



May 14, 2014

## End of Session Report

# 2013 - 2014 New Laws and Bills of Interest to Wisconsin Technical Colleges

The Wisconsin Legislature has adjourned for the 2013-14 session. This report summarizes new laws important to technical colleges, followed by key session bills that did not pass. Bills that did not pass have expired and must be reintroduced in a new session. While the Legislature is not likely to return to the floor before the 2015-16 session begins in January, limited business or a special session is possible.

Legislative committees, especially Legislative Council Study Committees, continue to operate through the balance of 2014. Reports and resources related to the *Legislative Council Study on Technical College Funding and Governance* are available at [www.districtboards.org](http://www.districtboards.org).

A directory of new laws and bills organized by subject begins on the next page. The District Boards Association's position or recommended position follows the law/bill description. A link to the act or bill text at the Wisconsin State Legislature website is provided following each description.

The District Boards Association's lobbying efforts and positions are available at the Government Accountability Board "Eye on Lobbying" website: <https://lobbying.wi.gov/Who/WholsLobbying/2013REG>. This site includes cross-referenced links to other organizations taking a lobbying interest in each bill.

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# New Laws Affecting Technical Colleges

## **Historic Shift of Technical College Funding from Local Levy to State Funding – 2013 Act 145 (was Special Session SB 1)**

In the January, 2014, State of the State Address, Governor Walker announced major tax changes including property tax reform to be implemented by dramatically reducing technical college levies and replacing that revenue dollar-for-dollar with \$406 million annually in new state funding. This proposal was introduced as January, 2014, Special Session bills AB 1 and SB 1. The measure passed both houses on largely party-line votes with Republicans in favor and Democrats voting against.

The \$406 million is part of estimated new revenues to be collected in the current biennium (through June 30, 2015), and expected to be available in future years as the economy improves. The funding will “buy down” the operational mill rate by 0.89 at each district.

This enormous shift in funding will make technical colleges primarily state, not locally, funded for the first time in their 102-year history.

Because each district’s operating mill rate would be reduced by the same amount, the impact on property taxes will be the same (\$89 per \$100,000 of property value) everywhere in the state. Upon implementation, the remaining levy will vary greatly by district. A district with a current operational mill rate at 1.5 will subsequently levy .61 mills for operations plus its existing debt levy. A district with an operational mill rate at 1.0 will levy just .11 plus its existing debt levy. In the latter case, the district’s operating levy will almost vanish.

Importantly, the Walker Administration, the WTCS, and the Boards Association, worked together to include in the bill a mechanism to restore levy authority if state funding is reduced in subsequent years. This is accomplished by a new revenue cap. The new cap for operations will be the sum of a district’s operating levy plus its share of the \$406 million. Should the state amount later be reduced, local levy authority expands to make up for the loss. A district can choose to increase its levy up to the full cap amount.

Districts will otherwise retain their existing authority for the following:

- Issuance of debt and existing triggers for referendum approval of capital projects;
- Increasing the operating levy up to the amount based on the district’s net new construction growth under current law;
- Ability to seek districtwide referendum approval to levy for operations above the net new growth cap.

Existing WTCS state general aid and categorical aid grants to districts will be preserved at current levels and will continue to be distributed under existing law. This means that general aid (approximately \$83.5 million now, increasing to \$89.5 million in July, 2014) will be maintained and will begin shifting from its traditional distribution formula to the new performance-based funding model by 10% annually beginning in July, 2014.

It also means that roughly \$22 million will be preserved for WTCS grants to districts (currently called “categorical” aid). Finally, it means that the \$406 million for property tax levy relief will be placed in a new fund to be distributed based on each district’s reduced levy amount and will not be run through another formula.

Similarly, all existing law concerning college and system governance will remain unchanged by the bill itself. However, as described below, the historic shift from primarily local to state funding brings the question of local control and board governance to prominence. Additionally, some majority legislators have been quoted in support of additional tax reform that could lead to a further reduction, or complete elimination, of local taxing authority.

