STATE OF WISCONSIN

Legislative Audit Bureau

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Report 25-30
November 2025

Wisconsin Economic Development Corporation

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Wisconsin Economic Development Corporation

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November 21, 2025

Senator Eric Wimberger and
Representative Robert Wittke, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Wimberger and Representative Wittke:

As required by s. 13.94 (1) (dr), Wis. Stats., we have completed a biennial financial audit of the Wisconsin Economic Development Corporation (WEDC) and a program evaluation audit of WEDC's economic development programs.

In fiscal year (FY) 2023-24, WEDC administered 25 economic development programs through which it allocated $76.0 million in tax credits, awarded $24.5 million in grants and $2.0 million in loans, and authorized local governments to issue $20.2 million in bonds.

WEDC's information indicated that 30,254 economic development awards closed through FY 2023-24, including 482 tax credit and loan awards that contractually required the recipients to create jobs. These recipients created 77.7 percent of the planned number of jobs. We continued to identify concerns with WEDC's online data, which indicate program results, and again recommend that WEDC improve the accuracy of its statutorily required annual economic development program report.

We recommend that WEDC continue to provide the Joint Legislative Audit Committee with semiannual information on past-due loans, take action regarding one award for which its consultant could not verify all performance information for 2023, and require one grant recipient to repay $2,500 for which the recipient did not provide sufficient information to verify that it spent grant funds in compliance with its contract. We also recommend WEDC develop written policies that specify a time by which it should revoke tax credits for recipients that do not meet contractual obligations, and continue its efforts to improve how it assesses program results.

In FY 2023-24, state funds accounted for 66.9 percent of WEDC's $70.7 million total revenue, and federal funds accounted for 25.6 percent. For the quarter ended on June 30, 2024, WEDC's total available resources were $75.5 million. WEDC established contractual or other obligations for $60.0 million of the $75.5 million, but it had not done so for the remaining $15.5 million.

We appreciate the courtesy and cooperation extended to us by WEDC. In the absence of an appointed chief executive officer, a response from WEDC's chief operating officer follows the appendices.

Respectfully submitted,

Joe Chrisman
State Auditor

JC/ss

Introduction

WEDC has been Wisconsin's lead economic development organization since FY 2011-12.

The Wisconsin Economic Development Corporation (WEDC) has been Wisconsin's lead economic development organization since fiscal year (FY) 2011-12. Section 238.02 (1), Wis. Stats., provides that WEDC is governed by an 18-member board, including:

- 6 members nominated by the Governor and appointed with the advice and consent of the Senate;
- 4 members appointed by the Assembly speaker;
- 4 members appointed by the Senate majority leader;
- 1 member appointed by the minority leader of the Assembly;
- 1 member appointed by the minority leader of the Senate; and
- the secretaries of the Department of Administration (DOA) and the Department of Revenue (DOR), who serve as nonvoting members.

Each board member nominated by the Governor serves at the pleasure of the Governor; and each board member appointed by the Assembly speaker, Senate majority leader, and minority leaders of the Assembly and the Senate serve for four-year terms. Statutes require the governing board to elect a chairperson from among its voting members who are not legislators.

WEDC's governing board is statutorily authorized to conduct a number of activities, including:

- adopting, amending, and repealing bylaws, policies, and procedures;
- establishing WEDC's annual budget and monitoring WEDC's fiscal management;
- employing any officers, agents, and employees that WEDC may require and determining their qualifications, duties, and compensation;
- accepting gifts, grants, loans, and other contributions from private or public sources;
- executing contracts and other instruments required for WEDC's operations;
- incurring debt and issuing notes, bonds, and any other obligations;
- making loans and providing grants; and
- entering into agreements regarding compensation, space, and other administrative matters as are necessary to operate offices in other states and foreign countries, subject to approval by the secretary of DOA.

The Governor is statutorily required to appoint WEDC's chief executive officer, with the advice and consent of the Senate.

The Governor is statutorily required to appoint WEDC's chief executive officer, with the advice and consent of the Senate. WEDC's governing board is statutorily authorized to determine the chief executive officer's compensation and is statutorily permitted to delegate to the chief executive officer any powers and duties that it considers proper. Through WEDC's bylaws, the governing board has delegated to the chief executive officer the authority to establish WEDC's budget and monitor WEDC's fiscal management, employ staff, and execute documents on WEDC's behalf. In September 2025, WEDC's chief executive officer resigned. As of October 2025, a new chief executive officer had not been appointed.

In FY 2023-24, a chief operating officer served as the chief executive officer's deputy. Four vice presidents managed:

- the business and community development division, which provided financial and technical assistance to businesses and communities;
- the entrepreneurship and innovation division, which worked to support new and emerging entrepreneurial and high-growth businesses in the state;

- the global trade and investment division, which worked to strengthen Wisconsin's export partnerships and increase the export skills of Wisconsin companies; and

- the marketing and brand strategy division, which promoted Wisconsin's economic assets and business climate.

Audits of WEDC

Section 13.94 (1) (dr), Wis. Stats., requires the Legislative Audit Bureau to conduct biennially a financial audit of WEDC and a program evaluation audit of WEDC's economic development programs. Combined, reports 13-7 and 14-11 fulfilled our statutory requirement to conduct the first biennial audit of WEDC. Reports 15-3, 17-9, 19-6, and 21-7 fulfilled our statutory requirement to conduct the second through fifth biennial audits of WEDC.

In report 23-11, we found that WEDC largely complied with statutes and its contracts when administering its economic development programs, but we also found concerns.

In report 23-11, which we published in August 2023 as our sixth biennial audit of WEDC, we found that WEDC largely complied with statutes and its contracts when administering its economic development programs. However, we also found that:

- WEDC did not comply with statutes because its written procedures allowed it to award tax credits under its Enterprise Zone program for wages paid to employees for services provided outside of enterprise zones;

- WEDC did not develop written policies to require it to revoke tax credits in a timely manner, and it waited an average of 3.6 years to close 20 tax credit awards for which it did not revoke $2.6 million in tax credits even though the recipients did not meet their contractual obligations;

- WEDC did not implement our recommendations from reports 19-6 and 21-7 to improve how it assesses the results of its programs; and

- WEDC's online data, which indicate the results of its programs, contained inaccuracies and were incomplete.

To complete our seventh biennial audit of WEDC, we analyzed WEDC's management of its programs from FY 2022-23 through the first six months of FY 2024-25. We completed our analyses, in part, by reviewing available information for 673 awards WEDC made. Appendix 1 provides summary information about these awards. We also analyzed WEDC's financial management in FY 2022-23 and FY 2023-24.

Governing Board

WEDC's governing board met six times in FY 2022-23 and eight times in FY 2023-24. At these meetings, the governing board discussed a variety of subjects and approved WEDC's operating budgets, program policies, as well as individual tax credit allocations that were more than $10.0 million. The governing board established three committees that reviewed certain issues and recommended how the board should proceed with these issues.

In report 23-11, we found that WEDC's governing board did not post meeting minutes and meeting materials on WEDC's website even though WEDC's policies required the board to do so after meetings occurred. To increase transparency, we recommended that WEDC work with its governing board to comply with these policies and modify them so that board meeting materials are required to be posted before meetings occur.

In our current audit, we found that minutes and agendas, but not materials, for meetings of WEDC's governing board in FY 2022-23 and FY 2023-24 were posted on WEDC's website. We also found that WEDC modified its policies to remove the requirement for meeting materials to be posted on its website after governing board meetings occur. At its November 2023 meeting, WEDC's governing board considered our recommendation that meeting materials be posted on WEDC's website in advance of board meetings. WEDC's governing board voted that WEDC should continue following its existing procedures to post meeting agendas and minutes on the WEDC website. During the meeting, WEDC staff indicated that posting meeting materials would require additional staff time and that alternative methods of obtaining this information, such as direct contact and public records requests under Wisconsin's Open Records Laws, could be utilized by members of the public.

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Economic Development Programs

In FY 2023-24, WEDC administered 25 economic development programs.

In FY 2023-24, WEDC administered 25 economic development programs. Under these programs, WEDC allocated $76.0 million in tax credits, awarded $24.5 million in grants and $2.0 million in loans, and authorized local governments to issue $20.2 million in bonds.

Types and Amounts of Assistance Provided

The economic development programs that WEDC administered provided one or more types of assistance, including:

- grants and loans, which WEDC provided to businesses and other organizations to finance economic development projects;
- tax credits, which offset the income tax liability of businesses and individuals or provided funds to businesses and individuals;
- technical assistance, such as training, marketing, and consultation, that WEDC provided to businesses, individuals, local governments, and other organizations; and
- bonding authorization, which signified WEDC's approval for local governments to issue bonds on behalf of businesses and other organizations that financed economic development projects.

We categorized WEDC's economic development programs based on the primary type of assistance they provided, as shown in Table 1. In FY 2023-24, WEDC administered 16 grant and loan programs, 6 tax credit programs, 2 technical assistance programs, and 1 bonding authorization program. Appendix 2 describes each of these 25 programs. In addition, in FY 2023-24 WEDC continued to manage 14 other programs through which it no longer made awards.

Table 1

WEDC's Economic Development Programs, by Type

	Number of Programs				
Program Type	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Grants and Loans	20	21	20	19	16
Tax Credits	7	7	6	6	6
Technical Assistance	3	3	3	3	2
Bonding Authorization	1	1	1	1	1
Total	**31**	**32**	**30**	**29**	**25**

Table 2 shows the amount of assistance provided through WEDC's programs. The amounts in a given fiscal year may be actually provided to recipients in either that fiscal year or future fiscal years, depending on the extent to which recipients fulfill their contractual obligations.

Table 2

Amount of Assistance Provided through WEDC's Economic Development Programs
(in millions)

Program Type	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Tax Credits	$ 58.2	$73.9	$58.0	$49.3	$76.0
Grants	27.5	95.8[1]	91.3[2]	20.2	24.5
Bonding Authorization	170.2	13.6	53.4	2.8	20.2
Loans	2.2	3.4	4.8	2.7	2.0

[1] Includes $68.2 million in program grants supported by supplemental federal funds.

[2] Includes $67.7 million in program grants supported by supplemental federal funds.

In addition to the program types shown in Table 1 and Table 2, WEDC announced the establishment of the Wisconsin Investment Fund in May 2024. The Fund was established with $50.0 million in federal funds it received from the U.S. Treasury's State Small Business Credit Initiative authorized under the American Rescue Plan Act (ARPA). The Wisconsin Investment Fund is intended to increase investment in Wisconsin companies and provide capital to small businesses for expansion. In FY 2023-24, WEDC contracted with five venture capital fund managers to provide $42.8 million for investment in small businesses in Wisconsin. As required by federal guidelines, WEDC required the venture capital fund managers to attest that the provided funding would be 100.0 percent matched by private capital.

2023 Wisconsin Act 19, the 2023-2025 Biennial Budget Act, requires WEDC to administer a sales and use tax exemption certification program related to data centers beginning October 1, 2023. Under the program, WEDC certifies a data center as eligible for the exemption, and each business with which WEDC contracts is required to make qualified investments in the State within five years of the certification at an amount determined by the population level of the county in which the data center is located. Purchases for a certified data center are exempt from sales and use taxes imposed on personal tangible property used for the development, maintenance, and operation of a data center or water-cooling systems used for a data center. Through FY 2023-24, we found that WEDC had not certified any data center nor contracted with any business under the program.

Bonding Authorization Program

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

Through the Industrial Revenue Bonds program, WEDC authorized local governments to issue bonds on behalf of businesses that used the proceeds to fund equipment and capital improvements at manufacturing facilities. These businesses were responsible for debt service on the bonds. Earned income from the bonds is not federally taxable. WEDC authorized:

- one municipality (Waukesha) to issue a total of $2.8 million in bonds in FY 2022-23; and

- three municipalities (Coleman, Waukesha, and West Bend) to issue a total of $20.2 million in bonds in FY 2023-24.

Tax Credit Programs

In FY 2023-24, WEDC administered six programs that provided tax credits.

In FY 2023-24, WEDC administered six programs that provided tax credits, including:

- one enterprise zone program that was intended to encourage economic development in specific geographic areas of the state;

- three investment tax credit programs that were intended to increase funding for Wisconsin businesses; and

- two other tax credit programs that were intended to assist individuals and businesses throughout Wisconsin.

WEDC allocates tax credits to recipients. This allocation represents the maximum amount of tax credits that can be awarded during a contract's term. The amount of awarded tax credits is based on a recipient achieving contractually required results. After awarding tax credits, WEDC informs DOR, and recipients may claim the awarded tax credits against their Wisconsin income taxes. Tax credit payments are made with general purpose revenue (GPR) through appropriations separate from WEDC's appropriations. Appendix 3 lists the 53 recipients that were allocated the largest amounts of tax credits in FY 2023-24.

Development Zone Programs

Until December 2018, statutes authorized WEDC to designate up to 30 zones through the Enterprise Zone program. Each zone may be effective for up to 12 years. 2017 Wisconsin Act 369, which was enacted in December 2018, modified statutes to allow WEDC to designate any number of zones, but under the 14-day passive approval process WEDC must notify the Joint Committee on Finance in writing of its intention to designate a new zone. Businesses in the zones can be allocated tax credits based on employee wages, the number of jobs created or retained, employee training costs, significant capital expenditures, and purchases of goods and services from Wisconsin suppliers.

