

## DEPARTMENT OF COMMERCE

### GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY11 Adjusted Base	FY12 Recommended	% Change Over FY11	FY13 Recommended	% Change Over FY12
GPR	26,824,100	0	-100.0	0	0.0
PR-F	72,330,500	0	-100.0	0	0.0
PR-O	38,693,700	0	-100.0	0	0.0
PR-S	5,763,100	0	-100.0	0	0.0
SEG-O	39,616,800	0	-100.0	0	0.0
<b>TOTAL</b>	<b>183,228,200</b>	<b>0</b>	<b>-100.0</b>	<b>0</b>	<b>0.0</b>

### FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY11 Adjusted Base	FY12 Recommended	FTE Change From FY11	FY13 Recommended	FTE Change From FY12
GPR	59.15	0.00	-59.15	0.00	0.00
PR-F	56.70	0.00	-56.70	0.00	0.00
PR-O	168.40	0.00	-168.40	0.00	0.00
PR-S	38.05	0.00	-38.05	0.00	0.00
SEG-O	70.55	0.00	-70.55	0.00	0.00
<b>TOTAL</b>	<b>392.85</b>	<b>0.00</b>	<b>-392.85</b>	<b>0.00</b>	<b>0.00</b>

### AGENCY DESCRIPTION

The department is headed by a secretary who is appointed by the Governor with the advice and consent of the Senate. The department's programs are administered by the Office of the Secretary and the following six divisions: Administrative Services, Community Development, Business Development, Environmental and Regulatory Services, Safety and Buildings, and Global Ventures.

The department has four program areas: economic and community development; housing assistance; regulation of industry, safety and buildings; and executive and administrative services.

The department has ten councils and four boards attached to it by statute, including: the Council on Main Street; the Small Business Environmental Council; the Contractor Certification Council; the Dwelling Code Council; the Plumbers Council; the Automatic Fire Sprinkler System Contractors and Journeymen Council; the Multifamily Dwelling Code Council; the Conveyance Safety Code Council; the Manufactured Housing Code Council; the Thermal System Insulation Council; the Economic Policy Board; the Rural Economic Development Board; the Building Inspector Review Board; and the Small Business Regulatory Review Board.

## MISSION

The mission of the department is to serve the people of Wisconsin by promoting opportunity, safety and community. The department provides development assistance in areas such as marketing, business and community finance, exporting, small business advocacy, and housing. The department issues professional credentials for the construction trades and administers safety and building codes. It also regulates petroleum products and tank systems, and administers the Petroleum Environmental Cleanup Fund Award Program.

## PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

### Program 1: Economic and Community Development

Goal: Generate investment opportunities in the state using the grant and loan programs that are administered by the department.

Objective/Activity: Increase the amount of private investment that is leveraged through the department's grant and loan programs.

Goal: Revitalize downtowns in Wisconsin Main Street communities.

Objective/Activity: Encourage the development of new businesses and the number of buildings rehabilitated in the downtown areas in Wisconsin Main Street communities.

Goal: Increase overseas sales by Wisconsin businesses.

Objective/Activity: Increase the number of services provided to Wisconsin businesses by foreign offices. These services are vital to businesses in developing and closing overseas sales.

### Program 2: Housing Assistance

Goal: Increase the supply of safe and affordable housing for low-income renters in Wisconsin.

Objective/Activity: Provide funds to build affordable and accessible units to be rented to low-income households.

### Program 3: Regulation of Industry, Safety and Buildings

Goal: Promote safety in constructed public and private buildings in Wisconsin.

Objective/Activity: Develop and implement regulations, and provide services (e.g., plan review and inspection) and education which promote the construction of public and private buildings according to code.

Goal: Maintain quality control in petroleum products for sale in Wisconsin.

Objective/Activity: Sample and test petroleum products at terminals, bulk plants and retail sites to ensure that products meet specified standards.

Goal: Safeguard the health and safety of Wisconsin's residents through effective and efficient administration of the Petroleum Environmental Cleanup Fund Award Program.

Objective/Activity: Maintain a high level of remediation in contaminated Petroleum Environmental Cleanup Fund Award sites in the least costly and timeliest manner possible.

