



Mark R. Hogan
Secretary and CEO

September 15, 2016

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 (WEDC) proposed budget for fiscal years 2018 and 2019. This budget includes a cost-to-continue submittal and maintains WEDC's overall budget at the fiscal year 2017 adjusted base as well as a submittal that complies with the 2015 Act 201 requirements.

With an increasingly attractive business climate and well established industry leadership in water, energy and food, Wisconsin's economic assets are drawing international attention and are bringing the state's companies into the global conversation. As WEDC enters its sixth year, we continue to evaluate the best strategic investment opportunities to accelerate economic growth and development opportunities across the state. In addition to direct business incentives, WEDC efforts in talent development, infrastructure investments, community development and state marketing are all components of economic development that are necessary for Wisconsin's long-term success.

Following the comprehensive review of our operations by the nationally respected Center for Regional Economic Competitiveness (CREC), WEDC reaffirmed its commitment to helping create and sustain a prosperous Wisconsin, recasting the organization's mission statement to reflect the full breadth of our work and its outcomes. WEDC's mission is, "**To advance and maximize opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive economy.**"

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

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

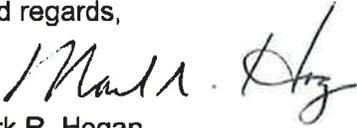
Our work is often more complex than it is portrayed to be, and it is driven by staff who are deeply committed to Wisconsin's future. We also understand that fulfilling this mission draws upon the hard work, knowledge and skills of approximately 600 state-wide economic development partner organizations whose work complements our own.



The block grant funding allocated to WEDC provides the flexibility necessary to respond to the needs of the marketplace and to continue to develop and deploy innovative programs. From expanding our support network for the entrepreneurial community through our S3 initiatives, to helping to build the workforce of tomorrow by expanding the fabrication laboratories network in Wisconsin's schools, WEDC is committed to serving the existing and emerging needs of businesses, communities and residents. Furthermore, we embrace the culture of continuous process improvement that successful companies employ and are committed to meeting our stakeholder's expectations of transparency, accountability, and performance.

