



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRB-3312/1  
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## 2015 SENATE BILL 526

January 7, 2016 – Introduced by Senator DARLING, cosponsored by Representative NEYLON. Referred to Committee on Economic Development and Commerce.

\*\*\*AUTHORS SUBJECT TO CHANGE\*\*\*

1     **AN ACT** *to create* 20.192 (1) (ar) and 238.28 of the statutes; **relating to:** industry  
2             cluster partnerships and making an appropriation.

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### *Analysis by the Legislative Reference Bureau*

This bill provides that the Wisconsin Economic Development Corporation may receive applications from and award a contract to an industry cluster partnership (ICP), a nonprofit organization whose primary purpose is to assist in developing and supporting a regional concentration of industry-specific private sector businesses that share a common interest in fostering research and development, worker skills training, and market development. The corporation may award a contract to an ICP only if it meets certain conditions and may award only one contract per year.

The bill also directs the corporation to award a contract to an ICP that supports the water technology and water infrastructure industry by July 1, 2017, provided that the corporation receives an application from an ICP that meets the contract application conditions.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

3             **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
4             the following amounts for the purposes indicated:

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**2015-16      2016-17**

**20.192 Wisconsin Economic Development**

**Corporation**

(1) PROMOTION OF ECONOMIC DEVELOPMENT

(ar) Industry cluster development      GPR      C      5,000,000      5,000,000

**SECTION 2.** 20.192 (1) (ar) of the statutes is created to read:

20.192 (1) (ar) *Industry cluster development.* As a continuing appropriation, the amounts in the schedule for payments to industry cluster partnerships under s. 238.28 and 2015 Wisconsin Act .... (this act), section 4.

**SECTION 3.** 238.28 of the statutes is created to read:

**238.28 Industry cluster development. (1) DEFINITION.** In this section, “industry cluster partnership” means a nonprofit organization whose primary purpose is to assist in developing and supporting a regional concentration of industry-specific private sector businesses in this state that share a common interest in fostering, within the applicable industry, research and development, worker skills training, and market development.

**(2) CONTRACTS.** (a) Any industry cluster partnership in this state may apply for a contract under this subsection. In addition to any other information the corporation requires, the application shall include a business plan for the applicant that sets forth measurable economic development and business-related goals and the specific programming the applicant intends to implement to achieve those goals. The business plan shall demonstrate to the corporation’s satisfaction how the applicant plans to be without need of corporation funding within 10 years after first receiving a payment under a contract under this subsection.

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1 (b) From the appropriation under s. 20.192 (1) (ar), the corporation may make  
2 payments to industry cluster partnerships subject to contracts under this  
3 subsection. The corporation may not enter into more than one contract under this  
4 subsection each year.

5 (c) The corporation may award a contract under this subsection only to an  
6 industry cluster partnership that submits an application under par. (a) and that the  
7 corporation determines satisfies all of the following conditions:

- 8 1. Will strongly support the further development of existing regional  
9 concentrations of industry-specific businesses in this state.
- 10 2. Has raised funding or funding commitments from sources other than the  
11 corporation and the state that equal at least 10 percent of the annual amount the  
12 industry cluster partnership is requesting from the corporation.
- 13 3. Is headquartered in this state.
- 14 4. Has contractual relationships or memoranda of understanding with  
15 institutions of higher education, including technical colleges, for the purpose of  
16 promoting the commercialization of technology developed at those institutions,  
17 promoting entrepreneurship, conducting industry-specific research, or developing  
18 the workforce within the applicable industry.
- 19 5. Is governed by a board of directors with members from the public and private  
20 sectors who represent the businesses within the applicable industry, including  
21 businesses in the industry cluster partnership, and who represent the interests  
22 necessary to ensure a collaborative, strategic approach to supporting economic  
23 development, job growth, and the development of marketable products and services  
24 in the applicable industry.

