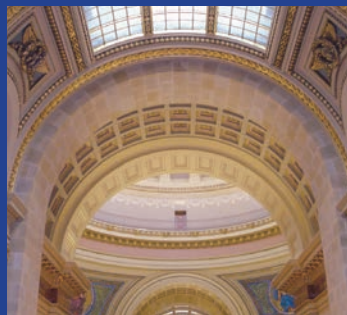


**Report 12-11**  
**June 2012**

# **State Economic Development Programs**

STATE OF WISCONSIN



Legislative Audit Bureau ■



# **State Economic Development Programs**

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State Auditor – Joe Chrisman

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## **Response**

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From the Wisconsin Economic Development Corporation



**STATE OF WISCONSIN**  
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Joe Chrisman  
State Auditor

June 12, 2012

Senator Robert Cowles and  
Representative Samantha Kerkman, Co-chairpersons  
Joint Legislative Audit Committee  
State Capitol  
Madison, Wisconsin 53702

Dear Senator Cowles and Representative Kerkman:

We have completed a review of the State's economic development programs, as required by s. 13.94(1)(mm), Wis. Stats. The Department of Commerce and seven other state agencies administered 196 economic development programs at some point during the 2007-09 and 2009-11 biennia. These programs provided grants, loans, bonding authorization, tax credits, and direct services to businesses, local governments, and others. In the 2009-11 biennium, state spending on economic development was an estimated \$226.5 million.

2007 Wisconsin Act 125 required the eight state agencies to evaluate the effectiveness of each economic development program and to annually report publicly on program results. We evaluated agency compliance with these requirements and identified a number of concerns with the completeness of information tracked and reported. For example, Commerce provided us with information on results for less than 75.0 percent of the programs it administered during the 2009-11 biennium as the State's lead economic development agency.

In July 2011, Commerce was abolished and the Wisconsin Economic Development Corporation (WEDC) became the State's lead economic development organization. Although insufficient time has passed since WEDC's creation for us to assess its administration of economic development programs, we include recommendations it could use to improve program effectiveness and accountability. As required by statutes, we will conduct an audit in 2013 to assess WEDC's financial management and evaluate its programs.

We appreciate the courtesy and cooperation extended to us by WEDC and the eight agencies we reviewed. WEDC's response follows the appendices.

Respectfully submitted,

Joe Chrisman  
State Auditor

JC/DS/ss





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## Report Highlights ■

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***We identified 196 economic development programs administered by eight state agencies.***

***In the 2009-11 biennium, state spending on economic development was an estimated \$226.5 million.***

***State agencies did not track or publicly report complete information about program results.***

***WEDC can help seven state agencies to track and report program results.***

The State's economic development programs are intended to retain and attract businesses, create jobs, or otherwise encourage economic growth. The Department of Commerce and the departments of Agriculture, Trade and Consumer Protection (DATCP), Natural Resources (DNR), Tourism, and Transportation (DOT); the University of Wisconsin (UW) System; the Wisconsin Housing and Economic Development Authority (WHEDA); and the Wisconsin Technical College System (WTCS) administered 196 economic development programs at some point during the 2007-09 and 2009-11 biennia.

In response to the findings and recommendations in our 2006 review of state economic development programs (report 06-9), 2007 Wisconsin Act 125 defined economic development programs, required agencies to report publicly on program results, and required us to complete another review of the State's economic development programs by July 1, 2012. Therefore, we:

- compiled a program inventory, including each program's purpose and sources of funding during the 2007-09 and 2009-11 biennia;
- analyzed the type and distribution of financial assistance and program services provided; and
- considered ways to improve effectiveness and accountability.

In July 2011, Commerce was abolished and the Wisconsin Economic Development Corporation (WEDC) became the State’s lead economic development organization. Insufficient time has passed since WEDC’s creation for us to assess its administration of economic development programs. However, as required by statutes, we will assess WEDC’s financial management and evaluate its programs in 2013.

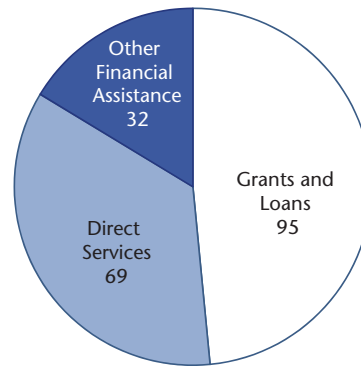
### Economic Development Programs

At some point during the 2007-09 and 2009-11 biennia, eight state agencies administered 196 economic development programs that awarded grants and loans; provided direct services, such as regulatory assistance; and provided other financial assistance, such as tax credits and loan guarantees, as shown in Figure 1.

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Figure 1

**Economic Development Programs,  
by Type of Assistance Provided  
2007-09 and 2009-11 Biennia**



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These 196 economic development programs typically assisted multiple types of recipients, including 171 programs that assisted businesses or individuals, 69 programs that assisted nonprofits or other organizations, and 48 programs that assisted local governments. As of June 2011, the last month of our review period, 139 economic development programs existed.

In the 2009-11 biennium, the State spent an estimated \$226.5 million on economic development. This estimate includes grants and loans, agency staff salaries associated with providing direct services, and program administration. This estimate does not include tax credits, which typically represent foregone state revenue, and the value of bonds that the State authorizes local governments to issue.

## **Financial Assistance**

During the 2007-09 and 2009-11 biennia, eight state agencies awarded several types of economic development financial assistance, including grants and loans, bonding authorization, loan guarantees, loan subsidies, and tax incentives. Seven state agencies awarded \$245.3 million in grants and loans for economic development to businesses, local governments, and other organizations. Commerce awarded more than three-quarters of all grants and loans. From 2007 through 2010, it also authorized local governments to issue \$724.1 million in tax-exempt bonds to finance economic development projects.

During the 2007-09 and 2009-11 biennia, WHEDA and DOT provided \$74.9 million in loan guarantees, which guaranteed the principal payments on loans made by private financial institutions if the borrowers defaulted, and loan subsidies, which provided funds to private financial institutions that agreed to make loans to businesses at interest rates lower than would otherwise have been made.

Under tax incentive programs, Commerce and DATCP allocated tax credits to businesses and individuals who contractually agreed to complete projects. Development zone programs were intended to encourage economic development in specific geographic areas, while early-stage investment tax credit programs were intended to increase funding for new businesses. After an agency verified that projects were completed, businesses and individuals were given a specified number of years to claim the awarded tax credits against their income taxes. In 2007 and 2008, \$42.0 million in tax credits were claimed.

## **Program Results and Accountability**

2007 Wisconsin Act 125 required the eight agencies to measure the effectiveness of economic development programs and report publicly on results. We evaluated agency compliance with the requirements of Act 125 and identified concerns with the completeness of information that the eight agencies tracked and reported.

Act 125 required the eight state agencies to develop goals and accountability measures for each economic development program. The eight agencies provided us with information on the results of 101 of the 123 programs that were active at some point during the 2009-11 biennium. Commerce provided information on less than 75.0 percent of its programs.

Act 125 required each of the eight state agencies to establish rules for overseeing recipients of grants and loans. As of May 2012, only Commerce and DOT had established the rules.

To obtain additional information on program effectiveness, we reviewed the files for 113 grants and loans totaling \$77.7 million awarded by six state agencies through 25 economic development programs. Recipients of the 113 awards submitted 66.9 percent of 489 contractually required reports on their progress toward meeting the terms of their contracts. At the time of our review, the contract periods for 89 of the 113 awards were completed. We found that 58 of the 89 award recipients achieved the contractually required results, and another 19 partially achieved them.

Act 125 also required Commerce to collaborate with the other seven agencies to report publicly by October 1 of each year on each economic development program they administered. The reports were to include such information as quantifiable performance measures and expected and actual program outcomes.

The October 2010 report included information on slightly more than two-thirds of the programs we identified as having been administered by the agencies in fiscal year (FY) 2009-10. Some agencies excluded programs that they believed did not meet the statutory definition of an economic development program. Agencies reported quantified outcomes for less than half of the programs included in the report.

To improve accountability and achieve compliance with the requirements of Act 125, more complete information about program results is needed. Agency managers also need information about program effectiveness to better manage the programs they administer.

Statutes require seven state agencies to consult with WEDC when they develop goals and accountability measures for each of their economic development programs. As the State's lead economic development organization, WEDC should use its expertise to provide the seven state agencies with such guidance.

## Recommendations

We include recommendations for WEDC to:

- ☑ work with DATCP, DNR, Tourism, DOT, UW System, WHEDA, and WTCS to determine the programs to include in the October 2012 economic development report and report to the Joint Legislative Audit Committee by October 15, 2012, on the reasons why any programs that we identified were excluded from that report (*p. 78*); and
- ☑ provide guidance to DATCP, DNR, Tourism, DOT, UW System, WHEDA, and WTCS on establishing goals and accountability measures for each program (*p. 83*).

We include a recommendation for WEDC, DATCP, DNR, Tourism, DOT, UW System, WHEDA, and WTCS to ensure that accurate and complete information on program outcomes is included in the annual economic development reports (*p. 80*).

We include a recommendation for each state agency administering an economic development program that awards grants or loans to comply with statutes and annually verify the performance measure information reported by the recipients of a sample of grants and loans (*p. 70*).

We include a recommendation for each state agency administering an economic development program that awards grants, loans, or tax benefits either to comply with statutes and establish rules that allow it to recoup payments, withhold payments, and impose forfeitures on award recipients, or report to the Joint Legislative Audit Committee by October 15, 2012, on the reasons it has not established rules (*p. 70*).

We include a recommendation for each state agency administering an economic development program that awards grants or loans either to comply with statutes and establish rules that require it to contractually require recipients of awards of at least \$100,000 to submit verified financial statements, or report to the Joint Legislative Audit Committee by October 15, 2012, on the reasons it has not established rules (*p. 71*).

We include a recommendation for the Legislature to consider modifying s. 238.07(2), Wis. Stats., to require the annual economic development reports to include additional information on the results of each economic development program (*p. 81*).



## Introduction ■

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Economic development includes a wide variety of programs that provide grants, loans, direct services, and tax incentives to businesses, local governments, and other organizations. These activities are designed to:

- retain and expand existing in-state businesses;
- encourage out-of-state businesses to move into or locate new facilities within the state;
- create opportunities for entrepreneurs and small businesses;
- assist disadvantaged businesses, such as those owned by women or members of minority groups;
- improve the competitiveness of industries important to the state; and
- promote regional economic growth.

***Through FY 2010-11, Commerce and seven other state agencies administered economic development programs.***

Through FY 2010-11, Commerce was Wisconsin's lead economic development agency. Statutes directed it to implement and coordinate a broad range of activities to foster the growth and diversification of the state economy, including serving as a clearinghouse for information, seeking cooperation and coordination among state agencies and local governments, developing a state economic development policy, facilitating the

establishment and growth of businesses, encouraging the growth of tourism, and promoting state products and industries in domestic and foreign markets. Seven other state agencies also administered economic development programs:

- DATCP;
- DNR;
- Tourism;
- DOT;
- UW System;
- WHEDA, which is an independent authority; and
- WTCS.

While public officials generally agree on the importance of economic development, there is disagreement about both the appropriate role of government in providing economic development assistance to businesses and the effectiveness of various strategies. Proponents contend that tax incentives and other public financial assistance encourage business expansion and are necessary to remain competitive with neighboring states that offer similar incentives. Some assert that such incentives encourage economic activity in distressed areas and make these areas competitive with those that are more prosperous. Proponents also believe that states will recover the costs of using public incentives for private businesses through additional taxes generated by an expanded tax base.

In contrast, others believe that such policies unnecessarily subsidize business activities, such as capital investment, that the private market should determine. They assert that economic development programs shift the cost of doing business to taxpayers and thereby reduce available funding for education, transportation, and other services necessary for economic growth. Some also contend that business incentives create inequities by favoring certain businesses and industries over others. Finally, some dispute the role that financial incentives play in business location decisions, arguing that factors such as transportation infrastructure, workforce availability, and access to raw materials play a larger role in such decisions.

***In report 06-9, we identified concerns with the State's administration of economic development programs.***

In response to concerns regarding the scope and effectiveness of Wisconsin's economic development programs, in August 2006 we released a comprehensive review (report 06-9) of state economic development programs administered by the eight state agencies. We found that state spending on economic development in the 2003-05 biennium was an estimated \$152.8 million, including



funding for grants and loans, direct services, and administrative costs. In addition, \$109.3 million in bonds were authorized to be issued, \$36.0 million in loans were guaranteed, and \$27.9 million in economic development program tax credits were claimed by businesses. We also found that efforts to measure and report program results were limited, no single agency was responsible for ensuring that programs were working toward common policy goals, and a number of programs provided similar services or were inactive.

In response to our report, the co-chairpersons of the 2007-08 Joint Legislative Audit Committee convened a legislative working group to develop legislation that would implement the report's recommendations. As a result of the working group's efforts, 2007 Wisconsin Act 125 was enacted. In addition to eliminating nine economic development programs in three state agencies and consolidating nine other programs into three programs administered by Commerce, Act 125 statutorily defined an "economic development program" as a program or activity that has the primary purpose of encouraging the establishment and growth of business in Wisconsin, including the creation and retention of jobs, and that:

- receives state or federal funding through ch. 20, Wis. Stats.; and
- provides financial assistance, tax benefits, or direct services to specific industries, businesses, local governments, or organizations.

Act 125 also addressed concerns we raised in report 06-9 about the accuracy, completeness, and usefulness of the information that state agencies tracked and reported for economic development programs. It required the eight agencies to establish clear and measurable goals for each economic development program that they administered, at least one quantifiable benchmark for each goal, and a method for evaluating a program's projected results with its actual outcomes. In addition, Act 125 required the eight agencies to specify in their contracts with grant and loan recipients the performance measures on which the recipients must report and the frequency and format of the reported information, as well as to annually and independently verify the accuracy of information reported by the recipients of a sample of grants and loans.

***2007 Wisconsin Act 125 required the eight state agencies to report annually on their programs.***

To improve transparency and accountability, Act 125 required the eight state agencies to report annually to the Legislature and on a publicly accessible website certain information about each economic development program that they administered in the prior fiscal year. This information was required to include an accounting of each job created or retained as a result of a program; a comparison of a program's expected and actual outcomes; the number, amount,

and recipients of each grant or loan awarded through a program; and the amount and recipients of tax benefits allocated through a program.

Act 125 also required the Legislative Audit Bureau to complete a financial and performance evaluation audit of the economic development programs administered by the eight state agencies no later than July 1, 2012. In completing this audit, we:

- updated our inventory of economic development programs for the four-year period from FY 2007-08 through FY 2010-11;
- analyzed economic development program expenditures and staffing, as well as the type and amount of financial and other economic development assistance provided to businesses, local governments, and other organizations;
- analyzed the extent to which the eight agencies accurately and completely reported annually on their economic development programs, as required by Act 125; and
- reviewed the agencies' files for a sample of economic development grants and loans to determine whether the agencies properly administered the awards and the grant and loan recipients achieved the results specified in their contracts with the agencies.

Some of the eight agencies disagree with our identification of certain programs as economic development programs. WHEDA indicated that its programs that we identified do not meet the statutory definition of an economic development program because they do not receive funding through ch. 20, Wis. Stats. DNR indicated that because all of its programs that we identified are intended primarily to protect the environment and public health, and only secondarily to promote economic development, none meets the statutory definition of an economic development program. However, we note that the purpose of DNR's Brownfield Site Assessment Grant program was similar to that of Commerce's Brownfields Grant program, which Commerce indicated was an economic development program. Therefore, we included DNR's and WHEDA's programs in this report in order to maintain consistency with report 06-9 and to illustrate the range of activities that contribute to the State's economic condition.

***In July 2011, WEDC became the State's lead economic development organization.***

2011 Wisconsin Act 7 created WEDC to replace Commerce as the State's lead economic development organization. Because WEDC did not become fully operational until July 2011, we did not review the economic development programs it administers or assess its operations. However, Act 7 requires us to complete a financial and program evaluation audit of WEDC every two years, beginning in 2013.

## **State Expenditures and Staffing**

***Eight state agencies administered 196 economic development programs at some point during the 2007-09 and 2009-11 biennia.***

At some point during the 2007-09 and 2009-11 biennia, Commerce and the other seven state agencies administered 196 economic development programs that provided assistance to businesses of every size and at every stage in their development, as well as to individuals, local governments, and other organizations.

Appendix 1 describes each of these programs. Appendix 2 lists each program's expenditures and funding sources, types of assistance provided, eligible recipients, emphasis, and purpose.

Each economic development program we identified provides one or more of the following types of assistance:

- grants or loans, which represent funds appropriated through the State's biennial budget and provided for economic development purposes;
- direct services, which represent business development information and technical assistance provided by state agency staff and others;
- tax credits, which offset the income tax liability of businesses that meet certain criteria;
- loan guarantees, which represent commitments by state agencies to repay the principal obtained from banks or other private financial institutions if borrowers default on loan repayments, and loan subsidies, which provide funds to private financial institutions that agree to make loans to businesses at lower interest rates than otherwise would be made; or
- bonding authorization, which represents the State's approval for local governments to issue bonds on behalf of businesses and others seeking to finance economic development projects.

State economic development expenditures include the amounts spent on grants and loans; agency staff salaries and fringe benefits associated with providing direct services; and the costs of program

administration, which includes salaries and fringe benefits associated with reviewing and approving grant and loan applications, assessing recipients' compliance with program requirements, and general program overhead. State economic development expenditures exclude tax credits, which typically represent foregone state revenue, and loan guarantees and bonding authority, which are provided by private financial institutions or investors and do not represent an obligation of the State.

***State economic development expenditures for the 2009-11 biennium were an estimated \$226.5 million.***

As shown in Table 1, state economic development program expenditures totaled an estimated \$226.5 million in the 2009-11 biennium, including \$146.1 million in spending on grants and loans and \$80.4 million for direct services and program administration, which agencies typically did not track separately. Commerce's expenditures accounted for 59.8 percent of the total. Because Commerce and several other agencies did not use the State's accounting system to track all expenditures for each of their economic development programs or to track economic development expenditures separately from those of other activities, they provided us with the best available information on program expenditures. In some instances, Commerce provided estimates only for groups of related programs, such as the 24 programs funded through the statutorily established Wisconsin Development Fund that financed grants and loans to businesses engaging in specified economic development activities.

Table 1

**Estimated State Economic Development Expenditures<sup>1</sup>**  
FY 2009-10 through FY 2010-11

	Grants and Loans	Direct Services and Program Administration	Total Expenditures	Percentage of Total
Commerce	\$113,324,200	\$22,196,900	\$135,521,100	59.8%
UW System	0	41,888,500	41,888,500	18.5
DATCP	8,510,600	7,145,200	15,655,800	6.9
DNR	10,275,900	744,800	11,020,700	4.9
DOT	6,179,500	3,394,200	9,573,700	4.2
WTCS	4,883,400	691,500	5,574,900	2.5
Tourism	2,886,600	1,110,000	3,996,600	1.8
WHEDA	0	3,221,500	3,221,500	1.4
<b>Total</b>	<b>\$146,060,200</b>	<b>\$80,392,600</b>	<b>\$226,452,800</b>	<b>100.0%</b>

<sup>1</sup> Excludes tax credits, loan guarantees, and bonding authorization, which are not direct state expenditures.

Table 1 excludes expenditures from non-state sources, such as local property taxes and private funds. Some WHEDA expenditures are included because the State provided general purpose revenue (GPR) to fund WHEDA’s reserves when many of the agency’s programs were created. However, as noted, WHEDA is an independent authority, and it does not generally receive direct funding through the state budget.

**Federal revenue funded an estimated \$90.9 million in state economic development expenditures in the 2009-11 biennium.**

As shown in Table 2, \$90.9 million of the \$226.5 million in total estimated state economic development expenditures, or 40.2 percent of the total in the 2009-11 biennium, was funded by federal revenue. Other funding sources included GPR; program revenue from loan repayments, tribal gaming operations, fees, and other sources; and segregated revenue from sources such as DNR’s Environmental Fund and DOT’s Transportation Fund.

Table 2

**Estimated State Economic Development Expenditures, by Funding Source  
FY 2009-10 through FY 2010-11**

	Amount	Percentage of Total
Federal Revenue	\$ 90,925,400	40.2%
General Purpose Revenue	58,472,500	25.8
Program Revenue	38,307,000	16.9
Segregated Revenue	35,526,400	15.7
Other Revenue <sup>1</sup>	3,221,500	1.4
<b>Total</b>	<b>\$226,452,800</b>	<b>100.0%</b>

<sup>1</sup> Includes funding sources such as WHEDA’s Wisconsin Development Reserve Fund.

**Eight state agencies were authorized at least 322.1 FTE staff to administer 196 programs.**

It is difficult to determine the precise number of state staff working on economic development activities because many of them have both economic development and other responsibilities. We estimate that as of June 2011, the eight state agencies were authorized at least 322.1 full-time equivalent (FTE) staff to administer the 196 economic development programs we identified. As shown in Table 3, UW System employed the most economic development staff, including employees located on campuses and outreach staff located in each county.

Table 3

**Estimated Full-Time Equivalent State Economic Development Staff  
As of June 2011**

	FTE Positions <sup>1</sup>	Percentage of Total
UW System	204.6	63.6%
Commerce	67.5	21.0
DATCP	27.1	8.4
DOT	8.3	2.6
Tourism	6.8	2.1
DNR	4.0	1.2
WHEDA <sup>2</sup>	3.0	0.9
WTCS	0.8	0.2
<b>Total</b>	<b>322.1</b>	<b>100.0%</b>

<sup>1</sup> Based on the number of authorized positions or estimated time spent on economic development activities.

<sup>2</sup> WHEDA employees are eligible to participate in the Wisconsin Retirement System but are not state employees.

## Local and Federal Programs

While our audit focuses on state economic development programs, local governments and federal agencies also contribute significant resources to economic development activities in Wisconsin. Tax incremental financing (TIF) districts are an important source of funding for local economic development projects. One of the largest sources of federal revenue for both state and local economic development projects is the federal Community Development Block Grant (CDBG) program. In addition, Wisconsin has an economic development network of more than 650 organizations, including approximately 385 chambers of commerce, 142 economic development corporations, and 8 regional economic development groups.

Section 66.1105, Wis. Stats., authorizes municipal governments to establish TIF districts. Once an area is designated as a TIF district, a municipality can use a portion of property tax revenue to pay for infrastructure improvements, environmental remediation, real estate, and professional services in the district. A TIF district's goal is to increase the property values, and in turn, the tax base in the community. According to the Department of Revenue (DOR), 950 TIF districts were active throughout Wisconsin in 2010.

Seventeen federal agencies, including the federal departments of Commerce, Agriculture, Housing and Urban Development, and Treasury, administer more than 80 economic development programs identified in the Catalog of Federal Domestic Assistance. Many of these programs provided financial or technical assistance directly to Wisconsin businesses, local governments, and organizations from FY 2007-08 through FY 2010-11. For example, the federal CDBG program provides every state and certain local governments with funding from the Department of Housing and Urban Development for a wide range of public housing and economic development activities that are designed to benefit low- and moderate-income persons; meet an urgent local need that poses a threat to the health, safety, or welfare of a community; or prevent or eliminate slums or blight.

CDBG funds are distributed to state and local governments in two ways. Entitlement communities—which are the principal cities in each metropolitan statistical area as defined by the United States Census Bureau, metropolitan cities with populations of at least 50,000, or urban counties with populations of at least 200,000 excluding the population of the principal city—are eligible to receive CDBG funding directly from the federal government. In addition, a portion of each state’s CDBG allocation is provided to the state government to be used in non-entitlement communities. From federal fiscal year (FFY) 2007-08 through FFY 2010-11, 22 entitlement communities in Wisconsin, including 19 cities and 3 counties, received a total of \$149.5 million in CDBG funds. Another \$112.4 million was provided to Commerce for economic development, housing, and other programs.

■ ■ ■ ■





## Program Objectives and Services ■

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We categorized the 196 economic development programs administered by the eight state agencies at some point during the four-year period from FY 2007-08 through FY 2010-11 by the type of assistance they provided, their primary purpose, and eligible recipients. We found that many of the 196 programs had been eliminated or consolidated into other programs and, therefore, no longer existed in June 2011. In addition, we identified programs that were inactive during the entire four-year period.

### Overview of State Programs

***Grants or loans were provided by 95 of the 196 economic development programs we identified.***

As shown in Table 4, the 196 economic development programs we identified during the four-year period we reviewed can be categorized based on the primary type of assistance provided:

- 95 programs provided grants or loans, including 62 that provided only grants, 11 that provided only loans, and 22 that provided both grants and loans;
- 69 programs provided direct services, such as regulatory assistance, assistance developing new products or technologies, assistance related to exporting products, and community planning; and
- 32 programs provided other financial assistance, including 20 that provided tax credits, 7 that provided loan guarantees or loan subsidies, and 5 that authorized local governments to issue bonds on behalf of businesses.

Table 4

**Assistance Provided by Economic Development Programs  
FY 2007-08 through FY 2010-11**

	Programs Providing Grants and/or Loans	Programs Providing Direct Services	Programs Providing Other Financial Assistance <sup>1</sup>	Total
Commerce	67	22	23	112
DATCP	17	15	1	33
UW System	1	22	0	23
WHEDA	1	2	7	10
Tourism	3	6	0	9
DNR	4	0	0	4
DOT	1	1	1	3
WTCS	1	1	0	2
<b>Total</b>	<b>95</b>	<b>69</b>	<b>32</b>	<b>196</b>

<sup>1</sup> Includes tax credits, loan guarantees, loan subsidies, and bonding authorization.

***Businesses or individuals  
were eligible for 171 of  
the 196 programs.***

Programs can also be grouped according to the types of recipients eligible for assistance. Many of the 196 programs assisted multiple types of recipients. We found that:

- 171 programs, or 87.2 percent of the total, assisted businesses or individuals;
- 69 programs, or 35.2 percent, assisted nonprofits or other organizations, such as community development organizations; and
- 48 programs, or 24.5 percent, assisted local governments.

We also categorized the 196 programs according to the intended purpose stated in the programs' authorizing statutes or administrative rules, or in the administering agency's materials. Some programs had multiple purposes. As shown in Table 5:

- 93 programs provided business development and technical assistance, such as providing information and advice on the use of technology, business operations and management, and business planning, as well as helping businesses comply with government regulations;

- 74 programs provided assistance with capital investment and operations costs, such as helping businesses purchase or improve land, buildings, and equipment, and helping them to pay for supplies, employee wages, and other expenses; and
- 40 programs provided marketing and promotional assistance, such as by helping promote products, services, events, regions, and industries, as well as by helping develop new markets.

Table 5

**Purposes of Economic Development Programs  
FY 2007-08 through FY 2010-11**

Program Purpose	Number <sup>1</sup>	Percentage of Total Programs
Business Development and Technical Assistance	93	47.4%
Assistance with Capital Investment and Operations Costs	74	37.8
Marketing and Promotional Assistance	40	20.4
Community Economic Development Planning	16	8.2
Assistance with Training Business Employees	14	7.1
Assistance with Researching and Developing New Products, Processes, and Technologies	13	6.6
Environmental Assessment and Remediation	12	6.1
Venture Capital Funding	6	3.1

<sup>1</sup> Total does not equal 196 programs because some programs had multiple purposes.

**Businesses Targeted by  
Economic Development Programs**

Some economic development programs were designed to assist a specific type of business or to encourage a particular industry's growth. We reviewed statutory and other criteria and identified six types of businesses that received special consideration in the form of economic development program services or funding. As shown in Table 6, 48 programs targeted agricultural businesses, including farmers and organizations that assist them; 48 programs targeted small businesses; and 40 programs targeted early-stage businesses and entrepreneurs. Some businesses were eligible for assistance from programs in multiple categories.

Table 6

**Businesses Targeted by Economic Development Programs**  
FY 2007-08 through FY 2010-11

Type of Business	Number <sup>1</sup>	Percentage of Total Programs
Agricultural Businesses	48	24.5%
Small Businesses	48	24.5
Early-Stage Businesses and Entrepreneurs	40	20.4
Technology-Based Businesses	23	11.7
Minority- and Women-Owned Businesses	20	10.2
Manufacturing Businesses	20	10.2

<sup>1</sup> Total does not equal 196 programs because many programs targeted multiple types of businesses, and some did not target any specific type of business.

### **Programs for Agricultural Businesses**

***We identified  
48 programs that  
targeted agricultural  
businesses.***

DATCP administered 32 of the 48 programs that targeted agricultural businesses, such as the Special Agricultural Facilities Grants program. Subject to a 100.0 percent match from the recipient, the program provided a one-time grant of \$3.1 million to a dairy cooperative that constructed additional cheese-making facilities, as well as grants up to \$200,000 to businesses that manufactured cost-effective waste management technology for small farms and businesses that diversified their cheese-making capabilities. The \$3.1 million grant was the largest award made by a DATCP-administered program during the four-year period we reviewed.

UW System, WHEDA, and Commerce administered a total of 16 programs that targeted agricultural businesses. These programs included:

- UW-Madison's Wisconsin Center for Dairy Research, which provided cheese and dairy product manufacturers and food companies with technical assistance related to new product development, research assistance, and training.
- WHEDA's Credit Relief Outreach Program Guarantee, which provided loan guarantees to farmers to purchase services or consumables necessary to produce an agricultural commodity, such as fertilizer, seed, fuel, pesticides, tillage services, crop insurance, animal feed, or other

goods and services. The maximum guarantee was 90.0 percent of loans less than \$50,000 and 80.0 percent of loans between \$50,000 and \$100,000.

- Commerce's Dairy Manufacturing Facility Investment Credit programs, which provided tax credits of 10.0 percent of the amount that a business, individual, or cooperative spent in a tax year to modernize or expand a dairy manufacturing facility in Wisconsin. The maximum tax credit an entity could receive per facility location was \$200,000.

### **Programs for Small Businesses**

The definition of a small business varied among the economic development programs that we identified. For example, Commerce's Rural Economic Development Grants and Loans program considered a small business to have fewer than 50 employees, while its Technology Assistance Grant program considered a small business to have 100 employees or fewer.

***We identified 48 programs that provided assistance to small businesses.***

We identified 48 economic development programs that targeted small businesses and were administered by six state agencies. Commerce administered 30 of these programs, including the Business Development Assistance Center, which provided technical assistance to small businesses, provided information on government regulations and financing alternatives, and maintained a clearinghouse of information for small business creation, development, and licensing.

UW-Extension's Small Business Development Centers, located at 12 four-year UW System institutions, provided technical assistance to small businesses and entrepreneurs through one-on-one counseling and classes that focused on business planning and development. These centers belong to a national network of small business assistance centers and were funded by GPR, program revenue, and federal Small Business Administration funds.

### **Programs for Early-Stage Businesses and Entrepreneurs**

***We identified 40 programs that provided assistance to early-stage businesses and entrepreneurs.***

Programs for early-stage businesses and entrepreneurs focus on helping to start up or develop new business ventures. Commerce administered 30 of the 40 early-stage business and entrepreneur programs that we identified in our inventory, while UW System and DATCP administered the others.

One of the most visible programs for early-stage businesses and entrepreneurs was UW System's Wisconsin Entrepreneurs' Network, which was created by 2003 Wisconsin Act 255 and was a partnership between Commerce and UW-Extension. The Wisconsin Entrepreneurs' Network included four regional offices and more than 100 partner organizations that supported entrepreneurship. It assessed individual clients' needs and referred entrepreneurs and businesses to partner organizations for services; reviewed and provided advice on implementing business plans; helped entrepreneurs with patent, trademark, and copyright issues; helped entrepreneurs obtain federal grants for small businesses; and provided administrative support for peer-learning initiatives. It also administered several Commerce-funded grant programs for entrepreneurs, including the Early Planning Grants, Technology Assistance Grant, and Entrepreneurial Training Grants programs.

It should be noted that the State of Wisconsin Investment Board (SWIB) also provides equity financing for Wisconsin-based businesses through its venture capital initiative. We did not include this initiative in our inventory because its primary purpose is not economic development, but rather the effective management of the assets of the Wisconsin Retirement System, the State Investment Fund, and other trust funds. Nonetheless, SWIB's investment activity represents a significant source of capital for early-stage businesses in Wisconsin.

### **Programs for Technology-Based Businesses**

***We identified  
23 programs that  
provided assistance to  
technology-based  
businesses.***

In recent years, the State has implemented a number of programs to promote the development of technology-based businesses, including biotechnology and information technology companies that may attract research and investment dollars and create high-paying jobs. Our inventory includes 23 economic development programs that targeted technology-based businesses, including 17 programs administered by Commerce and 6 administered by UW System. For example:

- Commerce's Technology Matching Grants and Loans program provided grants and loans to small businesses and entrepreneurs that had received or were about to receive a federal grant for developing a technologically innovative process, product, or service. Funds could be used for professional services necessary to accelerate the commercialization of the process, product, or service. The maximum award was \$250,000, with a required match of 80 percent of project costs.

- The Wisconsin Innovation Service Center, located at UW-Whitewater and affiliated with the Small Business Development Center Network, provided technical assistance to businesses to improve profitability. It specialized in new product development and market assessments for innovative manufacturers, technology businesses, and independent inventors.
- UW-Madison's University Research Park, a nonprofit organization staffed by state employees, developed and leased land to firms interested in maintaining close contact with the university community and assisted start-up companies through its technology incubator, the Madison Gas and Electric Innovation Center. Revenues generated by University Research Park are returned to UW-Madison for employee salaries and administrative costs.

### **Programs for Minority- and Women-Owned Businesses**

To address barriers that minorities and women have historically faced, including a lack of access to capital, Wisconsin has economic development programs designed specifically for these groups. In general, a business that is at least 51.0 percent owned and operated by members of a minority group is considered a minority-owned business, while a business that is at least 51.0 percent owned and operated by women is considered a women-owned business. In some instances, such programs also serve veterans and individuals with disabilities.

***We identified 20 programs that provided assistance to minority- and women-owned businesses.***

Our inventory includes 20 economic development programs that targeted minority- and women-owned businesses, including 3 programs that targeted veterans and individuals with disabilities. Commerce administered 16 of these programs, while DOT and WHEDA each administered 2 programs. For example:

- Commerce provided grants to help fund operating costs of the Wisconsin Women's Business Initiative Corporation, which provided business education and technical assistance, promoted access to capital, and administered a federally funded microloan program for women and minority entrepreneurs.

- Commerce's Minority Business Development program, which was active during part of our four-year review period but was eliminated by 2009 Wisconsin Act 28, provided grants and loans to minority-owned businesses and individuals, nonprofit organizations, and local development organizations to help fund the costs of start-up and expansion projects. The program provided up to 75.0 percent of project costs or \$100,000 per recipient annually for fixed-asset financing, with up to an additional \$5,000 in working capital if the recipient was a nonprofit or financial institution.

In addition, DOT's federally mandated Disadvantaged Business Enterprise programs were intended to increase the participation in state transportation contracts of minority- and women-owned businesses that met certain economic criteria. DOT certified eligible businesses and provided technical assistance, loan guarantees, and other assistance in contracting with the State or subcontracting with a primary contractor. DOT reported that certified disadvantaged business enterprises were awarded approximately \$221 million in agency contracts from October 2008 through September 2010.

WHEDA provided financial assistance to businesses that were at least 50.0 percent owned or more than 50.0 percent controlled by minorities or women through its Linked Deposit Loan Subsidy program, which provided interest subsidies to minority- and women-owned businesses on loans made by private financial institutions. Funds could be used to purchase or improve land, buildings, machinery, and equipment in Wisconsin.

### **Programs for Manufacturing Businesses**

***We identified 20 programs that provided assistance to manufacturing businesses.***

Our inventory includes 20 economic development programs that targeted manufacturers, including 14 programs administered by Commerce, 3 administered by WHEDA, 2 administered by WTCS, and 1 administered by UW System.

From FY 2007-08 through FY 2010-11, the Wisconsin State Energy program awarded \$50.2 million in grants and loans, which was more than any other Commerce-administered economic development program. Created by 2009 Wisconsin Act 332, which was enacted in May 2010, the program provided federally funded grants and loans to manufacturers that, for example, improved their facilities' energy efficiency. Grants and loans could also be used to



create or retain jobs at facilities at which energy-efficient manufacturing practices have been implemented.