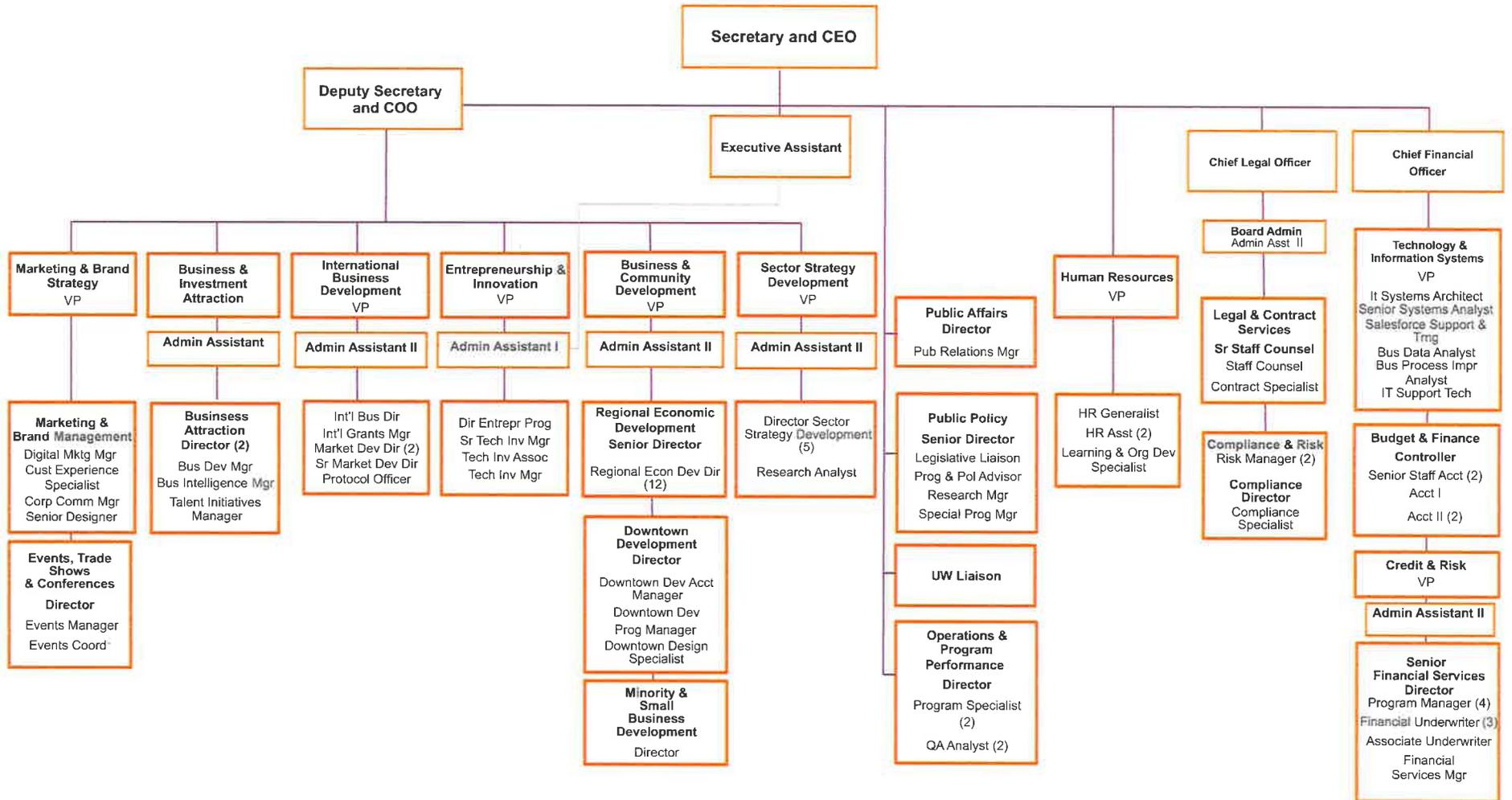
As the state's lead economic development organization, WEDC is committed to the responsible stewardship of the state resources allocated to it. Our programs are designed to fuel startups, support industry development, maximize global opportunities, enhance economic development responsiveness, create thriving communities, drive new businesses and continue to move Wisconsin forward.

Kind regards,



Mark R. Hogan
Secretary and Chief Executive Officer

CC: Scott Neitzel, Secretary, Department of Administration
Michael Heifetz, Administrator, Division of Executive Budget and Finance.



AGENCY DESCRIPTION

The corporation was created by 2011 Wisconsin Act 7. The corporation is headed by a secretary/chief executive officer who is appointed by the Governor with the advice and consent of the Senate. The corporation is governed by a 12-member board of directors. The Governor 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. The board elects a chairperson from its non-legislative voting members.

The corporation is the lead economic development organization in the state. The corporation is responsible for developing strategies and implementing economic programs to provide business support, expertise and financial assistance to companies that are investing and creating jobs in the state; supporting new business start-ups and business expansion and growth; and developing and implementing any other programs related to economic development in Wisconsin.

MISSION

The corporation's mission is, "To advance and maximize opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment." WEDC works with more than 600 partners across the state, including regional economic development organizations, academic institutions and industry cluster leaders.

WEDC's services are aligned with five key Catalysts of Economic Growth, which form the basis of our Strategic Pillars, and allows the corporation to most effectively activate and accelerate economic opportunity in Wisconsin®: Strategic Economic Competitiveness; Business Development; Community and Economic Opportunity; Brand Development and Strategy; and Operational and Fiscal Excellence.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Promotion of Economic Development

Goal: Provide business assistance services to drive start-up, expansion or relocation to Wisconsin.

Objective/Activity: Deliver technical and financial business assistance services directly to Wisconsin businesses with in-house staff or through contracted partners.

Objective/Activity: Provide technical and financial services to help communities drive economic development by assisting communities with downtown development, public infrastructure projects and other assistance to help advance Wisconsin communities.

Objective/Activity: Provide technical support or financial investment for projects that advance target sectors or improve the state's economic development capabilities.

