

Tech Council: Endorses Gov. Evers' plan for \$100-million fund

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Evers budget plan for \$100-million fund praised by Wisconsin Technology Council

MADISON, Wis. – Gov. Tony Evers' plan to invest \$100-million in a venture capital "fund of funds" will help young high-growth companies throughout Wisconsin and put the state on the map for tech workers, companies and investors for years to come.

That endorsement of the proposal to be outlined in Evers' 2021-23 budget bill was made Sunday by Tech Council President Tom Still and Greg Lynch, the chair of the Tech Council's 50-plus member board of directors.

A fund of this size and scope has been a specific goal of the Tech Council since 2012 and was renewed in the 2021 edition of the council's "white papers" report.

"Wisconsin has the talent, technology, research base and business climate necessary to attract more investment capital," Still said. "This fund will make Wisconsin more competitive among its neighbors and well beyond."

"Companies and investors on the coasts are looking for new opportunities. This fund will send a strong, timely message that Wisconsin offers just such an opportunity," Lynch said.

The proposal would make the state an investor alongside private investors, who must match the \$100-million state investment with \$200 million in collective investments of their own. As a "fund of funds," the larger fund would work with

other “recipient” funds – perhaps similar funds already existing in Wisconsin – to deploy capital over time in high-growth companies.

Individual investments could be made with a 1-to-1 private/state match, but the overall fund matching requirement over time would be 2-to-1, private to public. No single recipient fund could receive a state investment exceeding \$25 million, which means multiple recipient funds are envisioned for risk mitigation and sector diversity.

At least 20 percent of the individual companies receiving an investment from a recipient fund must be women-led or minority-led and rooted in underserved communities. Studies indicate investments by such funds perform well in their returns.

The fund of fund would be “evergreen,” meaning proceeds could be re-invested in perpetuity. If the budget proposal is approved by the Wisconsin Legislature, that same evergreen clause will be extended to the existing Badger Fund of Funds. The Badger fund was created with a \$25-million state investment in the mid-2010s and has attracted private investors while putting dollars into promising early-stage firms across the state. The Tech Council led the private effort for its creation at the time.

The Evers proposal also calls for the Wisconsin Economic Development Corp. to establish an oversight board for the new fund.

The Tech Council was incorporated in 2001 to serve as the independent, bipartisan and non-profit science and technology advisory board to state government. Its directors hail from all sizes of private business, the investment community, academic research institutions, health care, law, accounting and other disciplines tied to the tech-based economy.