

Fiscal Estimate Narratives

WEDC 5/1/2013

LRB Number	13-1812/2	Introduction Number	AB-0181	Estimate Type	Original
Description Venture capital investment program					

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 181, relating to the "creation of a venture capital investment program," provides \$25,000,000 in new General Purpose Revenue (GPR) funds to create a venture capital program in Wisconsin. The bill requires the Wisconsin Economic Development Corporation (WEDC) to do the following:

1. Contract with an investment manager to manage investments in venture capital funds and Wisconsin businesses;
2. Before contracting, WEDC and the State of Wisconsin Investment Board (SWIB) must form a committee to select the investment manager and submit the proposed contract with the selected investment manager to the Joint Committee on Finance (JFC) for a passive review;
3. Requires WEDC to pay \$25,000,000 to the approved investment manager for investments in venture capital funds;
4. Must submit a copy of the investment manager's annual report (including a certified audit, the investment manager's internal rate of return from investments in venture capital funds, a list of each venture capital fund that received funding, and information on each business that received an investment) to the legislature each year; and
5. Requires WEDC to submit to JFC two progress reports, one in 2015 and one in 2018, containing comprehensive program performance to date, program improvements recommendations from WEDC, and program improvement recommendations from SWIB.

WEDC would be able to absorb costs associated with these requirements and there is no additional financial impact for the Corporation for the execution of the bill's provisions.

Long-Range Fiscal Implications