The bill’s fiscal impact is staggering. Here are approximate 2014 numbers, compared with how the proposal would change them if it had been implemented this year:

	(\$ millions)	<u>Now</u>	<u>With proposal</u>
Operating levy statewide		615.1	209.1
Debt levy statewide		<u>181.6</u>	<u>181.6</u>
<b>Total levy statewide</b>	<b>\$</b>	<b>796.7</b>	<b>390.7</b>
State fund replacing levy		0.0	406.0
State general aid		83.5	83.5
State grants to districts (formerly “categorical” aid)		<u>22.0</u>	<u>22.0</u>
<b>Total state funding</b>	<b>\$</b>	<b>105.5</b>	<b>511.5</b>

The proportion of funding represented by each major source (local, state and tuition) will change dramatically. The following illustrates this for purposes of general perspective. Again, it is based on current year or last year’s numbers, not the actual numbers next year as the new law takes effect.

This calculation treats the “big 3” funding sources – local funding, state funding, and student tuition as comprising 100%:

<u>“Big 3” as 100%</u>	<u>Now</u>	<u>With shift</u>
Local funding	68 %	33 %
State funding	9 %	44 %
Student tuition	23 %	23 %
	<hr/> 100 %	<hr/> 100 %

Technical college boards have long supported being less dependent on local property taxes and better supported by state aid. This bill more than accomplishes the type of shift envisioned and provides Wisconsinites with important property tax relief. We have argued, however, that tax relief can be delivered through a general credit rather than by targeting one form of local government among various local taxing authorities. A major shift from local state funding begs the question of shifting college governance and control.

Act 145 includes some protection against revenue loss due to subsequent state level appropriation choices. It does not affect governance. This is very positive for property tax payers and realizes a longterm goal of being better state supported and less dependent on property taxes.

However, the new law fuels lingering concern about the future. The tendency to seek stronger state control in return for stronger fiscal support is almost universal among legislative bodies regardless of party control. It is more important than ever to link our responsiveness and performance outcomes to protecting local funding and our proven governance model. We must continue to demonstrate that local board governance and local control balanced with existing state system coordination and accountability is interdependent with and essential to powerful responsiveness and results.

*Recommended position: Support.*

*Text of Act 145:* <https://docs.legis.wisconsin.gov/2013/related/acts/145>

### **Grants to Expand Capacity and Reduce Wait Lists at Technical Colleges (via DWD) – 2013 Act 139 (was Special Session AB 2)**

The Governor’s January, 2014, State of the State Address also proposed a significant new one-time investment focused on building technical college capacity and reducing waiting lists. Introduced as Special Session AB and SB 2, the Assembly passed it on a 77-22 vote in mid-February and the Senate passed it unanimously on March 4th.

Act 139 appropriates \$35.4 million on a one-time basis to be committed by June 30, 2015. The funds are allocated to the Department of Workforce Development (DWD) to be used for the following purposes:

1. Grants to technical colleges for the reduction of waiting lists for enrollment in programs and courses in high-demand fields, as determined by DWD.
2. Grants for collaborative projects among school districts, technical colleges, and businesses to provide high school pupils with industry-recognized certifications in high-demand fields, as determined by DWD.
3. Grants to public and private organizations or services provided by DWD to enhance employment opportunities for persons with disabilities.
4. Administration costs for grants for the above purposes.
5. To the extent DWD determines that the \$35.4 million will not be needed for the above purposes, it may also make additional grants “for workforce training programs for the training of new and incumbent employees under existing law” (the Fast Forward Grant program, described below as Act 9).

While the amount for each purpose is not specified in the law, technical colleges have worked with DWD to propose almost \$28 million in projects reducing wait lists and \$5 million in collaborative projects with high schools and business. We believe that the vast majority of funding will be dedicated to these two purposes, in addition to an investment to enhance employment opportunities for persons with disabilities.

Act 139 represents a major positive investment in expanding technical college capacity. It will require extremely quick and targeted implementation using a one-time funding boost. DWD and the colleges have worked together closely to assure “wait lists” includes employer demand as well as student demand.

