



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER
GOVERNOR

MIKE HUEBSCH
SECRETARY

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March 31, 2014

Honorable Scott Walker
Governor State of Wisconsin
115 East State Capitol
Madison, WI 53702

Dear Governor Walker,

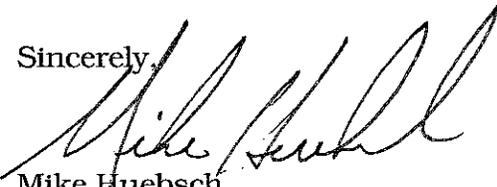
I am pleased to forward you the State of Wisconsin Supplier Diversity Program Report for Fiscal Year 2013 (FY'13). This report is required by Wis. Stat. §16.75(3m) (c) 4.

The report provides data on purchases by state agencies and the University of Wisconsin System with diverse suppliers certified by the Department of Administration. In FY2013, state agencies and campuses spent more than \$125,000,000 in general procurement, building construction, highway design and construction, architectural and engineering services in the State Building Program.

Governor, your continued leadership is making a significant difference in creating a healthy business and economic environment in Wisconsin. Your efforts have also resulted in continued opportunities for diverse firms in Wisconsin through our program.

In April of 2013, DOA hosted our biennial BOGS (Business Opportunities in the Government Sector) conference and celebrated the 30th anniversary of the supplier diversity program.. We are grateful for the proclamation you issued for the event. We stand ready to utilize our resources to ensure that the commitment to provide diverse firms the fullest opportunity to sell their goods and services to the State of Wisconsin and its agencies is met.

Sincerely,



Mike Huebsch
Secretary

cc: Jeffrey Renk, Chief Clerk, Wisconsin State Senate
Patrick E. Fuller, Chief Clerk, Wisconsin State Assembly

State of Wisconsin Supplier Diversity Business Report

Fiscal Year 2013 Annual Report

***“Celebrating 30 years of Wisconsin Opportunities-
1983-2013”***

Department of Administration
Division of Enterprise Operation
Wisconsin Supplier Diversity Program
March 2014

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For More Information Contact:

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Statutes require agencies to attempt to achieve five percent of spending with certified MBEs and DVBs.

Executive Summary

Annual Reporting Requirement: Wis. Stat. § 16.75 (3m) (c)(4) requires the Department of Administration to annually report enterprise-wide Minority Business Enterprise and Service Disabled Veteran Owned businesses activities to the Governor and Legislature for distribution to the appropriate committees.

Brief history of program

In 1983, Wisconsin passed Act 390 that sets a five percent procurement goal for state agencies (including University of Wisconsin campuses) with minority owned businesses. The Act also provided for a permissive five percent price (5%) preference for certified minority firms that compete for State contracts as primes. This year marks the 30th anniversary of Act 390, the original law that extended and amended purchasing opportunities for MBEs in state contracting.

In 2006, the State enacted legislation to create a “Woman Business Certification Program”. Today, there are more than 500 woman owned businesses certified in the State of Wisconsin.

In 2010, the Legislature enacted “2009 Wisconsin Act 299” that provided a goal and a permissive five percent (5%) price preference to Disabled-Veteran Owned Businesses (DVBs) certified by the State of Wisconsin.

The State’s diversity business program is at the Department of Administration. The program administers the certification programs for MBE, DVB and WBE applicants.

Results

In Fiscal Year 2013 (“FY’13”), the State of Wisconsin expended \$125,252,560 with certified MBE and DVB businesses. This is a 25% increase over FY’12 and totals 3.6% of \$3,481,884,569 spent by state agencies in FY13.

In summary, MBE/DVB performances in FY’13 are as follows:

- State agencies spent \$125,252,560 with MBE/DVB businesses through **general procurement, construction, architectural/engineering services and the State funded portion of trunk highway work.**
- The DOA’s Division of Facilities Development (DFD) spent \$239,630,748 on various construction projects in FY’13. MBEs/DVBs accounted for \$17,829,933 or 7.40 percent of that total expenditure. This marked a 9% increase over the FY12 results.
- DFD also spent \$33,222,160 on architectural and engineering services in FY13. Certified MBE/DVB firms accounted for \$5,455,550 or 16.4 percent of the A/E spent in FY13. This is a 145% increase over FY12 and marks the **26th Year in a row of meeting or exceeding the state goal of 5%.**
- The Department of Transportation (DOT) State trunk highway contracting with MBE/DVBs was \$59,105,228 or 11.7 percent of its expenditures in FY13.
- University of Wisconsin System campuses spent \$5,610,922 with certified MBE/DVB firms in FY’13.

Total procurement by all state agencies with MBE/DVB firms was \$42,861,849 in FY13.

Statutory authorization of program and activities

Diversity Business Goal- Wis. Stat. § 16.75 (3m) (b) 1 provides that agencies of state government "shall attempt to ensure that 5% of the total amount expended under this subchapter in each fiscal year is paid to minority businesses." The Statutes define the term "minority business" as a "business certified by the Department of Administration s. 16.287". Wis. Stat. s.16.75 (3m) (b)2 requires similar participation by Disabled Veteran Owned businesses without a designated numerical goal.

