



*The Legislative Audit Bureau makes 26 recommendations
to the Wisconsin Economic Development Corporation*

Introduction (p. 3)

We recommend the Wisconsin Economic Development Corporation work with its governing board to:

1. comply with its policies and post on its website minutes of board meetings (p. 7);
2. modify its policies so that they require board meeting materials to be posted on its website before meetings occur, and it should comply with the modified policies (p. 7);

Program Administration (p. 19)

We recommend the Wisconsin Economic Development Corporation:

3. beginning on July 1, 2023, and every six months thereafter, determine the remaining balance and the total amount of past-due repayments for all loans 90 days or more past due (p. 22);
4. determine the remaining balance for all of these loans that were amended to defer repayments, written off, or forgiven from July 2023 through December 2023, and then during each six-month period thereafter (p. 22);
5. determine the remaining balance for all of these loans that were no longer 90 days or more past due during each six-month period thereafter because the recipients made loan repayments (p. 22);
6. determine the payment delinquency rate and the principal delinquency rate on the first and last day of each six-month period (p. 22);
7. report this information to the Joint Legislative Audit Committee by February 1, 2024, for the six-month period from July 2023 through December 2023, and then report this information every six months thereafter (p. 22);
8. modify its Enterprise Zone program written procedures to require it to award program tax credits only for the wages paid to employees for services performed in an enterprise zone, as is statutorily required (p. 24);
9. require all recipients of Enterprise Zone program tax credits to provide information on the amount of wages paid to employees for services performed in enterprise zones (p. 24);
10. require five recipients to repay a total of \$50,000 in Main Street Bounceback grants that were awarded contrary to U.S. Treasury guidance, and then return the repaid funds to DOA (p. 27);
11. ensure its future program policies comply with all federal requirements (p. 27);
12. ensure its program policies are clear, particularly when it provides funds to third-parties that are responsible for awarding these funds to entities (p. 27);
13. take action regarding three awards for which its consultant was unable to verify all performance information for 2020 (p. 29);

14. modify its written procedures to ensure issues identified through the annual verification process are promptly addressed (p. 29);
15. comply with statutes by modifying its policies to require it to collect repayment from all grant and loan recipients that do not provide a satisfactory explanation for not complying with their contracts (p. 30);
16. require eight recipients to repay \$64,300 identified in its verification efforts of programs supported by supplemental federal funds and return the repaid funds to the Department of Administration (p. 30);

Program Results (p. 31)

We recommend the Wisconsin Economic Development Corporation:

17. develop written policies that require it to revoke tax credits in a timely manner if a recipient did not meet contractual obligations; (p. 42);
18. consistently comply with its written policies by revoking tax credits in a timely manner (p. 42);
19. determine more-specific organization-wide goals, annually track its progress toward meeting these goals, and annually assess whether modifications to the goals are necessary (p. 44);
20. annually determine and document in one location how individual programs are expected to help achieve the organization-wide goals (p. 44);
21. annually document the reasons why it provided specific amounts of funding to support individual programs (p. 44);
22. annually and comprehensively assess and document the extent to which each program achieved its anticipated results and helped WEDC to achieve its organization-wide goals (p. 44);
23. use information from this process to make any necessary programmatic modifications (p. 44);

Program Accountability (p. 45)

We recommend the Wisconsin Economic Development Corporation:

24. improve the accuracy of its statutorily required annual economic development program report (p. 48);
25. annually archive the webpages for each program in its annual economic development reports (p. 48);
and

Audit Follow-Up Reporting

26. We recommend the Wisconsin Economic Development Corporation report to the Joint Legislative Audit Committee by December 6, 2023, on its efforts to implement our recommendations.