loan Repayments	840,908	500,000	947,210	780,000	-17.7%
4146 - Contra-Revenue	(565,063)	-	-	-	0.0%
4147 - Interest - Forgivable Loans	531,709	-	-	-	0.0%
4148 - Contra Interest Revenue - Collectible Loans	(155,352)	-	-	-	0.0%
4170 - Revenue-Other Income	25,504	-	24,000	24,000	0.0%
4182 - Award Penalty Fees	68,760	-	-	-	0.0%
4185 - Sponsorship Contributions	7,000	40,000	62,000	62,000	0.0%
Total Revenues	1,753,466	1,540,000	2,033,210	1,866,000	-8.2%
Expenditures					
Program Grants					
6600 - Capacity Building Grants -BCD	334,313	500,000	480,000	500,000	4.2%
6610 - Business Expansion & Retention	(433,296)	-	-	-	0.0%
6620 - Workforce Training Grants	108,222	1,000,000	945,000	2,000,000	111.6%
6670 - Minority Revolving Loan Fund Expansion	-	750,000	750,000	-	-100.0%
6676 - Regional Revolving Loan Fund Expansion	40,625	-	-	-	0.0%
6680 - Community Development Investment Grants	3,817,645	3,000,000	3,430,000	3,000,000	-12.5%
6710 - Brownfield Site Assessment Grants	1,118,610	1,000,000	1,025,000	1,000,000	-2.4%
6720 - Brownfield Program Grants	5,139,576	3,500,000	3,975,000	4,000,000	0.6%
6725 - Idle Industrial Sites Redevelopment Program	2,167,410	2,300,000	2,000,000	2,000,000	0.0%
6753 - Revolving Loan Fund - LEG	-	-	-	100,000	100.0%
Total Program Grants	12,293,105	12,050,000	12,605,000	12,600,000	0.0%
Key Strategic Partnerships					
5155 - Minority Business Development	-	-	-	750,000	100.0%
5160 - Regionals	494,763	500,000	500,000	547,500	9.5%
5185 - Wisconsin Procurement Institute	-	305,000	305,000	325,000	6.6%
Total Key Strategic Partnerships	494,763	805,000	805,000	1,622,500	101.6%
Payroll and Benefits					
6000 - Benefits- Health Insurance	329,597	325,942	317,135	306,654	-3.3%
6010 - Benefits- Life Insurance	1,718	1,626	1,530	1,900	24.2%
6015 - Benefits-Retirement	113,103	100,913	101,614	107,121	5.4%
6020 - Benefits- Payroll Taxes	123,866	116,964	113,888	120,511	5.8%
6023 - Benefits -HSA	1,731	-	3,173	4,673	47.3%
6025 - Benefits Other	735	684	821	2,000	143.6%
6040 - Merit/Incentives	7,350	-	-	15,033	100.0%
6050 - Compensation- Salary	1,688,909	1,484,417	1,509,053	1,591,056	5.4%
6055 - Professional Development	25,553	27,000	27,000	36,500	35.2%
Total Payroll and Benefits	2,292,562	2,057,546	2,074,214	2,185,448	5.4%
Operating and General					
5400 - Extended Enterprise	50,000	42,000	42,000	25,000	-40.5%
6057 - Research & Marketing Tools	188,250	-	-	-	0.0%
6120 - Office Expense- Other	16,704	12,000	16,500	21,000	27.3%
6150 - Office Expense- Rent	22,527	24,800	24,800	25,000	0.8%
6200 - Professional Fees- Consulting Fees	151,777	207,000	200,000	200,000	0.0%
6236 - Print Material Production	110	1,000	600	1,000	66.7%
6245 - Dues, Subscriptions, and Memberships	9,982	8,700	11,700	9,000	-23.1%
6310 - Repairs & Maintenance- Automobiles	4,779	5,000	3,000	3,000	0.0%
6360 - Supplies & Equipment- Office Supplies	1,725	1,500	800	1,000	25.0%
6375 - Events and Conferences	25,295	130,000	140,000	140,000	0.0%
6377 - Business Meals	-	-	1,700	1,700	0.0%
6380 - Travel- Lodging	49,846	35,000	25,000	30,000	20.0%
6390 - Travel - Meals	36,816	28,000	20,000	25,000	25.0%

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Business and Community Development - 3000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
6410 - Travel - Other	469	1,000	1,000	1,000	0.0%
6430 - Travel - Transportation	118,517	75,000	65,000	65,000	0.0%
6530 - Other Expense	-	-	68,760	-	-100.0%
Total Operating and General	676,797	571,000	620,860	547,700	-11.8%
Bad Debt					
6798 - Bad Debt - Performance Based Loans	4,374,037	1,500,000	3,600,000	1,500,000	-58.3%
6799 - Bad Debt Expense - (A/R)	2,724,954	1,175,000	1,175,000	500,000	-57.4%
Total Bad Debt	7,098,991	2,675,000	4,775,000	2,000,000	-58.1%
Total Expenditures	\$ 22,856,218	\$ 18,158,546	\$ 20,880,074	\$ 18,955,648	-9.2%
Loans are not considered to be expenditures, but do constitute a use of funds.					
Loans Proposed					
11xx - Business Opportunity Loan Fund- Collectible Loans	9,445,283	3,500,000	3,500,000	-	-100.0%
11xx - Business Opportunity Loan Fund - Performance Based Loans	3,670,000	1,500,000	1,500,000	-	-100.0%
11xx - New Loan Fund - Collectible Loans	-	-	-	3,000,000	100.0%
11xx - Special Project Loan Fund	373,667	-	-	-	0.0%
Total Loans	13,488,950	5,000,000	5,000,000	3,000,000	-40.0%
Less: Loan principle repayments	(5,591,850)	(3,912,215)	(3,622,310)	(3,690,528)	1.9%
Less: Loan Loss Reserve (included above)	(7,098,991)	(2,675,000)	(4,775,000)	(2,000,000)	-58.1%
Net additional funding for loans	798,109	(1,587,215)	(3,397,310)	(2,690,528)	-20.8%
Total Appropriation	\$ 23,654,327	\$ 16,571,331	\$ 17,482,764	\$ 16,265,120	-7.0%



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 responses to prospects, as well as collaborate on events, 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.

KEY PERFORMANCE INDICATORS

In FY18, the B & I A division intends to accomplish the following:

KPI*	TRACKING
Facilitate 12 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 4 call trips to targeted metropolitan areas or countries (domestic or abroad)	Determined by activities organized by the B & I A division
Host 4 events for commercial real estate (CRE) or targeted industry executives (domestic or abroad)	Determined by activities organized by the B & I A division with support of the Marketing and Brand Strategy Division
Assist in 2 partner-led attraction events	Determined by activities organized by EDOs
Assist in 3 new Certified InWisconsin sites	Determined by number of sites successfully completing the certification process

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

OPERATING PLAN

In FY18, B & I A will accomplish its mission and 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 and Investment Attraction
Budget (Non-Staff Expenses)	N/A
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist in 3 new Certified In Wisconsin sites • Promote existing 18 sites

STAFFING



Business and Investment Attraction Directors – 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 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.

KEY STRATEGIC INITIATIVES

- Continue to build alignment throughout Wisconsin for business and investment attraction opportunities so that Wisconsin can continue to leverage its talented and capable network of partners as a competitive advantage.
- Building upon recent foreign direct investment successes, continue to showcase and promote Wisconsin as a destination for companies, particularly those within our driver industries, to invest as they expand their global footprint.

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Operating and General expenses are increasing as WEDC adds a new research analytic tool to help assess risk associated with potential customers, and as WEDC increases the number of business attraction events.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Business & Investment Attraction -3500

<u>Account No. and Name</u>	<u>FY16 Actual</u>	<u>FY17 Budget</u>	<u>FY17 Amended Budget</u>	<u>FY18 Budget</u>	<u>New Funds % Chg</u>
Expenditures					
Payroll and Benefits					
6000 - Benefits- Health Insurance	-	49,470	22,193	22,920	3.3%
6010 - Benefits- Life Insurance	-	-	19	24	26.3%
6015 - Benefits-Retirement	-	22,194	16,130	16,453	2.0%
6020 - Benefits- Payroll Taxes	-	25,411	18,237	18,510	1.5%
6023 - Benefits -HSA	-	-	1,586	1,558	-1.8%
6040 - Merit/Incentives	-	-	-	2,420	100.0%
6050 - Compensation- Salary	-	331,785	241,019	244,375	1.4%
6055 - Professional Development	-	12,000	10,000	9,000	-10.0%
Total Payroll and Benefits	-	440,860	309,184	315,260	2.0%
Operating and General					
6057 - Research & Marketing Tools	-	-	333,898	366,798	9.9%
6120 - Office Expense- Other	-	2,000	2,500	2,000	-20.0%
6200 - Professional Fees- Consulting Fees	-	100,500	83,500	75,500	-9.6%
6245 - Dues, Subscriptions, and Memberships	-	325,423	10,125	10,125	0.0%
6375 - Events and Conferences	-	30,500	29,000	48,820	68.3%
6376 - Sponsorships	-	-	-	-	0.0%
6377 - Business Meals	-	-	-	2,000	100.0%
6380 - Travel- Lodging	-	29,650	29,650	30,300	2.2%
6390 - Travel - Meals	-	6,600	10,000	8,950	-10.5%
6410 - Travel - Other	-	-	-	500	100.0%
6430 - Travel - Transportation	-	29,050	29,050	28,050	-3.4%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	-	523,723	527,723	573,043	8.6%
Total Expenditures	\$ -	\$ 964,583	\$ 836,907	\$ 888,303	6.1%



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 FY18, the E & I division intends to accomplish the following:

