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A PROPOSED DEPARTMENT OF DEVELOPMENT IN WISCONSIN A History of Predecessor Agencies

I. Introduction

Among the departmental reorganization proposals being considered by the 1979 Wisconsin Legislature is the creation of a Department of Development. Senate Bill 535, introduced by Senators Cullen, Kleczka, Chilsen, *et al.*, and cosponsored by Representatives Ellis, Hauke, Shabaz, *et al.*, at the request of Governor Lee Sherman Dreyfus, would create such a department.

SB-535 transfers to the proposed Department of Development most of the functions now assigned to the Department of Business Development and the Department of Local Affairs and Development, and abolishes the two existing departments. Additional duties will also be assigned to the new department. The Division of Emergency Government and certain other functions of DLAD, however, will go to the Department of Administration, while the housing relocation function will go to the Department of Industry, Labor and Human Relations.

This Wisconsin Brief explains the historical development of the Department of Business Development and the Department of Local Affairs and Development, and their relationship to each other.

II. Department of Business Development

1955 Session

Although the Wisconsin Department of Business Development was established by 1971 legislation, its statutory origin dates back to the 1955 creation of the Division of Industrial Development in the Executive Office. *Chapter 271, Laws of 1955*, created the Division of Industrial Development, headed by a director appointed by and serving at the pleasure of the Governor. The division was responsible for formulating and directing a program of industrial development in Wisconsin. It was to foster the most desirable growth and diversification of agriculture and industry through research and promotional activities. The division was also responsible for adding plant locations and promoting development through various business services. To assist the division, Chapter 271 created a 15-member advisory committee consisting of 2 senators, 2 representatives to the Assembly, and 11 other members representing industry, agriculture, small business, labor, banking and finance, the University of Wisconsin, railroads and public utilities.

The creation of the Division of Industrial Development was the result of a 1953-1955 Wisconsin Legislative Council study by its Industrial Development Committee. Among the recommendations made by the Industrial Development Committee were that: (1) "Wisconsin's activities in fostering industrial development are considerable and are conducted by many public and private organizations; however, co-ordination and technical assistance should be provided by the state"; and (2) "The need for technical assistance and co-ordination would be best fulfilled by providing a state agency with the prestige and support of the chief executive of the state; namely, a Division of Economic Development in the office of the Governor."

In making its recommendations, the committee concluded that "development of the state can be substantially assisted by the establishment of a state agency to co-ordinate and give technical assistance to the various development activities presently carried on by both private and public organizations in the state." Furthermore, the committee felt that "the state has an important role to play in fostering industrial development..." and that "one of the main advantages of the division of economic development would be that there would be a central place where industries which are interested in learning about opportunities in Wisconsin could go for information."

1959 Session

After its initial placement in the Executive Office in 1955, the Division of Industrial Development was subsequently shifted back and forth between the Executive Office and state departments (Department of Resource Development, Department of Local Affairs and Development, and Department of Business Development). When the Department of Resource Development was created by *Chapter 442, Laws of 1959*, the division was transferred to that department together with several state agencies concerned with resource development.

Concerning the reasons for creating a Department of Resource Development, Governor Gaylord Nelson, on May 13, 1959, made the following statement to the Joint Conservation Committee:

"I have proposed the creation of a Department of Resource Development. It is in the main an agency concerned with ideas and plans for development of our total resources.

"This bill creates a clearinghouse through which we can coordinate the efforts of a vast multiplicity of agencies in the broad fields of research and development of our resources and our industrial and economic potential.

"Almost all of the duties and functions of the new Department are already executive responsibilities. This is in the nature of a reorganization bill. It is aimed at combining all of these related activities in a well planned and coordinated effort for more effective promotion and development of our human and natural resources.

"With the tremendous expansion of our population, the increasing pressure upon our resources and the lag in our economic growth, it is imperative that we make the best possible use of the ideas and talents of our people and the resources of our colleges and state agencies. Thus far we have failed to do so. Our efforts have been dissipated in large part because of a lack of planning and coordination.

"The problem of coordinating our scattered and miscellaneous efforts in this broad field are not insignificant. It involves a knowledge and understanding of the research projects being conducted in literally dozens of departments in our colleges and agencies of state government. It involves a knowledge and understanding of all the activities in our various agencies that are in any way concerned with agriculture, industrial development, mineral resources, conservation and recreation development.

"Unfortunately, there is now no central clearinghouse charged with the responsibility of keeping informed of these important activities, exchanging information, or coordinating efforts. Furthermore, there is no instrument through which the benefits of our research and other activities may be translated into action programs.

"At least thirteen state agencies are now concerned with significant aspects of resource development, including the Conservation Commission, the Public Service Commission, the Board of Health, Pollution Committee, the State Geologist and Geological Survey, the Agricultural Experiment Station, the University Extension Division, the Agricultural Extension Service, the Wisconsin State Employment Service, the Department of Agriculture, the Highway Commission, the Soil Conservation Committee, and the Bureau of Engineering.

