



February 5, 2014

Assembly Committee on Jobs, the Economy, and Mining

Assembly Bill 477

Representative Peter Barca

Chairwoman Williams and members of the Assembly Committee on Jobs, the Economy, and Mining; thank you for holding a public hearing on Assembly Bill 477, 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 partnership 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 for the cost of the professor overseeing the work of the interns, guiding research, and developing any necessary assistance to successfully implement the program.

It is anticipated that there will be more demand than resources so WEDC will be encouraged to fund those businesses that can demonstrate the most potential for net new job development. This will hopefully lead to funding high growth businesses that have long term potential for producing new jobs and new industry for Wisconsin.

In the previous session a substantially similar bill was supported by Bio Forward, the Wisconsin Realtors Association, the Wisconsin Alumni Research Foundation, WEAC, and the WiSys Technology Foundation.

Thank you for your time today and I would appreciate your support when Assembly Bill 477 comes for a vote before this committee.

###



# JULIE LASSA

## STATE SENATOR

**Assembly Committee on Jobs, Small Business and Mining**  
**Assembly Bill 477**  
**Wednesday, February 5, 2014**  
**12:00 PM**  
**417 North**

Thank you, Chairwoman Williams and committee members, for this opportunity to testify on Assembly Bill 477, which represents a truly innovative approach to helping small businesses create good paying jobs.

As you know, entrepreneurial expansion is the major engine of job growth, for Wisconsin and for our nation. At the same time, about half of all entrepreneurial businesses fail. Numerous reports have shown that, in order for Wisconsin's economy to succeed, we need more successful startups.

As the ranking member of the Senate Committee on Economic Development and a board member of the Wisconsin Economic Development Corporation, I have had the chance to meet and talk with many entrepreneurs. It's part of my job that I find most exciting, because entrepreneurs typically bring great vision and passion to building their dream of having a successful startup. What they typically don't bring, however, is a business degree, IT or accounting experience, or any of the other basic skills that all businesses need to survive. They often have difficulty hiring the technical assistants they need to develop new products and bring them to market. Few can afford to hire employees to provide these kinds of services, so entrepreneurs typically must acquire these skills on their own, or simply do without.

At the same time, studies have shown that Wisconsin tends to lack a culture of entrepreneurship. When our young people think of building a career, they typically think of getting a job – not of creating a job by starting their own business venture. This is often simply a case of not being aware that entrepreneurship is even an option for them. This also contributes to the lack of startups in our economy, which in turn slows job growth.

AB 477 will address both ends of this issue. By supporting entrepreneurial internship programs at our colleges and universities, it will give startups access to the business support skills and technical manpower that can help make the difference between success and failure. At the same time, it will introduce a new generation of young people to the reality of entrepreneurship, so they can internalize the fact that it is possible to turn their dream of business ownership into reality.

This bill authorizes the Wisconsin Economic Development Corporation (WEDC) to award a grant of up to \$3,000 to a new business for the business's expenses related to hiring, as a paid intern, a student enrolled at an institution of higher education who studies business, engineering, information technology, or a similar field. It will also incentivize higher education institutions to offer such internship programs

Sen. Lassa, AB 477

2

by offering grants of up to \$25,000 to the college or university, to help pay for faculty support to guide students to successful internships.

The landmark Research to Jobs Task Force Report commissioned by the UW System identified this kind of partnership between college and universities and private sector startups as a key strategy to build Wisconsin's culture of entrepreneurship. The cost of this bill is not great, but it addresses one of the key unmet needs of our small business community, and it will help Wisconsin's newest businesses to succeed and help create the lion's share of new jobs in the future.

Thank you for hearing AB 477 today, and I urge your support of the bill. Representative Barca and I would be happy to answer any questions you may have.