



### Support LRB-5812 and LRB-5815 to increase the limit on the compensation of Wisconsin Housing and Economic Development Authority (WHEDA)

In June of 2023, legislation was signed into law to expand the financial products offered by the Wisconsin Housing and Economic Development Authority (WHEDA), through the Bipartisan Workforce Housing Package. We thank the authors for their work on this legislation to address the affordable housing shortage facing Wisconsin.

WHEDA appreciates the trust legislators have placed in our sound financial stewardship and operations, to successfully implement and manage these programs and their historic state appropriation. To be successful, these programs will require the work of trained and dedicated staff to build, market, administer, and report back to the Legislature on them, over the next 18 months.

WHEDA requests that the statutory language limiting the salary of executive staff be raised to 126.8% of the current maximum, to align with market salaries, attract and retain highly trained staff, and successfully expand our affordable and workforce product offerings.

Raising the maximum salary of executive salary group 6 for WHEDA will have no fiscal impact on the state of Wisconsin. WHEDA does not receive any General Purpose Revenue (GPR) for the salary of employees or to cover administrative costs. Instead, revenue from WHEDA's diverse portfolio of financial products covers the Authority's operations.

The language of this Statute was established in [1975](#) where WHEDA was placed into executive salary group 3. In [1981](#), the language was amended to place WHEDA into executive salary group 6. For the last 41 years, the language has remained the same while the needs, operations, and contributions of WHEDA have substantially grown.

As a financial institution, most of our positions have a private-sector equivalent, most often in banking and development industries, where we see staff movement most often. Private-sector companies offer higher salaries for similar positions as WHEDA, allowing them to recruit from our highly trained staff.

For senior staff, it is easy to draw a comparison between salary and benefits WHEDA can pay to those offered in private sector positions in Wisconsin. For example, WHEDA's Chief Financial Officer (CFO) receives a salary range between \$135,090 and \$171,787. The [typical range](#) for a CFO salary in Wisconsin is between \$318,584 and \$539,471.

Recruiting upper-level management talent continues to be a challenge for WHEDA. Director and executive level positions regularly remain vacant for several months at a time as WHEDA attempts to recruit and retain high-quality executives who could easily work in lucrative private sector roles. Lack of direction and executive leadership impact the work WHEDA can accomplish and slow the generation of innovation. When director-level positions remain vacant, departments experience increased workloads, loss of efficiency, and operational distress.



# WHEDA

## LRB-5812 & LRB-5815 Position Paper

Similarly organized groups, such as the State of Wisconsin Investment Board (SWIB), are also more competitive in their salaries than WHEDA. Not bound by any state executive salary schedules, SWIB's salaries are significantly greater than those WHEDA can offer. The average salary and fringe benefits for senior management and investment management directors was \$459,900 in 2019. For all other FTE staff at SWIB, the average salary and benefits was [\\$173,500](#).

We recognize that WHEDA will not be able to pay at this level or at private salary levels, even with this change. However, WHEDA must have the flexibility to offer competitive salaries within 10% of the market rate, as opposed to our trending level of a 20% gap.

Approving the altered language for the salary cap will accomplish higher job competitiveness for WHEDA at no cost to the State of Wisconsin. WHEDA forecasts that increases in employee salaries and any increases in staffing levels following implementation can be absorbed into WHEDA's General and Administrative Budget for Personnel Expenses. The overall result of increased salaries and staffing levels would be equipping WHEDA with the workforce necessary to execute new and existing affordable housing programming.