

### Fiscal Estimate - 2013 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>13-1812/2</b>	<b>Introduction Number</b> <b>AB-0181</b>
<b>Description</b> Venture capital investment program	
<b>Fiscal Effect</b>	
<b>State:</b>	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues
<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
<b>Local:</b>	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <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	
<b>Fund Sources Affected</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
<b>Affected Ch. 20 Appropriations</b>	
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>
WEDC/ Sam Berndt (608) 210-6803	Amy Young (608) 210-6711
<b>Date</b>	
5/15/2013	

## Fiscal Estimate Narratives

WEDC 5/15/2013

LRB Number	13-1812/2	Introduction Number	AB-0181	Estimate Type	Corrected
<b>Description</b> Venture capital investment program					

### Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 181, relating to the "creation of a venture capital investment program," stipulates the parameters of a venture capital program. The bill provides no new funds for the program, but was created in response to \$25,000,000 in funds which were allocated to the Department of Administration in the 2013-2015 proposed biennium budget. The bill requires the Wisconsin Economic Development Corporation (WEDC) to do the following:

1. Contract with an investment manager to manage investments in venture capital funds and Wisconsin businesses;
2. Before contracting, WEDC and the State of Wisconsin Investment Board (SWIB) must form a committee to select the investment manager and submit the proposed contract with the selected investment manager to the Joint Committee on Finance (JFC) for a passive review;
3. Requires WEDC to pay \$25,000,000 to the approved investment manager for investments in venture capital funds;
4. Must submit a copy of the investment manager's annual report (including a certified audit, the investment manager's internal rate of return from investments in venture capital funds, a list of each venture capital fund that received funding, and information on each business that received an investment) to the legislature each year; and
5. Requires WEDC to submit to JFC two progress reports, one in 2015 and one in 2018, containing comprehensive program performance to date, program improvements recommendations from WEDC, and program improvement recommendations from SWIB.

As a final consideration, this bill requires WEDC to pay out \$25,000,000 from its FY14 budget with no cross reference to the FY14 Budget provision of \$25,000,000 for a venture capital program. In order for WEDC to fund the bill as it currently is written, the organization would need to dedicate over 90% of its currently proposed FY14 GPR allocation. WEDC could not absorb this cost into our current budget. However, if the \$25,000,000 budget provision were allocated to WEDC, the organization could operate the venture capital program and absorb any peripheral costs into our existing structure.

### Long-Range Fiscal Implications