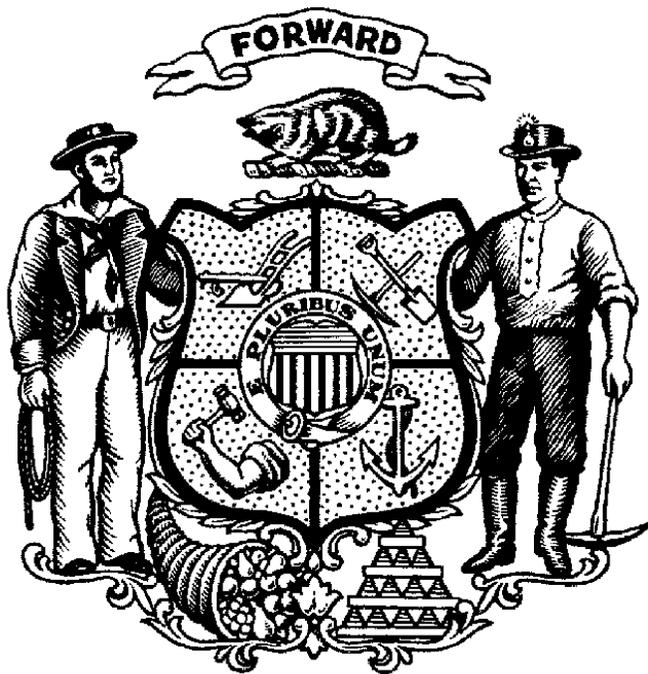


State of Wisconsin

Wisconsin Economic Development Corporation



Agency Budget Request
2013 – 2015 Biennium
September 17, 2012



Let's Talk Business.

The Honorable Scott Walker
Governor, State of Wisconsin
Room 115 East, State Capitol
Madison, WI 53702

Dear Governor Walker:

I am pleased to present the Wisconsin Economic Development Corporation's proposed budget for fiscal years 2014 and 2015. This budget is a cost-to-continue submittal and adheres to the guidelines regarding new funding requests. I am not requesting any additional funds and have decreased the request according to your directions.

The State of Wisconsin is moving in the right direction. Under your leadership and direction, leaders from industry, government, and communities across the state have partnered to generate a pro-growth, pro-business climate focused on expanding our economy. As the state's lead economic development organization, the Wisconsin Economic Development Corporation (WEDC) nurtures business growth and job creation in Wisconsin by providing resources, technical support, and financial assistance to companies, partners and the communities they serve. This budget request enables WEDC to continue the mission of elevating Wisconsin's economy to be the best in the world.

Since taking office, you have worked with the legislature to pass ambitious pro-growth measures aimed at improving Wisconsin's business climate by reforming our tax, regulatory and litigation processes. The passage of 2011 Wisconsin Act 7- a law which created the WEDC as a public-private corporation to replace the state Department of Commerce - was a bold forward looking initiative. The bill removed non-business Commerce responsibilities from WEDC and eliminated program mandates in favor of a larger, more flexible Economic Development Fund.

The bill designated WEDC as the lead economic development organization in the state and charged it with: (1) developing and implementing economic programs to provide business support, expertise, and financial assistance to companies that are investing and creating jobs in Wisconsin; (2) supporting new business start-ups and business expansion and growth in Wisconsin; and (3) developing and implementing any other programs related to economic development in Wisconsin.

The strategic planning process began immediately after bill passage and was guided by four principles.

1. BE BOLD.

Wisconsin needs to make dramatic, not incremental, improvements in its economic performance. The planning process of WEDC should incorporate bold, innovative solutions and challenge status quo practices.

2. ENGAGE BUSINESS.

The end customers are the businesses of Wisconsin. All metrics, processes, staffing, and partnerships are dedicated to advancing business performance. The planning process and ultimate WEDC organization must and will include Wisconsin business leaders.

3. OPERATE AS AN EXTENDED ENTERPRISE.

Economic development in Wisconsin is driven by hundreds of economic development organizations in the state. The planning process should engage these entities and focus on how to leverage, mobilize, and align this network to achieve economic development goals.

