

Fiscal Estimate - 2013 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 13s0052/1	Introduction Number ASA1-AB181	
Description Venture capital investment program		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.505(1)(a)		
Agency/Prepared By DOA/ Jana Steinmetz (608) 266-1359	Authorized Signature Jana Steinmetz (608) 266-1359	Date 6/6/2013

Fiscal Estimate Narratives

DOA 6/6/2013

LRB Number	13s0052/1	Introduction Number	ASA1- AB181	Estimate Type	Corrected
Description Venture capital investment program					

Assumptions Used in Arriving at Fiscal Estimate

Assembly Substitute Amendment to Assembly Bill 181 would direct the Department of Administration (DOA) to establish an economic development program to operate as the Fund of Funds Investment Program. DOA would contract with an investment manager to manage investments in venture capital funds and Wisconsin businesses. The manager would be chosen by a selection committee formed by the Secretary of DOA. The proposed contract between DOA and the investment manager must be reviewed by the Legislative Audit Bureau and would be subject to passive review by the Joint Committee on Finance.

The amendment further requires DOA to pay \$25,000,000 to the investment manager for investments in venture capital funds. The investment manager would be required to contribute \$300,000 of its own moneys and \$5,000,000 raised from other funding sources. These funds must be committed within 24 months of execution of the contract between DOA and the investment manager. The investments must be made in at least four different venture capital funds and not more than \$10,000,000 in any one venture capital fund.

Enactment of the substitute amendment would generate a workload for the State Bureau of Procurement and the Office of Legal Services within the DOA. It is anticipated that both activities can be absorbed by existing staff and that no on-going costs would occur.

The department would need 1.0 FTE positions to provide oversight for the program within the Division of Executive Budget and Finance, Capital Finance Office. This person would ensure that payments were made to the investment manager, that reports were received timely and accurately, and to oversee the contract and ensure that all procurement meets the statutory requirements. The annual costs for this position would be absorbed by the agency.

Long-Range Fiscal Implications

Ongoing costs will be absorbed by the agency.

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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Description Venture capital investment program			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): None identified.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	\$
(FTE Position Changes)		(1.0 FTE)	
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
DOA/ Jana Steinmetz (608) 266-1359		Jana Steinmetz (608) 266-1359	6/6/2013