



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary
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State of Wisconsin Supplier Diversity Report

Fiscal Year 2023

Department of Administration
Division of Enterprise Operations
Wisconsin Supplier Diversity Program

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Executive Summary

History of the Wisconsin Supplier Diversity Program

The Wisconsin Supplier Diversity Program was created in 1983 by Wisconsin Act 390. It set a goal for State Agencies and University of Wisconsin System Campuses to purchase 5% of goods and services from certified minority-owned business enterprises (MBEs). The Act also established a permissive 5% bid preference for certified MBE firms responding to bids for State contracts.

In 2010, Wisconsin Act 299 was enacted and provided that a portion of State contracts were to be with service-disabled veteran-owned businesses (DVBs) certified by the State of Wisconsin. It also provided a permissive 5% bid preference to such firms. In 2014, 2013 Wisconsin Act 192 specified that 1% of State contracts should be with certified DVBs.

FISCAL YEAR 2023 Highlights

Diverse suppliers accounted for \$205,387,642 of the \$3,366,750,876 State Agency and University of Wisconsin System spending in general procurement, facilities construction, architecture/engineering, and state highway services during FY23. **Diverse supplier purchases represented 6.10% of total spending.**

FY23 highlights included:

- State Agencies spent \$122,261,789 with certified MBEs/DVBs on general procurement in FY23, 7.65% of \$1,598,309,501 total spend.
- University of Wisconsin System Campuses spent \$15,817,540 in the procurement of goods and services with certified MBEs (\$15,252,168) and DVBs (\$545,063) in FY23, 1.80% of \$878,467,742 total spend.
- The DOA Division of Facilities Development (DFD) spent \$364,267,730 on various state construction projects in FY23. Certified MBEs accounted for \$15,830,796 of total expenditures and certified DVBs accounted for \$3,893,714 for a total of \$19,724,510, 5.41% of all spend.
- DFD spent \$74,631,922 on architectural/engineering services in FY23. Certified MBEs accounted for \$3,659,053 and DVBs accounted for \$888,281 for a total of \$4,547,334, 6.09% of total spend.
- The Wisconsin Department of Transportation (DOT) State Highway Program expended \$43,036,469 with certified MBEs, 9.54% of the \$451,073,982 they spent in FY23.

Statutory Authority

Annual Reporting Requirement

Wis. Stats. §16.75 (3m)(c)4 requires the Department of Administration (DOA) to annually report enterprise-wide participation by certified MBEs and DVBs on State contracts to the Governor and the Legislature for distribution to the appropriate Committees. Per §16.75(3m)(c)3., the report includes the total amount paid to certified MBEs and DVBs, the percentage of total expenditures awarded to certified MBEs and DVBs, and the State's progress towards meeting its diverse spend goals outlined in §16.75 (3m)(b)1 and 2.

Total expenditures reported in the Wisconsin Supplier Diversity Annual Report include both Direct Diverse Spend and Indirect Diverse Spend with certified MBEs and DVBs. Direct Diverse Spend is also called First (1st) Tier Diverse Spend. First (1st) Tier Diverse Spend are amounts paid directly to certified MBEs and DVBs.

Second (2nd) Tier Diverse Spend is Diverse Spend paid indirectly to certified MBEs and DVBs. Second (2nd) Tier Diverse Spend is paid directly to a nondiverse supplier or prime contractor who pays a portion of the award to a certified MBE or DVB subcontractor. Only the portion of spend the nondiverse supplier or prime contractor pays to certified MBEs or DVBs is considered 2nd Tier Diverse Spend, not the entire amount paid to the prime contractor. See Appendix 1 – FY23 1st Tier and 2nd Tier MBE and DVB Diverse Spend.

State of Wisconsin Diverse Business Goals

Wis. Stat. §16.75(3m)(b)1 provides that DOA 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.” MBEs are certified by DOA under §16.287.

Wis. Stats. §16.75(3m)(b)2 provides that DOA 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.” DVBs are certified by DOA under §16.283.

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

Exceptions

The 5% expenditure goals apply to all State purchases except for expenditures under the Department of Transportation Federal Surface Transportation Assistance Act and Department of Natural Resources (DNR) Environmental Protection Agency (EPA) funds.

The Supplier Diversity Program offers certification for women-owned business enterprises (WBEs); however, statutes do not provide a goal or price preference for WBEs participating in state purchasing.

Business Bid Preference

Under Wis. Stat. §16.75(3m)(b)3, agencies “may purchase materials, supplies, equipment, and contractual services from any minority-owned business or disabled veteran-owned business, or a business that is both a minority-owned business and a disabled veteran-owned business, submitting a qualified, responsible, competitive bid that is no more than 5% than the apparent low bid or competitive proposal that is no more than 5% 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 Chapter 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

DOA certifies minority-owned and service-disabled veteran-owned business enterprises through processes governed by Wis. Stat. §16.287(2) and §16.283(3) and Administrative Code Chapters Adm 84 and Adm 82. An application is submitted by the business and a review is conducted by the Wisconsin Supplier Diversity Program to ensure compliance with state statutes and administrative code. At the end of FY23, 703 firms were certified MBEs (including some domiciled outside of the State of Wisconsin), and 54 firms were certified DVBS. The Program also had 656 WBEs for a total of 1,413 diverse certifications.

