



MIKE ROHRKASTE

STATE REPRESENTATIVE • 55TH ASSEMBLY DISTRICT

To: Senator Marklein and members of the Senate Committee on Agriculture, Revenue and Financial Institutions

From: Representative Mike Rohrkaste, 55th Assembly District

Date: February 19, 2019

Re: 2019 Senate Bill 14

Thank you for holding a public hearing on Senate Bill 14, creating an income and franchise tax credit for paid internships.

The most pressing issue facing the state of Wisconsin is our need for trained workers to fill the tens of thousands of open jobs. A sustaining career is the best path towards opportunity and prosperity. A family-supporting wage benefits the individual, but on a macro level filling these jobs benefits our state. Full employment means more income tax paid to our general fund, more individuals funding our transportation network, and more people buying homes which funds our schools.

We know that students who complete internships in Wisconsin are more likely to stay in Wisconsin for work than those who do not. In some cases, these former interns become full employees with a better working knowledge of the company. We know that between all of our postsecondary educational institutions, we have roughly 400,000 students in any given year in Wisconsin. While we don't have reliable data on how many pursue internships, anecdotally we can assume the percentage of students interning while completing a degree is not high enough.

This bill incentivizes our local companies to get local students on the first rung of their ladder towards career success. An intern learns valuable employment skills and makes connections during their internship that can open doors in the future. A paid internship also allows our students to pay for their education and set themselves up for a successful entry into the Wisconsin workforce.

We should be doing everything we can to help fill the open jobs in our state. Thank you again for your consideration.



DAN FEYEN

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To: The Senate Committee on Agriculture, Revenue and Financial Institutions
From: Sen. Dan Feyen
Re: Senate Bill 14

Mr. Chair, members of the committee, thank you for holding this hearing today.

Students who complete internships in a state are more likely to stay in the state after graduation than students who do not. This bill builds off of this fact by creating a refundable tax credit for businesses who hire paid interns in Wisconsin. The tax credit would allow businesses to claim \$1000 per paid intern for up to 5 interns per year.

The UW System had 150,211 undergraduate students in the 2017-2018 school year. The Wisconsin Technical College System had 187,053 Liberal Arts Transfer, Applied Associate Degree, and Technical Diploma students enrolled in the 2016-2017 school year. WAICU-member colleges and universities currently enroll nearly 55,000 students. While there is no great data source for the number of internships that exist in Wisconsin, what data we can compile suggests there are nowhere near enough internship experiences for every student in Wisconsin to gain an internship experience in this state. For example, the UW System's data suggests only 56% of seniors had participated in an internship experience at some point in their educational career.

If we can increase the number of internship experiences available in Wisconsin, we can increase the number of students having an internship experience in the state, and the retention rates of students upon graduation. Given Wisconsin's current workforce shortage, this bill seeks to incentivize companies to operate an internship program in Wisconsin.

We are offering one amendment to the bill today. Our office worked collaboratively with the new administration at DOR to more narrowly tailor the definition of intern to ensure that companies cannot claim the credit by re-classifying another employee. Additionally, this amendment scales back the value of the credit to lower the fiscal impact.

Thank you for your time today. I welcome any questions you may have.



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February 19, 2019

TO: Honorable Members of the Senate Committee on Agriculture, Revenue and Financial Institutions

FROM: Ray Cross, UW System President 

RE: Senate Bill 14 Testimony- For Information Only

Thank you, Chairman Marklein and committee members, for holding this public hearing on SB 14, and thank you to Senator Feyen and Representative Rohrkaste for authoring this bill to support internships.

The knowledge gained in lecture halls, classroom discussions, study groups, and exams are critical to the university experience. However, classroom learning is only part of the equation. As I talk to students, I consistently hear about the need for internships. Students are often looking for that experience that will give them a foothold in the career of their choice. In addition, as I travel around the state, employers' consistent message is they want and need employees who think critically, operate creatively, work collaboratively, and possess an ability to adapt to change.

Internships build good work habits, teach responsibility, and broaden a student's experience in a professional setting. Internships also expand professional networks and increase the likelihood of an employer hiring that student after graduation. Wisconsin's economic success will be determined by our ability to prepare students for the workforce of the future and provide them with opportunities to keep them here in Wisconsin.