## PERFORMANCE MEASURES

### 2009 AND 2010 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2009	Actual 2009	Goal 2010	Actual 2010
1.	Private investment leveraged through state-funded grants and loans.	\$175 million	\$296.9 million	\$200 million	\$124.9 million
1.	New businesses in Main Street communities.	280	257	185	203
1.	Number of buildings rehabilitated in Main Street communities.	365	441	300	360
1.	Number of services provided to businesses by foreign offices.	580	394	588	304
2.	Number of rental units developed for low-income households.	100	107	100	101
2.	Number of accessible rental units developed.	40	23	50	60
3.	Building code effectiveness grading schedule – commercial (1-10, 1 being the best).	4	N/A <sup>1</sup>	4	N/A <sup>1</sup>
3.	Percentage of facilities that are in operational compliance with both release detection and release prevention.	70%	70.85%	71%	76.7%
3.	Petroleum Environmental Cleanup Fund Award site closures.	400	278	300	230

Note: Based on fiscal year.

<sup>1</sup>The Building Code Effective Grading Schedule is generally done every three years. The next expected rating will occur in FY11.

## 2011, 2012 AND 2013 GOALS

Prog. No.	Performance Measure	Goal 2011	Goal 2012	Goal 2013
1.	Private investment leveraged through state-funded grants and loans.	\$200 million	\$225 million	\$225 million
1.	New businesses in Main Street communities.	190	150	150
1.	Number of buildings rehabilitated in Main Street communities.	310	300	300
1.	Number of services provided to businesses by foreign offices.	425	425	425
2.	Number of rental units developed for low-income households.	100	100	100
2.	Number of accessible rental units developed.	50	50	50
3.	Building code effectiveness grading schedule – commercial (1-10, 1 being the best).	4	N/A <sup>1</sup>	N/A <sup>1</sup>
3.	Percentage of facilities that are in operational compliance with both release detection and release prevention.	72%	73%	73%
3.	Petroleum Environmental Cleanup Fund Award site closures.	250	200	200

Note: Based on fiscal year.

<sup>1</sup>The Building Code Effective Grading Schedule is generally done every three years. It will occur during FY11, and then three years after (during the 2013-15 biennium).

## DEPARTMENT OF COMMERCE

### GOVERNOR'S BUDGET RECOMMENDATIONS

#### RECOMMENDATIONS

1. Increase Employee Contributions to Pension and Health Insurance
2. Budget Efficiencies
3. Eliminate Long-Term Vacancies
4. Elimination of Department of Commerce
5. Tax-Option Corporation Eligibility for Angel Investment Credits
6. Holding Period for Early Stage Seed or Angel Investments
7. Dairy Manufacturing Facility Credit
8. Diesel Idling Program
9. Reestimate Spending Authority for Woman-Owned Business Enterprise
10. Changing Appropriations for Federal Positions
11. Standard Budget Adjustments

**Table 1  
Department Budget Summary by Funding Source (in thousands of dollars)**

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
GENERAL PURPOSE REVENUE	\$12,681.4	\$26,824.1	\$27,279.4	\$27,279.4	\$0.0	\$0.0
State Operations	5,266.9	6,392.6	6,847.9	6,847.9	0.0	0.0
Local Assistance	2,748.6	2,815.0	2,815.0	2,815.0	0.0	0.0
Aids to Ind. & Org.	4,665.9	17,616.5	17,616.5	17,616.5	0.0	0.0
FEDERAL REVENUE (1)	\$190,324.6	\$72,330.5	\$72,524.7	\$72,474.1	\$0.0	\$0.0
State Operations	4,758.3	4,930.5	5,124.7	5,074.1	0.0	0.0
Local Assistance	68,534.1	44,400.0	44,400.0	44,400.0	0.0	0.0
Aids to Ind. & Org.	117,032.2	23,000.0	23,000.0	23,000.0	0.0	0.0
PROGRAM REVENUE (2)	\$35,189.1	\$44,456.8	\$46,208.6	\$46,208.6	\$0.0	\$0.0
State Operations	19,988.7	22,585.4	24,337.2	24,337.2	0.0	0.0
Local Assistance	14,707.0	15,312.6	15,312.6	15,312.6	0.0	0.0
Aids to Ind. & Org.	493.4	6,558.8	6,558.8	6,558.8	0.0	0.0
SEGREGATED REVENUE (3)	\$20,567.8	\$39,616.8	\$40,210.8	\$40,210.8	\$0.0	\$0.0
State Operations	7,767.4	8,925.3	9,510.5	9,510.5	0.0	0.0
Aids to Ind. & Org.	12,800.4	30,691.5	30,700.3	30,700.3	0.0	0.0
TOTALS - ANNUAL	\$258,762.9	\$183,228.2	\$186,223.5	\$186,172.9	\$0.0	\$0.0
State Operations	37,781.3	42,833.8	45,820.3	45,769.7	0.0	0.0
Local Assistance	85,989.7	62,527.6	62,527.6	62,527.6	0.0	0.0
Aids to Ind. & Org.	134,991.9	77,866.8	77,875.6	77,875.6	0.0	0.0