*Recommended position: Support.*

*Text of Act 139:* <https://docs.legis.wisconsin.gov/2013/related/acts/139>

### **“Fast Forward Wisconsin” Workforce Training Grants – 2013 Act 9 (was AB 14 and SB 23)**

Act 9 was introduced at the Governor’s request early in the session and was signed into law in March, 2013. Act 9 creates a new \$7.5 million annual workforce training grants program to be administered by a new “Skills Development Council” created at the Department of Workforce Development (DWD). The Act also requires DWD to create a statewide Labor Market Information System (LMIS) and to share its data with the public.

Funding of \$7.5 million annually is provided for new competitive grants for “the development and implementation of workforce training programs.” These grants may be used to train incumbent workers or unemployed/underemployed individuals.



The original bill provided the grants were to be used only to train “new and existing employees.” The bill was amended before passage at the District Boards Association’s urging to include “unemployed and underemployed” individuals in addition to persons already on a business payroll. This assures a grant can be awarded to train candidates for employment or prospective employees not yet qualified to be hired. Importantly, the amendment also requires that DWD consult with the Wisconsin Technical College System (state) Board and the Wisconsin Economic Development Corporation (WEDC) in implementing the grants program.

Grants may be awarded through public entities such as technical colleges and local workforce boards, or to private entities such as companies providing workforce training services.

Act 9 also appropriates additional funding and authority for 4 FTE positions within DWD to administer the grant program and to create and administer a new state “Labor Market Information System (LMIS).” The LMIS will be implemented to “... collect, analyze, and disseminate information on current and projected employment opportunities in this state and other appropriate information relating to labor market dynamics as determined by (DWD).” The amendment also makes clear that DWD must make the LMIS information available free of charge to technical colleges, school districts, tribal colleges, the UW System, local workforce development boards, employers, job seekers, and the general public.

*Recommended position: Support.*

*Text of Act 9:* <https://docs.legis.wisconsin.gov/2013/related/acts/9>

### **The 2013-2015 State Budget Bill – 2013 Act 20 (was AB 40)**

Act 20 is the 2013-2015 state budget introduced at the Governor’s request in February, 2013. It was referred to the Joint Finance Committee (JFC), which held briefings and public hearings in March and April. The JFC then began voting to adjust the bill through hundreds of individual motions topic by topic over several weeks of “executive action.” This process concluded in early June. With very few changes, the JFC bill version passed the full Assembly and Senate by mid-June. The Governor made line-item vetoes and signed the bill on June 30th. Act 20 establishes state appropriations and state programs for the two-year period from July 1, 2013 through June 30, 2015.

*For details of budget bill provisions affecting technical colleges, see:* <http://www.districtboards.org/advocacy/budgetsummaryfinal070113.pdf>

## **Course Registration Preference for Service Members and Veterans – 2013 Act 56 (was AB 201)**

Act 56 was signed into law effective November 9, 2013. When introduced, it applied only to the UW System. At the conclusion of a public hearing, Assembly Colleges and Universities Committee members discussed including Wisconsin technical colleges. After that hearing, a “substitute amendment” was offered to add technical colleges. That amendment was adopted and the bill was voted out of committee with a recommendation for passage. No additional public hearing was held.

Act 56 provides that each technical college district board “... shall ensure that a student who is a service member is given priority in registering for courses at any technical college in the district.” The law describes “service member” as any person “who has served or is serving on active duty under honorable conditions in the U.S. armed forces, in forces incorporated as part of the U.S. armed forces, in the national guard, or in a reserve component of the U.S. armed forces.”

While this law represents solid public policy, it has consequences for non-service member students. It also created significant unfunded implementation costs ranging from computer programming, to developing systems to identify eligible students, to changing college publications and websites. No funding was provided and no assessment was made of the potential for non-veteran students to be displaced from courses under the new law.

While we may universally agree that registration priority for military service members and veterans is an excellent policy goal, colleges and non-service member students face course capacity and resource limits that mean priority for one has the potential to displace another. This law creates an unfunded mandate and unintended consequences for other students.

*Recommended position: None/Monitor.*

*Text of Act 56:* <https://docs.legis.wisconsin.gov/2013/related/acts/56>

## **Career and Technical Education Incentive Grants – 2013 Act 59 (was AB 399 and SB 331)**

Act 59 was signed into law at Chippewa Valley Technical College on December 10, 2013. This new law was one of seven bills that comprised the Governor’s “Working for Wisconsin” jobs package introduced in October, 2013.

