



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #667

Fabrication Laboratories Grant Program (Wisconsin Economic Development Corporation)

[LFB 2017-19 Budget Summary: Page 478, #3]

CURRENT LAW

The Wisconsin Economic Development Corporation (WEDC) was provided \$500,000 GPR in 2015-16, pursuant to 2015 Wisconsin Act 55, to develop and implement a program to make grants to eligible recipients for purchases of equipment used in fabrication laboratories for instructional and educational purposes by grade school, junior high school, and high school students. Under the Act 55 program, WEDC obligated \$598,923 of awards to 25 eligible recipients. The initial \$500,000 of awards was provided from WEDC's GPR appropriation in 2015-16, as was limited under Act 55, and the additional \$98,923 was obligated from WEDC's other discretionary funds in that year. WEDC's Board has the authority to develop and implement economic development programs under its policies and procedures. Under this authority, WEDC has developed policies and procedures to continue a similar program in 2016-17, for which it has budgeted \$500,000 from its discretionary funds (primarily state SEG and GPR funds).

Under Act 55, WEDC could award grants of up to \$25,000 per eligible recipient per year over a three-year period based on certain percentages of eligible fabrication laboratory expenditures. WEDC cannot certify a person as eligible to receive awards under the Act 55 provisions after June 30, 2017. Under the subsequent program developed by WEDC's Board for 2016-17, grants are awarded annually on a competitive basis.

GOVERNOR

Require WEDC to award at least \$500,000 in 2017-18 and 2018-19 of its otherwise discretionary monies appropriated to its operations and programs GPR appropriation for grants for fabrication laboratories under the program that was statutorily created under Act 55.

MODIFICATION

Repeal the statutes that created the fabrication laboratory grant program under Act 55. Delete the provision recommended by the Governor and, instead, require WEDC to provide funding of at least \$500,000 in 2017-18 and 2018-19 from either its operations and programs GPR appropriation or its economic development fund; operations and programs SEG appropriation to implement a program substantially similar to the Act 55 program.

Explanation: On March 31, 2017, the Department of Administration (DOA) submitted a letter requesting a number of modifications to the Governor's budget bill. According to DOA, this provision, as drafted, inadvertently restricted WEDC's ability to administer the proposed continuation of the fabrication laboratory grant program. The modification would repeal the statutes created under Act 55, but would direct WEDC to implement a program substantially similar to the Act 55 fabrication laboratories grant program. This modification would allow WEDC to award grants to new applicants, instead of only the original 25 recipients. The modification would also allow WEDC to use non-GPR funds for the grants.

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