



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary
James M. Langdon, Administrator

June 26, 2020

Honorable Tony Evers
Governor, State of Wisconsin
115 East State Capitol
Madison, WI 53707

Senate Chief Clerk Jeffrey Renk
B20 Southeast, State Capitol
Madison, WI 53708

Assembly Chief Clerk Patrick E. Fuller
17 West Main Street, Suite 401
Madison, WI 53703

Dear Governor Evers, Chief Clerk Renk and Chief Clerk Fuller:

Attached please find the State of Wisconsin Supplier Diversity Report for Fiscal Year 2019 (FY19) pursuant to §16.75 (3m)(c), Wis. Stats. The report provides information on state agency and University of Wisconsin spending with certified minority- and disabled veteran-owned business in the areas of general procurement, engineering and architectural services, building construction and state highway construction.

Should you have any questions about this report, please contact me at (608) 264-6109. Thank you.

Sincerely,

James M. Langdon
Administrator

Attachment

State of Wisconsin Supplier Diversity Annual Report

Fiscal Year 2019

Department of Administration
Division of Enterprise Operations
Wisconsin Supplier Diversity Program

June 2020

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Executive Summary

History of the Wisconsin Supplier Diversity Program. The Wisconsin Supplier Diversity Program was created in 1983 when the Legislature passed Wisconsin Act 390 that set a five percent participation goal for state agencies and University of Wisconsin campuses for purchases of goods and services with certified Minority Business Enterprises (MBEs). The Act also established a *permissive* five percent bid preference for certified MBE firms responding to bids for State contracts.

In 2010, the Legislature enacted Wisconsin Act 299 that provided a participation goal of a portion of state contracts for Disabled-Veteran Owned Businesses (DVBs) certified by the State of Wisconsin. It also provided a *permissive* five percent bid preference to such firms. In 2014, the Legislature enacted an amendment under 2013 Wisconsin Act 192 to establish a one percent goal for DVBs.

Fiscal Year 2019 Highlights. Diverse suppliers accounted for \$122,661,522 of \$3,109,220,369 of state agency and University of Wisconsin spending in the areas of procurement, state highways, facilities construction and architectural/engineering services during FY19. Diverse supplier purchases represented 3.95% of total spend. FY19 highlights included:

- State agencies spent \$69,282,996 with MBE/DVB businesses on general procurement in FY19, or 7.35% of spend totaling \$943,081,893.
- The DOA Division of Facilities Development and Management (DFDM) spent \$400,494,482 on various state construction projects in FY19. MBEs accounted for \$9,505,143 of total expenditures and DVBs accounted for \$1,115,997 for a total of \$10,621,140, representing 2.65% of total spend.
- DFDM spent \$53,673,414 for architectural/engineering services in FY19. Certified MBE firms accounted for \$1,605,655 and DVBs accounted for \$232,300 for a total of \$1,837,955, or 3.42% of total spend.
- The Wisconsin Department of Transportation (DOT) State Highway Program expended \$35,029,754 with MBEs/DVBs, or 3.43% of the \$1,020,960,144 spent in FY19.
- University of Wisconsin System campuses spent \$5,889,677 in the procurement of goods and services with certified MBE/DVB firms in FY19, or 0.85% of spend totaling \$691,010,436.

Statutory Authority

Annual Reporting Requirement. §16.75 (3m)(c)4., Wis. Stats., requires the Department of Administration (DOA) to annually report enterprise-wide participation by MBEs and DVBs on state contracts to the Governor and Legislature for distribution to the appropriate legislative committees.

State of Wisconsin Diversity Business Goals. §16.75 (3m)(b)1., Wis. Stats., provides that the department and any state agency making purchases “shall attempt to ensure that 5% of the total amount expended under this subchapter in each fiscal year is paid to minority businesses.” Minority-owned businesses are certified by DOA under §16.287, Wis. Stats.

§16.75 (3m)(b)2., Wis. Stats., provides that the department and any state agency making purchases “shall attempt to ensure that at least 1% of the total amount expended under this subchapter in each fiscal year is paid to disabled veteran owned businesses.” Disabled veteran-owned businesses are certified by DOA under §16.283, Wis. Stats.

The department monitors these goals and undertakes the certification process through the Wisconsin Supplier Diversity Program in the Division of Enterprise Operations.