Statutes provide a 5% permissive preference price to MBEs and DVBs.

The Department of Administration (DOA) monitors these goals through the Wisconsin Supplier Diversity Program in the Division of Enterprise Operations.

The five percent expenditure goal applies to all State purchases with the exception of Department of Transportation (DOT) Federal Surface Transportation Assistance Act and Department of Natural Resources Environmental Protection Agency (EPA) funds.

Business Bid Preference- Wis. Stat. § 16.75 (3m) (b) provides that agencies "may purchase materials, supplies, equipment and contractual services from any minority 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% lower than the most advantageous offer." The statute further provides that agencies "shall maximize the use of minority businesses which are incorporated under Chap. 180 or which have their principal place of business in this state." The permissive five percent low-bid preferences are applicable to all state purchases **except** printing and stationery.

The Department of Administration listed 785 certified MBEs on July 1, 2013

Certification Program- The Department of Administration certifies minority and disabled veteran owned businesses through a process governed by Wis. Stat. § 16.287 (2) and Adm. 84 and Adm.82. The process includes an application submitted by the business and a review conducted by the Department of Administration's Supplier Diversity Program to ensure compliance with the statute and administrative code. Of an estimated 18,000 Wisconsin minority-owned businesses¹, 785 were certified MBEs (including more than two hundred domiciled outside of the State of Wisconsin).² Disabled Veteran owned businesses began seeking certification in 2011. FY'13 has certified twenty such firms.

Under Wis. Stat. §16.285 (1) and (2), the State maintains a Woman Owned Businesses directory. Administrative Code 83 governs the certifications of such businesses. More than 500 WBEs are certified in Wisconsin.

Advocacy role

The program serves as the principal advocate for the inclusion of diverse suppliers such as minority and disabled veteran businesses in procurement, construction, architectural and engineering services within State of Wisconsin government contracting activities.

¹ Source: 2002 Survey of Business Owners, U.S. Department of Commerce, Census Bureau
² Department of Administration MBE Certification Report 2013

Diversity Businesses Purchasing/Contracting Activity

State agencies and campuses of the University of Wisconsin System conduct direct purchasing under the authority delegated to them by the Department of Administration governing both general and specialized procurements. (Reports on contracting activity from other agencies statutorily required to do so are attached as appendices to this report.)

Four main areas constitute the crux of Wisconsin's diversity purchasing/contracting activities.

- General procurement, (all agencies and University of Wisconsin (UW) under Wis. Stat. § 16.75 (3m) (c)
- Engineering and architectural services, (DOA Division of Facilities Development, under Wis. Stat. § 16.87 (2)
- Construction Services, DOA Division of Facilities Development under Wis. Stat. § 16.855 (10n)
- State highways, DOT, under Wis. Stat. § 84.075.

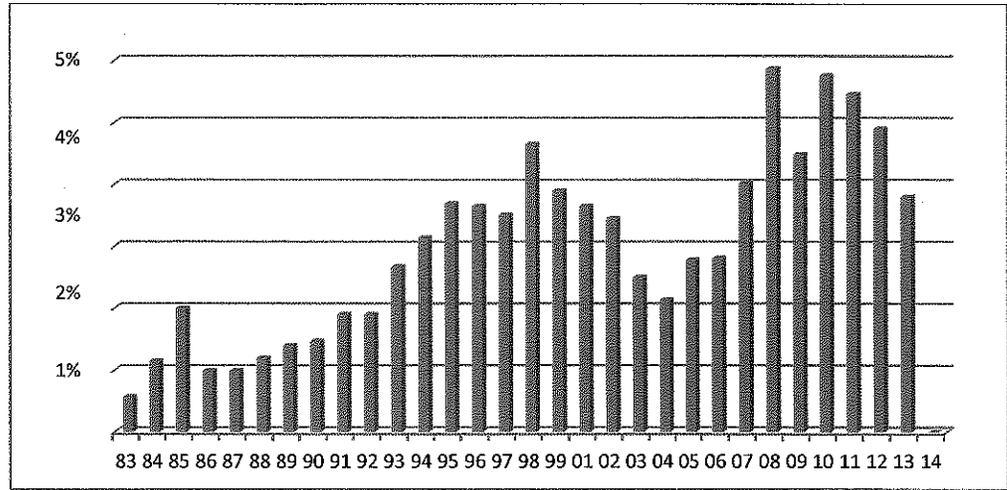
In FY13, these four areas recorded **\$125,252,557** spent with certified diverse firms in the State of Wisconsin on contracts and purchases totaling \$3,481,884,569 as follows:

FY2013 State of Wisconsin Purchasing from Certified diverse firms (Major/Contract Areas)

Program	Total Spend	MBE Spend	% MBE
General Purchasing (Agencies and UW)	\$1,351,069,227	\$42,861,849	3.20%
DOA DFD Construction	239,630,748	17,829,933	7.40%
DOA DFD Architecture/Engineering	33,222,160	5,455,550	16.4%
DOT State Highway Program	<u>506,893,207</u>	<u>59,105,225</u>	11.66%
Total	\$3,481,884,569	\$125,252,557	3.60%

Historical snapshot

The graph below shows the percentage of MBE spend from 1983 to 2013.