Commerce also helped fund the Wisconsin Manufacturing Extension Partnership and the Northwest Wisconsin Manufacturing Outreach Center, which were affiliated with a network of local, state, and federal organizations. Both organizations provided technical assistance to manufacturers on improving manufacturing processes and business practices, training programs and opportunities, and information technology. The partnership was supported by federal, state, and private funds.

The Advanced Manufacturing Solutions program, administered by WTCS, was a statewide partnership designed to stimulate growth and development in the manufacturing industry and to promote manufacturing careers in Wisconsin. Network contacts in four regions of the state helped manufacturers increase productivity and competitiveness through networking, improving technology skills, and processing assessments.

### **Programs at Post-Secondary Institutions**

UW System and WTCS provide a variety of economic development-related services to businesses, local governments, and other organizations, and they have the potential to generate new industries through the commercialization of discoveries and innovations at research centers and laboratories.

***We identified 25 programs administered by UW System and WTCS.***

Our inventory includes 23 economic development programs administered by UW System and 2 programs administered by WTCS. These programs included:

- UW-Madison's Office of Corporate Relations, which helped businesses identify applicable resources at the university; provided information to UW-Madison staff, students, and others on starting a business; and created awareness among businesses, entrepreneurs, and other organizations about UW-Madison's resources and expertise.
- WTCS's Workforce Advancement Training Grants program, which provided grants to technical college districts to upgrade the skills of Wisconsin businesses' employees. Grants financed training in specific skills such as welding and electronic assembly, and on general topics

such as quality improvement and occupational health and safety. In response to a complaint reported to our Fraud, Waste, and Mismanagement Hotline, we reported in February 2011 on WTCS's controls over the use of program funds. We found that WTCS had established and followed a competitive process to review grant applications from technical college districts, but we noted that districts were reimbursed for costs not actually incurred and that the districts had difficulty spending all available program funding.

Some UW System programs that help to develop Wisconsin's economy were excluded from our inventory because they focus primarily on academic research or teaching. In addition, programs with close ties to UW System were also excluded because they do not receive state funding. For example, the Wisconsin Alumni Research Foundation (WARF), which is an independent, nonprofit foundation chartered to support research at UW-Madison, is supported by royalties on patents through commercial licensing of UW-Madison inventions and technologies. WARF reports that since 1925 it has contributed \$1.24 billion to UW-Madison to fund research, programs, and initiatives. WARF also indicates that as of October 2011 it managed 800 pending patents and 1,300 issued patents on UW-Madison technologies and held equity in 37 companies that were created as a result of research that began at UW-Madison.

In report 06-9 we noted that economic development programs at UW System and WTCS were decentralized, often lacked a single point of contact to help the public identify available resources, and were not sufficiently coordinated in order to avoid duplication of efforts. We also noted that a lack of public awareness of UW System's and WTCS's efforts to improve Wisconsin's economy through education, business assistance, and community development could lead to lost opportunities for both the institutions and businesses seeking assistance. Our report recommended that UW System and WTCS designate an economic development liaison at each institution to coordinate with other state and local economic development efforts and publish on the Internet comprehensive directories of their economic development and business assistance programs.

During our current review, we found that WTCS's website now describes its economic development-related services, provides links to economic development information at each of its 16 technical college districts, and lists economic development contacts in each district.

In February 2007, UW System provided the Joint Legislative Audit Committee with a list of economic development liaisons and their contact information for each institution and reported that UW-Extension was creating an Economic Development Portal website that would present information about UW System's economic development programs and resources. As of January 2012, UW System's website contained information on some, but not all, of its economic development programs.

## Other Issues

### ***As of June 2011, 139 economic development programs existed.***

Although in report 06-9 we identified 152 economic development programs administered by the eight state agencies at some point during the four-year period from FY 2001-02 through FY 2004-05, only 143 of those programs existed as of June 2005, as shown in Table 7. Over the next six years, the Legislature, Governor, and agencies eliminated or consolidated 65 of these programs. However, 61 new programs were created, often by the Legislature and Governor. As a result, 139 economic development programs existed as of June 2011. Commerce administered approximately half of all the programs in both June 2005 and June 2011.

In report 06-9 we identified 23 economic development programs that were inactive during part or all of the four-year period we had reviewed. During our current audit, and as shown in Appendix 3, 35 programs were never active from FY 2007-08 through FY 2010-11, including 21 that were eliminated or consolidated into other programs and 14 that remained inactive as of June 2011. The 14 programs included:

- 10 administered by Commerce and eliminated in July 2011 when Commerce was abolished;
- 3 administered by DATCP; and
- 1 (the Woody Biomass Tax Credit program) that was transferred from Commerce to DATCP when Commerce was abolished.

A program may have been inactive for several reasons. For example, Commerce's Technology Transfer Grant and Loan program was created by 2009 Wisconsin Act 265 but was never funded and made no awards, and its Wisconsin Green to Gold Fund program was eliminated before it made any awards. Commerce's Small Business Ombudsman and Native American Liaison programs were inactive because both staff positions were vacant.

Table 7

**Economic Development Programs Administered by Eight State Agencies**

	Programs in June 2005 <sup>1</sup>	Eliminated or Consolidated Programs	New Programs <sup>2</sup>	Programs in June 2011
Commerce				
Grant and Loan Programs	51	33	16	34
Direct Services Programs	19	3	3	19
Tax Credit Programs	8	7	11	12
Bonding Programs	1	1	3	3
Subtotal	79	44	33	68
DATCP	23	11	14	26
UW System	22	6	5	21
WHEDA	8	2	2	8
Tourism	5	2	4	7
DNR	2	0	2	4
DOT	3	0	0	3
WTCS	1	0	1	2
<b>Total</b>	<b>143</b>	<b>65</b>	<b>61</b>	<b>139</b>

<sup>1</sup> Includes programs identified in report 06-9.

<sup>2</sup> Includes newly created programs and existing programs that were modified such that agencies considered them to be economic development programs.

In report 06-9 we noted that the large number of economic development programs administered from FY 2001-02 through FY 2004-05 could result in potential duplication of program services. While some duplication may be desirable to ensure that services are available statewide, and that some services such as small business planning assistance can be provided locally, program duplication may increase administrative costs, hinder the Legislature’s ability to assess program accomplishments and provide adequate oversight, and confuse those seeking assistance. We did not attempt to determine the extent to which the 139 programs that existed in June 2011 duplicated services because 2011 Wisconsin Act 32 eliminated most of Commerce’s economic development programs.

Finally, we note that the number of economic development programs administered by Commerce fluctuated considerably from FY 2007-08 through FY 2010-11. For example, seven programs that had targeted minority business development in FY 2007-08 were consolidated by 2007 Wisconsin Act 125 into the Minority Business Development program in April 2008. However, 2009 Wisconsin Act 28 subsequently eliminated this program in June 2009 and created the Forward Innovation Fund, which provided grants and loans to minority-owned businesses and other types of businesses. Consolidating, eliminating, and then creating similar programs likely made it more difficult for some businesses and individuals to understand and access the types of assistance that were available.

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## Financial Assistance Programs ■

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***Commerce and seven state agencies provided \$1.0 billion in economic development financial assistance over four years.***

During the four-year period from FY 2007-08 through FY 2010-11, Commerce and the other seven state agencies provided businesses, individuals, local governments, and other organizations throughout the state with economic development financial assistance, including awarding \$245.3 million in economic development grants and loans and guaranteeing or subsidizing \$74.9 million in loans. In addition, they authorized local governments to issue \$724.1 million in bonds from 2007 through 2010. This \$1.0 billion in financial assistance was a 105.9 percent increase from the \$485.7 million that we found had been provided during the four-year period from FY 2001-02 through FY 2004-05.

### Grants and Loans

To provide a more comprehensive picture of financial assistance provided through state-funded economic development programs, we analyzed all grants and loans awarded from FY 2007-08 through FY 2010-11, including:

- the number of programs that made awards and the amount awarded under each program;
- the geographic distribution of awards;
- the extent to which financial assistance was allocated based on several county-wide indicators of economic distress; and

- the amount of grants and loans provided for certain purposes and types of beneficiaries, such as small businesses and minority- and women-owned businesses.

We examined the amounts awarded, rather than actual project expenditures, because awards can be disbursed over several fiscal years. It should be noted that award amounts and expenditures may differ because a recipient may decline an award or may not use the entire amount awarded.

As shown in Table 8, the best available information indicates that seven state agencies awarded a total of \$245.3 million in economic development grants and loans from FY 2007-08 through FY 2010-11. This included \$228.2 million in discretionary awards, which state agencies awarded based on predetermined criteria or through competitive processes, and \$17.1 million that the Legislature and Governor directed Commerce to award to businesses, local governments, or other organizations. Commerce awarded more than three-quarters of all grants and loans. WHEDA did not award any grants or loans during our review period.

Table 8

**Economic Development Grants and Loans Awarded  
FY 2007-08 through FY 2010-11**

	Programs That Made Awards	Discretionary Awards	Directed Awards	Total Awarded	Percentage of Total Awarded
Commerce	36	\$171,152,400	\$17,090,300	\$188,242,700	76.8%
DNR	4	15,710,300	0	15,710,300	6.4
DOT	1	12,724,400	0	12,724,400	5.2
DATCP	11	11,886,800	0	11,886,800	4.8
WTCS	1	11,344,400	0	11,344,400	4.6
Tourism	3	5,337,400	0	5,337,400	2.2
UW System	1	14,700	0	14,700	<0.1
<b>Total</b>	<b>57</b>	<b>\$228,170,400</b>	<b>\$17,090,300</b>	<b>\$245,260,700</b>	<b>100.0%</b>

Directed awards were made through statutory requirements and non-statutory language. In some instances, they were made from existing appropriations, which reduced the amount of funding available for established programs. In other instances, the Legislature and Governor provided specific funding for these awards. Appendix 4 lists the 42 directed awards made from FY 2007-08 through FY 2010-11.



**Seven state agencies awarded 3,320 grants and 205 loans from FY 2007-08 through FY 2010-11.**

Excluding directed awards, seven state agencies awarded 3,320 grants totaling \$127.3 million and 205 loans totaling \$100.9 million during the four-year period, as shown in Table 9. Commerce awarded 55.7 percent of these grants and 99.4 percent of these loans. Appendix 5 lists the number of awards and amount awarded under each program.

Table 9

**Discretionary Economic Development Grants and Loans Awarded  
FY 2007-08 through FY 2010-11**

	Grants			Loans		
	Awards	Amount	Percentage	Awards	Amount	Percentage
Commerce	1,848	\$ 70,928,700	55.7%	200	\$100,223,700	99.4%
DNR	370	15,362,800	12.1	2	347,500	0.3
DOT	36	12,724,400	10.0	0	0	0.0
DATCP	300	11,585,600	9.1	3	301,200	0.3
WTCS	449	11,344,400	8.9	0	0	0.0
Tourism	309	5,337,400	4.2	0	0	0.0
UW System	8	14,700	<0.1	0	0	0.0
<b>Total</b>	<b>3,320</b>	<b>\$127,298,000</b>	<b>100.0%</b>	<b>205</b>	<b>\$100,872,400</b>	<b>100.0%</b>

The process for awarding discretionary grants and loans varied by state agency and by program. For example, individuals, businesses, local governments, and other organizations applying for financial assistance through many of the programs did so by submitting an application that described the proposed project and its expected economic development benefits, such as the number of new jobs to be created or the amount of private funding to be invested. Each application was reviewed by agency staff, and if the proposed project met applicable statutory or other criteria, the staff decided whether to approve a grant or loan and determined the appropriate award amount.

If an agency approved an award, 2007 Wisconsin Act 125 required it to execute a contract that specified the performance measures on which the recipient was required to report and the frequency and format of the reported information. For example, Commerce’s contracts typically specified job creation, employee retention, private investment or other funding sources, or other project goals, and they required recipients to submit annual or semiannual progress reports. Typically, when grant recipients reported having achieved project milestones, Commerce reimbursed them for allowable costs.

Although most programs restricted financial assistance to either grants or loans, some provided awarding agencies with flexibility to determine whether a grant or a loan was the more appropriate type of assistance for a particular project. The interest rates of economic development loans typically were more favorable than would be available from private financial institutions. For most programs, agencies were authorized to retain loan repayments as program revenue, which could be used to fund additional economic development projects.

***As of June 30, 2011,  
\$47.1 million of  
Commerce-made loans  
had not been repaid.***

We reviewed the status of 1,212 loans awarded by Commerce since 1991 and for which payment status data were available. As shown in Table 10, \$172.6 million of \$294.6 million in loans had been repaid as of June 30, 2011, while another \$74.8 million was not yet due. However, 362 loans worth \$47.1 million had not been repaid for a variety of reasons, including because Commerce had decided to allow the loan recipients to temporarily defer repayment while it decided whether to forgive the unpaid balances, because the recipients were in default, or because Commerce had either written off or had forgiven part or all of a loan. Under certain programs, Commerce could forgive a loan if the recipient met pre-established criteria. For example, some loans to help businesses commercialize new technologies or products required repayment only if the project was successful.

Table 10

**Status of Loans Awarded by Commerce<sup>1</sup>**  
As of June 30, 2011

	Amount	Percentage of Total
Repaid	\$172,648,400	58.6%
Not Yet Due	74,806,800	25.4
Other <sup>2</sup>	47,132,600	16.0
<b>Total</b>	<b>\$294,587,800</b>	<b>100.0%</b>

<sup>1</sup> Includes loans made since 1991.

<sup>2</sup> Includes amounts deferred, in default, forgiven, written off, referred to the Department of Justice for nonpayment or other reasons, or unpaid after a settlement.

**Locations of Projects Receiving Grants and Loans**

State agencies had considerable flexibility in choosing how most economic development funds were distributed, but a few programs restricted the location of projects. For example, statutes required that

projects funded by grants and loans from the Rural Economic Development program, which included seven Commerce-administered programs, be located in counties with fewer than 150 people per square mile or in municipalities with populations of 6,000 or less. Similarly, federal law restricted Commerce from providing CDBG awards to entitlement communities, which instead received direct funding from the federal government.

**Projects in Milwaukee and Dane counties received approximately one-fifth of grants and loans awarded from FY 2007-08 through FY 2010-11.**

We examined all discretionary grants and loans awarded from FY 2007-08 through FY 2010-11 to determine how funding was distributed across the state. Table 11 shows the ten counties in which the largest total amounts of grants and loans were awarded. Projects in Milwaukee and Dane counties received approximately 20 percent of all funds awarded. Funding provided to projects in Fond du Lac County was larger on a per capita basis than funding provided to projects in any of the other nine counties.

Table 11

**Counties in Which the Largest Total Amounts of Grants and Loans Were Awarded  
FY 2007-08 through FY 2010-11**

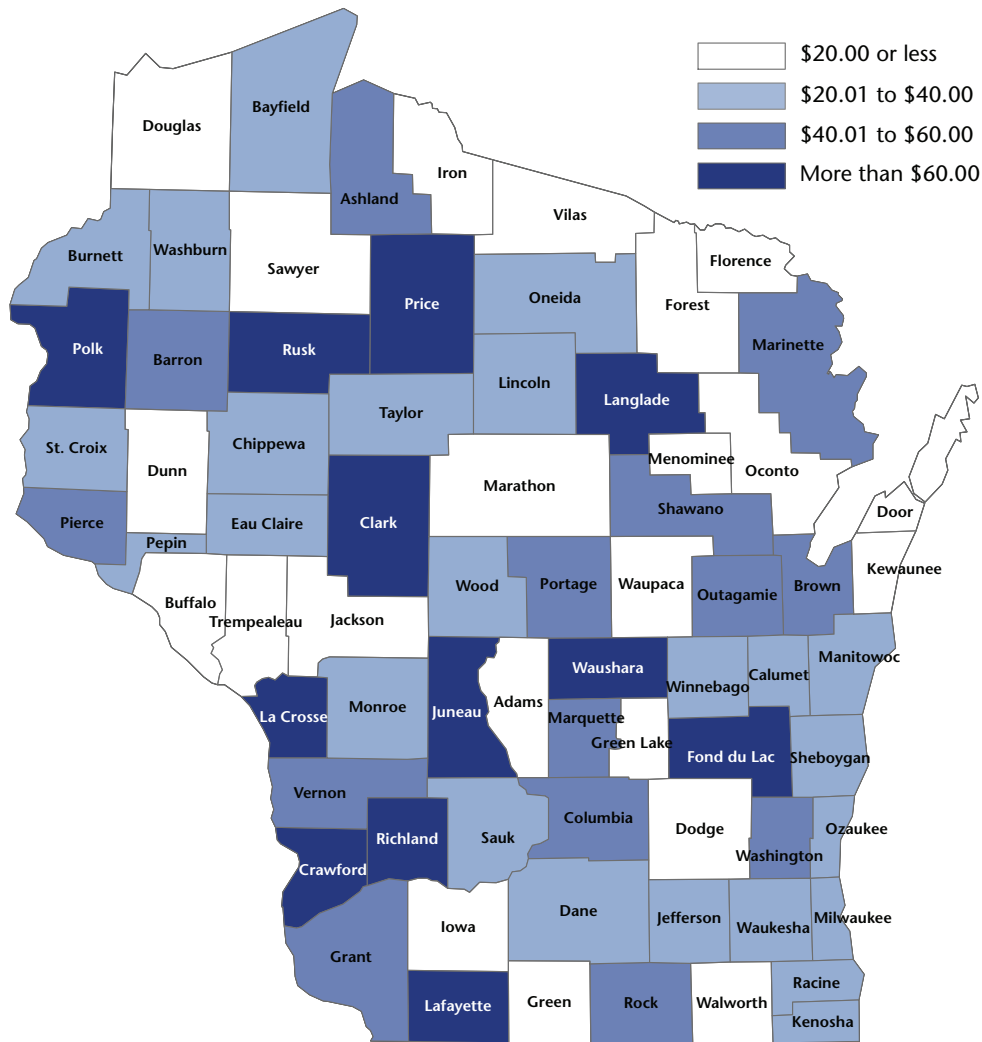
County	2009 Population	Total Awarded	Percentage	Amount Awarded per Capita
Milwaukee	959,500	\$ 28,275,500	12.4%	\$ 29.47
Dane	491,400	19,096,200	8.4	38.86
Fond du Lac	100,100	13,457,900	5.9	134.44
Brown	247,300	12,519,400	5.5	50.62
Waukesha	383,200	11,694,200	5.1	30.52
Outagamie	177,200	10,583,400	4.6	59.73
La Crosse	113,700	9,786,800	4.3	86.08
Rock	160,200	7,558,700	3.3	47.18
Kenosha	165,400	6,285,700	2.8	38.00
Washington	130,700	5,979,700	2.6	45.75
Subtotal	2,928,700	125,237,500	54.9	42.76
All Other Counties	2,726,100	95,658,000	41.9	35.09
No County Specified <sup>1</sup>	–	7,274,900	3.2	–
<b>Total</b>	<b>5,654,800</b>	<b>\$228,170,400</b>	<b>100.0%</b>	<b>40.35</b>

<sup>1</sup> Includes awards for which no county was indicated or for projects that benefitted multiple counties.

As shown in Figure 2, the statewide distribution of the total amounts of grants and loans awarded differed from the distribution of funding on a per capita basis. For example, total project funding was greater in Milwaukee County than in any other county. However, total funding provided to projects in Milwaukee County was \$29.47 per capita, which is \$10.88 less than the statewide average of \$40.35.

Figure 2

**Amounts of Grants and Loans Awarded per Capita**  
 FY 2007-08 through FY 2010-11



***Some Commerce-administered programs targeted economically distressed areas.***

Commerce was statutorily required to encourage the creation of jobs throughout the state but especially in economically depressed areas. Although most grant and loan programs did not limit awards to these areas, some Commerce-administered programs considered indicators of economic distress when making awards. For example, Commerce was required to consider economic distress when making awards under its community-based economic development programs, and statutes required that 35.0 percent of Wisconsin Development Fund program funding be awarded to economically distressed areas. Specific criteria differed by program, but economically distressed areas typically have:

- high unemployment rates;
- low per capita or household incomes;
- a large percentage of the population eligible for the Wisconsin Works (W-2) program;
- declining populations;
- declining property values; or
- recent announcements of layoffs.

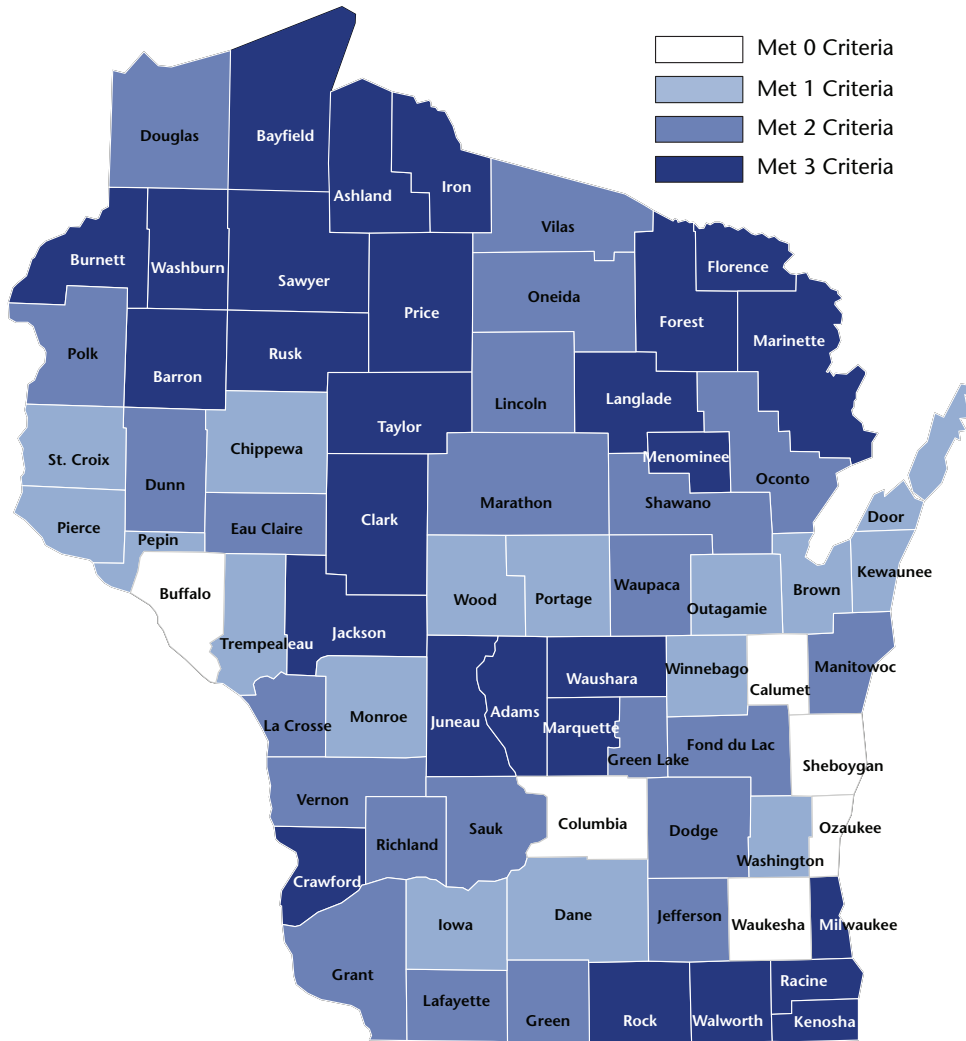
We calculated amounts awarded for projects in counties that met three generally accepted measures of economic distress in 2009, the most recent year for which data were available for all three at the time of our fieldwork:

- an unemployment rate greater than or equal to the statewide average of 8.7 percent;
- a poverty rate greater than or equal to the statewide average of 12.4 percent; and
- per capita personal income less than or equal to the statewide average of \$37,373.

As shown in Figure 3, 27 counties met all three criteria in 2009, while 6 counties met none. Because we evaluated economic distress on a county-wide basis, our analysis does not provide information about differences between municipalities within any given county.

Figure 3

Economically Distressed Counties  
2009



**Projects in 27 economically distressed counties received 32.3 percent of the grants and loans awarded during our review period.**

As shown in Table 12, projects in 27 economically distressed counties, which contained 35.4 percent of the state’s population in 2009, received 32.3 percent of economic development grants and loans from FY 2007-08 through FY 2010-11. In contrast, projects in the six counties that met none of the criteria for economic distress were awarded 10.0 percent of grants and loans and contained 12.3 percent of the population.

Table 12

**Awards for Projects in Economically Distressed Counties  
FY 2007-08 through FY 2010-11**

Level of Economic Distress in 2009	Counties	Grants and Loans Awarded	Percentage of Amount Awarded	Percentage of State Population <sup>1</sup>
Met Three Distress Criteria	27	\$ 73,599,700	32.3%	35.4%
Met Two Distress Criteria	23	58,009,800	25.3	22.4
Met One Distress Criteria	16	66,547,300	29.2	29.8
Met No Distress Criteria	6	22,738,700	10.0	12.3
Subtotal	72	220,895,500	96.8	100.0
No County Specified <sup>2</sup>	–	7,274,900	3.2	–
<b>Total</b>	<b>72</b>	<b>\$228,170,400</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> Based on 2009 population.

<sup>2</sup> Includes awards for which no county was indicated, or for projects that benefitted multiple counties.

**Recipients of Grants and Loans**

As noted, economic development grants and loans could be provided to businesses and individuals, local governments, and nonprofits or other organizations. Of the \$228.2 million in discretionary grants and loans awarded from FY 2007-08 through FY 2010-11, \$26.3 million, or 11.5 percent of the total, was awarded to counties or municipalities, while the remainder was awarded to businesses, individuals, and nonprofits or other organizations.

***A total of 63 businesses, local governments, and other organizations were each awarded \$1.0 million or more in financial assistance.***

The maximum amount of financial assistance that a state agency was allowed to award to a recipient varied by program. In some cases, this amount was specified in statutes, administrative rules, or an agency’s policies. Other programs did not have a limit. We found that 63 businesses, local governments, and other organizations were each awarded \$1.0 million or more in financial assistance from FY 2007-08 through FY 2010-11. Appendix 6 lists the amount awarded to each of these 63 entities. Directed awards and development zone and other economic development-related tax credits are included in the award amounts shown in the appendix to provide a more complete picture of the total assistance each entity received.

Table 13 shows the amounts awarded to the ten entities that received the most financial assistance from FY 2007-08 through FY 2010-11.

Table 13

**Entities Awarded the Most Financial Assistance<sup>1</sup>**  
 FY 2007-08 through FY 2010-11

	All Financial Assistance Awarded
Brunswick Corporation <sup>2</sup>	\$10,000,000
CenturyLink, Inc.	7,781,100
Flambeau River Papers, LLC	7,288,000
Flambeau River Biofuels, Inc.	5,006,000
Milwaukee Metropolitan Sewerage District	5,000,000
PE Productions, LLC	4,627,300
Venture Investors Early Stage Fund IV, L.P.	3,880,100
TecStar Manufacturing Company	3,750,000
Marquis Yachts, LLC	3,512,000
Richland Center Renewable Energy, LLC	3,500,000
<b>Total</b>	<b>\$54,344,500</b>

<sup>1</sup> Includes grants, loans, directed awards, and tax credits, but not loan guarantees.

<sup>2</sup> Mercury Marine, which is owned by Brunswick Corporation, was allocated but had not yet been awarded \$65.0 million in tax credits during our review period.

**Industrial Classification**

***Manufacturers were awarded 55.6 percent of the grants and loans Commerce made to businesses during our review period.***

While most state economic development programs did not limit assistance to specific industries, Commerce made it a priority to help industries that it considered particularly important to Wisconsin’s economy: dairy, food products and processing, paper, plastics, printing, small engine manufacturing, tourism, biotechnology, information technology, and medical devices. Commerce used the Census Bureau’s North American Industry Classification System to categorize the types of businesses that received financial assistance. Based on this information, manufacturing businesses were awarded \$84.6 million, or 55.6 percent of the \$152.3 million that Commerce awarded to businesses from FY 2007-08 through FY 2010-11, as shown in Table 14.

As shown in Table 15, the manufacturing classification includes a broad range of industries.



Table 14

**Industrial Classification of Businesses Awarded Grants and Loans from Commerce  
FY 2007-08 through FY 2010-11**

Industrial Classification <sup>1</sup>	Number of Awards <sup>2</sup>	Amount Awarded	Percentage of Total
Manufacturing	193	\$ 84,572,100	55.6%
Technology	98	14,916,100	9.8
Renewable Energy	32	14,381,000	9.4
Other Service Industries	110	13,793,700	9.1
Construction	18	7,028,500	4.6
Agriculture, Forestry, and Fishing	59	6,158,800	4.0
Health, Educational, and Social Services	19	3,799,800	2.5
Finance, Insurance, and Real Estate	17	3,410,000	2.2
Public Utilities and Infrastructure	11	2,885,500	1.9
Retail Trade	5	702,500	0.5
Transportation	2	629,100	0.4
Mining	2	10,000	<0.1
<b>Total</b>	<b>566</b>	<b>\$152,287,100</b>	<b>100.0%</b>

<sup>1</sup> Based on the Census Bureau's North American Industry Classification System.

<sup>2</sup> Excludes 86 awards totaling \$17.4 million that were provided to local governments and 1,396 awards totaling \$1.4 million that were funded by Commerce but administered by UW System's Wisconsin Entrepreneurs' Network.

Table 15

**Types of Manufacturers Awarded Grants and Loans by Commerce  
FY 2007-08 through FY 2010-11**

Type of Manufacturing <sup>1</sup>	Amount Awarded	Percentage
Energy	\$14,496,900	17.1%
Miscellaneous Manufacturing	11,715,500	13.9
Transportation Equipment	11,379,000	13.5
Rubber and Plastic Product	8,840,600	10.5
Food and Kindred Product	8,258,500	9.8
Metal Products	7,223,500	8.5
Machinery and Equipment	6,779,000	8.0
Dairy Products	6,535,000	7.7
Paper and Allied Product	3,318,100	3.9
Manufacturing	1,771,000	2.1
Lumber and Wood Products	1,394,600	1.6
Printing and Publishing	1,275,400	1.5
Electronic Equipment	878,700	1.0
Chemical and Allied Products	706,300	0.8
<b>Total</b>	<b>\$84,572,100</b>	<b>100.0%</b>

<sup>1</sup> Based on the Census Bureau's North American Industry Classification System.

## Other Types of Financial Assistance

In addition to providing grants and loans, state agencies assisted Wisconsin businesses by facilitating access to capital. Programs that authorized bonding and provided loan guarantees did not provide direct state funding, but they increased the amount of private capital available to help businesses expand or create new jobs.

### Bonding Authorization

Federal law authorizes states and local governments to issue tax-exempt bonds that can be used to finance economic development projects. Such bonds are an attractive source of capital for businesses because they typically have interest rates that are lower than conventional corporate bonds, and they are attractive to private investors because earned income is typically exempt from federal taxes.

From FY 2007-08 through FY 2010-11, Commerce administered four economic development programs that provided bonding authorization:

- Under the Industrial Revenue Bond program, counties and municipalities were approved by Commerce to issue bonds on behalf of specific businesses that used the proceeds to fund equipment and capital improvements at manufacturing facilities. The businesses were responsible for debt service on the bonds.
- The Midwestern Disaster Relief Bond program was created by the federal Heartland Disaster Tax Relief Act of 2008. The program authorized certain local governments and other public entities in 30 southern Wisconsin counties that were declared a federal disaster area in 2008 as a result of flooding and severe storms to issue bonds to businesses through December 2012. Bond proceeds could be used for eligible construction, renovation, or acquisition projects, including projects involving public utility property, qualified residential rental housing, and nonresidential property projects such as retail buildings and manufacturing facilities.
- The Recovery Zone Facility Bond program was created by the federal American Recovery and Reinvestment Act (ARRA) of 2009. The program authorized certain local governments and other public entities in 63 counties, as well as the cities of Milwaukee, Madison, and Green Bay, to issue bonds through December 2010. Businesses could use the bonds to fund depreciable capital projects.
- The Qualified Energy Conservation Bond program was created by the federal Energy Improvement and Extension Act of 2008. The program authorized state, local, and tribal governments to issue bonds to fund local government conservation projects, including those involving energy-efficiency capital expenditures and education, rural renewable energy production, research and development, and mass transit. Unlike Commerce's other three bonding programs, this program's bonds are federally taxable.

***From 2007 through 2010, Commerce authorized local governments to issue \$724.1 million in bonds.***

From 2007 through 2010, Commerce authorized local governments to issue \$724.1 million in bonds under the four programs, as shown in Table 16. Appendix 7 lists the 118 businesses that received proceeds from these bonds. Three businesses were each awarded two bonds.

Table 16

**Economic Development Bonds Authorized  
2007 through 2010**

Program	Number	Amount	Percentage
Industrial Revenue Bonds	68	\$352,630,400	48.6%
Midwestern Disaster Relief Bonds	36	248,776,000	34.4
Recovery Zone Facility Bonds	13	114,198,300	15.8
Qualified Energy Conservation Bonds	4	8,472,500	1.2
<b>Total</b>	<b>121</b>	<b>\$724,077,200</b>	<b>100.0%</b>

***From 2007 through 2010, 59.8 percent of Commerce-authorized bonding benefited businesses in ten counties.***

As shown in Table 17, 59.8 percent of bonding authorized by Commerce from 2007 through 2010 benefited businesses in ten counties. Statewide, at least 34 counties contained at least one project for which bonds were authorized.

Table 17

**Economic Development Bonds Authorized, by County  
2007 through 2010**

Project County	Number Authorized	Percentage of Total	Amount (in millions)	Percentage of Total
Milwaukee	19	15.7%	\$163.0	22.5%
Waukesha	13	10.7	66.1	9.1
Jefferson	2	1.7	41.7	5.8
Ozaukee	4	3.3	27.6	3.8
Dane	5	4.1	25.6	3.5
Sheboygan	6	5.0	23.9	3.3
Kenosha	4	3.3	23.7	3.3
Waupaca	2	1.7	21.4	3.0
Rock	1	0.8	21.2	2.9
Outagamie	5	4.1	19.0	2.6
Subtotal	61	50.4	433.2	59.8
All Other Counties	60	49.6	290.9	40.2
<b>Total</b>	<b>121</b>	<b>100.0%</b>	<b>\$724.1</b>	<b>100.0%</b>

## Loan Guarantees and Loan Subsidies

We identified six economic development programs that provided loan guarantees, under which a state agency guaranteed the principal payments on loans made by private financial institutions if the borrowers defaulted. We also identified one program under which a state agency provided funds to private financial institutions that then agreed to make loans to specified businesses at interest rates lower than would otherwise have been made.

WHEDA administered five loan guarantee programs, including:

- the Credit Relief Outreach Program Guarantee, which was a Wisconsin Development Reserve Fund program that aided farmers unable to access private financing at affordable rates;
- the Small Business Development Loan Guarantee program, which was a Wisconsin Development Reserve Fund program that provided small businesses with a lower interest rate, lower monthly payment, and more working capital than could be otherwise obtained;
- the Farm Asset Reinvestment Management Guarantee program, which was a Wisconsin Development Reserve Fund program that provided farmers with at least three years of farming experience with loan guarantees at lower interest rates than otherwise could be obtained;
- the Neighborhood Business Revitalization Guarantee program, which assisted developers that expanded or acquired small businesses, or that acquired commercial real estate, in communities of more than 35,000 people; and
- the Agribusiness Loan Guarantee program, which was a Wisconsin Development Reserve Fund program that helped businesses in communities with fewer than 50,000 people to improve the quality or efficiency of agricultural production.

DOT administered the Mobilization Loan Guarantee program, which was authorized by s. 85.25, Wis. Stats. The program helped minority-, women-, and disabled veteran-owned businesses that had been awarded transportation contracts to obtain the working capital that the businesses needed to complete the projects.

WHEDA also administered the Linked Deposit Loan Subsidy program. As noted, this program provided interest subsidies to minority- and women-owned businesses that received loans from private financial institutions. The loans could be used to purchase or improve land, buildings, machinery, and equipment.

**WHEDA and DOT guaranteed or subsidized \$74.9 million in loans during our review period.**

As shown in Table 18, WHEDA guaranteed or subsidized 1,301 loans worth \$74.2 million from FY 2007-08 through FY 2010-11, while DOT guaranteed 13 loans worth \$694,500 during the same period.