Exceptions. The five percent expenditure goals apply to all State purchases with the exception of expenditures under the Department of Transportation (DOT) Federal Surface Transportation Assistance Act and Department of Natural Resources Environmental Protection Agency (EPA) funds. In addition, the Supplier Diversity Program offers certification for women-owned businesses; however, statutes do not provide a goal or price preference for women-owned businesses participating in state purchasing.

Business Bid Preference. Under §16.75 (3m)(b)3., Wis. Stats., agencies “may purchase materials, supplies, equipment and contractual services from any minority business or disabled veteran owned business, or a business that is both a minority business and a disabled veteran-owned business, submitting a qualified responsible competitive bid that is no more than 5% higher than the apparent low bid or competitive proposal that is no more than 5% higher than the most advantageous proposal.” The statute further provides that agencies “shall maximize the use of minority businesses or disabled veteran-owned businesses which are incorporated under Chap. 180 or which have their principal place of business in this state.” The *permissive* 5% low-bid preferences are applicable to all state purchases except printing and stationery.

Certification Program. The Department of Administration certifies minority- and disabled veteran-owned businesses through processes governed by §16.287 (2), Wis. Stats., and Administrative Code Chapters Adm 84 and Adm 82. An application is submitted by the business and a review is conducted by Wisconsin Supplier Diversity Program to ensure compliance with state statutes and administrative code. In 2019, 609 firms were certified MBEs (including some domiciled outside of the State of Wisconsin) and thirty-nine firms were certified DVBs.¹

In 2012, Executive Order #72 required the Department to waive certification application requirements from other state, federal or local agencies or private businesses if their certification procedures are “substantially equivalent” to those of the State of Wisconsin. To streamline certification and reduce duplication, DOA entered into a Memorandum of Understanding (MOU) with the Wisconsin Department of Transportation Office of Business Opportunity and Equity Compliance and other entities in the Unified Certification Program (UCP) in 2013. Through it, the DOA Supplier Diversity Program grants certification to firms that meet State of Wisconsin certification eligibility requirements using their UCP certification.

¹ Department of Administration Certification website, January 14, 2020.

FY19 Results by Major Contracting Area

Four major areas of state purchasing account for the State’s supplier diversity goals. The areas, responsible agencies and relevant statutes are:

- **General Procurement.** All agencies and University of Wisconsin System campuses, §16.75 (3m), Wis. Stats.
- **Engineering and Architectural Services.** DOA DFDM, §16.87 (2), Wis. Stats.
- **Building Construction Services.** DOA DFDM, §16.855 (10m), Wis. Stats.
- **State Highways Construction.** Wisconsin DOT, §84.075, Wis. Stats.

The following summarizes spend by major state contracting areas during FY19:

Program	Total Spend	Diversity Spend	%
General Purchasing (Agencies and UW)	\$1,634,092,329	\$75,172,673	4.60%
DOA DFDM Construction	400,494,482	10,621,140	2.65%
DOA DFDM Architecture/Engineering	53,673,414	1,837,955	3.42%
DOT State Highway Program	<u>1,020,960,144</u>	<u>35,029,754</u>	<u>3.43%</u>
Total	\$3,109,220,369	\$122,661,522	3.95%

General Procurement. State statutes and administrative code govern purchasing activities conducted by agencies and campuses. The DOA State Bureau of Procurement (SBOP) oversees administration of all state procurement and sets policies and procedures to carry out procurement activities. In general, state laws and policies require competitive bidding as the preferred procurement method of contracting. Contracts are awarded to the lowest responsible bidder.

MBEs and DVBs compete for state contracts on the same basis as all other vendors. However, state agencies may make awards to an MBE or DVB “submitting the lowest qualified responsible competitive bid when the bid is not more than 5% higher than the apparent low bid or competitive proposal that is no more than 5% higher than the most advantageous proposal.”²

State agencies and campuses purchased general goods and services totaling \$1,634,092,329 in FY19. Of this amount, spend with diverse businesses totaled \$75,172,673 or 4.60% of all general purchases.³

Twenty agencies achieved or exceeded five percent general spending with certified diverse suppliers in FY19:

1. Higher Educational Aids Board	50.0%
2. Legislative Technology Services Bureau	28.7%
3. Supreme Court	28.5%
4. Elections Commission	26.6%
5. Investment Board	26.4%

² §16.75(3m) (b) (3), Wis. Stats.

³ FY19 general purchasing figures include spend through the State’s purchasing card program.