Consistent with overall progress toward the five percent goal, individual purchasing areas have also trended higher in recent years. The following table and graph demonstrate recent results that reflect the fluctuations of the national economy.

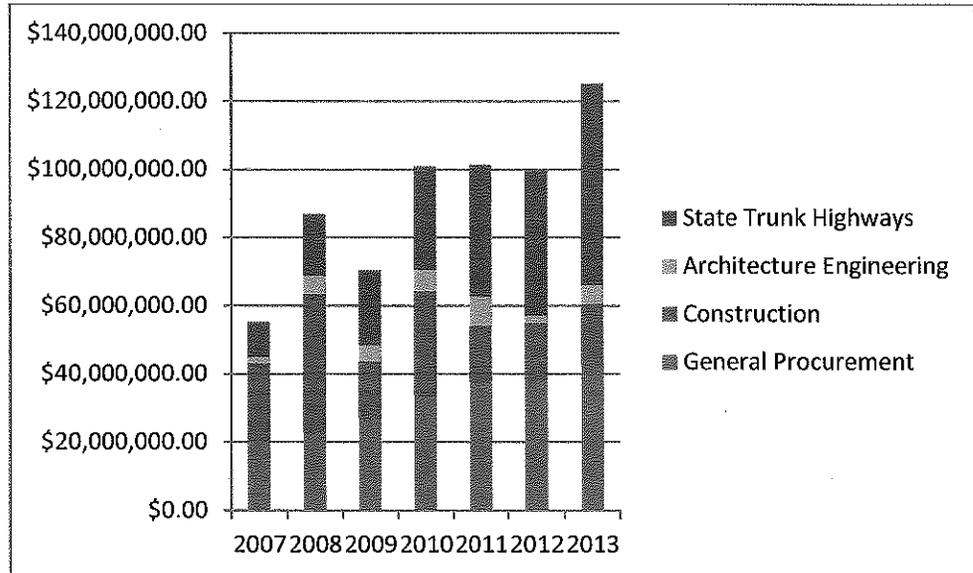
Historical comparative MBE Activity

Below is the percentage spending, by fiscal year- purchasing/contracting area trends over the last seven years).

Fiscal Year	General Procurement	Construction	Architecture Engineering	State Trunk Highways	Total
2007	2.68%	7.76%	5.81%	5.07%	4.02%
2008	2.91%	19.07%	8.89%	6.34%	5.87%
2009	3.45%	5.27%	9.74%	5.84%	4.49%
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%

Certified MBEs compete for state contracts on the same basis as other businesses, but may be awarded a contract by using a five percent price preference.

Historical graphic representation of dollars spent over the last seven fiscal years in the four major contracting and purchasing areas by the State of Wisconsin



(A detailed summary of FY'13 MBE spend by purchasing areas and agencies is contained in Attachment I of this report.)

Activities of the major spending areas

1. General Procurement Activity

State statutes and administrative code govern purchasing activities conducted by agencies and campuses. The DOA State Bureau of Procurement (SBOP) oversees administration of the State Procurement Manual that sets policies and procedures to carry out procurement laws. In general, state laws and policies establish competitive bidding as the preferred procurement method, require that awards be made to the low-cost responsible bidder, and permit the delegation of some purchases to state agencies and institutions.

MBEs compete for state contracts on the same basis as all other vendors. However, state agencies may make awards to a MBE “submitting the lowest qualified responsible competitive bid when the bid is not more than five percent higher than the apparent low bid or competitive proposal that is no more than five percent lower than the most advantageous proposal.”³

State agencies and campuses purchased general goods and services totaling \$1,351,069,227 million in FY13. Of this amount, spend with diverse businesses totaled \$42.8 million, or 3.2 percent, of all general purchases⁴.

³ Wis.Stat. §16.75(3m) (b) (3).

⁴ FY13 general purchasing figures include spend through the State’s purchasing card program.

Eight agencies achieved or exceeded the five percent goal on general spending with certified MBEs in FY13:

1. Department of Administration	13.10%
2. Dept. of Children & Families	8.00%
3. Employee Trust Funds	8.60%
4. Financial Institution	21.80%
5. Investment Board	36.80%
6. Government Accountability Board	23.60%
7. Department of Transportation	12.00%
8. Department of Workforce Development	5.60%

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

2. State Building Program: Construction Projects and Architectural/Engineering Service

The Division of Facilities Development (DFD) in DOA provides oversight of the State Building Program. Its services comprise new construction and 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 businesses 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 MBEs. This includes having the program director as a member of the Selection Committee for architectural and engineering services. DFD may award to an MBE submitting the lowest qualified bid on contracts when that qualified bid is not more than five percent higher than the apparent low bid (statutory price preference) and the bid is within a project's budget.