WEDC allocated a total of $27.0 million through three awards it made through the Enterprise Zone program in FY 2023-24.

Enterprise Zone tax credits are refundable, meaning that they can be claimed regardless of a business's Wisconsin income tax liability. Statutes do not limit the amount of tax credits available through the program. WEDC allocated a total of $27.0 million through three awards it made through the Enterprise Zone program in FY 2023-24. WEDC did not allocate any tax credits through the program in FY 2022-23.

2017 Wisconsin Act 58 created the Electronics and Information Technology Manufacturing Zone program. Statutes allow WEDC to designate one electronics and information technology manufacturing zone that shall remain in effect for no more than 15 years. Tax credits awarded through the program are refundable. In April 2021, WEDC executed an $80.0 million contract with four corporations that are collectively referred to as "Foxconn" and that agreed to create jobs and make capital investments in the zone. Table 3 shows the contractually specified amounts of program tax credits that WEDC may award Foxconn, including $20.3 million for creating jobs, $40.0 million for making capital investments, and $19.7 million in performance tax credits.

Table 3

Amounts of Program Tax Credits WEDC May Award Foxconn
Under the April 2021 Contract

		Tax Credits (in millions)			
Calendar Year	Minimum Number of Jobs[1]	Job Creation	Capital Investment[2]	Performance	Total
2020	481	$ 2.2	$26.9	–	$29.1
2021	747	3.5	4.8	–	8.3
2022	918	4.1	2.2	–	6.3
2023	1,042	5.0	3.7	–	8.7
2024	1,163	5.5	2.3	$ 9.9	17.7
2025	1,163	–	–	9.9	9.9
Total		**$20.3**	**$40.0**	**$19.7**	**$80.0**

[1] Foxconn must create a minimum number of jobs in order to be awarded program tax credits for a given year.

[2] If Foxconn creates a minimum number of jobs, unawarded or excess capital investment tax credits may be awarded in future years.

WEDC awarded a total of $52.4 million in Electronics and Information Technology Manufacturing Zone program tax credits to Foxconn for its efforts to create jobs and make capital investments from 2020 through 2023.

In a given year, WEDC awards program tax credits based on Foxconn's efforts to create jobs and make capital investments in the prior year. As shown in Table 4, WEDC awarded a total of $52.4 million in Electronics and Information Technology Manufacturing Zone program tax credits to Foxconn for its efforts to create jobs and make capital investments from 2020 through 2023. For this time period, Foxconn received 100.0 percent of the contractually specified amount of tax credits that WEDC may award. WEDC awarded these tax credits from 2021 through 2024. At the time of our fieldwork in October 2025, WEDC had not yet awarded Foxconn any program tax credits for its efforts in 2024.

Table 4

Electronics and Information Technology Manufacturing Zone Program Tax Credits That WEDC Awarded to Foxconn
(in millions)

Calendar Year[1]	Amount
2020	$28.8
2021	8.6
2022	6.3
2023	8.7
Total	**$52.4**

[1] Based on Foxconn's efforts to create jobs and make capital investments for a given year, WEDC determines and awards program tax credits in the subsequent year.

Investment Tax Credit Programs

Through the Qualified New Business Venture program, WEDC certified eligible new Wisconsin businesses to participate in two other WEDC programs that awarded nonrefundable tax credits to individuals and venture capital funds that invested in the certified businesses. To be certified, a business needed to meet certain criteria, including being headquartered in Wisconsin, having at least 51.0 percent of its employees based in the State, having fewer than 100 employees, and having been in operation in Wisconsin for no more than 10 consecutive years.

Through the Angel Investment Tax Credit and Early Stage Seed Investment Tax Credit programs, statutes permit WEDC to award tax credits in amounts equal to 25.0 percent of investments made in certified new business ventures and held for at least three years, up to a maximum amount specified by WEDC for individual businesses. Certain individuals and groups of individuals who provided start-up financing to certified businesses were awarded tax credits through the Angel Investment Tax Credit program, while venture capital funds that invested in certified businesses were awarded tax credits through the Early Stage Seed Investment Tax Credit program. Statutes permit up to $30.0 million in tax credits to be claimed per calendar year as a combined limit for both programs.

2023 Wisconsin Act 144, which was enacted in March 2024, permits businesses to be certified under the programs if the businesses engage in, or commit to engage in, the development of a differentiating technology, product, service, or production process. 2023 Wisconsin Act 145, which also was enacted in March 2024, permits individuals eligible to claim the Angel Investment Tax Credit to sell or transfer the credit no more than once in a 12-month period. Prior to this change, statutes only permitted the Early Stage Seed Investment Tax Credit to be sold or transferred.

In 2024, investors were awarded $9.7 million in tax credits through two investment tax credit programs.

As shown in Table 5, investors in 45 businesses were awarded $9.7 million in tax credits through the Angel Investment Tax Credit and Early Stage Seed Investment Tax Credit programs in 2024.

Table 5

Tax Credits Awarded through Investment Tax Credit Programs

Program	2023 Amount (in millions)	2023 Businesses[1]	2024 Amount (in millions)	2024 Businesses[1]
Angel Investment Tax Credit	$3.8	34	$5.5	38
Early Stage Seed Investment Tax Credit	2.5	19	4.2	18
Total	**$6.3**	47	**$9.7**	45

[1] Some businesses had investors who were awarded tax credits through both programs.

Other Tax Credit Programs

Through the Business Development Tax Credit program, statutes authorized WEDC to allocate refundable tax credits for up to 10 years. WEDC could award tax credits based on wages paid to employees in existing and newly created full-time jobs. WEDC could also award tax credits for projects involving capital investments, employee training, or either a business retaining a corporate headquarters in or relocating a corporate headquarters to Wisconsin. 2023 Wisconsin Act 143, which was enacted in March 2024, modified statutes to allow WEDC to also award tax credits under the program for investments in workforce housing and employee child care programs for the taxable years beginning after December 31, 2023.

2023 Wisconsin Act 143 also modified statutes to specify that recipients are eligible to receive tax credits under the Business Development Tax Credit program if they create new jobs or retain existing jobs, make a capital investment in their businesses, and do not decrease net employment in their businesses in the year prior to their certification. Prior to this change, statutes required recipients to increase their net employment in the State as compared to the year before their certification.

Through the Historic Preservation Tax Credit program, statutes authorized WEDC in FY 2023-24 to allocate to businesses or individuals tax credits for preserving or rehabilitating properties certified as historic. Recipients could receive nonrefundable tax credits in amounts equal to 20.0 percent of their qualified expenditures, and recipients could transfer tax credits to third parties in exchange for cash or other valuable considerations. 2017 Wisconsin Act 280, which was enacted in April 2018, provided that beginning in FY 2018-19 WEDC could award no more than $3.5 million in tax credits to projects undertaken on a given land parcel.

In FY 2023-24, WEDC allocated a total of $40.2 million in tax credits through the Business Development Tax Credit and Historic Preservation Tax Credit programs.

As shown in Table 6, WEDC allocated a total of $40.2 million in tax credits through the Business Development Tax Credit and Historic Preservation Tax Credit programs in FY 2023-24. Appendix 4 lists each allocation made through the Historic Preservation Tax Credit program in FY 2023-24.

Table 6

Tax Credits Allocated through Other Programs

	FY 2022-23		FY 2023-24	
Program	Amount (in millions)	Awards	Amount (in millions)	Awards
Business Development Tax Credit	$23.7	26	$20.4	22
Historic Preservation Tax Credit	17.7	23	19.7	18
Total	**$41.4**	**49**	**$40.2**	**40**

Grant and Loan Programs

WEDC awarded grants and loans directly to businesses, as well as economic development organizations and local governments that distributed this funding to minority-owned businesses, early-stage businesses, and other types of businesses typically underserved by commercial lenders. The grants and loans supported a variety of projects, such as expanding factories, purchasing business equipment, and performing environmental remediation. If recipients do not achieve contractual obligations or meet loan repayment requirements, WEDC is contractually allowed to recoup the funds, such as by initiating collection proceedings.

In FY 2023-24, WEDC awarded 208 economic development grants totaling $24.5 million.

As shown in Table 7, WEDC awarded 208 economic development grants totaling $24.5 million in FY 2023-24. Appendix 5 lists the 41 recipients that were awarded the largest amounts of grants and loans in FY 2023-24.

Table 7

Economic Development Grants Awarded by WEDC

	FY 2022-23		FY 2023-24	
Program	Amount (in millions)	Grants	Amount (in millions)	Grants
Community Development Investment Grant	$ 8.6	64	$ 8.9	40
Capital Catalyst	0.9	4	2.8	10
Idle Sites Redevelopment Grant	1.4	6	2.6	10
Entrepreneurship Partner Grant	2.1	20	2.1	17
Small Business Innovation Research/Small Business Technology Transfer Matching Grant	1.5	1	1.5	1
Global Business Development Grant	1.0	53	1.3	66
Strategic Investment Fund	–	–	1.1	2
Site Assessment Grant	0.9	6	1.0	8
Brownfields Grant	1.6	8	0.9	5
Capacity Building Grant	0.7	13	0.7	17
Diverse Business Development	0.4	14	0.5	12
Fabrication Laboratories Grant	0.6	25	0.5	18
Entrepreneurial Micro-Grant	0.3	1	0.3	1
ExporTech	0.2	1	0.2	1
Targeted Industry Projects	0.2	9	–	–
Total	**$20.2**	**225**	**$24.5**	**208**

2023 Wisconsin Act 169, which was enacted in March 2024, modified statutes to require WEDC to establish a grant program for eligible local governments and private entities for the purpose of attracting major opportunities and events to the State. 2023 Wisconsin Act 250, which was also enacted in March 2024, modified statutes to require WEDC to establish a grant program for eligible municipalities and counties with redevelopment costs associated with buildings or other sites on former college campuses that were partnered with a university in the University of Wisconsin (UW) System restructuring plan approved by the Higher Learning Commission in June 2018. These grant programs were not shown in Table 7 because WEDC did not award any grants under the programs through FY 2023-24.

In FY 2023-24, WEDC awarded 10 economic development loans totaling $2.0 million.

As shown in Table 8, WEDC awarded 10 economic development loans totaling $2.0 million through its Technology Development Loan program in FY 2023-24.

Table 8

Economic Development Loans Awarded by WEDC

	FY 2022-23		FY 2023-24	
Program	Loans	Amount (in millions)	Loans	Amount (in millions)
Technology Development Loan	8	$2.7	10	$2.0

Through FY 2016-17, WEDC administered programs that allowed it to award forgivable loans, which did not require recipients to repay some or all of the principal or interest if the recipients achieved contractually required results, such as creating or retaining specified numbers of jobs. Beginning in FY 2017-18, statutes have not allowed WEDC to award forgivable loans, as a result of provisions in 2017 Wisconsin Act 59, the 2017-2019 Biennial Budget Act. Act 59 also requires WEDC's loan programs to adhere as closely as is practicable to commonly accepted lending practices.

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Program Administration

We reviewed WEDC's administration of its economic development programs.

We reviewed WEDC's administration of its economic development programs, including its efforts to monitor loans, manage Enterprise Zone program tax credit contracts, and complete the statutorily required annual verification of performance information for a sample of award recipients. We also analyzed the extent to which WEDC implemented our recommendations from report 23-11 pertaining to its administration of grant programs supported by supplemental federal funds. We recommend that WEDC continue to provide the Joint Legislative Audit Committee with semiannual information on past-due loans, and we recommend that WEDC take action regarding the one award for which its consultant could not verify all performance information for 2023.

Monitoring Loans

WEDC is responsible for collecting loan repayments, monitoring loans not fully repaid, and pursuing collection of delinquent loans.

In its capacity as a lender, WEDC is responsible for collecting loan repayments, monitoring loans not fully repaid, and pursuing collection of delinquent loans. Policies required WEDC to send notices to recipients of loans for which repayments were 30 days, 60 days, and 90 days past due and consider other actions when repayments were 120 days or more past due. WEDC compiled information on loans 90 days or more past due.

Loan delinquency rates can be calculated in different ways. A payment delinquency rate measures loan repayments 90 days or more past due as a percentage of the remaining balance of all loans. It indicates the success of efforts to bring delinquent loans into current repayment status but does not consider the entire loan balance that is potentially uncollectible. A principal delinquency rate considers the entire loan balance that is potentially uncollectible. It measures the remaining balance for loans 90 days or more past due as a percentage of the remaining balance of all loans.

From December 31, 2022, to December 31, 2024, WEDC's loan portfolio balance decreased and its payment delinquency and principal delinquency rates increased.

From December 31, 2022, to December 31, 2024, WEDC's loan portfolio balance decreased from $23.1 million to $16.1 million. During the same period, WEDC's payment delinquency rate increased from 9.9 percent to 11.2 percent and its principal delinquency rate increased from 22.9 percent to 34.8 percent, as shown in Table 9. In calculating these rates, we included the amounts of interest owed by recipients because doing so provides more-precise information about loan delinquencies. We also found that as of June 30, 2025, WEDC's payment delinquency rate decreased to 8.7 percent and its principal delinquency rate decreased to 28.0 percent. WEDC reported that this reduction occurred, in part, because six loans with a total balance of $1.3 million were written off between January 1, 2025, through June 30, 2025.

