

Fiscal Estimate Narratives

SWIB 6/21/2013

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

This bill requires the Executive Director of SWIB to appoint 7 of 13 members of the governing board of the Wisconsin Venture Capital Authority ("Authority") that would be created by the bill. Members would serve staggered 6 year terms, so the appointment responsibility would be ongoing. It is assumed that the initial cost of selecting board members would be higher and that there would be ongoing costs to select new board members to fill vacancies as they occur. It is also assumed that at least 2 SWIB staff in addition to the Executive Director would be needed to facilitate the appointment process. It is estimated that the initial annual costs of appointing board members would be \$36,344.

The bill also requires SWIB to recommend to the Authority an investment manager to manage investments under the program. It is estimated that this would impose one time costs on SWIB of \$16,000.

In addition, the bill requires SWIB to make any recommendations it has to improve the venture capital program in a report to be submitted to the Joint Committee on Finance in 2018. It is assumed that this will require 40 hours of work by SWIB's Wisconsin Portfolio Manager for a cost of \$4,744.

Long-Range Fiscal Implications

The ongoing cost of appointing members to the Wisconsin Venture Capital Authority is estimated to be one half of the initial cost, or \$18,167 annually.