Table 18

**Economic Development Loan Guarantee and Loan Subsidy Programs  
FY 2007-08 through FY 2010-11**

	Loans	Principal Amount Guaranteed or Loan Subsidy Amount
<b>WHEDA Programs</b>		
Credit Relief Outreach Program Guarantee <sup>1</sup>	1,081	\$50,266,600
Small Business Development Loan Guarantee <sup>1</sup>	101	9,689,600
Farm Asset Reinvestment Management Guarantee <sup>1</sup>	79	6,471,700
Neighborhood Business Revitalization Guarantee	14	5,624,000
Linked Deposit Loan Subsidy <sup>2</sup>	23	1,308,300
Agribusiness Loan Guarantee <sup>1</sup>	3	873,400
Subtotal	1,301	74,233,600
DOT Mobilization Loan Guarantee Program	13	694,500
<b>Total</b>	<b>1,314</b>	<b>\$74,928,100</b>

<sup>1</sup> Funded by the Wisconsin Development Reserve Fund.

<sup>2</sup> Provided interest subsidies on loans made by private financial institutions to certain businesses.

To determine whether WHEDA followed its policies for administering the loan guarantee programs, we reviewed its documentation for all six loan guarantees that it made for more than \$500,000 from FY 2007-08 through FY 2010-11. Although WHEDA followed program policies for four of the loan guarantees, it did not do so for two loan guarantees made to one business through the Neighborhood Business Revitalization Guarantee program. Program policies specified that the maximum loan guarantee could be 75.0 percent of the loan amount, up to a \$750,000 loan guarantee. We found that both loan guarantees were 80.0 percent of the loan amounts, and one loan guarantee was for \$1.3 million. Further,

although program policies specified that a recipient's annual revenues must be less than \$5.0 million, the annual revenues of the business exceeded \$81.0 million in 2009. Documentation in WHEDA's files indicated that the two loan guarantees were made in order to allow the business to address building safety, health, and other concerns that the business indicated could result in the loss of 300 jobs if left unresolved. WHEDA also indicated in its files that because the loan guarantees were funded from its own general fund, it had the flexibility to act as it did.

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## Tax Incentives for Economic Development ■

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***In 2007 and 2008, businesses and individuals claimed \$42.0 million in tax credits from economic development programs.***

Since we released report 06-9, the Legislature and Governor eliminated 7 programs that provided tax incentives for economic development, but created 12 new programs. Under tax incentive programs, a state agency allocates tax credits to businesses and individuals who contractually agreed to complete projects. After the agency verifies the projects have been completed, it awards the tax credits. The businesses or individuals then have a specified number of years to claim the awarded tax credits against their income taxes. In 2007 and 2008, the most recent years for which this information was available, businesses and individuals claimed \$42.0 million in tax credits from:

- development zone programs, which were intended to encourage economic development in specific geographic areas through targeted income tax credits to businesses;
- early-stage investment tax credit programs, which were intended to increase funding for new businesses; and
- other tax credit programs, which were available to businesses throughout the state but were typically targeted to specific types of industries or particular outcomes.

## Development Zone Programs

To participate in a development zone program, a business either provided Commerce with a plan to locate or expand within an existing zone, or it requested a new zone designation at its current or intended location. The business submitted an application to Commerce that explained the proposed project and the expected benefits, such as creating or retaining jobs or making capital investments. If Commerce approved the application, it executed a contract with the business and allocated a given amount of tax credits to the business. This allocation represented the maximum amount of tax credits that could be awarded if the business successfully completed its project according to the terms of its contract. After the project's completion, Commerce verified that the contractually specified provisions were met, awarded the tax credits to the business, and authorized the business to claim the tax credits against its income taxes.

In report 06-9 we noted that statutes allowed for the designation of up to 135 development zones under the five development zone programs that existed at that time. We also noted that the criteria for determining the geographic boundaries of some types of development zones were not stated in statutes or administrative rules, and that the criteria for designating some types of zones were inconsistent between statutes and rules. As a result, although these programs were intended to provide targeted tax benefits to specific geographic locations, 49 counties were designated in two zones or more. We also noted that program effectiveness was difficult to assess because neither statutes nor Commerce had established criteria by which individual zones could be evaluated.

***Commerce administered seven development zone programs, five of which were eliminated in 2009.***

Commerce administered seven development zone programs at some point during the period from 2007 through 2010. In 2009, the Legislature and Governor eliminated five of these programs:

- Enterprise Development Zones, which Commerce designated in order to encourage the remediation of contaminated properties;
- Technology Zones, which Commerce designated in order to attract high-technology businesses;
- Community Development Zones, which Commerce designated in order to expand or establish businesses in economically distressed areas;

- Agricultural Development Zones, which Commerce designated in order to attract agricultural businesses; and
- Airport Development Zones, which Commerce designated in municipalities that intended to construct or expand an airport.

Two development zone programs still exist. As of June 2011:

- Commerce was statutorily authorized to designate up to 20 Enterprise Zones. Commerce awarded tax credits to businesses based on wages paid, jobs created or retained, employee training costs, significant capital expenditures, and purchases or services from Wisconsin suppliers. Commerce designated nine such zones as of June 2011.
- Commerce was statutorily authorized to award up to \$10.0 million in tax credits to businesses that located or expanded in the two statutorily designated Development Opportunity Zones in Janesville and Kenosha.

Tax credits under six of the seven development zone programs are nonrefundable, meaning they can be claimed only up to the amount of a business's tax liability during a given year. Unclaimed credits can be carried forward for up to 15 years before they expire, but some businesses never claim the credits, either because their income tax liability is relatively small or because they cease operations or are sold. In contrast, the Enterprise Zone program's tax credits are refundable, meaning that if a business's tax credit exceeds its tax liability, the business receives a payment from DOR for the difference.

As shown in Table 19, from 2007 through 2010 Commerce allocated \$329.7 million in tax credits and awarded \$21.4 million in tax credits under the seven development zone programs. Businesses awarded tax credits under the eliminated programs can continue to claim them until the tax credits expire.

Table 19

**Development Zone Tax Credits, by Program**  
2007 through 2010

	Allocated	Awarded	Businesses Awarded Credits
<b>Current Programs</b>			
Enterprise Zones	\$264,800,000	\$ 1,333,000	1
Development Opportunity Zones	2,387,000	181,400	2
Subtotal	267,187,000	1,514,400	3
<b>Eliminated Programs</b>			
Enterprise Development Zones	50,942,200	14,508,200	37
Technology Zones	8,341,500	4,096,000	34
Community Development Zones	2,487,000	1,204,800	8
Agricultural Development Zones	762,200	85,700	2
Airport Development Zones	0	0	0
Subtotal	62,532,900	19,894,700	81
<b>Total</b>	<b>\$329,719,900</b>	<b>\$21,409,100</b>	<b>84</b>

**Commerce allocated  
\$201.0 million in  
Enterprise Zones program  
tax credits to five businesses.**

We examined the Enterprise Zones program in greater detail because of the considerable amount of tax credits allocated under it. Commerce allocated \$201.0 million, or approximately 75.9 percent of all \$264.8 million allocated under the program from 2007 through 2010, to five businesses, none of which had been awarded credits under the program as of June 2011:

- Mercury Marine was allocated \$65.0 million to make capital investments, create and retain jobs, and train employees;
- Quad/Graphics, Inc., was allocated \$46.0 million to create and retain jobs;
- Oshkosh Corporation was allocated \$35.0 million to make capital investments;
- W Solar Group, Inc., was allocated \$28.0 million to make capital investments, create and retain jobs, and train employees; and

- Republic Airways was allocated \$27.0 million to make capital investments and create and retain jobs.

As shown in Table 20, projects in ten counties were awarded 81.3 percent of the tax credits from the seven development zone programs from 2007 through 2010.

Table 20  
**Development Zone Tax Credits Awarded, by County**  
 2007 through 2010

County	Awarded	Percentage of Total
Milwaukee	\$ 4,052,200	18.9%
Outagamie	2,635,400	12.3
Sheboygan	2,472,800	11.6
La Crosse	2,042,000	9.5
Kenosha	1,716,400	8.0
Dane	1,214,200	5.7
Eau Claire	938,500	4.4
Waukesha	791,400	3.7
Winnebago	775,700	3.6
Dodge	775,000	3.6
Subtotal	17,413,600	81.3
Other Counties	3,995,500	18.7
<b>Total</b>	<b>\$21,409,100</b>	<b>100.0%</b>

***In 2007 and 2008, businesses claimed \$18.8 million in tax credits under development zone programs.***

Section 16.425(3), Wis. Stats., requires DOR to report to the Department of Administration every two years and describe the foregone revenue and effectiveness of all state tax incentives, including tax credits available in development zones. As shown in Table 21, DOR reported that businesses claimed \$18.8 million in income tax credits from all development zone activities from 2007 through 2008, the most recent years for which data were available during our review period. As noted, businesses may claim development zone tax credits for up to 15 years after they were awarded.

Table 21

## Foregone State Revenue from Development Zone Tax Credits Claimed

Tax Year	Amount
2007	\$11,292,800
2008	7,547,500
<b>Total</b>	<b>\$18,840,300</b>

### Early-Stage Investment Programs

A commonly cited reason for the failure of new businesses is that they do not have the necessary size, assets, or operating histories to obtain financing from banks and other traditional sources. As shown in Table 22, venture capital investment in new Wisconsin businesses varied considerably from 2002 through 2011. However, annual venture capital investments in Wisconsin generally totaled 0.3 percent or less of the nation's total during this ten-year period.

Table 22

### Venture Capital Investment in Wisconsin (in millions)

Year	Wisconsin	National Total <sup>1</sup>	Wisconsin as a Percentage of the National Total
2002	\$ 48.0	\$20,849.8	0.2%
2003	37.4	18,613.8	0.2
2004	55.4	22,355.3	0.2
2005	66.8	22,945.7	0.3
2006	70.1	26,594.2	0.3
2007	78.6	30,826.3	0.3
2008	63.6	30,545.5	0.2
2009	23.9	19,745.8	0.1
2010	120.0	23,263.3	0.5
2011	72.0	28,425.1	0.3

<sup>1</sup> Includes Puerto Rico and the District of Columbia.

Source: PricewaterhouseCoopers 2011 Money Tree Survey.

***Commerce administered three tax credit programs to increase venture capital funding for new businesses.***

From FY 2007-08 through FY 2010-11, Commerce administered three tax credit programs to increase venture capital funding for new businesses:

- the Angel Investment Tax Credit program;
- the Early Stage Seed Investment Tax Credit program; and
- the Certified Capital Companies (CAPCO) program.

The Angel Investment Tax Credit and Early Stage Seed Investment Tax Credit programs were created by 2003 Wisconsin Act 255 and began awarding income tax credits in 2005. The credits were available to individual investors and venture capital funds that were accredited by Commerce to invest in qualified new business ventures. Commerce required these qualified new business ventures to:

- be headquartered in Wisconsin;
- employ at least 51.0 percent of their employees in Wisconsin;
- employ fewer than 100 individuals when certified;
- have been in operation in Wisconsin for less than ten consecutive years when certified;
- not have received more than \$10.0 million in private equity investments when certified;
- be engaged in manufacturing, agriculture, processing or assembling products, or researching and developing new products or processes; and
- not be engaged in real estate development, insurance, banking, lending, lobbying, political consulting, legal services, accounting, business consulting, medical services, health care consulting, wholesale or retail trade, leisure, hospitality, transportation, or construction.

The angel investment tax credit was available to certain individuals and groups that provided start-up financing to qualified new business ventures that were in their earliest stages of formation and were otherwise unable to secure venture capital. Commerce

required an investor to maintain the investment in a qualified new business venture for at least three years, or else the investor’s tax credits could be revoked. The early-stage seed investment tax credit was available to individuals or businesses that invested in qualified new business ventures through a Commerce-certified venture fund manager, who was required to maintain an investment for at least three years and who distributed tax credits to investors. Both types of tax credits were nonrefundable. Table 23 compares the programs’ main features.

Table 23  
**Comparison of Angel Investment and Early Stage Seed Investment Tax Credit Programs**  
 As of June 2011

	Angel Investment	Early Stage Seed Investment
Total Tax Credits Available	\$47.5 million	Unlimited
Total Tax Credits Available Annually	\$20.0 million <sup>1</sup>	\$20.5 million <sup>1</sup>
Maximum Investment in Each Qualified New Business Venture	\$8.0 million	\$8.0 million
Maximum Percentage of Investment Eligible for Tax Credits	25.0 percent	25.0 percent

<sup>1</sup> Excludes an additional \$250,000 that could be awarded for investments in certain technology-related businesses.

***From 2007 through 2008, \$6.2 million in tax credits were claimed under the Angel Investment and Early Stage Seed Investment tax credit programs.***

We found that from 2007 through 2010:

- 754 individuals and groups that invested \$59.9 million in 79 qualified new business ventures were awarded \$15.0 million in angel investment tax credits. DOR, which maintains data on the amounts claimed by individuals on their income taxes, reported that these investors claimed \$2.6 million in tax credits from 2007 through 2008, the most recent years for which data were available during our review period.
- 24 individuals and businesses that invested \$50.2 million in 32 qualified new business ventures were awarded \$12.6 million in early stage seed investment tax credits. DOR reported that these investors claimed \$3.6 million in tax credits from 2007 through 2008.



Each March, Commerce required qualified new business ventures to report on the number of full- and part-time jobs they had created in the prior calendar year. We reviewed the submissions of 52 businesses that Commerce required to report in 2009 and 2010 and found that:

- 20 businesses reported having created a total of 106 full-time jobs from 2009 to 2010;
- 20 businesses reported having lost a total of 50 full-time jobs from 2009 to 2010; and
- 12 businesses reported having neither created nor lost any jobs from 2009 to 2010.

The median wages and fringe benefits for the full-time jobs created in 2009 was \$90,400, while it was \$100,300 in 2010. We note that 44 firms reported on part-time jobs, including 12 firms that lost a total of 45.5 part-time jobs and 9 firms that created a total of 16 part-time jobs.

### **Certified Capital Companies (CAPCO) Program**

The CAPCO program was created by 1997 Wisconsin Act 215 to encourage venture capital investment in Wisconsin businesses. It reduced the tax liability of insurance companies, which were taxed based on premiums collected from Wisconsin policyholders, when they invested in venture capital firms certified by Commerce. In turn, the certified venture capital firms, which are known as CAPCOs, were required to invest a portion of the insurance company funds in Wisconsin businesses qualified by Commerce. The program was intended to generate new tax revenue through increased business activity that would exceed the amount of foregone revenue resulting from the tax credits.

***From 2007 through 2008,  
\$9.9 million in tax credits  
were claimed under the  
CAPCO program.***

In 1999, Commerce certified three CAPCOs—Advantage Capital Wisconsin Partners I, LP; Banc One Stonehenge Capital Fund Wisconsin, LLC; and Wilshire Investors, LLC—and awarded \$50.0 million in tax credits to 33 insurance companies. These tax credits allowed the insurance companies to provide \$16.7 million in investment funds to each of the three CAPCOs. Each insurance company was able to claim up to 10.0 percent of its tax credits annually for a ten-year period ending in 2008. The companies claimed all \$50.0 million in tax credits, including a total of \$9.9 million in 2007 and 2008.

Each CAPCO was statutorily required to invest at least 50.0 percent of its \$16.7 million in investment funds from insurance companies into qualified businesses during the program's first five years. Neither statutes nor Commerce's administrative rules required additional investments after the first five years, and CAPCOs were not limited on the amount they could spend on management expenses and debt payments.

As of January 2010, Commerce reported that the three CAPCOs had invested \$42.0 million of the \$50.0 million provided by the insurance companies in 30 businesses that created 1,388 jobs in Wisconsin. Although two of the three CAPCOs invested all of their investment funds, Wilshire Investors invested 51.8 percent.

Table 24

**CAPCO Investments<sup>1</sup>**  
As of January 2010

CAPCO	Investment (in millions)	Businesses <sup>2</sup>	Jobs Created in Wisconsin
Advantage Capital Wisconsin Partners I	\$16.7	11	624
Banc One Stonehenge Capital Fund Wisconsin	16.7	17	632
Wilshire Investors	8.6	5	132
<b>Total</b>	<b>\$42.0</b>	<b>30</b>	<b>1,388</b>

<sup>1</sup> As reported by Commerce.

<sup>2</sup> Three businesses received investments from multiple CAPCOs.

Those who supported the CAPCO program believe it generated necessary funding for businesses that historically lacked access to private venture capital. In contrast, program critics raised a number of concerns, including that the State incurred all of the investment risk and was never intended to be repaid its \$50.0 million investment.

## Other Tax Credit Programs

***In recent years, the Legislature and Governor created ten new programs that provided tax credits to businesses.***

Ten economic development programs provided tax credits to businesses located anywhere in the state, including eight programs that targeted businesses in specific industries and two programs that were available to any business that created or retained jobs. Through June 2011, nine of the ten programs were administered by Commerce, and one was administered by DATCP.

## Tax Credit Programs for Targeted Businesses

The eight tax credit programs that targeted businesses in specific industries included:

- the Film Tax Credit program, which provided businesses with credits for employee wages, personal property and real estate acquisition, sales and use tax paid, and other expenses associated with producing films in Wisconsin;
- the Dairy Manufacturing Facility Investment Credit for Non-Cooperatives program, which provided businesses with credits for costs associated with modernizing or expanding dairy manufacturing facilities;
- the Broadband Tax Credit and Exemption program, which provided businesses with credits for sales and use tax paid to purchase equipment for increasing the availability of high-speed Internet connections in Wisconsin;
- the Dairy Manufacturing Facility Investment Credit for Cooperatives program, which provided credits to dairy cooperatives that modernized or expanded their facilities;
- the Food Processing Plant and Food Warehouse Investment Credit program, which provided credits to businesses that modernized or expanded food processing or food warehousing facilities;
- the Meat Processing Facility Investment Credit program, which provided credits to businesses that modernized or expanded meat processing facilities;
- the Beginning Farmer and Farm Asset Owner Tax Credit program, which was a DATCP program that provided credits for the machinery and facility costs of established farmers who agreed to assist beginning farmers, who also received a credit for costs associated with taking a farm management course; and

- the Woody Biomass Tax Credit program, which was inactive during our entire four-year review period but was intended to provide credits to businesses that purchased equipment for harvesting and processing trees into fuel or fuel components.

As shown in Table 25, \$13.3 million in tax credits were awarded to businesses under the seven programs active from 2007 through 2010. Although credits were allocated under the Beginning Farmer and Farm Asset Owner Tax Credit program during this four-year period, no credits were awarded until 2011.

Table 25

**Tax Credits Awarded, by Program**  
2007 through 2010

	Amount Awarded (in millions)	Businesses Awarded Credits <sup>1</sup>
Film Tax Credit	\$ 5.8	16
Dairy Manufacturing Facility Investment Credit for Non-Cooperatives	2.7	73
Broadband Tax Credit and Exemption	1.5	2
Dairy Manufacturing Facility Investment Credit for Cooperatives	1.3	8
Food Processing Plant and Food Warehouse Investment Credit	1.0	44
Meat Processing Facility Investment Credit	1.0	42
Beginning Farmer and Farm Asset Owner Tax Credit	0.0	0
<b>Total</b>	<b>\$13.3</b>	

<sup>1</sup> Businesses could have been awarded tax credits under multiple programs.

***In 2007 and 2008, businesses claimed \$7.1 million in tax credits under three programs that targeted businesses in specific industries.***

Only three of the seven programs allowed businesses to claim tax credits in 2007 and 2008. DOR reported that businesses claimed a total of \$7.1 million in tax credits, including:

- \$5.0 million under the Film Tax Credit program;
- \$1.5 million under the Dairy Manufacturing Facility Investment Credit for Non-Cooperatives program; and
- \$0.6 million under the Broadband Tax Credit and Exemption program.

2011 Wisconsin Act 32 transferred administration of seven targeted business tax credit programs from Commerce to other state agencies. As of July 2011, Tourism administered the Film Tax Credit program, while DATCP administered the Woody Biomass Tax Credit program, the Beginning Farmer and Farm Asset Owner Tax Credit program, the two dairy tax credit programs, and the meat and food processing tax credit programs. The Broadband Tax Credit and Exemption program was intended to allocate tax credits only during the 2007-09 biennium.

### **Tax Credit Programs for All Businesses**

In 2009, the Legislature and Governor created two tax credit programs for businesses that retained and created jobs. Under the Economic Development Tax Credit program, a business was required to submit an application to Commerce that indicated the types of projects it would complete, including job creation or retention, capital investment, employee training, or relocation to or retention of a corporate headquarters in Wisconsin. If Commerce approved an application, it contractually specified the amount of nonrefundable tax credits the business could obtain if it completed the activities. For example, a tax credit varied from \$3,000 to \$7,000 per job created, based in part on the wages paid. Unclaimed tax credits can be carried forward for up to 15 years to offset future tax liabilities. However, if a business failed to maintain for at least five years a job that was created, retained, or trained, administrative rules allowed Commerce to, for example, withhold tax credits or retain credits that had already been awarded. Because the program was new, Commerce did not take such actions through June 2011.

Under the Jobs Tax Credit program, businesses or individuals could earn a refundable tax credit based on the wages paid to employees in newly created full-time positions. However, if a job was not maintained for the contractually specified number of years, statutes indicated that Commerce had the discretion to require the business or individual to return the tax credits. Because the program was new, Commerce did not take such actions through June 2011.

As shown in Table 26, Commerce allocated \$47.2 million and awarded \$7.1 million in tax credits under the Economic Development Tax Credit and Jobs Tax Credit programs from 2009 through 2010.

As shown in Table 27, Commerce awarded businesses in ten counties \$5.7 million of the \$6.6 million awarded under the Economic Development Tax Credit program from 2009 through 2010.

Table 26

**Tax Credits Awarded  
2009 through 2010**

Programs	Amount Allocated	Amount Awarded	Businesses Awarded Credits
Economic Development Tax Credit	\$29,890,100	\$6,619,500	48
Jobs Tax Credit <sup>1</sup>	17,309,000	450,000	1
<b>Total</b>	<b>\$47,199,100</b>	<b>\$7,069,500</b>	<b>49</b>

<sup>1</sup> No tax credits were allocated or awarded until 2010.

Table 27

**Tax Credits Awarded to Businesses Under the  
Economic Development Tax Credit Program, by County  
2009 through 2010**

County	Amount Awarded	Percentage of Total
La Crosse	\$1,675,200	25.3%
Waukesha	910,800	13.8
Pierce	696,400	10.5
Brown	611,400	9.2
Milwaukee	484,800	7.3
Winnebago	344,100	5.2
Dane	309,500	4.7
Marinette	253,400	3.8
Waupaca	233,400	3.5
Jefferson	196,300	3.0
Subtotal	5,715,300	86.3
Other Counties	904,200	13.7
<b>Total</b>	<b>\$6,619,500</b>	<b>100.0%</b>

Information on the amount of tax credits claimed under the Economic Development Tax Credit and Jobs Tax Credit programs was unavailable from DOR at the time of our audit.

## Program Results and Accountability ■

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In response to report 06-9, 2007 Wisconsin Act 125 required the eight state agencies to measure the effectiveness of economic development programs and report publicly on program results. We evaluated agency compliance with the requirements of Act 125 and identified concerns with the completeness of information that the eight agencies tracked and reported. While we conducted our fieldwork, Commerce was abolished and WEDC became the State's lead economic development organization. Because the seven agencies continue to administer their own economic development programs, purposeful coordination between WEDC and these agencies is necessary. We provide recommendations that could improve program effectiveness and accountability.

### Evaluating Program Results

***Agencies must develop goals and accountability measures for each economic development program.***

2007 Wisconsin Act 125 required Commerce and continues to require the other seven agencies to develop goals and accountability measures for each economic development program that they administer. Each agency must:

- establish clear and measurable goals tied to a program's statutory policy objectives;
- establish at least one quantifiable benchmark for each goal;

- use the goals and quantifiable benchmarks to establish a method for evaluating projected results and actual outcomes; and
- require each recipient of a grant or loan to report to the agency, which was required to contractually specify the frequency, format, and performance measures to be included in the report.

**Commerce provided information on the results of less than 75.0 percent of the programs it administered from FY 2009-10 through FY 2010-11.**

Although 196 economic development programs were administered by the eight state agencies at some point during the four-year period from FY 2007-08 through FY 2010-11, we assessed the results of the 123 programs that were active at some point from FY 2009-10 through FY 2010-11. We asked the eight state agencies to provide us with any information they maintained on program results, such as the number of jobs that were created or retained as a result of awards made. As shown in Table 28, the eight state agencies provided us with information on the results of 101 of the 123 programs that were active at some point from FY 2009-10 through FY 2010-11. Because Commerce did not track the results of some programs that provided direct services, it provided information on less than 75.0 percent of the programs it administered.

Table 28

**Programs for Which State Agencies Provided Information on Results  
FY 2009-10 through FY 2010-11**

	Total Active Programs	Programs for Which Agencies Provided Information on Results	Percentage
DNR	4	4	100.0%
DOT	3	3	100.0
WTCS	2	2	100.0
UW System	22	22	100.0
DATCP	22	19	86.4
Tourism	7	6	85.7
Commerce	55	40	72.7
WHEDA	8	5	62.5
<b>Total</b>	<b>123</b>	<b>101</b>	<b>82.1</b>



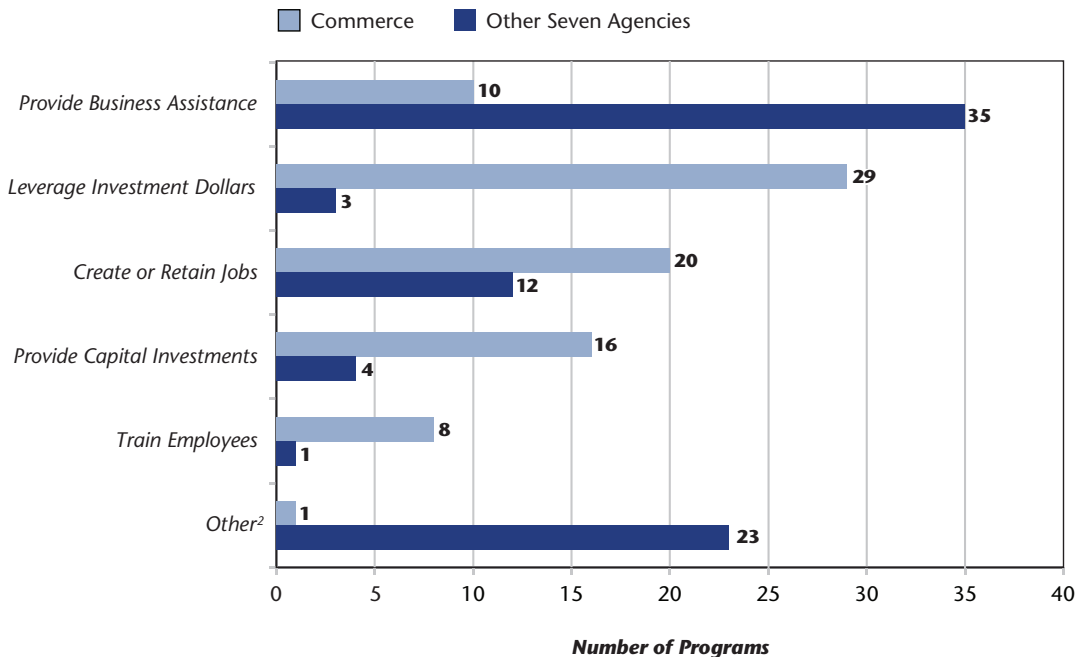
Because the economic development programs provided different services and were expected to achieve varying goals, no single measure is appropriate for evaluating whether each effectively achieved its purpose. Many programs had multiple goals. For example, a program could award a business a grant to both train employees and then retain them for a specified number of years. We used information provided by the agencies to categorize the expected results of the 101 programs.

**The most common expected result of economic development programs was providing business assistance.**

Figure 4 shows the expected results for programs that Commerce and the other seven agencies administered from FY 2009-10 through FY 2010-11. The most common expected result was providing business assistance. Programs that were expected to leverage investment dollars provided financial assistance for projects, with the expectation that private investors would contribute additional funds to support those projects. In total, 32 of the 101 programs were expected to create or retain jobs. Appendix 8 contains information the agencies provided us on the results of each of the 101 programs.

Figure 4

**Expected Program Results, by Type<sup>1</sup>**  
 FY 2009-10 through FY 2010-11



<sup>1</sup> Includes 101 of 123 active programs for which state agencies provided us with information on results. Some programs had multiple types of results.

<sup>2</sup> Includes marketing and promotion, training, and seminars.

Because Commerce administered the most economic development programs, we focused on its programs. We found that Commerce tracked both the expected and the actual results for programs that created or retained jobs, provided capital investments, and trained employees. However, Commerce tracked only the actual results of programs that provided business assistance. In contrast, it tracked only the expected results of programs that provided funds to leverage investment dollars and did not determine whether additional funds from other sources were actually leveraged.

***Recipients of 88 grants and loans awarded by Commerce from FY 2009-10 through FY 2010-11 were contractually required to create or retain jobs.***

We examined Commerce's grant and loan programs in greater detail and found that ten programs contractually required grant and loan recipients to create or retain jobs. From FY 2009-10 through FY 2010-11, Commerce awarded 88 grants and loans that contractually required recipients to create or retain jobs through these ten programs. The 88 grants and loans, which totaled \$66.5 million, represented 32.6 percent of all 270 grants and loans awarded by Commerce during that two-year period and 63.6 percent of the total value of the 270 grants and loans.

As shown in Table 29, recipients of the 88 grants and loans contractually agreed to create a total of 5,129 jobs and to retain 6,890 jobs. The contracts provided that the recipients had, on average, almost five years to create and retain the jobs. Because the contractually agreed upon periods for creating and retaining the jobs extended beyond June 2011 for all 88 grants and loans, the information available at the time of our fieldwork did not allow us to determine the extent to which the recipients had complied with the contractual provisions. Recipients contractually agreed to not only create or retain jobs, but also to use the funding for other activities. For example, recipients of grants from the Brownfields Grant program also contractually agreed to perform environmental remediation work, while recipients of funding from the Economic Development Grants and Loans program also contractually agreed to train employees and make capital investments. The available data did not allow us to identify the portion of the grants and loans that were provided solely for creating and retaining jobs.

Table 29

**Number of Jobs Expected to be Created and Retained as a Result of Grants and Loans  
Commerce Awarded through Ten Programs<sup>1</sup>  
FY 2009-10 through FY 2010-11**

	Award	Jobs Expected to be Created <sup>2</sup>	Jobs Expected to be Retained <sup>2</sup>
Wisconsin State Energy Program	\$38,000,100	868	2,318
Economic Development Grants and Loans	15,216,800	2,305	1,642
Wisconsin Development Fund Program	7,673,700	1,288	2,125
Public Facilities for Economic Development	2,207,300	284	654
Brownfields Grant Program	1,610,000	217	0
Milk Volume Production Loans	1,142,000	52	50
Forward Innovation Fund Program	219,400	43	75
Rural Economic Development Grants and Loans	200,000	26	9
Economic Recovery under ARRA	160,000	40	17
Economic Diversification Grants and Loans	25,000	6	0
<b>Total</b>	<b>\$66,454,300</b>	<b>5,129</b>	<b>6,890</b>

<sup>1</sup> All grant and loan recipients were contractually required not only to create and retain jobs, but also to achieve additional results.

<sup>2</sup> These are expected, not actual, numbers of jobs because the contractually agreed upon periods for creating and retaining all of the jobs extended beyond June 2011.

**Agency Oversight of Grant and Loan Recipients**

2007 Wisconsin Act 125 required Commerce and continues to require the other seven state agencies to oversee recipients of economic development grants and loans through several methods. First, agencies must annually and independently verify the performance measure information reported by the recipients of a sample of grants and loans. We examined whether the agencies complied with this requirement from April 2008, when Act 125 took effect, through June 2011. We found that:

- DATCP, DOT, and UW System annually verified information from a sample of grant and loan recipients;
- Commerce waited until December 2010 to verify information from a sample of ten grant and loan recipients and did not verify any additional information because it was abolished six months later;

- DNR did not verify any information because it does not believe it administers any economic development programs;
- Tourism did not verify any information because it was unaware of the requirement to do so;
- WHEDA did not verify any information because it did not administer any programs that awarded grants or loans; and
- WTCS did not verify any information.

#### Recommendation

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*We recommend each state agency administering an economic development program that awards grants or loans comply with statutes and annually verify the performance measure information reported by the recipients of a sample of grants and loans.*

Second, 2007 Wisconsin Act 125 required each of the eight state agencies to establish rules for recouping or withholding funds or imposing forfeitures if a recipient of an economic development grant, loan, or tax benefit submits false or misleading information to the agency, or if a recipient fails to comply with the terms of its contract with the agency and does not provide a satisfactory explanation. As of May 2012, Commerce and DOT had established the required rules, but none of the other agencies had done so. WTCS had not established the rules because it believes it has statutory authority to recoup or withhold funds from recipients. WHEDA did not administer any grant, loan, or tax benefit programs during our review period.

#### Recommendation

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*We recommend each state agency administering an economic development program that awards grants, loans, or tax benefits either:*

- *comply with statutes and establish rules that allow it to recoup payments, withhold payments, and impose forfeitures on recipients of grants, loans, and tax benefits; or*
- *report to the Joint Legislative Audit Committee by October 15, 2012, on the reasons it has not established rules.*

**Only Commerce and DOT established statutorily required rules related to financial oversight of grant and loan recipients.**

Third, 2007 Wisconsin Act 125 required each of the eight state agencies to establish rules specifying that the agencies must contractually require each recipient of an economic development grant or loan of at least \$100,000 to submit a verified financial statement signed by an independent certified public accountant and by the recipient's principal officer. As of May 2012, Commerce and DOT had established the required rules, but none of the other agencies had done so. WTCS had not established the rules because all recipients of the funds awarded under its programs are technical college districts, and it believes it is unnecessary to require these public entities to submit the verified financial statements. As noted, WHEDA did not administer any grant or loan programs during our review period.

To obtain additional information on the effectiveness of selected programs and to understand how they were administered, we reviewed the files for 113 grants and loans that six agencies awarded through 25 programs. Our review included 20 awards that were at least \$100,000 and awarded after April 2008. We found that:

- all 12 of Commerce's contracts with grant and loan recipients required verified financial statements;
- none of DNR's 6 contracts required verified financial statements; and
- neither of DATCP's 2 contracts required verified financial statements.

**Recommendation**

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*We recommend each state agency administering an economic development program that awards grants or loans either:*

- *comply with statutes and establish rules that require it to contractually require recipients of grants and loans of at least \$100,000 to submit verified financial statements; or*
- *report to the Joint Legislative Audit Committee by October 15, 2012, on the reasons it has not established rules.*

As shown in Table 30, the 113 awards we reviewed totaled \$77.7 million. We selected the largest grants and loans awarded through at least one program funded by each of the six agencies. Our review included 15 awards administered by UW System but funded by Commerce. As noted, WHEDA administered no

programs that awarded grants or loans. Almost all of the 113 grants and loans were awarded from FY 2007-08 through FY 2010-11, during which time the agencies awarded a total of 3,525 grants and loans worth \$228.2 million. Appendix 9 contains additional information on the 113 awards.

Table 30

## Review of Selected Grant and Loan Awards

	Awards Reviewed	Programs	Award Amounts (in millions)	Total Amount Awarded Through the Programs <sup>1</sup> (in millions)
Commerce <sup>2</sup>	71	18	\$69.0	\$171.2
DATCP	12	3	3.9	12.0
DOT	8	1	2.4	12.7
DNR	6	1	1.8	15.7
Tourism	11	1	0.4	5.3
WTCS	5	1	0.2	11.3
<b>Total</b>	<b>113</b>	<b>25</b>	<b>\$77.7</b>	<b>\$228.2</b>

<sup>1</sup> Includes grants and loans awarded from FY 2007-08 through FY 2010-11, except for DOT grants, which were awarded in FY 2002-03.

<sup>2</sup> Includes 15 awards from three programs administered by UW System but funded by Commerce.

The files for all 113 awards contained a contract between the state agency that made the award and the recipient. The contracts specified the recipients' obligations as a result of obtaining the awards, such as to create a specified number of jobs within a specified number of years. At the time of our fieldwork, 89 awards were completed, meaning that the contractually specified time periods for complying with the contractual provisions had ended. In contrast, 24 awards remained open, meaning that the recipients had additional time in which to comply with the contractual provisions.