Table 9

WEDC's Loan Delinquency Rates, by Year[1]
As of December 31

Year	Payment Delinquency Rate	Principal Delinquency Rate
2020	11.0%	19.4%
2021	15.2	25.3
2022	9.9	22.9
2023	11.1	24.2
2024	11.2	34.8

[1] Includes the amounts of interest owed by recipients.

From December 31, 2022, to December 31, 2024, the potentially uncollectible loan balance increased from $5.3 million to $5.6 million.

As shown in Table 10, the potentially uncollectible balance of loans 90 days or more past due increased from $5.3 million on December 31, 2022, to $5.6 million on December 31, 2024. This increase occurred because 19 new loans became past due, even though WEDC wrote off loans and amended loan contracts to defer payments during the two-year period. We also found that the potentially uncollectible balance of loans 90 days or more past due decreased to $4.0 million as of June 30, 2025. As noted, WEDC reported that this decrease largely occurred because WEDC wrote off six additional loans that had a total remaining balance of $1.3 million.

Table 10

Change in the Potentially Uncollectible Balance of Loans 90 Days or More Past Due
(in millions)

	Loan Amount		Loan Amount
Loans Past Due on December 31, 2022	**$5.3**	**Loans Past Due on December 31, 2023**	**$4.2**
Reasons for the Change[1]		**Reasons for the Change**[1]	
Loan Contracts Amended to Defer Repayments	(0.8)	Loan Contracts Amended to Defer Repayments	(0.3)
Loans Written Off	(1.7)	Loans Written Off	(0.9)
Loans Forgiven	(0.0)	Loans Forgiven	(0.0)
Loans No Longer Past Due	(0.2)	Loans No Longer Past Due	(0.3)
Payments/Interest on Loans That Remain Past Due	<(0.1)	Payments/Interest on Loans That Remain Past Due	(0.2)
New Loans Past Due	1.7	New Loans Past Due	3.1
Loans Past Due on December 31, 2023	**$4.2**	**Loans Past Due on December 31, 2024**	**$5.6**

[1] The amounts amended, written off, forgiven, and no longer past due reflect the potentially uncollectible balance of the loans on December 31, 2023, and December 31, 2024, excluding interest accrued after those dates.

If WEDC amends a loan contract to defer the dates on which a recipient must make loan repayments, it no longer considers that loan to be delinquent. WEDC amended contracts to defer repayments on two loans that were 90 days or more past due on December 31, 2022, and two loans that were 90 days or more past due on December 31, 2023. As of June 30, 2025, recipients of three of the four amended loans were again 90 days or more past due on loan repayments and the other recipient was in compliance with its amended contract.

WEDC wrote off ten loans that were 90 days or more past due on December 31, 2022, and four loans that were 90 days or more past due on December 31, 2023. These 14 loans had a total remaining balance of $2.6 million on the December 31 before the year in which they were written off. WEDC wrote off these loans because it determined the debts to be uncollectible. WEDC indicated it planned to develop a centralized process for analyzing underperforming loan recipients by industry type, ownership structure, and geographic region. It will be important for WEDC to use its analyses to identify factors that affect the ability of recipients to repay loan balances. Doing so could help WEDC improve its loan underwriting process and reduce the number of future underperforming loans that are written off.

In report 23-11, we recommended that WEDC provide the Joint Legislative Audit Committee with semiannual information on past-due loans. WEDC provided such information for each six-month period through June 2025. WEDC should continue to provide the Joint Legislative Audit Committee with such information for each six-month period.

☑ Recommendation

We recommend the Wisconsin Economic Development Corporation:

- *beginning on December 31, 2025, 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;*

- *determine the remaining balance for all of these loans that were amended to defer repayments, written off, or forgiven from July 2025 through December 2025, and then during each six-month period thereafter;*

- *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;*

- *determine the payment delinquency rate and the principal delinquency rate on the first and last day of each six-month period; and*

- *report this information to the Joint Legislative Audit Committee by February 1, 2026, for the six-month period from July 2025 through December 2025, and then report this information every six months thereafter.*

Services Performed in Enterprise Zones

Under ss. 71.07 (3w), 71.28 (3w), and 71.47 (3w), Wis. Stats., WEDC is required to award Enterprise Zone program tax credits based on a tax credit recipient's zone payroll. During our previous biennial audits, statutes defined zone payroll as the wages paid to full-time employees for services performed in an enterprise zone. In our past three biennial audits, we found that WEDC's written procedures did not require WEDC to award Enterprise Zone program tax credits only for the wages paid to employees for services performed in an enterprise zone. As a result, we recommended in report 23-11 that WEDC modify its Enterprise Zone written procedures to include such a requirement and also recommended that WEDC require all Enterprise Zone tax credit recipients to provide information on the amount of wages paid to employees for services performed in enterprise zones.

2023 Wisconsin Act 143, which was enacted in March 2024, modified statutes to define zone payroll as wages paid to full-time employees based in an enterprise zone. This modification also removed the requirement for services performed by employees to be in an enterprise zone. In our current audit, we found that WEDC modified its written procedures to reflect this statutory change, which differs from the recommendation we made in report 23-11.

We reviewed the Enterprise Zone program tax credit contracts that WEDC executed with 16 recipients from FY 2013-14 through FY 2024-25 and that were still ongoing as of June 2025. We found that WEDC amended its contracts to include the Act 143 definition of zone payroll for each of the 15 recipients that received their awards before March 2024. For one recipient with a contract executed in May 2024, WEDC included the modified definition in the original contract.

Statutes provide that WEDC's governing board must require each recipient of a tax credit, grant, or loan to submit a report to WEDC, and that the contracts with these recipients must specify the frequency and format of the report and the performance measures to be included in it. WEDC uses these performance reports, in part, to calculate the amount of tax credits to award to recipients. We reviewed the calculations WEDC made based on the most-recent performance reports that were submitted by the 16 recipients of Enterprise Zone program contracts. We note that WEDC included in its calculations 130 employees who lived in states not contiguous to Wisconsin and worked for 7 of the 16 recipients. WEDC also included in its calculations for two of the 16 recipients 10 employees who lived in Wisconsin, but had a worksite that was outside of the state. After completing its calculations, WEDC determined that each of these recipients had created and retained more jobs than contractually required and, as a result, it did not award any tax credits for employees who lived in states not contiguous to Wisconsin or for employees whose worksite was not in Wisconsin.

Verifying Performance Measure Information

WEDC complied with statutes by completing an annual verification for calendar years 2022 and 2023.

Statutes require WEDC to annually and independently verify the accuracy of the information in the performance reports submitted by a sample of tax credit, grant, and loan recipients. We found that WEDC complied with statutes by completing an annual verification for calendar years 2022 and 2023. WEDC paid a consultant $247,500 to help conduct these verification efforts. To complete the verification efforts, WEDC's consultant requested that award recipients provide payroll and other documents to verify the accuracy of information in previously submitted performance reports. In some instances, the consultant attempted to verify information associated with a sample of jobs that tax credit recipients claimed they had created or retained, while in other instances the consultant attempted to verify information that indicated whether grant recipients spent funds according to the terms of their contracts. At the time of our fieldwork in October 2025, WEDC's review of the consultant's verification effort for 2024 had not yet been completed.

In report 23-11, we found that WEDC had not taken action regarding 3 of the 22 awards for which its consultant could not verify all performance information in 2020. As a result, we recommended that WEDC take action on these three awards and modify its written procedures to ensure issues identified through the annual verification process are promptly addressed. In our current audit, we found that WEDC took action on the three awards by determining that the recipient for one award subsequently provided additional information that allowed for verification of performance measures and that issues pertaining to the two other awards were minor and had no effect on eligibility or amounts paid to recipients. We also found that WEDC modified its written procedures for annual verification efforts to require past due notices be sent to recipients if all performance documentation is not received.

WEDC's verification efforts for calendar years 2022 and 2023 included consideration of information in 156 performance reports, which represented 11.0 percent of all performance reports submitted to WEDC over that two-year period. The consultant reported to WEDC that it was unable to verify all performance information from 32 of the 156 awards (20.5 percent) that it reviewed. We found that WEDC used the results of the annual verification efforts to take action regarding 31 of the 32 awards. As of August 2025, WEDC:

- determined that most of the issues pertaining to 21 awards were minor and had no effect on eligibility or the amounts paid to the recipients;

- determined that recipients of 7 awards subsequently provided additional information that allowed for the verification of performance measures; and

- closed 3 awards and pursued the collection of financial penalties.

As of October 2025, WEDC had not taken action regarding one award for which its consultant could not verify all performance information for 2023.

As of October 2025, we found that WEDC had not taken action regarding 1 of the 32 awards for which its consultant could not verify all performance information for 2023. WEDC contacted the award recipient in February 2025 to obtain the relevant performance information, but did not receive a response from the recipient. WEDC indicated that it intended to contact the award recipient again in October 2025 to obtain the performance information. WEDC should take action to complete verification for the award for which its consultant could not verify all performance information for 2023. Doing so will help ensure that WEDC spends taxpayer funds appropriately and consistently.

☑ Recommendation

We recommend the Wisconsin Economic Development Corporation:

- *take action to complete verification for the award for which its consultant was unable to verify all performance information for 2023; and*

- *report to the Joint Legislative Audit Committee by March 6, 2026, on its efforts to implement this recommendation.*

Grant Programs Supported by Supplemental Federal Funds

Statutes require WEDC to collect repayments from grant and loan recipients that do not provide a satisfactory explanation for not complying with their contracts. In report 23-11, we found that WEDC did not attempt to collect repayment of $64,300 in questioned expenditures its consultant identified as part of WEDC's verification efforts of two grant programs in 2021. These two grant programs were established with supplemental federal funds provided to WEDC from DOA under the Coronavirus Aid, Relief, and Economic Security (CARES) Act to support businesses during the public health emergency. The consultant identified that:

- five grant recipients spent $49,300 after the contractually specified time periods had ended and;

- three grant recipients did not provide information to verify that they had spent a total of $15,000 in compliance with their contracts.

As a result, we recommended that WEDC modify 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. In our current audit, we found that WEDC had not modified 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. When noncompliance is identified, WEDC's policies require it to notify grant and loan recipients. When such noncompliance is not corrected, WEDC's policies require it to refer the recipient to WEDC's legal staff who determine a course of action such as referring to outside legal counsel for collection, negotiating settlement, repayment, or forbearance, and taking no further legal action. We again recommend that WEDC 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.

In report 23-11, we also recommended that WEDC require the eight grant recipients to repay the $64,300 identified by the verification efforts and return the funds to DOA. For the five grant recipients that spent $49,300 after the contractually specified time period, WEDC waived the December 31, 2020 deadline included in the agreements for the recipients to spend the grant funds. WEDC indicated that it waived the requirement because the recipients incurred the grant expenditures before the December 31, 2021 deadline specified by the federal government for the use of CARES Act funds and because the use of the funds was consistent with the program's purpose of assisting small businesses during the public health emergency.

We also found that WEDC did not seek repayment from the three grant recipients that did not initially provide information to verify that they had spent a total of $15,000 in compliance with their contracts. WEDC decided not to pursue repayment for two of the recipients that received grants totaling $12,500 because the recipients subsequently provided sufficient information for WEDC's consultant to verify that expenditures were spent in compliance with their contracts. WEDC indicated that it decided not to pursue repayment from the recipient that received a $2,500 grant because it determined the legal costs of seeking repayment would exceed the grant amount awarded. WEDC also indicated that the recipient is ineligible to receive any additional future assistance from its economic development programs unless the default is remedied to WEDC's satisfaction. However, because WEDC did not obtain information to verify that the grant funds were spent in compliance with the contract, the award reflects taxpayer funds that may not have been spent appropriately. As a result, WEDC should require the award recipient to repay the $2,500 grant.

☑ Recommendation

We recommend the Wisconsin Economic Development Corporation:

- *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;*

- *require the grant recipient to repay $2,500 for which the recipient did not provide sufficient information to verify that grant funds were spent in compliance with contractual requirements, and then return the repaid funds to the Department of Administration; and*

- *report to the Joint Legislative Audit Committee by March 6, 2026, on its efforts to implement these recommendations.*

In report 23-11, we assessed WEDC's administration of the Main Street Bounceback grant program, which was supported by supplemental federal funds WEDC received from DOA under ARPA. Through the program, WEDC provided funds to nine regional economic development organizations that subsequently awarded grants to support businesses and nonprofits that opened new locations or expanded their operations in vacant commercial spaces. We recommended that WEDC 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 return the repaid funds to DOA, including:

- three businesses that were awarded grants totaling $30,000 and which indicated having 500 or more employees, even though U.S. Treasury guidance permitted ARPA funds to be awarded to businesses with fewer than 500 employees to rehabilitate commercial spaces; and

- two UW System entities that were awarded grants totaling $20,000, even though U.S. Treasury guidance permitted ARPA funds to be used only by small businesses to rehabilitate commercial spaces and WEDC's policies prohibited government entities from being awarded grants.

