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JFC Democrats Renew Call to Reopen WEDC Post Audit

Audit Shows Detailed Improvements That Should be Adopted in Budget

Madison – State budget committee Democrats renewed their call today to reopen the agency budget for the Wisconsin Economic Development Corporation (WEDC). Last week, Democrats specifically asked and even moved to keep the agency open in the Joint Finance Committee because of the anticipated Legislative Audit Bureau (LAB) WEDC audit. The WEDC audit was released today and recommends direct policies to address deficiencies in the administration of loans, tax credits, and grants by the quasi-public agency.

“This is not a surprise audit. Because WEDC is required by law to be audited, we knew this was coming and that is why we asked the agency to remain open. Last budget the committee closed the WEDC loan program specifically because an audit showed mismanagement of the program. Now we see additional changes needed in state law to improve the transparency and accountability of WEDC, and those changes should be made now in the state budget because they affect fiscal matters,” said Senator Jon Erpenbach (D-Middleton).

“Since WEDC was created, Wisconsin has trailed the nation in private sector job growth. We need to ensure that WEDC is actually helping create the promised jobs in Wisconsin. This audit demonstrates that more work needs to be done at WEDC to measure job growth as it relates to taxpayer investment. The audit bureau is showing the Legislature a clear path, and we need to take it,” said Representative Katrina Shankland (D-Stevens Point).

“Investments in Wisconsin’s businesses and workforce should be strong, and the case for balancing what we spend supporting businesses with what we spend supporting workers is made every time WEDC is audited. Outcomes matter, changes are necessary,” said Senator Lena Taylor (D-Milwaukee).

“The Legislative Audit Bureau determined that WEDC failed to lapse repaid tax credit payments to the state of Wisconsin as they are required under the law. That is \$5.3 million owed back to the state. While we appreciate the progress made by WEDC in some areas, clearly more progress still needs to be made to ensure accountability for taxpayers. We should reexamine the recommendations from LAB in the context of the budget,” said Representative Gordon Hintz (D-Oshkosh).

The Legislative Audit Bureau is a non-partisan service agency and is required by law to audit WEDC every two years. The LAB made recommendations for improvements in the new WEDC audit in the areas of: administration of grant and loan programs, administration of tax credit programs, oversight of economic development programs, and financial management.

The audit [briefing sheet](#) and [full audit](#) can be viewed online.

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