In 2012, Executive Order #72 required DOA 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 DOT Office of Business Opportunity and Equity Compliance and other entities in the Unified Certification Program (UCP) in 2013. Through it, the Wisconsin Supplier Diversity Program grants certification to firms that meet State of Wisconsin certification eligibility requirements using their UCP certification.

¹Department of Administration Certification database, July 24, 2023.

FY23 Results by Major Contracting Area

Four major areas of state purchasing contribute to the State’s supplier diverse spend goals. The areas, responsible agencies, and relevant statutes are:

- **General Procurement:** All Agencies and UW System Campuses, \$16.75(3m)
- **Engineering and Architectural Services:** DOA DFD, \$16.87(2)
- **Building Construction Services:** DOA DFD, \$16.855(10m)
- **State Highways Construction:** Wisconsin DOT, \$84.075

The following summarizes spend by major state contracting areas during FY23:

Program	Total Spend	Diverse Spend	%
State Agency Total	\$1,598,309,501	\$122,261,789	7.65%
UW System Total	\$878,467,742	\$15,817,540	1.80%
DOA DFD Construction	\$364,267,730	\$19,724,510	5.41%
DOA DFD Architecture/Engineering	\$74,631,922	\$4,547,334	6.09%
DOT State Highway Program	\$451,073,982	\$43,036,469	9.54%
	\$3,366,750,876	\$205,387,642	6.10%

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.

Certified MBEs and DVBs compete for state contracts on the same basis as all other vendors. However, state agencies may make awards to a certified 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 \$2,476,777,243 in FY23. Of this amount, spend with diverse businesses totaled \$138,079,329.³

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

² §16.75(3m) (b) (3), Wis. Stats.

³ FY23 general purchasing figures include spend through the State’s purchasing card program.

Twenty-four agencies achieved or exceeded 5% general spending with certified diverse suppliers in FY23:

	Agency General Procurement	% Diverse Spend
1	Financial Institutions, Department of	36.46%
2	Safety and Professional Services, Department of	29.74%
3	Supreme Court	29.48%
4	Aging and Long-Term Care, Board on	25.27%
5	Agriculture, Trade and Consumer Protection, Department of	21.95%
6	Secretary of State	19.57%
7	Child Abuse and Neglect Prevention Board	19.47%
8	Workforce Development, Department of	16.60%
9	Children and Families, Department of	14.76%
10	Lower Wisconsin State Riverway Board	14.70%
11	Wisconsin Technical College System Board	13.76%
12	Employee Trust Funds, Department of	13.22%
13	Administration, Department of	11.75%
14	Elections Commission	10.93%
15	Justice, Department of	10.91%
16	Public Defender Board	10.40%
17	Insurance, Commissioner of	9.47%
18	Transportation, Department of	8.85%
19	Wisconsin Housing and Economic Development Authority	8.82%
20	Legislative Technology Services Bureau	7.21%
21	Health Services, Department of	7.11%
22	Public Service Commission	6.06%
23	Natural Resources, Department of	5.67%
24	Public Instruction, Department of	5.55%

State Building Program: Construction Projects and Architectural/Engineering Service

DFD 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 DFD provides opportunities to minority and disabled veteran-owned business to participate in state contracts for construction, engineering, and architectural services.

DFD has an integrated and proactive approach in its business practices to ensure there are many opportunities for diverse suppliers. DFD may also award a contract to a certified MBE or 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-four diverse firms, 19 MBEs and 5 DVBs, were involved in construction projects undertaken by DFD. FY23 construction expenditures totaled \$364,267,730 and included MBE/DVB spend of \$19,724,510, a participation rate of 5.41%.