In our current audit, we found that WEDC:

- indicated it did not pursue repayment of the grants totaling $30,000 awarded to three businesses that indicated having 500 or more employees because it consulted with DOA to determine that the grants were awarded in compliance with U.S. Treasury guidance to use the funds to address negative impacts of the public health emergency and to reclassify the Main Street Bounceback program under this purpose, instead of the original reported purpose of small business assistance for rehabilitating vacant properties;

- obtained repayment of one $10,000 grant that was awarded to a UW System entity and returned the repaid funds to DOA; and

- did not pursue repayment of one $10,000 grant from a recipient that was listed as a UW System entity because WEDC later determined that the recipient was an entity of a university's foundation, which is a separate non-government organization. WEDC indicated that the data it provided during the prior audit incorrectly identified the recipient as an entity of the university instead of the university's foundation.

■ ■ ■ ■

Assessing Award Effectiveness
Timeliness of Tax Credit Revocations
Assessing Program Results

Program Results

We determined the results of WEDC's economic development programs from FY 2011-12 through FY 2023-24.

We determined the results of WEDC's economic development programs from FY 2011-12 through FY 2023-24. WEDC's information indicated 30,254 awards closed from FY 2011-12 through FY 2023-24, including 482 tax credit and loan awards that contractually required the recipients to create jobs and 535 such awards that contractually required the recipients to retain jobs. We assessed the extent to which the recipients of these tax credit and loan awards created or retained the contractually required jobs. We also assessed WEDC's timeliness in revoking tax credits from recipients that did not comply with contractual provisions and WEDC's process for assessing program results. We recommend WEDC develop written policies that specify a time by which it should revoke tax credits for recipients that do not meet contractual obligations. We also recommend that WEDC continue its efforts to improve how it assesses program results.

Assessing Award Effectiveness

Assessing the effectiveness of WEDC's awards involves determining the extent to which award recipients met their contractual obligations, such as creating or retaining jobs. An award ends at the conclusion of the contractually specified time period for the recipient to meet its obligations or if other circumstances occur, such as when a recipient withdraws from its contract or goes out of business. After an award ends, WEDC closes it by preparing a written summary that indicates the extent to which the recipient fulfilled its contractual obligations.

WEDC's information indicated 30,254 awards totaling $1.6 billion closed from FY 2011-12 through FY 2023-24.

As shown in Table 11, WEDC's information indicated 30,254 awards totaling $1.6 billion were closed from FY 2011-12 through FY 2023-24, including 27,247 grants WEDC awarded to help businesses respond to and recover from the public health emergency. Appendix 6 lists the programs through which WEDC made these 30,254 awards.

Table 11

Economic Development Awards That Closed, by Type[1]
FY 2011-12 through FY 2023-24

Type	Awards		Amount Awarded	
	Number	Percentage of Total	Total (in millions)	Average per Award
Grants[2]	28,942	95.7%	$ 333.8	$ 11,533
Tax Credits[3]	1,098	3.6	1,218.9	1,110,081
Loans	214	0.7	101.5	474,140
Total	**30,254**	**100.0%**	**$1,654.1**	54,675

[1] Based on WEDC's information.

[2] Includes 27,247 grants WEDC awarded to help businesses respond to and recover from the public health emergency.

[3] Includes 275 awards made through the Qualified New Business Venture program, which certified businesses to participate in two other tax credit programs.

Some awards required the recipients to achieve multiple results. For example, an award may have required a recipient to purchase manufacturing equipment and retain a specified number of jobs. We used WEDC's information to categorize the expected results of awards as follows:

- capital investments, which includes purchasing equipment or building, leasing, or renovating commercial space;

- job creation or retention, which includes creating new jobs, retaining existing jobs, or both;

- increased export capacity, which includes obtaining consulting or translation services, participating in trade missions, or attending conventions related to export activities;

- third-party investments, which includes using awarded funds to obtain additional capital investments in start-up recipients;
- community development, which includes improving public infrastructure, rehabilitating buildings, or performing environmental remediation activities; and
- business skills development, which includes supporting business plan or feasibility studies, entrepreneurial development, and technical assistance activities.

As shown in Table 12, WEDC's information indicated that capital investment was an expected result of 1,280 of 3,007 awards that closed (42.6 percent), and job creation or retention was an expected result of 720 awards that closed (23.9 percent). We excluded from our analysis the 27,247 grants to help businesses respond to and recover from the public health emergency because these grants were awarded for a specific and unique purpose.

Table 12

Expected Results of Economic Development Awards That Closed[1, 2]
FY 2011-12 through FY 2023-24

Expected Result	Awards	Percentage of Total
Capital Investments	1,280	42.6%
Job Creation or Retention	720	23.9
Community Development	645	21.4
Increased Export Capacity	610	20.3
Third-Party Investments	418	13.9
Business Skills Development	336	11.2
Other[3]	86	2.9

[1] Based on WEDC's information. Some awards required recipients to achieve multiple expected results.

[2] Excludes 27,247 grants to help businesses respond to and recover from the public health emergency.

[3] Includes requirements for recipients to relocate to Wisconsin, provide employee training, develop products, and develop entrepreneurial capacity.

We assessed the results of all 611 tax credit and loan awards that closed from FY 2011-12 through FY 2023-24 and contractually required the recipients to create jobs, retain jobs, or both. Appendix 1 contains summary information about these 611 awards, which had a total contract value of $424.4 million. We did not assess the results of grant awards, most of which required recipients to create or retain few, if any, jobs.

The actual numbers of jobs created or retained as a result of awards that closed cannot be known.

Although WEDC collected more-complete information in recent years about the extent to which award recipients created or retained jobs, the actual numbers of jobs created or retained as a result of awards that closed from FY 2011-12 through FY 2023-24 cannot be known. In prior audits, we found that WEDC did not consistently:

- collect sufficiently detailed information during the underwriting process about the numbers of individuals employed by award applicants at the time of contract execution;
- collect sufficiently detailed information when closing awards to determine whether award recipients created or retained jobs that met the contractual specifications; or
- comply with statutes by annually verifying the performance measure information.

Job Creation

Statutes required WEDC to award tax credits under certain programs based on each job a recipient created, up to a contractually specified maximum number of jobs. We considered this maximum number to be the planned number of jobs. Under other programs, statutes required WEDC to award tax credits based on the wages a recipient paid to employees. WEDC's contracts for these programs typically specified the planned numbers of jobs to be created.

Recipients of 482 tax credit and loan awards that closed through FY 2023-24 created 77.7 percent of the planned number of jobs.

As shown in Table 13, WEDC's information indicated that recipients of 482 tax credit and loan awards with contractually planned job creation that closed through FY 2023-24 created 77.7 percent of the planned number of jobs. These awards include those that ended before the contractually specified completion date, awards for which WEDC did not award all of the tax credits it had allocated to that recipient because it determined the recipient did not create all contractually required jobs, and awards for which WEDC revoked tax credits.

Table 13

Estimated Job Creation Results of Awards That Closed, by Program[1]
FY 2011-12 through FY 2023-24

	Awards	Number of Jobs		Percentage Created
		Created	Planned	
Tax Credit Programs				
Economic Development Tax Credit[2]	166	8,096	11,074	73.1%
Business Development Tax Credit	165	9,980	11,589	86.1
Jobs Tax Credit[2]	70	6,224	7,875	79.0
Development Opportunity Zone[2]	10	804	744	108.1[3]
Enterprise Zone	2	455	1,217	37.4
Subtotal	413	25,559	32,499	78.6
Loan Programs				
Business Opportunity Loan Fund[2]	36	1,710	2,782	61.5
Business Retention and Expansion Investment[2]	28	1,998	2,363	84.6
State Energy Program[2]	3	21	60	35.0
Special Project Loan Fund[2]	1	9	20	45.0
Milk Volume Production[2]	1	2	2	100.0
Subtotal	69	3,740	5,227	71.6
Total	**482**	**29,299**	**37,726**	77.7

[1] According to WEDC's information, which includes awards that ended before the contractually specified completion date, awards for which WEDC did not award all of the tax credits it had allocated to that recipient because it determined the recipient did not create all contractually required jobs, and awards for which WEDC revoked tax credits. The actual number of jobs created cannot be known.

[2] WEDC no longer makes new awards under this program.

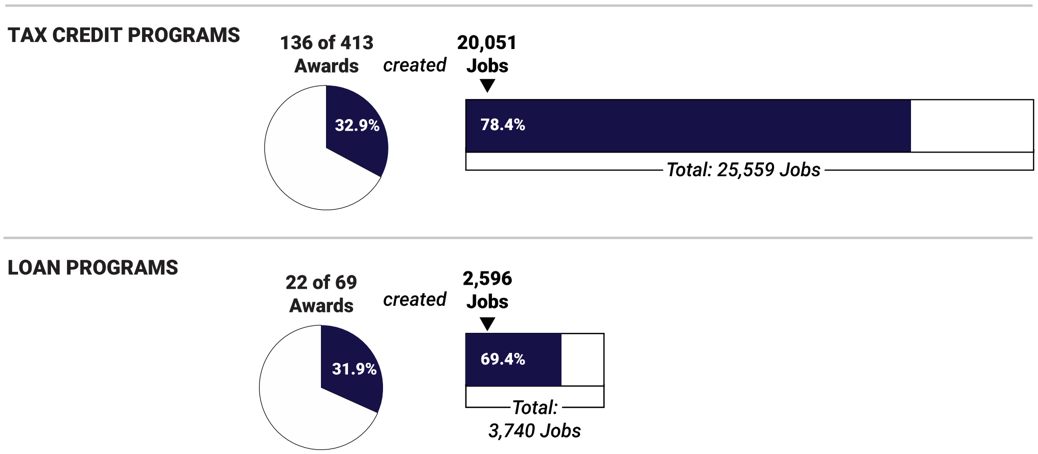
[3] Seven Development Opportunity Zone tax credit award recipients created additional jobs beyond those that were required by their contracts.

Less than one-third of the recipients of the 482 tax credit and loan awards created more than two-thirds of all estimated 29,299 jobs created as a result of these awards.

Less than one-third of the recipients of the 482 tax credit and loan awards created more than two-thirds of all estimated 29,299 jobs created as a result of these awards. As shown in Figure 1, recipients of 136 tax credit awards created 20,051 of the 25,559 jobs (78.4 percent) created by all 413 tax credit awards. Similarly, recipients of 22 loan awards created 2,596 of the 3,740 jobs (69.4 percent) created by all 69 loan awards. Recipients of most of the 482 tax credit and loan awards created fewer jobs than contractually specified.

Figure 1

Estimated Extent to Which Awards That Closed Created the Contractually Specified Numbers of Jobs, by Award Type[1]
FY 2011-12 through FY 2023-24



[1] According to WEDC's information. The actual number of jobs created cannot be known.

A total of 142 of the 482 tax credit and loan awards ended before the contractually specified completion dates.

We found that 142 of the 482 tax credit and loan awards ended before the contractually specified completion dates. As a result, recipients of these 142 awards were no longer contractually required to create up to 12,089 jobs. These 142 awards included:

- 75 awards involving recipients that withdrew from their contracts;
- 29 awards involving recipients that did not comply with contractual requirements;
- 14 awards involving recipients that repaid their loans, after which WEDC closed these awards and ceased determining whether jobs were created or retained, even though the recipients were contractually required to create or retain jobs for longer periods of time;
- 13 awards involving recipients that ceased operating in Wisconsin or at the project locations; and
- 11 awards involving recipients that sold their operations in Wisconsin.

We found that 51 of the 482 awards did not end early, but the recipients of these awards were not paid for creating any jobs. WEDC did not pay the recipients because either the contracts did not contain provisions for it to pay the recipients for creating jobs or the recipients did not create any contractually specified jobs.

We estimated the cost to create jobs through tax credit and loan awards that closed through FY 2023-24 and resulted in recipients being paid for creating jobs. As shown in Table 14, WEDC's information indicated that 435 such awards had closed.

Table 14

Estimated Total and Average Costs of Created Jobs, by Program[1, 2]
FY 2011-12 through FY 2023-24

	Awards	Total Cost of Created Jobs	Created Jobs	Average Cost per Created Job
Tax Credit Programs				
Economic Development Tax Credit[3]	194	$ 34,701,700	13,245	$ 2,600
Business Development Tax Credit	146	27,003,300	10,239	2,600
Jobs Tax Credit[3]	53	38,357,000	6,224	6,200
Enterprise Zone	10	28,195,300	2,576	10,900
Development Opportunity Zone Tax Credit[3]	8	2,748,900	804	3,400
Loan Programs				
Business Opportunity Loan Fund[3]	12	4,011,200	1,058	3,800
Business Retention and Expansion Investment[3]	12	2,841,000	1,682	1,700
Total	**435**	**$137,858,400**	**35,828**	3,800

[1] According to WEDC's information. The actual number of jobs created cannot be known.

[2] Includes awards that resulted in recipients being paid for creating jobs.

[3] WEDC no longer makes new awards under this program.

