



WISCONSIN STATE SENATOR

**DAVE HANSEN**

SENATOR – 30TH DISTRICT

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**TESTIMONY: SB-74**

**3/5/14**

Chairman Farrow and members of the committee, due to a previous commitment in my district I am unable to attend today's hearing. Thank you, however for allowing me to provide this written testimony in support of Senate Bill 74.

This bill, as amended by ASA 1, promotes Wisconsin's small businesses by requiring the DOA and other state agencies to create their procurement plans to include that 10% of purchases are awarded to small businesses.

It is important, now more than ever, that we do all that we can to foster the growth of small businesses, and I am pleased to have joined Representative Clark in this effort.

Wisconsin spends over \$500,000,000 annually on procurement contracts. This bill will greatly benefit the small business community by establishing that, when considering those purchasing dollars, agency-specific procurement plans include a, "10% for small businesses," goal. While it is not the explicit intent of the bill, in most cases, we expect that the small businesses highlighted in these procurement plans will be Wisconsin-based businesses.

As mentioned, this bill has a substitute amendment in the Assembly. Under the substitute amendment, the term "small business" is defined by the Small Business Association's (SBA) definition of small business. Under the SBA's definition, a business must be independently owned and operated and not dominant in its field of operations, and must meet specific industry-based criteria for number of employees, dollar volume of business, net worth, net income, and other factors.

According to the SBA, small businesses employ more than 1 million Wisconsinites. This bill acknowledges the importance of small business in our state and establishes a mechanism through which Wisconsin can contribute to their retention and growth.

Thank you.



## SB 74: Testimony

Wednesday, March 5, 2014  
412 East

Thank you Chair Farrow and members of the Senate Committee on Government Operations, Public Works, and Telecommunications, for allowing me to testify today on behalf of SB 74. We all know that small businesses are the backbone of our economy and contribute substantially to state job creation. According to the US Census Bureau, around one half of American workers are employed by small businesses with less than 100 employees.

This bill would require the Department of Administration and other state agencies to ensure that we are supporting small businesses when the State of Wisconsin purchases goods and services using taxpayer dollars.

Under the bill, the DOA and other state agencies would be required to develop a plan to ensure that at least 10% of the total amount expended for state purchases in each fiscal year is paid to small businesses. While it is not the explicit intent of the bill, in most cases, we expect that these small businesses will be Wisconsin-based businesses.

ASA 1 to SB 74 uses the federal Small Business Association's (SBA) definition of small business. Under the SBA definition, a business must be independently owned and operated and not dominant in its field of operations, and must meet specific industry-based criteria for number of employees, dollar volume of business, net worth, net income, and other factors.

Our state spends over \$500,000,000 each year on contractual service procurements. This bill will help stimulate our state's economy by using those purchasing dollars to support one of our greatest economic engines – our small businesses. Thank you again for your consideration and I ask for your support to help enact this proposal and support small businesses in Wisconsin.

Representative Fred Clark