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1 (d) The corporation may not contract under this subsection with more than one  
2 industry cluster partnership per industry at one time, unless every other industry  
3 cluster partnership in that industry with which the corporation is under contract is  
4 materially underperforming and the corporation determines that the public interest  
5 requires contracting with another industry cluster partnership within that industry.

6 (e) If the corporation has more than one application pending from industry  
7 cluster partnerships in the same industry, the corporation shall contract with the  
8 industry cluster partnership that the corporation determines is likely to have the  
9 greatest overall impact on economic development in this state within the applicable  
10 industry. In making that determination, and in making all competitive funding  
11 decisions under this subsection, the corporation shall give preference to the industry  
12 cluster partnership that best satisfies all of the following conditions:

13 1. Has demonstrated strength in academic and industry relationships.

14 2. Has strong leadership from the applicable industry on its board of directors.

15 3. Currently participates in an industry cluster initiative sponsored by a  
16 federal agency.

17 4. Was previously subject to a contract under this subsection, provided the  
18 industry cluster partnership met the goals outlined in the business plan submitted  
19 under par. (a) and otherwise completed the contract to the corporation's satisfaction.

20 (f) Each contract under this subsection shall provide, in addition to other bases  
21 for contract termination, that the corporation may terminate the contract if the  
22 industry cluster partnership fails to make satisfactory progress, as determined by  
23 the corporation, toward the goals outlined in the industry cluster partnership's  
24 business plan. Before terminating a contract for lack of such satisfactory progress,

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1 the corporation shall provide the industry cluster partnership notice of the pending  
2 termination and an opportunity to cure.

3 **(3) EXPEDITED AGENCY DETERMINATIONS.** (a) An industry cluster partnership  
4 under contract with the corporation under sub. (2) and any business, institution of  
5 higher education, including a technical college, or public utility that receives services  
6 from the industry cluster partnership or that participates in a business accelerator,  
7 business incubator, or technology pilot program facilitated by the industry cluster  
8 partnership shall receive priority, expedited service from state agencies as provided  
9 under this subsection.

10 (b) If a permit or other approval of a state agency is required for such an  
11 industry cluster partnership's activities or for activities the partnership facilitates,  
12 such as field testing potentially marketable new technologies, implementing new  
13 technologies or products in a pilot project, or completing projects consistent with the  
14 economic development goals of the industry cluster partnership, the applicable state  
15 agency shall provide priority, expedited service to ensure that the agency's  
16 determination concerning the permit or approval is made as quickly as practicable  
17 and, in any event, no later than 90 days after a complete application or request for  
18 the permit or approval is received by the agency.

19 **SECTION 4. Nonstatutory provisions.**

20 (1) **WATER INDUSTRY CLUSTER CONTRACT.**

21 (a) *Definition.* In this subsection, "corporation" means the Wisconsin Economic  
22 Development Corporation.

23 (b) *Contract.* Before July 1, 2017, the corporation shall award a contract under  
24 section 238.28 (2) of the statutes, as created by this act, to an industry cluster  
25 partnership, as defined in section 238.28 (1) of the statutes, as created by this act,

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1 that supports the water technology and water infrastructure industry, provided all  
2 of the following conditions are satisfied:

3 1. Funding for the contract is available under section 20.192 (1) (ar) of the  
4 statutes, as created by this act.

5 2. The corporation receives an application for the contract under section 238.28  
6 (2) (a) of the statutes, as created by this act.

7 3. The industry cluster partnership submitting the application engages in, or  
8 proposes to engage in, activities that will help accomplish any of the following:

9 a. Economic development in the water technology and water infrastructure  
10 sector of the state's economy through the development of new water technology and  
11 the attraction of water technology businesses to this state.

12 b. Applied research in water technology and water infrastructure leading to the  
13 development of marketable products or services, including those intended to improve  
14 storm water or wastewater management or address needs identified by the public  
15 service commission as critical to the efficient functioning of the public water supply.

16 (END)