

Fiscal Estimate Narratives

WEDC 6/5/2013

LRB Number	13-2442/1	Introduction Number	AB-0228	Estimate Type	Original
Description Board of directors, powers and duties, including reporting requirements, and financial audits of the Wisconsin Economic Development Corporation					

Assumptions Used in Arriving at Fiscal Estimate

Under this bill, changes would be made to the governance of the WEDC Board of Directors. In addition, it requires WEDC to include specific additional information to the annual report that is submit to the legislature by October 1 of each year. Furthermore, it requires WEDC to undergo an annual financial audit by the Legislative Audit Bureau (LAB) through FY19.

There is no significant fiscal impact for the portions of the bill that make changes to the governance of the WEDC Board of Directors or the additional reporting requirements.

However, there is a fiscal cost to the required financial audit conducted by the Legislative Audit Bureau, which would require WEDC to divert funding from existing programs and activities. Based upon previous audit services provided by LAB for WEDC, it is anticipated that it could cost up-to \$50,000 per year. In a letter dated October 18, 2012, Program Evaluation Director Dean Swenson of the LAB informed WEDC that the contract fees for audit services had a current billing rate of \$415 per day. This cost would be in addition to the independent financial audit WEDC is also required by its Board to procure each fiscal year as well.

Long-Range Fiscal Implications