

Fiscal Estimate Narratives

DOA 6/25/2013

LRB Number	13-2463/1	Introduction Number	SB-218	Estimate Type	Original
Description Angel investment tax credit, creation of the Wisconsin Venture Capital Authority, creation of the Wisconsin forward jobs fund to be administered by that authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

2013 Senate Bill 281 would create the Wisconsin Venture Capital Authority and also create the Wisconsin Forward Jobs Fund to be administered by the authority. Under the bill, in each fiscal year, beginning in fiscal year 2013-14, and ending in fiscal year 2018-19, the secretary of administration must transfer moneys to the Wisconsin Forward Jobs Fund (Fund) from the general fund totaling \$208,000,000. Governed by a 13-member board of directors, the authority may invest the fund capital in qualified investment capital funds of at least \$180,000,000 over the life of the Fund. The bill also authorizes the authority to invest up to \$20,000,000 in fund capital directly in a Wisconsin business if that investment is proposed to the authority by an angel investor or angel group of investors. Finally, the authority may commit up to \$8,000,000 in fund capital to qualified business development organizations.

The bill would allow the board to hire an executive director, hire a fund manager for the Fund, have board members be reimbursed for actual and necessary expenses, including travel expenses, be subject to annual accounting of the financial status, prepare other annual reports, and liquidate any assets by December 2031, however, there is no appropriation or expenditure authority created to cover these costs.

The bill would require that the department of administration provide administrative support services to the Authority. No staff or administrative funds would be provided to DOA for these services. While DOA would absorb these costs, it should be noted that the Department already provides such services to nine other agencies with no additional staff or administrative funds. These agencies include the Board on Aging and Long-Term Care, the Board for People with Developmental Disabilities, the District Attorneys, the Office of the Governor, the Office of the Lieutenant Governor, the Office of State Employment Relations, the Secretary of State, the Office of the Treasurer, and the Judicial Council.

Long-Range Fiscal Implications

Unknown.