All contracts specified the frequency with which the recipients were required to report on their progress toward meeting the contractual terms. For example, some progress reports indicated the number of jobs the recipient had created or retained, while others indicated how many individuals had received training funded by the award. Although most contracts required semiannual or annual reports, some required quarterly reports.

**Recipients of the 113 awards submitted 66.9 percent of the contractually required progress reports.**

For each of the 113 awards, we determined whether the recipients had reported as frequently as contractually required. As shown in Table 31, we found that the recipients had submitted 66.9 percent of the 489 contractually required progress reports. While the files at Tourism and WTCS contained all required progress reports, the files at the other agencies were incomplete. For example, the files for seven awards made by Commerce contained no progress reports. Commerce suggested that because some recipients may have submitted the required information verbally or through documents other than the progress reports, the information was not included in the files. The files for five awards that DOT made through its Transportation Economic Assistance program contained none of the required quarterly progress reports since September 2007, and there was no indication that DOT had requested them. DOT was uncertain why these reports were not in the files and indicated the staff member originally responsible for the five awards no longer administers this program.

Table 31

**Frequency with Which Selected Grant and Loan Recipients Submitted Contractually Required Progress Reports<sup>1</sup>**

	Reports Required	Reports Received	Percentage Received
Tourism	11	11	100.0%
WTCS	10	10	100.0
DNR	34	32	94.1
DATCP	44	39	88.6
Commerce <sup>2</sup>	166	114	68.7
DOT	224	121	54.0
<b>Total</b>	<b>489</b>	<b>327</b>	<b>66.9</b>

<sup>1</sup> Based on our fall 2011 review of state agencies' files for 113 awards.

<sup>2</sup> The files contained all 30 required reports for three Commerce-funded programs that UW System administered.

Using information in the files, we attempted to determine the extent to which recipients achieved the contractually specified results associated with the 89 awards that were completed at the time of our review. It is important to note that some businesses that receive awards from economic development programs may be unable to obtain capital from traditional sources because they are struggling.

Thus, it may be expected that some will cease or reduce operations after receiving an award, or may not achieve all contractually specified results.

**Recipients of 77 of 89 grants and loans completed at the time of our review had completely or partially achieved contractually required results.**

As shown in Table 32, the files indicated that 58 recipients of grants and loans completely achieved the contractually required results, and another 19 recipients partially achieved the contractually required results. One recipient did not achieve any of the contractually required results. We could not determine whether 11 recipients had achieved the contractually specified results because, for example, the files included no progress reports.

Table 32

**Extent to Which Selected Grant and Loan Recipients Achieved Contractually Specified Results<sup>1</sup>**

	Achieved Complete Results	Achieved Partial Results	Achieved No Results	Unknown	Total
Commerce	31	8	1	9	49
DATCP	8	4	0	0	12
Tourism	11	0	0	0	11
DOT	3	5	0	0	8
WTCS	3	2	0	0	5
DNR	2	0	0	2	4
<b>Total</b>	<b>58</b>	<b>19</b>	<b>1</b>	<b>11</b>	<b>89</b>

<sup>1</sup> Based on our fall 2011 review of state agencies' files for 113 awards, 89 of which were completed at the time of our review.

Most grant and loan recipients we reviewed completely achieved the contractually specified results. For example:

- Commerce's Milk Volume Production Loans program awarded a business a \$106,000 loan in August 2007 to purchase 200 cows and create four full-time positions. The file indicated that 350 cows were purchased and five full-time positions were created.



- DATCP's Special Agricultural Facilities Grants program awarded a business a \$3.1 million grant in May 2010 to construct a cheese-making facility. The file indicated that the facility was constructed.
- Commerce's Early Planning Grants program awarded five small businesses \$3,000 each between December 2008 and March 2010 to develop business plans. The file indicated that all five businesses completed their plans.

Other grant and loan recipients we reviewed partially achieved contractually specified results. For example:

- Commerce's Customized Labor Training Grants and Loans program awarded a business an \$85,100 grant in July 2008 to train and retain 80 employees, although Commerce actually paid the business only \$16,500. The file indicated that the business trained and retained 35 employees but reduced its payroll by 88 other, untrained employees because the economic recession reduced demand for its products.
- Commerce's Business Incubator Grants program awarded a nonprofit organization a \$70,000 grant to construct a facility to house start-up businesses. The file indicated that when the award ended, the facility was only partially constructed but housed 21 start-up businesses.

A business that was awarded an \$856,000 loan in August 2007 through Commerce's Economic Development Grants and Loans program to purchase manufacturing equipment did not achieve any of its contractually required results. The business contractually agreed to create 141 jobs and retain them through December 2010 and to retain an additional 85 jobs through December 2012. The file indicated that after the business did not provide any of the contractually required annual progress reports, filed for bankruptcy, and left Wisconsin, Commerce referred the matter to the Wisconsin Department of Justice, which recovered \$79,000 of the original loan amount. In March 2011, the business dissolved.

## Reporting Publicly on Program Results

***Commerce was required to collaborate with the other seven agencies to report annually on each economic development program.***

2007 Wisconsin Act 125 required Commerce to collaborate with the other seven state agencies to report annually by October 1 on each economic development program that the agencies administered in the prior fiscal year. To enhance accountability, Act 125 required the reports to be publicly accessible on the Internet and include a variety of information for each program, including:

- a program description;
- quantifiable performance measures directly related to the program's purpose, including (when applicable) the number of jobs created or retained in each industry classification and in each municipality during the prior fiscal year;
- a comparison of expected and actual program outcomes;
- the number of grants and loans made in the prior fiscal year, the amount and recipient of each such grant and loan, and the total amount of grants and loans awarded to and received by each recipient in the prior fiscal year;
- the recipients of tax benefits and the amount that was allocated and verified in the prior fiscal year; and
- any recommended changes to the program.

Beginning in October 2008, Commerce annually compiled program information for all eight agencies and posted the economic development reports to its website. We reviewed the October 2010 report, which was the most recent report available during most of our fieldwork. Our inventory of 196 programs administered by the eight state agencies at some point during the period from FY 2007-08 through FY 2010-11 included 139 programs administered in FY 2009-10, which was the period covered by the October 2010 economic development report.

**The October 2010 economic development report included information on slightly more than two-thirds of the programs administered by the eight agencies in FY 2009-10.**

As shown in Table 33, the October 2010 report included information on 95 of the 139 economic development programs administered by the eight agencies in FY 2009-10. No agency included information on all of its programs that we identified. Agencies provided several reasons for excluding some programs. For example, Commerce excluded 11 direct services programs it believed did not meet the statutory definition of an economic development program, WHEDA believed it was not required to report on programs not funded through state appropriations, and DNR believed it did not administer any economic development programs.

Table 33

**Programs in the October 2010 Economic Development Report**

	Total Programs <sup>1</sup>	Programs in the Report	Percentage
Tourism	7	6	85.7%
Commerce	69	55	79.7
UW System	21	16	76.2
DATCP	25	14	56.0
WTCS	2	1	50.0
DOT	3	1	33.3
WHEDA	8	2	25.0
DNR	4	0	0.0
<b>Total</b>	<b>139</b>	<b>95</b>	<b>68.3</b>

<sup>1</sup> Includes all active and inactive economic development programs we identified as having been administered by the agencies in FY 2009-10.

In addition to excluding 44 economic development programs from the October 2010 economic development report, state agencies included 4 programs that did not meet the statutory definition of an economic development program. For example, Commerce included its Wisconsin Diesel Truck Idling Reduction Grant program, which was intended primarily to reduce the negative environmental impacts that occur when truck engines idle. Although judgment will always be required when deciding which programs to include in the annual economic development reports, the available information suggests that some agencies did not always identify and include the appropriate programs.

Although statutes provide a definition of economic development programs, state agencies sometimes appear to be uncertain about whether particular programs meet that definition. On October 1, 2012, WEDC will be statutorily required to report on programs it administered in FY 2011-12 and on information it compiles from the other seven agencies. Because WEDC is now the State's lead economic development organization, it should provide guidance to the other seven agencies on which programs to include in the annual reports.

### Recommendation

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*We recommend the Wisconsin Economic Development Corporation work with the departments of Agriculture, Trade and Consumer Protection, Natural Resources, Tourism, and Transportation; the University of Wisconsin System; the Wisconsin Housing and Economic Development Authority; and the Wisconsin Technical College System to:*

- *determine the particular programs to include in the October 2012 economic development report; and*
- *report to the Joint Legislative Audit Committee by October 15, 2012, on the reasons any economic development programs we identified that still existed in fiscal year 2011-12 were excluded from the October 2012 economic development report.*

***The October 2010 report had both expected and actual quantified outcomes for only 16 of 95 programs.***

In addition to requiring the eight state agencies to report on quantifiable performance measures directly related to a program's purpose, 2007 Wisconsin Act 125 required them to report on expected and actual program outcomes. As shown in Table 34, the October 2010 economic development report included 44 programs for which agencies reported unquantified outcomes, such as "energy savings," "cost per job trained," and "size of bond issue." Although agencies were not explicitly required to report quantified outcomes, we believe that outcomes must be quantified in order to compare expected and actual outcomes and to assess program effectiveness. The October 2010 report included 24 programs with either expected or actual outcomes, but not both. Only 16 of the 95 programs had both expected and actual quantified outcomes, including 10 administered by Commerce, 3 administered by UW System, and 1 each administered by DATCP, DOT, and Tourism. Agencies reported no outcomes for 11 programs.

Table 34

**Outcomes for Programs in the October 2010  
Economic Development Report**

	Programs	Percentage of Total
<b>Unquantified Outcomes</b>	44	46.3%
<b>Quantified Outcomes</b>		
Expected or Actual Outcomes	24	25.3
Expected and Actual Outcomes	16	16.8
<b>No Outcomes</b>	11	11.6
<b>Total</b>	<b>95</b>	<b>100.0%</b>

***The October 2010 report  
did not include all  
programmatic  
information that  
Commerce maintained.***

We found that Commerce did not include all available information on its programs in the October 2010 economic development report. For example, it maintained but did not report information on the number of expected and actual trainings conducted as a result of awards it made through eight programs and the number of expected and actual jobs created or retained as a result of awards it made through an additional eight programs.

Although state agencies were statutorily required to include information on program outcomes achieved in FY 2009-10, UW System reported FY 2008-09 outcomes for one program. We also found that information on a total of 25 programs administered by Commerce, DOT, UW System, and WHEDA pertained to the total number of jobs that had been created or retained since awards had been made, not just in FY 2009-10. While comprehensive outcome information allows an agency to assess a program’s effectiveness over time, excluding outcome information for each fiscal year makes it more difficult for the public to determine whether the program had been effective recently.

Our file review of the 113 grant and loan awards included 71 that Commerce had awarded. We found that the information in 7 of the 71 files differed from what Commerce included in the October 2010 economic development report. All seven files indicated that jobs had been created or retained because of the grants and loans that were awarded, but the October 2010 report did not indicate that any of these jobs had been created or retained. Instead, the report indicated, for example, that the awards were “in progress.”

**☑ Recommendation**

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*We recommend the Wisconsin Economic Development Corporation; the departments of Agriculture, Trade and Consumer Protection, Natural Resources, Tourism, and Transportation; the University of Wisconsin System; the Wisconsin Housing and Economic Development Authority; and the Wisconsin Technical College System take steps to ensure that accurate and complete information on program outcomes is included in the statutorily required annual economic development reports.*

**Improving Accountability**

***To improve accountability and achieve compliance with the requirements of 2007 Wisconsin Act 125, more complete information about program results is needed.***

To improve accountability and achieve compliance with the requirements of 2007 Wisconsin Act 125, more complete information about program results is needed. Agency program managers also need information about program effectiveness in order to better manage the programs they administer. Although we found that the eight state agencies had improved their efforts to track and report program results since we completed report 06-9, the agencies did not fully comply with the statutory requirements stipulated by 2007 Wisconsin Act 125. The Legislature and WEDC could take steps to improve accountability.

**Issues for the Legislature's Consideration**

***The eight agencies are no longer statutorily required to report annually some information related to program results.***

Section 238.07(2), Wis. Stats., stipulates the contents of the economic development report that WEDC and the other seven agencies must submit to the Legislature and the Joint Legislative Audit Committee by October 1 of each year. Although the information is largely similar to the information that Commerce and the other agencies had been statutorily required to report, 2011 Wisconsin Act 7 modified the reporting requirements in several ways. WEDC and the other agencies are no longer required to report some information related to program results, including:

- quantifiable performance measures directly related to the program's purpose, including the number of jobs created or retained in each industry classification and in each municipality during the prior fiscal year;
- the amount of tax benefits allocated and verified by a program in the prior fiscal year; and
- the recipients of tax benefits allocated and verified under a program in the prior fiscal year.

Although not all economic development programs are intended to create or retain jobs, one important way to measure a program's effectiveness is to know the number of jobs that resulted from an award. Information about the amount and recipients of tax benefits allows for a similar assessment of a program's effectiveness. If the Legislature wishes to obtain more complete information about such outcome measures, it could consider requiring state agencies to report annually the number of jobs created or retained, as well as the amounts and recipients of tax benefits allocated through economic development programs.

### **☑ Recommendation**

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*We recommend the Legislature consider modifying s. 238.07(2), Wis. Stats., to require the annual economic development reports to include for each applicable economic development program information on:*

- *the location and the industry classification, by municipality, of each job created or retained in the state in the prior fiscal year as a result of the program;*
- *the amount of tax benefits allocated and verified by a program in the prior fiscal year; and*
- *the recipients of tax benefits allocated and verified under a program in the prior fiscal year.*

### **Issues for WEDC's Consideration**

Section 238.03(1), Wis. Stats., requires WEDC to develop and implement economic programs that provide support, expertise, and financial assistance to firms that are investing and creating jobs in Wisconsin, as well as programs that support new business start-ups and business expansion and growth in the state. It may also develop and implement any other programs related to economic development.

WEDC is governed by a 15-member board, including:

- the Governor, who serves as the chairperson;
- 6 members nominated by the Governor and confirmed by the Senate;

- 3 members appointed by the Assembly speaker, including 1 representative from the majority party, 1 representative from the minority party, and 1 individual employed in the private sector;
- 3 members appointed by the Senate majority leader, including 1 senator from the majority party, 1 senator from the minority party, and 1 individual employed in the private sector; and
- the DOA and DOR secretaries, who serve as nonvoting members.

As shown in Table 35, WEDC was appropriated \$84.8 million in FY 2011-12 and \$77.0 million in FY 2012-13. GPR makes up approximately 40 percent of the amounts appropriated.

Table 35

**Funding Appropriated to WEDC**  
(in millions)

	FY 2011-12	FY 2012-13
General Purpose Revenue	\$34.1	\$32.8
Program Revenue	26.5	20.0
Segregated Revenue	24.2	24.2
<b>Total</b>	<b>\$84.8</b>	<b>\$77.0</b>

2011 Wisconsin Act 7 requires WEDC to establish for each of its economic development programs clear and measurable goals, at least one quantifiable benchmark for each goal, and a method for evaluating projected results with actual outcomes. It also requires WEDC to require contractually that each grant or loan recipient report on performance measures and to verify annually the accuracy of performance measure information reported by the recipients of a sample of grants and loans. It should be noted that Act 7 modified the statutory definition of a WEDC-administered economic development program so that it differs from the definition of a program administered by the seven state agencies. Act 7 stipulates that a WEDC-administered program is a program or activity that has the primary purpose of encouraging the establishment and growth of business in Wisconsin, including the creation and retention of jobs. As noted, an economic development program



administered by the seven state agencies must not only meet this provision, but also receive state or federal funding through a state appropriation and provide financial assistance, tax benefits, or direct services to specific industries, businesses, local governments, or organizations.

Multiple reasons may explain why state agencies did not fully comply with 2007 Wisconsin Act 125's requirements for evaluating program effectiveness and reporting publicly on program results. Some agencies do not believe they administer programs that meet the statutory definition of an economic development program. For example, DNR believes that it does not administer any program with a primary purpose of economic development, and WHEDA noted that it does not administer any economic development program that receives funding through state appropriations. In some instances, agencies were uncertain whether their activities, particularly those involving the provision of direct services to businesses and others, met the statutory definition. In other instances, agencies were unaware of all statutory requirements, or they were aware of them but chose not to comply. In addition, agencies indicated to us that confusion exists about some statutory requirements, such as establishing program goals and quantifiable benchmarks for each economic development program, evaluating a program's projected results and actual outcomes, and reporting on performance measures and expected and actual outcomes.

***WEDC should provide the seven state agencies with guidance on developing goals and accountability measures.***

Statutes require the seven state agencies to consult with WEDC when they develop goals and accountability measures for each of their economic development programs. As the State's lead economic development organization, WEDC should use its expertise to provide the seven state agencies with guidance on developing goals and accountability measures. Such guidance could ensure that the annual economic development reports contain all statutorily required information for each program and provide agency program managers with information about program effectiveness.

#### **Recommendation**

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*We recommend the Wisconsin Economic Development Corporation provide guidance to the departments of Agriculture, Trade and Consumer Protection, Natural Resources, Tourism, and Transportation; the University of Wisconsin System; the Wisconsin Housing and Economic Development Authority; and the Wisconsin Technical College System on establishing goals and accountability measures for each economic development program.*

WEDC has completed several planning documents to help focus its efforts to promote and measure economic development in Wisconsin. Its strategic plan indicates that it intends to improve Wisconsin's business climate by addressing concerns raised by business leaders and economic development professionals, such as "the confusing array of business assistance resources and service areas, lack of one-stop support, fragmented marketing and support tools, . . . inconsistent measurement and accountability," and "lack of focus on existing firms." An October 2011 draft operations plan indicates that WEDC plans to track its performance in FY 2011-12 toward meeting a number of key indicators and objectives, including:

- providing 1,000 Wisconsin businesses with financial or technical assistance;
- creating or retaining 50,000 jobs as a result of services it and its contractors provide;
- leveraging \$2.70 in investments from other sources for every \$1.00 it invests in Wisconsin businesses;
- launching a statewide marketing program; and
- expanding early-stage investment capital and regional revolving loan funds.

The report WEDC will submit on October 1, 2012, in compliance with 2007 Wisconsin Act 125, will present an opportunity for WEDC to report to the Legislature and the public on the extent to which the objectives were achieved in FY 2011-12. If necessary, WEDC will also need to be able to explain why it did not achieve some objectives. As noted, we will perform a financial and program evaluation audit of WEDC in 2013 that will assess its financial management and evaluate its programs.

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## Appendix 1

### **Economic Development Program Descriptions**

FY 2007-08 through FY 2010-11

This appendix provides a brief description of the 196 economic development programs state agencies administered at some point during the period from FY 2007-08 through FY 2010-11. Statutes define a state economic development program as a program or activity that has the primary purpose of encouraging the establishment and growth of business in Wisconsin, including the creation and retention of jobs, and that:

- receives state or federal funding through ch. 20, Wis Stats.; and
- provides financial assistance, tax benefits, or direct services to specific industries, businesses, local governments, or organizations.

The programs are organized alphabetically by the agency that provided funding. Definitions of key terms follow.

**Program Number** provides a numerical reference created by the Legislative Audit Bureau for each program, and is also used in appendices 2, 3, 5, 8, and 9. The program number and the program to which it refers do not match those used in report 06-9.

**Program** provides the designated name for each economic development program. Programs in italics are those funded and administered under a broader program, initiative, or administrative unit.

**Wisconsin Statutes** cites statutory authority for the program. Unless otherwise noted, all citations refer to the 2010-11 statutes. For programs without a specific statutory authorization, we have cited the chapter that authorizes the agency to conduct economic development activities.

**Description** provides a brief description of the main features of the program from FY 2007-08 through FY 2010-11.

**DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION (DATCP)**

Program Number	Program	Wis. Statutes	Description
1	<b>Agricultural Business Development and Technical Assistance</b>	General Authority (ch. 93)	Full-time employees promoted agricultural business development by providing technical assistance; assisting in market development; attending industry meetings, client consultation sessions, and conferences; and providing advisory support to state agricultural organizations.
2	<b>Agricultural Development and Diversification Grants</b>	93.46(2)	Provided grants for demonstration projects, feasibility analyses, and applied research directed toward new or alternative technologies and practices in agriculture. The maximum grant was \$50,000 per year with no required match, but preference was given to projects with matching funds.
3	<b>Agriculture Innovation and Development Center Value Added Services Funding</b>	93.46	Provided grants for direct services to producers, which assisted them in marketing or producing value-added agricultural products, excluding dairy products. Examples of value-added processes include milling wheat into flour, slaughtering livestock, making strawberries into jam, and the marketing of organic products.
	<b>Agricultural Market Development</b>		
4	<i>Alice in Dairyland</i>	93.07(3), 93.40	Contract employee promoted Wisconsin agriculture by providing public relations assistance, developing educational materials, and making speeches and presentations at events.
5	<i>Buy Local, Buy Wisconsin Grant Program</i>	93.48	Provided grants for projects to increase the sale of agricultural products grown in Wisconsin to residents.
6	<i>Buy Local, Buy Wisconsin Technical Assistance</i>	93.45	Offered technical assistance to farmers, community organizations, businesses, and nonprofits to increase awareness and consumption of locally produced foods and related products.
7	<i>Farm to School Grants</i>	93.49(3)	Provided grants to farmers, school districts, nonprofit organizations, and other entities to create and expand projects that promote the marketing and distribution of food produced in Wisconsin to elementary, middle, and high schools.
8	<i>Farm to School Technical Assistance</i>	93.49(2)	Offered technical assistance and training to elementary, middle, and high school food service managers, farmers, and food distributors and processors to increase the use of locally produced food for school breakfasts, lunches, and snacks.
9	<i>International Agribusiness Center</i>	93.42	Offered technical assistance and other services to assist Wisconsin companies and producers in marketing and exporting their products. This included providing information about animal health, labeling, and certifications; organizing seminars and conferences; and recruiting and hosting international guests for the World Dairy Expo and World Beef Expo, which are held annually in Madison.
10	<i>Marketing and Promotion Activities</i>	General Authority (ch. 93)	Full-time employees promoted agricultural businesses and marketed Wisconsin products statewide and nationally by attending industry meetings and conferences and by providing consultation and technical assistance.
11	<i>SavorWisconsin.com</i>	93.44	Online farmers' market that promoted and highlighted Wisconsin agricultural products of manufacturers, processors, producers, and retailers.

**DATCP** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Agricultural Market Development</b> (continued)			
12	<i>Something Special from Wisconsin</i>	93.44(2)	Marketing campaign used to increase sales and recognition of Wisconsin products for any Wisconsin company that manufactured, processed, or produced a product, commodity, or service.
13	<b>Aquaculture Assistance</b>	93.46(1m)	Offered technical assistance and provided information to aquaculture businesses and coordinated meetings of the Wisconsin Aquaculture Industry Advisory Council.
14	<b>Beginning Farmer and Farm Asset Owner Tax Credit</b>	93.53, 71.07(8r), 71.28(8r), 71.47(8r)	Offered tax credits to established farmers who entered into a long-term lease of depreciable assets, such as machinery and facilities, with a beginning farmer, and a one-time tax credit of up to \$500 to help offset the cost of a farm management course for beginning farmers who entered into a long-term lease with an established farmer.
15	<b>Bio-Based Industry Opportunity Grants</b>	93.46(3) (2007 Wis. Stats.)	Provided grants to businesses and other organizations to plan or implement technologies for using agricultural products or waste to produce biochemicals or energy. Grant recipients were required to provide matching funds of at least 50 percent of project costs. Up to \$150,000 of the maximum grant amount could be used for planning and the remaining \$150,000 for implementation. Eligible expenses included wages, consultant services, equipment, and other operations costs.
<b>Dairy Business Initiative/ Value Added Dairy Initiative</b>			
16	<i>Dairy Business Initiative Technical Assistance</i>	General Authority (ch.93)	Offered technical assistance to dairy farmers and dairy businesses with product and market development, modernization, product diversification, and other initiatives related to Wisconsin's dairy industry.
17	<i>Dairy Business Innovation Center</i>	General Authority (ch.93)	Offered technical assistance to dairy farmers and dairy businesses with product and market development, processing technology, business planning, financing, plant siting, and facility improvements. The Center was administered through a nonprofit organization and consisted of a network of dairy experts.
18	<i>Dairy Development Revolving Fund</i>	General Authority (ch.93)	Provided loans to dairy farmers and dairy businesses to introduce new products, enter new markets, or implement supply chain innovations. Loans could be used for working capital and fixed assets, excluding real estate. The maximum loan was \$35,000, with a required match of 100 percent of project costs. Loans were awarded through the Grow Wisconsin Dairy Team.
19	<i>Dairy Farm Modernization Grants</i>	General Authority (ch.93)	Provided grants to dairy farmers engaging in or proposing to engage in dairy farming and who have completed a business plan. Grants could be used for risk, labor, and financial management services; engineering services; or other professional services. The maximum grant was \$7,500, with a required match of 25 percent of project costs.
20	<i>Dairy Processor Innovation Grants</i>	General Authority (ch.93)	Provided grants to individuals or groups, businesses, and organizations for innovation and modernization of dairy processing and market development. The maximum grant was \$35,000.

**DATCP** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Dairy Business Initiative/ Value Added Dairy Initiative (continued)</b>			
21	<i>Dairy Value Added Processor Revolving Loans</i>	93.06(1qm)	Provided loans to dairy processors for equipment related to expansions.
22	<i>Value Chain Development Grants</i>	General Authority (ch.93)	Provided grants to dairy businesses to introduce new dairy products, enter new markets, or implement efficiencies in their supply chains to reduce costs. Grants could be used for working capital, marketing expenses, and professional services. The maximum grant was \$50,000, with a required match of 25 percent of project costs. Grants were awarded through the Grow Wisconsin Dairy Team.
<b>Farm Center</b>			
23	<i>Call Center and Consulting Services</i>	93.50, 93.51	Provided consulting and other services to farmers and agribusinesses. Services included a toll-free helpline; consulting on financial, legal, and other issues; and mediation for farm-related problems.
24	<i>Farm Link Program</i>	93.52	Assisted retiring farmers in locating potential buyers for their farms and assisted prospective farmers in locating farms for sale.
25	<i>Stray Voltage Program</i>	93.41, 196.857	Assisted dairy farmers in managing electricity issues that affect dairy production by providing on-farm consultations in cooperation with local electric utilities or cooperatives. The program was operated in conjunction with the Public Service Commission and was funded by fees paid by electric utilities.
26	<b>Grazing Lands Conservation Initiative Grants</b>	93.60	Provided grants to dairy and livestock farmers to develop grazing management systems through education and research and technical assistance. The maximum grant was \$80,000 for research or technical assistance-related projects conducted over a two-year period, and \$60,000 for education projects conducted over a two-year period. No matching requirements were specified.
27	<b>Organic Certification Cost-Share Program</b>	General Authority (ch. 93)	Provided grants to producers of organic products of up to 75 percent of the cost of obtaining organic certification, up to a maximum of \$750.
28	<b>Rural Business Enterprise Loans</b>	93.06(1qm)	Provided loans to small or emerging farm businesses located in rural areas to pay for start-up or operating capital. Loans could not be used to conduct business planning, finance existing debt, or produce commodities. The maximum loan was \$25,000, with a required match of 50 percent of project costs.
29	<b>Soybean Crushing Facility Grant</b>	20.115(4)(qm)	Provided a one-time grant for the construction of a soybean crushing facility with the capacity to process more than 20 million bushels of soybeans per year.

**DATCP** (continued)

Program Number	Program	Wis. Statutes	Description
30	<b>Special Agricultural Facilities Grants</b>	20.115(4)(qm)	Provided one-time grants for the construction of additional cheese-making facilities by a dairy cooperative headquartered in Wisconsin, creation of anaerobic digesters for small farms, and diversification of cheese-making capabilities. All grant awards required a 100 percent matching contribution.
31	<b>Specialty Crop Block Grants</b>	General Authority (ch. 93)	Provided grants to support specialty crop industry projects related to innovation, market development, pest and disease control, sustainability, and food safety. Specialty crops included fruits, vegetables, culinary herbs and spices, medicinal plants, tree nuts, flowers, and nursery plants.
32	<b>Specialty Meat Development Center</b>	General Authority (ch. 93)	Provided consulting services to specialty meat businesses, including business, product, and market development; labeling and packaging; and food safety and quality.
33	<b>Sustainable Agriculture Grants</b>	93.47 (2005 Wis. Stats.)	Provided grants for demonstration projects, feasibility analyses, and applied research to promote the efficient use of farmland and agricultural resources. The maximum grant was \$50,000 per year with no required match, but preference was given to projects with matching funds.

**DEPARTMENT OF COMMERCE**

Program Number	Program	Wis. Statutes	Description
34	<b>Area Development Managers</b>	560.03	Full-time employees were assigned to different regions of the state to provide information and technical assistance to businesses, local governments, and economic development organizations. This included identifying sources of funding for businesses and economic development projects.
<b>Bond Programs</b>			
35	<i>Industrial Revenue Bond Program</i>	66.1103, 560.032	Offered tax-exempt bonds issued by local governments. Proceeds from the bond sales could be used by businesses to finance capital investment projects or to purchase land, real estate, or equipment.
36	<i>Midwestern Disaster Relief Bond Program</i>	560.033(4)	Offered tax-exempt bonds issued by local governments located in 30 Wisconsin counties that were affected by natural disasters in 2008, such as flooding or tornados. Proceeds from the bond sales could be used to finance costs related to acquiring, building, or renovating nonresidential property. No more than 25 percent of the bond proceeds could be used to purchase land and no more than 2 percent could be used to pay bond issuance costs. The total allocation of bonding authority was \$3.8 billion, and all bonds must be issued before January 1, 2013.
37	<i>Qualified Energy Conservation Bond Program</i>	General Authority (ch. 560)	Offered taxable bonds issued by local governments, including school districts. Proceeds from the bond sales were required to be used to finance solar and energy-efficiency projects, such as capital improvements that reduce the energy consumption in publicly owned buildings by at least 20 percent. The total allocation of bonding authority was \$58.0 million.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Bond Programs</b> (continued)			
38	<i>Recovery Zone Facility Bond Program</i>	560.033	Offered tax-exempt bonds issued by 63 counties and 3 municipalities (Green Bay, Madison, and Milwaukee) designated as being within a recovery zone under the federal American Recovery and Reinvestment Act of 2009. Proceeds from the bond sales were required to be used to finance certain capital projects, such as renovating vacant property or adding to an existing facility. The total allocation of bonding authority was \$238.0 million, and all bonds were required to be issued by December 31, 2010.
39	<b>Brownfields Grant Program</b>	560.13	Provided grants to businesses, local governments, and nonprofit organizations to clean contaminated commercial and industrial properties. Through June 30, 2011, the maximum grant was \$1.25 million, with a required match of 20 percent of project costs for grants under \$300,000, 35 percent for grants between \$300,000 and \$700,000, and 50 percent for grants over \$700,000. The program was funded by segregated revenues from the Environmental Fund. Beginning in July 2011, the program no longer had a maximum grant amount.
<b>Business Development Assistance Center</b>			
40	<i>Business Development Assistance Center</i>	Ch. 560 Subchapter III	Offered technical assistance to small businesses; provided information on government regulations and financing alternatives; maintained a clearinghouse of information for small business creation, development, and licensing at <a href="http://www.wi.gov">www.wi.gov</a> ; maintained a business hotline (1-800-HELPBUS); and provided on-site and telephone consultation to entrepreneurs and small businesses.
41	<i>Technology Development Assistance</i>	560.91 (2005 Wis. Stats.)	Offered technical assistance to businesses that manufacture or produce technically sophisticated products or services, with an emphasis on early-stage businesses working on product development and commercialization. Services included working with businesses to acquire financing, planning and attending conferences, coordinating regional efforts related to early-stage and technology businesses, coordinating efforts related to venture capital activities, and serving as a liaison to the federal Small Business Innovation Research and Small Business Technology Transfer programs.
42	<b>Certified Capital Companies Program</b>	560.29	Provided insurance premium fee credits to insurance companies that invested in a certified capital company. The certified capital company in turn invested in qualified businesses in need of capital. Statutes authorized a maximum of \$50 million in credits for the program.
<b>Community-Based Economic Development</b>			
43	<i>Business Assistance Grants</i>	560.14(2)(a)2 (2007 Wis. Stats.)	Provided grants to community-based organizations that, in turn, provided technical or financial assistance to businesses and entrepreneurs for management or business planning services. The maximum grant was \$30,000, with a required match of 25 percent of project costs.