PERFORMANCE MEASURES

2015 AND 2016 GOALS AND ACTUALS

Prog No.	Performance Measure	Goal 2015	Actual 2015	Goal 2016	Actual 2016
1	Businesses Assisted	2,232	5,244	2,491	3,973
1	Communities Assisted	152	103	159	140
1	Anticipated Jobs Impact	23,390	26,822	12,134*	26,747
1	Coinvestment Leverage	3:1	9:1	6:1	11:1

* Expected jobs impact goal was reduced due to the phase out of the Jobs and Economic Development Tax Credit programs.

2015, 2016, AND 2017 GOALS

Prog No.	Performance Measure	Goal 2017	Goal 2018 (Estimated)	Goal 2019 (Estimated)
1	Businesses Assisted	2,710	2,710	2,710
1	Communities Assisted	206	206	206
1	Partner Organizations Assisted	67	67	67
1	Anticipated Jobs Impact	14,973	14,973	14,973
1	Coinvestment Leverage	8:1	8:1	8:1

ACT 201

Proposal under s. 16.42(4)(b)2.: **0% change in each fiscal year**

FY: **FY18**

Agency: **WEDC - 192**

Exclusions: Federal
Debt Service

Columns A-G were prepopulated for agencies to reflect state operations adjusted base and reductions agreed to by DOA and LFB. See Appendix H for instructions on how to complete these templates.

Proposed \$ and Proposed FTE columns reflect total agency proposed spending and positions for indicated fiscal year. These amounts should include standard budget adjustments (SBAs), any proposed reallocations or reductions to meet the target, and any other requests that the agency would want considered under this proposal.

Appropriations with zero dollars and zero FTEs are not loaded into the template. If you have any questions, contact your SBO analyst.

IF YOUR AGENCY PLANS TO TAKE THE SAME CUTS OVER BOTH YEARS, YOU SHOULD ONLY FILL OUT ONE GRID FOR 0% GROWTH AND ONE GRID FOR 5% REDUCTION, THEN CHANGE FY18 TO FY18 AND 19.

Agency	Appropriation		Fund Source	Adjusted Base		(See Note 1)	Proposed Budget 2017-18		Item Ref.	Change from Adj Base		(See Note 2)		Change from Adjusted Base after Removal of SBAs	
	Alpha	Numeric		\$	FTE	0% Change Target	Proposed \$	Proposed FTE		\$	FTE	Remove SBAs \$	FTE	\$	FTE
192	1a	101	GPR	12,474,700	0.00	0	12,474,700	0.00		0	0.00	0	0.00	0	0.00
192	1r	161	SEG	21,776,000	0.00	0	21,776,000	0.00		0	0.00	0	0.00	0	0.00
Totals				34,250,700	0.00	0	34,250,700	0.00		0	0.00	0	0.00	0	0.00

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = 0
Difference = 0
Should equal \$0

Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency

- 1
- 2
- 3

ACT 201

Proposal under s. 16.42(4)(b)1.: 5% change in each fiscal year

FY: **FY18**

Agency: **WEDC - 192**

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192	1a	101	GPR	12,474,700	0.00	(623,700)	11,851,000	0.00		(623,700)	0.00	0	0.00	(623,700)	0.00
192	1r	161	SEG	21,776,000	0.00	(1,088,800)	20,687,200	0.00		(1,088,800)	0.00	0	0.00	(1,088,800)	0.00
Totals				34,250,700	0.00	(1,712,500)	32,538,200	0.00		(1,712,500)	0.00	0	0.00	(1,712,500)	0.00

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

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Target Reduction = (1,712,500)

Difference = 0
Should equal \$0

Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency

- 1 WEDC will manage its resources within its budget parameters
- 2
- 3
- 4
- 5

ACT 201

Proposal under s. 16.42(4)(b)2.: 0% change in each fiscal year

FY: **FY19**

Agency: **WEDC - 192**

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Proposal under s. 16.42(4)(b)1.: 5% change in each fiscal year

FY: **FY19**

Agency: **WEDC - 192**

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