In FY13, MBEs were involved in 662 construction projects undertaken by DFD totaling \$239,630,748. MBE participation on those contracts totaled \$17,829,933, a participation rate of 7.4%.

Thirteen (13) minority firms provided services in various architectural and engineering contracts to the State, earning \$5,455,550 in service fees in FY13. This is a 16.4 percent participation rate on \$33,222,160 expended for such services during the fiscal year. This DFD achievement in architectural and engineering spend marks the twenty-sixth year in a row that it has met or exceeded the minimum statutory five percent MBE goal.

3. State Trunk Highways: Road and Bridge Building

The Department of Transportation (DOT) expended \$506,893,207 in FY13 on road and bridge building in the State Highway Construction Program. MBE participation in the State Highway Construction Program totaled \$59,105,228 or 11.66 percent of the amount expended in FY13.

In an effort to increase minority business participation in the State Highway Construction Program, DOT continued to expand the base of firms certified in the construction highway industry by including firms certified with the Department of Administration. In FY13, the Disadvantaged Business Enterprise program at the Wisconsin Department of Transportation certified more than 800 firms.

DOT's Minority Business Guarantee Loan Program continues to offer minority firms enhanced opportunities to participate in the road-building program by making working capital available to them while performing on state projects. During FY13, the program made eight loans totaling \$205,000.

MBEs/DVBs had 7.4% participation on State construction projects in FY13.

MBEs participated in architectural/engineering contracts at 16.4 percent in FY13 exceeding the five percent goal for 26 consecutive years in a row.

State highway projects had an 11.66 percent MBE participation rate in FY13.

Other Diversity Business Spend Activities required by statutes

Diversity spending by some state government programs and quasi-governmental agencies fall outside of the reporting requirements of Wis. Stat. §16.75 (3m) (c) 4. However, such programs frequently contract with minority-owned businesses to provide goods and services under their statutes.

State of Wisconsin Investment Board

In addition to direct purchasing through the programs previously described, Wis. Stat. § 16.75 (3m) (c) 4, other statutes requires DOA to report on funds expended by the State of Wisconsin Investment Board (SWIB) for financial and investment analysis and for common stock and convertible bond brokerage commissions. According to Wis. Stat. § 25.185, SWIB shall attempt to ensure that five percent of its funds expended for financial and investment analysis are with minority-owned firms. In FY13, SWIB expended 1.9 percent of its stock commissions to minority-owned firms for financial and investment services. This represented payments of \$105,274 on total discretionary commissions of \$5,687,310.

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 policy is to ensure that minority investment firms certified by the state underwrite 6% of the bonds. Minority-owned 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 FY13, MBE firms underwrote an overall 10.04 percent of the State of Wisconsin's Building Commission bonds and notes. Overall, minority-owned underwriter participation totaled \$152,486,950 million of obligations totaling \$1.466 billion. Capital Finance also reported substantial obligations underwritten by diverse firms in its annual report for public debt.

DOT Federal Highway Program. Federal highway projects undertaken by DOT feature expanded eligibility for small, disadvantaged businesses. The Disadvantaged Business Enterprise (DBE) Program seeks to increase participation of small companies owned by disadvantaged individuals including minorities, women and others as allowed under the Surface Transportation Assistance Acts of 1982 and 1987. The DOT administers the federal government's DBE participation standards. In FY13, the DOT Federal Highway Program provided contracts on Wisconsin projects to DBEs totaling \$59,105,228 a participation rate of 11.66 percent.

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 FY13, WHEFA provided contracts totaling \$3,440 or 3.04 percent of its discretionary purchases with diverse firms.

Wisconsin Housing and Economic Development Authority (WHEDA). 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 FY13, WHEDA expended \$75,300 or 5.81 percent of its total \$1,295,300 discretionary purchases with MBE firms. "Due to limited bond issuance activity in FY13, there was no payments to minority firms for bond issuance."

Copies of the annual reports for these entities are included as appendices to this report.

