



Capacity Building Program

Program Guidelines for Fiscal Year 2026	
Lead Division: Business and Community Development	
<input type="checkbox"/> New	<input checked="" type="checkbox"/> Revised 9/24/2025
<input checked="" type="checkbox"/> Grant	<input type="checkbox"/> Loan <input type="checkbox"/> Tax Credit <input type="checkbox"/> Technical Assistance

Introduction

Background Information: The Capacity Building (CB) program provides funds to assist economic development focused local, regional, Tribal and state-wide nonprofit organizations, and educational institutions to foster an advanced economic development network in Wisconsin by furthering the goals of WEDC in alignment with its Mission and Vision – to strategically invest in Wisconsin and support an economy for all where every Wisconsinite has the opportunity to thrive.

Thrive Rural: Thrive Rural Wisconsin funds grants made to local economic development organizations, units of government and/or Tribal communities to access **technical assistance** and financial support that increases their capacity to develop community facilities, community economic development initiatives, and housing projects that will enhance the community as a thriving place to live. Thrive Rural Wisconsin funds are only available to communities approved in concept prior to submittal of an application.

Cooperative Development Grant: Cooperative Development Grants support the development of new and existing for-profit and nonprofit entities looking to create or expand a cooperative in Wisconsin, with a goal of fostering the success of current and future cooperatives by supporting planning and exploratory research in advance of making a large investment.

Program’s Purpose: The Capacity Building program is a flexible program – broad project range, financing structure, client type – to quickly help address a variety of economic development issues with WEDC’s not-for-profit / governmental partners. While not an emergency response type tool, it does allow for more rapid response, due to its flexibility, to address the lack of capacity or the need to pilot solutions within Wisconsin’s economy.


The CB program also allows for pilot programs at WEDC to be tested within the CB framework prior to a permanent program being developed (recent examples – Thrive Rural and Cooperative Development).

Finally, the CB program acts as a leading indicator for WEDC staff to spot emerging economic issues that may need a more formal program or type of support, as well as a “learning lab” of vetted ideas to share elsewhere in WEDC’s network of partners. This may involve activity start up or emphasis with other collaborating agencies. Projects must be economic development related, pilot or new idea, replicable, and sharable across the state.



Eligibility Requirements

Eligible Applicants: Capacity Building applicants must meet the following criteria:

- Be an economic development-focused local, regional, Tribal, state-wide nonprofit organization, or educational institution; or a for-profit or non-profit entity looking to create or expand a cooperative in Wisconsin.
 - Thrive Rural: The Office of Rural Prosperity selects 10 communities to participate in Thrive Rural. Those 10 communities are eligible for Thrive Rural Capacity Building grants.
- Be pursuing a project including, but not limited to the following:
 - Planning initiatives or assessments of the economic competitiveness of the area (e.g. workforce, infrastructure, sustainability, export capacity).
 - Initiatives that will assist or enhance an organization's ability to develop or deliver economic development programming that helps to identify or address issues or challenges of an area or the state.
 - Implementation of pilot programs or economic development best practices.
 - Marketing by regional economic development organizations. Regional economic development organizations may receive grants not to exceed \$100,000 or the amount of matching funds the organization obtains from sources other than WEDC or the state, whichever is less, to fund marketing activities. 
 - Cooperative development work. For-profit or non-profit entities looking to create or expand a cooperative are eligible to use grants for Co-op feasibility studies or for professional services to create or expand current cooperative businesses.

Eligible Use of Funds: CB grants can fund the following activities. Costs are only eligible to be applied to grant and matching fund expenses after WEDC approval.

- Operational costs related to the project.
- Consultant costs related to the project.

Thrive Rural: Thrive Rural grants can fund the following activities. Costs are only eligible to be applied to grant and matching fund expenses after WEDC approval.

- Professional services for pre-development of projects including engineering services.
- Professional services that increase the capacity of a community to apply for state and federal funding including financial management, technical assistance and grant writing support.
- Design and architectural renderings.
- Project management.
- Legal fees.
- Environmental impact assessments.

Cooperative Development Grant: Cooperative Development grants can fund the following activities. Costs are only eligible to be applied to grant and matching fund expenses after WEDC approval.

- Operational costs related to the project.
- Consultant costs related to the project.