Job Retention

WEDC's information indicated that recipients of 535 tax credit and loan awards that closed through FY 2023-24 retained 75.6 percent of contractually required jobs.

As shown in Table 15, WEDC's information indicated that recipients of 535 tax credit and loan awards with contractually required job retention that closed through FY 2023-24 retained 75.6 percent of contractually required jobs. These awards include those that ended before the contractually specified completion date, awards for which WEDC did not award all of the tax credits that it had allocated to that recipient because it determined the recipient did not retain all contractually required jobs, and awards for which WEDC revoked tax credits.

Table 15

Estimated Job Retention Results of Awards That Closed, by Program[1]
FY 2011-12 through FY 2023-24

	Awards	Number of Jobs		Percentage Retained
		Retained	Contractually Required	
Tax Credit Programs				
Economic Development Tax Credit[2]	255	34,978	41,932	83.4%
Business Development Tax Credit	149	17,238	26,789	64.3
Jobs Tax Credit[2]	65	12,973	18,232	71.2
Development Opportunity Zone[2]	10	2,022	2,502	80.8
Enterprise Zone	3	871	1,955	44.6
Subtotal	482	68,082	91,410	74.5
Loan Programs				
Business Retention and Expansion Investment[2]	27	5,396	7,075	76.3
Business Opportunity Loan Fund[2]	24	4,600	4,790	96.0
Special Project Loan Fund[2]	2	1	35	2.9
Subtotal	53	9,997	11,900	84.0
Total	**535**	**78,079**	**103,310**	75.6

[1] According to WEDC's information, which includes awards that ended before the contractually specified completion date, awards for which WEDC did not award all of the tax credits that it had allocated to that recipient because it determined the recipient did not retain all contractually required jobs, and awards for which WEDC revoked tax credits. The actual number of jobs retained cannot be known.

[2] WEDC no longer makes new awards under this program.

A total of 117 of the 535 awards ended before the contractually specified completion dates.

We found that 117 of the 535 awards ended before the contractually specified completion dates. As a result, recipients of these awards were no longer contractually required to retain 19,311 jobs. These 117 awards included:

- 64 awards involving recipients that withdrew from their contracts;
- 23 awards involving recipients that did not comply with contractual requirements;
- 14 awards involving recipients that ceased operating in Wisconsin or at the project locations;
- 10 awards involving recipients that sold their operations in Wisconsin; and

- 6 awards involving recipients that repaid their loans, after which WEDC closed these awards and ceased determining whether jobs were retained, even though the recipients had been contractually required to retain jobs for longer periods of time.

We found that 188 of the 535 awards did not end early, but the recipients of these awards were not paid for retaining any jobs. WEDC did not pay the recipients because either the contracts did not contain provisions for it to pay the recipients for retaining jobs or the recipients did not retain any contractually specified jobs.

We estimated the cost to retain jobs through tax credit and loan awards that closed through FY 2023-24 and resulted in recipients being paid for retaining jobs. As shown in Table 16, WEDC's information indicated that 57 such awards had closed.

Table 16

Estimated Total and Average Costs of Retained Jobs, by Program[1, 2]
FY 2011-12 through FY 2023-24

	Awards	Total Cost of Retained Jobs	Retained Jobs	Average Cost per Retained Job
Tax Credit Program				
Economic Development Tax Credit[3]	31	$16,382,300	7,677	$2,100
Enterprise Zone	5	13,839,300	3,297	4,200
Development Opportunity Zone[3]	1	240,500	109	2,200
Business Development Tax Credit	1	116,000	56	2,100
Loan Programs				
Business Retention and Expansion Investment[3]	12	7,701,600	4,210	1,800
Business Opportunity Loan Fund[3]	7	3,107,200	1,915	1,600
Total	**57**	**$41,386,800**	**17,264**	2,400

[1] According to WEDC's information. The actual number of jobs retained cannot be known.

[2] Includes awards that resulted in recipients being paid for retaining jobs.

[3] WEDC no longer makes new awards under this program.

Timeliness of Tax Credit Revocations

WEDC's contracts typically specified that recipients may be awarded tax credits for meeting certain obligations, such as creating and retaining jobs during contractually specified time periods. The contracts also specified the process by which WEDC may revoke previously awarded tax credits if recipients did not meet their contractual obligations. If WEDC revokes tax credits, statutes require DOR to charge recipients 12.0 percent interest annually from the dates the taxes were originally due to be paid. The amount of interest is based on the amounts of revoked tax credits that recipients had claimed. If several years have passed between when a recipient claimed tax credits and when WEDC revoked the tax credits, the amount of interest that DOR must charge may be considerable.

In reports 21-7 and 23-11, we found that WEDC's policies did not specify the point in time when WEDC should revoke tax credits and that WEDC at times waited more than one year to revoke tax credits from recipients that had not met their contractual obligations. In report 23-11, we also found that WEDC waited an average of 3.6 years to close 20 of the 48 tax credits we reviewed that WEDC closed from May 2022 through May 2023. WEDC indicated it decided not to revoke $2.6 million in tax credits from recipients of the 20 awards, even though the recipients did not meet their contractual obligations to create jobs, retain jobs, or submit performance reports, because of the length of time that had passed since the awards had ended. As a result, we recommended that WEDC develop written policies that require it to revoke tax credits in a timely manner for recipients that do not meet contractual obligations and that WEDC consistently comply with those written policies.

In our current audit, we found that WEDC revised its tax credit verification procedures to require a notice of default and pending revocation be sent to recipients of tax credit awards that do not create or retain the required number of jobs by the contractually specified time period as soon as WEDC makes such a determination. However, we found that WEDC's policies did not specify a time by which WEDC should revoke tax credits for recipients that do not meet contractual obligations. WEDC indicated that it established a goal in FY 2021-22 to close awards within 90 days of their end date.

We reviewed WEDC's information for 46 tax credit awards with job creation and retention requirements that it closed during the last six months of FY 2023-24 and the first six months of FY 2024-25. WEDC revoked tax credits from recipients of 14 of the 46 tax credit awards we reviewed because the recipients did not meet their contractual obligations. We found that WEDC revoked tax credits from 11 of these 14 recipients before the end date specified by the award contract. However, we also found that WEDC waited an average of 1.6 years to revoke tax credits from 3 of the 14 recipients, including:

- one recipient that did not meet its contractual requirement to create jobs and for which WEDC closed the award and revoked $389,200 in tax credits 287 days after the award had ended;

- one recipient that did not meet its contractual requirement to submit performance reports and for which WEDC closed the award and initially revoked

$375,000 in tax credits 299 days after the award had ended; and

- one recipient that did not meet its contractual requirement to create jobs and for which WEDC closed the award and revoked $68,500 in tax credits 1,132 days, or 3.1 years, after the award had ended.

WEDC should develop written policies that specify a time by which it should revoke tax credits for recipients that do not meet contractual obligations.

WEDC should develop written policies that specify a time by which it should revoke tax credits for recipients that do not meet contractual obligations. WEDC should then consistently comply with its written policies by revoking tax credits within the specified time frame. Doing so will help to ensure that WEDC recovers taxpayer funds in a timely manner and tax credit recipients do not pay unnecessary amounts of interest on revoked tax credits.

☑ Recommendation

We recommend the Wisconsin Economic Development Corporation:

- *develop written policies that specify a time by which it should revoke tax credits for recipients that do not meet contractual obligations;*

- *consistently comply with its written policies by revoking tax credits within the specified time frame; and*

- *report to the Joint Legislative Audit Committee by March 6, 2026, on its efforts to implement these recommendations.*

Assessing Program Results

In reports 19-6 and 21-7, we recommended that WEDC improve how it assesses the results of its programs, including by annually and comprehensively assessing awards that closed and using this information to consider changes to its program policies and when making decisions about future awards. In report 23-11, we found that WEDC did not implement our recommendations and again recommended that WEDC improve how it assesses the results of its programs by:

- determining more-specific organization-wide goals, annually tracking its progress toward meeting those goals, and assessing whether modifications to the goals are necessary;

- annually determining and documenting in one location how individual programs are expected to help achieve organization-wide goals;

- annually documenting the reasons why it provided specific amounts of funding to support individual programs;

- annually and comprehensively assessing and documenting the extent to which each program achieved its anticipated results and helped WEDC to achieve its organization-wide goals; and

- using the information from its assessment of program results to make any necessary modifications to its programs.

In our current audit, we found that WEDC established a staff committee to direct its strategic planning, program evaluation activities, modification of organizational goals, and consideration of budget requests for funding individual programs. We obtained and analyzed materials produced and reviewed by the committee for FY 2024-25, including an assessment of WEDC's economic development goals and strategies, individual program budget requests, and individual program summaries. We found that WEDC implemented our recommendations from report 23-11 to determine and document in one location how individual programs are expected to help achieve organization-wide goals, assess whether modifications to its goals are necessary, and to document the reasons why it provided specific amounts of funding to support individual programs.

We also found that WEDC determined certain organization-wide goals. WEDC's budget and operations plan for FY 2024-25 referenced an organizational vision to ensure and support an economy for all Wisconsinites. The plan included goals intended to support WEDC's vision, such as fueling financial stability, educating everyone, and reinforcing community infrastructure. In addition, WEDC's budget and operations plan and its annual report on economic development for FY 2024-25 include performance goals such as creating and retaining certain numbers of jobs and assisting a certain number of businesses, communities, and partner organizations. Both documents provided information about the extent to which these goals were met. We note that two performance goals related to the numbers of jobs created and retained by economic development award recipients were performance goals that measured program impacts. However, goals pertaining to the numbers of businesses or communities assisted did not measure specific program impacts. In its strategic planning staff committee materials, WEDC indicated that it has historically collected program completion data instead of program impact data.

WEDC should develop quantifiable impact goals for its programs that do not have job creation and retention goals and annually report on its progress toward meeting those goals. For example, WEDC could establish quantifiable impacts for applicable programs that help it determine the extent to which program awards fueled financial stability or reinforced community infrastructure. Developing quantifiable program impact goals other than jobs created and jobs retained is increasingly important as WEDC's programs have moved away from economic development awards with contractual job creation and job retention requirements. As of FY 2024-25, only the Business Development Tax Credit and Enterprise Zone Tax Credit programs continued to use contractual job creation and retention requirements.

In February 2024, WEDC also established a framework for evaluating the structure, utilization, and results of its individual programs. For each of its programs, the framework indicates a frequency, ranging from annually to every three years, at which WEDC intends to evaluate each of its programs. Since report 23-11, we found that WEDC completed two program evaluations, including an evaluation it conducted of the Community Development Investment grant program in November 2024 and an evaluation of the Business Development Tax Credit program in February 2025. We found that WEDC implemented our recommendation to use information from its assessment of program results by adjusting Business Development Tax Credit award recipient reporting requirements in response to a recommendation from the February 2025 evaluation. WEDC indicated that it plans to conduct an evaluation of its Technology Development Loan program in 2026.

WEDC should continue to improve how it assesses program results.

WEDC should continue to improve how it assesses program results by developing quantifiable impact goals for its programs that do not have job creation and retention goals and annually reporting on its progress towards meeting those goals. WEDC should also develop an annual written plan that identifies the specific program evaluations it will conduct each year. Developing such a plan will help WEDC ensure that it completes its program evaluations at the frequencies envisioned by its evaluation framework. An annual evaluation plan does not preclude WEDC from making modifications as necessary to take into account unexpected programmatic developments. Taking these steps will help WEDC determine the types of programs and program modifications that are most likely to result in effective economic development in the state.

☑ Recommendation

We recommend the Wisconsin Economic Development Corporation:

- *develop quantifiable impact goals for its programs that do not have job creation and retention goals and annually report on its progress toward meeting those goals;*

- *develop an annual written plan that identifies the specific program evaluations it will conduct each year; and*

- *report to the Joint Legislative Audit Committee by March 6, 2026, on its efforts to implement these recommendations.*

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Program Accountability

Statutes require WEDC's governing board to report annually on each of its economic development programs.

Statutes require WEDC's governing board to report to the Legislature annually by October 1 on each economic development program that it administered in the prior fiscal year and to make the reported information publicly accessible on the internet. Statutes require this annual economic development program report to include the results of each such program. We assessed how WEDC reported on its programs and the results of these programs in FY 2023-24. We continued to identify concerns with WEDC's online data, which indicate program results, and again recommend that WEDC improve the accuracy of its statutorily required annual economic development program report.

Reporting Program Results

For a given program, statutes require the annual economic development program report to contain information pertaining to the prior fiscal year, including:

- a program description;
- a comparison of expected and actual program outcomes;
- the number of grants and loans made, the amount and recipient of each grant and loan, and the total amount of grants and loans awarded;
- the location and industry classification, by municipality, of each job created or retained in the state as a result of the program;

- the total amount of tax benefits allocated and the total amount of tax benefits verified to DOR through the program;

- the recipient of each allocated tax benefit and each verified tax benefit through the program; and

- any recommended changes to the program.

In report 23-11, we found that WEDC changed its annual economic development report format for its October 2022 report from a printable document to a series of web pages, including one web page per program. As a result, we recommended that WEDC annually archive the web pages for each program in its annual economic development reports, to allow the web pages to remain publicly available in the future. In our current audit, we found that WEDC implemented our recommendation by archiving information on its programs from its October 2022 report and making the information available on its website. We also found that WEDC returned to using a printable document format for its October 2023, 2024, and 2025 reports.