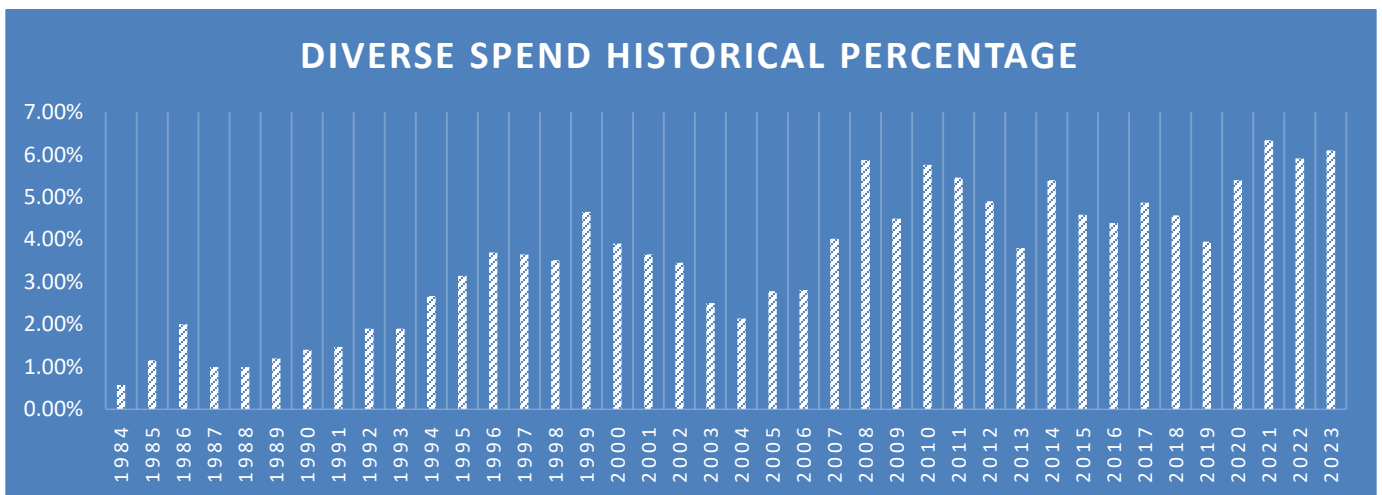
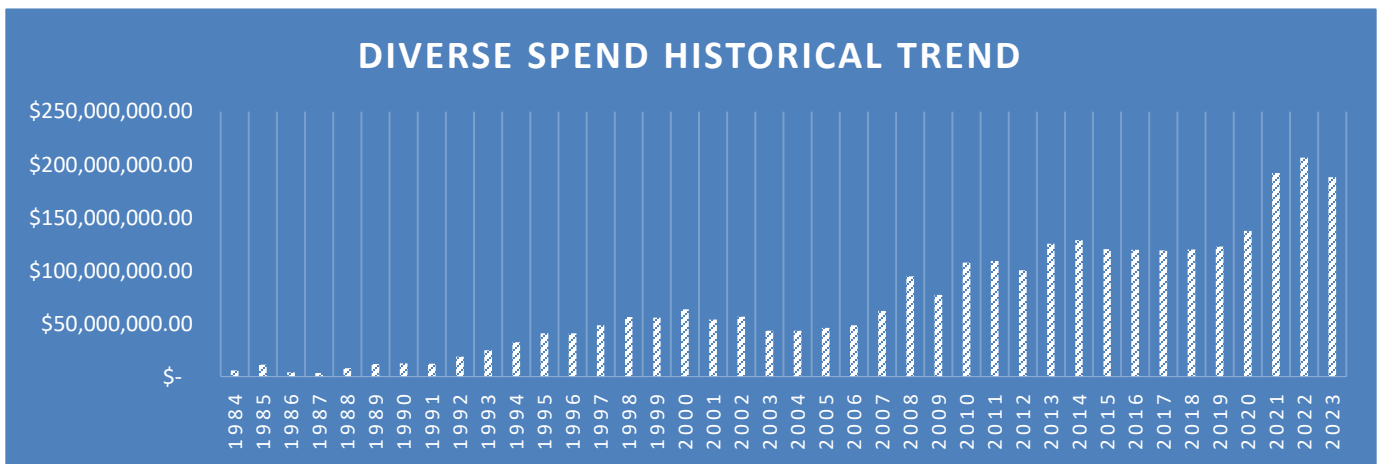
Twelve diverse firms, 10 MBEs and 2 DVBs, provided consulting services to various architectural and engineering projects. Their participation was \$4,547,334 of the \$74,631,922 expended in FY23, or 6.09%.

DOT Spend: State Trunk Highways, Roads, and Bridge Building

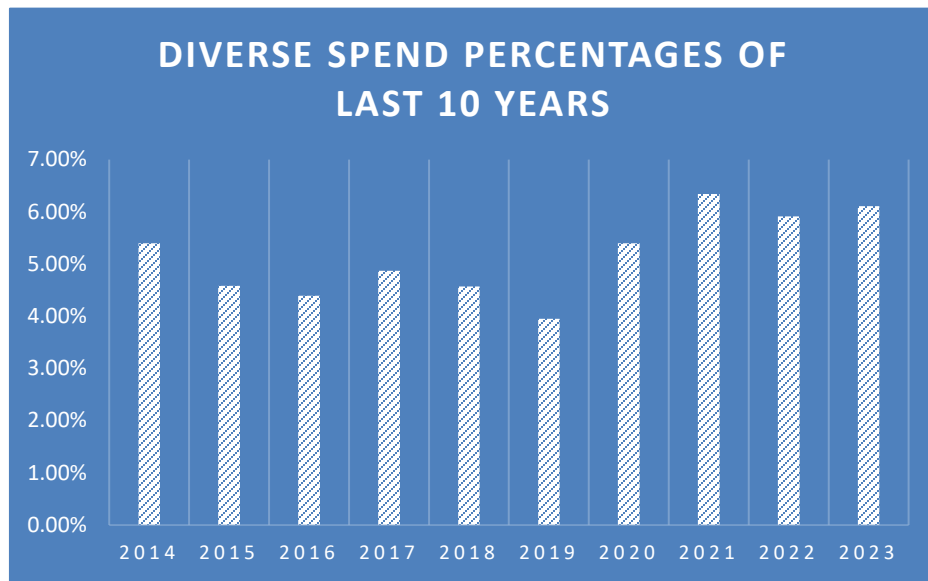
Wisconsin DOT spent \$451,073,982 in FY23 on road and bridge building in the State Highway Construction Program. Diverse firm participation totaled \$43,036,469, or 9.54% of FY23 spending.

Historical Trends

The following graph shows the diverse spend amounts for the State Supplier Diversity Program from 1984 to 2023. The figures are primarily dollars spent with MBEs; spend with DVBs commenced in 2010.



