2015 ASSEMBLY BILL 888

February 9, 2016 - Introduced by Representatives KAHL, DANOU, ZEPNICK, JORGENSEN, SINICKI, SUBECK, BROSTOFF, C. TAYLOR, BERCEAU, CONSIDINE, KOLSTE, OHNSTAD, POPE, WACHS and SPREITZER, cosponsored by Senators MILLER, RINGHAND, HANSEN and ERPENBACH. Referred to Committee on Jobs and the Economy.

AN ACT to amend 15.07 (4), 20.536 (1) (k) and 25.14 (1) (a) (intro.); to repeal and recreate 15.07 (4); and to create 15.07 (1) (a) 6., 15.07 (5) (am), 15.77, 19.42 (10) (Lm), 19.42 (13) (km), 20.195, 25.17 (73), 25.17 (74), 25.90, 73.17, 230.08 (2) (yo) and chapter 555 of the statutes; relating to: creation of the State of Wisconsin Next Generation Reserve Board and Wisconsin next generation reserve fund, authorizing the State of Wisconsin Investment Board to provide certain advice, services, and facilities to state agencies and others, requiring the exercise of rule-making authority, and making appropriations.

Analysis by the Legislative Reference Bureau
This bill creates the Wisconsin Next Generation Reserve Board (Reserve Board) as an independent agency in the executive branch of state government. The primary functions of the Reserve Board are to make grants and loans to, and make direct investments in, Wisconsin bioscience companies.

Composition of the Reserve Board
The Reserve Board is composed of 12 members as follows:
1. One member, appointed by the governor for a four-year term, who has expertise in agriculture and is recognized for outstanding knowledge and leadership in bioscience or bioscience research.
2. Three members, appointed by the governor for four-year terms, who serve in senior management positions at Wisconsin bioscience companies and have responsibilities related to the financing of their respective companies, two of whom are from companies that employ less than 50 employees, and one of whom is from a company that employs 50 or more employees.

3. Two members, appointed by the governor for four-year terms, who serve in senior management positions at Wisconsin companies that develop or manufacture medical devices and have responsibilities related to the financing of their respective companies, one of whom is from a company that employs less than 50 employees, and one of whom is from a company that employs 50 or more employees.

4. One member, appointed by the governor for a four-year term, who either has at least five years of experience directly investing in bioscience companies in Wisconsin, or represents a group of investors that has that experience.

5. One member, appointed by the governor for a four-year term, who has at least three years of experience in the merger and acquisition of bioscience companies.

6. One member who is appointed by BioForward, Inc., a private bioscience association in Wisconsin, for a four-year term.

7. Two nonvoting members who have expertise in bioscience or bioscience research, one of whom is appointed by the Board of Regents of the University of Wisconsin System and serves at the pleasure of the Board of Regents, and one of whom is appointed by the Wisconsin Association of Independent Colleges and Universities and serves at the pleasure of the association.

8. The executive director of the State of Wisconsin Investment Board (Investment Board), or his or her designee, who also serves as a nonvoting member.

The bill requires that the Reserve Board hire an executive director who has expertise in private equity investment.

**Wisconsin Next Generation Reserve Fund**

The bill creates a nonlapsing fund to be known as the “Wisconsin next generation reserve fund” (fund). From the fund, the Reserve Board may make grants, loans, and investments, as set forth below. For short-term management, the fund is included in the state investment fund managed by the Investment Board.

In addition to moneys from other sources, the fund consists of moneys generated from tax revenue collected from “qualifying companies” in the bioscience industry. Under the bill, a qualifying company is identified by the company’s principal business activity code under the North American Industry Classification System (NAICS). The bill directs the Department of Revenue (DOR) to determine in July 2016 the total amount of withholding taxes due and payable from qualifying companies for 2015. Then, beginning on July 1, 2017, and ending on July 1, 2031, DOR must deposit in the fund an amount equal to 95 percent of the withholding taxes due and payable from qualifying companies the previous year that exceeds the total amount for 2015, except that DOR may not deposit more than $15,000,000 into the fund on July 1, 2017, or more than $50,000,000 on any July 1 thereafter. DOR may not deposit more than a total of $350,000,000 into the fund. However, the Joint Committee on Finance (JCF), under its passive review process, may approve deposits of up to an additional $150,000,000.
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Grants, loans, and investments

From the fund, the bill authorizes the Reserve Board to make grants and loans to, and direct investments in, bioscience companies certified by the Reserve Board. The Reserve Board may certify a bioscience company if the Reserve Board determines that the company is headquartered and employs at least 75 percent of its employees in Wisconsin and meets certain other conditions, including that the company is developing biotechnology or bioscience or bioscience research methods and demonstrates the potential to generate high levels of successful investment performance and increase employment in Wisconsin.

