Fiscal Estimate - 2017 Session

☒ Original   ☐ Updated   ☐ Corrected   ☐ Supplemental

LRB Number 17-1135/1	Introduction Number AB-0040

Description
entrepreneurial assistance grants and making an appropriation

Fiscal Effect

State:
☒ No State Fiscal Effect
☐ Indeterminate

☐ Increase Existing Appropriations   ☐ Increase Existing Revenues   ☐ Increase Costs - May be possible to absorb within agency's budget
☐ Decrease Existing Appropriations   ☐ Decrease Existing Revenues   ☐ Yes   ☐ No
☐ Create New Appropriations   ☐ Decrease Costs

Local:
☐ No Local Government Costs
☐ Indeterminate

1. ☐ Increase Costs   3. ☐ Increase Revenue
   ☐ Permissive ☐ Mandatory   ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs   4. ☐ Decrease Revenue
   ☐ Permissive ☐ Mandatory   ☐ Permissive ☐ Mandatory

5. Types of Local Government Units Affected
☐ Towns   ☐ Village   ☐ Cities
☐ Counties   ☐ Others
☐ School Districts   ☐ WTCS Districts

Fund Sources Affected   **Affected Ch. 20 Appropriations**

☐ GPR   ☐ FED   ☐ PRO   ☐ PRS   ☐ SEG   ☐ SEGS

Agency/Prepared By	Authorized Signature	Date
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Assumptions Used in Arriving at Fiscal Estimate

AB-040 directs WEDC to allocate at least $125,000 per fiscal year from the appropriations under 20.192 to make grants for new businesses to hire student interns.
Under this bill, the corporation could make 42 or more entrepreneurial assistance grants per year.

In FY16, WEDC contracted with 77 entrepreneurial-related businesses. Assuming that the number of contracts with entrepreneurial-related businesses increases by 42 during the first year and between 12-42 each year thereafter, it is estimated that WEDC would need to hire an account manager, underwriter, and administrative assistant to meet the new statutory requirements. The estimated cost (salary and benefits) of the additional staffing requirements is $238,000 per year.

This proposal would have a net neutral fiscal effect on the State; however, this would require WEDC to divert funding from existing programs and activities to support the statutory requirements and meet staffing costs.

Long-Range Fiscal Implications