**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Community-Based Economic Development</b> (continued)			
44	<i>Business Incubator Grants</i>	560.14(3) (2007 Wis. Stats.)	Provided grants to community-based organizations for business incubators. Start-up and expansion grants provided funding for initial costs related to starting, expanding, or rehabilitating an incubator, with a maximum grant of \$100,000. Technical assistance grants provided funding for assistance related to the start-up of a business incubator, including initial design and feasibility studies, with a maximum grant of \$10,000. Operations grants provided funding for operating costs of an existing business incubator, including personnel and administrative costs, with a maximum grant of \$30,000. Tenant revolving loan fund grants provided funding to capitalize a revolving loan fund that benefited the tenants of a business or technology-based incubator, with a maximum grant of \$50,000. All grants required a match of 50 percent of project costs.
45	<i>Economic Development Project Grants</i>	560.14 (2007 Wis. Stats.)	Provided grants to community-based organizations for economic development projects in their service areas. Grants were used to develop a project plan for an industrial park or infrastructure project, implement a plan that supported a local economic development project, or implement a training program for local economic development professionals. The maximum grant was \$30,000, with a required match of 25 percent of project costs.
46	<i>Economic Diversification Community Planning Grants</i>	560.14(2) (2007 Wis. Stats.)	Provided grants to local governments, tribes, or community-based organizations to develop a plan to diversify the local economy, attract new businesses and jobs, and promote economic development. The maximum grant was \$30,000, with a required match of 25 percent of project costs.
47	<i>Regional Planning Grants</i>	560.14(4) (2007 Wis. Stats.)	Provided grants to community-based organizations, working in cooperation with a local unit of government, for regional economic development activities. The maximum grant was \$100,000, with a required match of 25 percent of project costs.
48	<i>Revolving Loan Fund Grants</i>	560.14(3m) (2005 Wis. Stats.)	Provided grants to community-based organizations to establish a revolving loan fund to assist small businesses within their service areas. The maximum grant was \$50,000, with a required match of 50 percent of project costs.
49	<i>Venture Capital Conference Grants</i>	560.14(4m) (2007 Wis. Stats.)	Provided grants to community-based organizations or nonprofit organizations for a venture capital conference to assist entrepreneurs or businesses in obtaining capital for starting or developing a business. The maximum grant was \$75,000, with a required match of 50 percent of project costs.
50	<i>Youth Entrepreneurship Teaching Grants</i>	560.14	Provided grants to nonprofit organizations for entrepreneurship training for economically disadvantaged or socially at-risk youth. No maximum grant or matching requirements were specified.
<b>Community Development Block Grant</b>			
51	<i>Blight Elimination and Brownfields Redevelopment</i>	560.045	Provided grants and loans to businesses, local governments, and nonprofits to assess and remediate contamination of abandoned, underused, or blighted commercial and industrial sites. The maximum grant was \$100,000 for environmental assessments and \$500,000 for remediation projects, with a required match of 25 percent of project costs.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Community Development Block Grant</b> (continued)			
52	<i>Community Development Planning Assistance</i>	560.04	Offered technical assistance to local governments and community-based organizations to plan and perform economic development projects. Services included administering the federal Community Development Block Grant program, identifying contaminated properties, conducting business retention and expansion surveys, and assisting local governments and organizations in managing revolving loan funds.
53	<i>Economic Development Grants and Loans</i>	560.04	Provided funds to local governments that, in turn, made grants or loans to businesses for working capital. Funds could be used to purchase real estate or equipment, construct facilities, or expand and renovate existing facilities. The maximum grant or loan was \$1.0 million per business in any five-year period. Amounts could exceed \$1.0 million in the five-year period if it was determined that the project required additional funds. Businesses were required to provide matching funds equal to 50 percent of project costs. The local government could retain loan repayments to capitalize a revolving loan fund.
54	<i>Economic Recovery under ARRA</i>	General Authority (ch. 560)	Provided grants and loans to local businesses or governments for the purpose of expanding economic opportunities for community residents involving activities that provide immediate and long-term employment opportunities in the manufacturing sector. Projects were financed using funds appropriated through the federal American Recovery and Reinvestment Act of 2009. No maximum grant or matching amount was specified.
55	<i>Planning Grants</i>	General Authority (ch. 560)	Provided grants to local governments to develop plans for specific economic development projects, including improvements to public utilities. Local governments were required to demonstrate that the projects benefited low- and moderate-income persons, eliminated slums or blighted areas, or addressed an urgent local need. The maximum grant was \$25,000, with a required match of 25 percent of project costs. Awards could exceed \$25,000 if certain criteria were met.
56	<i>Public Facilities for Economic Development</i>	560.04(2)(j)	Provided grants to local governments to improve public infrastructure to accommodate new businesses or expand existing businesses. Grants could be used for water systems, sewerage systems, and municipal roads. The maximum grant was \$1.0 million per community with no more than \$750,000 benefiting any single business. Businesses were required to provide a match of 25 percent of project costs.
57	<b>Dairy 2020 Initiative</b>	General Authority (ch. 560)	Full-time employee served as executive director of the Dairy 2020 Initiative and provided technical assistance on matters related to the dairy industry to individuals, businesses, local governments, and other organizations. The program was overseen by the 26-member Dairy 2020 Council.
<b>Early-Stage Business Investment Programs</b>			
58	<i>Angel Investment Tax Credit Program</i>	560.205(1)	Offered tax credits to accredited investors or investment networks that invested in businesses certified as "qualified new business ventures." Accredited investors were awarded credits equal to 25 percent of their investments. A total of \$47.5 million in credits were made available for the program.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<p><b>Early-Stage Business Investment Programs</b> (continued)</p>			
59	<i>Early Stage Seed Investment Tax Credit Program</i>	560.205(2)	Offered tax credits to investment fund managers who invested in businesses certified as “qualified new business ventures.” Investment fund managers were awarded credits equal to 25 percent of their initial investments. There was no limit on the amount of tax credits available under the program.
60	<b>Economic Development Administration 2008 Flood Recovery Technical Assistance</b>	General Authority (ch. 560)	Provided technical assistance to businesses, local governments, and other organizations affected by flooding in 2008, including assessing damage; developing recovery strategies; developing a disaster recovery manual for businesses; assisting local governments in applying for funding to implement strategies; and coordinating the development of tourism marketing strategies, in collaboration with the Department of Tourism. The program was funded with an \$800,000 grant from the U.S. Department of Commerce.
61	<b>Forward Innovation Fund Program</b>	560.304	Provided grants and loans to businesses, local governments, community-based organizations, and nonprofit economic development organizations to finance projects that led to the creation of new jobs or strengthened local economies. The program provided up to 75 percent of the costs for eligible activities directly related to a business development project with one of the following objectives: the start-up, expansion, or retention of minority businesses or businesses in economically distressed areas; strengthening inner cities, rural municipalities, or clusters; or strengthening entrepreneurship. No maximum grant or matching amount was specified.
62	<b>Forward Wisconsin, Inc.</b>	16.501	Provided technical assistance to encourage businesses to locate in Wisconsin by providing one-on-one business counseling; sponsoring market development trips, trade shows, special events, direct mailings, and targeted advertising; and managing a building site location website.
<p><b>Gaming Revenue Funded Programs</b></p>			
63	<i>Economic Diversification Early Planning Grants</i>	560.138(2)	Provided grants to individuals or businesses to develop business plans for projects to remediate contaminated property or diversify the local economy. No maximum grant was specified, but grants were typically limited to \$15,000, with a required match of 25 percent of project costs.
64	<i>Economic Diversification Grants and Loans</i>	560.138(2)	Provided grants or loans to businesses to remediate contaminated property or diversify the local economy. Consideration was given to projects that would occur in a rural community, result in significant capital investment, create or retain jobs, or contribute to the local economy. Funds could be used to purchase land, construct new buildings, remodel existing facilities, or purchase equipment. No maximum award amount was specified, but businesses were required to provide matching funds of 25 percent of project costs. The Department of Tourism approved any award made for tourism purposes.
65	<i>Economic Impact Early Planning Grants</i>	560.137(2)(a)(1) (2005 Wis. Stats.)	Provided grants to develop business plans to individuals or businesses negatively affected by casino gaming. The maximum grant was \$15,000, but grants were typically limited to \$3,000 unless the project had a statewide benefit. The individual or business was required to provide matching funds of 25 percent of project costs.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Gaming Revenue Funded Programs</b> (continued)			
66	<i>Economic Impact Grants and Loans</i>	560.137(2)(a)(2) (2005 Wis. Stats.)	Provided grants or loans to businesses negatively affected by casino gaming. Funds could be used to purchase land, construct new buildings, remodel existing facilities, or purchase equipment. The maximum award was \$100,000, with a required match of 25 percent of project costs. The matching requirement could be waived in cases of extreme hardship. The Department of Tourism approved any award for tourism purposes.
67	<i>Regional Marketing Grant Program</i>	General Authority (ch. 560)	Provided grants to seven state regional economic development organizations to create efficient marketing partnerships to enhance Wisconsin's business image. The program targeted the attraction of new businesses, creation and retention of high impact jobs, and increased economic activity. The maximum grant per region was \$100,000, with a required match of 100 percent.
68	<b>Industrial Building Construction Loan Fund</b>	560.10	Provided loans to regional and local economic development corporations to enable the construction of industrial buildings that would otherwise not occur. The program was funded through federal grants.
<b>Industry Specific Tax Credits</b>			
69	<i>Dairy Manufacturing Facility Investment Credit for Cooperatives Program</i>	560.207	Offered tax credits to individuals or businesses for 10 percent of the amount spent in a tax year for modernizing or expanding dairy manufacturing facilities in Wisconsin. The maximum tax credit a cooperative could receive for each facility was \$200,000. Credits were refundable and nontransferable and may be claimed through 2016.
70	<i>Dairy Manufacturing Facility Investment Credit for Non-Cooperatives Program</i>	560.207	Offered tax credits to individuals or businesses for 10 percent of the amount spent in a tax year for modernizing or expanding dairy manufacturing facilities in Wisconsin. The maximum tax credit a business partnership, limited liability company, or tax-option corporation could receive for each facility was \$200,000. Credits were refundable and nontransferable and may be claimed through 2014.
71	<i>Film Tax Credit Program</i>	560.206	Offered tax credits to film production companies for costs associated with producing films in Wisconsin. Companies could receive credits up to 25 percent of employee wages, with a maximum of \$25,000 per employee, and up to 25 percent of eligible production expenditures paid to in-state vendors within 12 months after the beginning of production. In addition, companies could receive a tax credit equal to 15 percent of the costs to establish a film production company in the state, including the price of depreciable, tangible personal property, and costs to purchase, remodel, or repair real property. Credits were refundable and nontransferable.
72	<i>Food Processing Plant and Food Warehouse Investment Credit Program</i>	560.2056	Offered tax credits to businesses up to 10 percent of the costs to modernize or expand food processing and storage facilities in Wisconsin. Eligible investments included the costs of facility acquisition, construction, or improvement, or equipment purchases such as food or raw material intake and storage equipment. Credits were refundable and nontransferable.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Industry Specific Tax Credits</b> (continued)			
73	<i>Meat Processing Facility Investment Credit Program</i>	560.208	Offered tax credits to businesses up to 10 percent of the costs to modernize or expand meat processing facilities. Eligible investments included the costs of facility acquisition, construction, or improvement; utility upgrades; livestock intake and storage equipment; processing and manufacturing equipment; packaging and handling equipment; waste treatment equipment; and computer software and hardware used for managing operations. Credits were refundable and nontransferable.
74	<i>Woody Biomass Tax Credit Program</i>	560.209	Offered tax credits to businesses equal to 10 percent of the amount paid for equipment used primarily to harvest or process woody biomass as a component of fuel. Credits were refundable and nontransferable.
75	<b>International and Export Assistance</b>	560.03(18), 560.165	Offered technical assistance to businesses to increase their international sales. Services included providing one-on-one consultations, promoting Wisconsin products through trade shows, organizing trade missions, identifying sales leads, and introducing Wisconsin exporters to potential buyers. Services were offered through Wisconsin-based specialists who provided information about the business culture of potential markets and maintained a network of business contacts, and through international offices in Canada, Mexico, Brazil, and China that were staffed with consultants or contractors.
76	<b>Mining Economic Development Grants and Loans</b>	560.135  (2005 Wis. Stats.)	Provided grants and loans to businesses, local governments, and nonprofit organizations to diversify local economies in areas affected by mining. No awards have been made under the program since FY 1998-99.
<b>Minority Business Development</b>			
77	<i>Disabled Veteran-Owned Business Certification Program</i>	560.0335	Certified eligible disabled veteran-owned businesses to receive preference from the Department of Administration in obtaining state procurement contracts.
78	<i>Minority Business Assistance</i>	560.01(2)	Offered technical assistance to minority entrepreneurs, minority-owned businesses, and organizations that served minority populations. Services included providing information about federal, state, and local resources and assisting with business planning and expansion, financing, and marketing. In addition, the program organized the Wisconsin Marketplace event, which offered minority-owned businesses the opportunity to promote goods and services, and provided staffing for the Governor's Committee on Minority Business.
79	<i>Minority Business Development Program</i>	560.82	Provided grants and loans to individual minority entrepreneurs, minority-owned businesses, local development corporations, or nonprofit organizations to fund start-up or expansion projects. The program provided up to 75 percent of the financing for fixed assets, up to a maximum of \$100,000 per recipient per year, with up to \$5,000 for working capital if the recipient was a financial institution or a nonprofit. Recipients were required to provide a 25 percent match for project costs for operating projects with the goals of job creation or retention.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Minority Business Development</b> (continued)			
80	<i>Minority Business Employee Skills Training</i>	560.155	Provided grants to businesses with fewer than 25 employees and less than \$2.5 million in gross annual income to train existing and new employees. Grants could be used for tuition and materials directly related to an employee's work requirements, but not wages. The maximum grant was \$10,000, but grants were typically limited to \$1,000 per employee trained, up to \$5,000 per business, with a required match of 20 percent of project costs.
81	<i>Minority Business Enterprise Program</i>	560.036	Certified eligible minority-owned businesses to receive preference from the Department of Administration in Wisconsin procurement contracts.
82	<i>Minority Business Incubator Grants</i>	560.039 (2005 Wis. Stats.)	Provided grants to individuals or organizations that operated business incubators for minority-owned businesses. Grants could be used to purchase, build, or rehabilitate a building, but could not be used for salaries or administrative costs. No maximum grant or matching amount was specified, but statutes limited total grants to no more than \$100,000 per year under the program.
83	<i>Minority Business Revolving Loan Fund Grants</i>	560.83 (2005 Wis. Stats.)	Provided grants to local economic development corporations to establish, expand, or continue a revolving loan fund that benefited minority-owned businesses or minority group members. The maximum grant was \$200,000 per local economic development corporation per year, with a required match of 50 percent of project costs.
84	<i>Minority Early Planning Grants</i>	560.82 (2007 Wis. Stats.)	Provided grants to minority-owned businesses to develop business plans. The maximum grant was \$15,000, but grants were typically limited to \$3,000 unless the project would have a statewide benefit. The business was required to provide matching funds of 25 percent of project costs.
85	<i>Minority Entrepreneurial Training Grants</i>	560.82 (2007 Wis. Stats.)	Provided tuition reimbursement to prospective minority business owners for up to 75 percent of the cost of attending entrepreneurial training classes provided by UW Small Business Development Centers.
86	<i>Minority Finance and Education Training Grants</i>	560.837 (2005 Wis. Stats.)	Provided grants to nonprofit organizations or private financial institutions for the purpose of making loans for working capital, not to exceed \$5,000, or to pay the origination fees or other administrative costs associated with making loans to minority group members and minority-owned businesses.
87	<i>Minority Nonprofit Corporation Incubator Grants</i>	560.038 (2005 Wis. Stats.)	Provided grants to nonprofit organizations that operated incubator facilities for minority-owned businesses. Grants could be used to purchase, build, or rehabilitate a building. The maximum grant was \$100,000, with no matching requirement specified.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Native American Economic Development</b>			
88	<i>Native American Liaison</i>	560.87	Full-time employee served as liaison to Native American tribes and businesses, and other organizations. Services included providing information about economic development programs targeting Native Americans and marketing economic development programs funded by gaming revenues.
89	<i>Native American Technical Assistance</i>	560.875	Provided grants to the Great Lakes Inter-Tribal Council to provide technical assistance to tribal enterprises and Native American businesses. Services included assisting with start-up and management, business planning, marketing, and securing financing from tribal, state, and federal business assistance programs.
<b>Rural Economic Development</b>			
90	<i>Dairy 2020 Early Planning Grants</i>	560.17(4m), 560.17 (5c)	Provided grants to individuals or businesses to pay costs related to the start-up, modernization, or expansion of a dairy farm or related business. Businesses were required to be located in a municipality with a population of less than 6,000 or in a county with less than 150 people per square mile. Grants could be used to prepare feasibility studies or business plans, to conduct engineering studies or appraisals, or to obtain legal, accounting, or management assistance. The maximum grant was \$3,000, with a required match of 25 percent of project costs.
91	<i>Low-Income Loans</i>	560.17(5r)  (2005 Wis. Stats.)	Provided loans to businesses to start up or expand their operations. Businesses were required to be located in a rural municipality with a population of less than 6,000 or a county with less than 150 people per square mile. In addition, the county in which the business was located was required to have a median household income below the state median, or the municipality in which the business was located was required to have a median household income lower than the county median. Loans could be used to purchase land, buildings, or equipment; to pay costs associated with construction or expansion of facilities; or to pay the cost of employee relocations. The maximum loan was \$50,000, with a required match of 25 percent of project costs.
92	<i>Milk Volume Production Loans</i>	560.17(5c)	Provided loans to dairy farmers who were undertaking capital improvements. Loans could be used to purchase cows. The maximum loan was \$500 per cow, up to a total of \$100,000, with a required match of 25 percent of project costs.
93	<i>Rural Business Employees' Skills Training</i>	560.155	Provided grants to businesses with fewer than 25 employees and less than \$2.5 million in gross annual income to train existing and new employees. Grants could be used for tuition and materials directly related to an employee's work requirements, but not wages. The maximum grant was \$10,000, but grants were typically limited to \$1,000 per employee trained, up to \$5,000 per business, with a required match of 20 percent of project costs.
94	<i>Rural Economic Development Grants and Loans</i>	560.17(5m)	Provided grants and loans to businesses for working capital, fixed-asset financing, or employee relocation. Businesses were required to be located in a rural municipality with a population of less than 6,000 or in a county with less than 150 people per square mile. The maximum award was \$100,000, with a required match of 25 percent of project costs.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Rural Economic Development</b> (continued)			
95	<i>Rural Entrepreneurial Training Grants</i>	560.17	Provided grants to prospective business owners for up to 75 percent of the cost of attending entrepreneurial training classes provided by UW Small Business Development Centers. The business was required to be located in a rural municipality with a population of less than 6,000 or in a county with less than 150 people per square mile.
96	<i>Rural Outsourcing Grant Program</i>	General Authority (ch. 560)	Provided grants to businesses to transfer work performed outside Wisconsin to a rural area within the state. Recipients were required to provide a cash match of 50 percent of project costs and agree to retain project operations in Wisconsin for not less than five years. Eligible costs were required to be directly related to transferring outsourced work to the rural location and could include facility-related costs, equipment purchases, employee training, or other costs determined to be related to the project.
97	<b>Small Business Clean Air Assistance Program</b>	285.79	Offered technical assistance to businesses, local governments, and other organizations on air pollution permits, federal and state regulations, and compliance issues through workshops and one-on-one consultations.
98	<b>Small Business Ombudsman</b>	560.03(9)	Full-time employee served as the ombudsman for the Small Business Regulatory Review Board and assisted businesses with specific questions or complaints about state laws, administrative rules, and permitting requirements. In addition, the ombudsman referred businesses to appropriate state programs, monitored legislation and rules affecting small business, served as a small business advocate within state government, conducted training, organized local networks to encourage entrepreneurship, and implemented Wisconsin's Regulatory Flexibility Act (1983 Wisconsin Act 90).
<b>Tax Credit Programs</b>			
99	<i>Agricultural Development Zone Program</i>	560.798	Offered tax credits to agricultural businesses that located or expanded in a designated zone. Credits were awarded based on the number of full-time jobs created or retained, capital investments made, and environmental remediation expenses incurred. Credits were nonrefundable and nontransferable, but may be carried forward for up to 15 years.
100	<i>Airport Development Zone Program</i>	560.7995	Offered tax credits to businesses that intended to construct or expand an airport. Businesses located within airport development zones were eligible for tax credits based on capital investments, jobs created, and environmental remediation expenses. No zones were ever designated under the program.
101	<i>Broadband Tax Credit and Exemption Program</i>	71.07(5e)	Offered tax credits to Internet service providers for investment in broadband services to areas of the state with limited or no broadband access. Credits were nonrefundable and nontransferable.
102	<i>Community Development Zone Program</i>	Ch. 560 Subchapter VI	Offered tax credits to businesses that located or expanded in a designated zone. Twenty-two zones were designated in areas that had high unemployment, low household income, a high number of recently laid-off employees, or were otherwise economically disadvantaged. Credits were awarded based on the number of full-time jobs created or retained. Credits were nonrefundable and nontransferable, but could be carried forward for up to 15 years.



**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Tax Credit Programs</b> (continued)			
103	<i>Development Opportunity Zone Program</i>	560.795	Offered tax credits to businesses that located or expanded in legislatively designated zones. Credits were awarded based on the number of full-time jobs created or retained, capital investments made, and environmental remediation expenses incurred. Credits were nonrefundable and nontransferable, but could be carried forward for up to 15 years.
104	<i>Economic Development Tax Credit Program</i>	Ch. 560 Subchapter VI	Offered tax credits to businesses for projects to create jobs, purchase significant capital assets, train employees, or establish or retain a corporate headquarters in Wisconsin. Recipients were required to retain project-related operations in Wisconsin for not less than five years. Credits were nontransferable and nonrefundable, but could be carried forward for up to 15 years.
105	<i>Enterprise Development Zone Program</i>	560.797	Offered tax credits to businesses that located or expanded in a designated zone. Zones were designated in areas that had high unemployment, low household income, a high number of recently laid-off employees, or were otherwise economically disadvantaged. Credits were awarded based on the number of full-time jobs created or retained. Credits were nonrefundable and nontransferable, but could be carried forward for up to 15 years.
106	<i>Enterprise Zone Program</i>	560.799	Offered tax credits to businesses in a zone that was no more than 50 acres in size. Businesses that located or expanded within a zone could claim income tax credits based on wages paid, payroll paid, jobs created or retained, employee training costs, significant capital expenditures, and purchases from Wisconsin suppliers. Zone designations were effective for up to 12 years, and a total of 12 zones could be designated in the state. Credits were refundable and nontransferable.
107	<i>Jobs Tax Credit Program</i>	560.2055	Offered tax credits to businesses equal to 10 percent of the wages of each newly created full-time job within a tax year. Recipients were required to retain project-related operations in Wisconsin for not less than five years. Credits were refundable and nontransferable.
108	<i>Technology Zone Program</i>	560.96	Offered tax credits to technology-based businesses that located or expanded in one of eight designated zones. Credits were awarded based on the number of full-time jobs created or retained and capital investments made. Credits were nonrefundable and nontransferable, but could be carried forward for up to 15 years.
<b>Technology Based Economic Development</b>			
109	<i>Information Exchange/Clearinghouse</i>	560.925 (2005 Wis. Stats.)	Served as a repository of technology-based information to increase the competitiveness of Wisconsin businesses, enhance opportunities for joint ventures, and provide effective coordination between the public and private sectors.
110	<i>Manufacturing Assessment Center</i>	560.935 (2005 Wis. Stats.)	Assisted small- to medium-sized manufacturers in adopting new manufacturing processes and techniques. Beginning in 2002, funding for this activity was eliminated in favor of the Wisconsin Manufacturing Extension Partnership.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Technology Based Economic Development</b> (continued)			
111	<i>Seed Capital Fund</i>	560.915 (2005 Wis. Stats.)	Provided equity financing to new or expanding technology-based businesses through a contracted investment fund manager.
112	<b>Value Supply Chain Grant Program</b>	General Authority (ch. 560)	Provided grants to develop a value supply chain for Wisconsin based on regional economies to identify where supply chain gaps existed and how Wisconsin businesses could fill the gaps. No awards were made under the program.
<b>Wisconsin Development Fund</b>			
113	<i>Business Employees' Skills Training</i>	560.155	Provided grants to businesses with fewer than 25 employees and less than \$2.5 million in gross annual income to train existing and new employees. Grants could be used for tuition and materials directly related to an employee's work requirements, but not wages. The maximum grant was \$10,000, but grants were typically limited to \$1,000 per employee trained, up to \$5,000 per business, with a required match of 20 percent of project costs.
114	<i>Customized Labor Training Grants and Loans</i>	560.63 (2005 Wis. Stats.)	Provided grants and loans to businesses to train new or existing employees in technology, industrial skills, or new manufacturing processes. Eligible costs included trainee wages, training materials, and trainer costs for customized instruction not available through other curricula. No maximum award or matching requirement was specified, but awards were typically limited to no more than 50 percent of project costs, up to a maximum of \$2,500 per employee trained.
115	<i>Early Planning Grants</i>	560.175 (2005 Wis. Stats.)	Provided grants to individuals or businesses to develop a business plan. The maximum grant was \$15,000, but grants were typically limited to \$3,000 unless the project would have a statewide benefit. Businesses were required to provide matching funds of 25 percent of project costs.
116	<i>Employee Ownership Program</i>	560.16 (2005 Wis. Stats.)	Provided grants to assist employees of a distressed business in evaluating the feasibility of purchasing the business and operating it as an employee-owned business. The program was open to a group formed by or on behalf of employees who experienced or may have experienced substantial layoffs or plant closings. The program was limited to businesses with 500 or fewer employees and less than \$25 million in annual sales. The maximum grant was \$15,000, with a required match of 25 percent of project costs.
117	<i>Entrepreneurial Assistance Grant Program</i>	560.157	Provided grants to new businesses to hire a college or university intern to assist in business plan development, marketing, research, or other functions relating to the creation of the business. The program provided up to \$3,000 per business for eligible costs, which included expenses directly related to the hiring of students in the fields of business, engineering, or information technology. Businesses were required to repay at least 33 percent of the award amount no later than two years after the receipt of the grant.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Wisconsin Development Fund</b> (continued)			
118	<i>Entrepreneurial Training Grants</i>	560.60(3m)(c)	Provided grants to prospective business owners for up to 75 percent of the cost of attending entrepreneurial training classes provided by UW Small Business Development Centers. Program administration and application processing was performed by the Wisconsin Entrepreneurs' Network.
119	<i>Grants to Manufacturing Facilities</i>	560.60(3m)(a)	Provided grants to businesses for converting existing manufacturing facilities to the production of renewable energy or the manufacturing of equipment used in the production of renewable energy.
120	<i>Major Economic Development Program</i>	560.60(3m)(a)	Provided grants and loans to businesses or local governments to finance projects that would leverage private investment or lead to significant job creation or retention. Funds could be used to construct or renovate buildings, acquire existing businesses, or purchase land, buildings, and equipment. No maximum award was specified, but recipients were required to provide matching funds of 25 percent of project costs.
121	<i>Rapid Response Fund</i>	560.147 (2005 Wis. Stats.)	Provided loans to businesses, local governments, and other organizations to mitigate possible or actual plant closings. Loans could be used to renovate or improve existing buildings; purchase land, buildings, machinery, and equipment; or construct new buildings. The maximum loan was \$750,000, with a required match of 25 percent of project costs.
122	<i>Revolving Loan Fund Capitalization Program</i>	560.145 (2005 Wis. Stats.)	Provided grants to individuals, local governments, nonprofit organizations, and economic development corporations to capitalize a revolving loan fund to promote local or regional economic development. The maximum grant was \$500,000, with no matching requirement specified.
123	<i>Small Business Innovation Research Assistance Grants Phase III</i>	560.45	Provided grants to businesses and entrepreneurs that applied for early-stage research and development funding from the federal government. Funds could be used for professional services needed to complete the federal application or to accomplish tasks as a condition of receiving third-party early-stage funding. The maximum award was \$15,000, with a required match of 25 percent of project costs.
124	<i>Small Business Innovative Research Grants</i>	560.607(2) (2005 Wis. Stats.)	Provided grants to businesses for preparing proposals under the Small Business Innovative Research program, which required ten federal agencies to reserve a portion of their annual research and development budgets for contracts with small businesses. No maximum grant or matching requirements were specified.
125	<i>Targeted Microloan Pilot Program</i>	560.60	Provided loans to businesses in two designated areas of the state, one rural and one urban, that were affected by high unemployment. Commerce was required to use a competitive process to select a Wisconsin nonprofit financial institution to administer these loans.
126	<i>Technology Assistance Grant Program</i>	560.275(2)(a)	Provided grants and loans to businesses and entrepreneurs that were seeking early-stage research and development funding from the federal government. Funds could be used for professional services needed to complete the federal application or to accomplish tasks as a condition of receiving third-party early-stage funding. The maximum award was \$15,000, with a required match of 25 percent of project costs.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Wisconsin Development Fund</b> (continued)			
127	<i>Technology Bridge Grants and Loans</i>	560.275(2)(c)	Provided grants and loans to businesses and entrepreneurs that had received early-stage financing from the federal government or private sources for research and development. Funds could be used for professional services and research, management, or operations costs until additional third-party financing was approved. The maximum award was \$100,000, with a required match of 25 percent of project costs.
128	<i>Technology Development Fund</i>	560.62(1)(a) (2005 Wis. Stats.)	Provided grants and loans to businesses to research and develop new products or to improve existing processes or products. Funds could be used for operating expenses, salaries, professional services, research-related equipment, and supplies. No maximum award was specified, but businesses were required to provide matching funds of 25 percent of project costs.
129	<i>Technology Development Loan Program</i>	560.62 (2005 Wis. Stats.)	Provided loans to businesses to research and develop new products or to improve existing processes or products. Funds could be used for operating expenses, salaries, professional services, research-related equipment, and supplies. No maximum award was specified, but businesses were required to provide matching funds of 25 percent of project costs.
130	<i>Technology Matching Grants and Loans</i>	560.275(2)(b)	Provided grants and loans to businesses and entrepreneurs that received a federal grant related to developing a technologically innovative process, product, or service. Funds could be used for professional services necessary to accelerate the commercialization of the process, product, or service. The maximum award was \$250,000, with a required match of 80 percent of project costs.
131	<i>Technology Transfer Grant and Loan Program</i>	560.276	Provided grants and loans to research institutions for research and development activities that contributed to improving the competitive position of a business through innovative solutions or the creation or retention of jobs. The program provided up to \$100,000 to eligible institutions including accredited colleges or universities, hospitals, accredited centers for health services, and accredited schools of medicine; health professionals; veterinary medicine; medicine and public health; public health; or dentistry. There was no specific matching funds requirement. No awards were made under the program.
132	<i>Technology Venture Fund Grants and Loans</i>	560.275(2)(d)	Provided grants and loans to businesses and entrepreneurs to attract early-stage financing from third parties. Funds could be used to pay for costs necessary to secure venture financing, including fixed assets and operations costs. The maximum award was \$250,000, with a required match of 50 percent of project costs.
133	<i>Urban Early Planning Grants</i>	560.175 (2005 Wis. Stats.)	Provided grants to individuals or businesses to develop a business plan. Projects were required to be located in a county with at least 150 people per square mile or in a municipality with a population of more than 6,000 people. The maximum grant was \$15,000, but grants were typically limited to \$3,000 unless the project had a statewide benefit. Businesses were required to provide matching funds of 25 percent of project costs.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Wisconsin Development Fund</b> (continued)			
134	<i>Wisconsin Development Fund Program</i>	560.60	Provided grants and loans to businesses and local governments for economic development activities such as capital financing, employee training, and technological development. Funds could be used to increase productivity, capital investment, or job creation and retention. This program provided up to 75 percent of project costs. No maximum grant amount was specified.
135	<i>Wisconsin Green to Gold Fund Program</i>	560.128	Provided loans to businesses undertaking projects that implemented energy-efficiency or renewable energy measures in facilities, changed the operations of existing facilities to manufacture products that support the green economy, expanded or established domestic clean energy manufacturing operations, or created or retained jobs for workers employed to achieve project goals. No awards were made under the program.
136	<i>Wisconsin Trade Project</i>	560.167	Provided grants to businesses to participate in international trade shows. Businesses were required to be located in Wisconsin and have less than \$25 million in annual sales. Grants could be used for entry fees, shipping displays and materials, booth construction, and foreign language translation. The maximum grant was \$5,000 with no matching requirement specified.
137	<b>Wisconsin Energy Independence Fund</b>	560.126	Provided grants and loans to businesses and researchers for commercialization, research and development, and supply chain development of energy independence technologies. Awards typically ranged from \$100,000 to \$500,000. Matching funds of at least 50 percent of total project costs were required. This program supported one round of projects, and no additional funding was appropriated.
138	<b>Wisconsin Main Street</b>	560.081, 560.082	Provided technical assistance to local governments participating in historic preservation and economic development of traditional business districts under federal guidelines established by the National Trust for Historic Preservation, including hiring and training a downtown program manager, facilitating project work planning, hosting networking and training workshops, conducting on-site visits, and providing architectural planning and design. The program was overseen by the 15-member Council on Main Street Programs.
139	<b>Wisconsin Manufacturing Extension Partnership</b>	560.25	Provided technical assistance to manufacturers, including process improvements, worker training, business practices, and information technology. Wisconsin had two centers: the Wisconsin Manufacturing Extension Partnership, located in Madison and administered by the nonprofit Wisconsin Center for Manufacturing and Productivity, and the Northwest Wisconsin Manufacturing Outreach Center, affiliated with UW-Stout. The Northwest Wisconsin Manufacturing Outreach Center served 33 counties in northwest Wisconsin through seven field offices, while the Wisconsin Manufacturing Extension Partnership served manufacturers in the remainder of the state through three regional centers and eight field offices. The Partnership was supported by federal, state, and private funds.
140	<b>Wisconsin State Energy Program</b>	560.128	Provided grants and loans to businesses for implementing energy-efficiency measures in their manufacturing facilities, changing the operations of existing facilities to manufacture products that support a green economy, expanding and establishing domestic clean-energy manufacturing, or creating or retaining jobs related to project activities.

**COMMERCE** (continued)

Program Number	Program	Wis. Statutes	Description
141	<b>Wisconsin Technology Council</b>	560.27	Promoted the development of science and technology businesses in Wisconsin by developing a master plan for promoting technology-based businesses in Wisconsin, administering the Wisconsin Innovation Network, supporting the Wisconsin Entrepreneurs' Conference, promoting the Wisconsin Life Sciences and Venture Conference, organizing the annual Governor's business plan contents, and administering the Wisconsin Angel Network. The Wisconsin Technology Council was a statutorily created nonprofit funded by state and private sources and reported annually to the Legislature and the Governor.
<b>Wisconsin Venture Fund</b>			
142	<i>Capital Connections Grants</i>	560.277(2)	Provided grants to eligible research institutions or nonprofit organizations to expand business access to existing capital networks; create or operate a capital network; or create activities, events, or strategies to connect businesses to available capital. There was no maximum grant amount specified, but there was a required match of 50 percent of project costs.
143	<i>Venture Seed Grants</i>	560.277(3)	Provided grants to eligible research institutions or nonprofit organizations to fund a new business or determine proof of concept or feasibility for a new business idea. There was no maximum grant amount specified, but there was a required match of 100 percent of project costs.
144	<b>Wisconsin Women's Business Initiative Corporation</b>	560.037	Provided business education and technical assistance, promoted access to capital, and administered a federally funded microloan program for women and minority entrepreneurs. The Corporation was funded by federal, state, and private sources.
145	<b>Women-Owned Business Certification and Women's Business Ombudsman</b>	560.035	Certified businesses that were at least 51 percent owned, controlled, and actively managed by women, and posted a list of such businesses on the Internet. Certifications could be used by businesses to receive contracts with the State of Wisconsin and other state governments. The Office of the Women's Ombudsman oversaw the program and presented at conferences on the benefits and uses of certification.

**DEPARTMENT OF NATURAL RESOURCES (DNR)**

Program Number	Program	Wis. Statutes	Description
146	<b>Brownfield Site Assessment Grant Program</b>	292.75	Provided grants to local governments to complete environmental assessments and remediate contaminated industrial and commercial properties. Eligible projects included abandoned, idle, or underused facilities that were unlikely to be redeveloped because of actual or perceived contamination. The maximum grant was \$100,000, with a required match of 20 percent of project costs.

**DNR** *continued*

Program Number	Program	Wis. Statutes	Description
147	<b>Dry Cleaner Environmental Response Fund Program</b>	292.65	Provided grants to businesses to investigate and remediate contamination from dry cleaning solvents at current and former dry cleaning facilities and to prepare these sites for future redevelopment. The maximum grant was \$500,000, and business owners or operators were required to pay a deductible ranging from \$10,000 to \$26,000 plus 10 percent of reimbursable costs depending on the size of the grant. The program was closed to new applicants in August 2008. The program was overseen by the six-member Dry Cleaner Environmental Response Council.
148	<b>Ready for Reuse Revolving Loan Fund and Grants Program</b>	292.72	Provided grants and loans to local governments and nonprofits to remediate brownfields that were contaminated with petroleum and other hazardous substances. The program was supported with funds from the U.S. Environmental Protection Agency. Grants could be awarded for up to \$200,000, with a 22 percent match, for projects that could be completed in two years. The program also provided zero-interest loans.
149	<b>Wisconsin Plant Recovery Initiative Assessment Monies Program</b>	General Authority (ch. 292)	Provided grants to local governments and other eligible recipients to assess environmental contamination at closed or closing industrial and manufacturing facilities. The program was supported with a \$1.0 million grant from the U.S. Environmental Protection Agency.

**DEPARTMENT OF TOURISM**

Program Number	Program	Wis. Statutes	Description
150	<b>Centralized Online Database/Marketing</b>	General Authority (ch. 41)	Offered businesses, local governments, and nonprofits the ability to promote events, accommodations, and attractions through <i>www.travelwisconsin.com</i> , applications for certain smartphones, and other Department of Tourism publications.
151	<b>Co-op Advertising</b>	General Authority (ch. 41)	Offered discounted advertising rates to businesses and nonprofit organizations for Internet advertisements targeted at travelers in the Midwest region; listings of travel packages through <i>www.travelwisconsin.com</i> ; bimonthly e-mails promoting events and travel packages; and newspaper and print materials.
152	<b>Co-op Direct Marketing</b>	General Authority (ch. 41)	Provided prequalified leads to businesses, local governments, and nonprofit organizations.
153	<b>Joint Effort Marketing Grants</b>	41.17	Provided grants to local governments and nonprofit organizations to promote Wisconsin tourism, including through destination marketing, events, and sales promotions. Grants could be used to pay costs related to the production and placement of advertising, direct mail campaigns, booth space and equipment, public relations campaigns, and advertising agency fees. The maximum grant was \$10,000 per municipality served by the project, up to a total of \$40,000 per project. The required matching amount increased from 25 percent of project costs in the first year to 75 percent of project costs in the third and final year of a grant.

**TOURISM** (continued)

Program Number	Program	Wis. Statutes	Description
154	<b>Ready, Set, Go! Grants</b>	General Authority (ch. 41)	Provided grants of up to \$20,000 to local governments and nonprofit organizations seeking to attract competitive sporting events to their communities. Eligible expenses included contract bidding fees, sanctioning costs, and other operating costs associated with bringing competitive events to Wisconsin communities. Recipients were required to provide matching funds of 50 percent of project costs.
155	<b>Regional Tourism Specialists</b> (formerly Economic Development Specialists and Tourism Development Specialists)	General Authority (ch. 41)	Offered technical assistance to local governments and nonprofit organizations, including tourism planning, marketing, and development assistance.
156	<b>Tourist Information Center Grants</b>	41.16	Provided grants to local governments and nonprofit organizations to operate regional tourist information centers. The maximum grant was \$15,000 per year, and recipients could be reimbursed for up to 50 percent of eligible costs, which included staffing, promotional materials, and display equipment.
157	<b>Travel and Sport Show Partnership Program</b>	General Authority (ch. 41)	Offered affordable shared booth space at travel and sports shows to local governments and nonprofit organizations.
158	<b>Travel Green Wisconsin</b>	General Authority (ch. 41)	Promoted and encouraged patronage of businesses, local governments, and other organizations that voluntarily minimize their waste, energy use, and overall environmental footprint. Participating businesses were featured through <a href="http://www.travelwisconsin.com">www.travelwisconsin.com</a> and could display the Travel Green logo on their promotional and marketing materials.