6. Insurance, Commissioner of	25.2%
7. Workforce Development, Department of	22.6%
8. Wisconsin Technical College System Board	20.4%
9. Financial Institutions, Department of	15.2%
10. Employee Trust Funds, Department of	14.1%
11. Children and Families, Department of	13.7%
12. Agriculture, Trade and Consumer Protection, Department of	13.2%
13. Transportation, Department of	13.0%
14. Administration, Department of	12.2%
15. Safety and Professional Services, Department of	10.3%
16. Justice, Department of	8.8%
17. Child Abuse and Neglect Prevention Board	8.3%
18. Aging and Long-Term Care, Board on	7.0%
19. Corrections, Department of	5.5%
20. Natural Resources, Department of	5.2%

General procurement activity includes both direct purchases from MBEs/DVBs and second-tier MBE/DVB participation on contracts awarded to non-MBE vendors.

State Building Program: Construction Projects and Architectural/Engineering Service. DOA DFDM provides oversight of the State Building Program. Its services consist of new construction and building renovation for all agencies, including the University of Wisconsin System. In addition to construction-related services, it serves as staff to the State Building Commission. It is through these major activities that DFDM provides opportunities to minority businesses to participate in state contracts for construction, engineering and architectural services.

DFDM has an integrated and proactive approach in its business practices to ensure there are many opportunities for diverse suppliers. DFDM may also award to an MBE/DVB submitting the lowest qualified bid on contracts when that qualified bid is not more than 5% higher than the apparent low bid, a statutory price preference.

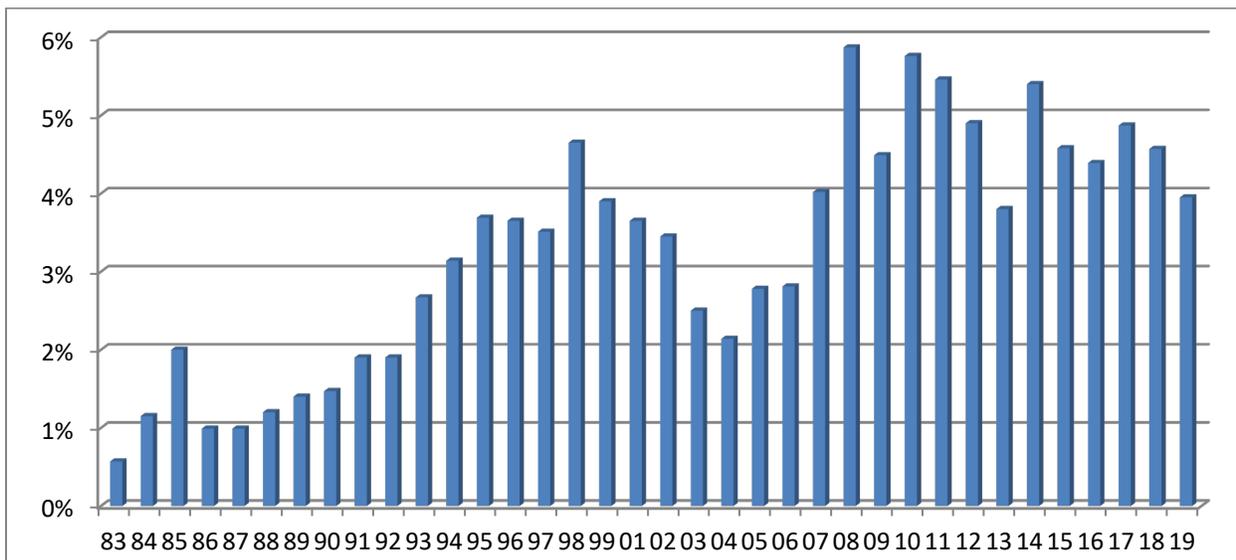
Twenty-nine diverse firms (25 MBE, 4 DVB) firms were involved in construction projects undertaken by DFDM. FY19 construction expenditures totaled \$400,494,482 including MBE/DVB spend of \$10,621,140 for a participation rate of 2.65%.

Eleven diverse firms (10 MBE, 1 DVB) provided consulting services to various architectural and engineering projects. Their participation was \$1,837,955, or 3.42%, of \$53,673,414 expended in FY19.

DOT Spend: State Trunk Highways, Roads and Bridge Building. Wisconsin DOT spent \$1,020,960,144 in FY19 on road and bridge building in the State Highway Construction Program. Diverse firm (mainly MBEs) participation totaled \$35,029,754 or 3.43% of FY19 spending.