Ineligible Use of Funds: Costs are only eligible after WEDC approval. Activities ineligible for program assistance or match include, but are not limited to:

Thrive Rural: Activities ineligible for program assistance or match include, but are not limited to:

- In-kind contributions (e.g., staff time and benefits).
- Construction costs.

Cooperative Development Grant: Activities ineligible for program assistance or match include, but are not limited to:

- Salaries and supplies.

Matching: WEDC may require the applicant to contribute matching funds to the project depending on the project's attributes.

Available Incentives

FY26: \$950,000

Capacity Building: \$500,000

Thrive Rural: \$250,000

Cooperative Development Grant: \$200,000

Awards Sizes: The maximum CB grant under any category is \$50,000. ^(OBJ)

Award per Applicant: Applicants may receive one award per fiscal year for capacity building and cooperative development recipients. Thrive Rural applicants can receive up to two awards in a fiscal year.

Activities and Expected Outcomes

Capacity Building: Assist 9 organizations.

Thrive Rural: Assist up to 10 organizations.

Cooperative Development Grant: Assist 5 organizations.

Impact: Create case studies to be shared with the Wisconsin Economic Development community as a resource. Secondarily provide insight to WEDC staff on areas of capacity is lacking within Wisconsin's economic development community for potential new programming.

Thrive Rural: The communities should receive technical assistance (TA) on the economic plan they select over the 2 years. Communities should be able to leverage WEDC TA and CB grants to apply for additional state, federal, or private grants.



Cooperative Development Grant: The impact should be either new or expanded co-ops in Wisconsin or documentation on why a particular co-op plan was not feasible.

Metrics: As a capacity building program, project performance reporting metrics for CB grants are focused on measuring connection of project to community. CB program metrics include the following list, and each project will include one or more of these metrics in its reporting requirements depending on the project's specified use of funds.

- Pass-Through Businesses Assisted (Technical)
- Individuals Served/Engaged
- Marketing Impressions
- Plans Complete
- Leverage – Total

Thrive Rural

- Pass-Through Businesses Assisted (Technical)
- Plans Completed
- Leverage – Total

Cooperative Development Grant

- Plans Completed
- Leverage – Total

Application Guideline

Timeline: The Capacity Building, Thrive Rural Wisconsin, and Cooperative Development programs have a continuous application process.

Review Considerations: WEDC may take the following into account when considering a Capacity Building and Cooperative Development award:

- The likelihood the proposed effort will result in long-term benefits to the applicant organization, its members, the region or state, or its clients.
- The degree to which the applicant organization can influence state or regional economic conditions (e.g. number of localities served, geography, membership size).
- The extent to which the problem has been approached through regional collaboration with other economic development groups and other local jurisdictions.
- The extent to which the project will provide an impact to economically distressed communities or rural areas of Wisconsin.
- The financial need demonstrated by the applicant.
- The extent to which the proposed effort can be replicated throughout Wisconsin.
- Alignment with Comprehensive Economic Development Strategy (CEDS) plans of the applicant organization's Regional Planning Commission / Economic Development district.

How to Apply: An interested applicant should contact a WEDC Account Manager to



determine if their project is right for the program. Upon review of the project, and alignment with eligibility criteria, an applicant will be invited to submit their application through Network Wisconsin.

Thrive Rural: Applicants should complete an application through an Account Manager, after the applicant's concept has been approved by the Office of Rural Prosperity.

Award Process: The completed application will be assigned to an underwriter and go through the award review process.

Performance Reporting: Recipients must periodically submit a performance report documenting specific project activities and any other contract deliverables.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report and financial records are required to be maintained by the Recipient for a period of at least three (3) years after the last performance report is due.

WEDC may impose additional reporting requirements to evaluate project performance and to ensure compliance with contract deliverables.

Revision History

Program Inception – Fiscal Year 2013

- 7/1/2017: Eliminated pilot status for Entrepreneurship Support track
- 7/1/2019: Clarified performance reporting requirements; standardized application and awards process
- 7/1/2020: Expanded eligibility and funding for COVID-19 recovery initiatives
- 7/1/2021: Transferred Entrepreneurship Support track to the ETA program; eliminated temporary CARES Act provisions
- 07/01/2024: Added Thrive Rural pilot and Co-op grant types
- 7/1/2025: Removed pilot status from Thrive Rural
- 9/30/2025: Updated to clarify technical assistance and application eligibility