

Fiscal Estimate - 2019 Session

Original Updated Corrected Supplemental

LRB Number 19-3558/1		Introduction Number AB-0328	
Description agricultural development loan guarantee program administered by the Wisconsin Housing and Economic Development Authority			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect		<input type="checkbox"/> Indeterminate	
<input 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	5. Types of Local Government Units Affected	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<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 type="checkbox"/> GPR	<input type="checkbox"/> FED	<input type="checkbox"/> PRO	<input type="checkbox"/> PRS
<input type="checkbox"/> SEG	<input type="checkbox"/> SEGS		
Agency/Prepared By	Authorized Signature	Date	
WHEDA/ Sherry Gerondale (608) 267-1076	Maureen Brunner (608) 266-7354	7/8/2019	

Fiscal Estimate Narratives

WHEDA 7/8/2019

LRB Number	19-3558/1	Introduction Number	AB-0328	Estimate Type	Original
Description agricultural development loan guarantee program administered by the Wisconsin Housing and Economic Development Authority					

Assumptions Used in Arriving at Fiscal Estimate

The estimated impact of this change is income to the Wisconsin Development Reserve Fund of approximately \$80,000 per year over the 5 year allowed guarantee period. Revenues within the Wisconsin Development Reserve Fund are used for future guarantee activity.

Assumptions:

Guarantee payments for potential loan losses are not included in the numbers above. Historically, the Agribusiness loan guarantee portfolio has had a default rate of approximately 14%. Given WHEDA's low volume in the program, we are not comfortable using this as an indication of future default rates. Guarantee payments made will decrease the balance in the Wisconsin Development Reserve Fund and lower the amount available for future guarantees.

Five new guarantees are done each year.

WHEDA's cost to review and enter into the guarantees is similar to the Small Business Guarantee program.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-3558/1		Introduction Number AB-0328	
Description agricultural development loan guarantee program administered by the Wisconsin Housing and Economic Development Authority			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
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)		
	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, etc.)			
		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
WHEDA/ Sherry Gerondale (608) 267-1076		Maureen Brunner (608) 266-7354	7/8/2019