



November 30, 2017

Assembly Committee on Jobs and the Economy  
Assembly Bill 40  
Representative Peter Barca

Chairman Neylon and members of the Assembly Committee on Jobs and the Economy; thank you for holding a public hearing on Assembly Bill 40, which will create an Entrepreneurial Assistance program and establish partnerships between new businesses and universities through paid internship programs.

Founding and growing a new business is not an easy task. Beyond the need for adequate funding, it also takes a great deal of research, initiative, and human resources to create a small business.

At the same time, our colleges and universities are rich with bright, young individuals who are looking forward to real world experience and opportunities to network within their chosen career field.

One way that we can assist new businesses would be to help foster partnerships between these newly founded companies and our colleges and universities. This bill would provide grants through WEDC that would go to businesses that have been recently founded for the purpose of facilitating paid internships for business and business-related students. These interns would work under the guidance of a professor in assisting the company in whatever activities they most need assistance, such as developing a business plan, conducting research, marketing, engineering, and other functions necessary to the formation of a new company.

The bill would also provide grants directly to a college or university that is providing and guiding groups of interns working with three or more companies to cover a segment of the professor's time overseeing the work of the interns, steering research, and developing any necessary assistance to successfully implement the program.

For the past three years the Kauffman Foundation has ranked the state dead last in start-up activity. This means we need to continue to find creative ideas to help entrepreneurs, and this program could provide added support to new businesses to assist with their growth.

This legislation and versions from previous sessions have received the support of groups including the National Federation of Independent Businesses, Bio Forward, Wisconsin Bankers Association, Wisconsin Realtors Association, NAIOP Wisconsin, American Family Insurance, Wisconsin Technical College District Boards Association, WEAC, the Wisconsin Alumni Research Foundation, and the WiSys Technology Foundation

Thank you for your time today and I would appreciate your support when Assembly Bill 40 comes for a vote before this committee.

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SEN. RUSCHHAUD

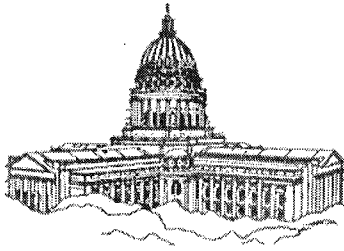
**Talking Points for Assembly Bill 40.**

- Thank you Chairman Neylon and committee members for holding a hearing on Assembly Bill 40.
- Assembly Bill 40 reestablishes a program that got lost in the shuffle when the Department of Commerce became the Wisconsin Economic Development Corporation.
- The bill creates a grant of up to \$3,000 to new business for expenses related to hiring a paid intern who is enrolled in a UW – System School, private college or technical college and is studying business, engineering, IT, or a similar field.
- In addition, if a single school has 3 or more interns and the school develops a program to support the interns hired by the grant program the school's eligible for a grant up to \$25,000 to create programming to enhance the internship program.
- I am a member of the Governor's Council on Workforce Investment and the council's number one priority is working on ways to address the shortage between the number of workers needed by Wisconsin companies and the number of qualified employees that are in our labor force.
- I believe this proposal can help us address this shortage which is estimated at 45,000 workers over the next seven years.
- Companies that devote time and resources to finding, selecting and training interns are looking for a return on their investment. The benefit might be in the present (using the services of talented

individuals without having to make a hiring commitment), or it might be in the future (the added ability to choose a person who will work out well as an employee).

- By establishing a relationship with an intern prior to graduation new small business may be able to hire a very talented graduate that may have not considered working there if they were not familiar with the business already.
- Interns also bring new cutting edge ideas they are learning in school which is especially important to new businesses who may still be looking to establish themselves in the marketplace.
- If an intern has a great experience interning they will tell their classmates which can create a pipeline of future talented interns that will benefit new businesses.
- Assembly Bill 40 will also benefit interns by beefing up their resume, giving them a test run on the job and seeing if they really like it or not and by establishing relationships with people already in their chosen occupation.
- We know that more people are leaving Wisconsin than moving in, that we are having difficulty attracting out-of-state people to Wisconsin and many residents are aging out of the workforce.
- I believe Assembly Bill 40 can be a tool to help us address these issues and fill our employment gap.