**DEPARTMENT OF TRANSPORTATION (DOT)**

Program Number	Program	Wis. Statutes	Description
	<b>Disadvantaged Business Enterprise Programs</b>		
159	<i>Disadvantaged Business Enterprise Assistance</i>	84.072, 84.075	Provided technical assistance to certified disadvantaged business enterprises to assist them in competing for federally funded transportation-related projects. Disadvantaged business enterprises included small businesses that were at least 51 percent owned and controlled by African Americans, Native Americans, Hispanics, Asian-Pacific Islanders, Asian-Indian Americans, women, veterans, and individuals found to be socially and economically disadvantaged, as defined by the federal government. Services included disadvantaged business enterprise certification, business capacity building, legal assistance, financial management consulting, business succession planning, mentor-protégé arrangements, and on-the-job-training.



**DOT** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Disadvantaged Business Enterprise Programs</b> (continued)			
160	<i>Mobilization Loan Guarantee</i>	85.25	Provided loan guarantees to disadvantaged business enterprises to assist them in competing for state and federal procurement contracts. Disadvantaged business enterprises included small businesses that were at least 51 percent owned and controlled by African Americans, Native Americans, Hispanics, Asian-Pacific Islanders, Asian-Indian Americans, women, veterans, and individuals found to be socially and economically disadvantaged, as defined by the federal government. The guaranteed loans were intended to provide disadvantaged businesses with working capital to purchase capital equipment, insurance, and other services. The maximum guarantee was \$250,000 in any six-month period, and the loan could not exceed 50 percent of project costs.
161	<b>Transportation Economic Assistance</b>	84.185	Provided grants and loans to businesses, local governments, and consortia for transportation projects, including road, rail, and harbor improvements that enhance access to economic development projects. Projects were required to have a local government sponsor. The maximum award was \$5,000 for each new job resulting directly from the improvement up to \$1.0 million, with a required match of 50 percent of project costs.

**UW-EXTENSION**

Program Number	Program	Wis. Statutes	Description
<b>Cooperative Extension</b>			
162	<i>Agriculture and Natural Resources Extension</i>	General Authority (ch. 36)	Offered technical assistance to farmers, local governments, and other organizations through county and campus-based full-time employees. Services included farm business management and marketing, dairy farm modernization, and increasing the profitability of commodity production through value-added educational programming.
163	<i>Center for Community Economic Development</i>	General Authority (ch. 36)	Offered information and assistance to individuals, local governments, and other organizations, and developed materials used by UW-Extension to support work with local communities and organizations. Program areas include the Business District Market Analysis Toolbox, the Tourism Business Development Toolbox, the Northern EDGE, and Let's Talk Business. The Center is located on the UW-Madison campus.
164	<i>Community, Natural Resource, and Economic Development</i>	General Authority (ch. 36)	Offered technical assistance to businesses, local governments, and community organizations through county and campus-based full-time employees. Services included evaluating economic trends; identifying strategies to promote job and income growth; studying local retail, labor, and capital markets; assessing preparedness; networking; and serving as an intermediary between employers, educational institutions, local governments, and other economic development organizations.

**UW-EXTENSION** (continued)

Program Number	Program	Wis. Statutes	Description
<b>Small Business Development Centers</b>			
165	<i>Small Business Development Centers</i>	36.25(24)	Offered technical assistance to small businesses and entrepreneurs through a network of centers located on 12 four-year UW System institutions, including three specialty centers. Services included no-cost counseling and business planning assistance, and fee-based training sessions for prospective and existing small businesses. Small Business Development Centers were funded by federal and state sources.
166	<i>Center for Advanced Technology and Innovation (CATI)</i>	General Authority (ch. 36)	Regional technology transfer and commercialization initiative founded by nine academic, workforce development, and economic development agencies in Racine and Kenosha counties, including UW-Parkside and Gateway Technical College, that sought to license underutilized patents and launch new businesses. The Center was funded by federal, state, and private sources, including donations of intellectual property from industry.
167	<i>Center for Innovation and Development</i>	General Authority (ch. 36)	Offered technical assistance to manufacturers, inventors, and entrepreneurs and provided access to campus staff, laboratories, and instructional programs. Services included product development, design, and engineering; seminars; and on-site assistance. The Center, located at UW-Stout, was funded by federal, state, and private sources.
168	<i>Wisconsin Innovation Service Center</i>	General Authority (ch. 36)	Offered technical assistance to businesses to improve profitability. The Center specialized in new product development and market assessments for innovative manufacturers, technology businesses, and independent inventors. Special research projects were conducted for both public and private organizations. The Center, located at UW-Whitewater, was funded by federal and state sources.
169	<b>Wisconsin Entrepreneurs' Network</b>	560.275(2)(e)	A network of four regional offices and more than 100 partner organizations, including universities, technical colleges, other economic development organizations, and nonprofits that support entrepreneurship. Services included referring entrepreneurs and businesses to partner organization services; reviewing and providing advice on business plans; assisting entrepreneurs with patent, trademark, and copyright issues; assisting entrepreneurs in securing federal grants; and providing administrative support for peer learning initiatives such as Inventor & Entrepreneur Clubs. The program also administered grants for entrepreneurs, which were offered by the Department of Commerce.

**UW-MADISON**

Program Number	Program	Wis. Statutes	Description
170	<b>Center for Dairy Profitability</b>	General Authority (ch. 20.285)	Provided technical assistance to dairy farms and dairy industry service providers to improve profitability. Services included management education programs, development of decision-making tools for farms and service providers, and one-on-one business counseling.

**UW-MADISON** *(continued)*

Program Number	Program	Wis. Statutes	Description
171	<b>Family Business Center</b>	General Authority (ch. 36)	Served as the initial point of contact to assist businesses in identifying university resources; provided information to UW-Madison staff, students, and others on starting a business; and created awareness among businesses, entrepreneurs and other organizations about UW-Madison resources and expertise.
172	<b>Office of Corporate Relations</b>	General Authority (ch. 36)	Served as the initial point of contact to assist businesses in identifying university resources, provided information to UW-Madison staff, students, and others on starting a business, and identified technology licensing opportunities.
173	<b>Trade Show Travel Grant Program</b>	General Authority (ch. 36)	Provided grants through the UW-Madison Center for International Business Education and Research to encourage Wisconsin businesses to seek out new international markets. Grants could be used for airfare and lodging expenses incurred at an approved trade show. The maximum grant was \$2,000, with no matching requirement specified.
174	<b>University Research Park</b>	General Authority (ch. 36)	A nonprofit organization staffed by state employees that developed and leased land to companies interested in maintaining a relationship with the university community. The research park assisted start-up companies through its technology incubator, the Madison Gas and Electric Innovation Center. Revenues were returned to UW-Madison for employee salaries and administrative costs.
175	<b>UW E-Business Consortium</b>	General Authority (ch. 36)	The consortium facilitated the sharing of best practices for e-businesses related to marketing, supply chain management, customer service, and sales operations among companies through peer groups and executive retreats, coordinated collaboration with member companies, member company projects, and an annual conference.
176	<b>Wisconsin Center for Dairy Research</b>	General Authority (ch. 36)	Offered technical assistance to cheese and dairy product manufacturers and food companies, local governments, and other organizations for new product development, research assistance, processing, training, short courses, and on-site visits.

**UW-OSHKOSH**

Program Number	Program	Wis. Statutes	Description
177	<b>Business Success Center</b>	General Authority (ch. 36)	Provided technical assistance to businesses, local governments, and nonprofit organizations. Services included customized training, applied research and business consulting, and student internship programs to businesses in the area.
178	<b>Wisconsin Family Business Forum</b>	General Authority (ch. 36)	Offered technical assistance to family-owned businesses, including education, networking, and research.

**UW-PLATTEVILLE**

Program Number	Program	Wis. Statutes	Description
179	<b>Platteville Business Incubator, Inc.</b>	General Authority (ch. 36)	Assisted entrepreneurs and start-up businesses by offering facilities with reduced overhead costs, access to revolving loans, and professional business assistance. The incubator was managed by a nonprofit organization formed to promote business start-ups in the Platteville area, and supported by a 0.5 limited-term employment position and grants from the U.S. Department of Agriculture's rural development program.

**UW-RIVER FALLS**

Program Number	Program	Wis. Statutes	Description
180	<b>Center for Economic Research</b>	General Authority (ch. 36)	Assisted faculty in identifying and applying for research grants; assisted in research projects, such as economic impact studies of the upper Midwest region; provided a database of regional economic data; published a semiannual regional economic analysis; and provided consulting services to St. Croix Valley communities.

**UW-STEVENS POINT**

Program Number	Program	Wis. Statutes	Description
181	<b>Northern Aquaculture Demonstration Facility</b>	General Authority (ch. 36)	Provided technical assistance to businesses and individuals in promoting the development of commercial aquaculture. Services included conducting applied research; providing outreach and extension services; providing training, workshops and educational opportunities; and building and strengthening relationships among commercial aquaculturists and federal, tribal, and state agencies.

**UW-STOUT**

Program Number	Program	Wis. Statutes	Description
182	<b>Economic Development Administration University Center</b>	General Authority (ch. 36)	Offered technical assistance to small- and medium-sized businesses in distressed communities, including the implementation and operation of quality systems to improve economic competitiveness. Services included outreach to businesses, peer relationship building, education, and coaching. The Center was funded by federal and state sources.
183	<b>Northwest Wisconsin Manufacturing Outreach Center</b>	560.25	Offered technical assistance to manufacturers, including strategic planning, implementation of efficient manufacturing practices, productivity improvement, and quality system implementation. Services included on-site operations assessments, seminars, technical assistance, workforce development, and referrals. The Center served 33 counties in northwestern Wisconsin and was a partnership between UW-Stout, UW-Extension, the Wisconsin Technical College System, and the Wisconsin Manufacturing Extension Partnership.

**UW-STOUT** (continued)

Program Number	Program	Wis. Statutes	Description
184	<b>Stout Technology and Business Incubator</b>	General Authority (ch. 36)	Assisted entrepreneurs and start-up businesses by offering facilities with reduced overhead costs, professional business assistance, and access to campus faculty, staff, and students. The incubator was funded by federal and state sources.

**WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY (WHEDA)**

Program Number	Program	Wis. Statutes	Description
185	<b>Agribusiness Loan Guarantee</b>	234.907	Provided loan guarantees to businesses located in municipalities with populations of 50,000 or less to develop new methods for processing or marketing raw agricultural commodities. Loans could be used for working capital, inventory, marketing expenses, or for the purchase of buildings or equipment. The maximum guarantee was 80 percent of the loan amount, up to \$600,000 in guarantees.
186	<b>Airport Development Zone Program</b>	234.63(3) (2007 Wis. Stats.)	Provided loans to businesses located in areas designated as airport development zones to finance construction or expansion of an airport, to increase the number of flights to and from an airport. No loans were made under the program.
187	<b>Beginning Farmer Bonds</b>	234.66 (2005 Wis. Stats.)	Provided proceeds from the sale of tax-exempt bonds to beginning farmers to purchase agricultural assets at below-market interest rates. Individuals were required to have a net worth less than or equal to \$250,000, engage in farming as a primary occupation, not be a corporation, and have adequate training and education in the type of farming for which the loan will be used. The maximum bond amount was \$250,000, with no matching requirements specified. The program was funded by up to \$17.5 million in tax-exempt bonds.
188	<b>Credit Relief Outreach Program Guarantee</b>	234.90	Provided loan guarantees to farmers to purchase services or consumables such as fertilizer, seed, fuel, pesticides, tillage services, crop insurance, animal feed, or other goods or services. The maximum guarantee was 90 percent of loans less than \$50,000 and 80 percent of loans from \$50,000 to \$100,000.
189	<b>Farm Asset Reinvestment Management Guarantee</b>	234.91	Provided loan guarantees to farmers to expand or modernize existing farming operations. Loans could be used to purchase machinery, equipment, facilities, land, and livestock or to finance improvements to farm facilities. The maximum guarantee was the lesser of 25 percent of the loan, the farmer's net worth, \$200,000 if no other state or federal assistance was being used, or \$100,000 when any other state or federal credit assistance was being used.
190	<b>Linked Deposit Loan Subsidy</b>	234.165	Provided interest subsidies to women- and minority-owned businesses on loans made by private financial institutions. Businesses were required to demonstrate a financial need for the subsidy, employ 25 or fewer full-time employees, have gross sales of less than \$500,000, and be at least 50 percent owned and controlled by a woman or ethnic minority group member. Loans could be used to purchase or improve land, buildings, machinery, and equipment.
191	<b>Other Dividends for Wisconsin Activities</b>	General Authority (ch. 234)	WHEDA General Reserve Funds were allocated for various economic development activities through the "Dividends for Wisconsin" plan, which was approved by the Governor and the Joint Committee on Finance.

**WHEDA (continued)**

Program Number	Program	Wis. Statutes	Description
192	<b>Neighborhood Business Revitalization Guarantee</b>	234.165	Provided loan guarantees to businesses and developers for the expansion or acquisition of small businesses or commercial real estate. The business or real estate was required to be located in a community with a population greater than 35,000. The maximum guarantee was 75 percent of the loan amount, up to \$750,000 for fixed assets and inventory or \$200,000 for working capital.
193	<b>New Market Tax Credit Activities</b>	General Authority (ch. 234)	Implemented and administered federal New Market Tax Credits allocated to Wisconsin.
194	<b>Small Business Development Loan Guarantee</b>	234.83	Provided loan guarantees to small businesses for the start-up of a business in a vacant storefront in a municipality with a population of less than 12,000, the start-up of a day care, or the expansion or acquisition of a business. Loans could be used for direct and related expenses, including the purchase or improvement of land, buildings, machinery, equipment, or inventory. The maximum guarantee was 80 percent of the loan up to \$200,000 for loans for fixed assets, working capital and inventory, or 80 percent of the loan up to \$80,000 for loans for working capital. A specialized contractor's loan guarantee provided a guarantee of up to \$200,000 to businesses awarded contracts from federal, state, or local governments.

**WISCONSIN TECHNICAL COLLEGE SYSTEM**

Program Number	Program	Wis. Statutes	Description
195	<b>Advanced Manufacturing Solutions</b>	38.27(1)(g)	A statewide partnership designed to stimulate the attraction, growth, and development of manufacturing and to promote manufacturing careers in Wisconsin. Network contacts in four regions of the state assisted manufacturers in increasing productivity and competitiveness through networking, improving technology skills, and process assessments.
196	<b>Workforce Advancement Training Grants</b>	38.41	Individual technical college districts, in conjunction with established businesses operating in Wisconsin, could apply for grants from \$2,500 to \$200,000 to upgrade employee skills, with the broader objective of supporting regional workforce and economic development efforts. Eligible expenses included instructional materials and software, staffing costs, and travel.

## Appendix 2

# Comparison of State Economic Development Programs

This appendix compares the 196 economic development programs state agencies administered at some point during the period from FY 2007-08 through FY 2010-11. Statutes define a state economic development program as a program or activity that has the primary purpose of encouraging the establishment and growth of business in Wisconsin, including the creation and retention of jobs, and that:

- receives state or federal funding through ch. 20, Wis. Stats.; and
- provides financial assistance, tax benefits, or direct services to specific industries, businesses, local governments, or organizations.

The programs are organized alphabetically by the agency that provided funding. Definitions of key terms follow.

**Program Number** provides a numerical reference created by the Legislative Audit Bureau for each program, and is also used in appendices 1, 3, 5, 8, and 9. The program number and the program to which it refers do not match those used in report 06-9.

**Program** provides the designated name for each economic development program. Programs in italics are those funded and administered under a broader program, initiative, or administrative unit.

**Start Year** identifies the year the program was created by the Legislature and the Governor or the first year of program operations if the program was not created directly through legislation.

**2009-11 Estimated Expenditures** represents the estimated total expenditures of state funds for the 2009-11 biennium (FY 2009-10 through FY 2010-11) as reported by the agency responsible for the program, including both program and administrative costs. In most instances, expenditure information was available only for a group of programs funded through a common source, rather than for each individual program.

**Source** identifies the sources of state funding for the program, which may include a combination of general purpose revenue (GPR), program revenue (PR), segregated revenue (SEG), or federal revenue (FED).

**Type of Assistance** identifies the primary type of assistance provided by the program, which is either direct services or one or more types of financial assistance.

- *Direct Services*—includes providing information, technical assistance, regulatory assistance, technology transfer, networking, coordination, or other nonfinancial services.

- *Financial Assistance*—includes all forms of cash payments and financial incentives, which can be one or more of the following types:
  - loans, which require repayment of the principal amount borrowed, with or without interest;
  - grants, which are either directly allocated or awarded competitively and do not require repayment; and
  - other financial assistance, including tax credits, bonding authority, loan guarantees, or loan subsidies.

**Eligible Recipients** identifies the types of entities eligible for assistance from the program.

- *Businesses and Individuals*—includes individuals and for-profit business organizations such as sole proprietorships, partnerships, corporations, and cooperatives.
- *Local Governments*—includes local units of government such as municipalities and counties.
- *Nonprofit and Other Organizations*—includes nonprofit organizations, community-based organizations, and economic development corporations.

**Program Emphasis** identifies areas of emphasis or eligibility restrictions for each program.

- *Small Business*—indicates whether the program was restricted to small businesses. The definition of small business varied for each program, depending on statutory or other requirements.
- *Minority-Owned Business*—indicates whether the program was restricted to minority-owned businesses or set aside a portion of its funding for minority-owned businesses.
- *Agricultural Business*—indicates whether the program primarily assisted agricultural businesses or farmers.
- *Technology Business*—indicates whether the program primarily assisted technology-based businesses, such as information technology, biotechnology, or nanotechnology.
- *Early-Stage Business*—indicates whether the program primarily assisted start-up companies and entrepreneurs.
- *Manufacturing Business*—indicates whether the program primarily assisted manufacturing and related production businesses.



**Program Purpose** identifies the primary purpose or purposes for the assistance provided by each program. A program may have had multiple purposes.

- *Business Development and Technical Assistance*—providing technical assistance such as information and advice related to business start-up, operations, management, technology transfer, or regulatory compliance; developing business plans; certifying minority-owned businesses; and assisting with the start-up or operation of a business incubator.
- *Community Development*—promoting local or regional economic growth, including community planning and infrastructure projects related to business expansion.
- *Capital Investment and Operations Costs*—purchasing fixed assets such as land, buildings, or equipment; assisting with operations costs, such as start-up costs, supplies and services, or payroll; and maintaining revolving loan funds that support any of these functions.
- *Marketing and Promotion*—promoting products, services, events, regions, or industries, or developing new markets.
- *Other Purpose*—providing assistance for other purposes, including new product research and development, employee training, and environmental assessment and remediation of brownfields.

**DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION (DATCP)**

Program	Start Year	2009-11 Estimated Expenditures	Source	Types of Assistance				Eligible Recipients		
				Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
1 <b>Agricultural Business Development and Technical Assistance</b>	2002	\$ 985,300	GPR	✓				✓		✓
2 <b>Agricultural Development and Diversification Grants</b>	1989	624,800	GPR		✓			✓	✓	✓
3 <b>Agriculture Innovation and Development Center Value Added Services Funding</b>	2011				✓			✓	✓	✓
<b>Agricultural Market Development</b>										
4 <i>Alice in Dairyland</i>	1948	239,500	GPR, PR	✓					✓	✓
5 <i>Buy Local, Buy Wisconsin Grant Program</i>	2007	269,500	GPR		✓			✓		✓
6 <i>Buy Local, Buy Wisconsin Technical Assistance</i>	2007	396,000	GPR	✓				✓		✓
7 <i>Farm to School Grants</i>	2010				✓			✓	✓	✓
8 <i>Farm to School Technical Assistance</i>	2010			✓				✓	✓	✓
9 <i>International Agribusiness Center</i>	1985	799,500	GPR	✓				✓		
10 <i>Marketing and Promotion Activities</i>	1929	385,400	GPR, FED	✓				✓		✓
11 <i>SavorWisconsin.com</i>	2003	77,700	GPR, FED	✓				✓		
12 <i>Something Special from Wisconsin</i>	1983	50,700	PR	✓				✓		
13 <b>Aquaculture Assistance</b>	1992	86,000	GPR	✓				✓		
14 <b>Beginning Farmer and Farm Asset Owner Tax Credit</b>	2009						✓	✓		
15 <b>Bio-Based Industry Opportunity Grants</b>	2005				✓			✓		✓
<b>Dairy Business Initiative/Value Added Dairy Initiative</b>										
16 <i>Dairy Business Initiative Technical Assistance</i>	2004	788,100	FED	✓				✓		✓
17 <i>Dairy Business Innovation Center</i>	2004	1,378,800	FED	✓				✓		
18 <i>Dairy Development Revolving Fund</i>	2004					✓		✓		
19 <i>Dairy Farm Modernization Grants</i>	2004				✓			✓		
20 <i>Dairy Processor Innovation Grants</i>	2008				✓			✓		✓
21 <i>Dairy Value Added Processor Revolving Loans</i>	2011	266,200	PR			✓		✓		
22 <i>Value Chain Development Grants</i>	2004				✓			✓		
<b>Farm Center</b>										
23 <i>Call Center and Consulting Services</i>	1987	820,900	GPR, FED	✓				✓		
24 <i>Farm Link Program</i>	1997			✓				✓		
25 <i>Stray Voltage Program</i>	1987	1,009,100	PR	✓				✓		
26 <b>Grazing Lands Conservation Initiative Grants</b>	2004	2,080,100	GPR, FED, SEG		✓			✓	✓	✓
27 <b>Organic Certification Cost-Share Program</b>	2003	834,600	GPR, FED		✓			✓		
28 <b>Rural Business Enterprise Loans</b>	2003					✓		✓		
29 <b>Soybean Crushing Facility Grant</b>	2007				✓			✓		
30 <b>Special Agricultural Facilities Grants</b>	2009	3,437,400	SEG		✓			✓		
31 <b>Specialty Crop Block Grants</b>	2004	931,800	GPR, FED		✓			✓		✓
32 <b>Specialty Meat Development Center</b>	2010	194,500	FED	✓				✓		
33 <b>Sustainable Agriculture Grants</b>	1993				✓			✓		✓

**DATCP** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
		✓				✓			✓	
		✓						✓		Research and Development
		✓				✓			✓	
		✓							✓	
		✓				✓	✓	✓	✓	
		✓				✓				
		✓				✓		✓	✓	
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		✓				✓			✓	
		✓				✓			✓	
		✓				✓		✓		
		✓				✓		✓		Research and Development
		✓				✓				
		✓		✓		✓			✓	
		✓				✓		✓	✓	
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		✓				✓		✓	✓	
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		✓				✓		✓	✓	
		✓				✓				
		✓				✓				
		✓				✓				
		✓				✓				Research and Development
		✓						✓		
✓		✓		✓				✓		
		✓						✓		
		✓						✓		
		✓				✓		✓	✓	
		✓				✓			✓	
		✓						✓		Research and Development

**DEPARTMENT OF COMMERCE**

Program	Start Year	2009-11 Estimated Expenditures	Source	Types of Assistance				Eligible Recipients		
				Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
34 <b>Area Development Managers</b>	1985	\$ 2,565,500	GPR, FED	✓				✓	✓	✓
<b>Bond Programs</b>		312,700	PR							
35 <i>Industrial Revenue Bond Program</i>	1973						✓	✓		
36 <i>Midwestern Disaster Relief Bond Program</i>	2008						✓	✓		
37 <i>Qualified Energy Conservation Bond Program</i>	2009						✓	✓	✓	
38 <i>Recovery Zone Facility Bond Program</i>	2009						✓	✓	✓	
39 <b>Brownfields Grant Program</b>	1997	10,760,300	SEG		✓			✓	✓	✓
<b>Business Development Assistance Center</b>										
40 <i>Business Development Assistance Center</i>	1983	107,200	GPR	✓				✓		
41 <i>Technology Development Assistance</i>	1990	187,100	GPR	✓				✓		
42 <b>Certified Capital Companies Program</b>	1999						✓	✓		
<b>Community-Based Economic Development</b>		1,164,100	GPR							
43 <i>Business Assistance Grants</i>	1990				✓			✓		✓
44 <i>Business Incubator Grants</i>	1990				✓					✓
45 <i>Economic Development Project Grants</i>	1990				✓					✓
46 <i>Economic Diversification Community Planning Grants</i>	1993				✓				✓	✓
47 <i>Regional Planning Grants</i>	1995				✓				✓	✓
48 <i>Revolving Loan Fund Grants</i>	1998				✓					✓
49 <i>Venture Capital Conference Grants</i>	1997				✓					✓
50 <i>Youth Entrepreneurship Teaching Grants</i>	1997				✓					✓
<b>Community Development Block Grant</b>		35,932,800	FED							
51 <i>Blight Elimination and Brownfields Redevelopment</i>	1981				✓	✓		✓	✓	✓
52 <i>Community Development Planning Assistance</i>	1981			✓					✓	✓
53 <i>Economic Development Grants and Loans</i>	1981				✓	✓		✓	✓	
54 <i>Economic Recovery under ARRA</i>	2009				✓	✓		✓	✓	
55 <i>Planning Grants</i>	1974				✓				✓	
56 <i>Public Facilities for Economic Development</i>	1981				✓				✓	
57 <b>Dairy 2020 Initiative</b>	1993	196,700	GPR	✓				✓	✓	✓
<b>Early-Stage Business Investment Programs</b>		377,300	GPR							
58 <i>Angel Investment Tax Credit Program</i>	2004						✓	✓		
59 <i>Early Stage Seed Investment Tax Credit Program</i>	2004						✓	✓		
60 <b>Economic Development Administration 2008 Flood Recovery Technical Assistance</b>	2008	933,500	FED	✓				✓	✓	✓
61 <b>Forward Innovation Fund Program</b>	2009	777,800	GPR		✓	✓		✓	✓	✓
62 <b>Forward Wisconsin, Inc.</b>	1984			✓				✓		
<b>Gaming Revenue Funded Programs</b>		5,409,700	PR							
63 <i>Economic Diversification Early Planning Grants</i>	2000				✓			✓		
64 <i>Economic Diversification Grants and Loans</i>	2000				✓	✓		✓		

**COMMERCE** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
						✓			✓	
					✓			✓		
								✓		
								✓		
								✓		
										Environmental Assessment and Remediation
✓						✓				
			✓	✓		✓				
				✓						Venture Capital Funding
✓				✓		✓				
✓			✓	✓		✓		✓		
							✓			
							✓			
							✓			
✓								✓		
				✓						
				✓		✓				
										Environmental Assessment and Remediation
						✓	✓			
								✓		Employee Training
					✓		✓			
							✓			
		✓				✓				
✓			✓	✓						Venture Capital Funding
✓			✓	✓						Venture Capital Funding
						✓				
	✓							✓		
									✓	
				✓		✓				
						✓		✓		

**COMMERCE** (continued)

Program	Start Year	2009-11 Estimated Expenditures	Source	Types of Assistance				Eligible Recipients		
				Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
<b>Gaming Revenue Funded Programs</b> (continued)										
65	Economic Impact Early Planning Grants	2000			✓			✓		
66	Economic Impact Grants and Loans	2000			✓	✓		✓		
67	Regional Marketing Grant Program	2010			✓					✓
68	<b>Industrial Building Construction Loan Fund</b>	1977				✓				✓
<b>Industry Specific Tax Credits</b>			\$ 391,600	GPR, PR						
69	Dairy Manufacturing Facility Investment Credit for Cooperatives Program	2009					✓	✓		
70	Dairy Manufacturing Facility Investment Credit for Non-Cooperatives Program	2007					✓	✓		
71	Film Tax Credit Program	2006					✓	✓		
72	Food Processing Plant and Food Warehouse Investment Credit Program	2010					✓	✓		
73	Meat Processing Facility Investment Credit Program	2009					✓	✓		
74	Woody Biomass Tax Credit Program	2010					✓	✓		
75	<b>International and Export Assistance</b>	Unknown	3,614,100	GPR, PR	✓			✓		
76	<b>Mining Economic Development Grants and Loans</b>	1997				✓	✓	✓	✓	✓
<b>Minority Business Development</b>			1,367,500	GPR, PR						
77	Disabled Veteran-Owned Business Certification Program	2010			✓			✓		
78	Minority Business Assistance	1989			✓			✓		✓
79	Minority Business Development Program	1989				✓	✓	✓		✓
80	Minority Business Employees' Skills Training	2000				✓		✓		✓
81	Minority Business Enterprise Program	1983			✓			✓		
82	Minority Business Incubator Grants	1991				✓		✓		✓
83	Minority Business Revolving Loan Fund Grants	1989				✓				✓
84	Minority Early Planning Grants	1991				✓		✓		
85	Minority Entrepreneurial Training Grants	2000				✓		✓		
86	Minority Finance and Education Training Grants	1997				✓		✓		✓
87	Minority Nonprofit Corporation Incubator Grants	1991				✓				✓
<b>Native American Economic Development</b>										
88	Native American Liaison	1991	3,000	PR	✓			✓	✓	✓
89	Native American Technical Assistance	1991	241,800	PR	✓			✓		✓
<b>Rural Economic Development</b>			1,272,700	GPR, PR						
90	Dairy 2020 Early Planning Grants	1996				✓		✓		
91	Low-Income Loans	1993					✓	✓		
92	Milk Volume Production Loans	2001					✓	✓		
93	Rural Business Employees' Skills Training	2000				✓		✓		
94	Rural Economic Development Grants and Loans	1993				✓	✓	✓		
95	Rural Entrepreneurial Training Grants	2000				✓		✓		
96	Rural Outsourcing Grant Program	2009				✓		✓		

**COMMERCE** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
				✓		✓				
								✓		
									✓	
								✓		
		✓			✓			✓		
		✓			✓			✓		
								✓		
		✓			✓			✓		
		✓			✓			✓		
					✓			✓		
						✓			✓	
						✓		✓		
	✓					✓				
	✓					✓				
	✓							✓		
✓	✓									Employee Training
	✓					✓				
✓	✓			✓		✓				
	✓							✓		
✓	✓			✓		✓				
✓	✓			✓		✓				
	✓					✓		✓		
✓	✓			✓		✓				
	✓					✓				
	✓					✓				
✓		✓		✓		✓				
✓								✓		
✓		✓						✓		
✓										Employee Training
✓						✓		✓		
✓				✓		✓				
								✓		

**COMMERCE** (continued)

Program	Start Year	2009-11 Estimated Expenditures	Source	Types of Assistance				Eligible Recipients		
				Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
97 <b>Small Business Clean Air Assistance Program</b>	1991	\$ 775,700	PR	✓				✓	✓	✓
98 <b>Small Business Ombudsman</b>	1979			✓				✓		
<b>Tax Credit Programs</b>		809,200	GPR							
99 <i>Agricultural Development Zone Program</i>	2001						✓	✓		
100 <i>Airport Development Zone Program</i>	2006						✓	✓		
101 <i>Broadband Tax Credit and Exemption Program</i>	2005						✓	✓		
102 <i>Community Development Zone Program</i>	1988						✓	✓		
103 <i>Development Opportunity Zone Program</i>	1994						✓	✓		
104 <i>Economic Development Tax Credit Program</i>	2009						✓	✓		
105 <i>Enterprise Development Zone Program</i>	1995						✓	✓		
106 <i>Enterprise Zone Program</i>	2005						✓	✓		
107 <i>Jobs Tax Credit Program</i>	2009						✓	✓		
108 <i>Technology Zone Program</i>	2001						✓	✓		
<b>Technology Based Economic Development</b>										
109 <i>Information Exchange/Clearinghouse</i>	1989			✓				✓	✓	✓
110 <i>Manufacturing Assessment Center</i>	1990			✓				✓		
111 <i>Seed Capital Fund</i>	1990				✓			✓		
112 <b>Value Supply Chain Grant Program</b>	2009				✓			✓		
<b>Wisconsin Development Fund</b>		25,552,700	GPR, PR							
113 <i>Business Employees' Skills Training</i>	2000				✓			✓		
114 <i>Customized Labor Training Grants and Loans</i>	1983				✓	✓		✓		
115 <i>Early Planning Grants</i>	1989				✓			✓		
116 <i>Employee Ownership Program</i>	1985				✓			✓		
117 <i>Entrepreneurial Assistance Grant Program</i>	2009				✓			✓		
118 <i>Entrepreneurial Training Grants</i>	2000				✓			✓		
119 <i>Grants to Manufacturing Facilities</i>	2010				✓			✓		
120 <i>Major Economic Development Program</i>	1987				✓	✓		✓	✓	
121 <i>Rapid Response Fund</i>	1997					✓		✓	✓	✓
122 <i>Revolving Loan Fund Capitalization Program</i>	1997				✓			✓	✓	✓
123 <i>Small Business Innovation Research Assistance Grants Phase III</i>	2009				✓			✓		
124 <i>Small Business Innovative Research Grants</i>	1999				✓			✓		
125 <i>Targeted Microloan Pilot Program</i>	2010					✓		✓		
126 <i>Technology Assistance Grant Program</i>	2004				✓	✓		✓		
127 <i>Technology Bridge Grants and Loans</i>	2004				✓	✓		✓		
128 <i>Technology Development Fund</i>	1983				✓	✓		✓		
129 <i>Technology Development Loan Program</i>	1994					✓		✓		



**COMMERCE** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
✓						✓				
✓						✓				
		✓						✓		Environmental Assessment and Remediation
								✓		Environmental Assessment and Remediation
								✓		
							✓	✓		Environmental Assessment and Remediation
								✓		Environmental Assessment and Remediation
✓								✓		Employee Training
								✓		Environmental Assessment and Remediation
								✓		Employee Training
								✓		Employee Training
			✓					✓		Environmental Assessment and Remediation
			✓			✓				
					✓	✓				
			✓	✓						Venture Capital Funding
✓										Employee Training
					✓					Employee Training
✓				✓		✓				
						✓				
				✓		✓			✓	
✓				✓		✓				
					✓					
					✓			✓		
					✓			✓		
			✓	✓				✓		
✓			✓			✓		✓		
									✓	
✓			✓	✓		✓				Research and Development
✓			✓	✓				✓		
			✓					✓		Research and Development
			✓					✓		

**COMMERCE** (continued)

				Types of Assistance				Eligible Recipients		
Program	Start Year	2009-11 Estimated Expenditures	Source	Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
<b>Wisconsin Development Fund (continued)</b>										
130	Technology Matching Grants and Loans	2004			✓	✓		✓		
131	Technology Transfer Grant and Loan Program	2010			✓	✓				✓
132	Technology Venture Fund Grants and Loans	2004			✓	✓		✓		
133	Urban Early Planning Grants	1999			✓			✓		
134	Wisconsin Development Fund Program	2009			✓	✓		✓	✓	
135	Wisconsin Green to Gold Fund Program	2010				✓		✓		
136	Wisconsin Trade Project	1995			✓			✓		
137	<b>Wisconsin Energy Independence Fund</b>	2007	\$ 3,245,700	SEG		✓	✓	✓		
138	<b>Wisconsin Main Street</b>	1987	1,323,800	GPR	✓			✓	✓	✓
139	<b>Wisconsin Manufacturing Extension Partnership</b>	1996	2,099,100	GPR	✓			✓		
140	<b>Wisconsin State Energy Program</b>	2010	34,483,800	FED		✓	✓	✓		
141	<b>Wisconsin Technology Council</b>	2000	339,200	GPR	✓			✓		
<b>Wisconsin Venture Fund</b>										
142	Capital Connections Grants	2009				✓				✓
143	Venture Seed Grants	2009				✓				✓
144	<b>Wisconsin Women's Business Initiative Corporation</b>	1987	346,100	GPR	✓			✓		
145	<b>Women-Owned Business Certification and Women's Business Ombudsman</b>	2006	13,400	GPR	✓			✓		

