

2015 DRAFTING REQUEST

Senate Amendment (SA-SSA1-SB515)

Received: 1/15/2016 Received By: mgallagh
For: Julie Lassa (608) 266-3123 Same as LRB:
May Contact: By/Representing: Mark
Subject: Econ. Development - WEDC Drafter: mgallagh
Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Sen.Lassa@legis.wisconsin.gov
Carbon copy (CC) to: michael.gallagher@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Combine a1449, a1450, and a1451, with changes.

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mgallagh 1/15/2016	kfollett 1/15/2016	_____			
/1			_____	srose 1/15/2016	srose 1/15/2016	

FE Sent For:

<END>

Gallagher, Michael

From: Knickelbine, Mark
Sent: Friday, January 15, 2016 1:41 PM
To: Gallagher, Michael
Cc: Macken, James
Subject: RUSH REQUEST, Amendment to SA 1 to SB 515

Importance: High

Mike –

I have a rush request to have LRBA1541 redrafted as an amendment to Substitute Amendment 1 to Senate Bill 515, with the following changes:

Strike the material on page 2, , lines 1-12, of a1541. ✓
Increase the allocation to \$10 m GPR in each fiscal year, ✓ and increase the award maximums per biennium to \$2 m ✓
Require that, in making loans to businesses, the regional loan fund managers must consider the wages and benefits of ✓ jobs to be created or retained by the project for which the loan is being made.

Let me know if you have questions. Thanks!

Mark Knickelbine
Policy Analyst
Office of State Senator Julie Lassa
24th Senate District
P.O. Box 7882
Madison, WI 53707-7882
(608) 266-3123

From: Gallagher, Michael
Sent: Thursday, January 14, 2016 11:49 AM
To: Knickelbine, Mark <Mark.Knickelbine@legis.wisconsin.gov>
Subject: RE: Amendments to SB 515

Will do.

Michael P. Gallagher
Legislative Attorney
Wisconsin Legislative Reference Bureau
(608) 267-7511

From: Knickelbine, Mark
Sent: Thursday, January 14, 2016 11:47 AM
To: Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov>
Subject: RE: Amendments to SB 515

Mike –

Could you please combine 15a1449, 15a1450, and 15a1451, into one amendment to SB 515? I will need to introduce it late tomorrow afternoon. Thanks!

Mark Knickelbine
Policy Analyst
Office of State Senator Julie Lassa
24th Senate District
P.O. Box 7882
Madison, WI 53707-7882
(608) 266-3123

From: Gallagher, Michael
Sent: Monday, January 11, 2016 10:01 AM
To: Knickelbine, Mark <Mark.Knickelbine@legis.wisconsin.gov>
Subject: RE: Amendments to SB 515

Mark, I think I found a way to make the original instruction work after all. Sorry about that. All three amendments will go out before the end of the day tomorrow.

Mike

Michael P. Gallagher
Legislative Attorney
Wisconsin Legislative Reference Bureau
(608) 267-7511

From: Knickelbine, Mark
Sent: Monday, January 11, 2016 9:14 AM
To: Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov>
Subject: RE: Amendments to SB 515

Maybe we could just be more general and indicate that WEDC may redistribute the leftover funds to other regional entities without specifying proportions?

mjk

From: Gallagher, Michael
Sent: Monday, January 11, 2016 7:44 AM
To: Knickelbine, Mark <Mark.Knickelbine@legis.wisconsin.gov>
Subject: RE: Amendments to SB 515

Mark: On item 3, I'm not sure how to draft the part that requires an equal distribution of moneys not granted as the result of the two grant limitations in item 3. There is no specific amount WEDC is required to grant to any regional organization. There is only the "up to" \$1,000,000 limitation (in addition to the overall limit on the biennial appropriation), and WEDC must determine an organization is eligible before a grant of any amount is made in a particular year. So, while the limitations in item 3 would potentially

leave more money in the grant pool that is available for the other organizations, there wouldn't necessarily be a specific amount that WEDC would have granted but didn't, especially with respect to the 20 million dollar limitation.

If you like, I can get you a draft of the amendment for item 3 without this aspect, and you can review it and decide whether you want to do something more with it.

Let me know.

Thanks.

