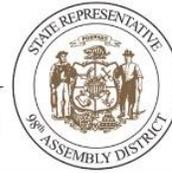


STATE REPRESENTATIVE
ADAM NEYLON



98TH ASSEMBLY DISTRICT

DATE: December 15, 2015

FROM: State Representative Adam Neylon

TO: Committee on Revenue, Financial Institutions, and Rural Issues

RE: Supporting SB 404

Thank you Chairman and thank you to the committee members for having this hearing today on SB 404, Sen. Darling's and my "Seeds for Growth Act." Last session we created the Badger Fund of Funds program to help foster a more robust and statewide venture capital scene in Wisconsin with the aim at having increased capital investment in new and small businesses in this state. The Badger Fund is a joint private-state venture that oversees and partners with smaller first time venture capital funds located across Wisconsin.

The upside of the Badger Fund of Funds is two-fold. It increases investment in small businesses and start-ups located in every corner of the state, and it helps create a new group of first time venture capital funds and fund managers. These are benefits that can positively impact the Wisconsin economy long after the state is no longer involved.

Currently, the Badger Fund of Funds is about \$20 million away from their private fundraising goal. The Seeds for Growth Bill will help them reach their goal by the June 2016 deadline by freeing up some unused Act 255 tax credits that can be allocated for institutional investors. As I understand it, most of the investment in venture capital funds comes from institutional investors, but here in Wisconsin we severely trail the rest of the nation in that department.

The Seeds for Growth Act is aimed at helping connect those vital institutional investors with the new first time funds located all over the state. Wisconsin has emerging entrepreneurs with great ideas across the state. It is important that we help support an environment where those entrepreneurs have access to the capital and guidance they need to grow and flourish. The Seeds for Growth Bill is another step forward in moving Wisconsin to the front of the nation as a state where new ideas and new businesses can come to grow.