"The very names of these agencies suggest the limitations on their powers for broad-based resource development purposes. Most are 'vertical' agencies with powers to deal with specific sets of problems: hydro-electric power, irrigation, pure water, high capacity wells, construction of highways, soil erosion measures, etc. It is important to recognize that the new department would do a job that is not now assigned by law to — nor adequately handled by — any present unit of state government. The new department is to be a "horizontal" agency, approaching resource development on a broad functional front. The help of existing agencies is vital to the success of the department in meeting its assigned goals to the long-term benefit of the people of our state.

"The Department of Resource Development will link the legislature and the governor's office. It will link the governor's office and the concerned state departments and agencies. It will revitalize the 'Wisconsin Idea' by actively enlisting the help of the University on a broad front for Wisconsin's development. It will stimulate ideas and research and developmental work. Above all, it will look at our resource development problems as a whole — not as jumbled jig-saw pieces.

"The new department will also concentrate on six major areas, applying its coordinated planning, development and promotional functions to each, just as it applies these functions to the whole."

1965 Session

The Division of Industrial Development was returned to the Executive Office by *Chapter 614, Laws of 1965*. Chapter 614 reorganized the Department of Resource Development, creating a State Planning

Division, a Recreation Division, and a Water Resources Division in the department. All water quality management programs were consolidated in the latter division. This approach was the result of recommendations made by both the Governor's Committee on Water Resources and the Water Resources Subcommittee of the Temporary Reorganization Committee.

1967 Session

The Division of Industrial Development remained in the Executive Office until *Chapter 75, Laws of 1967* (the executive branch reorganization act) renamed it the Division of Economic Development and placed it in the Department of Local Affairs and Development.

Chapter 75 was the result of a 16-month study by the Temporary Reorganization Committee, created by Chapter 265, Laws of 1965, and chaired by William Kellett.

One of the main objectives of this committee was "The integration into departments of the agencies of the executive branch ... on a functional basis so that programs can be coordinated".

Prior to its introduction, Senate Bill 55 (which became Chapter 75) was redrafted a total of 6 times. In the first draft the Division of Economic Development was placed in a proposed Department of Commerce. By the fourth draft a commerce department concept had been abandoned, and the division was placed in a Department of Local Affairs and Development.

In "Government Reorganization in Wisconsin — Senate Bill 55 and Assembly Bill 100", proposed by the Temporary Reorganization Committee, January 1967, it was stated that:

"The overall purpose of the Department of Local Affairs and Development will be to consolidate programs of the state which relate to the economic growth and development of Wisconsin and coordinate state activities and programs which directly affect local affairs. As the word 'development' implies, one of the major objectives of this department will be to foster and promote the economic life of the state."

The report posed the question: "Why are Economic Development, Travel Service, and Local and Regional Planning placed in the new Department of Local Affairs and Development?" Its answer was:

"These functions relate to aspects of state-wide development and promotion which have a basically local flavor and participation. The committee felt that these, together with Emergency Government and Exposition Department functions would complete a cohesive, complementary, functional grouping."

It should be noted that travel promotion was not included in DLAD in the final bill. It remained in the Department of Natural Resources until the Division of Tourism was transferred to the Department of Business Development in 1975.

1971 Session

Four years later, however, the Division of Economic Development was removed from the Department of Local Affairs and Development by *Chapter 321, Laws of 1971* (Senate Bill 608), to become the Department of Business Development.

In his State of the State address on January 21, 1971, Governor Patrick J. Lucey, stated that "...there are some actions which states can legitimately take to encourage a strong economy and an increase in both the number and quality of jobs available to its citizens.... We can sustain programs of job retaining, continue promoting both the state's economic potential and its products; and most important, we can maintain an open door to businessmen who may need the assistance of government". The Governor appointed a task force on commerce and industry to investigate and make recommendations in the area of commerce and industry, specifically, to determine the feasibility of establishing a Department of Commerce.

In its final report presented on April 14, 1971, the Task Force '71 on Commerce and Industry recommended creating a Department of Commerce to manage "state functions which concern the growth of our economic base and opportunity".

"The purpose of such a department would be to extract from the present state departments those divisions which are primarily concerned with marketing, economic development and promotion and achieve an in-gathering of these similar units under a single department." The major objective was to bring about a higher degree of efficiency and effectiveness and to seek an improved economic base for Wisconsin.

In organizing such a department, the Governor's task force focused upon the following departments and functions: the Department of Agriculture (marketing), the Department of Local Affairs and Development (economic development), the Department of Natural Resources (tourism), the University of Wisconsin, Graduate School of Business and Extension Division (support services for this area).