SWIB expended 1.9 percent of stock commission with MBEs in FY'13

The DOA Capital Finance Office recorded 10.04% MBE participation in FY'13

State of Wisconsin Minority Spend for FY'13

Agency Name	FY 13	MBE Spend	
ADMINISTRATION, DEPARTMENT OF	\$70,622,177	\$9,258,186	13.1%
AGING, BOARD ON	\$131,646		0.0%
AGRICULTURE, TRADE & CONSUMER PROTECTION, DEPT. OF	\$5,327,180	\$47,735	0.9%
CHILD ABUSE & NEGLECT PREVENTION BOARD	\$46,574		0.0%
CHILDREN AND FAMILIES, DEPARTMENT OF	\$31,629,967	\$2,539,287	8.0%
CIRCUIT COURTS	\$420,373		0.0%
CORRECTIONS, DEPARTMENT OF	\$126,175,702	\$5,121,150	4.1%
COURT OF APPEALS	\$545,072	\$775	0.1%
DISTRICT ATTORNEYS (DOA)	\$527,464		0.0%
EDUCATIONAL COMMUNICATIONS BOARD	\$3,233,337	\$727	0.0%
EMPLOYEE TRUST FUNDS, DEPARTMENT OF	\$8,597,653	\$741,900	8.6%
EMPLOYMENT RELATIONS COMMISSION	\$36,982		
EMPLOYMENT RELATIONS, OFFICE OF STATE	\$279,448	\$775	0.3%
FINANCIAL INSTITUTIONS, DEPARTMENT OF	\$3,034,221	\$660,877	21.8%
GOVERNMENT ACCOUNTABILITY BOARD	\$2,242,050	\$528,610	23.6%
GOVERNOR, OFFICE OF THE	\$239,898	\$139	0.1%
HEALTH SERVICES, DEPARTMENT OF	\$208,771,526	\$5,548,233	2.7%
HIGHER EDUCATIONAL AIDS BOARD	\$44,384		0.0%
HISTORICAL SOCIETY	\$3,311,795	\$28,142	0.8%
INSURANCE, COMMISSIONER OF	\$4,127,205	\$183,598	4.4%
INVESTMENT BOARD	\$1,155,081	\$425,640	36.8%
JUDICIAL COMMISSION	\$10,376	\$419	4.0%
JUDICIAL COUNCIL	\$3,520		0.0%
JUSTICE, DEPARTMENT OF	\$9,016,037	\$159,744	1.8%
LEGISLATURE	\$466,032	\$20,548	4.4%
LIEUTENANT GOVERNOR, OFFICE OF THE	\$15,357	\$308	2.0%
LOWER WI STATE RIVERWAY BOARD	\$3,711	\$0	0.0%
MILITARY AFFAIRS, DEPARTMENT OF	\$10,322,168	\$128,508	1.2%
NATURAL RESOURCES, DEPARTMENT OF	\$59,911,994	\$348,643	0.6%
PEOPLE WITH DEVELOPMENTAL DISABILITIES, BOARD ON	\$61,178	\$419	0.7%
PUBLIC DEFENDER BOARD	\$2,235,878	\$31,736	1.4%
PUBLIC INSTRUCTION, DEPARTMENT OF	\$33,555,790	\$192,827	0.6%
PUBLIC LANDS, BOARD OF COMMISSIONERS OF	\$114,060		
PUBLIC SERVICE COMMISSION	\$1,240,720	\$3,036	0.2%
REVENUE, DEPARTMENT OF	\$35,170,162	\$897,953	2.6%
SAFETY AND PROFESSIONAL SERVICES, DEPARTMENT OF	\$3,174,649	\$63,580	2.0%
SECRETARY OF STATE	\$18,693		0.0%
STATE FAIR PARK BOARD	\$5,121,197		0.0%
STATE TREASURER	\$2,241,456		0.0%
SUPREME COURT	\$5,562,977	\$17,028	0.3%
TOURISM, DEPARTMENT OF	\$11,353,956	\$324,040	2.9%
TRANSPORTATION, DEPARTMENT OF	\$61,927,773	\$7,437,911	12.0%
VETERANS AFFAIRS, DEPARTMENT OF	\$16,501,292	\$121,173	0.7%
WISCONSIN TECHNICAL COLLEGE SYSTEM BOARD	\$1,209,900		0.0%
WORKFORCE DEVELOPMENT, DEPARTMENT OF	\$43,537,288	\$2,417,280	5.6%
State Agencies Totals	\$773,275,898	\$37,250,927	4.8%
University of Wisconsin System	\$577,793,329	\$5,610,922	1.0%
State procurement spend	\$1,351,069,227	\$42,861,849	3.2%
State architectural/engineering	\$33,222,160	\$5,455,550	16.4%
State Building Construction	\$239,630,748	\$17,829,933	7.4%
State highway construction/maintenance	\$506,893,207	\$59,105,228	11.7%
<i>State of WI Total diversity spend</i>	\$3,481,884,569	\$125,252,560	3.6%



WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

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TO: Mike Huebsch, Secretary
Department of Administration
FROM: Wyman Winston, Executive Director (with signature)
DATE: August 23, 2013

WHEDA FY 2012-2013 Report on Minority Business

Pursuant to Chapter 234.35(2), Wisconsin Statutes, the Authority is required to report annually to the Department of Administration the total amount purchased from and contracted or subcontracted to minority 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.

Contracted Services

WHEDA's fiscal year 2013 discretionary purchases were \$1,295,300. The Authority expended \$75,300 or 5.81% of its discretionary purchases, with the minority business partners listed below:

Table listing contracted services: Indian Country Communications (150), On-Site Inc (850), Vanguard Storate & Recovery LLC (2,150), Mosaic Communications (3,000), Bob Lanier Enterprises Inc (12,900), Software House International (56,250). Total Contracted Business: \$75,300.