- Thank you for listening to my testimony and I would be happy to answer any questions you have.



**LENA C. TAYLOR**

Wisconsin State Senator • 4th District

HERE TO SERVE YOU!

**Testimony of State Senator Lena C. Taylor  
Assembly Committee on Jobs and the Economy  
Assembly Bill 40  
November 30, 2017**

Good morning, Chairman Neylon and committee members. I would like to thank the committee for giving me the opportunity to submit written testimony regarding Assembly Bill 40, relating to entrepreneurial grants for new businesses who hire students in high-demand fields as paid interns.

Providing entrepreneurial assistance is crucial toward driving small business and startup growth. As we all know, small and startup businesses are the backbone of our economy. According to the U.S. Small Business Administration, small businesses employed over 1.2 million Wisconsinites in 2014 – over half our state’s private workforce. In the same year, data from the agency showed that Wisconsin had 440,763 small businesses, which accounted for 97.7 percent of all Wisconsin businesses.

Despite the importance of small businesses, Wisconsin lags behind the nation in business startup activity. In fact, 2017 represented the third straight year that Wisconsin ranked dead last in the nation for startup activity under rankings by the Ewing Marion Kauffman Foundation. That is unacceptable, and it hurts our state’s ability to attract and inspire entrepreneurs.

Assembly Bill 40 will not only provide needed assistance for our startup businesses, it will help students get work experience in their field while being paid. With rising tuition and costs associated with college attendance, students are finding it harder and harder to afford a college education, let alone take an unpaid internship. According to U.S. News, for national universities in the top 300, tuition at private universities increased from \$16,233 in 1997 to \$41,727 in 2017. For in-state tuition at public universities, tuition increased from \$3,168 to \$10,691 in the same decade. For many students, time at an unpaid internship takes away from time at a paying job. This bill will help resolve that dilemma by allowing students to engage in relevant career activities while receiving an income.

With Assembly Bill 40, new businesses will have the boost they need to hire paid interns. This will not only help students get paid work experience, but it will allow businesses to screen and develop potential future employees. This bill is a step towards helping new businesses, students, and ultimately – our state economy. I ask for your support of Assembly Bill 40. Thank you for your time and consideration.

Senator Lena C. Taylor  
4<sup>th</sup> Senate District



**November 30, 2017**

**TO: Members of the Assembly Committee on Jobs and the Economy**  
**FROM: Tom Still, president of the Wisconsin Technology Council**  
**RE: Assembly Bill 40**

**Dear Chairman Neylon and members of the committee:**

Connecting students with on-the-job experiences is important for many reasons, not the least of which is the bridging of the higher education process with life in the working world.

Many private businesses are already looking for talented interns. Hiring interns allows a low-cost trial period while enhancing the “stickiness” of students to Wisconsin.

In a state that produces 75,000 UW System, tech college and private college graduates per year, even a small change in the “in-state retention” rate can keep hundreds of young workers here.

Internships or apprenticeships are important with companies of any size or sector. To put together students with young companies is valuable because it offers a glimpse at what it’s like to launch, grow and succeed in the entrepreneurial world.

The Wisconsin Technology Council has long recognized the importance of such connections and has taken steps to help. For example, our Wisconsin YES! competition is a youth business plan contest that connects high school and middle school students with bright ideas to mentors. The larger Wisconsin Governor’s Business Plan Contest is open to students 18 and older, and we have seen an uptick in campus-based plans over the past 15 years.

There are some targeted internship programs in place. For example, students in the UW-Madison Department of Life Sciences Communication are regularly connected to internships through the efforts of the Tech Council. Internet portals with internship opportunities are available through the UW System, the Department of Workforce Development, and the Job Center of Wisconsin.