Eighty-five percent of UW System graduates stay in Wisconsin. We know the likelihood of them staying in the state increases every time a student gets an internship with a Wisconsin employer. This benefits the economy and keeps our state a great place to live. The latest iteration of the 2018 Internship & Co-op Survey¹, conducted by the National Association of Colleges and Employers, found that:

- For the second year in a row, employers reported positive hiring projections for interns and co-ops.
- The offer rate for interns is 59 percent and the acceptance rate is 77.3 percent, which is an increase from 2017.
- The retention rate for intern hires after one year is 70.6 percent for those who were hired within the organization and 65.8 percent for those interns who worked for another organization.
- By contrast, students with neither internship nor co-op experience have a 46.3 percent one-year retention rate.

One of the goals of UW System's 2020FWD strategic framework is to provide every student with the opportunity to experience at least two high-impact learning practices, including internships. UW System and the State of Wisconsin have already collaborated to create stronger, more vibrant internships for our students. Again, thank you for holding this hearing. The UW System stands ready to help increase the number of these high-impact learning opportunities.

¹ Date collected November 8, 2017 – March 2, 2018 from NACE employer members. There were 309 respondents, which represented 29.1 percent of all eligible respondents.

ALVERNO COLLEGE
BELLIN COLLEGE
BELOIT COLLEGE
CARDINAL STRITCH UNIVERSITY
CARROLL UNIVERSITY
CARTHAGE COLLEGE
COLUMBIA COLLEGE OF NURSING
CONCORDIA UNIVERSITY
EDGEWOOD COLLEGE
LAKELAND UNIVERSITY
LAWRENCE UNIVERSITY
MARIAN UNIVERSITY



WISCONSIN'S PRIVATE, NONPROFIT COLLEGES AND UNIVERSITIES
WORKING TOGETHER FOR EDUCATIONAL OPPORTUNITY

MARQUETTE UNIVERSITY
MEDICAL COLLEGE OF WISCONSIN
MILWAUKEE INSTITUTE OF ART & DESIGN
MILWAUKEE SCHOOL OF ENGINEERING
MOUNT MARY UNIVERSITY
NASHOTAH HOUSE
NORTHLAND COLLEGE
RIPON COLLEGE
ST. NORBERT COLLEGE
SILVER LAKE COLLEGE
VITERBO UNIVERSITY
WISCONSIN LUTHERAN COLLEGE

TESTIMONY

By

Dr. Rolf Wegenke, President

Wisconsin Association of Independent Colleges and Universities (WAICU)

on

Senate Bill 14

to

Senate Committee on Agriculture, Revenue and Financial Institutions

February 19, 2019

Chair Marklein and members of the Committee, my name is Rolf Wegenke. I am President of the Wisconsin Association of Independent Colleges and Universities, or WAICU, the official organization recognized in state law as representing the 24 private, nonprofit colleges and universities in Wisconsin and their 56,000 students. I support this legislation and while not speaking before the Committee would like to share information on WAICU-member internship programs and career development initiatives.

I also want to thank the authors for recognition in their "co-sponsorship memo" of WAICU-members and WAICU students and for supporting business and internship opportunities for students in all post-secondary sectors.

There are over 30 different groups meeting under the WAICU umbrella. One such group is the Wisconsin Private College Career Consortium. This group represents the career services directors at each of the WAICU institutions working together to develop relationships with employers and bring the best internships and career opportunities to students. WAICU-members' career services offices work together to match potential employers with employees drawn from their student and alumni/ae base. One of their most prominent initiatives is the annual Workforce, Career and Internship Fair, which in 2018 drew nearly 1,000 students and alumni/ae and 185 employers and graduate schools. (See attached information sheet) Many students attend looking for internship opportunities. The 2019 fair is taking place today, Tuesday, February 19, at the Wisconsin State Fair Park.

WAICU career directors regularly meet together with employers to learn how WAICU-member colleges and universities can better serve their workforce needs. The career services offices provide many other critical supports to students and alumni/ae including resume assistance and critique, networking and educational events and mock interviews for students. Some WAICU-members require internships for all students and others are offering multiple internship opportunities for students throughout their college

careers. In short, WAICU has the “infrastructure” already in place and is eager to support the State of Wisconsin’s goals for increased internships.

WAICU itself administers a nonprofit internship program. The program is supported through the generous donations of two Wisconsin foundations. For this program, interns complete 400 hours of service over 10 summer weeks and receive a \$2,000 stipend and \$3,000 scholarship. WAICU is invested in students’ academic, professional, and personal development. In the last four years, the WAICU program placed 90 students and received 479 applicants.

In addition, WAICU has created a joint jobs and internship website called WAICU Career Connect, to link with the State’s own WisConnect website. WisConnect was mandated by the Legislature and is the official, state-sponsored site for college students looking for an internship in Wisconsin. The WisConnect website is for all college students in Wisconsin, and for Wisconsin businesses looking to promote or create internship programs.