KPI	TRACKING
Assist 1,618 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 403 jobs	Determined by reports generated through awards administration system and partner reporting
Assist in the retention of 360 jobs	Determined by reports generated through key strategic partnerships
Assist 24 partner organizations	Determined by the number of commitments for programmatic and key strategic partnerships

OPERATING PLAN

In FY18, 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 and 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

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 and Innovation
Budget (Non-Staff Expenses)	\$200,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 125 businesses

CAPACITY BUILDING - ENTREPRENEURSHIP SUPPORT GRANT

Description	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 and Innovation
Budget (Non-Staff Expenses)	\$500,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 10 organizations and 250 businesses

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 and Innovation
Budget (Non-Staff Expenses)	\$30,000,000 CY 17 tax credit allocation
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Certify 35 companies and 5 funds • Achieve 4:1 leverage ratio

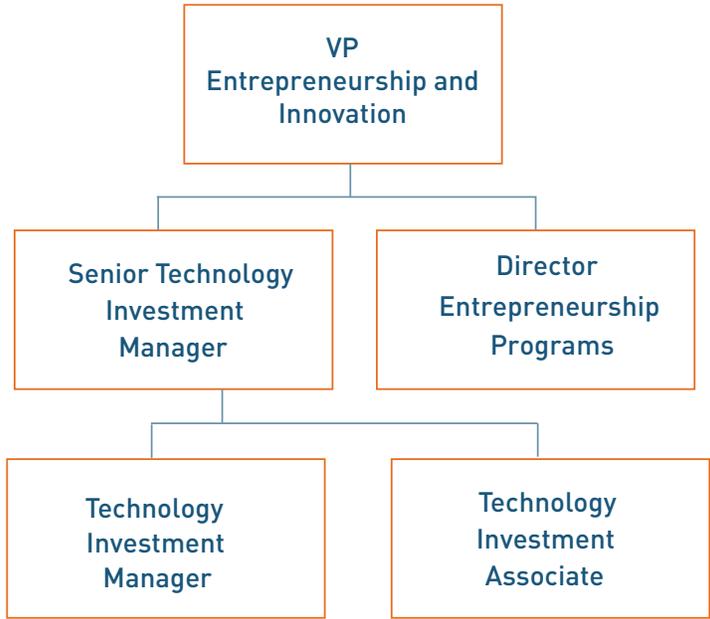
SBIR/STTR MATCHING GRANT

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 and 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

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 and Innovation
Budget (Non-Staff Expenses)	\$1,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 6 seed accelerators • 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 and Innovation
Budget (Non-Staff Expenses)	\$5,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 15 businesses • Achieve leverage ratio of 4:1

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 FY18, 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.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$350,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist 1,000 businesses • Support the creation of 250 jobs • Support the retention of 350 jobs • Finance 25 startups • Provide at least \$2,500,000 in financing

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 the SBIR/STTR Matching Grant program.
Strategic Pillar	Business Development – Entrepreneurship and Innovation
Budget (Non-Staff Expenses)	\$540,000
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 and Innovation
Budget (Non-Staff Expenses)	\$50,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Provide at least \$750,000 in financing • Support the creation of 10 jobs • Finance 10 startup/emerging growth companies

WISCONSIN TECHNOLOGY COUNCIL (WTC)

Including Wisconsin Angel Network (WAN)

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>The mission of WTC's "Investor Networks" is to build angel network and venture 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 and 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 five angel investing seminars

KEY STRATEGIC INITIATIVES

- Develop framework for engagement between established and early-stage corporations.
- Engage partner organizations in providing peer-peer program awareness and entrepreneurship support networks.
- Engage local partners outside of major metro areas in supporting startups and entrepreneurs.
- Strengthen partnerships with educational institutions in supporting technology transfer and company formation.

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Revenue is decreasing as the result of the completion of the State Small Business Credit Initiative (SSBCI) which assisted in the funding of the Technology Development Loan Program.
- Bad Debt expense is decreasing, based on the net new origination activity expected on the TDL portfolio for FY18.
- WEDC will fund TDL awards using both state funds and loan repayments from previous SSBCI awards.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Entrepreneurship & Innovation - 2000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
Revenues					
4009 - Federal - SSBCI	\$ 289,837	\$ 1,500,000	\$ 1,500,000	\$ -	-100.0%
4145 - State Loan Repayments	801,107	500,000	727,837	695,000	-4.5%
4146 - Contra-Revenue	(4,658)	-	-	-	0.0%
4147 - Interest - Forgivable Loans	4,658	-	-	-	0.0%
4148 - Contra Interest Revenue - Collectible Loans	(332,482)	-	-	-	0.0%
4170 - Revenue-Other Income	-	10,000	-	-	0.0%
4180 - Loan Origination Fees	75,960	90,000	90,000	100,000	11.1%
4181 - Tax Transfer Fees	93,633	35,000	70,000	60,000	-14.3%
4182 - Award Penalty Fees	9,607	10,000	5,000	5,000	0.0%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
Total Revenues	938,901	2,145,000	2,392,837	860,000	-64.1%
Expenditures					
Program Grants					
6600.1 - Capacity Building Grants - E&I	-	500,000	500,000	500,000	0.0%
6630 - Seed Accelerator Program	859,307	1,000,000	1,000,000	1,000,000	0.0%
6646 - Entrepreneurial Micro-grant Program	58,500	200,000	270,000	200,000	-25.9%
6650 - Capital Catalyst Program	81,566	1,500,000	1,500,000	1,500,000	0.0%
6731 - SSBIR/STTR Matching Grant	1,675,000	1,000,000	1,125,000	1,000,000	-11.1%
6756 - Business Incubator	250,000	-	-	-	0.0%
Total Program Grants	2,924,373	4,200,000	4,395,000	4,200,000	-4.4%
Key Strategic Partnerships					
5120 - WWBIC	350,000	350,000	350,000	350,000	0.0%
5130 - WEN (CTC)	565,000	540,000	565,000	540,000	-4.4%
5140 - Wisconsin Technology Council	310,000	310,000	310,000	310,000	0.0%
5141 - BrightStar Wisconsin Foundation	50,000	50,000	50,000	50,000	0.0%
Total Key Strategic Partnerships	1,275,000	1,250,000	1,275,000	1,250,000	-2.0%
Payroll and Benefits					
6000 - Benefits- Health Insurance	44,654	56,811	56,707	58,335	2.9%
6010 - Benefits- Life Insurance	68	66	62	107	72.6%
6015 - Benefits-Retirement	23,288	26,590	26,805	27,219	1.5%
6020 - Benefits- Payroll Taxes	25,745	30,821	30,143	30,621	1.6%
6025 - Benefits Other	245	228	273	-	-100.0%
6040 - Merit/Incentives	3,000	-	-	4,003	100.0%
6050 - Compensation- Salary	345,060	391,150	399,623	404,277	1.2%
6055 - Professional Development	9,454	4,500	3,500	4,500	28.6%
Total Payroll and Benefits	451,514	510,166	517,113	529,062	2.3%

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Entrepreneurship & Innovation - 2000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
Operating and General					
6120 - Office Expense- Other	1,236	1,700	1,950	1,700	-12.8%
6245 - Dues, Subscriptions, and Memberships	5,225	6,000	6,000	6,000	0.0%
6375 - Events and Conferences	217	3,200	3,200	3,200	0.0%
6377 - Business Meals	-	-	-	300	100.0%
6380 - Travel- Lodging	8,873	8,000	8,000	8,000	0.0%
6390 - Travel - Meals	3,105	4,500	4,500	4,200	-6.7%
6410 - Travel - Other	-	300	300	300	0.0%
6430 - Travel - Transportation	12,568	13,000	13,000	13,000	0.0%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	48,224	36,700	36,950	36,700	-0.7%
Bad Debt					
6799 - Bad Debt Expense - (A/R)	1,912,845	1,400,000	1,400,000	500,000	-64.3%
Total Bad Debt	1,912,845	1,400,000	1,400,000	500,000	-64.3%
Total Expenditures	\$ 6,611,956	\$ 7,396,866	\$ 7,624,063	\$ 6,515,762	-14.5%
Loans are not considered to be expenditures, but do constitute a use of funds.					
Loans Proposed					
11xx - Technology Development Loans--State	4,563,780	3,000,000	3,000,000	3,000,000	0.0%
11xx - New Technology Development Loans--SSBCI	700,000	1,500,000	1,500,000	2,000,000	33.3%
Total Loans	5,263,780	4,500,000	4,500,000	5,000,000	11.1%
Less: Loan principle repayments	(3,789,576)	(2,191,661)	(3,787,624)	(2,210,513)	-41.6%
Less: Loan Loss Reserve (included above)	(1,912,845)	(1,400,000)	(1,400,000)	(500,000)	-64.3%
Net additional funding for loans	(438,641)	908,339	(687,624)	2,289,487	-433.0%
Total Appropriation	\$ 6,173,315	\$ 8,305,205	\$ 6,936,439	\$ 8,805,249	26.9%



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 FY18, the IBD division intends to accomplish the following:

KPI	TRACKING
Provide financial assistance to 184 businesses	Determined by reports generated through awards administration system
Provide technical assistance to 440 businesses	Determined by reports generated by authorized trade representatives
Assist 4 partner organizations	Determined by the number of commitments for Collaborative Market Access grants and deploying ExporTech™
Conduct 8 FDI events abroad on 6 targeted international trips	Determined by activities organized through global trade ventures (GTV) and business development ventures

OPERATING PLAN

In FY18, 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)	\$214,000
Activities and Expected Outcomes	Assist one organization to support 36 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)	\$1,200,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • IMAG: Assist 60 businesses • CMAG: Award 3 organizations to assist 58 businesses

GLOBAL TRADE VENTURES	
Description	Take Wisconsin companies to foreign target markets to accelerate exports to those countries.
Strategic Pillar	Business Development – Export and International Trade
Budget (Non-Staff Expenses)	\$653,882 (non-aids)
Activities and Expected Outcomes	Support 6 global trade ventures in WEDC’s target markets in 8 countries and assist 40 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 export strategies.