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

**Table 2  
Department Position Summary by Program (in FTE positions) (4)**

	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY12	FY13	FY12	FY13
GENERAL PURPOSE REVENUE	59.15	59.15	59.15	0.00	0.00
FEDERAL REVENUE (1)	56.70	55.70	54.20	0.00	0.00
PROGRAM REVENUE (2)	206.45	206.45	206.45	0.00	0.00
SEGREGATED REVENUE (3)	70.55	70.55	70.55	0.00	0.00
State Operations	69.55	69.55	69.55	0.00	0.00
Aids to Ind. & Org.	1.00	1.00	1.00	0.00	0.00
TOTALS - ANNUAL	392.85	391.85	390.35	0.00	0.00
State Operations	391.85	390.85	389.35	0.00	0.00
Aids to Ind. & Org.	1.00	1.00	1.00	0.00	0.00

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

(4) All positions are State Operations unless otherwise specified

**Table 3  
Department Budget Summary by Program (in thousands of dollars)**

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
1. Economic and community development	\$71,554.5	\$82,413.8	\$82,433.6	\$82,394.7	\$0.0	\$0.0
2. Housing assistance	\$130,650.4	\$40,539.6	\$40,757.9	\$40,746.2	\$0.0	\$0.0
3. Regulation of industry, safety and buildings	\$51,670.5	\$54,687.3	\$57,164.5	\$57,164.5	\$0.0	\$0.0
4. Executive and administrative services	\$4,887.5	\$5,587.5	\$5,867.5	\$5,867.5	\$0.0	\$0.0
<b>TOTALS</b>	<b>\$258,762.9</b>	<b>\$183,228.2</b>	<b>\$186,223.5</b>	<b>\$186,172.9</b>	<b>\$0.0</b>	<b>\$0.0</b>

**Table 4  
Department Position Summary by Program (in FTE positions) (4)**

	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY12	FY13	FY12	FY13
1. Economic and community development	73.15	70.15	69.15	0.00	0.00
2. Housing assistance	22.15	24.15	23.65	0.00	0.00
3. Regulation of industry, safety and buildings	249.70	249.70	249.70	0.00	0.00
4. Executive and administrative services	47.85	47.85	47.85	0.00	0.00
<b>TOTALS</b>	<b>392.85</b>	<b>391.85</b>	<b>390.35</b>	<b>0.00</b>	<b>0.00</b>

(4) All positions are State Operations unless otherwise specified

**1. Increase Employee Contributions to Pension and Health Insurance**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-S	0	0.00	0	0.00	-174,900	0.00	-174,900	0.00
TOTAL	0	0.00	0	0.00	-174,900	0.00	-174,900	0.00

The Governor recommends increasing state employee contributions towards pension and health insurance costs. Employees will generally pay 50 percent of the total required retirement contribution, which for calendar year 2011 equals 5.8 percent of salary. The Governor further recommends increasing employee contributions for health insurance from approximately 6 percent of the premium to 12.6 percent of the premium. These modifications are necessary to bring state employee compensation in line with private sector employment and reduce compensation costs.

**2. Budget Efficiencies**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	-1,068,900	0.00	-1,068,900	0.00
PR-S	0	0.00	0	0.00	-143,200	0.00	-143,200	0.00
TOTAL	0	0.00	0	0.00	-1,212,100	0.00	-1,212,100	0.00

The Governor recommends reducing funding, excluding salary and fringe benefits, in most GPR and PR appropriations by 10 percent to create additional efficiencies and balance the budget.

**3. Eliminate Long-Term Vacancies**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-533,100	-8.65	-533,100	-8.65
PR-F	0	0.00	0	0.00	-437,300	-10.70	-437,300	-10.70
PR-O	0	0.00	0	0.00	-1,803,600	-27.26	-1,803,600	-27.26
PR-S	0	0.00	0	0.00	-381,400	-6.59	-381,400	-6.59
SEG-O	0	0.00	0	0.00	-213,400	-3.25	-213,400	-3.25
TOTAL	0	0.00	0	0.00	-3,368,800	-56.45	-3,368,800	-56.45

The Governor recommends eliminating position authority and related funding for positions that have been vacant for longer than 12 months.