4. MEASURE AND BE ACCOUNTABLE.

Continuous improvement and taxpayer accountability depends on reliable and timely data collection and feedback. The planning process must incorporate measurable outcomes in the design of WEDC.

Under this new structure and leadership, WEDC has advanced innovative and sustainable policies which have put Wisconsin at the forefront of economic development in the nation. Ground breaking initiatives in the areas of economic and community development, international development, entrepreneurship and target industry development have been cited as best practices.

It has been an exciting and challenging year and WEDC is looking forward to the future. I look forward to speaking with you about WEDC's budget request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul Jadin", with a stylized flourish at the end.

Paul Jadin
CEO/Secretary

cc: Mike Huebsch
Brian Hayes

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AGENCY DESCRIPTION

The Wisconsin Economic Development Corporation (WEDC) was set in motion in January 2011 by Governor Scott Walker and the Wisconsin Legislature with the calling of a Special Session focused on job creation. The session produced 2011 Wisconsin Act 7 – a law which created the WEDC as a public-private corporation to replace the state Department of Commerce. The bill removed non-business Commerce responsibilities from WEDC and eliminated program mandates in favor of a larger, more flexible Economic Development Fund. The bill designated WEDC as the lead economic development organization in the state and charged it with: (1) developing and implementing economic programs to provide business support, expertise, and financial assistance to companies that are investing and creating jobs in Wisconsin; (2) supporting new business start-ups and business expansion and growth in Wisconsin; and (3) developing and implementing any other programs related to economic development in Wisconsin.

WEDC is governed by a 13-member board of directors. The Governor serves as chairman of the board of directors, and appoints six members with the advice and consent of the Senate. The speaker of the Assembly and the Senate majority leader each appoints three members consisting of one majority and one minority party representative in their respective houses, and one person employed in the private sector. The secretaries of the Department of Administration and Department of Revenue also serve on the board as nonvoting members.

As the state's lead economic development organization, WEDC nurtures business growth and job creation in Wisconsin by providing resources, technical support, and financial assistance to companies, partners and the communities they serve.

WEDC is focused on the following key areas to elevate Wisconsin's economy to be the best in the world:

Economic and Community Development – Elevate Wisconsin's economy by investing in high quality job creation and expansion and by enabling a world-class, high performing state economic development network.

Entrepreneurship and Innovation – Elevate Wisconsin's economy by increasing the amount of R&D and investment capital, and by providing an effective entrepreneurship support network.

Business and Industry Development – Elevate Wisconsin's economy by advancing targeted, high growth business consortia and industry sectors.

International Business Development – Elevate Wisconsin's economy by increasing Wisconsin exports, increasing foreign investment and expanding export assistance capacity in the state.

Marketing and Public Affairs – Elevate Wisconsin's economy by advancing business growth supporting policies and promoting Wisconsin as a business-friendly location.

Finance and Administration – Elevate the Wisconsin economy by providing WEDC and its economic development partners with the tools, technology and support necessary to meet strategic goals and operational advantage.

MISSION

To serve the people of Wisconsin, elevating the state's economy to be the best in the world by providing a positive business climate, world-class support services, and economic development tools to accelerate the growth of family-supporting jobs and business start-up, attraction, and growth.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

WEDC operational performance is tracked using five key indicators. These metrics are 'controllable' by WEDC actions, time appropriate and focused around the core mission. The indicators are:

Program 1: Promotion of Economic Development

Number of businesses impacted by WEDC – WEDC provides business assistance services to drive start-up, expansion, or relocation to Wisconsin. WEDC accomplishes this by delivering business assistance services directly with in-house staff or through contracted partners. Services provided are technical or financial. In FY12, WEDC met plan goals by helping over 1000 Wisconsin businesses. Our target is to increase the number of businesses assisted to 1200 in FY13.

Number of communities impacted by WEDC – WEDC provides technical and financial services to help communities drive economic development. WEDC accomplishes this by assisting communities with downtown development, public infrastructure projects and other assistance to help advance Wisconsin communities. In FY12, WEDC helped 87 communities. Our FY13 target is to increase this to 150 communities.