We reviewed WEDC's October 2024 report, which includes information on the programs WEDC administered in FY 2023-24, and the accompanying online data that present information on the results of certain awards that WEDC made from FY 2011-12 through FY 2023-24. Appendix 7 summarizes the activities of each program in FY 2023-24.

WEDC's online data continued to contain inaccurate information about the numbers of jobs that award recipients created and retained.

In report 23-11 and previous audit reports, we found concerns with WEDC's online data pertaining to information about the numbers of jobs that award recipients created and retained. As a result, we recommended that WEDC improve the accuracy of its statutorily required annual economic development report. In our current audit, we continued to find concerns with WEDC's online data, including:

- The online data did not accurately reflect the numbers of contractually required jobs created and retained as a result of awards that closed in FY 2022-23 or FY 2023-24. The online data indicated 132 award recipients had created 13,322 jobs and that 128 award recipients retained 30,995 jobs, but our review of WEDC's files indicated these recipients actually had created 10,958 jobs and retained 23,829 jobs that met contractual requirements. The online data included jobs created and retained by recipients that had ceased operations in Wisconsin or otherwise terminated their awards before the contractually specified completion dates, as well as jobs that did not meet the contractual requirements necessary for recipients to be awarded tax credits for creating jobs.

- The online data double-counted the numbers of jobs created and retained as a result of certain awards. We found that WEDC's data for FY 2011-12 through FY 2023-24 double-counted up to 249 jobs created and 1,241 jobs retained. For example, WEDC executed two tax credit contracts with one recipient in December 2014. Each contract required this recipient to retain all existing jobs. Although this recipient reported the same employees over the same period for each of the two awards, WEDC double-counted the number of these employees in its online data. WEDC indicated that it provides job information for each award in its data in order to provide transparency for each individual award.

WEDC indicated that, since our prior audit, it did not make changes to its online data to address the concerns we identified because such changes would require significant staff time to implement. Regarding our concern pertaining to the double-counting of the number of jobs created and retained, WEDC indicated that it removes double-counted jobs when it reports jobs created and retained for individual fiscal years in its annual economic development reports. WEDC also indicated that the indicator it has historically included in its online data for recipients that received multiple awards allows for awareness of potential double-counting of jobs numbers.

We found that WEDC's online data included an indicator for recipients that received multiple awards. However, we found that this indicator was not consistently applied across WEDC's online data, which include its database for active awards and a database that archives certain awards that were executed from FY 2011-12 through FY 2017-18. We found that WEDC did not consistently apply this indicator for 10 recipients that had multiple awards with planned job creation or retention and had one or more awards in the active database as well as one or more awards in the archived database.

Table 17 summarizes the concerns pertaining to WEDC's online data that we found in our current audit and similar concerns we had found in our four most-recent audits of WEDC.

Table 17

Concerns We Identified with WEDC's Online Data

Type of Concern	Legislative Audit Bureau Report				
	17-9	19-6	21-7	23-11	25-30
Inaccurate numbers of jobs were reported	✓	✓	✓	✓	✓
Double-counted jobs were reported	✓	✓	✓	✓	✓
Jobs information was removed from the online data		✓	✓		

We again recommend WEDC improve the accuracy of its statutorily required annual economic development program report, which includes the online data. Improving the accuracy of the information reported by WEDC about the numbers of jobs that award recipients created and retained will allow legislators and the public to assess program effectiveness more easily.

☑ Recommendation

We recommend the Wisconsin Economic Development Corporation:

- *improve the accuracy of its statutorily required annual economic development program report; and*

- *report to the Joint Legislative Audit Committee by March 6, 2026, on its efforts to implement this recommendation.*

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Financial Management

We examined WEDC's financial management in FY 2022-23 and FY 2023-24. We found that state funds accounted for 66.9 percent of WEDC's $70.7 million total revenue in FY 2023-24, federal funds accounted for 25.6 percent, and the remaining amounts related to loan receipts and other revenues. WEDC's total available funding exceeded its total payments in each quarter from July 1, 2022, through June 30, 2024. In the quarter ending on June 30, 2024, WEDC's total available resources were $75.5 million. WEDC had established contractual or other obligations for $60.0 million of the $75.5 million, but it had not done so for the remaining $15.5 million. WEDC's administrative expenditures increased to $29.9 million during FY 2023-24, primarily due to higher marketing and facilities costs.

Revenues

In FY 2023-24, state funds accounted for 66.9 percent of WEDC's $70.7 million total revenue.

As shown in Table 18, WEDC received $47.3 million in state funds, which were 66.9 percent of WEDC's $70.7 million total revenue in FY 2023-24. State funds are predominately those from segregated revenues from the State's Economic Development Fund. WEDC may receive GPR funding through a sum sufficient appropriation, which is capped at $16.5 million annually, if segregated funds are insufficient. WEDC received no GPR funding during FY 2022-23 or FY 2023-24. WEDC also received $18.1 million in federal funds, which was 25.6 percent of WEDC's $70.7 million total revenue in FY 2023-24, and the remaining revenue amounts related to loan receipts and other revenues.

Table 18

WEDC's Revenues, by Type
(in millions)

Type	FY 2022-23	Percentage of Total	FY 2023-24	Percentage of Total
Federal Revenue[1]	$32.7	39.8%	$18.1	25.6%
State Funding				
General Purpose Revenue	0.0	0.0	0.0	0.0
Segregated Revenue	45.4	55.2	46.3	65.5
State Brownfield	0.9	1.1	1.0	1.4
Subtotal	46.3	56.3	47.3	66.9
Loan Interest and Fees	2.3	2.8	4.0	5.7
Other[2]	0.9	1.1	1.3	1.8
Total	**$82.2**	**100.0%**	**$70.7**	**100.0%**

[1] Includes $32.5 million in ARPA funds in FY 2022-23 and $17.7 million in ARPA funds in FY 2023-24.

[2] Includes bond servicing fees, tax transfer fees, investment income, fees paid by attendees of WEDC-sponsored conferences and trade missions, and other miscellaneous revenue.

WEDC historically was supported primarily by state funding. However, in both FY 2020-21 and FY 2021-22, more than 60 percent of WEDC's funding came from supplemental federal funds, provided through the CARES Act and ARPA. In FY 2022-23, CARES Act funding to WEDC ended. In FY 2023-24, WEDC began to receive ARPA funding directly from the U.S. Treasury for the State Small Business Credit Initiative, which is intended to provide assistance for Wisconsin-based start-up companies. The SSBCI funding will be distributed to companies through the Wisconsin Investment Fund.

Cash and Investments

Consistent with a July 2014 arrangement, each quarter DOA provides WEDC with one-fourth of the total amount of state funds in the budget schedule for WEDC in a given fiscal year. Because DOA does not take into consideration WEDC's existing resources, financial commitments, or expenditures, WEDC may receive more funds than needed to cover its operational costs and fulfill its grant and loan commitments in a given quarter. WEDC's funds do not cover its tax credit awards, which DOR pays.

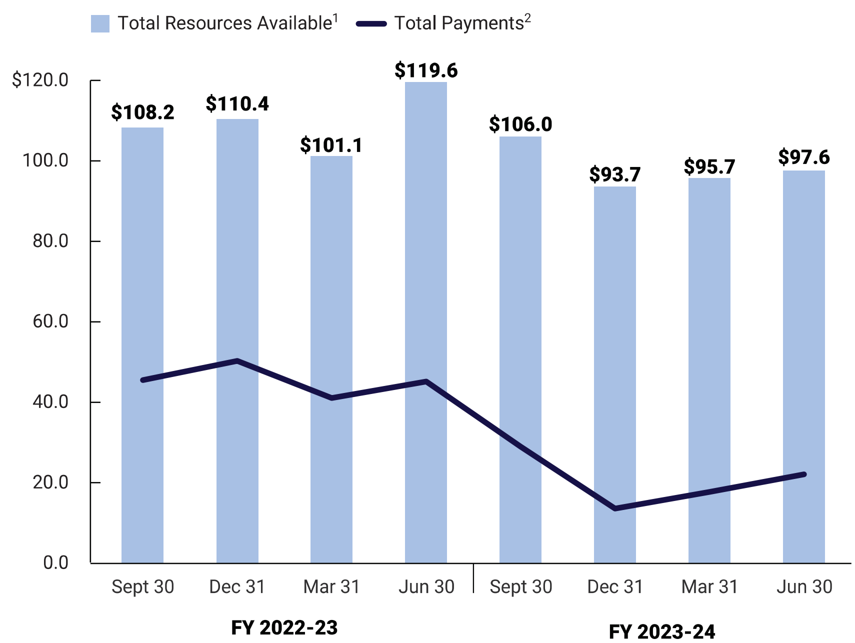
WEDC is the custodian of its cash and investments, which represent its total available resources. The total available at any point in time is the accumulated amount WEDC has received but not paid out. In FY 2023-24, WEDC received state funding that totaled $47.3 million, as well as $18.1 million in federal funding to provide grants to businesses, and $5.3 million in loan interest and fees and other revenue.

In the quarter ended on June 30, 2024, WEDC had established contractual or other obligations for $60.0 million of the $75.5 million in total available resources.

On an ongoing basis, WEDC makes payments to grant and loan recipients and for administrative costs. In FY 2023-24, WEDC's payments totaled $58.7 million. As shown in Figure 2, WEDC's total available funding exceeded its total payments for each quarter from July 1, 2022, through June 30, 2024. On June 30, 2024, WEDC's total available funding less its total payments was $75.5 million in total available resources. WEDC had established contractual or other obligations for $60.0 million of the $75.5 million, but it had not done so for the remaining $15.5 million.

Figure 2

WEDC's Total Available Funding and Total Payments, at Quarter End
(in millions)



[1] Includes the cash and investments balance at the start of a given quarter, as well as the amounts received during that quarter.

[2] Includes all payments to grant and loan recipients and for administrative costs. Excludes tax credits, which WEDC does not pay.

Administrative Expenditures

WEDC's administrative expenditures increased 28.3 percent from FY 2022-23 to FY 2023-24 including increases in promotional costs and facilities.

As shown in Table 19, WEDC's total administrative expenditures increased from $23.3 million in FY 2022-23 to $29.9 million in FY 2023-24, or 28.3 percent. In addition, we found that the $29.9 million in administrative expenditures during FY 2023-24 were $9.2 million greater, or 44.4 percent, than the administrative expenditures for FY 2021-22 as reported in report 23-11. Although we noted increases in all expenditure categories, the primary increases during FY 2023-24 were noted for marketing and building, maintenance, and utilities categories. According to WEDC staff, higher marketing costs were associated with increased spending for talent attraction and retention initiatives, and increased costs for building, maintenance, and utilities expenditures were related to new WEDC facilities.

Table 19

Administrative Expenditures, by Type
(in millions)

Type	FY 2022-23	Percentage of Total	FY 2023-24	Percentage of Total
Salaries and Fringe Benefits	$14.1	60.5%	$15.0	50.2%
Marketing	2.9	12.4	5.7	19.1
Professional Services	2.3	9.9	2.3	7.7
Building, Maintenance, and Utilities	0.9	3.9	2.3	7.7
Information Technology	1.4	6.0	2.2	7.4
Conferences and Professional Development	0.8	3.4	1.0	3.3
Travel	0.6	2.6	0.8	2.7
Other[1]	0.3	1.3	0.6	1.9
Total	**$23.3**	**100.0%**	**$29.9**	**100.0%**

[1] Includes business insurance, supplies, equipment, business meals, recruiting, and other expenditures.

Salaries and Fringe Benefits

WEDC had 116 permanent staff on June 30, 2024.

Because WEDC is not a state agency and its staff are not state employees, it is not authorized positions through the state budget. As shown in Table 20, WEDC had 116 permanent staff on June 30, 2024. Fourteen staff had been employed by WEDC since its inception, and eight staff had been employed by WEDC for less than one year. We found that 12 permanent staff whom WEDC employed on July 1, 2023, were no longer employed by WEDC on June 30, 2024. In FY 2023-24, WEDC hired 16 individuals, 12 of whom it still employed on June 30, 2024.

Table 20

Number of WEDC Staff, by Functional Area[1]
June 30, 2024

Functional Area	Number
Business and Community Development	24
Strategic Investment and Evaluation[2]	22
Business Information and Technology Services	11
Legal Services and Compliance	11
Global Trade and Investment	10
Marketing and Brand Strategy	9
Executive Office	7
Entrepreneurship and Innovation	6
Human Resources	6
Budget and Finance	4
Office of Rural Prosperity	4
Policy and Program Development[3]	2
Total	**116**

[1] Includes full-time and part-time permanent staff.

[2] This revised functional area included certain staff from the functional areas previously referred to as Credit and Risk and Strategic Investment and Policy.

[3] This revised functional area included certain staff from the functional area previously referred to as Strategic Investment and Policy.