Act 59 provides \$3.0 million for career and technical education grants to be awarded by the Department of Public Instruction (DPI) to K-12 districts, as follows. Districts will receive \$1,000 per pupil for each student who graduates having completed an approved, industry-validated certification program.

To implement the program, the State Superintendent of Public Instruction will confer with the Department of Workforce Development (DWD) and the WTCS annually to identify industries and occupations that face workforce shortages or shortages of adequately trained entry-level workers. DPI will then notify school districts of the identified industries and occupations. The school district will then receive the funding for students who earn an industry-recognized credential in one of the identified fields.

Importantly, the bills originally required the student be part of a high school “technical diploma” program. Very few schools offer such a program. WTCS President Morna Foy succeeded in securing bill amendments removing this limitation. The grants will be offered beginning for the 2014-15 school year. The amount will be prorated/reduced if demand exceeds the set appropriation for 3,000 full grants annually.

This new law provides very positive opportunities for high school students and K-12 districts. It also provides opportunities for technical colleges to partner with high schools on important industry certifications that promote career and technical education and pathways to further technical college study.

*Recommended position: Support.*

*Text of Act 59:* <https://docs.legis.wisconsin.gov/2013/related/acts/59>

### **Technical Excellence Higher Education Scholarships – 2013 Act 60 (was AB 398 and SB 334)**

Act 60 was signed into law at Chippewa Valley Technical College on December 10, 2013. This new law was one of seven bills that comprised the Governor’s “Working for Wisconsin” jobs package introduced in October, 2013.

Act 60 creates a “Technical Excellence Higher Education Scholarship Program” for high school seniors to use at Wisconsin colleges and universities including technical colleges. The awards are similar to the longstanding academic excellence scholarships that provide funding for a top graduating student or students at each high school for a portion of higher education tuition. The new program creates a distinct new award in addition to the existing scholarships.

The new grants focus on high school seniors who “demonstrate high level of proficiency in technical education courses” and who enroll on a full-time basis specifically in a Wisconsin technical college, or in other higher education programs certified by the Higher Educational Aids Board (HEAB) as “specializing in technical education.”

A student may not receive both the academic excellence and technical excellence awards. Importantly, however, the original academic excellence award may continue to be used to attend a technical college as well as a UW or private, not-for-profit college/university. This reinforces that technical colleges are appropriate choices for the

recipients of either award.

Very importantly, we were able to secure changes to the bills prior to introduction that assures the new scholarships may not be used at for-profit/proprietary institutions. The law allows for the technical excellence scholarships to be used only at a Wisconsin technical college or for a program approved by HEAB at a UW college/university or a *private not-for-profit independent* college or university (e.g., MSOE, Ripon, St. Norbert).

The number of eligible seniors at each high school will be based on school size. Recipients will be required to maintain a 3.0 GPA while in college and will be eligible for scholarships for up to three years. The program provides scholarships of \$2,250 per academic year, which will include \$1,125 funded by HEAB through a new state appropriation, plus a required match of \$1,125 from college funds, gifts or grants. Awards will begin with 2015 high school graduates who enroll in college in 2015-16.

This law represents an encouraging and highly positive investment in technical education. It must be noted that it also carries a significant unfunded cost to technical colleges for scholarship matching funds. While the number of existing academic excellence enrollees at technical colleges is modest, the new program could lead to hundreds of new students enrolling, each requiring a funding match.

*Recommended position: Support, with sensitivity to the unfunded mandate created by this act.*

*Text of Act 60:* <https://docs.legis.wisconsin.gov/2013/related/acts/60>

### **Increased Math and Science Credits for High School Graduation – 2013 Act 63 (was SB 51)**

Act 63 was signed into law in December, 2013. It was introduced as one of a package produced by the Joint Legislative Council Special Committee on Improving Educational Opportunities in High School. Joint Legislative Council committees are citizen-legislator panels assigned to study a certain topic and propose legislation as appropriate. The committee's nineteen members included WTCS Board member (then President) Mark Tyler, Moraine Park Technical College President Sheila Ruhland and former Fox Valley Technical College Board member/New London School Superintendent Bill Fitzpatrick.

