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million in taxpayer money to start-up companies, sending Gov. Scott Walker a measure that he has long sought.

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The Wisconsin State Legislature voted overwhelmingly this week to provide \$25 million in taxpayer money to start-up companies, sending Gov. Scott Walker a measure that he has long sought.

Also Tuesday, the Senate unanimously approved a bill to subject the state's troubled job creation agency to annual audits, require it to create procurement policies and require its employees to abide by state ethics laws.

Providing venture capital has had a rocky history in recent years. Bills to do that last session couldn't get through the Legislature, and this year's legislation has had its share of glitches.

But on Tuesday, this year's version of the bill cleared the Senate 29-3 and got through the Assembly on a voice vote without dissent.

"Wisconsin is reinvigorating its entrepreneurship," said Rep. Mike Kuglitsch (R-New Berlin), one of the bill's authors.

Most Senate Democrats voted for the bill, but said they thought it should have provided more funding to create jobs and should not have excluded some industries from receiving the money.

"It is really disappointing that \$25 million is the best we can do," said Sen. Julie Lassa (D-Stevens Point). "I believe this is too small and has some issues with not being industry-agnostic."

But Sen. Alberta Darling (R-River Hills), another author of the measure, said, “It

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Tuesday that he will sign the bill because it uses tax money to help attract private investment to deserving companies with potential for growth.

“This is one more way that we move our economy forward,” Walker said.

Voting against the bill were Sens. Glenn Grothman (R-West Bend), John Lehman (D-Racine) and Fred Risser (D-Madison).

The bill would target venture capital to five industries — agriculture, information technology, engineering, advanced manufacturing and medical devices. Advocates said they saw those areas as best positioned to quickly create jobs. Social conservatives also helped keep a narrow focus of the bill, balking at the possibility of allowing state money to flow to biotech companies that use stem cell lines that come from destroyed human embryos.

Democrats argued that life sciences companies are an essential part of Wisconsin's economy and should be able to vie for the money. But Senate Republicans voted down their amendment to make the bill industry-neutral.

Leaders in the life sciences industry contend the bill as passed will send a chilling message and create worries that lawmakers will exclude them from an existing tax credit program.

Wisconsin companies pull in less than 1% of the country's venture capital. There have been signs recently that the funding environment is improving. Some have projected that, including the state fund, more than \$100 million of new venture capital will be invested in state companies over the next few years.

The plan would use a “fund of funds” model that would see the state hiring a manager to invest \$25 million in state money and matching private dollars in at least four early-stage venture capital funds.

The Assembly approved the bill 91-2 earlier this month but had to take it up again

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WEDC. The other bill the Senate approved Tuesday was written in response to a tough audit of the Wisconsin Economic Development Corp., which Walker and lawmakers created in 2011 in hopes of helping businesses grow in the state.

The audit found WEDC last year didn't require financial statements from companies receiving incentives, gave awards to ineligible businesses and didn't adequately follow up to see if businesses receiving incentives were creating the jobs they said they would.

The bill would make WEDC subject to annual audits, create a governance committee and a lead director position for WEDC's board, require WEDC to establish procurement policies and make WEDC employees subject to state ethics laws. It passed 32-0 and now goes to the Assembly.

"We simply need to know how our money's being spent," said Sen. Rob Cowles (R-Allouez), one of the bill's primary authors.

"We have to continue auditing this entity for a while until we feel totally comfortable with it," he added.

WEDC's board consists of the governor, eight people from the private sector and four lawmakers. The bill would create term limits for board members and require that one of the private sector members be a certified public accountant.

The bill also would require WEDC to get the approval of the Legislature's budget committee before setting up a private foundation.

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