

## 2013 DRAFTING REQUEST

### Assembly Amendment (AA-AB181)

Received: **5/7/2013** Received By: **mgallagh**  
Wanted: **As time permits** Same as LRB:  
For: **Fred Clark (608) 266-7746** By/Representing: **Andy Gill**  
May Contact: Drafter: **mgallagh**  
Subject: **Econ. Development - misc.** Addl. Drafters:  
Extra Copies:

Submit via email: **YES**  
Requester's email: **Rep.Clark@legis.wisconsin.gov**  
Carbon copy (CC) to: **michael.gallagher@legis.wisconsin.gov**

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#### Pre Topic:

No specific pre topic given

---

#### Topic:

Remove JCF passive review of contract between WEDC and investment manager

---

#### Instructions:

See attached

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#### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	mgallagh 5/7/2013	csicilia 5/7/2013	jmurphy 5/7/2013	_____	mbarman 5/7/2013	mbarman 5/7/2013	
/2	mgallagh 5/8/2013	csicilia 5/8/2013	phenry 5/8/2013	_____	srose 5/7/2013	srose 5/7/2013	
/3				_____	mbarman 5/8/2013	mbarman 5/8/2013	

FE Sent For:

**<END>**

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/2					srose 5/7/2013	srose 5/7/2013	

FE Sent For:

1/3 gjs 5/8  
13  
5/8 ph  
5/8  
12/8/13

<END>

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FE Sent For:

12 gjs 5/7  
13  
jm 5/7  
<END>  
jm + jg  
5/7

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/1 mgallagh

Handwritten notes: 1 - JCS 5/7/13, mgallagh

FE Sent For:

<END>

## Gallagher, Michael

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**From:** Gill, Andy  
**Sent:** Monday, May 06, 2013 5:01 PM  
**To:** Gallagher, Michael  
**Subject:** RE: AB 181 amendments

Hi Mike-

Sorry for the delay on this request, things have been moving fast with this bill and committee. Is there any chance we can have these amendments by 8:30 tomorrow (5/7/13)? I realize that's a quick turnaround and I hate to make the request, but it's committee policy.

I'll be in by 7:45 if you have questions. Thanks!

### **Andy Gill**

Office of Rep. Fred Clark  
608-266-7746

---

**From:** Gill, Andy  
**Sent:** Monday, May 06, 2013 4:50 PM  
**To:** Gallagher, Michael  
**Subject:** AB 181 amendments

Mike-

Could you draft two separate amendments to AB181?

1. Require the committee (WEDC-SWIB, with SWIB majority) that selects the Investment Manager to also approve the terms of the contract WEDC enters into with the selected Investment Manager.
2. Replace passive review of WEDC-Investment Manager selection and contact with an act of approval. Also require SWIB to submit to JFC its recommendations upon review of the contract.

### **Andy Gill**

Office of Rep. Fred Clark  
608-266-7746

## Gallagher, Michael

---

**From:** Gill, Andy  
**Sent:** Tuesday, May 07, 2013 7:56 AM  
**To:** Gallagher, Michael  
**Subject:** RE: AB 181 amendments

Yes separate amendments.

1. Yes review and approve, sign off, etc. Not sure what the language is but our intent is to have there be more claws in the approval process than just passive review.
2. Correct, JCF would have active and SWIB would review and submit its recommendations to JCF in its review

THANKS again for your work on this, I apologize on the timing.

### Andy Gill

Office of Rep. Fred Clark  
608-266-7746

---

**From:** Gallagher, Michael  
**Sent:** Tuesday, May 07, 2013 7:02 AM  
**To:** Gill, Andy  
**Subject:** RE: AB 181 amendments

I mean amendments. It looks like you want these as separate amendments. That would mean that under number 1, both JCF and the selection committee would be authorized to review the contract before it is implemented. Is that correct?

### Mike Gallagher

Attorney  
Wisconsin Legislative Reference Bureau  
(608) 267-7511

---

**From:** Gallagher, Michael  
**Sent:** Tuesday, May 07, 2013 6:45 AM  
**To:** Gill, Andy  
**Subject:** RE: AB 181 amendments

I'll get this amendment out by 8:30 this morning.

Mike

### Mike Gallagher

Attorney  
Wisconsin Legislative Reference Bureau  
(608) 267-7511



5/7 By 8:30 AM  
State of Wisconsin  
2013 - 2014 LEGISLATURE



LRBa0375/1  
MPG: /:....

