

Fiscal Estimate Narratives

WHEDA 5/24/2019

LRB Number	19-2445/2	Introduction Number	SB-219	Estimate Type	Original
Description agricultural development loan guarantee program administered by the Wisconsin Housing and Economic Development Authority					

Assumptions Used in Arriving at Fiscal Estimate

The estimated impact of this change is income to the Wisconsin Development Reserve Fund of approximately \$80,000 per year over the 5 year allowed guarantee period. Revenues within the Wisconsin Development Reserve Fund are used for future guarantee activity.

Assumptions:

Guarantee payments for potential loan losses are not included in the numbers above. Historically, the Agribusiness loan guarantee portfolio has had a default rate of approximately 14%. Given WHEDA's low volume in the program, we are not comfortable using this as an indication of future default rates. Guarantee payments made will decrease the balance in the Wisconsin Development Reserve Fund and lower the amount available for future guarantees.

Five new guarantees are done each year.

WHEDA's cost to review and enter into the guarantees is similar to the Small Business Guarantee program.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-2445/2		Introduction Number SB-219	
Description agricultural development loan guarantee program administered by the Wisconsin Housing and Economic Development Authority			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
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