The following chart and table provide the percentage of diverse spend in each major purchasing area over the last 10 years.



Fiscal Year	General Procurement	Construction	Architecture & Engineering	State Highway Program	Total
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%
2020	5.85%	6.37%	2.85%	3.49%	5.40%
2021	6.75%	2.97%	7.16%	8.09%	6.34%
2022	6.26%	3.57%	7.17%	5.89%	5.91%
2023	5.57%	5.41%	6.09%	9.54%	6.10%

Other Statutory Diverse Spend

State of Wisconsin Investment Board

Statutes require the State of Wisconsin Investment Board (SWIB) to report on diverse spend relating to financial and investment analysis and for common stock and convertible bond brokerage commissions. In FY23, SWIB expended \$287,421, 6.10% of its discretionary commissions of \$4,732,367 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 and 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 FY23, diverse firms underwrote 21.01% of Capital Finance's sales of DOA and Building Commission bonds and notes. Diverse underwriters' participation totaled \$394,867,000 of all obligations: \$1,879,081,000. As of June 30, 2023, DOA had not certified any disabled veteran-owned investment firms.

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 FY23, WHEFA provided contracts totaling \$437.03 of its discretionary purchases of \$130,733 with certified diverse firms, 0.33%.

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 FY23, WHEDA spent \$651,316 of its total of \$7,385,039 in discretionary purchases with diverse firms, 8.82%. WHEDA's FY23 expenditures for bonded activity totaled \$2,602,529 of which 8.06% or \$209,782 was paid for services rendered by certified MBE firms.

Agency General Procurement	FY23 Total Spend	FY23 Total Diverse Spend	FY 23 % Diverse Spend
Administration, Department of	\$121,817,076	\$14,316,000	11.75%
Aging and Long-Term Care, Board on	\$418,363	\$105,732	25.27%
Agriculture, Trade and Consumer Protection, Department of	\$8,895,147	\$1,952,676	21.95%
Child Abuse and Neglect Prevention Board	\$47,008	\$9,151	19.47%
Children and Families, Department of	\$47,917,882	\$7,070,423	14.76%
Circuit Courts	\$229,236	\$0	0.00%
Corrections, Department of	\$256,504,935	\$10,848,928	4.23%
Court of Appeals	\$29,517	\$0	0.00%
District Attorney	\$296,236	\$8,677	2.93%
Educational Communications Board	\$5,769,355	\$143,775	2.49%
Elections Commission	\$1,416,096	\$154,797	10.93%
Employee Trust Funds, Department of	\$16,926,001	\$2,238,063	13.22%
Employment Relations Commission	\$174,885	\$3,227	1.85%
Ethics Commission	\$208,106	\$585	0.28%
Financial Institutions, Department of	\$4,194,672	\$1,529,322	36.46%
Governor, Office of the	\$260,195	\$2,893	1.11%
Health Services, Department of	\$655,868,623	\$46,656,351	7.11%
Higher Educational Aids Board	\$523,696	\$4,846	0.93%
Historical Society	\$4,931,024	\$153,390	3.11%
Insurance, Commissioner of	\$6,295,324	\$596,070	9.47%
Investment Board	\$3,722,090	\$783,150	21.04%
Judicial Commission	\$47,566	\$0	0.00%
Justice, Department of	\$24,027,909	\$2,621,272	10.91%
Kickapoo Reserve Management Board	\$292,195	\$904	0.31%
Labor and Industry Review Commission	\$43,073	\$0	0.00%
Legislative Technology Services Bureau	\$2,675,637	\$192,963	7.21%
Lieutenant Governor, Office of the	\$5,936	\$0	0.00%
Lower Wisconsin State Riverway Board	\$19,724	\$2,900	14.70%
Military Affairs, Department of	\$17,144,072	\$83,135	0.48%
Natural Resources, Department of	\$79,170,586	\$4,492,331	5.67%
People with Developmental Disabilities, Board for	\$259,456	\$4,995	1.93%
Public Defender Board	\$18,470,451	\$1,921,729	10.40%
Public Instruction, Department of	\$44,939,621	\$2,495,749	5.55%
Public Lands, Board of Commissioners of	\$178,987	\$7,346	4.10%
Public Service Commission	\$1,689,681	\$102,439	6.06%
Revenue, Department of	\$50,803,382	\$1,155,699	2.27%
Safety and Professional Services, Department of	\$9,791,112	\$2,911,459	29.74%
Secretary of State	\$14,085	\$2,756	19.57%
State Fair Park Board	\$15,012,045	\$230,462	1.54%
State Treasurer	\$784	\$0	0.00%
Supreme Court	\$11,148,875	\$3,287,108	29.48%
Tourism, Department of	\$18,117,296	\$11,401	0.06%
Transportation, Department of	\$83,957,582	\$7,430,296	8.85%
Veterans Affairs, Department of	\$32,321,285	\$161,190	0.50%
Wisconsin Technical College System Board	\$740,975	\$101,943	13.76%
Workforce Development, Department of	\$50,991,717	\$8,465,658	16.60%
State Agency Total	\$1,598,309,501	\$122,261,789	7.65%
UW System Total	\$878,467,742	\$15,817,540	1.80%
Total General Procurement	\$2,476,777,243	\$138,079,329	5.57%
DOA DFD Construction	\$364,267,730	\$19,724,510	5.41%
DOA DFD Architecture/Engineering (A/E)	\$74,631,922	\$4,547,334	6.09%
DOT State Highway Program	\$451,073,982	\$43,036,469	9.54%
Total A/E & Construction	\$889,973,634	\$67,308,313	7.56%
GRAND TOTAL	\$3,366,750,876	\$205,387,642	6.10%