Bonded Activity

Due to the limited bond issuance activity for Fiscal year 2013, there were no payments to minority firms for bond issuance.

Investments in Minority Owned Firms

Table listing investments: North Milwaukee State Bank (300,000). Total Investments in Minority Owned Firms: \$300,000.

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Dennis P. Reilly
Executive Director

September 26, 2013

Godwin Amegashie
Director of the State of Wisconsin's Diversity Program
DOA, Division of Enterprise Operations
101 East Wilson Street, 6th Floor
Madison, WI 53703-3405
608.267.7806
godwin.amegashie@wisconsin.gov

Dear Godwin:

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 our fiscal year 2013 (July 1, 2012 – June 30, 2013).

WHEFA, created by the Legislature in 1973 (Chapter 231, Wisconsin Statutes), provides active capital financing assistance to Wisconsin's non-profit institutions.

Minority Businesses

WHEFA operates with a staff of four. State funds are not used to finance WHEFA's operating budget; the budget is financed completely from user fees. WHEFA's fiscal year 2013 discretionary purchases totaled approximately \$113,107. The Authority expended approximately 3.04% of its discretionary purchases with the minority business partners listed below:

Faison Office Products	\$2,391
Great Impressions	\$ 906
Wesley Insurance Agency	\$ 143
Total	\$3,440

The Authority continues to provide interested minority legal firms with a list of pending and active financing projects so that they can solicit other possible legal financing roles, beyond bond counsel services, directly with these borrowers in their financings (all of the legal fees are paid by the non-profit borrowing the money, not by WHEFA).

WHEFA routinely views the Wisconsin Minority-Owned Business Directory and we will continue to actively review it 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,

Tatiana Bashell
Tatiana Bashell
Manager of Finance

13minor.ltr



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August 12, 2013

Honorable Michael Huebsch
Secretary of Department of Administration
101 East Wilson Street, 10th Floor
Madison, WI 53703

Dear Mr. Secretary:

Section 25.185, Stats., requests that the State of Wisconsin Investment Board (SWIB) attempt to ensure that 5% 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 advisors 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% goal, SWIB must still meet its fiduciary responsibility to select the broker that will achieve the best execution on each trade for the trust funds we manage. SWIB's trading staff must balance various trading objectives including trading with certain brokers that can provide the best execution of trades and also provide value-added company and market research used in managing trust fund assets. While meeting its fiduciary duty and working to meet the 5% goal, SWIB used the following minority brokers for stock transactions in FY 2013 and paid the commissions noted:

Cabrera Capital Markets	\$ 23,647
Guzman & Company	12,300
Ivy Securities	16,835
Penserra Securities	38,140
Williams Capital Group	<u>14,352</u>
Total Minority Broker Commissions	\$105,274

As shown below, of the total discretionary commissions paid, minority brokers received 1.9%:

Total Domestic Stock Commissions	\$10,563,801
Less Non-Discretionary Commissions	<u>(\$4,876,491)</u>
Total Discretionary Commissions	\$5,687,310

Percent Paid to Minority Firms 1.9%

Non-discretionary commissions include those that must be directed to a specific broker for specialized and specific trading services such as initial public offerings, futures and options. It also includes program trades that are executed on electronic systems and trades that are directed to other commission goals such as Wisconsin brokers. The percentage of commissions paid to minority brokers as a percentage of total domestic stock commissions was 1.0%.

International Stocks: Participating minority brokers do not have institutional-quality international trading capabilities, and as a result, the total commissions eligible for direction to minority brokers include only domestic security brokerage transactions. Total international commissions for fiscal year 2013 were \$4,420,257.

Additionally, SWIB must report trading commissions paid to disabled veteran owned financial advisors and investment firms that have a majority of their operations in Wisconsin. There were no commissions paid to disabled veteran owned financial advisors and investment firms in FY 2013, and SWIB has not identified any brokers meeting the eligibility requirements.

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, 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.

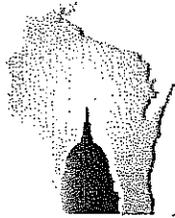
Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Williamson", written over a horizontal line.

Michael Williamson
Executive Director

cc: Godwin Amegashie, Wisconsin Supplier Diversity Program



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER
GOVERNOR

MIKE HUEBSCH
SECRETARY

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January 10, 2014

State of Wisconsin Minority Business Enterprise Program
Department of Administration
101 East Wilson Street, 6th Floor
Madison, WI 53707

**Re: Fiscal Year 2012-13 Underwriting Participation
Certified Minority-Owned Investment Firms**

To Whom It May Concern:

During the 2012-13 fiscal year, the Capital Finance Office assisted the State of Wisconsin Building Commission (**Building Commission**) in the contracting and issuance of \$1.467 billion of State of Wisconsin obligations. ***Certified minority-owned investment firms underwrote 10.04% of these State of Wisconsin bonds and notes, or \$152 million.***