**DEPARTMENT OF NATURAL RESOURCES (DNR)**

				Types of Assistance				Eligible Recipients		
Program	Start Year	2009-11 Estimated Expenditures	Source	Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
146	<b>Brownfield Site Assessment Grant Program</b>	1999	\$2,858,800	SEG		✓			✓	
147	<b>Dry Cleaner Environmental Response Fund Program</b>	1997	5,424,100	SEG		✓		✓		
148	<b>Ready for Reuse Revolving Loan Fund and Grants Program</b>	2005	2,655,600	FED		✓	✓		✓	✓
149	<b>Wisconsin Plant Recovery Initiative Assessment Monies Program</b>	2009	92,200	FED		✓		✓	✓	

**COMMERCE** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
✓			✓	✓				✓		
			✓							Research and Development
✓			✓	✓				✓		
✓				✓		✓				
								✓	✓	Employee Training
					✓			✓		
									✓	
										Research and Development
						✓	✓		✓	
					✓	✓				
					✓			✓		
			✓	✓		✓			✓	Venture Capital Funding
				✓						
				✓						
✓	✓			✓		✓				
	✓					✓			✓	

**DNR** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
										Environmental Assessment and Remediation
										Environmental Assessment and Remediation
								✓		Environmental Assessment and Remediation
										Environmental Assessment and Remediation

## DEPARTMENT OF TOURISM

Program	Start Year	2009-11 Estimated Expenditures	Source	Types of Assistance				Eligible Recipients			
				Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations	
150	Centralized Online Database/Marketing	2010	\$ 103,800	PR	✓				✓	✓	✓
151	Co-op Advertising	1989	245,000	PR	✓				✓		✓
152	Co-op Direct Marketing	1993			✓				✓	✓	✓
153	Joint Effort Marketing Grants	1975	2,368,100	PR		✓				✓	✓
154	Ready, Set, Go! Grants	2006	198,500	PR		✓				✓	✓
155	Regional Tourism Specialists (formerly Economic Development Specialists and Tourism Development Specialists)	1996	641,800	GPR	✓					✓	✓
156	Tourist Information Center Grants	2010	320,000	PR		✓				✓	✓
157	Travel and Sport Show Partnership Program	2004			✓					✓	✓
158	Travel Green Wisconsin	2007	114,500	PR	✓				✓	✓	✓

## DEPARTMENT OF TRANSPORTATION (DOT)

Program	Start Year	2009-11 Estimated Expenditures	Source	Types of Assistance				Eligible Recipients			
				Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations	
	<b>Disadvantaged Business Enterprise Programs</b>		\$3,060,800	SEG; FED							
159	<i>Disadvantaged Business Enterprise Assistance</i>	1983			✓				✓		
160	<i>Mobilization Loan Guarantee</i>	1988					✓		✓		
161	Transportation Economic Assistance	1987	6,512,900	SEG		✓	✓		✓	✓	

## UW-EXTENSION

Program	Start Year	2009-11 Estimated Expenditures	Source	Types of Assistance				Eligible Recipients			
				Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations	
	<b>Cooperative Extension</b>										
162	<i>Agriculture and Natural Resources Extension</i>	1914	\$ 4,455,300	GPR, FED	✓				✓	✓	✓
163	<i>Center for Community Economic Development</i>	1990			✓				✓	✓	✓
164	<i>Community, Natural Resource, and Economic Development</i>	1999	5,837,100	GPR, FED	✓				✓	✓	✓
	<b>Small Business Development Centers</b>		10,785,200	GPR, FED, PR							
165	<i>Small Business Development Centers</i>	1979			✓				✓		
166	<i>Center for Advanced Technology and Innovation (CATI)</i>	2001			✓				✓		
167	<i>Center for Innovation and Development</i>	1978			✓				✓		
168	<i>Wisconsin Innovation Service Center</i>	1980			✓				✓		
169	Wisconsin Entrepreneurs' Network	2004	1,599,300	GPR, PR	✓				✓		✓

**TOURISM** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
									✓	
									✓	
									✓	
									✓	
									✓	
						✓	✓		✓	
								✓	✓	
									✓	
									✓	

**DOT** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
✓	✓					✓				
✓	✓							✓		
							✓			

**UW-EXTENSION** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
		✓				✓	✓			Employee Training
						✓	✓			
						✓	✓			
✓				✓		✓				Employee Training
✓			✓	✓		✓				
✓			✓	✓		✓				Research and Development
✓			✓	✓		✓			✓	Research and Development
				✓		✓				

## UW-MADISON

				Types of Assistance				Eligible Recipients		
Program	Start Year	2009-11 Estimated Expenditures	Source	Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
170	Center for Dairy Profitability	1987	\$ 892,100	GPR, FED, PR	✓			✓		
171	Family Business Center	1997	577,500	PR	✓			✓		
172	Office of Corporate Relations	2003	1,326,200	GPR, PR, SEG	✓			✓		
173	Trade Show Travel Grant Program	2004				✓		✓		
174	University Research Park	1984	1,756,100	PR	✓			✓		
175	UW E-Business Consortium	1998	1,327,600	GPR, FED, PR	✓			✓		
176	Wisconsin Center for Dairy Research	1986	6,677,800	GPR, FED, PR	✓			✓	✓	✓

## UW-OSHKOSH

				Types of Assistance				Eligible Recipients		
Program	Start Year	2009-11 Estimated Expenditures	Source	Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
177	Business Success Center	1998	\$1,168,800	GPR, FED, PR	✓			✓	✓	✓
178	Wisconsin Family Business Forum	1995	322,800	PR	✓			✓		

## UW-PLATTEVILLE

				Types of Assistance				Eligible Recipients		
Program	Start Year	2009-11 Estimated Expenditures	Source	Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
179	Platteville Business Incubator, Inc.	1998	\$17,500	GPR	✓			✓		

## UW-RIVER FALLS

				Types of Assistance				Eligible Recipients		
Program	Start Year	2009-11 Estimated Expenditures	Source	Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
180	Center for Economic Research	2011	\$2,600	GPR, PR	✓			✓	✓	

## UW-STEVENS POINT

				Types of Assistance				Eligible Recipients		
Program	Start Year	2009-11 Estimated Expenditures	Source	Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
181	Northern Aquaculture Demonstration Facility	1996	\$1,696,700	GPR, FED, PR	✓			✓		

**UW-MADISON** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
		✓				✓				Employee Training
						✓				
						✓				
✓			✓	✓		✓			✓	
						✓				
		✓				✓				Employee Training, Research and Development

**UW-OSHKOSH** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
						✓				Venture Capital Funding
						✓				

**UW-PLATTEVILLE** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
✓			✓	✓		✓				

**UW-RIVER FALLS** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
							✓			

**UW-STEVENS POINT** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
		✓				✓				Research and Development

## UW-STOUT

				Types of Assistance				Eligible Recipients		
Program	Start Year	2009-11 Estimated Expenditures	Source	Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
<b>Stout Technology Transfer Institute</b>		\$3,445,900	GPR, FED, PR							
182 <i>Economic Development Administration University Center</i>	1992			✓				✓		
183 <i>Northwest Wisconsin Manufacturing Outreach Center</i>	1994			✓				✓		
184 <i>Stout Technology and Business Incubator</i>	1982			✓				✓		

## WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY (WHEDA)

				Types of Assistance				Eligible Recipients		
Program	Start Year	2009-11 Estimated Expenditures	Source	Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
185 <b>Agribusiness Loan Guarantee</b>	1990	\$ 24,400	Wisconsin Development Reserve Fund				✓	✓		✓
186 <b>Airport Development Zone Program</b>	2006					✓		✓		
187 <b>Beginning Farmer Bonds</b>	1994	100	General Reserve Fund				✓	✓		
188 <b>Credit Relief Outreach Program Guarantee</b>	1985	636,000	Wisconsin Development Reserve Fund				✓	✓		
189 <b>Farm Asset Reinvestment Management Guarantee</b>	1996	34,500	Wisconsin Development Reserve Fund				✓	✓		
190 <b>Linked Deposit Loan Subsidy</b>	1985	15,700	General Reserve Fund				✓	✓		
191 <b>Other Dividends for Wisconsin Activities</b>	2003		General Reserve Fund	✓				✓		
192 <b>Neighborhood Business Revitalization Guarantee</b>	2003	128,200	General Reserve Fund				✓	✓		✓
193 <b>New Market Tax Credit Activities</b>	2006	266,500	General Reserve Fund	✓				✓		
194 <b>Small Business Development Loan Guarantee</b>	1997	2,116,300	Wisconsin Development Reserve Fund				✓	✓		✓

## WISCONSIN TECHNICAL COLLEGE SYSTEM (WTCS)

				Types of Assistance				Eligible Recipients		
Program	Start Year	2009-11 Estimated Expenditures	Source	Direct Services	Grants	Loans	Other	Businesses and Individuals	Local Govt.	Nonprofits and Other Organizations
195 <b>Advanced Manufacturing Solutions</b>	2003	\$ 691,500	GPR	✓				✓		
196 <b>Workforce Advancement Training Grants</b>	2005	4,883,400	GPR		✓			✓		



**UW-STOUT** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
✓						✓				
					✓	✓				
✓			✓	✓		✓				

**WHEDA** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
		✓						✓	✓	
✓		✓						✓		
✓		✓						✓		
✓		✓						✓		
✓	✓							✓		
	✓					✓				
✓					✓			✓		
					✓	✓				
✓					✓			✓		

**WTCS** (continued)

Program Emphasis						Program Purpose				
Small Business	Minority-Owned Business	Agricultural Business	Technology Business	Early-Stage Business	Manufacturing Business	Business Development and Technical Assistance	Community Development	Capital Investment and Operations Costs	Marketing and Promotion	Other Purpose
					✓	✓			✓	
✓					✓					Employee Training



### Appendix 3

## **Inactive Economic Development Programs<sup>1</sup>**

FY 2007-08 through FY 2010-11

Program Number	Program	Responsible Agency
7	Farm to School Grants	DATCP
8	Farm to School Technical Assistance	DATCP
15	Bio-Based Industry Opportunity Grants	DATCP
28	Rural Business Enterprise Loans	DATCP
33	Sustainable Agriculture Grants	DATCP
48	Revolving Loan Fund Grants	Commerce
66	Economic Impact Grants and Loans	Commerce
68	Industrial Building Construction Loan Fund	Commerce
74	Woody Biomass Tax Credit Program	Commerce
76	Mining Economic Development Grants and Loans	Commerce
82	Minority Business Incubator Grants	Commerce
83	Minority Business Revolving Loan Fund Grants	Commerce
85	Minority Entrepreneurial Training Grants	Commerce
86	Minority Finance and Education Training Grants	Commerce
87	Minority Nonprofit Corporation Incubator Grants	Commerce
88	Native American Liaison	Commerce
91	Low-Income Loans	Commerce
96	Rural Outsourcing Grant Program	Commerce
98	Small Business Ombudsman	Commerce
109	Information Exchange/Clearinghouse	Commerce
110	Manufacturing Assessment Center	Commerce
111	Seed Capital Fund	Commerce
112	Value Supply Chain Grant Program	Commerce
116	Employee Ownership Program	Commerce
119	Grants to Manufacturing Facilities	Commerce
121	Rapid Response Fund	Commerce
122	Revolving Loan Fund Capitalization Program	Commerce
123	Small Business Innovation Research Assistance Grants Phase III	Commerce
124	Small Business Innovative Research Grants	Commerce
125	Targeted Microloan Pilot Program	Commerce
129	Technology Development Loan Program	Commerce
131	Technology Transfer Grant and Loan Program	Commerce
135	Wisconsin Green to Gold Fund Program	Commerce
143	Venture Seed Grants	Commerce
186	Airport Development Zone Program	WHEDA

<sup>1</sup> Includes programs for which funding was available but services were not provided and programs that did not receive any funding during our review period.



Appendix 4

**Directed Awards<sup>1</sup>**  
 FY 2007-08 through FY 2010-11

Award Recipient	Municipality <sup>2</sup>	County	Statutory or Other Authorization	Award Amount
Flambeau River Papers, LLC	Park Falls	Price	2007 Act 20, ss. 9108(4v) and 9108(5x)	\$ 7,000,000
City of Green Bay	Green Bay	Brown	2007 Act 20, s. 9108(6c)	2,800,000
Oneida Seven Generations Corp.	De Pere	Brown	2009 Act 28, s. 9110(16i)	2,000,000
Wisconsin Regional Training Partnership, Inc.	Multiple	Milwaukee	2009 Act 2, s. 9210(2)	1,000,000
Wisconsin Workforce Development Association	Pewaukee	Waukesha	2009 Act 270, s. 4(1)	710,000
International Union of Painters and Allied Trades District Council No. 7	New Berlin	Waukesha	2007 Act 20, s. 9108(7f); 2009 Act 2, ss. 9110(2) and 9110(3)(a)1	575,000
Wisconsin Business Development Opportunity Fund, LLC	Madison	Dane	s. 560.047(2) (2009 Wis. Stats.)	350,000
Center for Advanced Technology & Innovation of Racine County, Inc.	Sturtevant	Racine	s. 20.143(1) (2007 Wis. Stats.) and s. 560.145 (2009 Wis. Stats.)	300,000
Wisconsin Operating Engineers	Coloma	Waushara	2009 Act 2, s. 9110(3)(a)7	275,000
Wisconsin State Conference of the International Brotherhood of Electrical Workers	Madison	Dane	2009 Act 2, ss. 9110(3)(a)8 and 9110(3)(a)9	270,000
Wisconsin Laborers' District Council	De Forest	Dane	2009 Act 2, s.9110(3)(a)6	265,000
Wisconsin Pipe Trades Association Local 75	Milwaukee	Milwaukee	2009 Act 2, s. 9110(3)(a)5	248,000
Wisconsin State Council of Carpenters	Kaukauna	Outagamie	2009 Act 2, ss. 9110(3)(a)3 and 9110(3)(a)4.	247,000
City of Wisconsin Rapids	Wisconsin Rapids	Wood	2007 Act 20, s. 9108(10q)	210,500
Urban Hope Corporation	Green Bay	Brown	s. 560.06(2) (2007 Wis. Stats.)	200,000
Chippewa Valley Technical College	Eau Claire	Eau Claire	2007 Act 20, s. 9108(4u)	160,000
Wisconsin Technology Council, Inc.	Statewide	Statewide	s. 560.255 (2009 Wis. Stats.)	120,000
Pleasant Prairie Community Development Authority	Pleasant Prairie	Kenosha	2009 Act 28, s. 9110(17q)	70,000
City of Eau Claire	Eau Claire	Eau Claire	2007 Act 20, s. 9108(8i)	50,000

Award Recipient	Municipality <sup>2</sup>	County	Statutory or Other Authorization	Award Amount
Village of Ashwaubenon	De Pere	Brown	2007 Act 20 s. 9108(9i)	\$ 50,000
City of Marshfield	Marshfield	Wood	2007 Act 20, s. 9108(10q)	47,500
Village of Biron	Biron	Wood	2007 Act 20, s. 9108(10q)	45,300
City of Stevens Point	Stevens Point	Portage	2007 Act 20, ss. 9108(8c) and 9108(10q)	30,800
City of Mondovi	Mondovi	Buffalo	2007 Act 20, s. 9108(7c)	25,000
Village of Port Edwards	Port Edwards	Wood	2007 Act 20, s. 9108(10q)	9,800
Town of Plover	Plover	Portage	2007 Act 20, s. 9108(10q)	8,500
Village of Vesper	Vesper	Wood	2007 Act 20, s. 9108(10q)	5,000
Village of Whiting	Stevens Point	Portage	2007 Act 20, s. 9108(10q)	4,800
Town of Remington	Remington	Wood	2007 Act 20, s. 9108(10q)	4,000
Village of Friendship	Friendship	Adams	2007 Act 20, s. 9108(10q)	3,200
Town of Auburndale	Auburndale	Wood	2007 Act 20, s. 9108(10q)	3,100
Village of Amherst Junction	Amherst Junction	Portage	2007 Act 20, s. 9108(10q)	2,800
<b>Total</b>				<b>\$17,090,300</b>

<sup>1</sup> Includes awards made through statutory requirements and non-statutory language included in legislation.

<sup>2</sup> Based on the location of a company's headquarters or the location of an economic development project.

Appendix 5

**Grants and Loans Awarded, by Program<sup>1</sup>**

FY 2007-08 through FY 2010-11

Program Number	Program	Number of Awards	Amount in Grants	Amount in Loans	Total Awarded
<b>Department of Agriculture, Trade and Consumer Protection (DATCP)</b>					
2	Agricultural Development and Diversification Grants	53	\$ 1,326,500	\$ 0	\$ 1,326,500
3	Agricultural Innovation and Development Center Value Added Services Funding	12	349,300	0	349,300
5	Buy Local, Buy Wisconsin Grant Program	21	625,400	0	625,400
18	Dairy Development Revolving Fund	1	0	35,000	35,000
19	Dairy Farm Modernization Grants	10	56,100	0	56,100
20	Dairy Processor Innovation Grants	19	300,000	0	300,000
21	Dairy Value Added Processor Revolving Loans	2	0	266,200	266,200
22	Value Chain Development Grants	1	12,500	0	12,500
26	Grazing Lands Conservation Initiative Grants	117	3,378,700	0	3,378,700
30	Special Agricultural Facilities Grants	3	3,463,100	0	3,463,100
31	Specialty Crop Block Grants	64	2,074,000	0	2,074,000
DATCP Subtotal		303	11,585,600	301,200	11,886,800
<b>Department of Commerce</b>					
39	Brownfields Grant Program	58	19,800,000	0	19,800,000
43	Business Assistance Grants	9	193,900	0	193,900
44	Business Incubator Grants	15	300,300	0	300,300
45	Economic Development Project Grants	2	45,000	0	45,000
46	Economic Diversification Community Planning Grants	3	57,500	0	57,500
47	Regional Planning Grants	11	412,300	0	412,300
49	Venture Capital Conference Grants	4	100,000	0	100,000
50	Youth Entrepreneurship Teaching Grants	3	59,000	0	59,000
51	Blight Elimination and Brownfields Redevelopment	3	980,000	0	980,000
53	Economic Development Grants and Loans	45	2,044,500	31,690,800	33,735,300

Program Number	Program	Number of Awards	Amount in Grants	Amount in Loans	Total Awarded
<b>Department of Commerce</b> (continued)					
54	Economic Recovery under ARRA	15	\$ 6,872,900	\$ 160,000	\$ 7,032,900
55	Planning Grants	55	925,800	0	925,800
56	Public Facilities for Economic Development	24	7,144,400	0	7,144,400
61	Forward Innovation Fund Program	13	785,000	319,400	1,104,400
64	Economic Diversification Grants and Loans	40	3,033,000	1,550,000	4,583,000
67	Regional Marketing Grant Program	11	905,000	0	905,000
79	Minority Business Development Program	14	340,000	745,000	1,085,000
90	Dairy 2020 Early Planning Grants	84	191,400	0	191,400
92	Milk Volume Production Loans	44	0	4,907,000	4,907,000
94	Rural Economic Development Grants and Loans	8	0	730,000	730,000
113	Business Employees' Skills Training	26	129,000	0	129,000
114	Customized Labor Training Grants and Loans	2	219,700	0	219,700
115	Early Planning Grants	150	447,000	0	447,000
117	Entrepreneurial Assistance Grant Program	1	45,000	0	45,000
118	Entrepreneurial Training Grants	1,110	530,000	0	530,000
120	Major Economic Development Program	2	0	1,250,000	1,250,000
126	Technology Assistance Grant Program	61	360,000	0	360,000
127	Technology Bridge Grants and Loans	6	240,000	125,000	365,000
128	Technology Development Fund	2	300,000	0	300,000
130	Technology Matching Grants and Loans	7	688,900	0	688,900
132	Technology Venture Fund Grants and Loans	35	210,000	5,816,500	6,026,500
134	Wisconsin Development Fund Program	38	3,005,100	15,370,000	18,375,100
136	Wisconsin Trade Project	91	447,000	0	447,000
137	Wisconsin Energy Independence Fund	25	4,816,000	2,560,000	7,376,000
140	Wisconsin State Energy Program	28	15,225,000	35,000,000	50,225,000
142	Capital Connections Grants	3	76,000	0	76,000
Commerce Subtotal		2,048	70,928,700	100,223,700	171,152,400



Program Number	Program	Number of Awards	Amount in Grants	Amount in Loans	Total Awarded
<b>Department of Natural Resources (DNR)</b>					
146	Brownfield Site Assessment Grant Program	120	\$ 4,929,900	\$ 0	\$ 4,929,900
147	Dry Cleaner Environmental Response Fund Program	229	6,325,900	0	6,325,900
148	Ready for Reuse Revolving Loan Fund and Grants Program	20	3,607,000	347,500	3,954,500
149	Wisconsin Plant Recovery Initiative Assessment Monies Program	3	500,000	0	500,000
DNR Subtotal		372	15,362,800	347,500	15,710,300
<b>Department of Tourism</b>					
153	Joint Effort Marketing Grants	210	4,657,900	0	4,657,900
154	Ready, Set, Go! Grants	54	359,500	0	359,500
156	Tourist Information Center Grants	45	320,000	0	320,000
Tourism Subtotal		309	5,337,400	0	5,337,400
<b>Department of Transportation (DOT)</b>					
161	Transportation Economic Assistance	36	12,724,400	0	12,724,400
DOT Subtotal		36	12,724,400	0	12,724,400
<b>UW System</b>					
173	Trade Show Travel Grant Program	8	14,700	0	14,700
UW System Subtotal		8	14,700	0	14,700
<b>Wisconsin Technical College System (WTCS)</b>					
196	Workforce Advancement Training Grants	449	11,344,400	0	11,344,400
WTCS Subtotal		449	11,344,400	0	11,344,400
<b>Total</b>		<b>3,525</b>	<b>\$127,298,000</b>	<b>\$100,872,500</b>	<b>\$228,170,400</b>

<sup>1</sup> Includes grants and loans that were made through requirements or non-statutory language included in legislation. Excludes directed awards, which are shown in Appendix 4.



Appendix 6

**Businesses, Local Governments, and Organizations Awarded  
\$1.0 Million or More in Grants, Loans, and Tax Credits  
FY 2007-08 through FY 2010-11**

Award Recipient	Municipality <sup>1</sup>	County	Awards	Amount in Grants	Amount in Loans	Amount in Tax Credits <sup>2</sup>	Total Awarded
Brunswick Corporation	Fond du Lac	Fond du Lac	1	\$10,000,000	\$ 0	\$ 0	\$10,000,000
CenturyLink, Inc.	Multiple	Multiple	4	0	5,006,000	2,775,100	7,781,100
Flambeau River Papers, LLC	Multiple	Multiple	5	5,288,000	2,000,000	0	7,288,000
Flambeau River Biofuels, Inc.	Park Falls	Price	3	0	5,006,000	0	5,006,000
Milwaukee Metropolitan Sewerage District	Milwaukee	Milwaukee	1	0	5,000,000	0	5,000,000
PE Productions, LLC	Multiple	Multiple	1	0	0	4,627,300	4,627,300
Venture Investors Early Stage Fund IV, L.P.	Madison	Dane	17	0	0	3,880,100	3,880,100
TecStar Manufacturing Company	Germantown	Washington	1	0	3,750,000	0	3,750,000
Marquis Yachts, LLC	Pulaski	Brown	2	0	3,512,000	0	3,512,000
Richland Center Renewable Energy, LLC	Richland Center	Richland	1	0	3,500,000	0	3,500,000
Gearbox Express, LLC	Hartland	Waukesha	1	0	3,400,000	0	3,400,000
Foremost Farms USA, Cooperative	Multiple	Multiple	2	3,133,000	0	0	3,133,000
Frito-Lay, Inc.	Beloit	Rock	2	3,000,000	0	80,800	3,080,800
KAPCO, Inc.	Osceola	Polk	1	0	3,046,000	0	3,046,000
Logistics Health, Inc.	La Crosse	La Crosse	2	0	1,500,000	1,400,000	2,900,000
City of Green Bay	Green Bay	Brown	1	2,800,000	0	0	2,800,000
Wisconsin Center for Manufacturing and Productivity, Inc.	Madison	Dane	3	2,500,000	0	0	2,500,000
Uline, Inc.	Pleasant Prairie	Kenosha	2	1,000,000	0	1,333,000	2,333,000
United Ethanol, LLC	Milton	Rock	1	0	2,250,000	0	2,250,000
Oneida Seven Generations Corporation	De Pere	Brown	1	2,000,000	0	0	2,000,000
Redevelopment Authority of the City of Milwaukee	Milwaukee	Milwaukee	6	1,970,000	0	0	1,970,000

Award Recipient	Municipality <sup>1</sup>	County	Awards	Amount in Grants	Amount in Loans	Amount in Tax Credits <sup>2</sup>	Total Awarded
Wisconsin Film & Bag, Inc.	Shawano	Shawano	1	\$ 0	\$1,800,000	\$ 0	\$ 1,800,000
Bemis Company, Inc.	New London	Outagamie	1	0	0	1,716,000	1,716,000
Caseus Energy, LLC	Greenwood	Clark	1	0	1,700,000	0	1,700,000
Price Engineering Company, Inc.	Milwaukee	Milwaukee	1	0	1,675,000	0	1,675,000
Bucyrus International, Inc.	Multiple	Milwaukee	2	1,652,200	0	0	1,652,200
Mayville Engineering Company, Inc.	Multiple	Multiple	3	91,900	1,506,000	0	1,597,900
Direct Supply, Inc.	Milwaukee	Milwaukee	1	0	0	1,572,000	1,572,000
ZBB Energy Corporation	Menominee Falls	Waukesha	2	229,000	1,300,000	0	1,529,000
SEDA North America, Inc.	Sturtevant	Racine	1	0	1,506,000	0	1,506,000
Allen-Edmonds Shoe Corporation	Port Washington	Ozaukee	1	0	1,506,000	0	1,506,000
Wausaukee Composites, Inc.	Cuba City	Grant	1	0	1,506,000	0	1,506,000
Actuant Corporation	Butler	Waukesha	1	0	1,500,000	0	1,500,000
Nature Tech, LLC	Milwaukee	Milwaukee	1	0	1,500,000	0	1,500,000
Kraft Pizza Company	Little Chute	Outagamie	2	406,300	1,006,000	0	1,412,300
Helios USA, LLC	Milwaukee	Milwaukee	1	0	1,355,100	0	1,355,100
City of Kenosha	Kenosha	Kenosha	6	1,319,300	0	0	1,319,300
Kegonsa Coinvest Fund I, LLC	Fitchburg	Dane	43	0	0	1,318,800	1,318,800
The C.A. Lawton Co.	De Pere	Brown	1	0	1,300,000	0	1,300,000
Greenwood Fuels WI, LLC	Green Bay	Brown	1	0	1,250,000	0	1,250,000
McCain Foods USA, Inc.	Plover	Portage	4	1,212,400	0	0	1,212,400
New Capital Fund, L.P.	Appleton	Outagamie	20	0	0	1,179,400	1,179,400
Sargento Foods, Inc.	Plymouth	Sheboygan	1	0	0	1,152,000	1,152,000
Penda Corporation	Portage	Columbia	2	126,000	1,006,000	0	1,132,000
City of Neenah Department of Community Development and Assessments	Neenah	Winnebago	3	1,129,500	0	0	1,129,500
Kegonsa Seed Fund I, L.P.	Unknown	Unknown	20	0	0	1,083,400	1,083,400
Wisconsin Entrepreneurs' Network (WEN)	Madison	Dane	13	1,079,400	0	0	1,079,400

Award Recipient	Municipality <sup>1</sup>	County	Awards	Amount in Grants	Amount in Loans	Amount in Tax Credits <sup>2</sup>	Total Awarded
Village of Plain	Plain	Sauk	1	\$ 1,010,000	\$ 0	\$ 0	\$ 1,010,000
City of Plymouth	Plymouth	Sheboygan	1	1,010,000	0	0	1,010,000
Fresh Brands Distributing, Inc.	Sheboygan	Sheboygan	2	0	250,000	758,100	1,008,100
Salm Partners, LLC	Denmark	Brown	2	100,000	906,000	0	1,006,000
Columbia County	Portage	Columbia	1	0	1,006,000	0	1,006,000
Wisconsin Regional Training Partnership, Inc.	Milwaukee	Milwaukee	1	1,000,000	0	0	1,000,000
Exact Sciences Corporation	Madison	Dane	1	0	1,000,000	0	1,000,000
Travel Guard Group, Inc.	Stevens Point	Portage	1	1,000,000	0	0	1,000,000
Virent Energy Systems, Inc.	Multiple	Multiple	2	500,000	500,000	0	1,000,000
Milwaukee Forge, LLC	Milwaukee	Milwaukee	1	0	1,000,000	0	1,000,000
Rexnord Industries, LLC	Multiple	Milwaukee	2	500,000	500,000	0	1,000,000
New Ventures, LLC	Madison	Dane	1	0	0	1,000,000	1,000,000
Gordon Food Service, Inc.	Kenosha	Kenosha	1	1,000,000	0	0	1,000,000
Gehl Company	West Bend	Washington	1	0	1,000,000	0	1,000,000
Best Energies, Inc.	Cashton	Monroe	2	500,000	500,000	0	1,000,000
BRP US, Inc.	Sturtevant	Racine	1	0	1,000,000	0	1,000,000
Subtotal			213	45,557,000	67,048,100	23,876,000	136,481,100
All Other Awards			5,027	98,831,300	33,824,300	45,424,700	178,080,300
<b>Total</b>			<b>5,240</b>	<b>\$144,388,300</b>	<b>\$100,872,400</b>	<b>\$69,300,700</b>	<b>\$314,561,400</b>

<sup>1</sup> Based on the location of a company's headquarters or the location of an economic development project.

<sup>2</sup> 2007 through 2010.



## Appendix 7

**Bonds Authorized, by Program**  
2007 through 2010

Recipients	Municipality <sup>1</sup>	County	Bonds Authorized	Amount Authorized
<b>Industrial Revenue Bonds</b>				
Renew Energy, LLC <sup>2</sup>	Aztalan	Jefferson	1	\$38,000,000
Waste Management of Wisconsin, Inc. <sup>2</sup>	Multiple	Multiple	1	20,000,000
Schumann Printers, Inc.	Fall River	Columbia	1	10,000,000
Spuncast, Inc.	Emmet	Dodge	1	10,000,000
AMSOIL, Inc.	Superior	Douglas	1	10,000,000
Fairmount Minerals, Ltd.	Red Cedar	Dunn	1	10,000,000
EMCO Chemical Distributors, Inc.	Pleasant Prairie	Kenosha	1	10,000,000
Indeck Ladysmith, LLC	Ladysmith	Rusk	1	10,000,000
Teel Plastics, Inc.	Baraboo	Sauk	1	10,000,000
Coating Place, Inc.	Verona	Dane	1	8,000,000
Whitehall Specialties, Inc.	Whitehall	Trempealeau	1	8,000,000
Gaco Western, LLC	Waukesha	Waukesha	1	8,000,000
Schuetz, Inc.	Rothschild	Marathon	1	7,500,000
Dutchland Plastics, Inc.	Oostburg	Sheboygan	1	7,500,000
Lauterbach Group, Inc.	Sussex	Waukesha	1	6,500,000
Resource One International, LLC	Little Chute	Outagamie	1	6,040,000
McNeilus Steel, Inc.	Fond du Lac	Fond du Lac	1	6,000,000
Triangle Tool Corporation	Milwaukee	Milwaukee	1	6,000,000
R & L Spring Company, Inc.	Lake Geneva	Walworth	1	6,000,000
Woolwich Dairy, Inc.	Lancaster	Grant	1	5,500,000
L.T. Hampel Corp.	Germantown	Washington	1	5,500,000
RexCon, LLC	Burlington	Racine	1	5,325,000
Masters Gallery Foods, Inc.	Plymouth	Sheboygan	1	5,300,000
Jones Sign Co., Inc.	Lawrence	Brown	1	5,250,000
Alter Trading Corporation	Eau Claire	Eau Claire	1	5,161,000
Traffic & Parking Control Co., Inc.	Brown Deer	Milwaukee	1	5,100,000
Professional Plating, Inc.	Brillion	Calumet	1	5,000,000
Cleveland Gear Company, Inc.	West Allis	Milwaukee	1	5,000,000
Midwest Composite Technologies, Inc.	Hartland	Waukesha	1	4,900,000
Rolf's Patisserie, Inc.	Pleasant Prairie	Kenosha	1	4,569,800
HSI Industrial I, LLC/Derse, Inc.	Milwaukee	Milwaukee	1	4,175,000
Fabricated Metal Products Co., Inc.	Cudahy	Milwaukee	1	4,000,000
Advanced Fiberglass Technologies, Inc.	Wisconsin Rapids	Wood	1	4,000,000

Recipients	Municipality <sup>1</sup>	County	Bonds Authorized	Amount Authorized
<b>Industrial Revenue Bonds</b> <i>(continued)</i>				
Clover Industries, Inc.	Wausau	Marathon	1	\$ 3,935,000
Liquid Waste Technology, LLC	New Richmond	St. Croix	2	3,832,000
Power Test, Inc.	Sussex	Waukesha	1	3,700,000
Kendall Packaging Corporation	Jefferson	Jefferson	1	3,690,000
IAPW, LLC	Bloomer	Chippewa	1	3,675,000
Valley Packaging Supply Co., Inc.	Ashwaubenon	Brown	1	3,500,000
Piping Systems, LLC	Hortonville	Outagamie	1	3,500,000
EMT Properties, LLC	Hobart	Brown	1	3,485,000
River Steel, Inc.	West Salem	La Crosse	1	3,470,000
Gusmer Enterprises, Inc.	Waupaca	Waupaca	1	3,350,000
NCL Graphic Specialties, Inc.	Menomonee Falls	Waukesha	1	3,250,000
Polar Ware Company	Kiel	Manitowoc	1	3,150,000
Mortara Instrument, Inc.	Milwaukee	Milwaukee	1	3,000,000
Molded Dimensions, Inc.	Port Washington	Ozaukee	1	3,000,000
Kingsbury, Inc.	Oshkosh	Winnebago	1	3,000,000
Muza Metal Products Corp.	Oshkosh	Winnebago	1	3,000,000
Torginol, Inc.	Sheboygan	Sheboygan	1	2,750,000
Fabrifast, LLC/Dabble Investments Hartford, LLC	Hartford	Washington	1	2,500,000
Flexographic Packaging Company	Waupun	Dodge	1	2,350,000
Marchant Schmidt, Inc.	Fond du Lac	Fond du Lac	1	2,275,000
Innovative Machining, Inc.	Neenah	Winnebago	1	2,094,800
Inland Label and Marketing Services, LLC	La Crosse	La Crosse	1	2,050,000
Cain Industries, Inc.	Germantown	Washington	1	2,039,500
HTT, Inc.	Sheboygan Falls	Sheboygan	1	1,890,000
Kangaroo Brands, Inc., and Kashou Brothers, LLC	Milwaukee	Milwaukee	1	1,800,000
Eden Stone Co., Inc.	Eden/Valders	Fond du Lac	1	1,700,000
Germantown Iron & Steel Corporation	Jackson	Washington	1	1,500,000
Storage Battery Systems, Inc.	Menomonee Falls	Waukesha	1	1,500,000
Oconomowoc Mfg. Corp.	Oconomowoc	Waukesha	1	1,461,000
MCL Industries, Inc.	Pulaski	Brown	1	1,251,000
Van Zeeland Manufacturing, Inc.	Little Chute	Outagamie	1	1,211,300
The Straubel Paper Company	Ashwaubenon	Brown	1	1,200,000
Heartland Label Printers, Inc.	Little Chute	Outagamie	1	1,200,000
GS Hydraulics, Inc.	New Berlin	Waukesha	1	1,000,000
Subtotal			68	352,630,400



Recipients	Municipality <sup>1</sup>	County	Bonds Authorized	Amount Authorized
<b>Midwestern Disaster Relief Bond Program</b>				
USL Phase I Land, LLC	Milwaukee	Milwaukee	1	\$ 31,000,000
Milwaukee World Festival, Inc.	Milwaukee	Milwaukee	1	25,000,000
US Bank	Milwaukee	Milwaukee	1	19,740,000
Cargill, Inc.	Mequon	Ozaukee	1	14,600,000
Palermo Properties, LLC/Palermo Villa, Inc.	Milwaukee	Milwaukee	1	14,000,000
Adams-Columbia Electric Cooperative	Multiple	Multiple	1	13,361,800
McKinley Avenue, LLC	Milwaukee	Milwaukee	1	11,000,000
Clysmic II, Inc.	Waukesha	Waukesha	1	10,560,000
Weldall Mfg., Inc.	Waukesha	Waukesha	1	10,260,000
Mayfair Medical Properties, LLC	Wauwatosa	Milwaukee	1	9,930,000
Bradley Corporation	Menomonee Falls/Germantown	Waukesha	1	8,000,000
St. Catherine Commons II, LLC	Kenosha	Kenosha	1	7,200,000
Gateway Plastics	Mequon	Ozaukee	1	7,000,000
Clear Horizons Dane, LLC	Vienna	Dane	1	6,000,000
Placon Corporation	Fitchburg	Dane	1	6,000,000
Mueller Real Estate, LLC	Prairie du Sac	Sauk	1	5,000,000
Office Service Company, LLP	Sheboygan	Sheboygan	1	5,000,000
Dermatology Associates of Wisconsin, S.C.	Multiple	Multiple	1	4,705,000
Process Displays, Inc.	New Berlin	Waukesha	1	4,570,000
Dental Associates Ltd. of Wisconsin	Franklin	Milwaukee	1	3,750,000
UW-Oshkosh Foundation-Witzel, LLC	Oshkosh	Winnebago	1	3,700,000
Prairie Development, Ltd.	Sun Prairie	Dane	1	3,500,000
Grafton Medical Partners, LLC	Grafton	Ozaukee	1	2,950,000
B4DMJCM, LLC	Milwaukee	Milwaukee	1	2,500,000
Entrust Tool & Design Co., Inc.	Menomonee Falls	Waukesha	1	2,445,600
WB Holdings, Inc.	West Bend/Barton	Washington	1	2,269,500
DeForest Property Group, LLC	DeForest	Dane	1	2,050,200
Dash Medical Gloves, Inc.	Franklin	Milwaukee	1	2,000,000
GRS, LLC	Oshkosh	Winnebago	1	2,000,000
Vernon Economic Development Association, Inc.	Viroqua	Vernon	1	1,700,000
At Home Again Columbus, LLC	Columbus	Columbia	1	1,500,000
MarBisky Enterprises/Just Kids Dental	Sheboygan	Sheboygan	1	1,423,900
524 N Koeller Street, LLC	Oshkosh	Winnebago	1	1,400,000
Vern's Cheese, Inc.	Chilton	Calumet	1	1,300,000
JJB Real Estate Development, LLC	Columbus	Columbia	1	1,030,000
Custer Street Joint Venture, LLC	Manitowoc	Manitowoc	1	330,000
Subtotal			36	248,776,000

Recipients	Municipality <sup>1</sup>	County	Bonds Authorized	Amount Authorized
<b>Recovery Zone Facility Bond Program</b>				
Foremost Farms, USA	Multiple	Multiple	1	\$ 30,000,000
Kettle Foods	Beloit	Rock	1	21,200,000
W.T. Walker Group, Inc.	Clintonville	Waupaca	1	18,000,000
Central Wisconsin Electric Cooperative	Multiple	Multiple	1	9,000,000
Valley Bakers Cooperative Association	Greenville	Outagamie	1	7,000,000
AAA Sales and Engineering, Inc.	Oak Creek	Milwaukee	1	6,000,000
Compass Properties	Milwaukee	Milwaukee	1	6,000,000
Curt Manufacturing	Altoona	Eau Claire	1	5,820,000
Dental Associates Ltd. of Wisconsin	Franklin	Milwaukee	1	3,000,000
Dairymen's Properties, LLC	Shullsburg	Lafayette	1	2,550,000
Marathon County	Mosinee	Marathon	1	2,450,000
Adams-Columbia Electric Cooperative	Multiple	Multiple	1	1,638,200
Ashland Avenue, LLC	Ashwaubenon	Brown	1	1,540,100
Subtotal			13	114,198,300
<b>Qualified Energy Conservation Bond Program</b>				
Western Wisconsin Technical College	Multiple	Multiple	1	4,200,000
Village of Pleasant Prairie	Pleasant Prairie	Kenosha	1	1,890,000
Oshkosh Area School District	Oshkosh	Winnebago	1	1,817,900
Yorkville Joint School District #2	Union Grove	Racine	1	564,600
Subtotal			4	8,472,500
<b>Total</b>			<b>121</b>	<b>\$724,077,200</b>

<sup>1</sup> Based on the location of a company's headquarters or the location of an economic development project.