JS

ASSEMBLY AMENDMENT,  
TO ASSEMBLY BILL 181

folli's ✓

1 At the locations indicated, amend the bill as follows:

2 1. Page 4, lines 2, 5, 9, 13 and 20: after "(a)" insert "1."

3 2. Page 4, line 13: delete "MANAGER" and substitute "MANAGER; CONTRACT  
4 APPROVAL".

5 3. Page 4, line 18: after that line insert:

6 "2. The investment board shall review the corporation's proposed contract with  
7 the investment manager and submit to the joint committee on finance any  
8 recommendation the investment board has concerning the proposed contract."

9 4. Page 4, line 22: delete the material beginning with that line and ending with  
10 page 5, line 7 and substitute:

11 "2. The corporation and investment manager may execute the proposed  
12 contract only if the joint committee on finance approves the contract. The committee  
13 shall approve the contract unless the committee determines that the contract, in

1 whole or in part, is contrary to this section or fails to implement an applicable  
2 provision of subs. (4) to (7).”

3 (END)



## Gallagher, Michael

---

**From:** Gill, Andy  
**Sent:** Tuesday, May 07, 2013 1:11 PM  
**To:** Gallagher, Michael  
**Subject:** RE: AB 181 amendments

JCF should have 30 days to act, if they don't the contract expires and isn't executed.

### Andy Gill

Office of Rep. Fred Clark  
608-266-7746

---

**From:** Gill, Andy  
**Sent:** Tuesday, May 07, 2013 12:59 PM  
**To:** Gallagher, Michael  
**Subject:** RE: AB 181 amendments

Hi Mike-

Apologies, this is all being done on the fly. Fred would like to keep the active review by JCF. Let me know if we need to work out some kinks. I can pull Fred off the floor for a quick (final discussion) if it helps.

### Andy Gill

Office of Rep. Fred Clark  
608-266-7746

---

**From:** Gallagher, Michael  
**Sent:** Tuesday, May 07, 2013 12:52 PM  
**To:** Gill, Andy  
**Subject:** RE: AB 181 amendments

Got it. I'll let you know if I run into questions.

Mike

### Mike Gallagher

Attorney  
Wisconsin Legislative Reference Bureau  
(608) 267-7511

---

**From:** Gill, Andy  
**Sent:** Tuesday, May 07, 2013 12:33 PM  
**To:** Gallagher, Michael  
**Subject:** RE: AB 181 amendments

I realize these changes might be confusing via email. Feel free to call. Regarding LRBa0375/1, can we make the following changes:

1. Instead of SWIB reviewing and recommending the contract, we would like that role designated to the Audit Bureau.
2. LAB would have 14 days to review and make recommendations to JCF
3. JCF then has an additional 14 days of passive review
4. What is the reasoning behind this language? "unless the committee determines at that meeting that the contract, in whole or in part, is contrary to this section or fails to implement an applicable provision of subs. (4) to (7)"
  - a. If possible, we'd prefer taking that out and allowing JCF to determine in whole or part if the contract should be approved, denied, or revised.

**Andy Gill**

Office of Rep. Fred Clark  
608-266-7746

---

**From:** Gallagher, Michael  
**Sent:** Tuesday, May 07, 2013 7:22 AM  
**To:** Gill, Andy  
**Subject:** RE: AB 181 amendments

Andy: I'm not sure I understand all of the pieces to your item 2, below. This is the way I am reading (and drafting) it (tell me if this is not right):

Under item 2, JCF must review and approve the investment manager and contract, i.e. active not passive review? Also, SWIB must review the contract and submit its recommendations to JCF for JCF to consider in its review of the contract.

**Mike Gallagher**

Attorney  
Wisconsin Legislative Reference Bureau  
(608) 267-7511

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Wisconsin Legislative Reference Bureau  
(608) 267-7511

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608-266-7746

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**Andy Gill**

Office of Rep. Fred Clark  
608-266-7746



LRBa0375/1  
MPG:cjs:rs

When the corporation gives the notice under par. (b) 1. ↗

slays

9  
1/2

**ASSEMBLY AMENDMENT,  
TO ASSEMBLY BILL 181**

The corporation shall submit its proposed contract with the investment manager to the legislative audit bureau for review.

legislative audit bureau

Use 2x ↗

- 1 At the locations indicated, amend the bill as follows:
- 2 **1.** Page 4, lines 2, 5, 9, 13 and 20: after “(a)” insert “1.”
- 3 **2.** Page 4, line 13: delete “MANAGER” and substitute “MANAGER; CONTRACT
- 4 APPROVAL”.
- 5 **3.** Page 4, line 18: after that line insert:

6 “2. The investment board shall review the corporation’s proposed contract with

7 the investment manager and submit to the joint committee on finance any

8 recommendation the investment board has concerning the proposed contract.”