Before providing any moneys from the fund to a certified bioscience company, the Reserve Board must enter into a contract with the company that includes all of the following requirements:

1. The company must use a grant, loan, or investment from the fund for research and development related to biotechnology or bioscience or bioscience research methods.
2. The company must match the amount of any grant, loan, or investment from the fund with moneys the company has raised from other sources.
3. During the term of the contract, the company may not relocate its headquarters outside of Wisconsin without the Reserve Board's approval.

Contracting authority

In addition to its general contracting authority, the bill authorizes the Reserve Board to execute a contract with the Investment Board for the Investment Board's advice and services related to the Reserve Board's grants, loans, and investments and for facilities provided by the Investment Board. Under the bill, the Investment Board may also make a loan to the Reserve Board for the Reserve Board's initial operations and administrative expenses.

The bill further authorizes the Investment Board to provide advice, services, and facilities to any state agency or authority or a business entity owned by an agency or authority. Under the bill, the Investment Board may provide advice or services related to the management or administration, for any purpose, including economic development, of money or property that an agency, authority, or eligible business entity controls. The agency, authority, or eligible business entity must contract with the Investment Board and pay the Investment Board for any advice, services, or facilities the Investment Board provides.

Reporting and review

The bill requires the Reserve Board to file a detailed annual report with the legislature that includes all of the following:

1. An accounting of the revenue deposited in the fund by DOR.
2. An accounting of all expenditures from the fund by the Reserve Board for any purpose.
3. Information concerning each grant or loan to, or investment in, a certified bioscience company, including a description of the purposes for which the certified bioscience company used or is using the grant, loan, or investment and a statement of the number of employees the certified bioscience company employed on January
1 of the preceding year and the number of employees the company employed on December 31 of that year.

4. An accounting of the internal rate of return realized by the Reserve Board on its total loans to, and investments in, certified bioscience companies.

5. An accounting of the internal rate of return realized by the Reserve Board on each loan to or investment in each certified bioscience company.

Finally, the bill requires the Reserve Board to submit a plan to JCF at the close of each fiscal biennium that shows the grants, loans, and investments the Reserve Board intends to make during the next fiscal biennium. The joint committee on finance may approve, disapprove, or modify and approve the Reserve Board’s plan under JCF’s passive review process.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 15.07 (1) (a) 6. of the statutes is created to read:

15.07 (1) (a) 6. The members of the Wisconsin next generation reserve board appointed under s. 15.77 (1) (h) to (j) shall be appointed as provided in that section.

SECTION 2. 15.07 (4) of the statutes is amended to read:

15.07 (4) QUORUM. A majority of the membership of a board constitutes a quorum to do business and, unless a more restrictive provision is adopted by the board, a majority of a quorum may act in any matter within the jurisdiction of the board. This subsection does not apply to actions of the government accountability board or the school district boundary appeal board as provided in ss. 5.05 (1e) and 117.05 (2) (a) or the Wisconsin next generation reserve board as provided in s. 15.77 (3).

SECTION 3. 15.07 (4) of the statutes, as affected by 2015 Wisconsin Acts 118 and .... (this act), is repealed and recreated to read:
15.07 (4) QUORUM. A majority of the membership of a board constitutes a quorum to do business and, unless a more restrictive provision is adopted by the board, a majority of a quorum may act in any matter within the jurisdiction of the board. This subsection does not apply to actions of the school district boundary appeal board as provided in s. 117.05 (2) (a) or the Wisconsin next generation reserve board as provided in s. 15.77 (3).

SECTION 4. 15.07 (5) (am) of the statutes is created to read:

15.07 (5) (am) Members of the Wisconsin next generation reserve board, $50 per day.

SECTION 5. 15.77 of the statutes is created to read:

15.77 Wisconsin next generation reserve board; creation. (1) There is created a next generation reserve board, to be known for statutory purposes as the Wisconsin next generation reserve board. The board shall consist of the following members:

(a) One member who has expertise in agriculture and is recognized for outstanding knowledge and leadership in bioscience or bioscience research.

(b) Two members who, at the time of appointment, serve in senior management positions at bioscience companies headquartered in this state that employ fewer than 50 employees, including any affiliate, and who, in addition to any other responsibilities, have responsibilities related to the financing of the companies.