Historical Trends

The following graph shows percentages of diversity spending from the inception of the State Diversity Program in 1983 to 2019. The figures are primarily dollars spent with MBEs; spend with DVBs commenced in 2010.



The following table provides the percentages of diverse spend in each major purchasing area over the last ten years.

Fiscal Year	General Procurement	Construction	Architecture Engineering	State Trunk Highway	Total
2010	3.77%	8.31%	17.26%	7.73%	5.76%
2011	3.99%	4.26%	15.96%	7.13%	5.15%
2012	3.06%	5.05%	10.90%	9.82%	4.90%
2013	3.20%	7.40%	16.40%	11.70%	3.60%
2014	4.30%	6.00%	7.60%	7.01%	5.40%
2015	4.16%	4.97%	4.61%	5.18%	4.58%
2016	4.60%	6.30%	5.65%	3.58%	4.39%
2017	5.55%	9.18%	6.90%	1.88%	4.87%
2018	4.10%	5.01%	5.03%	5.43%	4.57%
2019	4.60%	2.65%	3.42%	3.43%	3.95%

Other Statutory Diversity Spend

State of Wisconsin Investment Board. Statutes require the State of Wisconsin Investment Board (SWIB) to report on diversity spend relating to financial and investment analysis and for common stock and convertible bond brokerage commissions. In FY19, SWIB expended \$125,826, or 3.0%, of its discretionary commissions of \$4,159,037 with diverse brokerage firms.

DOA Capital Finance. DOA’s Capital Finance Office supports the financing needs of the State’s infrastructure through the sale of bonds and notes in the capital market. The State Building Commission sets a goal of ensuring that minority/disabled veteran-owned investment firms certified by the state underwrite 6% of the bonds. Diverse firms are encouraged to participate in the selling, advising and underwriting of State of Wisconsin bonds, notes, and other obligations in the capital market. In FY19, diverse firms underwrote 11.29% of Capital Finance’s sales of DOA and Building Commission bonds and

notes. Diverse underwriters' participation totaled \$93,596,000 of obligations totaling \$828,665,000. As of June 30, 2019, DOA had not certified any disabled veteran-owned investment firms. The Building Commission, through the Capital Finance Office, utilized one nationally recognized disabled veteran-owned firm in FY19.

Wisconsin Health and Educational Facilities Authority. The Wisconsin Health and Educational Facilities Authority (WHEFA) is an independent state authority that provides active capital financing assistance to Wisconsin's tax-exempt healthcare and higher educational industries. In FY19, WHEFA provided contracts totaling \$810, or 0.8%, of its discretionary purchases with diverse firms.

Wisconsin Housing and Economic Development Authority. The Wisconsin Housing and Economic Development Authority (WHEDA) is an independent state authority that works with lenders to provide low-cost financing for housing and small business development in Wisconsin. In FY19, WHEDA spent \$176,311, or 2.97%, of its total \$5,940,205 discretionary purchases with diverse firms. WHEDA's FY19 expenditures for bonded activity totaled \$2,518,883, of which 5.46% was paid for services rendered by certified MBE firms.