Appendix 1: FY23 1st and 2nd Tier MBE and DVB Diverse Spend

Agency General Procurement	FY23 Total Spend	MBE 1st Tier	MBE 2nd Tier	DVB 1st Tier	DVB 2nd Tier	Total FY23 Diverse Spend	% Diverse Spend
Administration, Department of	\$121,817,076	\$14,302,712	\$0	\$13,289	\$0	\$14,316,000	11.75%
Aging and Long-Term Care, Board on	\$418,363	\$105,732	\$0	\$0	\$0	\$105,732	25.27%
Agriculture, Trade and Consumer Protection, Department of	\$8,895,147	\$1,952,586	\$0	\$90	\$0	\$1,952,676	21.95%
Child Abuse and Neglect Prevention Board	\$47,008	\$9,151	\$0	\$0	\$0	\$9,151	19.47%
Children and Families, Department of	\$47,917,882	\$6,816,849	\$253,519	\$55	\$0	\$7,070,423	14.76%
Circuit Courts	\$229,236	\$0	\$0	\$0	\$0	\$0	0.00%
Corrections, Department of	\$256,504,935	\$9,702,497	\$0	\$1,146,432	\$0	\$10,848,928	4.23%
Court of Appeals	\$29,517	\$0	\$0	\$0	\$0	\$0	0.00%
District Attorney	\$296,236	\$8,677	\$0	\$0	\$0	\$8,677	2.93%
Educational Communications Board	\$5,769,355	\$143,688	\$0	\$87	\$0	\$143,775	2.49%
Elections Commission	\$1,416,096	\$154,797	\$0	\$0	\$0	\$154,797	10.93%
Employee Trust Funds, Department of	\$16,926,001	\$2,238,063	\$0	\$0	\$0	\$2,238,063	13.22%
Employment Relations Commission	\$174,885	\$3,227	\$0	\$0	\$0	\$3,227	1.85%
Ethics Commission	\$208,106	\$585	\$0	\$0	\$0	\$585	0.28%
Financial Institutions, Department of	\$4,194,672	\$1,529,286	\$0	\$35	\$0	\$1,529,322	36.46%
Governor, Office of the	\$260,195	\$2,893	\$0	\$0	\$0	\$2,893	1.11%
Health Services, Department of	\$655,868,623	\$35,822,734	\$8,363,721	\$2,469,896	\$0	\$46,656,351	7.11%
Higher Educational Aids Board	\$523,696	\$4,846	\$0	\$0	\$0	\$4,846	0.93%
Historical Society	\$4,931,024	\$149,596	\$0	\$3,794	\$0	\$153,390	3.11%
Insurance, Commissioner of	\$6,295,324	\$596,070	\$0	\$0	\$0	\$596,070	9.47%
Investment Board	\$3,722,090	\$783,150	\$0	\$0	\$0	\$783,150	21.04%
Judicial Commission	\$47,566	\$0	\$0	\$0	\$0	\$0	0.00%
Justice, Department of	\$24,027,909	\$2,621,219	\$0	\$53	\$0	\$2,621,272	10.91%
Kickapoo Reserve Management Board	\$292,195	\$904	\$0	\$0	\$0	\$904	0.31%
Labor and Industry Review Commission	\$43,073	\$0	\$0	\$0	\$0	\$0	0.00%
Legislative Technology Services Bureau	\$2,675,637	\$192,963	\$0	\$0	\$0	\$192,963	7.21%
Lieutenant Governor, Office of the	\$5,936	\$0	\$0	\$0	\$0	\$0	0.00%
Lower Wisconsin State Riverway Board	\$19,724	\$2,900	\$0	\$0	\$0	\$2,900	14.70%
Military Affairs, Department of	\$17,144,072	\$73,898	\$0	\$9,237	\$0	\$83,135	0.48%
Natural Resources, Department of	\$79,170,586	\$4,296,940	\$0	\$195,391	\$0	\$4,492,331	5.67%
People with Developmental Disabilities, Board for	\$259,456	\$4,995	\$0	\$0	\$0	\$4,995	1.93%
Public Defender Board	\$18,470,451	\$1,921,729	\$0	\$0	\$0	\$1,921,729	10.40%
Public Instruction, Department of	\$44,939,621	\$2,494,225	\$0	\$1,524	\$0	\$2,495,749	5.55%
Public Lands, Board of Commissioners of	\$178,987	\$7,346	\$0	\$0	\$0	\$7,346	4.10%
Public Service Commission	\$1,689,681	\$102,439	\$0	\$0	\$0	\$102,439	6.06%
Revenue, Department of	\$50,803,382	\$1,020,119	\$135,580	\$0	\$0	\$1,155,699	2.27%
Safety and Professional Services, Department of	\$9,791,112	\$2,910,584	\$0	\$875	\$0	\$2,911,459	29.74%
Secretary of State	\$14,085	\$2,756	\$0	\$0	\$0	\$2,756	19.57%
State Fair Park Board	\$15,012,045	\$220,116	\$0	\$10,345	\$0	\$230,462	1.54%
State Treasurer	\$784	\$0	\$0	\$0	\$0	\$0	0.00%
Supreme Court	\$11,148,875	\$3,286,801	\$0	\$307	\$0	\$3,287,108	29.48%
Tourism, Department of	\$18,117,296	\$11,401	\$0	\$0	\$0	\$11,401	0.06%
Transportation, Department of	\$83,957,582	\$7,418,645	\$7,748	\$3,903	\$0	\$7,430,296	8.85%
Veterans Affairs, Department of	\$32,321,285	\$158,580	\$0	\$2,610	\$0	\$161,190	0.50%
Wisconsin Technical College System Board	\$740,975	\$101,943	\$0	\$0	\$0	\$101,943	13.76%
Workforce Development, Department of	\$50,991,717	\$8,465,534	\$0	\$124	\$0	\$8,465,658	16.60%
State Agency Total	\$1,598,309,501	\$109,643,175	\$8,760,568	\$3,858,046	\$0	\$122,261,789	7.65%
UW System Total	\$878,467,742	\$15,252,168	\$0.00	\$545,063	\$0	\$15,817,540	1.80%
Total General Procurement	\$2,476,777,243	\$124,895,343	\$8,760,568	\$4,403,109	\$0	\$138,079,329	5.57%
DOA DFD Architecture/Engineering	\$74,631,922.00	\$3,199,108	\$459,945	\$612,345	\$275,936	\$4,547,334	6.09%
DOA DFD Construction	\$364,267,730.00	\$11,020,415	\$4,810,381	\$3,479,889	\$413,825	\$19,724,510	5.41%
DOT State Highway Program	\$451,073,982	\$43,036,469	\$0	\$0	\$0	\$43,036,469	9.54%
GRAND TOTAL	\$3,366,750,876	\$182,151,334	\$14,030,894	\$8,495,343	\$689,761	\$205,387,642	6.10%