(c) One member who, at the time of appointment, serves in a senior management position at a bioscience company headquartered in this state that employs at least 50 employees, including any affiliate, and who, in addition to any other responsibilities, has responsibilities related to the financing of the company.
(d) One member who, at the time of appointment, serves in a senior management position at a company headquartered in this state that develops or manufactures medical devices and employs fewer than 50 employees, including any affiliate, and who, in addition to any other responsibilities, has responsibilities related to the financing of the company.

(e) One member who, at the time of appointment, serves in a senior management position at a company headquartered in this state that develops or manufactures medical devices and employs at least 50 employees, including any affiliate, and who, in addition to any other responsibilities, has responsibilities related to the financing of the company.

(f) One member who, at the time of appointment, either has at least 5 years of experience directly investing in bioscience companies in this state, or represents a group of individual investors that has at least 5 years of experience directly investing in bioscience companies in this state.

(g) One member who, at the time of appointment, has at least 3 years of experience in the merger and acquisition of bioscience companies.

(h) One member appointed by BioForward, Inc.

(i) One member who has expertise in bioscience or bioscience research, who shall be appointed by the Board of Regents of the University of Wisconsin System and who shall serve as a nonvoting member at the pleasure of the Board of Regents.

(j) One member who has expertise in bioscience or bioscience research, who shall be appointed by the Wisconsin Association of Independent Colleges and Universities and who shall serve as a nonvoting member at the pleasure of the association.
(k) The executive director of the investment board, or his or her designee, who shall serve as a nonvoting member.

(2) The members of the board identified in sub. (1) (a) to (h) shall be appointed for 4-year terms.

(3) A majority of the voting members of the board constitutes a quorum for the purpose of conducting its business and exercising its powers and for all other purposes. Action may be taken by the board upon a vote of a majority of a quorum.

SECTION 6. 19.42 (10) (Lm) of the statutes is created to read:

19.42 (10) (Lm) The members of the Wisconsin next generation reserve board who are appointed by BioForward, Inc., by the Board of Regents of the University of Wisconsin System, and by the Wisconsin Association of Independent Colleges and Universities and the executive director of the Wisconsin next generation reserve board.

SECTION 7. 19.42 (13) (km) of the statutes is created to read:

19.42 (13) (km) The members of the Wisconsin next generation reserve board who are appointed by BioForward, Inc., by the Board of Regents of the University of Wisconsin System, and by the Wisconsin Association of Independent Colleges and Universities and the executive director of the Wisconsin next generation reserve board.

SECTION 8. 20.195 of the statutes is created to read:

20.195 Wisconsin next generation reserve board. There is appropriated to the Wisconsin next generation reserve board for the following program:

(1) Assistance to certified bioscience companies. (q) General program operations and loans, grants, and investments. From the Wisconsin next generation reserve fund, a sum sufficient to make loans and provide grants to, and make
investments in, certified bioscience companies as provided in ch. 555 and for general
program operations and administrative expenses. Not more than the following
amounts may be expended under this paragraph for general program operations and
administrative expenses:

1. In fiscal year 2017–18, 5 percent of the moneys in the Wisconsin next
generation reserve fund.
2. In fiscal year 2018–19, 5 percent of the moneys in the Wisconsin next
generation reserve fund.
3. In fiscal year 2019–20, 2 percent of the moneys in the Wisconsin next
generation reserve fund.
4. In fiscal year 2020–21 and in each fiscal year thereafter, 0.5 percent of the
moneys in the Wisconsin next generation reserve fund.

(r) Additional operational or administrative expenses. From the Wisconsin
next generation reserve fund, a sum sufficient equal to any amount authorized under
s. 555.06 for general program operations and administrative expenses.

SECTION 9. 20.536 (1) (k) of the statutes is amended to read:

20.536 (1) (k) General program operations. All moneys received from
assessments made under s. 25.187 (2) and, from charges made under s. 25.17 (9), and
from assessments or charges made under s. 25.17 (73) or (74), for the purpose of
conducting general program operations.