Number of economic development projects advanced by WEDC – WEDC provides technical support or financial investment for projects that advance target sectors or improve the state's economic development capabilities. In FY12, WEDC advanced 5 projects to improve economic development performance, 10 projects or partnerships to advance targeted sector development, and 2 statewide studies for target industry opportunities and workforce/economic development integration. In FY13, WEDC will continue to invest in high-impact sector and economic development opportunities.

Anticipated job creation or retention – WEDC established an initial goal of realizing 50,000 anticipated jobs created or retained per year as reported by recipients of the financial or technical assistance. In FY12, the WEDC investments that were tracked reported an anticipated 37,000 jobs. WEDC will target 50,000 anticipated jobs in FY13 as new initiatives are implemented and partner impacts are incorporated.

Investment leveraged – WEDC investments are intended to encourage co-investment and partner participation. In FY12, WEDC business and community investments leveraged an average of 2.8:1 co-investment. The FY13 WEDC leverage goal is 3.0:1.

PERFORMANCE MEASURES

2012 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2012	Actual 2012
1	Businesses Assisted	1,000	1,061
1	Communities Assisted	125	87
1	Economic Development Projects	10	14
1	Anticipated Jobs	50,000	37,000
1	Co-investment Leverage	2.7: 1	2.8: 1

2013, 2014, AND 2015 GOALS

Prog. No.	Performance Measure	Goal 2013	Goal 2014	Goal 2015
1	Businesses Assisted	1,200	1,200	1,200
1	Communities Assisted	150	150	150
1	Economic Development Projects	20	20	20
1	Anticipated Jobs	50,000	50,000	50,000
1	Co-investment Leverage	3.0: 1	3.0: 1	3.0: 1

WEDC BOARD OF DIRECTORS

Officers

Chair
Scott Walker
Governor
State of Wisconsin

Vice-Chair
Dan Ariens
President and CEO
Ariens Company

Treasurer
Scott Klug
Managing Director of
Public Affairs
Foley and Lardner

Secretary
Lisa Mauer
President
Tool Service
Corporation

Members

Rep. Peter Barca
64th Assembly District

Raymond Dreger
CEO/President
Seeds and Sluff Market
Inc

Corey Hoze
Senior Vice President
Associated Banc-Corp.

Sen. Julie Lassa
24th Senate District

Paul Radspinner
President and Chief
Executive Officer
FluGen, Inc.