The obligations issued in the 2012-13 fiscal year consisted of two competitive sales, one placement of bonds and notes, and four negotiated sales. This report (i) summarizes participation of minority-owned firms in advising and underwriting State of Wisconsin bond and notes, and (ii) describes on-going actions taken by the Capital Finance Office to further 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	\$976,580,000	
Underwritten by Minority-Owned Firms	1,000,000	0.1%
• Section 18.64 (Revenue Obligations)		
Total Obligations Issued	\$489,975,000	
Underwritten by Minority-Owned Firms	151,486,950	30.92%
• Section 18.77 (Operating Notes)		
Total Obligations Issued	\$0	
Underwritten by Minority-Owned Firms	N/A	N/A
BUILDING COMMISSION TOTALS		
Total Obligations Issued	\$1,466,555,000	
Underwritten by Minority-Owned Firms	152,486,950	10.40%

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 obligations issued by the Department of Administration.

DEPARTMENT OF ADMINISTRATION TOTALS

Total Obligations Issued	\$251,555,000	
Underwritten by Minority-Owned Firms	75,466,500	30.00%

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

TOTALS

Total Obligations Issued	\$1,718,110,000	
Underwritten by Minority-Owned Firms	227,953,450	13.27%

In addition, during the 2012-13 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. However, the State has taken certain actions to promote minority participation in the competitive sale process.

First, bidding information provided on the State's website includes the current list of minority-owned financial firms that have been certified by the State of Wisconsin Department of Administration. A copy of this certified listing is attached to this report. This list has a focus on firms that actually participate in public finance and underwriting of municipal bonds and notes.

Secondly, the Capital Finance Office also includes 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

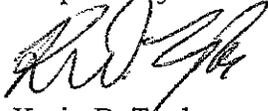
participationIn the event two of more those bids have an equal amount of aggregate participation by certified minority investment firms, the award will be made to the bid that includes the greatest aggregate number of certificated minority investment firms in its selling group....."

- "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.

Minority-Owned Law Firms; Bond Counsel and Underwriters' Counsel

Most of the contracts the State has with law firms to provide bond counsel services for bonds, notes, and other obligations issued by the State include provisions that no less than six percent (6%) of the amounts billed for professional fees be paid to and for the account of one or more certified minority-owned law firms. The respective law firm has the responsibility of identifying the appropriate qualified minority-owned law firm or firms to provide the services, identifying the division of legal services to be provided by the selected firm, and assuring compliance with these provisions.

Respectfully submitted,



Kevin D. Taylor
Capital Finance Director

Attachment

MINORITY UNDERWRITER PARTICIPATION FOR 2012-13 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. Bonds of 2012, Series B	293,070,000	Wells Fargo Bank, National Association	None	0
G.O. Bonds of 2013, Series A	410,250,000	J.P. Morgan Securities Inc.	Rice Financial Products Company	1,000,000
G.O. EMCP	273,260,000	Goldman, Sachs & Co. Bank of America Merrill Lynch	N/A - Not an underwriting	0
	Subtotal (Public Indebtedness) \$ 976,580,000		Subtotal: Minority Owned:	\$1,000,000 0.10%
SECTION 18.77, STATS.				
Operating Notes	0		None	0
			None	0
	Subtotal (Public Indebtedness) \$		Subtotal: Minority Owned:	\$0 N/A
SECTION 18.64, STATS.				
Transportation Revenue Bonds, 2013 Series 1	259,680,000	Goldman, Sachs & Co.	Samuel A. Ramirez & Co. Loop Capital Markets LLC	48,040,800 27,266,400
Clean Water Revenue Bonds, 2012 Series 1	55,000,000	J.P. Morgan Securities Inc.	Samuel A. Ramirez & Co.	11,000,000
Clean Water Revenue Refunding Bonds, 2012 Series 2	92,450,000	J.P. Morgan Securities Inc.	Cabrera Capital Markets, LLC	6,600,000
Clean Water Revenue Refunding Bonds, 2013 Series 1	82,845,000	Morgan Stanley & Co.	Samuel A. Ramirez & Co. Cabrera Capital Markets, LLC Siebert Brandford Shank & Co. LLC M.R. Beal & Company	18,490,000 11,094,000 20,711,250 8,284,500
	Subtotal (Revenue Bonds) \$ 489,975,000		Subtotal: Minority Owned:	\$151,486,950 30.92%

BUILDING COMMISSION TOTALS: \$ 1,466,555,000	\$ 152,486,950	10.40%
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**MINORITY-OWNED INVESTMENT FIRMS
CERTIFIED BY THE
WISCONSIN DEPARTMENT OF ADMINISTRATION**

August 1, 2011

Note: The following list of minority-owned investment firms has been prepared from information available from the State of Wisconsin Department of Administration (<http://www.doa.state.wi.us/section.asp?linkid=170&iocid=169>), is provided for the information of potential bidders on obligations being sold at competitive sale by the State of Wisconsin, and does not constitute a part of the Official Notice of Sale. Firms interested in becoming certified as a minority-owned investment firm should contact the Minority Business Enterprise Program located within the State of Wisconsin Department of Administration's Division of Enterprise Operations. Contact information for such program is <http://www.doa.state.wi.us/section.asp?linkid=194&iocid=169>, (608) 267-3293, or keith.broadnax@wisconsin.gov. The State endeavors to ensure that 6% of the obligations sold and issued by the State are underwritten by firms that are certified as being minority-owned investment firms. Prospective bidders are encouraged to include minority-owned investment firms as participants in the account formed to bid on the obligations, or as members of any selling group formed for the account. The State further encourages certified minority-owned investment firms to submit bids directly and to form accounts to bid on the obligations.