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

International Grants Manager – Responsible for the vision and management of all IBD grants, which assist companies in creating and implementing export strategies.

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

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

KEY STRATEGIC PARTNERSHIPS

In FY18, 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)	\$230,000
Activities and Expected Outcomes	<p>Assist 440 businesses by:</p> <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

- Expand the Wisconsin extended export partners to include specific individuals in multiple regions who provide direct export assistance to companies locally. It has been identified that the local knowledge and relationship is key to move non-exporters to exporting.
- Complete a research project that projects over the next 3-5 years the countries that show the greatest need for Wisconsin's driver industry cluster products and services: fresh water technology, energy, power and controls, food and beverages, bioscience and aviation/aerospace. Also, identify the countries with the greatest concentration of the same key industry clusters as Wisconsin for targeted FDI attraction projects.
- Build long-term key relationships in other countries with government agencies, industry organizations and business groups that match Wisconsin's driver industry clusters to strengthen and globalize the clusters in Wisconsin.

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Program grants have increased to meet demand for our International Market Access Grant Program.
- Key Strategic Partnerships is seeing a decrease as certain expenses previously reimbursed to our Global Partner Network KSP are now covered directly by WEDC.
- Operating and General expenses are increasing as FY18 includes two additional trade missions compared to FY17.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

International Business Development - 7000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
Revenues					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4013 - Federal - STEP Grant	41,952	382,600	492,376	350,000	-28.9%
4170 - Revenue-Other Income	84,270	80,750	80,750	107,900	33.6%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
Total Revenues	126,222	463,350	573,126	457,900	-20.1%
Expenditures					
Program Grants					
6655 - Expotech Grants	84,900	210,000	210,000	214,000	1.9%
6665.1 - International Market Access Grant	659,670	750,000	450,000	750,000	66.7%
6665.2 - Collaborative Market Access Grant	202,497	450,000	450,000	450,000	0.0%
6665.4 - International Market Access Grant - STEP	-	232,600	232,600	300,000	29.0%
Total Program Grants	947,067	1,642,600	1,342,600	1,714,000	27.7%
Key Strategic Partnerships					
5105 - Global Partner Network	242,360	310,000	310,000	230,000	-25.8%
5185 - Wisconsin Procurement Institute	-	-	-	-	0.0%
Total Key Strategic Partnerships	242,360	310,000	310,000	230,000	-25.8%
Payroll and Benefits					
6000 - Benefits- Health Insurance	98,328	107,684	106,188	107,942	1.7%
6010 - Benefits- Life Insurance	336	323	306	388	26.8%
6015 - Benefits-Retirement	37,489	38,869	37,742	38,123	1.0%
6020 - Benefits- Payroll Taxes	41,778	45,049	44,241	44,639	0.9%
6040 - Merit/Incentives	-	-	-	5,606	100.0%
6050 - Compensation- Salary	568,260	572,078	580,756	589,354	1.5%
6055 - Professional Development	3,711	15,000	15,000	15,000	0.0%
Total Payroll and Benefits	749,902	779,003	784,233	801,052	2.1%
Operating and General					
6120 - Office Expense- Other	20,835	10,000	11,245	9,440	-16.1%
6200 - Professional Fees- Consulting Fees	257,195	248,585	248,585	349,750	40.7%
6236 - Print Material Production	1,374	4,910	4,910	3,705	-24.5%
6245 - Dues, Subscriptions, and Memberships	62,122	9,000	9,000	5,000	-44.4%
6320 - Supplies & Equipment- Computer Supplies	3,559	-	-	-	0.0%
6360 - Supplies & Equipment- Office Supplies	1,641	1,000	1,000	500	-50.0%
6375 - Events and Conferences	93,940	108,415	108,415	122,065	12.6%
6377 - Business Meals	-	-	1,500	2,500	66.7%
6380 - Travel- Lodging	124,293	157,331	157,331	163,183	3.7%
6390 - Travel - Meals	20,500	45,976	44,476	57,758	29.9%
6410 - Travel - Other	1,493	7,800	7,800	6,975	-10.6%
6430 - Travel - Transportation	140,448	161,895	161,895	206,155	27.3%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	732,359	754,912	756,157	927,031	22.6%
Total Expenditures	\$ 2,671,688	\$ 3,486,515	\$ 3,192,990	\$ 3,672,083	15.0%



SECTOR STRATEGY DEVELOPMENT

SECTOR STRATEGY DEVELOPMENT

GOALS

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

- Extend the geographic reach and implementation of Targeted Industry Projects (TIP) 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 collaborate investments to substantially enhance the market power and positioning of priority industry sectors in the state.

KEY PERFORMANCE INDICATORS

In FY18, the SSD division intends to accomplish the following:

KPI	TRACKING
Assist 740 businesses	Determined by reports generated through awards administration system and partner reporting
Achieve a 3:1 leverage ratio	Determined by reports generated through awards administration system and partner reporting
Assist 8 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 400 jobs and the retention of 1,000 jobs through KSP investments	Determined by the number of jobs to be created/retained, tracked through quarterly reporting

OPERATING PLAN

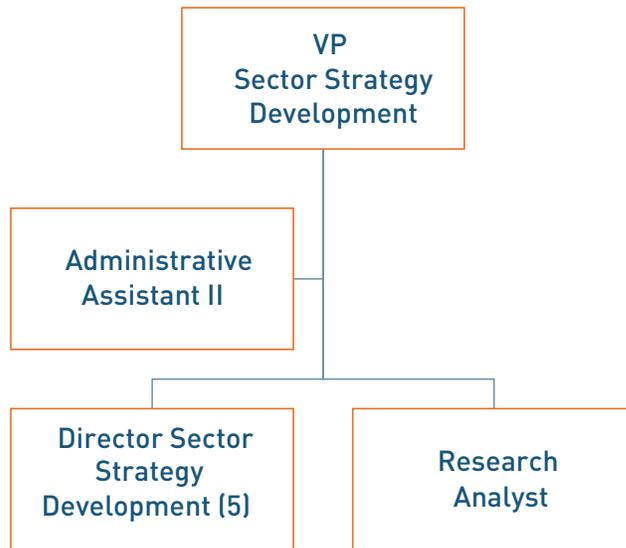
In FY18, SSD will accomplish its mission and goals by delivering the following programs. Specific operating procedures can be found in the corresponding program guidelines.

TARGETED INDUSTRY PROJECTS	
Description	Provide grants to support 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)	\$3,000,000
Activities and Expected Outcomes	<ul style="list-style-type: none"> • Assist seven unique organizations • Achieve a 3:1 leverage ratio • Create, attract or expand 40 companies

FABRICATION LABORATORIES (FAB LABS) GRANT PROGRAM

Description	Support hands-on Science, Technology, Engineering, Arts and Math (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 – Executes 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 FY18, SSD will work with the following organizations to deliver WEDC’s mission.

WISCONSIN CENTER FOR MANUFACTURING AND 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 700 small and mid-size manufacturers (SME) businesses • Assist in the creation of 400 jobs and retention of 1000 jobs • Actively support Global Cities Initiative, PSI/ME3, DoD Supplier Assistance Initiative, Transformational Productivity Initiative, and Aviation and Aerospace Supplier Development Initiative

KEY STRATEGIC INITIATIVES

- Complete and begin delivery of diagnostic and assessment toolkit to 15 small and midsize manufacturers through Transformational Productivity Initiative
- Launch Center of Excellence for Biomanufacturing and Regenerative Medicine
- Launch Center of Excellence for Integrated Aerospace Systems
- Launch Center of Excellence for Connected Systems

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include

- Program grants have decreased as the Targeted Industry Projects (TIP) program is receiving a reduced allocation for FY18, but is still being funded at a level to meet WEDC’s goals for implementing and funding of new centers of excellence.
- Federal grant income and pass-through expense have increased as we move into the second year of WEDC’s grant with the Department of Defense.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Sector Strategy Development - 4000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
Revenues					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4014 - Federal - DOD Grant	-	435,000	435,000	640,590	47.3%
4170 - Revenue-Other Income	17,425	-	135	-	-100.0%
4185 - Sponsorship Contributions	40,500	-	-	-	0.0%
Total Revenues	57,925	435,000	435,135	640,590	47.2%
Expenditures					
Program Grants					
6640 - Targeted Industry Investment Grants	1,577,439	4,000,000	3,550,000	3,000,000	-15.5%
6670 - Minority Revolving Loan Fund Expansion	425,000	-	-	-	0.0%
6754 - FabLab TA - LEG	-	-	-	100,000	100.0%
6755 - Fabrication Laboratories	23,438	500,000	500,000	500,000	0.0%
Total Program Grants	2,025,877	4,500,000	4,050,000	3,600,000	-11.1%
Key Strategic Partnerships					
5170 - WMEP	1,000,000	-	-	-	0.0%
5175 - WCMP	-	1,250,000	1,250,000	1,250,000	0.0%
5180 - NWMOC	250,000	-	-	-	0.0%
5185 - Wisconsin Procurement Institute	305,000	-	-	-	0.0%
Total Key Strategic Partnerships	1,555,000	1,250,000	1,250,000	1,250,000	0.0%
Payroll and Benefits					
6000 - Benefits- Health Insurance	105,018	97,249	100,460	98,904	-1.5%
6010 - Benefits- Life Insurance	532	476	510	675	32.4%
6015 - Benefits-Retirement	39,837	38,929	37,879	38,942	2.8%
6020 - Benefits- Payroll Taxes	44,171	45,124	43,071	43,809	1.7%
6040 - Merit/Incentives	7,025	-	-	5,727	100.0%
6050 - Compensation- Salary	590,106	572,671	568,950	578,398	1.7%
6055 - Professional Development	8,135	14,300	11,000	15,000	36.4%
Total Payroll and Benefits	794,824	768,749	761,870	781,455	2.6%
Operating and General					
6120 - Office Expense- Other	5,757	5,000	5,000	3,500	-30.0%
6150 - Office Expense- Rent	472	3,200	3,200	3,200	0.0%
6200 - Professional Fees- Consulting Fees	12,663	35,000	12,000	35,000	191.7%
6225 - Pass-through federal grant expenditures	-	435,000	435,000	640,590	47.3%
6236 - Print Material Production	2,188	1,500	1,000	1,500	50.0%
6245 - Dues, Subscriptions, and Memberships	4,079	7,000	5,500	9,000	63.6%
6360 - Supplies & Equipment- Office Supplies	161	1,500	1,500	1,500	0.0%
6375 - Events and Conferences	144,875	38,000	20,000	32,175	60.9%
6377 - Business Meals	-	-	1,200	2,500	108.3%
6380 - Travel- Lodging	17,669	12,000	12,000	12,000	0.0%