C. Thomas Syke
Owner and Principal
Syke Law Offices, LLC

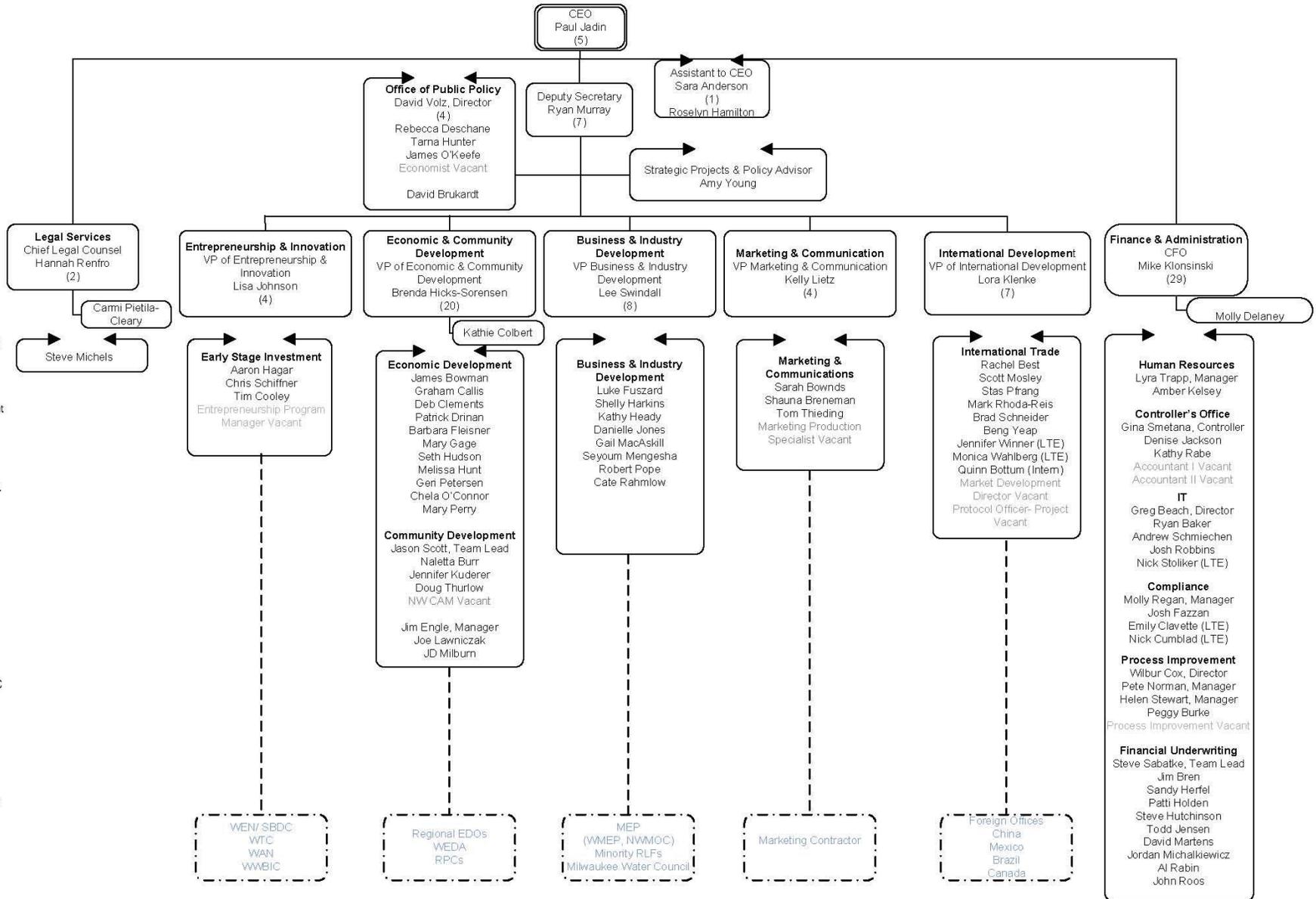
Don Weber
Founder and CEO
Logistics Health Inc

Rep. Mary Williams
87th Assembly District

Sen. Rich Zipperer
33rd Senate District

Wisconsin Economic Development Corporation

August 2012



Agency Total by Fund Source

Wisconsin Economic Development Corporation

1315 Biennial Budget

		ANNUAL SUMMARY						BIENNIAL SUMMARY			
Source of Funds		Prior Year Total	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
GPR	S	\$32,018,006	\$32,790,600	\$31,361,500	\$31,361,500	0.00	0.00	\$65,581,200	\$62,723,000	(\$2,858,200)	-4.4%
Total		\$32,018,006	\$32,790,600	\$31,361,500	\$31,361,500	0.00	0.00	\$65,581,200	\$62,723,000	(\$2,858,200)	-4.4%
PR	S	\$4,038,721	\$0	\$0	\$0	0.00	0.00	\$0	\$0	\$0	
Total		\$4,038,721	\$0	\$0	\$0	0.00	0.00	\$0	\$0	\$0	
PR Federal	S	\$0	\$20,000,000	\$20,000,000	\$20,000,000	0.00	0.00	\$40,000,000	\$40,000,000	\$0	0.0%
Total		\$0	\$20,000,000	\$20,000,000	\$20,000,000	0.00	0.00	\$40,000,000	\$40,000,000	\$0	0.0%
SEG	L	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	0.00	0.00	\$2,000,000	\$2,000,000	\$0	0.0%
SEG	S	\$23,189,200	\$23,189,200	\$23,189,200	\$23,189,200	0.00	0.00	\$46,378,400	\$46,378,400	\$0	0.0%
Total		\$24,189,200	\$24,189,200	\$24,189,200	\$24,189,200	0.00	0.00	\$48,378,400	\$48,378,400	\$0	0.0%
Grand Total		\$60,245,927	\$76,979,800	\$75,550,700	\$75,550,700	0.00	0.00	\$153,959,600	\$151,101,400	(\$2,858,200)	-1.9%