FY19 State of Wisconsin Diversity Spend

Agency General Procurement	Total Spend	Diversity Spend	% Diversity
Administration, Department of	\$87,139,654	\$10,655,280	12.23%
Aging and Long-Term Care, Board on	\$175,777	\$12,243	6.96%
Agriculture, Trade and Consumer Protection, Department of	\$6,200,796	\$816,163	13.16%
Child Abuse and Neglect Prevention Board	\$45,811	\$3,805	8.31%
Children and Families, Department of	\$40,904,397	\$5,611,803	13.72%
Circuit Courts	\$184,341	-	-
Corrections, Department of	\$174,454,700	\$9,649,139	5.53%
Court of Appeals	\$70,570	-	-
Educational Communications Board	\$3,513,748	\$63,456	1.81%
Elections Commission	\$1,395,170	\$371,605	26.64%
Employee Trust Funds, Department of	\$11,384,538	\$1,602,440	14.08%
Employment Relations Commission	\$152,238	\$2,018	1.33%
Ethics Commission	\$195,788	-	-
Financial Institutions, Department of	\$3,280,536	\$499,508	15.23%
Governor, Office of the	\$246,971	\$1,973	0.80%
Health Services, Department of	\$274,648,256	\$12,693,563	4.62%
Higher Educational Aids Board	\$70,154	\$35,075	50.00%
Historical Society	\$2,903,748	\$42,906	1.48%
Insurance, Commissioner of	\$2,200,799	\$554,579	25.20%
Investment Board	\$2,189,650	\$577,359	26.37%
Judicial Commission	\$27,029	-	-
Judicial Council	\$0	-	-
Justice, Department of	\$23,377,001	\$2,055,578	8.79%
Kickapoo Reserve Management Board	\$128,629	\$88	0.07%
Labor and Industry Review Commission	\$66,270	-	-
Legislative Technology Services Bureau	\$2,182,613	\$626,097	28.69%
Lieutenant Governor, Office of the	\$27,367	-	-
Lower Wisconsin State Riverway Board	\$10,188	-	-
Military Affairs, Department of	\$13,330,064	\$349,851	2.62%
Natural Resources, Department of	\$57,509,188	\$2,997,757	5.21%
People with Developmental Disabilities, Board for	\$283,798	\$2,830	1.00%
Public Defender Board	\$2,566,167	\$96,909	3.78%
Public Instruction, Department of	\$40,718,608	\$1,507,380	3.70%
Public Lands, Board of Commissioners of	\$118,235	\$3,658	3.09%
Public Service Commission	\$2,330,194	\$3,033	0.13%
Revenue, Department of	\$42,941,612	\$1,257,761	2.93%
Safety and Professional Services, Department of	\$4,775,865	\$490,567	10.27%
Secretary of State	\$6,488	-	-
State Fair Park Board	\$9,085,305	\$210,486	2.32%
State Treasurer	\$5,220	-	-
Supreme Court	\$7,807,260	\$2,224,042	28.49%
Tourism, Department of	\$11,495,628	\$34,991	0.30%
Transportation, Department of	\$68,019,339	\$8,826,929	12.98%
Veterans Affairs, Department of	\$25,503,960	\$1,033,667	4.05%
Wisconsin Technical College System Board	\$670,765	\$136,556	20.36%
Workforce Development, Department of	\$18,737,459	\$4,231,901	22.59%
Agency Total	\$943,081,893	\$69,282,996	7.35%
UW System	\$691,010,436	\$5,889,677	0.85%
Total General Procurement	\$1,634,092,329	\$75,172,673	4.60%
DOA DFDM Construction	\$400,494,482	\$10,621,140	2.65%
DOA DFDM Architecture/Engineering	\$53,673,414	\$1,837,955	3.42%
DOT State Highway Program	\$1,020,960,144	\$35,029,754	3.43%
Grand Total	\$3,109,220,369	\$122,661,522	3.95%



September 24, 2019

Secretary Joel Brennan
Secretary of Department of Administration
101 East Wilson Street, 10th Floor
Madison, WI 53703

Dear Mr. Secretary:

Section 25.185, Stats. requires that the State of Wisconsin Investment Board (SWIB) attempt to ensure that 5 percent of the funds expended each fiscal year (FY) for financial and investment analysis and for common stock and convertible bond brokerage commissions are spent for services of minority financial advisers or minority investment firms. This statute also requires SWIB to report annually to the Department of Administration the total amount expended for these services.

In attempting to meet the 5 percent goal, SWIB must still meet its fiduciary responsibility, as set forth in Section 25.15(2), Stats., to manage the assets of each trust fund solely to fulfill the purpose of the trust at a reasonable cost and with care, skill, prudence and diligence. SWIB's trading staff must balance various trading objectives including trading with certain brokers that can provide the best execution of trades and provide value-added company and market research used in managing trust fund assets. While meeting its fiduciary duty and working to meet the 5 percent goal, SWIB used the following minority broker for stock transactions in FY 2019 and paid the commissions noted:

Penserra Securities **\$ 125,826**

As shown below, of the total discretionary commissions paid, minority brokers received 3.0 percent:

Total Commissions	\$13,155,836
Less Non-Discretionary Commissions	(8,996,799)
Total Discretionary Commissions	<u>\$ 4,159,037</u>

Percent Paid to Minority Firms 3.0%

Non-discretionary commissions include those that must be directed to a specific broker for specialized and specific trading services such as futures and options, international trades and program trades that are executed on electronic systems. Participating minority brokers typically do not have international trading desks to handle international transactions and instead direct international trading to partner firms abroad. As a result, the total commissions eligible for direction to minority brokers include only domestic security brokerage transactions. Non-discretionary commissions in FY 2019 included \$5,747,539 of international trading commissions. Commissions directed by SWIB's external managers to whom it grants discretionary investment authority are excluded completely from the calculations above.