- 9 **4.** Page 4, line 22: delete the material beginning with that line and ending with
- 10 page 5, line 7, and substitute:

11 “2. The corporation and investment manager may execute the proposed

12 contract only if the joint committee on finance approves the contract. The committee

13 shall approve the contract unless the committee determines that the contract, in

within 14 days after it receives the proposed contract for review;

Subd. 1  
within 45 days after the date of the corporation's notice under

submit

or revises

1/2

1

whole or in part, is contrary to this section or fails to implement an applicable

2

provision of subs. (4) to (7)."

3

(END)

## Gallagher, Michael

---

**From:** Gill, Andy  
**Sent:** Tuesday, May 07, 2013 6:54 PM  
**To:** Gallagher, Michael  
**Subject:** FW: amendment  
**Attachments:** LRB 0375.docx

Reps. Clark and Kuglitsch have agreed on the following changes to a0375.

1. When the corporation gives the notice under par. (b) 1., the corporation shall submit its proposed contract with the investment manager to the legislative audit bureau for review. The legislative audit bureau shall review the proposed contract and, within 14 days after it receives the proposed contract for review, submit to the joint committee on finance an opinion of the of the proposed contract that evaluates the terms of the contract and offers an opinion on the extent to which the proposed contract terms conform to normal practices in the venture capital industry, and the extent to which it implements an applicable provision of subs. (4) to (7)
2. We would like to go back to passive review. We just want to make sure that audit bureau delivers a memo of opinion within 14 days to joint finance and that joint finance has 14 days of review of the contract. I don't know how you want to word it. It could be 28 days total, 14 and 14, whatever is easier to draft as an amendment.

Andy Gill  
Office of Rep. Fred Clark  
608-266-7746

-----Original Message-----

From: Spencer, Matt  
Sent: Tuesday, May 07, 2013 6:28 PM  
To: Gill, Andy  
Subject: RE: amendment

Matthew Spencer  
Office of Representative Mike Kuglitsch  
(608) 267-5158

-----Original Message-----

From: Gill, Andy  
Sent: Tuesday, May 07, 2013 6:19 PM  
To: Spencer, Matt  
Subject: FW: amendment

-----Original Message-----

From: Clark, Fred  
Sent: Tue 5/7/2013 5:23 PM  
To: Gill, Andy  
Subject: amendment

Andy,

Not trying to be a pain but the language on the LAB review is weak.

I'm sure we won't get it till tomorrow and there may be more changes to come - but I'd like to change the language on Line 10.

Replace "any recommendation" with "a letter of review of the proposed contract that evaluates the terms of the contract and offers an opinion on the extent to which the proposed contract terms conform to normal practices in the venture capital industry, and the extent to which it provides appropriate protections and accountability for taxpayer funds."

I'll follow up after we talk to K.

Fred Clark

81st Assembly District Representative

Room 122 North

State Capitol

P.O. Box 8952

Madison, WI 53708

(608) 266-7746



Tracks



LRBa0375(2)

MPG:cjs:jm

Stays

3

full list

ASSEMBLY AMENDMENT,  
TO ASSEMBLY BILL 181

and the corporation

a letter of review that <sup>evaluates</sup> evaluates the terms of the contract and offers an opinion concerning the extent to which the proposed contract conforms to normal practices in the venture capitalist industry and the extent to which the contract implements svs. (4) to (7)

1 At the locations indicated, amend the bill as follows:

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3 2. Page 4, line 13: delete "MANAGER" and substitute "MANAGER; CONTRACT  
4 APPROVAL".

5 3. Page 4, line 18: after that line insert:

6 "2. When the corporation gives the notice under par. (b) 1., the corporation shall  
7 submit its proposed contract with the investment manager to the legislative audit  
8 bureau for review. The legislative audit bureau shall review the proposed contract  
9 and, within 14 days after it receives the proposed contract for review, submit to the

10 joint committee on finance any recommendation the legislative audit bureau has

11 concerning the proposed contracts".

12 4. Page 4, line 22: delete the material beginning with that line and ending with

13 on page 5, line 6, and substitute:

23

no 49

the joint committee on finance receives the legislative

no 49

no 49

1           “2. The corporation and investment manager may execute the proposed  
2 contract only if the joint committee on finance approves or revises the contract within  
3 45 days after the date of the corporation’s notice under subd. 1.”

4

(END)