

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-1494/2	Introduction Number AB-0145
------------------------------------	---

Description
 Grants to certain small businesses that receive federal grants

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate
 Increase Existing Appropriations
 Increase Existing Revenues
 Decrease Existing Appropriations
 Decrease Existing Revenues
 Create New Appropriations

Increase Costs - May be possible to absorb within agency's budget
 Yes No
 Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <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
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	Affected Ch. 20 Appropriations
--	---------------------------------------

Agency/Prepared By WEDC/ John Parrish (608) 210-6869	Authorized Signature Amy Young (608) 210-6711	Date 4/3/2015
--	---	-------------------------

Fiscal Estimate Narratives

WEDC 4/3/2015

LRB Number	15-1494/2	Introduction Number	AB-0145	Estimate Type	Original
Description Grants to certain small businesses that receive federal grants					

Assumptions Used in Arriving at Fiscal Estimate

AB-145 directs the Wisconsin Economic Development Corporation (WEDC) to establish a grant program under which WEDC awards state matching grants to recipients of grants under Phase I and Phase II of the federal Small Business Innovation Research Program (SBIR) or the federal Small Business Technology Transfer Program (STTR).

Under AB-145, WEDC may not award grants totaling more than \$300,000 per state fiscal year, and individual grants to the lesser of \$50,000 or the amount of the Phase I or Phase II federal grant.

This estimate assumes no changes to the federal SBIR or STTR programs.

Long-Range Fiscal Implications

WEDC already has the authority to implement grant and loan programs, with approval from its board, including staffing the functional areas of promotion to business, underwriting, compliance and finance. Currently, WEDC manages the SBIR/STTR Matching Grant program, which provides funds to technology-based businesses in Wisconsin. WEDC sub-grants to the Center for Technology Commercialization, which administers the program.

Under the existing SBIR/STTR program, a business can apply for a grant through an annual competition that matches up to 50% of the amount of federal Phase I and/or Phase II awards. For FY2015, WEDC has made at least \$1,000,000 in program funding available. The current program is expected to provide assistance to at least ten businesses and result in ten new jobs created.

The proposed bill does not provide new allocation, and as WEDC is largely funded from GPR to cover both operations and business incentives, adding additional programmatic or staffing requirements to the organization will reduce resources available for other programs. Under the current proposal, WEDC would be able to absorb the costs of the additional statutory program as described, however this assumes that other bills requiring WEDC to absorb new program costs do not pass.