**4. Elimination of Department of Commerce**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-26,744,700	-50.50	-26,744,700	-50.50
PR-F	0	0.00	0	0.00	-73,033,900	-46.00	-73,033,900	-46.00
PR-O	0	0.00	0	0.00	-37,361,000	-141.14	-37,361,000	-141.14
PR-S	0	0.00	0	0.00	-5,275,600	-31.46	-5,275,600	-31.46
SEG-O	0	0.00	0	0.00	-39,997,400	-67.30	-39,997,400	-67.30
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>-182,412,600</b>	<b>-336.40</b>	<b>-182,412,600</b>	<b>-336.40</b>

The Governor recommends eliminating the department and transferring its functions to several other agencies. Funding related to economic development will be transferred to the Wisconsin Economic Development Corporation. Funding and position authority from the Division of Safety and Buildings and Division of Environmental and Regulatory Services, and funding and position authority related to certification of woman-owned, minority-owned and disabled veteran-owned businesses will be transferred to the Department of Regulation and Licensing (which the Governor is recommending be renamed the Department of Safety and Professional Services). The Governor also recommends transferring funding related to housing to the Wisconsin Housing and Economic Development Authority. The Governor further recommends transferring technical assistance funding for the Tribes to the Department of Administration. Finally, the Governor recommends transferring administration of the film production tax credit to the Department of Tourism, and transferring funding and position authority related to the administration of Dairy 20/20 program and the dairy manufacturing facility investment credit to the Department of Agriculture, Trade, and Consumer Protection.

**5. Tax-Option Corporation Eligibility for Angel Investment Credits**

The Governor recommends allowing tax-option corporations that are nonoperating entities to claim angel investment credits for investments in qualified new business ventures.

**6. Holding Period for Early Stage Seed or Angel Investments**

The Governor recommends changing the required holding period from one to three years for early stage or angel investments made after December 31, 2007.

**7. Dairy Manufacturing Facility Credit**

The Governor recommends specifying that only a dairy cooperative may compute its aggregate tax credit amount for each of its dairy manufacturing facilities. The Governor also recommends transferring administration of the dairy manufacturing facility investment credit to the Department of Agriculture, Trade, and Consumer Protection.

**8. Diesel Idling Program**

The Governor recommends eliminating the requirement that at least 20 percent of a diesel idling program grant be withheld until the recipient has complied with certain grant conditions. The Governor also recommends eliminating the requirement to purchase more than one type of idling reduction units from more than one manufacturer. The Governor further recommends transferring this program to the Department of Regulation and Licensing (which the Governor is recommending be renamed the Department of Safety and Professional Services).

**9. Reestimate Spending Authority for Woman-Owned Business Enterprise Fees**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	-256,000	0.00	-256,000	0.00	-256,000	0.00	-256,000	0.00
TOTAL	-256,000	0.00	-256,000	0.00	-256,000	0.00	-256,000	0.00

The Governor recommends reducing expenditure authority for the appropriation to reflect recent reestimates on fee collection for the woman-owned business certification program. The Governor also recommends transferring administration of the business certification program to the Department of Regulation and Licensing (which the Governor is recommending be renamed the Department of Safety and Professional Services).

**10. Changing Appropriations for Federal Positions**

The Governor recommends transferring 2.0 FTE PRF positions from one appropriation to another to more accurately reflect the fact that the positions administer federal housing programs.

**11. Standard Budget Adjustments**

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	455,300	0.00	455,300	0.00	453,700	0.00	453,700	0.00
PR-F	194,200	-1.00	143,600	-2.50	1,140,700	0.00	1,140,700	0.00
PR-O	1,795,800	0.00	1,795,800	0.00	1,795,800	0.00	1,795,800	0.00
PR-S	212,000	0.00	212,000	0.00	212,000	0.00	212,000	0.00
SEG-O	594,000	0.00	594,000	0.00	594,000	0.00	594,000	0.00
TOTAL	3,251,300	-1.00	3,200,700	-2.50	4,196,200	0.00	4,196,200	0.00

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$226,700 in each year); (b) full funding of continuing position salaries and fringe benefits (\$4,338,900 in each year); (c) reclassifications and semiautomatic pay progression (\$76,000 in each year); and (d) overtime (\$8,000 in each year).