As originally introduced, 1971 Senate Bill 608 consolidated these functions from the Departments of Agriculture, Local Affairs and Development, and Natural Resources. Apparently because of strong

opposition by the departments involved, however, only the economic development function within the Department of Local Affairs and Development was included in the version enacted.

1975 Session

Although the 1971 laws left the tourism function in the Department of Natural Resources, *Chapter 39, Laws of 1975*, the 1975-77 Executive Budget Act, transferred the tourist activities to the Department of Business Development. The transfer was the result of Governor Lucey's recommendation.

The purpose was to centralize in one agency the promotional, recreation research and economic advisory services which the state provides to the tourism industry.

Current Functions

As the department now stands, its functions are advisory, informational, coordinative and promotional in nature. Its purpose is to foster the state's economy, as it relates both to industrial development and to tourism, through research, planning and promotion. The department is charged with providing assistance to commercial and industrial developers and to small and minority enterprises; encouraging the creation of jobs in depressed areas; encouraging cooperation between financial institutions and businessmen in order to stimulate business expansion; and promoting, advertising and publicizing state tourism.

The Genealogy of the Department of Business Development

1. Division of Industrial Development (1955)
(within Governor's Office)
2. Division of Industrial Development (1959)
(Within Department of Resource Development)
3. Division of Industrial Development (1965)
(within Governor's Office)
4. Division of Economic Development (1967)
(within Department of Local Affairs and Development)
5. Department of Business Development (1971)

III. Department of Local Affairs and Development

1967 Session

As described in Part II, the Department of Local Affairs and Development was created by *Chapter 75, Laws of 1967* (the executive branch reorganization act), and implementing laws (Chapters 211 and 327, Laws of 1967). The Bureau of Civil Defense, the Division of Economic Development, and the Office of Economic Opportunity were transferred to it from the Executive Office; the local and regional planning function was transferred from the Department of Resource Development, which was abolished; and the Exposition Department and the Olympic Sports Commission were attached.

It might be noted here that some of the functions which were included in the new Department of Local Affairs and Development had a long history of their own. The Bureau of Civil Defense was derived from the State Council on Civil Defense, created in 1943. The council was abolished, but its functions transferred to the Adjutant General's Department in 1951. In 1959 it became the Bureau of Civil Defense in the Executive Office.

The Exposition Department, created in 1961, goes back to the State Fair first held in 1851. It was held under the auspices of the State Board of Agriculture and successor agencies from 1898 until 1961.

In "Government Reorganization in Wisconsin--Senate Bill 55 and Assembly Bill 100" the Reorganization Committee explained its actions:

"Why was the name of the Civil Defense Bureau changed to that of Emergency Government?"

"In public hearings throughout the state, those most knowledgeable with the functions of the Civil Defense Bureau made the point that the agency's name did not really describe its functions. The suggestion was made that the name be changed to Emergency Government.

"Why is the Wisconsin Exposition Department being transferred to this new department?"

"The overall purpose of the Department of Local Affairs and Development will be to consolidate programs of the state which relate to the economic growth and development of Wisconsin and coordinate state activities and programs which directly affect local affairs. As the word 'development' implies, one of the major objectives of this department will be to foster and promote the economic life of the state. The function of the Wisconsin Exposition Department is to promote economic growth and development by exhibiting the products of the state's economy and demonstrating the benefits and advantages which Wisconsin offers."

As noted in the preceding section, the committee answered its rhetorical question on why Economic Development, Travel Service, and Local and Regional Planning were in their proposed version of a Department of Local Affairs and Development by stating:

"These functions relate to aspects of state-wide development and promotion which have a basically local flavor and participation. The committee felt that these, together with Emergency Government and Exposition Department functions would complete a cohesive, complementary, functional grouping."

It should again be noted that the function of promoting tourism was not included in DLAD when the bill was enacted.

