

Fiscal Estimate Narratives

COMM 3/29/2004

LRB Number	03-3890/4	Introduction Number	AB-970	Estimate Type	Original
Subject					
Badger Fund					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates a special committee, whose members are appointed by the Governor, to organize a corporation under Chapter 180 called the Badger Fund. Unless otherwise prohibited by law, the Badger Fund shall be organized and administered similarly to the Crocus Investment Fund of Manitoba, Canada. The Crocus Fund is a labor-sponsored mutual fund that raises its capital from local individuals and uses it for local investments.

Commerce has the following responsibilities under the bill:

1. Make a one-time grant of \$3 million to the Badger Fund. The Fund is required to repay the grant on terms determined by the department.
2. Give assistance as requested by the special committee.
3. Certify businesses eligible for Fund investments according to statutory criteria:
 - a. The business must have 51% of its employees in Wisconsin.
 - b. Its principal place of business must be in Wisconsin.
 - c. It is an established business that needs financial investment.
 - d. It submits other information, or meets other criteria, that Commerce considers necessary to ensure that the business is capable of using financial investments for purposes that are consistent with the section.

To accomplish the certification function, Commerce will require 1.0 FTE GPR position. It is assumed that the bill makes certification by Commerce mandatory if a business fulfills the statutory criteria. Commerce cannot certify the expected volume of businesses with current staffing. The costs for the position will be as follows:

Salary \$40,700
Fringe \$15,900
Overhead \$9,200
Supplies \$4,000
TOTAL \$69,800

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Badger Fund			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
Onn-time \$3 million GPR grant for the Badger Fund.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$56,600	
(FTE Position Changes)		(1.0 FTE)	
State Operations - Other Costs		13,200	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$69,800	\$
B. State Costs by Source of Funds			
GPR		69,800	
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			
		State	Local
NET CHANGE IN COSTS		\$69,800	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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