Elton Johnson Jr

Amerivet Securities Inc
26550 Silverado Court
Moreno Valley CA 92555
951-242-8090

Aguedo M Ingco
AMI Risk Consultants Inc
11410 N Kendall Dr Ste 208
Miami FL 33176-1031
305-273-1589

Vincent McCarley
Backstorm McCarley Berry & Co LLC
115 Sansome St Mez A
San Francisco CA 94104
414-392-5505

Tarrell Gamble
Blaylock Robert Van LLC
350 Frank H Ogawa Plz Fl 10
Oakland CA 94612
510-268-4848

Bufus Outlaw
BOE Securities
210 Ctr Pl 1500 JFK Blvd Ste 430
Philadelphia PA 19102
215-568-5500

Martin Cabrera Jr
Cabrera Capital Markets LLC
10 S LaSalle St Ste 1050
Chicago IL 60603
312-236-8888

Nathaniel Christian
CastleOak Securities LP
110 E 59th St Fl 2
New York NY 10022
212-829-4776

Kevin Moss
Chicago Analytic Trading Co LLC
560 S Winchester Blvd Ste 500
San Jose CA 95128
312-334-1514

Benito China
Direct Access Partners LLC
14 Wall St Fl 18
New York NY 10005
212-850-8892

Ed Prado
Finacorp Securities
2302 Martin St Ste 225
Irvine CA 92612
949-852-6561

Warren West
Greentree Brokerage Services
1831 Chestnut St Ste 1002
Philadelphia PA 19103
215-569-1980

Leopoldo E Guzman
Guzman & Company
101 Aragon Ave
Coral Gables FL 33134
305-374-3600

Christopher Kemp
H Benton Capitol LLC
4400 W Roosevelt Dr
Milwaukee WI 53216
414-212-5850

Susan M Chamberlain
Holland Capital Management LLC
1 North Wacker Dr Ste 700
Chicago IL 60606
312-553-4830

Eric H Pookrum
INNOVA Securities Inc
3703 Woodsman Court
Suitland MD 20746-1376
301-967-7368

Grant Wu
Ivy Securities Inc
320 Northern Blvd Ste 21
Great Neck NY 11021
516-504-1334

Deborah D Wilson
Jackson Securities LLC
100 Auburn Ave NE
Atlanta GA 30303-2527
404-522-5766

Sean Harte
Keshena Asset Management Co LLC
N559 Library Rd PO Box 910
Keshena WI 54135
312-375-9751

Jose Reyes
Kota Global Securities Inc
317 Madison Ave Ste 1220
New York NY 10017
646-380-8300

Antis Moore
Legacy Bank Inc
2102 W Fond Du Lac Ave
Milwaukee WI 53206-1533
414-343-3002

Stephen Berkeley
Loop Capital Markets LLC
200 W Jackson Ste 1600
Chicago IL 60606
312-913-2225

Bernard B Beal
M R Beal & Company
110 Wall St Fl 6
New York NY 10005
212-983-3930

John Sydnor
Melvin Securities LLC
111 W Jackson Blvd Ste 2110
Chicago IL 60604
312-341-0050

Philip Y Leung
Montrose Securities International
44 Montgomery St Ste 3050
San Francisco CA 94104
415-399-9955

MINORITY-OWNED INVESTMENT FIRMS
CERTIFIED BY THE
WISCONSIN DEPARTMENT OF COMMERCE

August 1, 2011 Continued

Peter Schumaker
North Milwaukee State Bank
5630 W Fond Du Lac Ave
Milwaukee WI 53216
414-466-2344

George Madrigal
Penserra Securities LLC
23 Orinda Way Ste 305
Orinda CA 94563
925-258-1974

Mary Reid
Reid Financial Consultant Insurance
6430 W Capital Dr
Milwaukee WI 53216
414-527-6790

Michael C Murray
Rice Financial Products Company
17 State St Fl 40
New York NY 10004
212-908-9200

John Young
Samuel A Ramirez & Co Inc
61 Broadway Ste 2924
New York NY 10006
212-248-3870

Suzanne Shank
Siebert Brandford Shank & Co LLC
222 W Adams St Ste 520
Chicago IL 60606
312-759-0400

Carl Gibbs
Sturdivant & Co Inc
3000 Atrium Way Ste 520
Mt Laurel NJ 08043
856-751-1331

Christopher J Williams
Williams Capital Group LP
650 Fifth Ave Fl 11
New York NY 10019
800-924-1311