Mike

Michael P. Gallagher
Legislative Attorney
Wisconsin Legislative Reference Bureau
(608) 267-7511

From: Knickelbine, Mark
Sent: Friday, January 08, 2016 11:12 AM
To: Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov>
Subject: Amendments to SB 515

Mike –

Please draft each of these as separate amendments to Senate Bill 515

1. Require that the regional entities enter into agreements with companies that require them to report the same kind of job information required of venture capital funds under 16.295(7)(a)4.f. and 16.295(7)(c)3. WEDC must collect this information from the regional funds and include this information in its annual report on economic development, along with all other information for the revolving loan program currently statutorily required for its other economic development programs.
2. Require that the agreements between regional entities and companies contain the same kind of residency requirements required of companies that receive investments from venture capital funds under 16.295(5)(d)1. Companies that violate these requirements must immediately repay the outstanding balance of the loan.
3. Specify that, in fiscal years after the first fiscal year of the program, the allocation for each regional loan fund shall be \$1 million less any portion of previous state allocations to that loan fund that have not been lent. Also, any regional fund that has a total balance of \$20 million or more in any fiscal year will not receive an allocation in that year. Any funds that are not allocated to a regional fund as a result of such subtractions will be distributed in equal portions to the other regions that have lent all previous allocations and have fund balances under \$20 million. (The idea here is to prevent unused funds from accumulating in less-active loan funds, and to end allocations to funds that have reached the level where they ought to be "evergreen").

Let me know if you have questions. Thanks!

Mark Knickelbine
Policy Analyst
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24th Senate District
P.O. Box 7882
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(608) 266-3123



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB:1541/1
MPG:cjs

SENATE AMENDMENT,
TO SENATE BILL 515

TO SSA 1

91564/1

Insert 1-2

Insert 1-1

At the locations indicated, amend the bill as follows:

1. Page 5, line 7: after that line insert:

3 (em) 1. A regional economic development organization receiving a grant under
 4 par. (b) shall contract with each recipient of a loan from the regional economic
 5 development organization's regional revolving loan fund.
 6 (m) The contract under subd. 1 shall require the loan recipient to be
 7 headquartered in this state and employ at least 50 percent of its full-time employees,
 8 including any subsidiary or other affiliated entity, in this state. The contract shall
 9 further require that, if during the term of the loan, the loan recipient relocates its
 10 headquarters outside of this state or fails to employ at least 50 percent of its full-time
 11 employees, including any subsidiary or other affiliated entity, in this state, the loan
 12 recipient shall immediately repay the entire outstanding balance of the loan to the
 13 regional economic development organization.

substitute amendment

recipient

grant recipient

g

1 2. The contract under subd. 1. shall require the loan recipient annually, within
 2 90 days after the end of the loan recipient's fiscal year, to submit a report to the
 3 regional economic development organization for that fiscal year that includes a
 4 statement of the number of employees the loan recipient employed when the loan
 5 recipient first received a loan from the regional economic development organization's
 6 revolving loan fund, the number of employees the loan recipient employed on the first
 7 day of the loan recipient's fiscal year, and the number of employees the loan recipient
 8 employed on the last day of the loan recipient's fiscal year.

9 3. Each regional economic development organization receiving a grant under
 10 par. (b) shall submit all information reported under subd. 2. to the corporation, and
 11 the corporation shall include that information with its annual report under s. 238.07
 12 (2)."

13 **2.** Page 6, line 18: after that line insert:

14 “(h) 1. For each state fiscal biennium beginning after June 30, 2017, the grant
 15 limit under par. (g) shall be reduced for each regional economic development ^r
 16 organization by the amount of all previous grants to that regional economic ^r
 17 development organization that have not been loaned under this section before the ^r
 18 first day of that fiscal biennium.

19 2. For each state fiscal biennium beginning after June 30, 2017, the corporation
 20 may not award a grant under par. (b) to a regional economic development
 21 organization that has a total balance of at least \$20,000,000 in its regional revolving
 22 loan fund on the first day of that fiscal biennium.

23 3. Notwithstanding par. (g), in any fiscal biennium, the corporation may
 24 reallocate grant moneys not awarded as a result of the limitations under subds. 1.

6

23

15

region

region

1 and 2. to grant awarded to a regional economic development organization that is
 2 not subject to the limitations under subs. 1. and 2. for that fiscal biennium. Any
 3 reallocation of grant moneys under this subdivision shall be equally distributed
 4 among all grant recipients not subject to the limitations under subs. 1. and 2. for
 5 that fiscal biennium.”

economic development regions and

6

(END)

Insert 3-5

and to regional economic development organizations that are not subject to the limitations under subd.

**2015–2016 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa1564/lins
MPG:...

INSERT 1-1

1 **1.** Page 3, line 8: increase the dollar amount for fiscal year 2015–16 by
2 \$5,000,000 and increase the dollar amount for fiscal year 2016–17 by \$5,000,000 to
3 increase funding for the purposes for which the appropriation is made.

END INSERT 1-1

INSERT 1-2

4 “4g. Before making a loan from its regional revolving loan fund, each grant
5 recipient shall consider the wages and benefits of the jobs to be created or retained
6 as a result of the project or other purposes for which the loan is made.

END INSERT 1-2

INSERT 3-5

7 **2.** Page 7, line 8: delete “\$1,000,000” and substitute “\$2,000,000”.

END INSERT 3-5