Attachment 1 - SWIB



September 18, 2023

Secretary Kathy Blumenfeld
Department of Administration
101 East Wilson Street, 10th Floor
Madison, WI 53703

Secretary Blumenfeld:

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 brokers that can provide the best execution of trades. While meeting its fiduciary duty and working to meet the 5 percent goal, SWIB used the following minority brokers for stock transactions in FY 2023 and paid the commissions noted:

CastleOak Securities, L.P.	\$ 233,071
Cabrera Capital Markets, LLC	54,350
Total Minority Broker Commissions	<u>\$ 287,421</u>

As shown below, of the total discretionary commissions paid, minority brokers received 6.1 percent:

Total Commissions	\$ 13,173,928
Less: Non-Discretionary Commissions	<u>(8,441,561)</u>
Total Discretionary Commissions	<u>\$ 4,732,367</u>
Percent Paid to Minority Firms	6.1%

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 2023 included \$3.3 million 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.

In addition to trading commissions, SWIB paid \$5,300 to Loop Capital Markets for research services in FY 2023 and utilized CastleOak Securities, Loop Capital Markets, Academy Securities, and Siebert Williams Shank & Co. for fixed income trading.

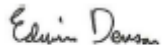
4703 Madison Yards Way, Suite 700, Madison, WI 53705
Mail: P.O. BOX 7842, Madison, WI 53707 // (p) 608.266.2381 // (f) 608.266.2436 // www.swib.state.wi.us

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 advisers or investment firms in FY 2023.

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,



Edwin Denson
Executive Director/Chief Investment Officer

cc: Wisconsin Supplier Diversity Program



**STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION**

Tony Evers, Governor
Kathy Blumenfeld, Secretary
Brian Pahnke, Administrator

November 14, 2023

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

**Re: Fiscal Year 2022-23 Underwriting and Other Participation
Certified Minority-Owned and Disabled Veteran-Owned Investment
Firms**

To Whom It May Concern:

During the 2022-23 fiscal year, the Capital Finance Office assisted the State of Wisconsin Building Commission (**Building Commission**) in the contracting and issuance of approximately \$1.879 billion of State of Wisconsin obligations. *Certified minority-owned investment firms underwrote 21.01% of these State of Wisconsin bonds and notes, or approximately \$395 million.* The obligations issued by the Building Commission in the 2022-23 fiscal year consisted of three competitive sales, seven negotiated sales, and two placements of notes. The placements did not involve any underwriting activity.

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>
BUILDING COMMISSION TOTALS		
Section 18.16 (Public Indebtedness)		
Total Obligations Issued	\$1,499,301,000	
Underwritten by Minority-Owned Firms	309,922,000	20.67%
Section 18.64 (Revenue Obligations)		
Total Obligations Issued	379,780,000	
Underwritten by Minority-Owned Firms	84,945,000	22.37%
Section 18.77 (Operating Notes)		
Total Obligations Issued	0	
Underwritten by Minority-Owned Firms	0	0.00%
TOTALS		
Total Obligations Issued	\$1,879,081,000	
Underwritten by Minority-Owned Firms	394,867,000	21.01%

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	Amount	Percentage
Total Obligations Issued	\$407,605,000	
Underwritten by Minority-Owned Firms	116,277,250	28.53%

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

TOTALS	Amount	Percentage
Total Obligations Issued	\$2,286,686,000	
Underwritten by Minority-Owned Firms	511,144,250	22.35%

In addition, during the 2022-23 fiscal year neither the Building Commission nor the Department of Administration paid any municipal advisor fees to certified minority-owned municipal advisors.