STATE OF WISCONSIN INVESTMENT BOARD

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In addition to trading commissions, SWIB also paid \$30,000 to Penserra Securities in FY 2019 for internal asset transition analysis services.

Additionally, SWIB must report trading commissions paid to disabled veteran-owned financial advisers and investment firms that have a majority of their operations in Wisconsin. Section 25.185 (2)(b), Stats. states that the board shall attempt to ensure that at least 1 percent of the total funds expended for financial and investment analysis and for common stock and convertible bond brokerage commissions in each fiscal year is expended for the services of disabled veteran-owned financial advisers or disabled veteran-owned investment firms. The Wisconsin Department of Administration certifies Wisconsin disabled veteran-owned financial advisers and investment firms' eligibility per the requirements of Section 16.283, Stats. No such firms have been certified and no commissions were paid to Wisconsin disabled veteran-owned financial advisors or investment firms in FY 2019.

SWIB seeks to use only top performing brokers to meet its fiduciary obligation to obtain the best execution of its stock trades. To meet this objective, the performance of each broker, including minority and disabled veteran-owned firms, is continually evaluated. SWIB will continue to review the performance of its existing minority brokers and will make changes as needed to ensure best trade execution. Within these requirements, we have and will continue to make a reasonable and good faith effort to use minority firms.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "David Villa", written in a cursive style.

David Villa
Executive Director/Chief Investment Officer

cc: Tru Mwololo, Wisconsin Supplier Diversity Program



STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary
Brian Pahnke, Administrator

November 25, 2019

State of Wisconsin Supplier Diversity Program
Department of Administration
101 East Wilson Street, 6th Floor
Madison, WI 53707

**Re: Fiscal Year 2018-19 Underwriting and Other Participation
Certified Minority-Owned and
Disabled Veteran-Owned Investment Firms**

To Whom It May Concern:

During the 2018-19 fiscal year, the Capital Finance Office assisted the State of Wisconsin Building Commission (**Building Commission**) in the contracting and issuance of \$469 million of State of Wisconsin obligations. ***Certified minority-owned investment firms underwrote 13.83% of these State of Wisconsin bonds and notes, or approximately \$65 million.*** The obligations issued by the Building Commission in the 2018-19 fiscal year consisted of two competitive sales and one placement.

This report (i) summarizes participation of minority-owned firms in underwriting State of Wisconsin bond and notes, and (ii) describes on-going actions taken by the Capital Finance Office to encourage participation by certified minority-owned firms.

Participation of Minority-Owned Firms. There are three reporting requirements imposed by Wisconsin Statutes on the Building Commission regarding the participation of certified minority-owned investment firms in the underwriting of State of Wisconsin bond and note issues.

	<u>Amount</u>	<u>Percentage</u>
• Section 18.16 (Public Indebtedness)		
Total Obligations Issued	\$312,765,000	
Underwritten by Minority-Owned Firms	53,800,000	17.20%
• Section 18.64 (Revenue Obligations)		
Total Obligations Issued	155,950,000	
Underwritten by Minority-Owned Firms	11,000,000	7.05%
• Section 18.77 (Operating Notes)		
Total Obligations Issued	\$0	
Underwritten by Minority-Owned Firms	N/a	N/a
TOTALS		
Total Obligations Issued	\$468,715,000	
Underwritten by Minority-Owned Firms	64,800,000	13.83%

While there are no reporting requirements imposed by law on the Department of Administration regarding the participation of minority-owned firms, the following is a summary of participation during the past fiscal year for an obligation issued through the Department of Administration.

DEPARTMENT OF ADMINISTRATION TOTALS

Total Obligations Issued	\$359,950,000	
Underwritten by Minority-Owned Firms	28,796,000	8.00%

The following is a summary that combines the participation of the Building Commission and the Department of Administration.

TOTALS

Total Obligations Issued	\$828,665,000	
Underwritten by Minority-Owned Firms	93,596,000	11.29%

In addition, during the 2018-19 fiscal year neither the Building Commission nor the Department of Administration paid any financial advisor fees to certified minority-owned financial advisors.

On-Going Actions to Encourage Participation of Minority-Owned Firms.

Negotiated Sales

In a negotiated sale, the State has direct control over the amount of participation by minority-owned firms. In addition, the Capital Finance Office is able to work with book-running managers to (i) encourage the involvement of certified minority-owned investment firms/underwriters, (ii) take into consideration orders placed by minority-owned underwriters, and (iii) use designation policies as a means of providing additional economic sharing of a transaction.

