

Fiscal Estimate Narratives

UWS 2/5/2016

LRB Number	15-4113/1	Introduction Number	AB-0777	Estimate Type	Original
Description Establishing a business idea generation program in the University of Wisconsin-Extension and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Board of Regents of the University of Wisconsin (UW) System to establish a business idea generation program in the University of Wisconsin-Extension. Under the program, the University of Wisconsin-Extension must continue and expand the Wisconsin Big Idea Tournament, which must include four regional and one state competitive tournaments in business idea generation.

The program must also include statewide training and education in entrepreneurship development and business startup methodology. The program must be available to students enrolled in public or private secondary schools or post-secondary institutions in Wisconsin. This bill will provide increased allocations of \$165,000 beginning in fiscal year 2016-17 and continuing every fiscal year.

In order to determine the potential fiscal impact of this legislation, internal discussions and outreach to the University of Wisconsin-Extension staff was performed. Based on UW-Extension staff input, it was assumed that state funds would cover staff for the administration of the program and travel allowances for teams traveling to the state competitions as well as for the winning team to travel to the international competition. Corporate sponsorships would fund competition needs (such as facility, equipment, meals and refreshments for four regional events and 1 state event), workshop and webinar needs (such as equipment and mentors), funding awards to jump-start business, and promotion of the program.

Long-Range Fiscal Implications

In 2014, the Wisconsin Big Idea Tournament was funded with \$15,266 in funds from the University of Wisconsin System and a match of an equivalent amount from private sponsorship. Additionally, contributions from UW-Extension in time, efforts, and other funds equated to the equivalent of a .5FTE per UW-Extension estimates. This part-time staff person was responsible for the outreach, coordination and execution of lean methodology and the statewide tournament with involvement from 6 campuses.

The expansion of the program would include several more schools as well as the coordination of standardized curriculum and delivery, which would require at least a 1.5 FTE per UW-Extension estimates. The estimated total cost would be \$140,000 for salary and fringe, contracted personnel, or a combination of both.

While this estimate assumes certain costs would be funded through corporate sponsorship, fiscal issues may arise if UW-Extension is unable to secure the assumed amount. To provide workshops and webinars, sufficient equipment and staff would need to be established. Online programming software can be in excess of \$5,000 depending on how many participants are being served. Costs to obtain mentors to work with teams can be in excess of \$7,000 for stipends. Award amounts can vary anywhere from \$500 to upwards of \$100,000 for various well-known competitions. Promotion of the programs and events have an estimated marketing campaign budget of \$12,000.

The \$165,000 allocated for the program every year would cover personnel costs. However, there may be issues that could arise if an insufficient amount of corporate sponsorships are secured.