Assembly Bill 40 offers a unique approach. It would award a \$3,000 grant to a qualified young business – meaning, no more than five years old – as well as support grants to the higher education institutions that make the internship connections.

For a young company, \$3,000 is real money. However, a larger barrier for those startup companies will be finding the time to supervise an intern if one becomes available. That is the problem I hear most often from those companies.

Colleges and universities appear to be making a more concerted effort to connect interns to opportunities. At the UW-Eau Claire, for example, Chancellor Jim Schmidt and his team strongly encourage that students engage in either an internship, a study abroad program or a service project before graduating. About half find an internship each year.

Other tools include career days, internship directors and other regular outreach. It would be instructive to learn what other institutions such as UW-Eau Claire are doing at present to connect businesses with students.

The Tech Council takes no position as to whether the \$125,000 needed each year to pay for the program should be required of the Wisconsin Economic Development Corporation, which likely has the discretion to get more involved with internships if it chooses.

We can offer one specific example of a program in Michigan that takes a more targeted approach.

The Michigan Venture Fellows Program, offered through the Michigan Venture Capital Association, is designed for college graduates – usually those with a master’s degree.

It provides an analyst level job at a Michigan venture capital firm with a high minimum salary in return for a four-year commitment to stay in the state. Up to 15 spots are half funded by the state of Michigan in hopes of attracting graduates to the profession – and keeping them in Michigan for the benefit of that state’s entrepreneurial community.

Thank you for your time and continued interest in building the Wisconsin economy.

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



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

LEG COUNCIL  
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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

**Assembly Bill 40**

to

**Assembly Committee on Jobs and the Economy**

**November 30, 2017**

Chair Neylon and members of the Committee, thank you for holding this hearing today and for your attention to the important issues of internships and entrepreneurial success. My name is Rolf Wegenke. I am President of the Wisconsin Association of Independent Colleges and Universities, or WAICU, the official organization representing Wisconsin's 24 private, nonprofit colleges and universities and their nearly 58,000 students.

I am a member of the Wisconsin Technology Council which encourages entrepreneurial start-ups across the state. As a former economic development administrator, working under five Wisconsin Governors, I am keenly aware of the challenges facing start-up companies and the benefit a coordinated internship program would provide. Connecting these start-ups with resources and support from Wisconsin's colleges and universities will only improve their chance of success.

WAICU members have many successful business partnerships and extensive experience creating internship opportunities for students. These opportunities allow students to apply what is learned in the classroom to real-world work experiences, better preparing students for jobs of the future. Internships are an integral part of talent development at each of our member institutions. All WAICU members are focused on increasing internships. To take one example, Carthage College in Kenosha had 128 students in internships in 2016-2017, while Edgewood College here in Madison had 795 student interns. WAICU itself runs an internship program offering intern opportunities at nonprofit organizations. Last year, the program received 125 applicants for 23 internship opportunities. In other words, this legislation has great potential.

I support expanding internships to the entrepreneurial sector, but I would like to recommend two improvements for the authors' and committee's consideration. First, I suggest not limiting the applicability of the grants to certain majors. Business start-ups require support for a wide variety of functions. For this reason, it would be better to leave it to the start-up business to make those decisions on where an intern could make the greatest impact. The new business may need computer science, but they may need interns with expertise in Chinese language or in biology. With the WAICU nonprofit



internship, the sponsor of the internships receives applications from the students, the interns are then interviewed and chosen by the organization – a good model. Additionally, while faculty often help to coordinate interns, many colleges and universities utilize career directors, internship coordinators and specialized advisors for these coordination activities. I would suggest broadening that language to be more inclusive of all staff resources on campus.

Again, thank you for the opportunity to share my thoughts on this legislation. I would be happy to answer any questions you may have.