

DEMOCRATIC MEMBERS

JOINT COMMITTEE ON FINANCE

March 12, 2015

Governor Scott Walker
115 East Capitol
Madison, WI 53702

Governor Walker,

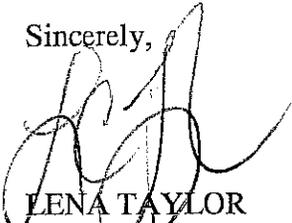
Your "Be Bold" initiative championed the creation of a public corporate authority for the administration of economic development for the State of Wisconsin. The Wisconsin Economic Development Corporation (WEDC) has had its share of challenges over the years with accurate tracking and administering economic development initiatives as well as with staffing and management. The 2015-2017 state budget you proposed merges WEDC and Wisconsin Housing and Economic Development Authority (WHEDA) into the Forward Wisconsin Development Corporation.

The struggles of WEDC appear to be ongoing as reported in the *Milwaukee Journal Sentinel* on March 9th regarding the failure of the agency to follow up on past due notices for companies that had failed to report usage of taxpayer funded loans and grants. The last round of past due notices were sent in January of 2014. Follow-up only began when the error was discovered in December of that year, eleven months later. The value of the loans and grants that should have been tracked was \$43.3 million. The failure to follow-up was reported to the WEDC Board of Directors at the end of February. The consistent failure to track and report taxpayer funds are at the crux of our call for you to abandon your plan to merge WEDC and WHEDA in a formal letter to the co-chairs of the Joint Committee on Finance. Clearly more action needs to be taken internally at WEDC before any other major transition at the agency to reach our goals for a transparent and accountable usage of taxpayer funds for economic development.

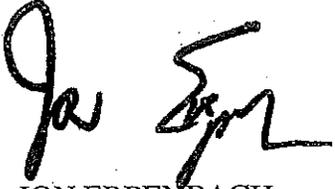
Other areas of concern relating your proposed merger of WEDC and WHEDA in the state budget: removal of the Legislative Audit Bureau's statutory ability to audit the agencies finances, governance changes which would eliminate legislator participation from the Forward Wisconsin Board, removal of Joint Committee on Finance approval of a Foundation arm to WEDC and Forward Wisconsin, changes to business certifications and subsequent tax credits that would allow businesses to relocate outside of Wisconsin while investors still would receive taxpayer funded credits, and an unnecessary exemption from Wisconsin's Open Records Law.

Once again, given the ongoing struggles with the administration and management of Wisconsin's economic development plan at WEDC we call on you to formally abandon your plan to merge WEDC and WHEDA in a letter to the Joint Committee on Finance co-chairs.

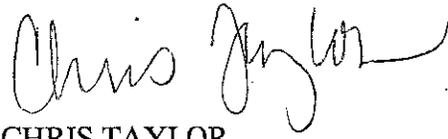
Sincerely,



LENA TAYLOR
State Senator
4th District



JON ERPENBACH
State Senator
27th District



CHRIS TAYLOR
State Representative
76th District



GORDON HINTZ
State Representative
54th District