Competitive Sales

The State is not able to control the amount of participation by minority-owned firms in a competitive sale since the award is based solely on the lowest true interest cost rate to the State.

The State has taken certain actions to promote minority participation in the competitive sale process with the Capital Finance Office including direct statements in its bidding documents. The following items appear in the Official Notice of Sale.

- “Official Bid Form and Award. In the event two or more bids result in the same lowest true interest cost rate, the award will be made to the one with the largest aggregate participation by certified minority investment firms participationIn the event two of more those bids have an equal amount of aggregate participation by certified minority investment firms, the award will be made to the bid that includes the greatest aggregate number of certificated minority

investment firms in its selling group.....”

- “Minority Participation. It is the policy of the [Building] Commission to endeavor to ensure that at least 6% of the bonds are underwritten by minority investment firms certified by the State. The [Building] Commission urges prospective bidders to obtain from the Capital Finance Director a list of firms so certified and to include such firms as participants in the account formed to bid on the bonds and as members of any selling group formed for the account. The [Building] Commission further encourages certified minority investment firms to submit bids directly and to form accounts to bid on the bonds. Any firm that wishes to be certified by the State as a minority investment firm may contact the Wisconsin Department of Administration at 608.267.9550 or DOABDMBD@Wisconsin.gov.

Participation of Disabled Veteran-Owned Firms. As of June 30, 2019, the Department of Administration had not certified any disabled veteran-owned investment firms. The Building Commission, through the Capital Finance Office, did utilize one nationally recognized disabled veteran-owned firm during the 2018-19 fiscal year.

Respectfully submitted,



David R. Erdman
Capital Finance Director

Attachment

MINORITY UNDERWRITER PARTICIPATION FOR 2018-19 FISCAL YEAR
State of Wisconsin Building Commission/Department of Administration; Prepared by DOA Capital Finance Office

ISSUE	PAR/ORIGINAL ISSUE AMOUNT	BOOK MANAGER/ SYNDICATE LEADER	CERTIFIED MINORITY-OWNED UNDERWRITERS	INITIAL LIABILITY (UNDERWRITING)
SECTION 18.16, STAIS.				
G.O. Bonds of 2018, Series B	\$ 258,965,000	Barclays Capital Inc.		
G.O. Variable Rate Demand Obligation Notes of 2019, Series A	\$ 53,800,000	Siebert Cisneros Shank & Co. LLC	Siebert Cisneros Shank & Co. LLC	\$53,800,000
<i>Subtotal (Public Indebtedness)</i>	<u>\$ 312,765,000</u>		<i>Subtotal: Minority Owned:</i>	<u>\$ 53,800,000</u>
				17.20%
SECTION 18.77, STAIS.				
	<u>\$ -</u>		<i>Subtotal: Minority Owned:</i>	<u>\$ -</u>
				0.00%
SECTION 18.64, STAIS.				
Transportation Revenue Bonds, 2019 Series A	\$ 155,950,000	Citigroup Global Markets Inc.	Ramirez & Co. Siebert Cisneros Shank & Co. LLC Loop Capital Markets Rice Financial Products Company Williams Capital Group LP Cabrera Capital Markets LLC	\$ 2,000,000 2,000,000 2,000,000 2,000,000 2,000,000 1,000,000
<i>Subtotal (Revenue Bonds)</i>	<u>\$ 155,950,000</u>		<i>Subtotal: Minority Owned:</i>	<u>\$ 11,000,000</u>
				7.05%
BUILDING COMMISSION TOTALS:				
	<u>\$ 468,715,000</u>			<u>\$ 64,800,000</u>
				13.83%

DOA

General Fund Annual Appropriation Refunding Bonds of 2019, Series A	\$ 359,950,000	Stifel, Nicolaus & Company, Inc.	Ramirez & Co.	\$ 28,796,000
<i>Subtotal (DOA)</i>	<u>\$359,950,000</u>			<u>\$28,796,000</u>
				8.00%
TOTAL DOA AND BUILDING COMMISSION	<u>\$ 828,665,000</u>			<u>\$ 93,596,000</u>
				11.29%

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Dennis P. Reilly
Executive Director

October 3, 2019

Truphosa Mwololo
Wisconsin Supplier Diversity Program
DOA, Division of Enterprise Operations
101 E. Wilson Street, 9th Floor
Madison, WI 53703
608-261-2510
Truphosa.Mwololo@Wisconsin.gov

Dear Truphosa:

Subject to Chapter 231.27 Minority Financial Interests, I hereby submit the following report outlining the Wisconsin Health and Educational Facilities Authority (WHEFA or Authority) activity involving minority business firms for fiscal year 2019 (July 1, 2018 – June 30, 2019).

