

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number 01-4086/2 **Introduction Number** SB-296

Subject
 Investment in capital venture firms and high-technology 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. Increase Costs 3. Increase Revenue
 Permissive Mandatory Permissive Mandatory
 2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory Permissive Mandatory

5. Types of Local Government Units Affected
 Towns Village Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS 20.143 (1) c

| | | |
|--|---|-------------------------|
| Agency/Prepared By COMMI/ Landon Williams (608) 267-9382 | Authorized Signature Louie Cornelius (608) 266-8629 | Date 10/30/01 |
|--|---|-------------------------|

Fiscal Estimate Narratives

COMM 10/30/01

| | | | | | |
|--|-----------|---------------------|--------|---------------|----------|
| LRB Number | 01-4086/2 | Introduction Number | SB-296 | Estimate Type | Original |
| Subject | | | | | |
| Investment in capital venture firms and high-technology grants | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Commerce organizes and assists in maintaining a high-technology business development corporation, the purpose of which is to promote and support the creation, development and retention of science-based and technology-based businesses in the state. The Department currently provides annual grants of \$250,000 GPR to the corporation. This bill directs the Department of Commerce to provide a grant of \$2,500,000 GPR to the corporation in fiscal year 2001-2002 from the Department of Commerce's Wisconsin Development Fund (WDF). The transferred funds will be used for a media campaign that identifies Wisconsin as the leader in biotechnology and for recruiting biotechnology business start-up and expansion to the state.

In fiscal year 2000-2001, the WDF GPR appropriation was funded at \$7,503,800. Currently, the WDF GPR appropriation is funded at \$5,953,800 GPR annually. This bill may reduce the WDF balance by \$2,500,000 resulting in a WDF GPR balance of \$3,453,800 in fiscal year 2001-2002.

The Wisconsin Development Fund provides grants and loans for the following programs: technology development grants and loans, customized labor training grants and loans, major economic development grants and loans, urban early planning grants, the Wisconsin trade project, employee ownership assistance grants, revolving loan fund, capitalization grants and the rapid response fund. The reduction of \$2,500,000 will result in reduced funding available for companies throughout the state to address their technology development, labor training and other developmental needs in fiscal year 2001-2002. Transferring funds from the WDF would also increase the Department's workload, and would impose additional administrative costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

| | | | |
|--|--------------------|--|-----------------|
| LRB Number 01-4086/2 | | Introduction Number SB-296 | |
| Subject | | | |
| Investment in capital venture firms and high-technology grants | | | |
| 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 | 2,500,000 | | |
| TOTAL State Costs by Category | \$2,500,000 | | \$ |
| B. State Costs by Source of Funds | | | |
| GPR | 2,500,000 | | |
| 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 | \$2,500,000 | \$ | |
| NET CHANGE IN REVENUE | \$ | \$ | |
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| | | Date | |
| | | 10/30/01 | |