Agency Total by Program

192 Wisconsin Economic Development Corporation

1315 Biennial Budget

Source of Funds	ANNUAL SUMMARY						BIENNIAL SUMMARY			
	Prior Year Actual	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
01 PROMOTION OF ECONOMIC DEVELOPMENT										
Non Federal										
GPR	\$0	\$32,790,600	\$31,361,500	\$31,361,500	0.00	0.00	\$65,581,200	\$62,723,000	(\$2,858,200)	-4.36%
S	\$0	\$32,790,600	\$31,361,500	\$31,361,500	0.00	0.00	\$65,581,200	\$62,723,000	(\$2,858,200)	-4.36%
SEG	\$0	\$24,189,200	\$24,189,200	\$24,189,200	0.00	0.00	\$48,378,400	\$48,378,400	\$0	0.00%
L	\$0	\$1,000,000	\$1,000,000	\$1,000,000	0.00	0.00	\$2,000,000	\$2,000,000	\$0	0.00%
S	\$0	\$23,189,200	\$23,189,200	\$23,189,200	0.00	0.00	\$46,378,400	\$46,378,400	\$0	0.00%
Total - Non Federal	\$0	\$56,979,800	\$55,550,700	\$55,550,700	0.00	0.00	\$113,959,600	\$111,101,400	(\$2,858,200)	-2.51%
L	\$0	\$1,000,000	\$1,000,000	\$1,000,000	0.00	0.00	\$2,000,000	\$2,000,000	\$0	0.00%
S	\$0	\$55,979,800	\$54,550,700	\$54,550,700	0.00	0.00	\$111,959,600	\$109,101,400	(\$2,858,200)	-2.55%
Federal										
PR	\$0	\$20,000,000	\$20,000,000	\$20,000,000	0.00	0.00	\$40,000,000	\$40,000,000	\$0	0.00%
S	\$0	\$20,000,000	\$20,000,000	\$20,000,000	0.00	0.00	\$40,000,000	\$40,000,000	\$0	0.00%
Total - Federal	\$0	\$20,000,000	\$20,000,000	\$20,000,000	0.00	0.00	\$40,000,000	\$40,000,000	\$0	0.00%
S	\$0	\$20,000,000	\$20,000,000	\$20,000,000	0.00	0.00	\$40,000,000	\$40,000,000	\$0	0.00%
PGM 01 Total	\$0	\$76,979,800	\$75,550,700	\$75,550,700	0.00	0.00	\$153,959,600	\$151,101,400	(\$2,858,200)	-1.86%
GPR	\$0	\$32,790,600	\$31,361,500	\$31,361,500	0.00	0.00	\$65,581,200	\$62,723,000	(\$2,858,200)	-4.36%
S	\$0	\$32,790,600	\$31,361,500	\$31,361,500	0.00	0.00	\$65,581,200	\$62,723,000	(\$2,858,200)	-4.36%

Agency Total by Program

192 Wisconsin Economic Development Corporation

1315 Biennial Budget

PR	\$0	\$20,000,000	\$20,000,000	\$20,000,000	0.00	0.00	\$40,000,000	\$40,000,000	\$0	0.00%
S	\$0	\$20,000,000	\$20,000,000	\$20,000,000	0.00	0.00	\$40,000,000	\$40,000,000	\$0	0.00%
SEG	\$0	\$24,189,200	\$24,189,200	\$24,189,200	0.00	0.00	\$48,378,400	\$48,378,400	\$0	0.00%
L	\$0	\$1,000,000	\$1,000,000	\$1,000,000	0.00	0.00	\$2,000,000	\$2,000,000	\$0	0.00%
S	\$0	\$23,189,200	\$23,189,200	\$23,189,200	0.00	0.00	\$46,378,400	\$46,378,400	\$0	0.00%
TOTAL 01	\$0	\$76,979,800	\$75,550,700	\$75,550,700	0.00	0.00	\$153,959,600	\$151,101,400	(\$2,858,200)	-1.86%
L	\$0	\$1,000,000	\$1,000,000	\$1,000,000	0.00	0.00	\$2,000,000	\$2,000,000	\$0	0.00%
S	\$0	\$75,979,800	\$74,550,700	\$74,550,700	0.00	0.00	\$151,959,600	\$149,101,400	(\$2,858,200)	-1.88%
Agency Total	\$0	\$76,979,800	\$75,550,700	\$75,550,700	0.00	0.00	\$153,959,600	\$151,101,400	(\$2,858,200)	-1.86%