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Sector Strategy Development - 4000

<u>Account No. and Name</u>	<u>FY16 Actual</u>	<u>FY17 Budget</u>	<u>FY17 Amended Budget</u>	<u>FY18 Budget</u>	<u>New Funds % Chg</u>
6390 - Travel - Meals	7,666	5,000	6,000	5,000	-16.7%
6410 - Travel - Other	119	1,000	1,000	1,000	0.0%
6430 - Travel - Transportation	40,711	35,000	35,000	35,000	0.0%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	245,562	579,200	538,400	781,965	45.2%
Total Expenditures	\$ 4,621,263	\$ 7,097,949	\$ 6,600,270	\$ 6,413,420	-2.8%



MARKETING AND BRAND STRATEGY

MARKETING AND BRAND STRATEGY

GOALS

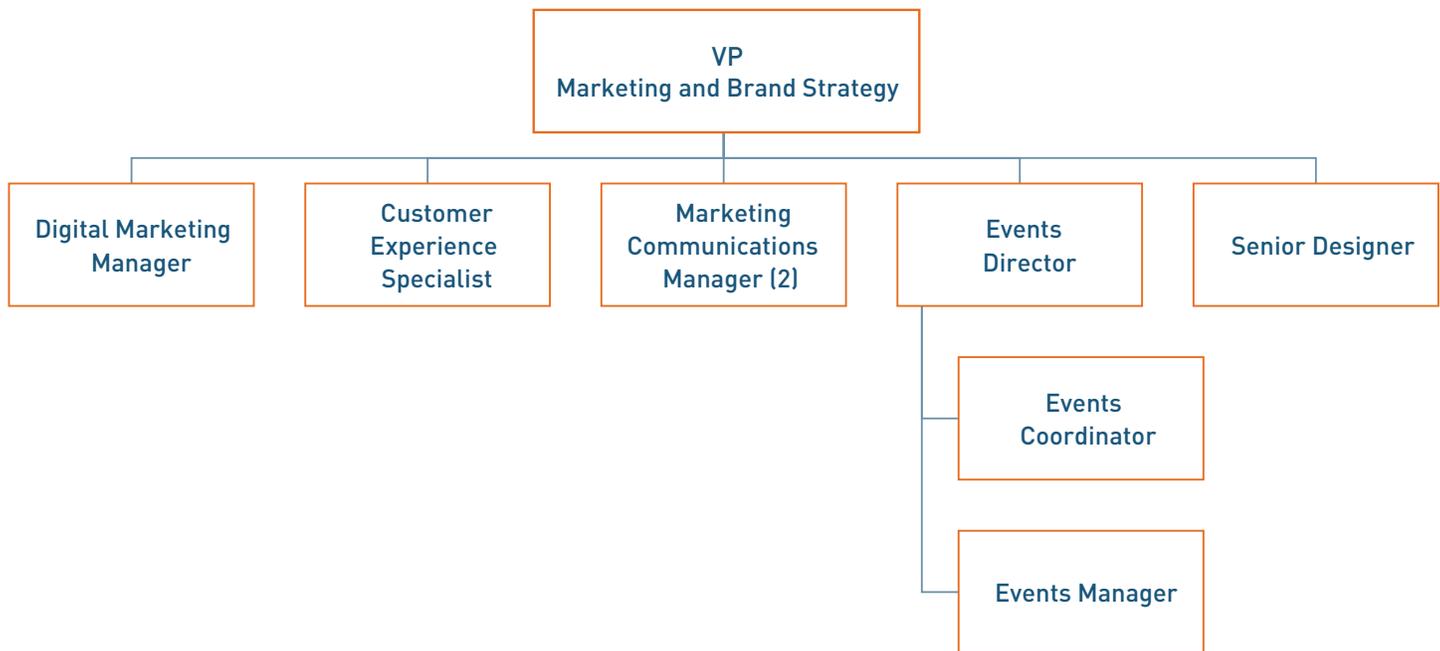
The Marketing and Brand Strategy Division has four goals:

- 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

AUDIENCE SEGMENT	KPI
Talent	<ul style="list-style-type: none"> • Paid Media Impressions: 250,000,000 • Website Engagement Actions: 45,000 • Job/Location Searches: 12,000
Business	<ul style="list-style-type: none"> • Paid Media Impressions: 11,675,000 • Website Engagement Actions: 6,750 • Unique Newsletter Subscriptions: 12,875 <ul style="list-style-type: none"> • INSource • INvest • INterconnect • INbound • INsite • WEDC LinkedIn Followers: 4,400 • WEDC LinkedIn Impressions: 2,200,000 • Marketing-Generated Leads: 2,500 • Marketing-Generated Partner Referrals: 250
WEDC Stakeholders	<ul style="list-style-type: none"> • Website Sessions: 60,000 • Website Engagement Actions: 30,000 • INsource Newsletter Subscriptions: 6,500 • @WEDCNews Twitter Followers: 1,000 • @WEDCNews Twitter Impressions: 800,000
All Audiences	<ul style="list-style-type: none"> • Website Sessions: 485,000 • Earned Media Placements: 2,500 • Earned Media Impressions: 1,000,000,000 • Social Media Followers: 10,200 • Social Media Impressions: 16,000,000 • Event Audience: 27,770 • Event Contacts: 1,140

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 – The Events Coordinator is responsible for supporting the Events Director and Manager in planning organizing, coordinating, promoting and facilitating successful events and meetings with the aim of building awareness of and preference for WEDC programs and 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.

Marketing Communications Managers – Develop and deliver core organizational messages relating to WEDC programs and outcomes. The Managers conduct research and tap 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
<p>1. Communicate Wisconsin's strong business climate attributes to company leaders and influencers seeking to maximize their potential.</p>	<p>Strategy 1: Leverage highly targeted paid media campaigns and owned media channels to connect decision-makers with the information necessary to support new business development initiatives: site selectors and commercial real estate consultants; Wisconsin entrepreneurs; and professional service providers.</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: 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. Demonstrate Wisconsin's value as a career and lifestyle destination.</p>	<p>Strategy 1: Launch integrated marketing campaign supporting talent recruitment efforts targeting millennials in select (no more than two) surrounding markets and alumni nationally.</p> <p>Strategy 2: Establish compelling owned/social media channels and deliver engaging content targeting both retention and recruitment talent audiences.</p> <p>Strategy 3: Develop creative materials and robust content library, including videos, promoting key benefits of Wisconsin as a career and lifestyle destination for both talent retention and recruitment audiences.</p> <p>Strategy 4: Deliver national and in-state earned media relations campaign designed to deliver motivating messages to talent recruitment and retention audiences promoting Wisconsin as an ideal career and lifestyle destination.</p>

GOAL	STRATEGIES
<p>3. Connect Wisconsin companies with information and opportunities relating to international business development.</p>	<p>Strategy 1: Maintain regular contact with Wisconsin companies through relationship marketing program that provides actionable information relating to exporting opportunities.</p> <p>Strategy 2: Deliver-in-state media relations program promoting exporting resources and programs.</p> <p>Strategy 3: 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 <p>Strategy 4: Promote WEDC investment outcomes, outreach initiatives and business success stories through social and other owned media channels.</p> <p>Strategy 5: Pursue 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 Development – Build and deploy website assets to create user experiences designed to fulfill target audience communications objectives—separate user pathways, calls-to-action and response protocols for Businesses; People; and WEDC stakeholders. Budget amount also includes deployment, maintenance and updating of web tools and ongoing site optimization.
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, FY19 planning, strategic consulting and FY18 plan optimization.