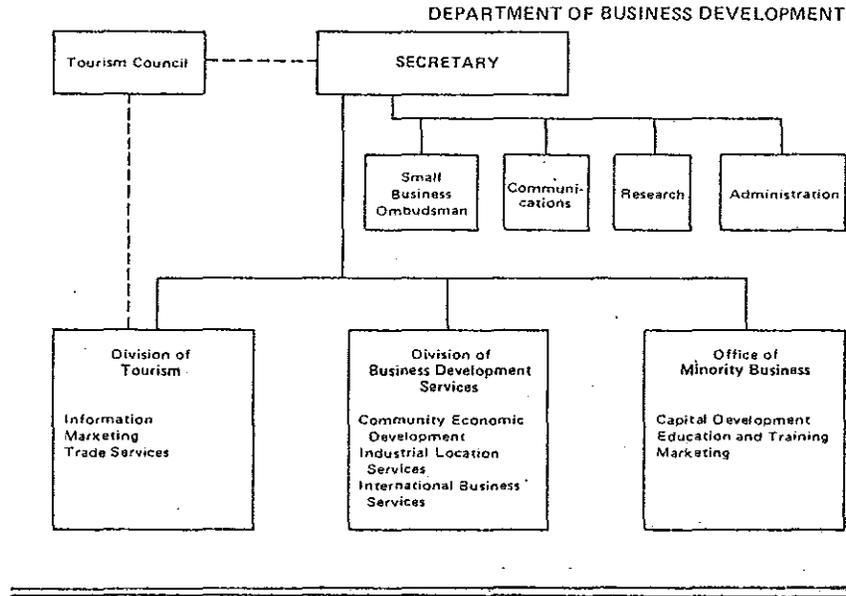
1971 Session

The 1971 session again changed the composition and complexion of the Department of Local Affairs and Development. *Chapter 125, Laws of 1971*, transferred the Exposition Center (State Fair) to the Department of Agriculture, and the Olympic Ice Rink to the Department of Natural Resources (but then to the Department of Agriculture in 1973).

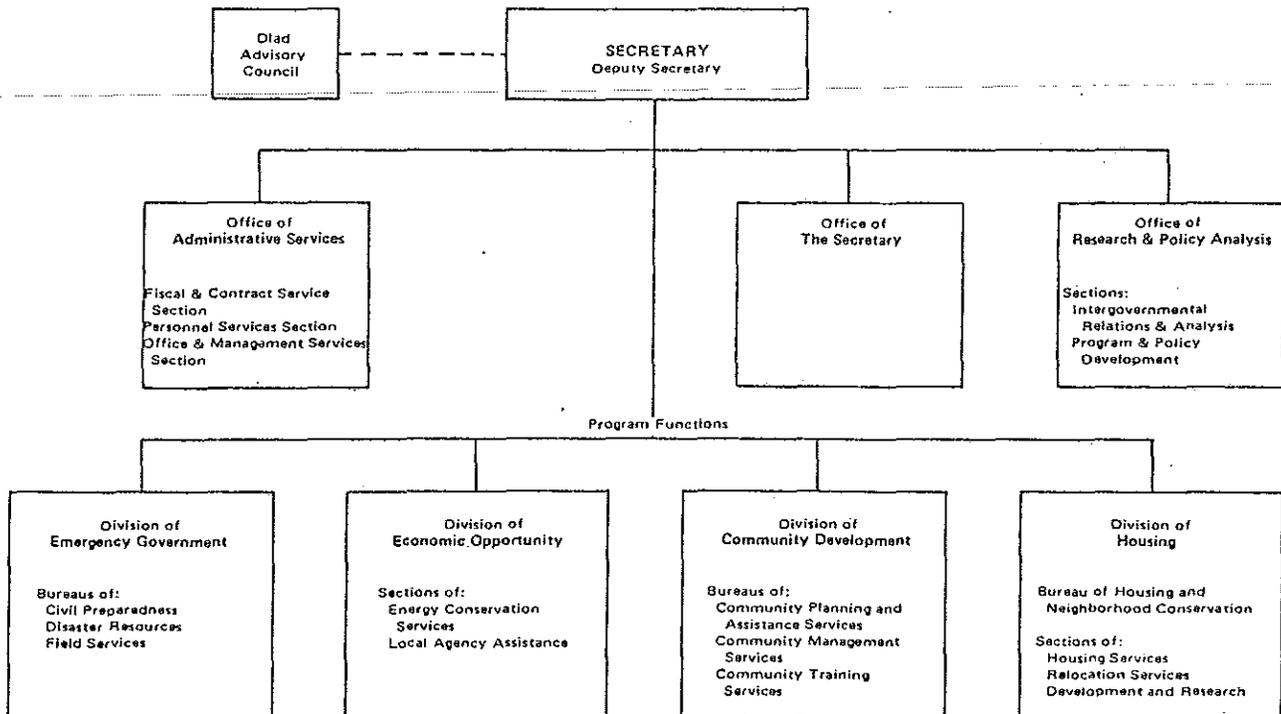
The major change, however, was the enactment of *Chapter 321, Laws of 1971*, which created the Department of Business Development, with DLAD's Division of Economic Development forming the nucleus of the new department.

General Functions of the Department of Local Affairs and Development

As presently constituted, the department assists the governor in coordinating the activities of all state programs having an impact on community problems and plans. The department is to enhance the capability of Wisconsin communities to meet effectively the needs of citizens by: improving intergovernmental partnerships, developing community and human resources, increasing the availability of adequate housing, preparing for and responding to natural and man-made emergencies, and fostering programs of sound development.



DEPARTMENT OF LOCAL AFFAIRS AND DEVELOPMENT



Source: 1979-1980 WISCONSIN BLUE BOOK.