WHEFA, created by the Legislature in 1973 (Chapter 231, Wisconsin Statutes), provides active capital financing assistance to Wisconsin's non-profit institutions. WHEFA operates with a staff of four. No state or other public funds are used by the Authority. The Authority's operating budget is financed completely from user fees of the private non-profit borrowers.

Minority Businesses

WHEFA's fiscal year 2019 discretionary purchases totaled approximately \$105,950. The Authority expended a portion of its discretionary purchases with the minority business partners listed below:

Great Impressions	\$665.00
One Accord Insurance Agency	<u>145.46</u>
Total	\$810.46

Starting July 1, 2019, the Authority also contracted with Clear & Fresh Water, Inc., a minority business firm, to supply drinking water and expects to expend approximately \$550.00 annually.

The Authority provides interested minority firms, including minority legal firms, minority investment firms and minority financial advisers with a list of pending and active financing projects so that they can solicit their services (beyond bond counsel services) directly with the private non-profit borrowers (all of the fees are paid by the non-profit borrowing institutions, not by WHEFA).

Minority Underwriter Participation

During WHEFA's fiscal year 2019, one non-profit borrower allocated 5% of their underwriter participation of its bond sale to Loop Capital Markets LLC as detailed below:

Taxable Participation	\$35,725,500
Tax-Exempt Participation	<u>24,394,750</u>
Total	\$70,120,250



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WHEFA routinely views the Wisconsin Minority-Owned Business Directory for other business opportunities. As always, if you have any questions about this report, please feel free to call us at 262-792-0466.

Sincerely,

A handwritten signature in black ink that reads "Tatiana Graver". The signature is written in a cursive, flowing style.

Tatiana Graver
Manager of Finance

TO: Joel Brennan, Secretary
Department of Administration

FROM: Joaquin Altoro, Executive Director

DATE: August 26, 2019

WHEDA FY 2018-2019 Report on Minority & Disabled Veteran Owned Businesses

Pursuant to Chapter 234.35(2) & 234.36(2), Wisconsin Statutes, the Authority is required to report annually to the Department of Administration (DOA) the total amount purchased from and contracted or subcontracted to minority and disabled veteran owned businesses, the total amount of bonds and notes issued by the Authority with the underwriting services of minority investment firms and the total amount of moneys expended by the Authority for the services of minority financial advisers during the preceding state fiscal year.

In total, for fiscal year 2019, the Authority made discretionary purchases of \$5,940,205. The Authority disbursed \$176,311 or 2.97% of its discretionary purchases with DOA certified minority and disabled veteran business partners. Total spending with certified and non-certified minority, disabled veteran, and women owned business partners was \$509,963 or 8.58% of total discretionary spending.

Minority Contracted Services

WHEDA's fiscal year 2019 discretionary purchases were \$5,940,205. The Authority expended \$176,311 or 2.97%, of its discretionary purchases, with the DOA certified minority business partners listed below:

Global Capital Group, LLC	4,700
Radisson Hotel and Conference Center	272
Shi International Corp	167,967
Vanguard Computers, Inc	3,372
Total Minority Contracted Business	\$176,311

Disabled Veteran Contracted Services

The Authority did not expend any of its discretionary purchases with certified disabled veteran business partners during fiscal year 2019.



Bonded Activity

The Authority had expenditures for bonded activity totaling \$2,518,883. The Authority did expend \$137,652 or 5.46% of its services with minority business partners.

Additional Spending

Women Owned Contracted Services

WHEDA's fiscal year 2019 discretionary purchases were \$5,940,205. The Authority expended \$50,629 or 0.85%, of its discretionary purchases, with the women owned business partners listed below:

Cotter Consulting	35,829
Mosaic Communications	<u>14,800</u>
Total Woman Owned Contracted Business	\$50,629

Other Contracted Spending

In addition to spending with certified minority and disabled veteran business partners on DOA's registry, the Authority tracks spending with minority, disabled veteran and women owned business partners not certified by DOA. This spending totaled \$283,023 or 4.76% of WHEDA's discretionary spending.

cc: Interim Director, Wisconsin Supplier Diversity Program