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Payroll and benefits are increasing due to the transfer of the Public Relations Manager position from the Executive Office division.
- Operating and General expenses are increasing to promote WEDC's "Think-Make-Happen" campaign. The added expense to our advertising production and placement and video production for FY18 are being partially offset by savings in other expenses, including sponsorships.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Marketing & Brand Strategy - 5000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
Revenues					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4170 - Revenue-Other Income	1,600	-	13,000	10,000	-23.1%
4185 - Sponsorship Contributions	1,500	-	-	-	0.0%
Total Revenues	3,100	-	13,000	10,000	-23.1%
Expenditures					
Payroll and Benefits					
6000 - Benefits- Health Insurance	81,796	77,433	83,718	107,195	28.0%
6010 - Benefits- Life Insurance	258	195	272	335	23.2%
6015 - Benefits-Retirement	33,492	34,693	35,102	40,538	15.5%
6020 - Benefits- Payroll Taxes	36,955	40,212	39,347	45,605	15.9%
6040 - Merit/Incentives	3,640	-	-	5,961	100.0%
6050 - Compensation- Salary	498,898	511,992	524,027	602,104	14.9%
6055 - Professional Development	2,334	15,581	15,581	13,188	-15.4%
Total Payroll and Benefits	657,373	680,106	698,047	814,926	16.7%
Operating and General					
6057 - Research & Marketing Tools	38,818	36,919	61,919	65,423	5.7%
6120 - Office Expense- Other	7,812	5,000	5,500	5,500	0.0%
6220 - Professional Fees- Other Services	30,022	85,000	85,000	10,000	-88.2%
6229 - Marketing Plan Development	229,025	280,000	280,000	255,000	-8.9%
6230 - Advertising Production	225,225	295,000	374,734	505,000	34.8%
6232 - Advertising Placement	805,967	820,000	773,779	1,320,000	70.6%
6236 - Print Material Production	15,449	135,000	155,000	20,000	-87.1%
6237 - Public Relations	374,873	385,000	365,000	235,000	-35.6%
6238 - Premiums	1,651	5,000	8,000	15,000	87.5%
6245 - Dues, Subscriptions, and Memberships	1,063	1,000	1,000	3,000	200.0%
6250 - Video Production	81,411	70,000	93,640	195,000	108.2%
6251 - Website	119,628	260,000	353,938	406,900	15.0%
6252 - Displays	2,052	5,000	10,000	10,000	0.0%
6253 - Electronic Media Production	226,453	205,000	200,000	90,000	-55.0%
6360 - Supplies & Equipment- Office Supplies	51	1,500	1,500	2,000	33.3%
6375 - Events and Conferences	415,086	427,200	319,709	347,500	8.7%
6376 - Sponsorships	559,059	437,600	487,600	377,305	-22.6%
6377 - Business Meals	-	-	300	400	33.3%
6380 - Travel- Lodging	20,009	13,000	15,500	10,000	-35.5%
6390 - Travel - Meals	3,323	3,500	3,700	4,000	8.1%
6410 - Travel - Other	166	-	148	500	237.8%
6430 - Travel - Transportation	15,244	8,000	8,400	8,000	-4.8%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	3,173,972	3,478,719	3,604,367	3,885,528	7.8%

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Marketing & Brand Strategy - 5000

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
Capital					
7000 - Computer Software	130,019	-	-	-	0.0%
7040 - Vehicles	-	-	-	-	0.0%
Total Capital	130,019	-	-	-	0.0%
Total Expenditures	\$ 3,961,364	\$ 4,158,825	\$ 4,302,414	\$ 4,700,454	9.3%



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; assists leadership with strategic planning; assists in coordinating external outreach and communications to Governor, Board, stakeholders and government officials. The Office of Public Policy also seeks and manages external grant opportunities and manages cross-organizational special projects.

In FY18, OPP will deliver the following program. Specific operating procedures can be found in the corresponding program guidelines.

STRATEGIC INITIATIVES FUND	
Description	Provide grants to organizations for initiatives that are carrying out activities to further the mission of WEDC to advance and maximize opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment. The program is intended for opportunities that strongly support WEDC’s strategic efforts yet are more aptly carried out by a partner organization. The program is not available for projects that are otherwise eligible to be funded through other programs offered by WEDC or its partners, and must be approved by the WEDC Awards Administration Committee.
Strategic Pillar	Strategic Economic Competitiveness – Future Industry Strategies
Budget (Non-Staff Expenses)	\$250,000
Activities and Expected Outcomes	<ul style="list-style-type: none">• Support 3 organizations/projects

STAFFING



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

Legislative Liaison – Provides government relations services to policymakers, state agencies and stakeholders; prepares external communications to Governor, and Board, and Legislature.

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, 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; as well as 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

- Expand application of return on investment (ROI) standards for business and community development programs.
- Facilitate the CREC State Data Sharing Initiative with Department of Revenue and Department of Workforce Development.
- Grow federal grant opportunity ombudsman role.

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Revenue sources include a reimbursement for staff time spent on federal grant programs.
- The Strategic Initiatives Fund is a new grant program designed to help provide unique funding opportunities that support WEDC's strategic initiatives.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Office of Public Policy - 8000

<u>Account No. and Name</u>	<u>FY16 Actual</u>	<u>FY17 Budget</u>	<u>FY17 Amended Budget</u>	<u>FY18 Budget</u>	<u>New Funds % Chg</u>
Revenues					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4013 - Federal - STEP Grant	-	-	-	1,700	100.0%
4014 - Federal - DOD Grant	-	-	1,895	34,410	1715.8%
4170 - Revenue-Other Income	-	-	1,330	-	-100.0%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
Total Revenues	-	-	3,225	36,110	1019.7%
Expenditures					
Program Grants					
6795 - Strategic Initiatives Fund	-	-	-	250,000	100.0%
Total Program Grants	-	-	-	250,000	100.0%
Payroll and Benefits					
6000 - Benefits- Health Insurance	50,151	64,537	64,081	65,582	2.3%
6010 - Benefits- Life Insurance	358	374	345	471	36.5%
6015 - Benefits-Retirement	21,757	24,540	23,543	23,790	1.0%
6020 - Benefits- Payroll Taxes	24,596	28,442	27,437	27,639	0.7%
6025 - Benefits Other	211	195	236	-	-100.0%
6040 - Merit/Incentives	1,025	-	-	3,499	100.0%
6050 - Compensation- Salary	327,484	361,298	359,670	364,911	1.5%
6055 - Professional Development	3,316	11,645	10,765	11,945	11.0%
Total Payroll and Benefits	428,898	491,031	486,077	497,837	2.4%
Operating and General					
6120 - Office Expense- Other	1,758	2,100	2,000	3,000	50.0%
6200 - Professional Fees- Consulting Fees	-	-	-	1,500	100.0%
6245 - Dues, Subscriptions, and Memberships	-	2,500	250	550	120.0%
6377 - Business Meals	-	-	-	200	100.0%
6380 - Travel- Lodging	7,465	7,550	5,150	9,800	90.3%
6390 - Travel - Meals	2,138	3,600	1,825	3,300	80.8%
6430 - Travel - Transportation	7,000	8,500	7,125	8,150	14.4%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	18,361	24,250	16,350	26,500	62.1%
Total Expenditures	\$ 447,259	\$ 515,281	\$ 502,427	\$ 774,337	54.1%



CREDIT AND RISK

CREDIT AND RISK

GOALS

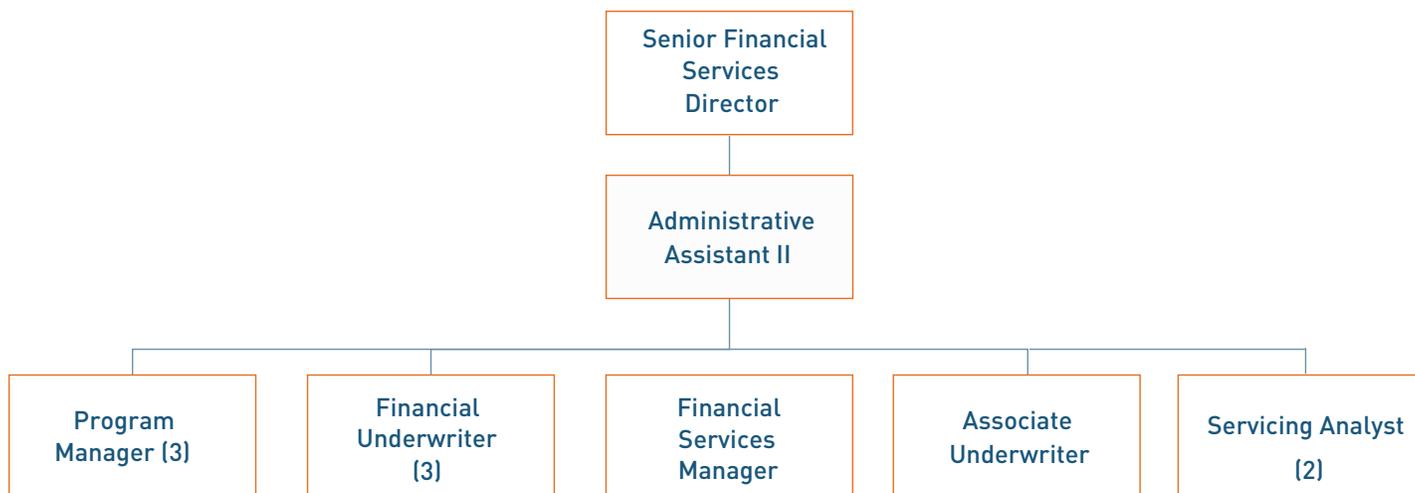
The Credit and Risk Division has four goals:

- Underwrite and service award projects to ensure they are granted on a sound and reasonable basis. Monitor 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 Regional Directors and other WEDC staff as needed.
- Provide expert and timely technical assistance to WEDC Regional Directors 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 award underwriting and servicing activities and responsibilities of the Credit and Risk Division.

Financial Services Manager – Acts as a contact 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 implementations.

Servicing Analyst - Manages the credit and risk servicing functions related primarily to WEDC's tax credit portfolio. Additionally, shall be responsible for managing the credit and risk servicing functions related to the cash disbursements of WEDC's entire award portfolio.

Program Manager – Acts as the content expert within credit and risk for the programs in which they are assigned, and serves as the primary contact for stakeholders, staff and customers on issues related to the program. The Program Manager is also responsible for ongoing improvement of program execution including making policy recommendations if appropriate.