Participation of Disabled Veteran-Owned Firms. As of June 30, 2023, the Department of Administration had not certified any disabled veteran-owned investment firms. The Building Commission, through the Capital Finance Office, and the Department of Administration did utilize five nationally recognized disabled veteran-owned firms on many transactions during the 2022-23 fiscal year.

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

Negotiated Sales

In a negotiated sale, the State has direct control over the amount of participation by minority-owned and disabled veteran-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 and disabled veteran-owned investment firms/underwriters, (ii) take into consideration orders placed by minority-owned and disabled veteran-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 and disabled veteran-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 participation of minority-owned and disabled veteran-owned firms 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.

- “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 and certified disabled veteran-owned investment firms....In the event two of more those bids have an equal amount of aggregate participation by certified minority investment firms and certified disabled veteran-owned investment firms, the award will be made to the bid that includes the greatest aggregate number of such 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.”
- “Disabled Veteran-Owned Business Participation. It is the policy of the [Building] Commission to make efforts to ensure that 1% of the bonds are underwritten by disabled veteran-owned investment firms, as certified by the State. Any firm that wishes to be certified by the State as a disabled veteran-owned investment firm may contact the Wisconsin Department of Administration at 608.267.9550 or DOABDMBD@Wisconsin.gov.”

Respectfully submitted,

Aaron M. Heintz
Capital Finance Director

Attachment

MINORITY UNDERWRITER PARTICIPATION FOR 2022-23 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, STATS.					
G.O. Floating Rate Notes of 2022, Series A	N	\$ 134,820,000	Goldman Sachs & Co. LLC	Loop Capital Markets	\$ 33,705,000
G.O. Extendible Municipal Commercial Paper	P	73,446,000	BofA Securities, Inc.	N/A - Not an underwriting	-
			Goldman Sachs & Co. LLC	N/A - Not an underwriting	-
G.O. Refunding Bonds of 2022, Series 3	C	54,075,000	Morgan Stanley & Co. LLC	Ramirez & Co., Inc.	3,244,500
G.O. Refunding Bonds of 2022, Series 4	N	257,090,000	Jefferies LLC	Siebert Williams Shank & Co., LLC	64,272,500
G.O. Refunding Bonds of 2022, Series 5 (Taxable)	N	20,585,000	Jefferies LLC	Siebert Williams Shank & Co., LLC	5,146,250
G.O. Bonds of 2023, Series A	C	199,165,000	Morgan Stanley & Co. LLC	Ramirez & Co., Inc.	5,000,000
G.O. Refunding Bonds of 2023, Series 1	N	125,775,000	UBS	Loop Capital Markets	25,155,000
G.O. Refunding Bonds of 2023, Series 2	N	495,425,000	Morgan Stanley & Co. LLC	Loop Capital Markets	123,856,250
				Academy Securities	49,542,500
G.O. Extendible Municipal Commercial Paper	P	138,920,000	BofA Securities, Inc.	N/A - Not an underwriting	-
			Goldman Sachs & Co. LLC	N/A - Not an underwriting	-
		<u>\$ 1,499,301,000</u>		<i>Subtotal: Minority Owned:</i>	<u>\$ 309,922,000</u>
SECTION 18.77, STATS.					
		<u>\$ -</u>		<i>Subtotal: Minority Owned:</i>	<u>\$ -</u>
SECTION 18.64, STATS.					
Transportation Revenue Bonds, 2023 Series A	N	\$ 142,510,000	Citigroup Global Markets Inc.	Caloren Capital Markets, LLC	\$ 35,627,500
Transportation Revenue Refunding Bonds, 2023 Series 1	N	187,270,000	Citigroup Global Markets Inc.	Caloren Capital Markets, LLC	46,817,500
Environmental Improvement Fund Revenue Bonds, 2022 Series A (Green Bonds)	C	50,000,000	Morgan Stanley & Co. LLC	Ramirez & Co., Inc.	2,500,000
		<u>\$ 379,780,000</u>		<i>Subtotal: Minority Owned:</i>	<u>\$ 84,945,000</u>
BUILDING COMMISSION TOTALS:		<u>\$ 1,879,081,000</u>			<u>\$ 394,867,000</u>
DOA					
General Fund Annual Appropriation Refunding Bonds of 2023, Series A	N	\$ 383,645,000	Jefferies LLC	Ramirez & Co., Inc.	\$ 95,911,250
Master Lease Certificates of Participation of 2023, Series A	N	23,960,000	Siebert Williams Shank & Co., LLC	Siebert Williams Shank & Co., LLC	16,772,000
				Mischler Financial Group, Inc.	3,594,000
		<u>\$ 407,605,000</u>			<u>\$ 116,277,250</u>
TOTAL DOA AND BUILDING COMMISSION		<u>\$ 2,286,686,000</u>			<u>\$ 511,144,250</u>

Attachment 3 - WHEFA

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

October 3, 2023

Tondra Davis, Director
Wisconsin Supplier Diversity Program
DOA, Division of Enterprise Operations
101 E. Wilson Street, 9th Floor
Madison, WI 53703
tondra.davis1@wisconsin.gov

Dear Tondra:

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 2023 (July 1, 2022 – June 30, 2023).

