

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

1. DIVIDENDS FOR WISCONSIN TRANSFER [LFB Paper 177]

GPR-REV	\$500,000
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Governor: Require WHEDA to transfer \$250,000 from its unencumbered reserves (surplus) to the state's general fund in 2010-11 and in 2011-12. (The intent of the section was to transfer \$250,000 in both 2009-10 and 2010-11.) These transfer amounts are estimated to be 25% of the amounts available for the "Dividends for Wisconsin" plan in each year.

Current law requires WHEDA to set aside its unencumbered reserves for the Dividends for Wisconsin plan. Unencumbered reserves are the assets in WHEDA's general fund that exceed the Authority's operating costs and its reserves required for purposes such as backing of bond issues. WHEDA must certify by each August 31 the unencumbered reserves available as of the preceding June 30, and it must also submit a plan for expending or encumbering the funds. The statutes require WHEDA to designate portions of its unencumbered reserves to: (a) match federal funds awarded under the Stewart B. McKinney Homeless Assistance Act; (b) match federal funds awarded under the home investment partnership program; and (c) fund the property tax deferral loan program administered by WHEDA. WHEDA also allocates its unencumbered reserves for: (a) support of its bond issues; (b) funding of single-family and multifamily housing programs; and (c) small-business and economic development programs.

The 2005-07 and 2007-09 budget acts required WHEDA to transfer the following amounts from its unencumbered reserves to Commerce: (a) \$3 million in 2005-06 and \$2 million in 2006-07 for housing grants and loans; and (b) \$3 million in 2007-08 and in 2008-09 among two appropriations, one for housing grants and loans and another for homeless and transitional housing programs. All transfers were on one-time bases to offset equivalent reductions in Commerce GPR.

Joint Finance: Modify the Governor's recommendation to require transfers to the general fund of \$250,000 in 2009-10 and in 2010-11.