Financial Underwriter –Provides 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 –Provides support to the team members on special projects, staff reviews, closeouts, disbursements, and other activities that are the responsibility of the team.

Administrative Assistant II –Provides support to the team on special projects, overseeing underwriting (URG) and management review (MRC) committee agendas and support materials.

KEY STRATEGIC INITIATIVES

- Improve on established servicing guidelines and training materials to support the consistency required to meet the servicing needs of tax credits, grants and loan awards.
- Improve on established underwriting guidelines and training materials to provide additional consistency in the staff review and underwriting process.
- Manage the tax credit verification pipeline and significantly reduce backlog. Provide reasonable timelines to completion to the awardees upon receipt of completed performance report information.

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Payroll and benefits are increasing due to the addition of one FTE to help support WEDC's award servicing functions.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Credit and Risk - 6600

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
Revenues					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4042 - Revenue-SEP Admin	43,259	40,000	35,000	38,000	8.6%
4150 - Bond Servicing Fees	14,515	40,000	40,000	60,000	50.0%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
Total Revenues	57,774	80,000	75,000	98,000	30.7%
Expenditures					
Payroll and Benefits					
6000 - Benefits- Health Insurance	136,382	118,146	108,921	87,417	-19.7%
6010 - Benefits- Life Insurance	512	476	386	684	77.2%
6015 - Benefits-Retirement	48,576	50,807	42,461	52,320	23.2%
6020 - Benefits- Payroll Taxes	57,495	58,892	50,689	62,361	23.0%
6023 - Benefits -HSA	692	-	2,914	1,558	-46.5%
6025 - Benefits Other	250	218	259	-	-100.0%
6040 - Merit/Incentives	6,175	-	-	6,751	100.0%
6050 - Compensation- Salary	736,642	753,320	672,257	823,327	22.5%
6055 - Professional Development	11,656	15,000	15,000	15,000	0.0%
Total Payroll and Benefits	998,380	996,859	892,886	1,049,418	17.5%
Operating and General					
6120 - Office Expense- Other	6,771	5,000	5,050	5,000	-1.0%
6220 - Professional Fees- Other Services	-	750	500	750	50.0%
6245 - Dues, Subscriptions, and Memberships	985	1,500	1,000	1,000	0.0%
6360 - Supplies & Equipment- Office Supplies	-	500	500	500	0.0%
6377 - Business Meals	-	-	-	300	100.0%
6380 - Travel- Lodging	2,785	5,000	3,000	5,000	66.7%
6390 - Travel - Meals	1,390	2,250	2,000	2,200	10.0%
6430 - Travel - Transportation	1,481	3,250	3,000	3,000	0.0%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	13,412	18,250	15,050	17,750	17.9%
Total Expenditures	\$ 1,011,792	\$ 1,015,109	\$ 907,936	\$ 1,067,168	17.5%



LEGAL AND COMPLIANCE

LEGAL AND COMPLIANCE

GOALS

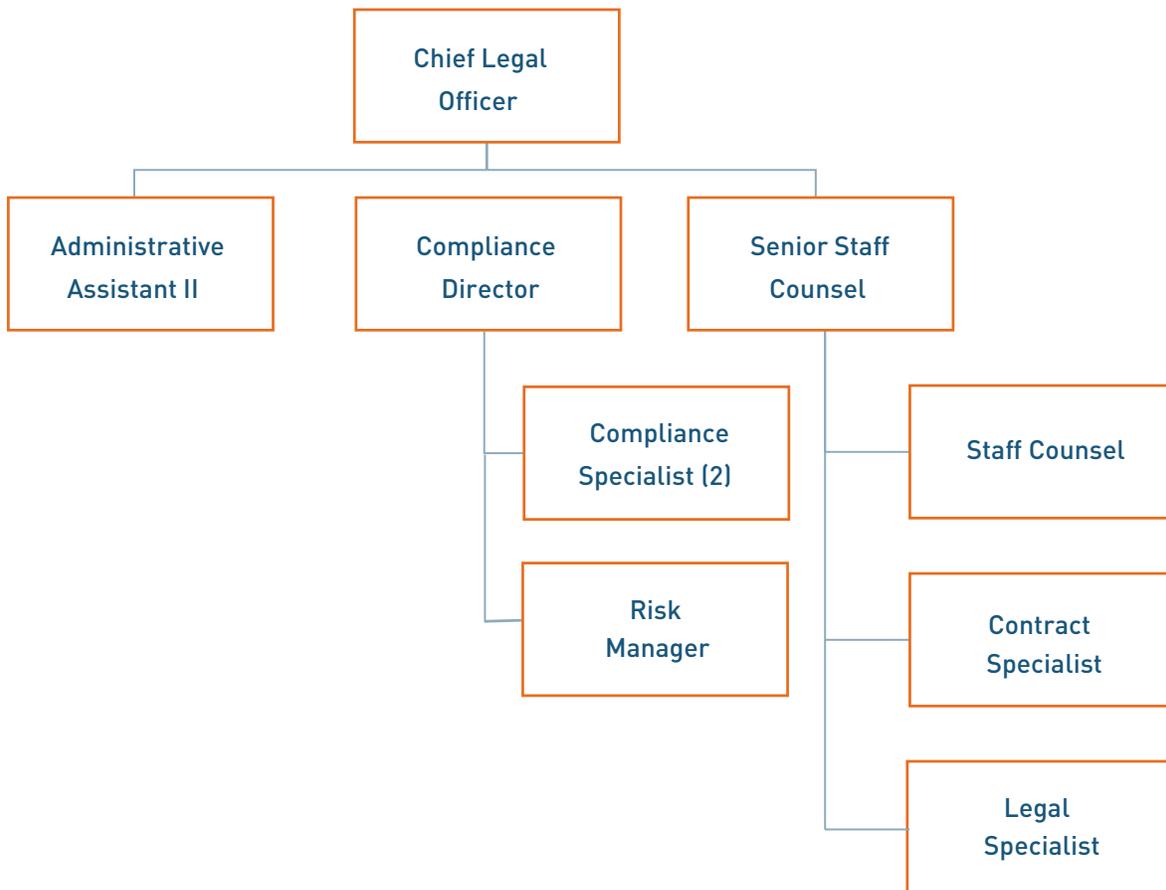
The Legal and Compliance Division has three goals:

- 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 Team 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, 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 will assure 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 the team as a whole.

Senior Staff Counsel – Provides legal counsel on 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, Legal Specialist, 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, 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.

Legal Specialist –Drafts and reviews project-related, procurement, and other contracts; managing contract templates; conducting legal research; conducting security filings; and assisting with open records requests.

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.

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 developed from the internal monitoring.

Compliance Specialists (2) – Ensures WEDC’s compliance with the policies, laws, and regulations that govern the organization. Provides reports, guidance, and training on issues related to ethics, conflicts of interest, records management, external reporting.

KEY STRATEGIC INITIATIVES

- Implement records strategy, including development of new records disposition authorization architecture and enhancing security for personally identifiable information.
- Implement enhanced process for biannual checks on audit findings and recommendations.
- Collaborate with other divisions in drafting and implementing more streamlined cross-divisional procedures related to award processes.

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Payroll and benefits increased due to the addition of one FTE Legal Specialist, hired mid-year of FY17 and a LTE Compliance Associate.
- Merit and Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Legal and Compliance - 1100

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
Revenues					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4170 - Revenue-Other Income	320	200	280	200	-28.6%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
Total Revenues	320	200	280	200	-28.6%
Expenditures					
Payroll and Benefits					
6000 - Benefits- Health Insurance	77,687	110,276	103,040	117,548	14.1%
6010 - Benefits- Life Insurance	81	79	75	85	13.3%
6015 - Benefits-Retirement	33,181	43,675	45,281	46,293	2.2%
6020 - Benefits- Payroll Taxes	36,312	50,624	53,532	58,796	9.8%
6023 - Benefits -HSA	-	-	-	1,558	100.0%
6040 - Merit/Incentives	3,000	-	-	6,309	100.0%
6050 - Compensation- Salary	504,616	644,730	718,982	776,264	8.0%
6055 - Professional Development	9,084	16,200	13,000	18,950	45.8%
Total Payroll and Benefits	663,961	865,584	933,910	1,025,803	9.8%
Operating and General					
6120 - Office Expense- Other	4,096	11,780	4,500	2,080	-53.8%
6210 - Professional Fees- Legal	125,338	85,000	85,000	85,000	0.0%
6245 - Dues, Subscriptions, and Memberships	2,514	3,445	3,445	6,535	89.7%
6360 - Supplies & Equipment- Office Supplies	1,506	500	500	1,000	100.0%
6375 - Events and Conferences	-	-	3,275	150	-95.4%
6377 - Business Meals	-	-	270	3,100	1048.1%
6380 - Travel- Lodging	1,583	6,925	2,655	6,000	126.0%
6390 - Travel - Meals	248	1,519	1,000	2,000	100.0%
6430 - Travel - Transportation	2,113	5,662	2,787	5,000	79.4%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	137,398	114,831	103,432	110,865	7.2%
Total Expenditures	\$ 801,359	\$ 980,415	\$ 1,037,342	\$ 1,136,668	9.6%



FINANCE

FINANCE

GOALS

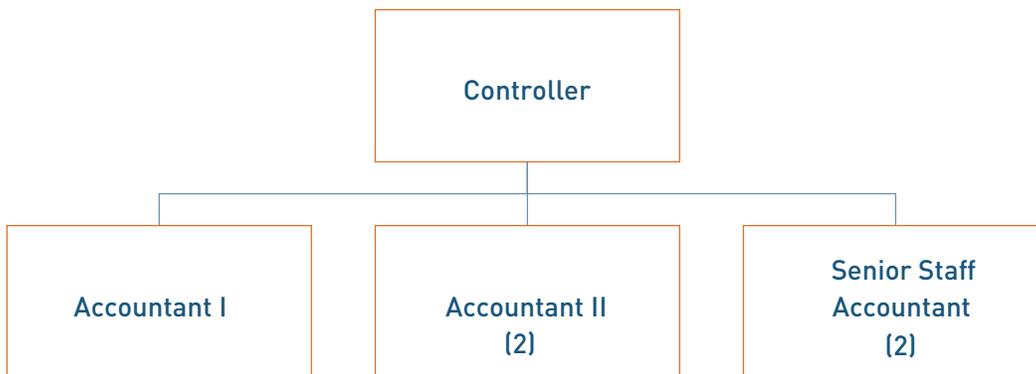
The Finance Division has three goals:

- 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, which includes the maintenance and enforcement of the financial policies and procedures of WEDC.

