

Fiscal Estimate - 2011 Session

Original Updated Corrected Supplemental

LRB Number 11-2076/1		Introduction Number AB-0129		
Description Creation of the Wisconsin Venture Capital Authority, creation of the badger jobs fund and the jobs now fund certification program, both of which are to be administered by the Wisconsin Venture Capital Authority, making an appropriation, and providing a penalty				
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 type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues		
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget		
		<input type="checkbox"/> Yes <input type="checkbox"/> No		
		<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		20.143 (1) (a) or 20.192 (1) (a)		
Agency/Prepared By		Authorized Signature		Date
COMM/ Tarna Gahan-Hunter (608) 267-9382		Louie Cornelius (608) 266-8629		6/3/2011

Fiscal Estimate Narratives

COMM 6/3/2011

LRB Number	11-2076/1	Introduction Number	AB-0129	Estimate Type	Original
Description Creation of the Wisconsin Venture Capital Authority, creation of the badger jobs fund and the jobs now fund certification program, both of which are to be administered by the Wisconsin Venture Capital Authority, making an appropriation, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

The Wisconsin Jobs Act creates the "Wisconsin Venture Capital Authority" (WVCA) to oversee programs related to venture capital investment in Wisconsin businesses. The WVCA is governed by a seven-member board consisting of the CEO of the WEDC, four members nominated by the governor from the private sector, one appointed by the speaker of the assembly, and one appointed by the senate majority leader. The board may hire an executive director to run the WVCA. The department of Commerce/WEDC will administer the programs under the authority until it has a board and sufficient resources to assume administration.

The bill creates two programs: the "badger jobs fund," and the "certified now jobs fund." The certified now jobs fund is to address the immediate need for capital and is funded from investments by insurance companies who then receive tax credits. The badger jobs fund is authorized to issue up to \$200 million in bonds and is a "fund of funds" model.

The Department of Commerce/WEDC is required to assume administration of the authority until the authority has a board and has adequate personnel to carry out its powers and duties. The WEDC is the leading economic development agency of the state and will also require personnel to work with the authority to ensure that the state is targeting economic development in a consistent and strategic manner.

In order to accomplish this implementation, the Department of Commerce/WEDC will require the following three positions to be located in the Division of Entrepreneurship and Innovation:

Executive Director:

Salary: \$110,000

Fringe: \$54,000

Supplies: \$20,000

2 Venture Capital Specialists:

Salary: \$160,000

Fringe: \$79,000

Supplies: \$26,000

Total: \$449,000

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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Description Creation of the Wisconsin Venture Capital Authority, creation of the badger jobs fund and the jobs now fund certification program, both of which are to be administered by the Wisconsin Venture Capital Authority, making an appropriation, and providing a penalty			
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)	\$403,000	\$
	State Operations - Other Costs	46,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$449,000	\$
B. State Costs by Source of Funds			
	GPR	449,000	
	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	\$449,000	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
COMM/ Tarna Gahan-Hunter (608) 267-9382		Louie Cornelius (608) 266-8629	6/3/2011