Jennifer Shilling

WISCONSIN STATE SENATOR

32ND SENATE DISTRICT

Testimony in Support of Senate Bill 316: Expanding the Workforce Advancement Training Grant Program

Senate Committee on Agriculture, Forestry, and Higher Education

March 12, 2012

Good afternoon Chairman Schultz and members of the committee. I appreciate the opportunity to provide testimony in support of Senate Bill 316, the Small Business Diversification and Market Expansion Initiative.

This legislation is the product of a roundtable discussion that Representative Doyle and I had last fall with representatives from the technical college, workforce development, business, labor and economic development communities in the La Crosse area. As a result of that discussion, Representative Doyle and I brought forward a number of legislative proposals aimed at providing resources to advance economic and workforce development efforts, without spending additional public dollars.

Senate Bill 316 expands the eligibility criteria for the Workforce Advancement Training (WAT) grant program. Currently, the WAT grant program is administered by the Wisconsin Technical College System and provides grants to local technical colleges that collaborate with businesses to help employers offer skills training for incumbent workers.

Senate Bill 316 expands the scope of the program by allowing grants to be used for providing businesses with market expansion and business diversification assistance. Additionally, this bill expands eligibility to allow small businesses with up to 250 employees, rather than the current limit of 100 employees, to access these grants.

Expansion of the WAT grant program is intended to help businesses be competitive in a global economy by providing financial assistance for businesses to address changing market dynamics. The expansion will enable both emerging and existing companies to diversify their operations, and compete in new markets. Senate Bill 316 does not add any money to the program; it only provides for additional flexibility of the currently available grant funding.

As we continue to pursue legislative strategies to assist with economic and workforce development efforts throughout the state, this bill would provide an additional, fiscally-responsible resource to help with those efforts.

Again, I thank the committee for the opportunity to testify today, and I appreciate your support for Senate Bill 316.

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STATE REPRESENTATIVE
STEVE DOYLE
WISCONSIN STATE ASSEMBLY
94th DISTRICT

TESTIMONY OF REP. STEVE DOYLE ON SB 316

Thank you Chairman Schultz for holding a prompt hearing on Senate Bill 316, the Small Business Diversification and Market Expansion Initiative. This bill was introduced as a result of a roundtable discussion which Senator Shilling and I held in La Crosse County. The group consisted of representatives from Western Technical College, Workforce Connections, La Crosse County Chamber of Commerce, La Crosse Area Development Corporation, Union official and other members of the Seven Rivers Alliance. Our request to the group was to come up with ideas that could create jobs in both the near and long term future. And we also told them it couldn't cost any money. This bill meets those objectives: it will create jobs. It will not cost any money.

The Small Business Diversification and Market Expansion Initiative will expand the existing scope of Workforce Advancement Training Grants available to Wisconsin technical colleges. Currently, WAT grants are awarded to technical colleges to upgrade the skills and productivity of employees of businesses of not more than 100 employees or which had no more than $10,000,000 in gross annual income in its most recent fiscal year. This proposal increases the threshold to 250 employees. SB 316 was designed to allow the grants to be expanded to enable both emerging and existing companies to diversify their operations and compete in new markets. One of the concerns discussed at our economic development roundtable was the need for businesses

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who are struggling in the current economy to change their business model to be able to continue in operation through diversification. Again, this proposal does not add new additional money to the program; it simply allows new uses for the current grant money.

The WAT grant program was created in 2005 Wisconsin Act 25 to help address training needs of Wisconsin business and enhance skills of the workforce. When asked about their experience with the program from the first year of operations, 100% of the employers who participated in the program indicated that the customized training improved employee skills.

In a nutshell, here is the problem: Our tech schools are able to use these grants to retrain workers in small businesses. However, that retraining doesn't always do much to help either the worker or the company. That's because sometimes the company is a start-up still struggling to get a foothold or is an existing company struggling to maintain its market share. Sometimes their competition is domestic; often it is global. Let's say that XYZ company makes widgets. They are very good widgets but the market for widgets has tanked because the Chinese now have superwiegets. Using a WAT grant under the bill, the tech school can assist XYZ company to retool its operations to now make those superwidgets that are selling like hotcakes. XYZ's existing employees learn a new skill – super-widget making – and XYZ is able to expand its operation sand hire ten more employees. The employer wins. The existing employees win. The new hires win. And the state's economy wins.

In recent years a portion of funds available for this grant program have gone unclaimed because companies weren't in a position to either diversify or expand. By broadening the eligibility to include market expansion and business diversification and to include businesses up to 250 employees, the funds that are already available will actually be used.

Everyone agrees that job creation needs to be our number one priority. This bill takes an underused resource and directs it toward that goal without adding one dollar to the budget. I appreciate your consideration of this proposal. Than you again, Mr. Chairman, for scheduling this hearing.