STAFFING



Controller – Reports to the CFO. Responsible to plan, direct and manage the day to day operations of the finance department. The Controller has primary responsibility for ensuring regular periodic financial reporting and organizational compliance with internal control policies as they relate to financial matters.

Staff Accountant I – Reviews, maintains and controls financial records related to expenditures and receipts. Administrative functions include but are not limited to vendor management, accounts payable entry, processing disbursements, and employee reimbursements.

Staff Accountant II – Reviews, maintains, analyzes and controls accounts receivable and billing, bank account reconciliations, capital assets and procurement process. The position requires understanding of generally accepted accounting principles (GAAP), and reconciliations necessary to ensure proper accounting for assigned divisions or departments.

Senior Staff Accountant – Reviews, maintains, analyzes and controls financial records related to State grant and/or loan programs, staff credit cards, control financial records related to Federal grant programs and payroll financials transactions. The positions require a deeper understanding of GAAP, Federal reimbursement regulations, payroll expenses and liabilities, proper recording and reporting of financial activities.

KEY STRATEGIC INITIATIVES

- Maximize WEDC's segregation of duties control, while providing adequate backup support.
- Provide cross-training for accounting staff, to insure all month-end closing functions have at least one back-up staff member who can provide support.
- Automate monthly and quarterly financial reports.

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Operating and General expenses are lower as FY17 included fees related to the biennial audit by the Legislative Audit Bureau (LAB). The next scheduled LAB audit is expected to occur in FY19.
- Debt Service increased due to an anticipated State Pension Obligation Bond balloon payment.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Finance - 6200

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
Revenues					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4160 - Revenue-Investment Income	390,417	350,000	350,000	425,000	21.4%
4170 - Revenue-Other Income	3,739	-	10,000	10,000	0.0%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
Total Revenues	394,156	350,000	360,000	435,000	20.8%
Expenditures					
Payroll and Benefits					
6000 - Benefits- Health Insurance	77,126	84,801	75,886	78,000	2.8%
6010 - Benefits- Life Insurance	168	98	86	99	15.1%
6015 - Benefits-Retirement	24,647	23,661	20,167	20,372	1.0%
6020 - Benefits- Payroll Taxes	27,973	27,426	22,843	22,918	0.3%
6023 - Benefits -HSA	462	-	1,587	1,558	-1.8%
6025 - Benefits Other	72	-	(2)	-	-100.0%
6040 - Merit/Incentives	3,525	-	-	2,996	100.0%
6050 - Compensation- Salary	375,720	349,506	300,738	302,581	0.6%
6055 - Professional Development	1,084	10,000	4,511	10,485	132.4%
Total Payroll and Benefits	510,777	495,492	425,816	439,009	3.1%
Operating and General					
6070 - Financial Fees- Bank Service Charges	12,777	13,200	13,200	13,200	0.0%
6120 - Office Expense- Other	7,942	32,560	9,768	9,768	0.0%
6200 - Professional Fees- Consulting Fees	86,491	178,750	203,500	94,000	-53.8%
6245 - Dues, Subscriptions, and Memberships	325	1,000	1,000	1,000	0.0%
6310 - Repairs & Maintenance- Automobiles	4,807	10,000	7,000	7,000	0.0%
6360 - Supplies & Equipment- Office Supplies	395	1,000	1,000	1,000	0.0%
6375 - Events and Conferences	27	500	500	500	0.0%
6377 - Business Meals	-	-	-	200	100.0%
6380 - Travel- Lodging	106	3,000	3,000	3,000	0.0%
6390 - Travel - Meals	77	1,000	1,000	800	-20.0%
6430 - Travel - Transportation	3,481	6,000	4,800	4,800	0.0%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	116,428	247,010	244,768	135,268	-44.7%
Capital					
7040 - Vehicles	-	40,000	40,000	40,000	0.0%
Total Capital	-	40,000	40,000	40,000	0.0%
Debt Service					
8002 - Pension bonds principal	85,090	22,000	85,000	760,000	794.1%
8003 - Pension bonds interest	146,109	95,000	150,000	90,000	-40.0%
Total Debt Service	231,199	117,000	235,000	850,000	261.7%
Total Expenditures	\$ 858,404	\$ 899,502	\$ 945,584	\$ 1,464,277	54.9%



OPERATIONS AND PROGRAM PERFORMANCE

OPERATIONS AND PROGRAM PERFORMANCE

GOALS

The Operations and Program Performance Division 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 division 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 training documentation and tracks results.

Program Analyst – Manages collections on performance reports, SOEs and loans. Ensures appropriate follow-up to safeguard completed data on performance reports and certifies 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

- Provide performance reporting requirements analysis for creating a portal.
- Complete the first phase of program evaluation.
- Deliver client award servicing training framework.

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- The Operation and Program Performance division is new for FY18. The division staff were previously included as part of the Executive Office division.
- Operating and General Expenses include funds to provide third party program evaluation assistance.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Operations & Program Performance - 1300

<u>Account No. and Name</u>	<u>FY16 Actual</u>	<u>FY17 Budget</u>	<u>FY17 Amended Budget</u>	<u>FY18 Budget</u>	<u>New Funds % Chg</u>
Expenditures					
Payroll and Benefits					
6000 - Benefits- Health Insurance	-	-	-	54,371	100.0%
6010 - Benefits- Life Insurance	-	-	-	57	100.0%
6015 - Benefits-Retirement	-	-	-	18,089	100.0%
6020 - Benefits- Payroll Taxes	-	-	-	20,350	100.0%
6023 - Benefits -HSA	-	-	-	779	100.0%
6040 - Merit/Incentives	-	-	-	2,160	100.0%
6050 - Compensation- Salary	-	-	-	268,671	100.0%
6055 - Professional Development	-	-	-	8,735	100.0%
Total Payroll and Benefits	-	-	-	373,212	100.0%
Operating and General					
6200 - Professional Fees- Consulting Fees	-	-	-	25,000	100.0%
6245 - Dues, Subscriptions, and Memberships	-	-	-	1,500	100.0%
6360 - Supplies & Equipment- Office Supplies	-	-	-	750	100.0%
6377 - Business Meals	-	-	-	200	100.0%
6380 - Travel- Lodging	-	-	-	3,000	100.0%
6390 - Travel - Meals	-	-	-	800	100.0%
6430 - Travel - Transportation	-	-	-	3,300	100.0%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	-	-	-	34,550	100.0%
Total Expenditures	\$ -	\$ -	\$ -	\$ 407,762	100.0%



TECHNOLOGY AND INFORMATION SYSTEMS

TECHNOLOGY AND INFORMATION SYSTEMS

GOALS

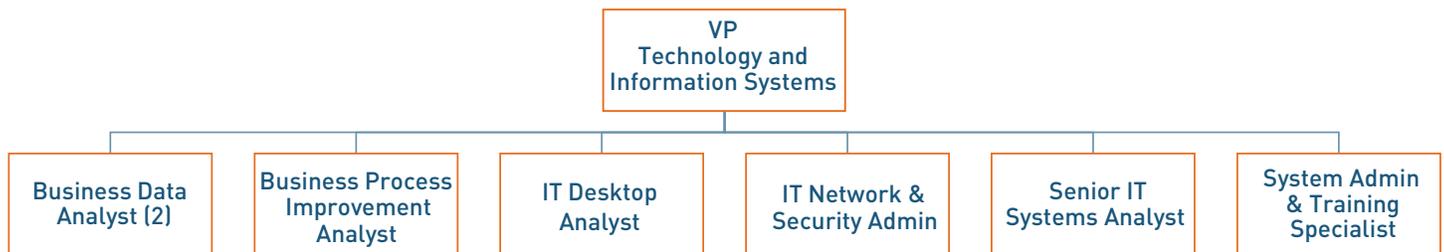
The Technology and Information Systems (IT/IS) Division has three goals:

- Focus on implementing internal controls, process alignment, and integrations to provide data integrity and transparency.
- Continuously improve processes to verify and report on WEDC accomplishments.
- Provide systems and controls to support compliance with the legislature, policy, and WEDC strategic pillars.

ADMINISTRATIVE OVERSIGHT

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

STAFFING



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

IT Network and Security Administrator - Maintains computing environment by identifying network and server requirements; installing upgrades; monitoring network performance, problem diagnosis, and resolution.

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

IT Desktop Analyst - Provides first response/call resolution to WEDC employees, partners and customers in the use of WEDC technology solutions.

System Administrator and 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. Ensure 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 the application and operational requirements.

Business Process Improvement Analyst - Collaborates with IT/IS to ensure that the software systems are designed and developed to meet functional requirements, ensuring alignment and consistency of data in operational systems.