<sup>2</sup> Obtained a waiver to receive more than the \$10 million limit under the program.

## Appendix 8

### **Reported Results of Economic Development Programs**

FY 2009-10 through FY 2010-11

This appendix provides information on the reported results of 123 economic development programs state agencies administered that were active at some point during the period from FY 2009-10 through FY 2010-11. Statutes define a state economic development program as a program or activity that has the primary purpose of encouraging the establishment and growth of business in Wisconsin, including the creation and retention of jobs, and that:

- receives state or federal funding through ch. 20 Wis. Stats.; and
- provides financial assistance, tax benefits, or direct services to specific industries, businesses, local governments, or organizations.

The programs are organized alphabetically by the agency that provided funding. Definitions of key terms follow.

**Program Number** provides a numerical reference created by the Legislative Audit Bureau for each program, and is also used in appendices 1, 2, 3, 5, and 9. The program number and the program to which it refers do not match those used in report 06-9.

**Program** provides the designated name for each economic development program. Programs in italics are those funded and administered under a broader program, initiative, or administrative unit.

**Results** identifies the type of results of economic development programs reported by the agency responsible for administering each program.

- *Actual Results*—includes a description of actual results achieved by recipients of economic development awards.
- *Expected Results*—includes a description of results that were expected to be achieved by recipients of economic development awards.
- *No Results Tracked or Reported*—identifies that the agency neither tracked results for a program nor was able to report results to the Legislative Audit Bureau upon request.

**DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION (DATCP)**

Program Number Program		RESULTS	
		Actual, Expected, or Not Tracked or Reported	
1	<b>Agricultural Business Development and Technical Assistance</b>	<b>Actual Result</b>	Provided technical assistance to 66 bioenergy clients; assisted with 70 relocations of dairy businesses; advised 224 farmers; provided 62 presentations to farm groups; reviewed business and financial plans for more than 70 businesses.
2	<b>Agricultural Development and Diversification Grants</b>	<b>Actual Result</b>	Since 1989, provided \$6.8 million in grants for 342 proposals that generated more than \$140 million in economic returns, 700 jobs created, and 500 new products.
3	<b>Agriculture Innovation and Development Center Value Added Services Funding</b>		<i>No results tracked or reported.</i>
	<b>Agricultural Market Development</b>		
4	<i>Alice in Dairyland</i>	<b>Actual Result</b>	Participated in 753 speeches; 171 television, 327 radio, 249 print interviews, and 342 Internet posts; and 3 media campaigns promoting Wisconsin products and local foods.
5	<i>Buy Local, Buy Wisconsin Grant Program</i>	<b>Actual Result</b>	In FY 2010-11, generated \$2.7 million in new local food sales; created 38 jobs; retained 35 jobs; and benefitted more than 1,200 producers.
6	<i>Buy Local, Buy Wisconsin Technical Assistance</i>	<b>Actual Result</b>	Provided information to more than 375 attendees of a market development workshop series; completed 2nd edition of the WI Local Food Marketing Guide; created the Farm to School Advisory Council and the Producers First technical assistance program, which provided services to 21 producers; conducted 6 food safety workshops.
9	<i>International Agribusiness Center</i>	<b>Actual Result</b>	Generated a \$93.2 million increase in international sales; 61 jobs created; assisted companies in obtaining \$2.7 million in federal reimbursements for certain marketing expenses.
10	<i>Marketing and Promotion Activities</i>		<i>No results tracked or reported.</i>
11	<i>SavorWisconsin.com</i>	<b>Actual Result</b>	Promoted 1,850 farms and businesses and 165 farmers markets through <a href="http://www.savorwisconsin.com">www.savorwisconsin.com</a> .
12	<i>Something Special from Wisconsin</i>	<b>Actual Result</b>	Added 236 member companies; released new Grocers Buy Local Wholesale Catalog; increased annual sales 18 percent on average through participation in the program.
13	<b>Aquaculture Assistance</b>	<b>Actual Result</b>	Provided \$38,500 in federal funds to assist aquaculture producers; conducted quarterly meeting with DATCP, DNR, and UW System to discuss the promotion of aquaculture.

**DATCP** (continued)

Program		<b>RESULTS</b>	
Number	Program		Actual, Expected, or Not Tracked or Reported
<b>Dairy Business Initiative/ Value Added Dairy Initiative</b>			
16	<i>Dairy Business Initiative Technical Assistance</i>	<b>Actual Result</b>	Provided technical assistance to 246 dairy businesses; provided contractual support for UW-Madison projects relating to farmstead dairy milk quality and dairy wastewater research.
17	<i>Dairy Business Innovation Center</i>	<b>Actual Result</b>	Since 2004, provided technical assistance to more than 200 specialty dairy clients; coordinated more than 125 projects to increase market share for Wisconsin dairy products and assisted with 9 relocation ventures; helped clients develop 65 new cheeses and access new markets.
21	<i>Dairy Value Added Processor Revolving Loans</i>	<b>Actual Result</b>	Provided loans to 10 businesses; \$526,200 in capital investment.
<b>Farm Center</b>			
23	<i>Call Center and Consulting Services</i>	<b>Actual Result</b>	In FY 2009-10, provided technical assistance and referral services to more than 1,107 callers.
24	<i>Farm Link Program</i>	<b>Actual Result</b>	Provided technical assistance to an estimated 275 clients.
25	<i>Stray Voltage Program</i>	<b>Actual Result</b>	Provided assistance to an estimated 192 farms.
26	<b>Grazing Lands Conservation Initiative Grants</b>	<b>Actual Result</b>	Provided technical assistance to 77 producers of grass-fed beef to establish a marketing cooperative; made 440 client contacts and 24 presentations to 982 participants.
27	<b>Organic Certification Cost-Share Program</b>	<b>Actual Result</b>	Provided \$878,500 in federal funding to assist farmers in obtaining organic certification; made 674 client contacts and 15 presentations on organic topics; distributed an estimated 200 information packets.
30	<b>Special Agricultural Facilities Grants</b>	<b>Actual Result</b>	Provided \$3.4 million in grants to three businesses to modernize existing and construct new agriculture-related facilities.
31	<b>Specialty Crop Block Grants</b>		<i>No results tracked or reported.</i>
32	<b>Specialty Meat Development Center</b>	<b>Actual Result</b>	Provided technical assistance to livestock producers and industry groups; made 802 contacts with livestock producers; made presentations to 1,994 industry members.

**DEPARTMENT OF COMMERCE**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
34	<b>Area Development Managers</b>		<i>No results tracked or reported.</i>
<b>Bond Programs</b>			
35	<i>Industrial Revenue Bond Program</i>	<b>Actual Result</b>	710 jobs created; 1,840 jobs retained with an average wage of \$15.45.
36	<i>Midwestern Disaster Relief Bond Program</i>		<i>No results tracked or reported.</i>
37	<i>Qualified Energy Conservation Bond Program</i>		<i>No results tracked or reported.</i>
38	<i>Recovery Zone Facility Bond Program</i>	<b>Actual Result</b>	473 jobs created; 1,876 jobs retained; \$99.5 million in leveraged investment.
39	<b>Brownfields Grant Program</b>	<b>Expected Result</b>	245 jobs created; \$144.5 million in capital investment; \$141.6 million in leveraged investment.
<b>Business Development Assistance Center</b>			
40	<i>Business Development Assistance Center</i>		<i>No results tracked or reported.</i>
41	<i>Technology Development Assistance</i>		<i>No results tracked or reported.</i>
<b>Community Development Block Grant</b>			
52	<i>Community Development Planning Assistance</i>		<i>No results tracked or reported.</i>
53	<i>Economic Development Grants and Loans</i>	<b>Expected Result</b>	2,412 jobs created; 1,883 jobs retained; 354 employees trained; \$126.1 million in capital investment; \$192.1 million in leveraged investment.
54	<i>Economic Recovery under ARRA</i>	<b>Expected Result</b>	40 jobs created; 17 jobs retained; \$14.0 million in capital investment; \$14.2 million in leveraged investment.
55	<i>Planning Grants</i>		<i>No results tracked or reported.</i>

**COMMERCE** (continued)

Program Number Program		RESULTS	
		Actual, Expected, or Not Tracked or Reported	
<b>Community Development Block Grant</b> (continued)			
56	<i>Public Facilities for Economic Development</i>	<b>Expected Result</b>	590 jobs created; 1,079 jobs retained; 23 employees trained; \$68.8 million in capital investment; \$62.5 million in leveraged investment.
57	<b>Dairy 2020 Initiative</b>		<i>No results tracked or reported.</i>
<b>Early-Stage Business Investment Programs</b>			
58	<i>Angel Investment Tax Credit Program</i>	<b>Actual Result</b>	From 2009 through 2010, 68 qualified new business ventures received investments.
59	<i>Early Stage Seed Investment Tax Credit Program</i>	<b>Actual Result</b>	From 2009 through 2010, 25 qualified new business ventures received investments.
60	<b>Economic Development Administration 2008 Flood Recovery Technical Assistance</b>		<i>No results tracked or reported.</i>
61	<b>Forward Innovation Fund Program</b>	<b>Expected Result</b>	61 jobs created; 78 jobs retained; \$6.8 million in capital investment; \$9.3 million in leveraged investment.
<b>Gaming Revenue Funded Programs</b>			
64	<i>Economic Diversification Grants and Loans</i>	<b>Expected Result</b>	122 jobs created; 215 jobs retained; 115 employees trained; \$27.8 million in capital investment; \$42.0 million in leveraged investment.
67	<i>Regional Marketing Grant Program</i>	<b>Expected Result</b>	\$2.6 million in leveraged investment.
<b>Industry Specific Tax Credits</b>			
69	<i>Dairy Manufacturing Facility Investment Credit for Cooperatives Program</i>	<b>Actual Result</b>	In 2009 and 2010, 8 businesses made \$26.3 million in eligible investments.
70	<i>Dairy Manufacturing Facility Investment Credit for Non-Cooperatives Program</i>	<b>Actual Result</b>	From 2007 through 2010, 73 businesses made \$251.7 million in eligible investments.

**COMMERCE** (continued)

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
<b>Industry Specific Tax Credits</b> (continued)			
71	<i>Film Tax Credit Program</i>	<b>Actual Result</b>	From 2008 through 2010, 42 businesses made \$45.4 million in eligible investments.
72	<i>Food Processing Plant and Food Warehouse Investment Credit Program</i>	<b>Actual Result</b>	In 2010, 44 businesses made \$39.1 million in eligible investments.
73	<i>Meat Processing Facility Investment Credit Program</i>	<b>Actual Result</b>	From 2009 through 2010, 16 businesses made \$5.8 million in eligible investments.
75	<b>International and Export Assistance</b>		<i>No results tracked or reported.</i>
<b>Minority Business Development</b>			
77	<i>Disabled Veteran-Owned Business Certification Program</i>	<b>Actual Result</b>	6 disabled veteran-owned businesses certified as of June 2011.
78	<i>Minority Business Assistance</i>	<b>Actual Result</b>	1,042 minority-owned businesses certified as of June 2011.
81	<i>Minority Business Enterprise Program</i>		<i>No results tracked or reported.</i>
<b>Native American Economic Development</b>			
89	<i>Native American Technical Assistance</i>		<i>No results tracked or reported.</i>
<b>Rural Economic Development</b>			
90	<i>Dairy 2020 Early Planning Grants</i>	<b>Actual Result</b>	39 grants approved or pending.
92	<i>Milk Volume Production Loans</i>	<b>Expected Result</b>	55 jobs created; 56 jobs retained; \$15.0 million in capital investment; \$37.5 million in leveraged investment.



**COMMERCE** (continued)

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
<b>Rural Economic Development</b> (continued)			
94	Rural Economic Development Grants and Loans	<b>Expected Result</b>	26 jobs created; 9 jobs retained; \$10.5 million in capital investment; \$10.6 million in leveraged investment.
97	<b>Small Business Clean Air Assistance Program</b>		No results tracked or reported.
<b>Tax Credit Programs</b>			
103	Development Opportunity Zone Program	<b>Expected Result</b>	404 jobs created; \$48.1 million in capital investment; \$45.7 million in leveraged investment.
104	Economic Development Tax Credit Program	<b>Expected Result</b>	4,160 jobs created; 3,089 jobs retained; 330 employees trained; \$869.9 million in capital investment; \$1.1 billion in leveraged investment.
106	Enterprise Zone Program	<b>Expected Result</b>	8,024 jobs created; 6,070 jobs retained; 3,237 employees trained; \$978.8 million in capital investment; \$737.7 million in leveraged investment.
107	Jobs Tax Credit Program	<b>Expected Result</b>	758 jobs created; 254 jobs retained; 956 employees trained; \$142.1 million in capital investment; \$173.9 million in leveraged investment.
<b>Wisconsin Development Fund</b>			
113	Business Employees' Skills Training	<b>Expected Result</b>	24 jobs retained; 52 employees trained; \$42,700 in leveraged investment.
115	Early Planning Grants	<b>Actual Result</b>	85 grants approved or pending.
117	Entrepreneurial Assistance Grant Program	<b>Expected Result</b>	\$15,000 in leveraged investment.
118	Entrepreneurial Training Grants		No results tracked or reported.
126	Technology Assistance Grant Program	<b>Actual Result</b>	27 grants approved or pending.
127	Technology Bridge Grants and Loans	<b>Expected Result</b>	\$1.9 million in leveraged investment.

**COMMERCE** (continued)

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
<b>Wisconsin Development Fund</b> (continued)			
130	<i>Technology Matching Grants and Loans</i>	<b>Expected Result</b>	\$4.7 million in leveraged investment.
132	<i>Technology Venture Fund Grants and Loans</i>	<b>Expected Result</b>	2 jobs created; 4 jobs retained; \$156,000 in capital investment; \$30.7 million in leveraged investment.
134	<i>Wisconsin Development Fund Program</i>	<b>Expected Result</b>	1,446 jobs created; 2,832 jobs retained; 163 employees trained; \$115.3 million in capital investment; \$637.9 million in leveraged investment.
136	<i>Wisconsin Trade Project</i>	<b>Expected Result</b>	\$6,375 in leveraged investment.
138	<b>Wisconsin Main Street</b>		<i>No results tracked or reported.</i>
139	<b>Wisconsin Manufacturing Extension Partnership</b>	<b>Actual Result</b>	1,982 jobs created or retained; \$140 million in increased and retained sales; \$46 million in cost savings; \$63 million in investment impact, including new plants and equipment.
140	<b>Wisconsin State Energy Program</b>	<b>Expected Result</b>	868 jobs created; 2,318 jobs retained; \$99.7 million in capital investment; \$134.9 million in leveraged investment.
141	<b>Wisconsin Technology Council</b>	<b>Actual Result</b>	Operated 24 angel investor networks, with an estimated 250 investors; administered 6 chapters of the Wisconsin Innovation Network; received more than 220 entries for the Governor's Business Plan contest in 2011; organized three conferences and 39 meetings.
<b>Wisconsin Venture Fund</b>			
142	<i>Capital Connections Grants</i>	<b>Expected Result</b>	\$382,000 in leveraged investment.
144	<b>Wisconsin Women's Business Initiative Corporation</b>	<b>Actual Result</b>	In FY 2009-10, offered 8,350 hours of counseling; trained 1,765 clients; counseled 1,050 clients; approved 103 loans; created an estimated 278 jobs and retained an estimated 597 jobs.
145	<b>Women-Owned Business Certification and Women's Business Ombudsman</b>	<b>Actual Result</b>	From FY 2007-08 through FY 2010-11, certified 478 women-owned businesses.

**DEPARTMENT OF NATURAL RESOURCES**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
146	<b>Brownfield Site Assessment Grant Program</b>	<b>Actual Result</b>	Performed 825 environmental site assessments and investigations; demolished 629 buildings and structures; removed 710 storage tanks and abandoned containers.
147	<b>Dry Cleaner Environmental Response Fund Program</b>	<b>Actual Result</b>	Active cleanups at 179 locations.
148	<b>Ready for Reuse Revolving Loan Fund and Grants Program</b>	<b>Expected Result</b>	Performed environmental cleanup actions at 11 locations.
149	<b>Wisconsin Plant Recovery Initiative Assessment Monies Program</b>	<b>Expected Result</b>	Performed 13 environmental site assessments and conducted investigations at 8 locations.

**DEPARTMENT OF TOURISM**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
150	<b>Centralized Online Database/Marketing</b>	<b>Actual Result</b>	From January 2010 through June 2011, 3.3 million website visits; 30,851 total call center customer interactions; 43,856 online publication orders; 63,366 fulfillment packets sent; and 78,837 e-newsletter subscribers.
151	<b>Co-op Advertising</b>	<b>Actual Result</b>	Hosted a booth at the 2011 Wisconsin Governor's Conference on Tourism with 70 people attending a conference roundtable; increased the number of advertisers purchasing online banner ads from 14 in FY 2009-10 to 19 in FY 2010-11.
153	<b>Joint Effort Marketing Grants</b>	<b>Actual Result</b>	In FY 2010-11, 5 projects reported a total of \$4.4 million in economic impact; provided \$547,130 in matching dollars for <i>www.travelwisconsin.com</i> marketing.
154	<b>Ready, Set, Go! Grants</b>	<b>Actual Result</b>	In FY 2010-11, made 13 awards totaling \$96,114, which added an estimated \$10 million in state visitor spending.
155	<b>Regional Tourism Specialists</b> (formerly Economic Development Specialists and Tourism Development Specialists)		<i>No results tracked or reported.</i>
156	<b>Tourist Information Center Grants</b>	<b>Actual Result</b>	In 2010, provided customer service to more than 880,000 individuals; more than 90 percent of the grant funding reimbursed tourist information centers for customer service staffing costs.

**DEPARTMENT OF TOURISM** (continued)

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
158	Travel Green Wisconsin	Expected Result	Increased membership to 280 members by June 2011.

**DEPARTMENT OF TRANSPORTATION**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
<b>Disadvantaged Business Enterprise Programs</b>			
159	<i>Disadvantaged Business Enterprise Assistance</i>	Actual Result	In FFY 2008-09, the program conducted 33 orientations, more than 60 networking sessions, 42 trainings, 21 workshops, and 8 business plan assessments; distributed 35 newsletters; created 9 marketing profiles, 14 mentor connections, and 4 mentor protégé agreements.
160	<i>Mobilization Loan Guarantee</i>	Actual Result	No defaulted loans in 2009.
161	<b>Transportation Economic Assistance</b>	Expected Result	991 jobs created; 1,951 jobs retained.

**UW-EXTENSION**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
<b>Cooperative Extension</b>			
162	<i>Agriculture and Natural Resources Extension</i>	Actual Result	99,109 client contacts.
163	<i>Center for Community Economic Development</i>	Actual Result	Provided an economics newsletter to 3,600 recipients in 2010; held Revitalizing Downtown webinars for 300 attendees annually; conducted Downtown Market Analysis projects for an estimated 200 community leaders; provided regular contributions to the Capital Region Business Journal and the Wisconsin State Journal, which reached more than 100,000 subscribers per month.
164	<i>Community, Natural Resource, and Economic Development</i>	Actual Result	Provided an estimated 78,000 direct teaching contacts.

**UW-EXTENSION** (continued)

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
<b>Small Business Development Centers</b>			
165	<i>Small Business Development Centers</i>	<b>Actual Result</b>	In FFY 2010-11, counseled 2,100 clients; trained 8,114 clients; 150 businesses started by clients; \$52.0 million in capital brought into client businesses.
166	<i>Center for Advanced Technology and Innovation (CATI)</i>	<b>Actual Result</b>	In FY 2009-10, provided technical assistance to 29 businesses; provided educational workshops or presentations to 101 participants; procured \$660,000 in funding and contracting; 3 new patents filed by clients; 1 new licensing agreement filed by clients; \$2.1 million in equity investment clients counseled.
167	<i>Center for Innovation and Development</i>	<b>Actual Result</b>	In FY 2010-11, 210 client interactions; 26 product assessments; 14 development projects.
168	<i>Wisconsin Innovation Service Center</i>	<b>Actual Result</b>	Provided 229 market assessments; \$1.8 million in capital to businesses; created 232 full-time jobs and 66 part-time jobs; assisted with 7 business starts.
169	<b>Wisconsin Entrepreneurs' Network</b>	<b>Actual Result</b>	In FY 2010-11, 17,979 clients trained; 3,820 clients counseled.

**UW-MADISON**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
170	<b>Center for Dairy Profitability</b>	<b>Actual Result</b>	Provided farm management assistance, education, and outreach to more than 3,000 dairy producers; assisted 500 dairy producers in completing financial analyses.
171	<b>Family Business Center</b>	<b>Actual Result</b>	68 member companies as of June 2011.
172	<b>Office of Corporate Relations</b>	<b>Actual Result</b>	Completed 1,439 requests for assistance from 1,092 companies, organizations, and individuals; made more than 1,500 referrals.
174	<b>University Research Park</b>	<b>Expected Result</b>	129 tenant companies and 3,600 tenant employees as of June 2011.
175	<b>UW E-Business Consortium</b>	<b>Actual Result</b>	84 peer group meetings, executive retreats, and special interest group meetings; 2 annual conferences; 4,441 attendees at UW events; 155 company requests for information assistance; 30 company projects; 114 company visits; 67 member companies as of June 2011.

**UW-MADISON** (continued)

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
176	<b>Wisconsin Center for Dairy Research</b>	<b>Actual Result</b>	Provided technical assistance to more than 110 dairy companies, industry suppliers, food companies, national and international organizations, and regulatory agencies that support dairy companies; conducted 44 short courses for 1,000 attendees and 25 industry and food service trainings for 450 attendees; hosted 2 technical conferences for the cheese industry with national and international participants; coordinated continuing education programs for Wisconsin cheese makers; began more than 10 multi-year dairy research projects per year.

**UW-OSHKOSH**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
177	<b>Business Success Center</b>	<b>Actual Result</b>	182 students employed; 28 of 32 graduates received employment; provided outreach to more than 100 organizations.
178	<b>Wisconsin Family Business Forum</b>	<b>Actual Result</b>	37 family businesses were members as of June 2011.

**UW-PLATTEVILLE**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
179	<b>Platteville Business Incubator, Inc.</b>	<b>Actual Result</b>	6 new companies entered the program; 5 companies graduated; 12 tenants as of June 2011.

**UW-RIVER FALLS**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
180	<b>Center for Economic Research</b>	<b>Expected Result</b>	Developed a regional economic database; monthly publication of the St. Croix Valley Economic Dashboard, the Momentum West Economic Dashboard, and the Wisconsin Economic Dashboard.

**UW-STEVENS POINT**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
181	<b>Northern Aquaculture Demonstration Facility</b>	<b>Actual Result</b>	30 jobs created; 450 jobs retained; provided technical assistance and business support to 130 fish farms; hosted 14 aquaculture workshops and conferences; made more than 6,000 contacts with current and future fish farmers; presented aquaculture lessons at 57 Wisconsin high schools and 3 elementary schools; obtained more than \$700,000 in federal and state research funds to conduct aquaculture research.

**UW-STOUT**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
182	<b>Economic Development Administration University Center</b>	<b>Actual Result</b>	In FY 2010-11, hosted 5 workshops, seminars, and forums for 216 attendees; conducted 21 direct technical assistance seminars for 340 attendees; provided assistance to 224 clients.
183	<b>Northwest Wisconsin Manufacturing Outreach Center</b>	<b>Actual Result</b>	204 jobs created; 498 jobs retained; \$51.0 million in increased sales; \$32.5 million in cost savings and investments related to technical assistance.
184	<b>Stout Technology and Business Incubator</b>	<b>Actual Result</b>	Hosted 1 business and provided services to 2 other businesses off-site as of June 2011.

**WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY (WHEDA)**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
185	<b>Agribusiness Loan Guarantee</b>	<b>Actual Result</b>	7 jobs created or retained.
188	<b>Credit Relief Outreach Program Guarantee</b>		<i>No results tracked or reported.</i>
189	<b>Farm Asset Reinvestment Management Guarantee</b>		<i>No results tracked or reported.</i>
190	<b>Linked Deposit Loan Subsidy</b>	<b>Actual Result</b>	8 jobs created or retained.

**WHEDA** (continued)

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
191	<b>Other Dividends for Wisconsin Activities</b>		<i>No results tracked or reported.</i>
192	<b>Neighborhood Business Revitalization Guarantee</b>	<b>Actual Result</b>	651 jobs created or retained.
193	<b>New Market Tax Credit Activities</b>	<b>Actual Result</b>	2,439 jobs created or retained.
194	<b>Small Business Development Loan Guarantee</b>	<b>Actual Result</b>	296 jobs created or retained.

**WISCONSIN TECHNICAL COLLEGE SYSTEM**

Program Number Program		<b>RESULTS</b>	
		Actual, Expected, or Not Tracked or Reported	
195	<b>Advanced Manufacturing Solutions</b>	<b>Actual Result</b>	In FY 2009-10, approximately 4,300 individuals served.
196	<b>Workforce Advancement Training Grants</b>	<b>Actual Result</b>	208 grants awarded to provide training to 27,679 individuals.



Appendix 9

**File Review of Selected Awards of Grant and Loan Programs**

Program Number	Program	Awards Reviewed	Award Amounts <sup>1</sup>
<b>Department of Agriculture, Trade and Consumer Protection (DATCP)</b>			
26	Grazing Lands Conservation Initiative Grants	7	\$ 393,300
30	Special Agricultural Facilities Grants	2	3,263,000
31	Specialty Crop Block Grants	3	211,700
DATCP Subtotal		12	3,868,000
<b>Department of Commerce</b>			
39	Brownfields Grant Program	9	2,697,500
44	Business Incubator Grants	1	70,000
47	Regional Planning Grants	1	70,000
51	Blight Elimination and Brownfields Redevelopment	1	400,000
53	Economic Development Grants and Loans	12	16,860,000
56	Public Facilities for Economic Development	3	982,100
57	Dairy 2020 Early Planning Grants <sup>2</sup>	5	15,000
64	Economic Diversification Grants and Loans	7	985,000
79	Minority Business Development Program	2	200,000
92	Milk Volume Production Loans	1	106,000
114	Customized Labor Training Grants and Loans	1	85,100
115	Early Planning Grants <sup>2</sup>	5	15,000
120	Major Economic Development Program	3	2,162,500
126	Technology Assistance Grant Program <sup>2</sup>	5	15,000
128	Technology Development Fund	1	100,000
134	Wisconsin Development Fund Program	1	500,000
137	Wisconsin Energy Independence Fund	1	1,000,000
140	Wisconsin State Energy Program	7	30,900,000
–	Directed Awards	5	11,800,000
Commerce Subtotal		71	68,963,200
<b>Department of Natural Resources (DNR)</b>			
148	Ready for Reuse Revolving Loan Fund and Grants Program	6	1,793,000
DNR Subtotal		6	1,793,000

Program Number	Program	Awards Reviewed	Award Amounts <sup>1</sup>
<b>Department of Tourism</b>			
153	Joint Effort Marketing Grants	11	\$ 448,400
Tourism Subtotal		11	448,400
<b>Department of Transportation (DOT)</b>			
161	Transportation Economic Assistance	8	2,367,800
DOT Subtotal		8	2,367,800
<b>Wisconsin Technical College System (WTCS)</b>			
196	Workforce Advancement Training Grants	5	229,500
WTCS Subtotal		5	229,500
<b>Total</b>		<b>113</b>	<b>\$77,669,900</b>

<sup>1</sup> Includes grants and loans awarded from FY 2007-08 through FY 2010-11, except for DOT grants, which were awarded in FY 2002-03.

<sup>2</sup> Program funding was provided through the Department of Commerce and was administered by UW-Extension.

June 5, 2012

Mr. Joe Chrisman, State Auditor  
Legislative Audit Bureau  
22 East Mifflin Street, Suite 500  
Madison, WI 53703

Dear Mr. Chrisman,

Thank you for the opportunity to comment on the audit report relating to the review of the state's economic development programs.

The State of Wisconsin is moving in the right direction. Over the past year, 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.

Since 2011, the legislature and Governor Walker have worked to pass pro-growth measures aimed at improving Wisconsin's business climate by reforming our tax, regulatory and litigation processes. The creation of the Wisconsin Economic Development Corporation was a bold, forward-looking initiative. It 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. This session produced 2011 Wisconsin Act 7 – a law which created the WEDC as a public-private corporation to replace the state Department of Commerce (Commerce). The bill removed non-business Commerce responsibilities from WEDC and eliminated program mandates in favor of a larger, more flexible Economic Development Fund. It set a WEDC start-up date of July 1, 2011.

The creation of WEDC in Act 7 has added benefits for accountability and transparency of economic development objectives. The transfer of non-economic development functions allows WEDC to focus on business and job growth objectives. The increased flexibility and elimination of specific program mandates improves the ability to have consistent metrics and evaluation protocols for all WEDC initiatives. The public-private structure and approach of WEDC increases the likelihood that performance metrics will be used for ongoing continuous improvement management rather than solely as a biannual audit report to drive policy change.

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.

The support of Wisconsin lawmakers in creating the WEDC and in supporting additional economic development programs across state agencies is instrumental in establishing an infrastructure for economic development that will assist Wisconsin businesses and entrepreneurs in creating high-quality jobs and prosperity for the benefit of Wisconsin workers and families.

Although the LAB will conduct the first of its statutorily-required biennial audits in 2013, our commitment to transparency encouraged WEDC to contract with an independent auditor that will review our operations in 2012. The recommendations by the LAB offered in this audit will further facilitate that accountability for all state agencies.

Before commenting on the specifics of the audit recommendations, we do wish to address some of the findings of the report related to the former Department of Commerce.

### Reporting by Department of Commerce in 2009-11

The section related to program accountability notes that Commerce provided information on results for less than 75% of the programs it administered during the 2009-11 biennium. The statement reflects information provided in Table 28 and in Appendix 3, which indicate that in certain programs “no results (were) tracked or reported” in 15 of 55 Commerce programs.

It is worth noting that several of these 15 functional areas provided direct/technical assistance that was not designed to provide a quantifiable performance benchmark. These include Area Development Managers; Business Development Assistance Center; Technology Development Assistance; Community Development Planning Assistance; Dairy 2020; Economic Development Administration 2008 Flood Recovery Technical Assistance; International and Export Assistance; Native American Technical Assistance; Small Business Clean Air Assistance Program; and Wisconsin Main Street. In several cases these functions directed customers to resources in other programs that were tracked and reported.

In the case of the Midwestern Disaster Relief Bond program and Qualified Energy Conservation Bond program, eligibility for these federal programs does not include criteria for jobs impacted, but Commerce did report and track on bond allocations as referenced in Appendix 7.

### Report Recommendations

We believe the recommendations offered by the LAB support the ongoing accountability measures of WEDC. Verification of financial statements and performance requirements are key to ensuring accurate and thorough reporting.

Moreover, these recommendations will advance the program measurement of economic development activities in other state agencies. While the provisions of Act 125 have greatly improved the transparency and measurement of economic development programs in Wisconsin, the audit findings make clear that additional direction would be useful in determining which state agency programs fall under the scope of Act 125 reporting, and in developing clear measurements for those programs.

It is helpful to us that the LAB has highlighted our leadership role in the state’s economic development efforts, and WEDC welcomes the recommendation to work with the departments of Agriculture, Trade and Consumer Protection, Natural Resources, Tourism, and Transportation; the University of Wisconsin System; the Wisconsin Housing and Economic Development Authority and the Wisconsin Technical College System to determine which programs to include in the October 2012 report, and to

provide guidance on establishing goals and accountability measures for economic development programs. We look forward to engaging leadership of these agencies to begin that collaborative effort.

Again, we would like to express our most sincere gratitude to the staff of the Legislative Audit Bureau on this important issue, and for the opportunity to share these comments.

Sincerely,

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

Paul F. Jadin  
Secretary & CEO