SECTION 10. 25.14 (1) (a) (intro.) of the statutes is amended to read:

25.14 (1) (a) (intro.) There is created a state investment fund under the
jurisdiction and management of the board to be operated as an investment trust for
the purpose of managing the securities of all funds that are required by law to be
invested in the state investment fund, the Wisconsin next generation reserve fund,
and all of the state's funds specified in s. 25.17 (1), except all of the following:

**SECTION 11.** 25.17 (73) of the statutes is created to read:

25.17 (73) Have authority to provide advice and services requested by a state
agency, as defined in s. 20.001 (1), or authority, as defined in s. 16.417 (1) (b), or
business entity owned or controlled by a state agency or authority, relating to
managing or administering money and property controlled by the agency, authority,
or business entity for any purpose, including economic development in this state.
The scope of any advice or services provided to a state agency, authority, or business
entity under this subsection shall be defined by agreement between the board and
the agency, authority, or business entity. This agreement shall require the cost of any
advice or services provided by the board to be paid by the agency, authority, or
business entity and the agreement may authorize the board to make assessments
against the money and property controlled by the agency, authority, or business
entity or to charge the agency, authority, or business entity for the cost of any advice
or services provided. All moneys received by the board under this subsection shall
be credited to the appropriation account under s. 20.536 (1) (k).

**SECTION 12.** 25.17 (74) of the statutes is created to read:

25.17 (74) Have authority to provide facilities to any state agency, as defined
in s. 20.001 (1), or authority, as defined in s. 16.417 (1) (b), or business entity owned
or controlled by a state agency or authority, in accordance with any agreement
between the board and the agency, authority, or business entity. This agreement
shall require the cost of facilities provided by the board to be paid by the agency,
authority, or business entity. All moneys received by the board under this subsection
shall be credited to the appropriation account under s. 20.536 (1) (k).
SECTION 13. 25.90 of the statutes is created to read:

25.90 Wisconsin next generation reserve fund. There is established a separate nonlapsible trust fund designated as the Wisconsin next generation reserve fund. The fund shall consist of all moneys deposited in the fund under ss. 73.17, 555.02 (2) (c) and 555.03 (3), together with all donations, gifts, or bequests made to the fund, all moneys transferred to the fund from other funds, and all income or interest earned by the fund.

SECTION 14. 73.17 of the statutes is created to read:

73.17 Wisconsin next generation reserve fund. (1) In this section, “qualifying company” means a person whose principal business activity code in the North American Industry Classification System, 2012 edition, published by the federal office of management and budget, is one of the following: 311221, 311224, 325193, 325199, 325220, 325311, 325312, 325314, 325320, 325411, 325412, 325413, 325414, 334510, 334516, 334517, 339112, 339113, 339114, 339115, 339116, 541380, 541711, 541712, 621491, 621493, 621511, 621512, or 622110.

(2) (a) In July 2016, the department of revenue shall determine the total amount of withholding taxes due and payable under subch. X of ch. 71 from qualifying companies for calendar year 2015.

(b) Subject to par. (d), on July 1, 2017, and on each July 1 thereafter, ending on July 1, 2031, the department of revenue shall deposit into the Wisconsin next generation reserve fund an amount equal to 95 percent of the amount of withholding taxes due and payable under subch. X of ch. 71 from qualifying companies in the previous calendar year that exceeds the amount determined under par. (a).
(c) A person who is subject to withholding taxes under subch. X of ch. 71 shall indicate to the department of revenue whether it is a qualifying company for purposes of this section in the manner determined by the department.

(d) The department of revenue shall not deposit into the Wisconsin next generation reserve fund more than $15,000,000 on July 1, 2017, or $50,000,000 on any July 1 thereafter, and the total amount deposited may not exceed $350,000,000.

(e) After the department of revenue deposits a total of $350,000,000 into the fund under par. (d), and subject to the requirements of this paragraph, the department shall continue depositing moneys into the fund under par. (b), not to exceed an additional total amount of $150,000,000 in deposits. Before the department continues those deposits, the department shall notify the joint committee on finance in writing that the department intends to do so. If, within 14 working days after the date of that notice, the cochairpersons of the committee do not notify the department that the committee has scheduled a meeting to review the continuation of deposits into the fund, the department shall continue those deposits. If, within 14 working days after the date of that notice, the cochairpersons of the committee notify the department that the committee has scheduled a meeting to review the department’s continuation of deposits into the fund, the department may continue those deposits only upon approval of the committee.

Section 15. 230.08 (2) (yo) of the statutes is created to read:

230.08 (2) (yo) The executive director and administrative assistant of the Wisconsin next generation reserve board.

Section 16. Chapter 555 of the statutes is created to read:

Chapter 555
WISCONSIN NEXT GENERATION
RESERVE BOARD

555.01 Definitions. In this chapter:

(1) “Board” means the Wisconsin next generation reserve board.