Agency Total by Decision Item

Wisconsin Economic Development Corporation

1315 Biennial Budget

Decision Item	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
2000 Adjusted Base	\$76,979,800	\$76,979,800	0.00	0.00
3500 Permanent GPR Reductions	(\$1,429,100)	(\$1,429,100)	0.00	0.00
TOTAL	\$75,550,700	\$75,550,700	0.00	0.00

Decision Item (DIN) - 2000

Decision Item (DIN) Title - Adjusted Base

NARRATIVE

Adjusted Base Funding Level

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	192	Wisconsin Economic Development Corporation
	CODES	TITLES
DECISION ITEM	2000	Adjusted Base

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$0	\$0
06	Supplies and Services	\$32,790,600	\$32,790,600
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$24,189,200	\$24,189,200
10	Local Assistance	\$20,000,000	\$20,000,000
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	\$76,979,800	\$76,979,800
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Wisconsin Economic Development Corporation

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	2000	Adjusted Base			
01	Promotion of Economic Development				
	01 Operations and programs	\$32,790,600	\$32,790,600	0.00	0.00
	20 Transferred general fund money	\$0	\$0	0.00	0.00
	40 Federal aids; programs	\$20,000,000	\$20,000,000	0.00	0.00
	61 Economic development fund; pro	\$23,189,200	\$23,189,200	0.00	0.00
	65 Brownfield site assessment gra	\$1,000,000	\$1,000,000	0.00	0.00
	Promotion of Economic Development SubTotal	\$76,979,800	\$76,979,800	0.00	0.00
	Adjusted Base SubTotal	\$76,979,800	\$76,979,800	0.00	0.00
	Agency Total	\$76,979,800	\$76,979,800	0.00	0.00

Decision Item by Fund Source

Wisconsin Economic Development Corporation

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	2000	Adjusted Base				
	GPR	S	\$32,790,600	\$32,790,600	0.00	0.00
	PR	S	\$0	\$0	0.00	0.00
	PR Federal	S	\$20,000,000	\$20,000,000	0.00	0.00
	SEG	L	\$1,000,000	\$1,000,000	0.00	0.00
	SEG	S	\$23,189,200	\$23,189,200	0.00	0.00
	Total		\$76,979,800	\$76,979,800	0.00	0.00
Agency Total			\$76,979,800	\$76,979,800	0.00	0.00

Decision Item (DIN) - 3500

Decision Item (DIN) Title - Permanent GPR Reductions

NARRATIVE

Permanent GPR Reduction

Decision Item by Line

1315 Biennial Budget

	CODES	TITLES
DEPARTMENT	192	Wisconsin Economic Development Corporation
	CODES	TITLES
DECISION ITEM	3500	Permanent GPR Reductions

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$0	\$0
06	Supplies and Services	(\$1,429,100)	(\$1,429,100)
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13		\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
17	Total Cost	(\$1,429,100)	(\$1,429,100)
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Wisconsin Economic Development Corporation

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	3500	Permanent GPR Reductions			
01	Promotion of Economic Development				
	01 Operations and programs	(\$1,429,100)	(\$1,429,100)	0.00	0.00
	Promotion of Economic Development SubTotal	(\$1,429,100)	(\$1,429,100)	0.00	0.00
	Permanent GPR Reductions SubTotal	(\$1,429,100)	(\$1,429,100)	0.00	0.00
	Agency Total	(\$1,429,100)	(\$1,429,100)	0.00	0.00

Decision Item by Fund Source

Wisconsin Economic Development Corporation

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	3500	Permanent GPR Reductions				
	GPR	S	(\$1,429,100)	(\$1,429,100)	0.00	0.00
	Total		(\$1,429,100)	(\$1,429,100)	0.00	0.00
Agency Total			(\$1,429,100)	(\$1,429,100)	0.00	0.00