We examined WEDC's expenditures for salaries and fringe benefits, which represented 50.2 percent of its total administrative expenditures in FY 2023-24. As shown in Table 21, WEDC paid more than $130,000 to staff in 10 positions in FY 2023-24.

Table 21

Amounts Paid to Certain WEDC Staff in FY 2023-24

Position	Amount
Chief Executive Officer	$230,050
Chief Operating Officer	175,385
Chief Financial Officer	171,210
Chief Legal Officer	169,312
Vice President of Global Trade and Investment	164,279
Senior Vice President of Strategic Investment and Evaluation	157,725
Vice President of Entrepreneurship and Innovation	146,470
Senior Vice President of Business Information and Technology Services	141,254
Vice President of Marketing and Brand Strategy	136,129
Senior Vice President of Business and Community Development	134,923

In addition to salaries, WEDC provided certain staff with merit and recognition awards. Merit awards acknowledged staff who exceeded performance expectations for a project, and recognition awards acknowledged special efforts or accomplishments. WEDC did not provide any merit and recognition awards in FY 2022-23. Merit and recognition awards totaled $21,000 in FY 2023-24.

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Appendices

Appendix 1

Reviews Conducted of Selected WEDC Contracts

Program Number provides a numerical reference created by the Legislative Audit Bureau for each program that WEDC administered in FY 2023-24 and is also used in other appendices.

Tax Credit Contracts Executed from FY 2013-14 through FY 2024-25

Program Number	Program	Number of Contracts	Amount
1	Enterprise Zone	16	$426,750,000

Tax Credit Awards Requiring Job Creation or Retention That Closed During the Last Six Months of FY 2023-24 and the First Six Months of FY 2024-25

Program Number	Program	Number of Contracts	Amount
1	Enterprise Zone	3	$ 80,500,000
2	Business Development Tax Credit	42	18,728,800
–	Jobs Tax Credit[1]	1	2,000,000
	Total	**46**	**$101,228,800**

[1] WEDC no longer executes contracts under this program.

Tax Credit and Loan Awards Requiring Job Creation or Retention That Closed from FY 2011-12 through FY 2024-25

Program Number	Program	Number of Contracts	Amount
–	Economic Development Tax Credit[1]	264	$110,630,900
–	Jobs Tax Credit[1]	73	77,108,500
1	Enterprise Zone	5	91,000,000
2	Business Development Tax Credit	176	80,008,600
–	Business Opportunity Loan Fund[1]	39	30,240,900
–	Business Retention and Expansion Investment[1]	38	23,769,600
–	State Energy Program[1]	3	6,148,600
–	Development Opportunity Zone[1]	10	4,905,800
–	Special Projects Loan Fund[1]	2	500,000
–	Milk Volume Production[1]	1	40,000
	Total	**611**	**$424,352,900**

[1] WEDC no longer executes contracts under this program.

Appendix 2

Descriptions of WEDC's Economic Development Programs

FY 2023-24

This appendix provides a brief description of the 25 economic development programs WEDC administered in FY 2023-24. Statutes define 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. The Wisconsin Investment Fund does not appear in the appendix because WEDC considers it to be an initiative and not a program.

The programs are organized by award type and the amount of economic development allocated. 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 other appendices.

Program provides the designated name for each economic development program.

Wisconsin Statutes cite statutory authority for the program. For programs without a specific statutory authorization, we cite ch. 238, Wis. Stats., which authorizes WEDC's operations.

Description provides a brief description of the main features of the program.

Program Number	Program	Wisconsin Statutes	Description
1	Enterprise Zone	238.399; 71.07(3w); 71.28(3w); 71.47(3w)	Provided refundable tax credits to businesses within WEDC-designated zones. Businesses that relocated, expanded, retained jobs, or made purchases from Wisconsin suppliers within a zone could claim income tax credits based on these activities. Tax credits must only be awarded for employees based in an enterprise zone. Zones are effective for up to 12 years. Statutes did not limit the amount of tax credits available or the number of zones.
2	Business Development Tax Credit	238.308; 71.07(3y); 71.28(3y); 71.47(3y)	Provided refundable tax credits to businesses for creating jobs, investing in employee child care programs, purchasing significant capital assets, training employees, investing in workforce housing, and establishing or retaining a corporate headquarters in Wisconsin. For taxable years beginning before Jan 1, 2024, a business must annually increase net employment above the base year net employment in the company's Wisconsin-based workforce to receive tax credits. For taxable years beginning after Dec 31, 2023, a business must make a capital investment, create new full-time jobs or retain existing full-time jobs, and not reduce net employment in the state. Jobs must have paid at least 150.0 percent of the federal minimum wage.
3	Historic Preservation Tax Credit	71.07(9m); 71.28(6); 71.47(6); 238.17	Provided transferable tax credits equal to 20.0 percent of qualified rehabilitation expenses for projects with at least $50,000 in qualified expenditures. WEDC allocated businesses or individuals nonrefundable tax credits based on expenditures to preserve or rehabilitate certified historic structures. Allocations are limited to $3.5 million in tax credits for all projects that occur on the same parcel of land.
4	Qualified New Business Venture Certification	238.15(1)-(3); 71.07(5b); 71.07(5d); 71.28(5b); 71.47(5b); 76.638	Certified eligible new businesses, allowing investors to receive nonrefundable tax credits under the Angel Investment and Early-Stage Seed Investment Tax Credit programs for their investment in such businesses. The program stimulated the capital necessary for emerging growth businesses to develop new products and technologies and move products to market. To become certified, a business needed to meet certain criteria, including being headquartered in Wisconsin, having at least 51.0 percent of its employees based in the state, having fewer than 100 employees, and having been in operation for no more than 10 consecutive years.
5	Angel Investment Tax Credit	238.15(1)-(3); 71.07(5b); 71.07(5d); 71.28(5b); 71.47(5b); 76.638	Provided tax credits to eligible accredited investors or investor networks who invested for at least three years in businesses certified as qualified new business ventures. Accredited investors were awarded credits equal to 25.0 percent of their investments. Annually, a total of $30.0 million in credits was available between this program and the Early-Stage Seed Investment Tax Credit program.
6	Early Stage Seed Investment Tax Credit	238.15(1)-(3); 71.07(5b); 71.07(5d); 71.28(5b); 71.47(5b); 76.638	Provided tax credits to certified investment fund managers who invested for at least three years in businesses certified as qualified new business ventures. Investment fund managers were awarded credits equal to 25.0 percent of their investments. Annually, a total of $30.0 million in credits was available between this program and the Angel Investment Tax Credit program.
7	Community Development Investment Grant	General Authority (ch. 238)	Provided grants for shovel-ready redevelopment projects to counties, cities, villages, and towns, with an emphasis on downtown sites. Recipients could use funding for community development projects such as historic preservation, development of significant destination attractions, infill, and mixed-use developments.

Program Number	Program	Wisconsin Statutes	Description
8	Capital Catalyst	General Authority (ch. 238)	Provided local seed funds managed by communities with capital to support high-growth startups and emerging growth companies. A grant recipient was to provide 1:1 matching funds.
9	Idle Sites Redevelopment Grant	General Authority (ch. 238)	Provided grants of up to $250,000 to government entities to redevelop industrial sites larger than 4 acres or commercial sites larger than 10 acres that had been used for those purposes for at least 25 years. Grants could be used for demolition, environmental remediation, rehabilitation, or infrastructure improvement. WEDC funds cannot exceed 25 percent of eligible project costs, unless a project is located in an economically distressed community where WEDC may provide up to 50 percent of eligible costs.
10	Entrepreneurship Partner Grant	General Authority (ch. 238)	Provided grants to nonprofit organizations that administer entrepreneurship support programs for startup and emerging growth companies. Grants were available through a competitive selection process for new and pilot programs, as well as an open application process for established programs. The amount of funding per award will generally not exceed $200,000. WEDC may exceed that amount to address unanticipated opportunities, needs, project scopes, and project budgets.
11	Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Matching Grant	General Authority (ch. 238)	Provided funds to technology-based small businesses in or relocating to Wisconsin. The SBIR/STTR Matching Grant program will match 50 percent of awards made under the federal SBIR/STTR programs. Grants are 50 percent of the federal award, up to $75,000 for federal Phase I funding awards, or up to $100,000 for up to two years for Phase II federal funding awards. The grant must be used for new and additional work tasks related to the federal grant.
12	Global Business Development Grant	General Authority (ch. 238)	Provided grants to support the specific export development and deployment strategy of businesses. The program had two components. The International Market Access Grant component reimbursed specific expenses associated with newly exporting to, or expanding in, international markets, up to $25,000 annually. Funding could be used for trade show exhibitions, trade missions, personnel education, website and literature translation services, and consulting services. The Collaborative Market Access Grant component provided intermediaries up to $150,000 to deliver services available under the International Market Assistance Grant.
13	Strategic Investment Fund	General Authority (ch. 238)	Provided grants to projects with an executive sponsor that advance five goals for Wisconsin's economy: fueling financial stability, educating everyone, supporting healthy living, reinforcing infrastructure, and respecting the environment. Funding is only available for projects which are ineligible for all other WEDC programs and applicants must have an executive sponsor within WEDC.
14	Site Assessment Grant	20.192(1)(s); 238.133	Provided grants to local governments to complete environmental assessments and remediate contaminated industrial and commercial properties with economic or community development potential. Eligible projects included abandoned, idle, or underused facilities that were unlikely to be redeveloped because of actual or perceived contamination. The incentives in this program are grants up to $150,000 per recipient per fiscal year or 15 percent of the available funds appropriated for the fiscal year, whichever is less.

Program Number	Program	Wisconsin Statutes	Description
15	Brownfields Grant	238.13	Provided grants to businesses, local governments, nonprofit organizations, and individuals to environmentally remediate contaminated commercial and industrial properties. WEDC policy generally limited awards to $250,000. Statutes required a match of 50.0 percent of grant funds from the recipient.
16	Capacity Building Grant	General Authority (ch. 238)	Provided grants to assist local and regional economic development organizations in assessing economic competitiveness of their area, formulating economic development strategies, and supporting strategies to improve operational efficiencies and increase collaboration with other development organizations.
17	Diverse Business Development	General Authority (ch. 238)	Provided funds to nonprofits and businesses to support minority, women, disabled, LGBT, and veteran-owned business development. Eligible nonprofits provided business financing, training, or technical assistance to these communities. The funding is intended to promote investment, job retention, and job creation in diverse and underserved markets by increasing access to capital and business development training opportunities.
18	Fabrication Laboratories Grant	General Authority (ch. 238)	Provided grants to Wisconsin school districts to purchase equipment used for instructional and educational purposes in fabrication laboratories. The incentives in this program are grants of up to $25,000 for individual school districts or up to $50,000 for consortium applications to reimburse recipients for equipment purchases, of which recipients must provide a 50 percent match. The minimum grant amount available is $10,000.
19	Entrepreneurial Micro-Grant	General Authority (ch. 238)	Provided funds to a statewide entity that administered grants awarded to businesses using these funds. The grants allowed businesses to receive professional assistance in applying for federal grant funds, receive business planning education, and develop commercialization plans. The grants were administered by the Center for Technology Commercialization.
20	ExporTech	General Authority (ch. 238)	Contracted with the Wisconsin Center for Manufacturing & Productivity (WCMP) to provide an array of services to companies looking for assistance with exporting their products or services. This program was designed to accelerate the process of taking products to international markets through planning and to provide ongoing support for implementing a marketing plan. Incentives can take two forms: scholarship funding up to $5,000 or market assessment funding, which is administered as pass-thru funding by WCMP.
21	Disaster Recovery Microloan Grant	General Authority (ch. 238)	Provided grants to regional entities to provide rapid response micro-loans to businesses affected by disaster events.
22	Technology Development Loan	General Authority (ch. 238)	Provided loans to start-up and emerging growth businesses that developed and commercialized a technologically innovative process, product, or service. Funds could be used for working capital or equipment. Award amounts depended on the stage of growth. Product and process development businesses were limited to a $250,000 loan, commercialization loans were limited to a $500,000 loan, and loans for businesses in expansion mode were limited to $750,000.

Program Number	Program	Wisconsin Statutes	Description
23	Industrial Revenue Bonding	66.1103; 238.10; 238.11; 238.125	Approved counties and municipalities to issue bonds on behalf of specific businesses to finance capital investment projects or to purchase land, real estate, or equipment. The businesses were responsible for debt service on the bonds. According to federal tax law, the maximum size of an Industrial Revenue Bonding issue is $10 million. For Industrial Revenue Bonding issues exceeding $1 million, capital expenditures in the municipality where the project is located cannot exceed $20 million.
24	Main Street and Connect Communities	238.127	Provided technical assistance to local governments participating in historic preservation and economic development of traditional business districts. This assistance is provided through training, facade renderings, small business consultations, and the hiring of outside consultants.
25	Global Trade Venture	General Authority (ch. 238)	Provided Wisconsin businesses access to international markets and assisted in the development of market entry and expansion strategy plans. WEDC's market development directors led Wisconsin companies on virtual or in-country trips, and WEDC provided participating businesses with country-specific business services. WEDC paid a portion of the costs of these services.