KEY STRATEGIC INITIATIVES

- Ratify key data definitions and business rules through the Data Governance Committee, and centralize the information for organizational consumption.
- Redesign WEDC's data model around a centralized database and rules engine.
- Recreate the award processing systems through a portalized environment to enhance transparency, data integrity, and process improvement.
- Simplify WEDC's document management systems and work with Compliance to design a records management system.

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Payroll and Benefits are increasing due to the addition of one FTE to help support WEDC's business data analysis and reporting needs.
- Operating and General expenses are lower due to the overall make-up of the IT development projects scheduled in FY18 require fewer outside service and equipment purchases than in FY17.
- Efficiencies have been achieved through internal development rather than contracting with external professional services.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Technology and Information Systems - 6300

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
Expenditures					
Payroll and Benefits					
6000 - Benefits- Health Insurance	69,656	72,970	72,350	81,611	12.8%
6010 - Benefits- Life Insurance	230	224	266	287	7.9%
6015 - Benefits-Retirement	30,661	35,342	34,962	40,202	15.0%
6020 - Benefits- Payroll Taxes	34,811	40,966	40,138	46,102	14.9%
6025 - Benefits Other	80	-	-	-	0.0%
6040 - Merit/Incentives	1,000	-	-	4,315	100.0%
6050 - Compensation- Salary	469,132	519,899	531,352	608,666	14.6%
6055 - Professional Development	9,375	25,197	35,000	20,919	-40.2%
Total Payroll and Benefits	614,945	694,598	714,068	802,102	12.3%
Operating and General					
6120 - Office Expense- Other	48,436	59,444	50,391	64,746	28.5%
6200 - Professional Fees- Consulting Fees	147,959	415,000	410,000	300,000	-26.8%
6260 - Software Services	722,472	797,443	832,443	955,203	14.7%
6290 - Repairs & Maintenance- Office Equipment	7,973	19,325	19,325	19,325	0.0%
6320 - Supplies & Equipment- Computer Supplies	85,218	328,000	288,000	110,000	-61.8%
6330 - Supplies & Equipment- Equipment Rental	30,628	50,000	55,000	37,500	-31.8%
6377 - Business Meals	-	-	200	200	0.0%
6380 - Travel- Lodging	6,665	8,000	10,000	7,800	-22.0%
6390 - Travel - Meals	1,436	2,000	3,300	2,000	-39.4%
6430 - Travel - Transportation	2,409	5,000	6,500	5,000	-23.1%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	1,053,196	1,684,212	1,675,159	1,501,774	-10.4%
Capital					
7000 - Computer Software	18,430	-	-	-	0.0%
7040 - Vehicles	-	-	-	-	0.0%
Total Capital	18,430	-	-	-	0.0%
Total Expenditures	\$ 1,686,571	\$ 2,378,810	\$ 2,389,227	\$ 2,303,876	-3.6%



HUMAN RESOURCES

HUMAN RESOURCES

GOALS

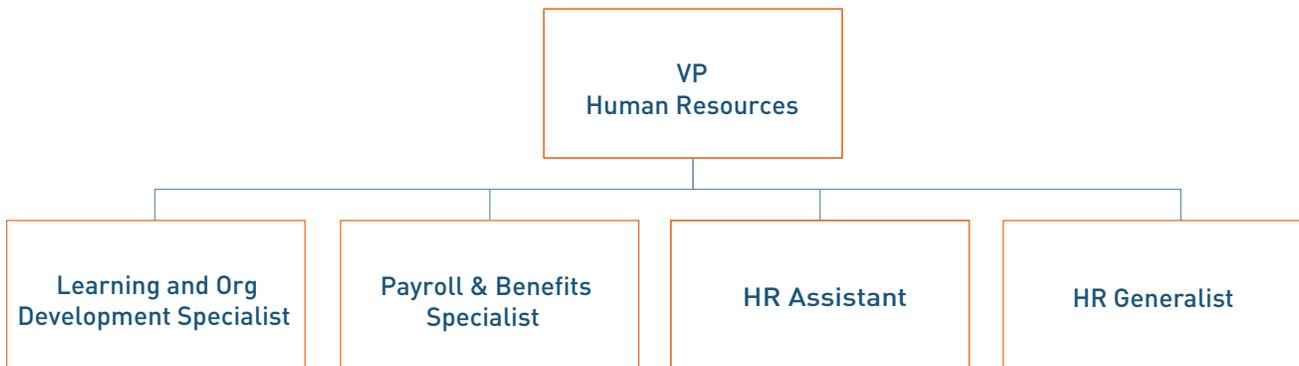
The Human Resources (HR) Division has three goals:

- Position WEDC as an Employer of Choice by creating an environment where all people feel challenged, valued, supported, and recognized.
- Deliver a clear learning strategy that provides both internal and external opportunities for career and professional growth.
- Build trust-based relationship with employees and leaders to be able to anticipate and exceed the changing needs of the organization and team.

ADMINISTRATIVE OVERSIGHT

The Human Resources division develops and delivers innovative human resource programs and services designed to support WEDC's mission in partnership with WEDC's Leadership team. The division's core services and competencies include acting as a business partner to leadership on all people-related activities; acquiring, engaging and retaining talent by standing out as an employer of choice; assisting with 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 – Builds strong relationships across the organization to serve as a partner and resource to leaders and employees. Responsible for recruitment, assistance with employee leave and FMLA administration, and human resources related projects.

Payroll and Benefits Specialist – Manages benefits administration and bi-weekly payroll processing. Responsible for design, delivery, and communication of benefit events and annual enrollment; responsible for HR related reporting and responding to and managing facilities needs in partnership with the VP of HR.

Human Resources Assistant – Assists with all core HR activities, including payroll, benefits, recruiting, employee leave and FMLA administration, learning, and onboarding. Responsible for drafting bi-weekly newsletter, managing department expenses, and providing outstanding service to internal and external customers.

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

KEY STRATEGIC INITIATIVES

- Enhance the employee performance process to include a translation of the company mission into clear, actionable performance objectives to be cascaded to each division, leader, and employee. Adjust the timing of the performance process to separate it from the fiscal year to allow for considerate attention to the interactions.
- Create and implement talent development and succession planning strategies that are clear and easy to understand.
- Work with the WEDC Employer of Choice (EOC) committee to identify ways to engage current staff and attract and retain top performers.
- Define and deliver clear learning paths.

BUDGET NOTES

Significant changes between the FY17 and FY18 budgets include:

- Payroll and benefits are increasing due to new employee benefit programs.
- Operating and General expenses are increasing due primarily to an increase in rent for the Milwaukee Office and the addition of consulting fees related to the implementation of a new HR management system.
- Merit/Incentives are being budgeted at the division level in FY18 in order to provide a better comparison of budgeted vs. actual performance.

Wisconsin Economic Development Corporation
Detailed Budget Worksheet

Human Resources - 6100

Account No. and Name	FY16 Actual	FY17 Budget	FY17 Amended Budget	FY18 Budget	New Funds % Chg
Revenues					
4009 - Federal - SSBCI	\$ -	\$ -	\$ -	\$ -	0.0%
4170 - Revenue-Other Income	8,927	-	200	200	0.0%
4185 - Sponsorship Contributions	-	-	-	-	0.0%
Total Revenues	8,927	-	200	200	0.0%
Expenditures					
Payroll and Benefits					
6000 - Benefits- Health Insurance	41,061	49,292	67,742	82,281	21.5%
6010 - Benefits- Life Insurance	83	50	193	274	42.0%
6015 - Benefits-Retirement	16,935	23,157	24,902	26,412	6.1%
6020 - Benefits- Payroll Taxes	20,499	26,841	27,849	29,714	6.7%
6025 - Benefits Other	1,487	-	916	118,421	12828.1%
6040 - Merit/Incentives	125	-	-	3,884	100.0%
6045 - Employee Recruitment	11,032	9,280	5,000	7,410	48.2%
6050 - Compensation- Salary	272,021	347,039	376,620	392,299	4.2%
6055 - Professional Development	16,107	14,870	12,000	14,700	22.5%
Total Payroll and Benefits	379,350	470,529	515,222	675,395	31.1%
Operating and General					
6056 - Wellness	-	-	500	2,000	300.0%
6090 - Insurance- General Insurance	126,919	120,866	120,866	120,866	0.0%
6120 - Office Expense- Other	8,568	8,100	7,850	9,900	26.1%
6150 - Office Expense- Rent	427,389	524,000	524,000	538,000	2.7%
6200 - Professional Fees- Consulting Fees	5,564	21,600	21,600	39,300	81.9%
6245 - Dues, Subscriptions, and Memberships	1,075	2,329	2,329	2,720	16.8%
6270 - Repairs & Maintenance- Building	3,953	3,600	3,600	3,600	0.0%
6340 - Supplies & Equipment- Office Furniture	-	-	3,500	3,000	-14.3%
6360 - Supplies & Equipment- Office Supplies	12,919	12,500	9,000	15,000	66.7%
6377 - Business Meals	-	-	300	400	33.3%
6380 - Travel- Lodging	1,939	5,120	5,120	4,800	-6.3%
6390 - Travel - Meals	2,459	1,080	1,080	2,200	103.7%
6430 - Travel - Transportation	1,756	3,380	2,280	2,500	9.6%
6530 - Other Expense	-	-	-	-	0.0%
Total Operating and General	592,741	702,575	702,025	744,286	6.0%
Capital					
7020 - Furniture & Fixtures	-	16,000	16,000	16,000	0.0%
7030 - Leasehold Improvements	-	59,000	59,000	68,000	15.3%
7040 - Vehicles	-	-	-	-	0.0%
Total Capital	-	75,000	75,000	84,000	12.0%
Total Expenditures	\$ 972,091	\$ 1,248,104	\$ 1,292,247	\$ 1,503,681	16.4%

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 environment. 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.

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