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 small operating budget is financed completely from user fees of the private nonprofit borrowers that issue bonds through the Authority.

State of Wisconsin Certified Minority Businesses

WHEFA prioritizes the use of certified minority businesses as new or recurring discretionary expenses occur. WHEFA's fiscal year 2023 discretionary purchases totaled approximately \$130,733. The State of Wisconsin goal of 5% expended to minority businesses equates to \$6,537 of WHEFA's discretionary purchases for fiscal year 2023. The Authority expended \$437.03, or 0.33%, of its discretionary purchases with the minority business partners certified with the State of Wisconsin listed below:

Great Impressions, LLC	\$272.45
One Accord, LLC	<u>164.58</u>
Total	\$437.03

During fiscal year 2023, the Authority will look to James Imaging Solutions, a minority business partners certified with the State of Wisconsin, for future printer/copier needs.

Participation of Women

The Authority has a staff of four. Three members of the staff are women. The Authority also retains the law firm of Quarles & Brady LLP as its general counsel, the lead partner on our account is also a woman.



18000 W. Sarah Lane, Suite 300
Brookfield, Wisconsin 53045-5841
P: 262-792-0466 • F: 262-792-0649
info@whefa.com • www.whefa.com

Other

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 directly with the private nonprofit borrowers (all of the fees are paid by the nonprofit borrowing institutions, not by WHEFA).

WHEFA routinely reviews the State of Wisconsin Certified Minority Businesses on-line directory for other business opportunities.

WHEFA provides information and links to the Supplier Diversity Program ("SDP") to its website as well as begun to proactively inform private nonprofit borrowers of the SDP for them to consider adding such firms to their financings. All of the financing fees are paid by the private nonprofit borrowing institutions, not by WHEFA

During WHEFA's fiscal year 2023, one non-profit borrower utilized MWH Law Group LLP as their counsel.

As always, if you have any questions about this report, please feel free to call us at 262-792-0466.

Respectfully Submitted,



Tatiana Graver
Associate Executive Director

Attachment 4 – WHEDA

WISCONSIN HOUSING and
ECONOMIC DEVELOPMENT
AUTHORITY >WWW.WHEDA.COM

TOGETHER WE BUILD WISCONSIN®

908 East Main Street, Suite 301
Madison, Wisconsin 53703

P.O. Box 1728
Madison, Wisconsin 53701-1728

T 608.266.7884 | 800.334.6873

TO: Kathy Blumenfeld, Secretary
Department of Administration
FROM: Elmer Moore, CEO/Executive Director
DATE: August 7, 2023

WHEDA FY 2022-2023 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 2023, the Authority made discretionary purchases of \$7,385,039. The Authority disbursed \$651,316 or 8.82% of its discretionary purchases with DOA certified minority and disabled veteran business partners. Total spending with DOA certified and non-DOA certified minority, disabled veteran, and women-owned business partners was \$1,174,800 or 15.91% of total discretionary spending.

Minority Contracted Services

WHEDA's fiscal year 2023 discretionary purchases were \$7,385,039. The Authority expended \$651,316 or 8.82% of its discretionary purchases, with the DOA certified minority business partners listed below:

Amanda Evans Photography, LLC	250
DC Global Group, LLC	92,800
MWH Law Group	140,330
Ramirez & Co.	44,794
SHI International Corp.	300,601
Vanguard Computers, Inc.	37,423
Menominee Hotel	164
Carex Consulting Group	15,000
Spearity LLC	7,500
Greenfire Management Services, LLC	369
Benford Brown & Associates, LLC	12,085
Total Minority Contracted Business	\$ 651,316



Tony Evers, Governor | Elmer Moore, Jr., CEO
A public body corporate and politic created under Chapter 234, Wisconsin Statutes

Disabled Veteran Contracted Services

WHEDA's fiscal year 2023 discretionary purchases were \$7,385,039. The Authority did not have any discretionary spending for fiscal 2023 with DOA certified disabled veteran business partners.

Bonded Activity

The Authority had expenditures for bonded activity totaling \$2,602,529. The Authority expended \$209,782 or 8.06% of its services with DOA certified and non-DOA certified minority and disabled veteran business partners.

Additional Spending

Women-Owned Contracted Services

WHEDA's fiscal year 2023 discretionary purchases were \$7,385,039. The Authority expended \$234,884 or 3.18% of its discretionary purchases, with the DOA certified women-owned business partners listed below:

Bass & Moglowsky, S.C.	59,298
CJ & Associates, Inc.	158,089
Mobile Glass	1,275
Great People Management, LLC	13,000
Interiorscapes, Inc	2,603
J & K Security Solutions	619

Total Women-Owned Contracted Business \$ 234,884

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 \$288,600 or 3.91% of WHEDA's discretionary spending.



Elmer Moore Jr.
Chief Executive Officer
Wisconsin Housing and Economic Development Authority (WHEDA)
Email: elmer.moore@wheda.com

cc: Tondra Davis, Wisconsin Supplier Diversity Program, tondra.davis1@wi.gov