Appendix 3

Recipients Allocated the Largest Amounts of Tax Credits in FY 2023-24

(in millions)

Recipient	Amount
Kikkoman Foods, Inc.	$15.5
A.Y. McDonald Industries, Inc.	5.9
Charter Next Generation, Inc.	5.6
2200 Horlick Holdings, LLC	3.5
Green Bay Housing Authority Properties, LLC	3.5
Thrive On Residential Apartments LLC[1]	3.5
Thrive On Residential Apartments LLC[1]	3.5
Wilson Residential Investors, LLC	3.3
1Director, Inc.	3.0
AssetLinc, Inc.	3.0
Accure Medical, Inc.	3.0
Aeroplicity Inc.	3.0
Aikonik, LLC	3.0
Appion Solutions, Inc.	3.0
Ascent Engine Technologies, LLC	3.0
Automated Coffee Shop, Inc.	3.0
Axio BioPharma Inc.	3.0
Eneration, Inc.	3.0
FUJIFILM Cellular Dynamics, Inc.	3.0
Flenard Enterprises, LLC	3.0
Get Cubby, Inc.	3.0
Golgix	3.0
Hedge Health, Co	3.0
Intrnls Inc.	3.0
Joy Research, Inc.	3.0
Joystik Life, Inc.	3.0
LL Systems LLC	3.0
MedicaLock Corporation	3.0
Midwest Games Company	3.0
Moatkeeper LLC	3.0
Nexion Solutions	3.0
Novir LLC	3.0
Okkanti Inc.	3.0
Parsley Solutions PBC	3.0
Playback Rewards, Inc.	3.0
Protegera, Inc.	3.0

Recipient	Amount
RadUnity Corp.	$ 3.0
Realta Fusion Inc.	3.0
Riley Innovation, LLC	3.0
Sanacor, Inc.	3.0
Scriptive LLC	3.0
Smart Infusion Therapy Services, LLC	3.0
Smart Kiosk, LLC	3.0
Solar Forma Design, LLC	3.0
Sonoptima, Inc.	3.0
Soul Mobility, Inc.	3.0
Sprocket Security, LLC	3.0
Super User Index, LLC	3.0
TRT Speech Labs LLC	3.0
Technico, LLC	3.0
The Pink Bakery, Inc.	3.0
Unext, LLC	3.0
Wellacy Health Inc.	3.0
Total	**$179.3**

[1] These two tax credit awards were awarded to the same recipient but at two different project locations.

Appendix 4

Allocations Made through the Historic Preservation Tax Credit Program in FY 2023-24

Recipient	Project Location	Amount
2200 Horlick Holdings, LLC	Racine	$ 3,500,000
Green Bay Housing Authority Properties, LLC	Green Bay	3,500,000
Thrive On Residential Apartments LLC[1]	Milwaukee	3,500,000
Thrive On Residential Apartments LLC[1]	Milwaukee	3,500,000
Wilson Residential Investors, LLC	Madison	3,300,070
Carroll University, Inc.	Waukesha	598,537
210 Civic, LLC	Saint Croix Falls	497,559
CMJ Investments, LLC	Merrill	480,000
Mendota Court Preservation, LLC	Madison	218,000
Zion Lutheran Church of Wausau Inc.	Wausau	105,000
Big Al's Properties, LLC	La Crosse	101,086
Minocqua Brewing Company, LLC	Minocqua	82,012
Big Al's Properties, LLC	La Crosse	80,890
Aspenson Properties, LLC	Ashland	78,628
Eenhoorn Longfellow Lofts LP	Madison	60,000
Wisconsin Society Daughters of the American Revolution	Portage	54,457
Vine Street, LLC	Milwaukee	46,000
5 Gens, LLC	De Pere	32,159
Total		**$19,734,398**

[1] These two tax credit awards were awarded to the same recipient but at two different project locations.

Appendix 5

Recipients Awarded the Largest Amounts of Grants and Loans in FY 2023-24

Recipient	Type	Amount
Center for Technology Commercialization[1]	Grant	$ 1,500,000
Madison Development Corporation	Grant	650,000
TitletownTech Innovation, LLC	Grant	600,000
Forward Community Investments, Inc.	Grant	500,000
City of Milwaukee	Grant	500,000
Northeast Entrepreneur Fund, Inc.	Grant	500,000
Redevelopment Authority of the City of Milwaukee	Grant	500,000
University of Wisconsin-Milwaukee	Grant	500,000
Nurse Disrupted, Inc.	Loan	375,000
CLOCworks, Inc.	Loan	300,000
Greater Milwaukee Foundation, Inc.	Grant	300,000
City of West Allis	Grant	300,000
AGT Endeavors, LLC	Grant	250,000
Bayfield County	Grant	250,000
Center for Technology Commercialization[1]	Grant	250,000
Boulder Junction Brewing Company	Grant	250,000
Central Block, LLC	Grant	250,000
City of Chippewa Falls	Grant	250,000
City of Ladysmith	Grant	250,000
City of Eau Claire	Grant	250,000
Eesa, LLC	Grant	250,000
Emporion Platforms, Inc.	Loan	250,000
Encompass Early Education and Care, Inc.	Grant	250,000
City of Fond du Lac	Grant	250,000
Lafayette County	Grant	250,000
City of Madison	Grant	250,000
City of Milwaukee	Grant	250,000
City of Platteville	Grant	250,000
Protegera, Inc.	Loan	250,000
City of St. Croix Falls	Grant	250,000
City of Superior	Grant	250,000
Sweet Valley Partners, LLC	Grant	250,000
TWD Enterprise, LLC	Grant	250,000
University of Wisconsin-Madison	Grant	250,000
City of Verona	Grant	250,000
Watersview Investments Group, LLC	Grant	250,000

Recipient	Type	Amount
City of Wauwatosa	Grant	$ 250,000
Wenzel Properties, LLC	Grant	250,000
City of West Allis	Grant	250,000
Village of Williams Bay	Grant	250,000
Xtreme MP65 Properties, LLC	Grant	250,000
Total		**$13,775,000**

[1] The Center for Technology Commercialization received two grant awards from WEDC to provide funds for small businesses, including an award under the Small Business Innovation Research/Small Business Technology Transfer Matching Grant program and an award under the Entrepreneurial Micro-Grant program.

Appendix 6

Economic Development Awards That Closed, by Program

FY 2011-12 through FY 2023-24

Program Number	Program Name	Number of Awards
1	Enterprise Zone	11
2	Business Development Tax Credit	177
3	Historic Preservation Tax Credit	234
4	Qualified New Business Venture	275
7	Community Development Investment	211
8	Capital Catalyst	26
9	Idle Sites Redevelopment Program	41
10	Entrepreneurship Partner Grant	7
11	Small Business Innovation Research/Small Business Technology Transfer Matching Grant	6
12	Global Business Development Grant	591
14	Site Assessment Grant	114
15	Brownfields Grant	125
16	Capacity Building	131
17	Diverse Business Development	31
18	Fabrication Laboratories Grant	168
19	Entrepreneurial Micro-Grant	10
20	ExporTech	11
21	Disaster Recovery Microloan	9
22	Technology Development Loan	109
	Programs through Which WEDC No Longer Makes Awards	
	Business Development Loan	1
	Business Opportunity Loan Fund	46
	Business Retention and Expansion Investment	50
	Manufacturing Clean Energy Revolving Loan Fund	1
	Development Opportunity Zone	13
	Export Development Grant	3
	Export Education Grant	3
	Ethnic Minority Emergency Grant	890
	Economic Development Tax Credits	310
	Jobs Tax Credit	78
	Legislative Award	1
	Emergency Loan Guarantee for Certified Propane Dealers	4

Program Number	Program Name	Number of Awards
	Programs through Which WEDC No Longer Makes Awards	
	Minority Business Development Revolving Loan Fund	13
	Main Street Bounceback Grants	4
	Milk Volume Production	1
	Opportunity Research Project	5
	Regional Revolving Loan Fund Expansion	1
	Seed Accelerator	55
	Small Business 20/20	8
	State Energy Program	4
	Special Project Loan Fund	4
	Targeted Industry Projects	95
	Technology Matching Grant	1
	We're All Innovating Competition	227
	Wisconsin Investment Pilot Program	1
	We're All In Small Business Grant	26,118
	Workforce Training	27
	Wisconsin Trade Project	3
	Total	**30,254**

Appendix 7

Activity of WEDC's Economic Development Programs

FY 2023-24

This appendix provides information on the reported activity of WEDC's 25 economic development programs in FY 2023-24. Statutes define 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.

The programs are organized by award type. 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 other appendices.

Program provides the designated name for each economic development program.

Program Activity describes the activity of economic development programs, as reported by WEDC.

Program Number	Program	Program Activity in FY 2023-24
1	Enterprise Zone	Allocated $27.0 million in 3 tax credit awards.
2	Business Development Tax Credit	Allocated $20.4 million in 22 tax credit awards.
3	Historic Preservation Tax Credit	Allocated $19.7 million in 18 tax credit awards.
4	Qualified New Business Venture	Certified 44 new businesses.
5	Angel Investment Tax Credit	Awarded tax credits to investors in an estimated 38 businesses totaling an estimated $5.5 million in calendar year 2024.
6	Early Stage Seed Investment Tax Credit	Awarded tax credits to investors in an estimated 18 businesses totaling an estimated $4.2 million in calendar year 2024.
7	Community Development Investment Grant	Provided 40 grants totaling $8.9 million.
8	Capital Catalyst	Provided 10 grants totaling $2.8 million.
9	Idle Sites Redevelopment Grant	Provided 10 grants totaling $2.6 million.
10	Entrepreneurship Partner Grant	Provided 17 grants totaling $2.1 million.
11	Small Business Innovation Research/Small Business Technology Transfer Matching Grant	Assisted 17 businesses through the Center for Technology Commercialization.
12	Global Business Development Grant	Provided 66 grants totaling $1.3 million.
13	Strategic Investment Fund	Provided 2 grants totaling $1.1 million.
14	Site Assessment Grant	Provided 8 grants totaling $1.0 million.
15	Brownfields Grant	Provided 5 grants totaling $940,300.
16	Capacity Building Grant	Provided 17 grants totaling $741,765.
17	Diverse Business Development	Provided 12 grants totaling $500,000.
18	Fabrication Laboratories Grant	Provided 18 grants totaling $493,396.
19	Entrepreneurial Micro-Grant	Assisted 23 businesses through the Center for Technology Commercialization.
20	ExporTech	20 businesses completed the 12-week program.
21	Disaster Recovery Microloan Grant	No grants were executed in FY 2023-24.
22	Technology Development Loan	Provided 10 loans totaling $2.0 million.
23	Industrial Revenue Bonding	Authorized $20.2 million in bonding for 3 municipalities.
24	Main Street and Connect Communities	Provided assistance to 35 Main Street Communities and 95 Connect Communities; provided technical assistance to 188 businesses.
25	Global Trade Venture	Led 4 global trade ventures and assisted 20 businesses.

Response

WISCONSIN
ECONOMIC DEVELOPMENT

November 18, 2025

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

Dear Mr. Chrisman:

Thank you for the opportunity to respond to the Legislative Audit Bureau's (LAB) financial and program evaluation of the Wisconsin Economic Development Corporation (WEDC).

The WEDC team appreciates the professionalism and cooperation your staff has exhibited during this review. As with prior audits, management will formally discuss your report with WEDC's Audit and Budget Committee and Board of Directors within the next few months and will provide a plan for addressing the recommendations contained in this audit and reporting to the Joint Legislative Audit Committee by March 6, 2026.

WEDC is working to build an economy for all where everyone in Wisconsin has the opportunity to thrive. WEDC accomplishes this mission by making strategic investments in people and their businesses and communities, in the form of grants, loans, tax incentives, and technical assistance. While doing so, WEDC remains committed to providing the highest levels of transparency, accountability, and operational excellence.

As the audit report notes, WEDC has in recent years heightened its focus on building strong communities that drive and sustain economic growth for the people of Wisconsin. We are actively seeking to ensure residents have access to the resources they need to live, work, and grow.

To better assess our progress toward these goals while remaining accountable and transparent to our Wisconsin stakeholders. WEDC created the Strategic Investment Steering Committee (SISC) in January 2024. SISC, which is comprised of WEDC leaders across the organization, aims to address not just the 'what' and 'how' of WEDC's daily operations but the more fundamental 'why' behind each program and initiative. Most critically, SISC's work assesses whether WEDC programs and investments are succeeding in meeting the needs of our state. This effort toward evaluation and data-driven decisions aligns with many of LAB's recommendations in recent audits.

These efforts can only go so far, however, in enabling WEDC to assess its performance. We see firsthand our performance outcomes in communities across the state every day – in the form of new businesses moving to Wisconsin and existing businesses continuing to grow, entrepreneurs and innovators bringing new products and ideas to life, and Wisconsin companies engaging the global marketplace.

WEDC management will work collaboratively with the Audit and Budget Committee and Board of Directors to establish responses and timelines for responding to LAB's recommended changes. WEDC will report to the Joint Legislative Audit Committee by March 6, 2026, on efforts to implement the recommendations of this audit report.

Again, thank you for LAB's constructive approach in working on this report.

Sincerely,

Samuel H. Rikkers
Deputy Secretary & COO