WAICU supports efforts to provide employers with an income and franchise tax credit for employing interns. The importance of a well-developed internship program cannot be overstated. According to the 2018 National Association of Colleges and Employers (NACE) survey, 59 percent of employers offered full-time positions to their interns, and 77 percent of students accepted those offers. That’s a clear indication that internships work, for interns and employers in these times of workforce shortages, internships are proven, substantive ways to make a difference – both for the student and for employers.

Please do not hesitate to contact me for more information or if I can be helpful in any way.

WORKFORCE FAIR:

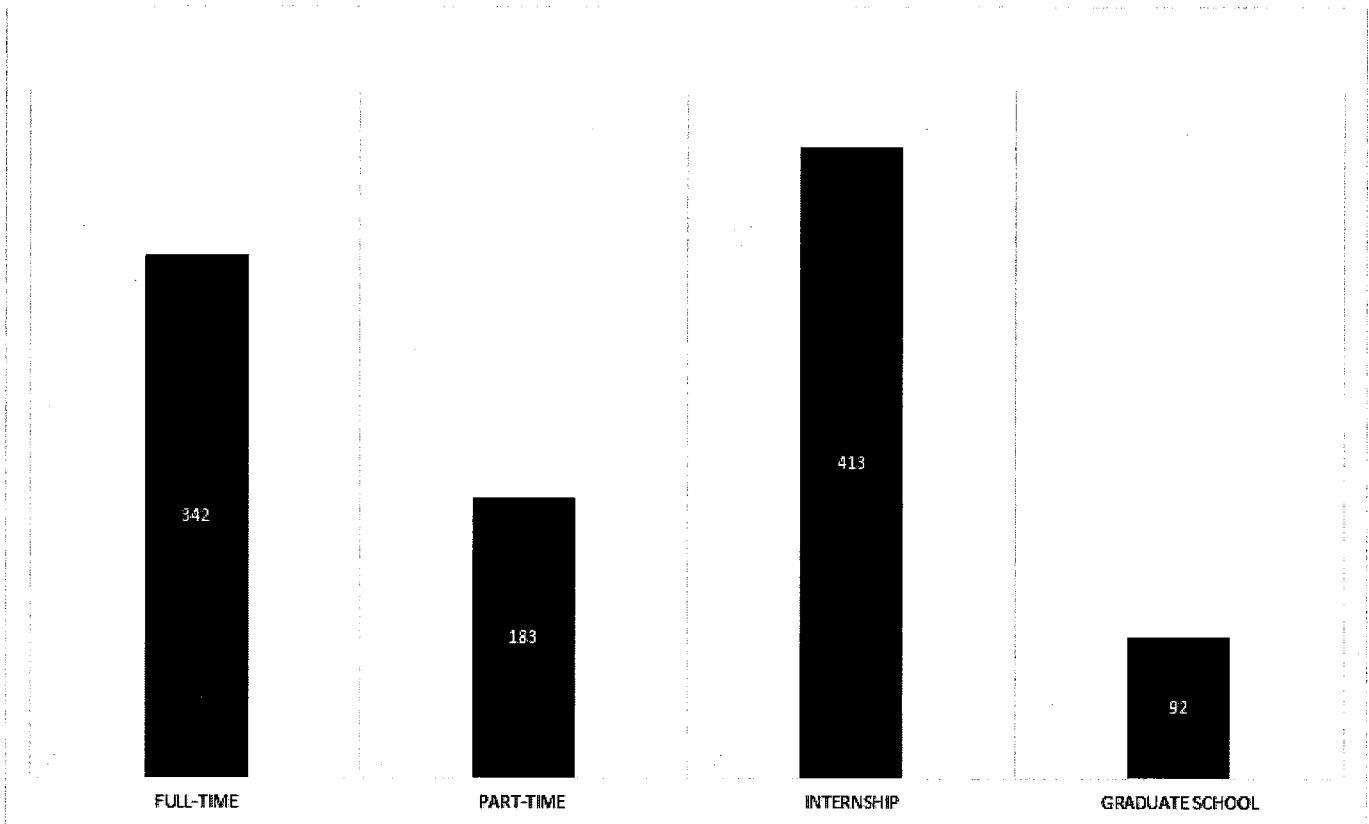
Jobs, Internships and Graduate Schools

2018 ATTENDEE SNAPSHOT



WIPCCC
WISCONSIN PRIVATE
COLLEGES CAREER
CONSORTIUM

ATTENDANCE BY POSITION TYPE



ATTENDANCE BY YEAR IN SCHOOL

