



Proponent Testimony, HB 2123  
House Committee on Commerce, Labor and Economic Development  
February 1, 2023

**Jeff Shackelford, President/CEO Enterprise Center in Johnson County**

Dear Chairman Tarwater and members of the committee, thank you for the opportunity to stand before you today as a proponent of HB 2123, enacting the Right-to-Start Act.

My name is Jeff Shackelford and I am the President and CEO of the Enterprise Center in Johnson County (ECJC) and the executive director of MidAmerica Angels (MAA) investment network.

The Enterprise Center is a 25-year-old non-profit organization that helps entrepreneurs grow by providing connections to capital, entrepreneur education, and mentoring. We provide programs targeted to first-time business owners, seasoned entrepreneurs, businesses looking to scale, as well as women and minority founders. We provide access to capital by way of angel funding, seed funding, and micro-loans. Our Mid-America Angels and Women's Capitol Connection capital networks also create ways for high-net worth individuals to support economic development in their own communities by investing in startups through our capital deployment programs. From the onset, ECJC's mission has been to stimulate business creation and employment, and ECJC-supported companies have had a \$3 billion+ economic impact during the last 10 years.

I've had the opportunity to testify in front of this committee several times in support of entrepreneurial-supportive legislation, including the extension of the Kansas Angel Investment Tax Credit program, support of a statewide proof of concept program, and other initiatives to help grow and support the innovation startup environment across Kansas.

Start-up businesses create almost all new net jobs in this country. They are the drivers of job growth. But we know that the going isn't easy for an early-stage business trying to get off the ground in Kansas. Running a startup isn't easy and it shouldn't be, but in Kansas, early-stage businesses and startups fight more of an uphill battle than early-stage businesses in surrounding states. We lack the density and connected networks of Silicon Valley or Boston, we lack statewide proof-of-concept and early-seed investment programs, and while we have made good strides the past few years, we still lag behind in our commitment to state-level funding for entrepreneurs.

ECJC, along with Right to Start, is a member of the Kauffman Foundation's Start Us Up Coalition. [America's New Business Plan](#) (ANBP) is the coalition's non-partisan policy roadmap to support entrepreneurs. Key components in HB 2123 align with the ANBP policy plan, including:

- 5% to Start: this dedicates a small percentage of workforce development funding, economic development funding, and state contracts to those businesses that are actually creating the jobs.
- Elimination of first-year licensing and registration fees: Too often, the regulatory requirements of starting a business are onerous for entrepreneurs. Even seemingly insignificant fees and forms can add up to have a detrimental effect. A one-year elimination of these fees can be of significant help for these entrepreneurs.
- Office of Entrepreneurship within the Department of Commerce: this dedicated office will support entrepreneurs, provide technical support, and expand their access to resources. This is an exciting development, showing our state's commitment to the importance of entrepreneurship to Kansas business growth.

Finally, for several years, ECJC has advocated for a larger percentage of Economic Development Initiative Fund (EDIF) dollars to be used to support entrepreneurship. If the legislature is looking for ways to fund Right to Start, the priorities in HB 2123 appear to be a good use of those funds.

Thank you and I will stand for questions as appropriate.

Jeff Shackelford

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Executive Director, Mid-America Angels (MAA) investment network