(2) “Certified bioscience company” means a person certified by the board under s. 555.03 (2).

(3) “Qualifying company” has the meaning given in s. 73.17 (1), except that “qualifying company” does not include a business that has as its principal business activity the operation of a hospital as defined in s. 50.33 (2).

(4) “Fund” means the Wisconsin next generation reserve fund established under s. 25.90.

555.02 Wisconsin next generation reserve fund. (1) Executive Director. The board shall employ an executive director who has expertise in private equity investment. In reviewing candidates for executive director, the board shall consider all of the following:

(a) The extent of the candidate’s experience and expertise in private equity investment.

(b) The candidate’s investment experience related to start-up bioscience companies.

(c) The candidate’s experience related to seed or early stage business investments.

(d) Any other criteria the board considers relevant.

(2) Grants, loans, and investments. (a) Subject to s. 555.055, from the appropriation under s. 20.195 (1) (q), the board may make a grant or loan to a
certified bioscience company, or the board may make an investment directly in a certified bioscience company.

(b) Before the board makes a grant, loan, or investment under par. (a), the board shall contract with the certified bioscience company. In addition to any other terms required or negotiated by the board, that contract shall include all of the following conditions:

1. The certified bioscience company shall use a grant, loan, or investment provided by the board for research and development related to biotechnology or bioscience or bioscience research methods, as determined by the board by rule.

2. The certified bioscience company shall match the amount of the board’s, grant, loan, or investment with moneys the company has raised from other sources.

3. Unless approved by the board, the certified bioscience company may not relocate its headquarters outside of this state during the term of the contract under this paragraph.

(c) Any moneys paid to the board by a certified bioscience company shall be deposited in the fund.

(d) The total value of all grants the board provides under this subsection in a fiscal year may not equal more than 10 percent of the total value of all grants, loans, and investments the board makes in that fiscal year.

555.03 Certified bioscience companies. (1) Application. Any person may apply to the board on a form prescribed by the board for certification under this section. The application shall include all of the following:

(a) The name, address, and tax identification number of the person.

(b) A description of the principal business activities of the person and the locations at which those activities are conducted.

(d) Any other information the board requires.

(2) Certification. The board may certify a person that submits an application under sub. (1) to be eligible to receive a grant, loan, or investment under s. 555.02 if the board determines after conducting an investigation that the person meets all of the following conditions:

(a) The person is a qualifying company.

(b) The person is headquartered in, and has its principal business operations located in, this state.

(c) The person, including any affiliate, employs at least 75 percent of its employees in this state.

(d) The person is in need of capital.

(e) The person is developing biotechnology or bioscience or bioscience research methods, as determined by the board by rule and the person demonstrates to the board’s satisfaction that the person has the potential to generate high levels of successful investment performance and to increase employment in this state.

(h) The person meets any other conditions established by the board.

(3) Application fee. The board may charge a fee to an applicant for certification under this section. The fee shall be deposited in the fund.

555.04 Contracting authority. Notwithstanding ss. 16.70 to 16.78, the board may enter into any contract with the investment board as provided in s. 25.17 (73) and (74), including any contract relating to the furnishing of personnel or office space, to be paid as provided in s. 25.17 (73) and (74), may procure insurance, and
may execute any other contract necessary or convenient to the performance of the
board’s powers and duties under this chapter.

555.05 Annual report. Annually, by July 1, the board shall submit to the chief
clerk of each house of the legislature, for distribution to the legislature under s.
13.172 (2), a report that includes all of the following:

(1) An accounting of the revenue received in the fund under s. 73.17 (2).

(2) An accounting of all expenditures from the fund by the board for any
purpose.

(3) For each each certified bioscience company that received a grant, loan, or
investment from the board, all of the following:

   (a) The name and address of the certified bioscience company.

   (b) A description of the nature of the business conducted by the certified
bioscience company.

   (c) The amount of the grant, loan, or investment.

   (d) A description of the purposes for which the certified bioscience company
used or is using the grant, loan, or investment.

   (e) A statement of the number of employees the certified bioscience company
employed on January 1 of the preceding year and the number of employees the
company employed on December 31 of that year.

(4) An accounting of the internal rate of return realized by the board on its total
loans to and investments in certified bioscience companies.

(5) An accounting of the internal rate of return realized by the board on each
loan to or investment in each certified bioscience company.

555.055 Biennial review by joint committee on finance. In each
odd-numbered year, when the board submits its report under s. 555.05, the board
shall submit to the joint committee on finance a copy of that report and a plan for the
grants, loans, and investments the board intends to make under s. 555.02 (2) during
the biennium that begins on July 1 of that year. The joint committee on finance may
approve, disapprove, or modify and approve the board’s plan. If, within 14 working
days after the date of that submittal, the cochairpersons of the committee do not
notify the board that the committee has scheduled a meeting to review the board’s
plan, the board may make grants, loans, and investments under s. 555.02 (2)
consistent with the board’s plan. If, within 14 working days after the date of that
submittal, the cochairpersons of the committee notify the board that the committee
has scheduled a meeting to review the board’s plan, the board may make grants,
loans, and investments under s. 555.02 (2) beginning on July 1 of that year only upon
approval of the committee and subject to any modification of the committee to the
board’s plan.

555.06 Expenditure of fund moneys for operational or administrative
costs. If the board determines that the amount provided under s. 20.195 (1) (q) 1.,
2., 3., or 4. is not sufficient to cover the board’s actual general program operations and
administrative expenses for a fiscal year, the board may notify the joint committee
on finance in writing that the board proposes to exceed that amount for those
purposes. That notice shall state the specific amount of additional moneys from the
fund that the board proposes to use for general program operations and
administrative expenses and the board’s reasons supporting its determination that
its expenditure of that additional amount is necessary for those purposes. If, within
14 working days after the date of that notice, the cochairpersons of the committee do
not notify the board that the committee has scheduled a meeting to review the board’s
proposal, the board may expend the additional amount as proposed in the board’s
notice. If, within 14 working days after the date of that notice, the cochairpersons of the committee notify the board that the committee has scheduled a meeting to review the board’s proposal, the board may expend the additional amount only upon approval of the committee.

SECTION 17. Nonstatutory provisions.

(1) DEFINITION. In subsections (2) and (3), “board” means the Wisconsin next generation reserve board.

(2) INITIAL APPOINTMENTS.

(a) Notwithstanding the requirement of advice and consent of the senate under section 15.07 (1) (a) of the statutes, the initial members of the board nominated by the governor may be provisionally appointed by the governor, subject to later senate confirmation. Any provisional appointment shall be in full force until withdrawn by the governor or acted upon by the senate, and if confirmed by the senate shall continue for the remainder of the unexpired term of the member and until a successor is appointed and qualifies. A provisional appointee may exercise all the powers and duties of board membership to which the person is appointed during the time in which the appointee qualifies.

(b) A provisional appointment made under paragraph (a) that is withdrawn by the governor shall, upon withdrawal, lapse and create a vacancy for provisional appointment of another initial member of the board. Any provisional appointment made under paragraph (a) that is rejected by the senate shall, upon rejection, lapse and create a vacancy for provisional appointment of another initial board member.

(c) Notwithstanding the lengths of terms specified in section 15.77 (2) of the statutes, as created by this act, the initial members of the board shall be appointed for the following terms:
1. The member appointed by the governor under section 15.77 (1) (a) of the statutes, as created by this act, and one member appointed by the governor under section 15.77 (1) (b) of the statutes, as created by this act, for terms expiring on July 1, 2018.

2. One member appointed by the governor under section 15.77 (1) (b) of the statutes, as created by this act, and the member appointed by the governor under section 15.77 (1) (c) of the statutes, as created by this act, for terms expiring on July 1, 2019.

3. The members appointed by the governor under section 15.77 (1) (d) and (e) of the statutes, as created by this act, for terms expiring on July 1, 2020.

4. The members appointed by the governor under section 15.77 (1) (f) and (g) of the statutes, as created by this act, and the member appointed by BioForward, Inc., under section 15.77 (1) (h) of the statutes, as created by this act, for terms expiring on July 1, 2021.

(3) POSITION AUTHORIZATION. There is authorized for the board 1.0 FTE SEG executive director position and 1.0 FTE SEG administrative assistant position to be funded from the appropriation under section 20.195 (1) (q) of the statutes, as created by this act, or from any loan under subsection (4), or both.

(4) INVESTMENT BOARD LOAN. The investment board may loan money to the Wisconsin next generation reserve board for general program operations and administrative expenses of the Wisconsin next generation reserve board. All loan terms shall be specified by written agreement between the investment board and the Wisconsin next generation reserve board.

SECTION 18. Effective dates. This act takes effect on the day after publication, except as follows:
(1) The repeal and recreation of section 15.07 (4) of the statutes takes effect on June 30, 2016.