Prior to passage of the new law, a student was required to earn the following minimum credits to graduate from high school in Wisconsin: 4 English, 3 Social Studies, 2 Mathematics, 2 Science, 1.5 Physical Education and .5 Health. This law increased the minimum credits in math and science to 3 each. As approved by DPI, a credit of computer science may count toward the expanded math requirement.

Before passage, the bill was also amended to allow a student who is a "career and technical education concentrator" (defined as a student who has taken two tech

education courses and will take a third) to count approved technical education courses as appropriate toward either the expanded math and/or science credit requirements. Each such course must be approved by the local school board as appropriate for counting as math or science credit.

*Recommended position: Support.*

*Text of Act 63:* <https://docs.legis.wisconsin.gov/2013/related/acts/63>

### **Expanding Youth Apprenticeship Funding – 2013 Act 112 (was AB 402 and SB 336)**

Act 112 was one of seven bills that together comprised the Governor’s “Working for Wisconsin” jobs package introduced in October, 2013. It was signed into law in mid-December, 2013.

This new law provides new funding to expand youth apprenticeship by \$500,000 annually. Existing total funding of \$1.8 million is increased by 28% to \$2.3 million annually. This expansion will allow school districts and employers to expand the number of students and businesses participating. Youth apprentices receive on-the-job experience and training along with instruction, often provided by technical colleges, through the local high school.

*Recommended position: Support.*

*Text of Act 112:* <https://docs.legis.wisconsin.gov/2013/related/acts/112>

### **Adult Apprenticeship Tuition Assistance – 2013 Act 57 (was AB 403 and SB 335)**

Act 57 was one of seven bills that together comprised the Governor’s “Working for Wisconsin” jobs package. It became law on November 15, 2013.

Act 57 provides up to \$1,000 per adult apprentice or apprentice employer to cover up to 25% of an apprentice’s tuition costs of up to a total of no more than \$1,000. The bill provides a total of \$250,000 annually for this new program. DWD can reduce awards or deny awards if demand exceeds the full appropriation. Adult apprentices train in a variety of fields such as the traditional trades through a combination of academic work (including at technical colleges) and on-the-job experience over several years.

*Recommended position: Support.*

*Text of Act 57:* <https://docs.legis.wisconsin.gov/2013/related/acts/57>

## **Professional Licensing and Credentials Reform – 2013 Act 114 (was AB 404 and SB 337)**

Act 114 was signed into law in mid-December, 2013. It represented one of seven bills that together comprised the Governor’s “Working for Wisconsin” jobs package introduced in October, 2013. The District Boards Association secured important changes to the measure prior to its introduction, as described below.

Act 114 prohibits state regulators (the Department of Safety and Professional Services, “DSPS,” formerly the Department of Regulation and Licensing) from requiring candidates for exams to have graduated or passed academic or training programs before sitting for licensing exams. In other words, a person will not be stopped from sitting for professional licensing exams before completing the degree or training leading up to those exams.

The new law includes some important exceptions. First, some professional titles have national or regional bodies that require graduation before exams can be taken (e.g., certified public accounting). The law does not affect such situations. Second, some professional titles are outside the scope of DSPS oversight covered by the bill (e.g., bar exams and the licensing of attorneys).

Third, importantly, the law treats several other professions uniquely. This includes registered nursing (RNs) and licensed practical nursing (LPNs). Prior to introduction, the District Boards Association secured important amendments concerning nursing (RN and LPN). Based on these changes, the law as signed provides *no person may sit for the RN or LPN licensing exams until they have either graduated from, or have the express approval of, their nursing program.*

These amendments were a major accomplishment resulting from a joint effort by the Boards Association, our health professions leadership (especially Dean Dessie Levy at MATC-Milwaukee and Dean Diane Skewes at Gateway), the WTCS staff, and our district advocacy partners. The amendments were supported with the assistance of the Governor’s Office, DSPS staff, and the bill’s lead sponsors, Senator Frank Lasee (R-DePere) and Representative Dale Kooyenga (R-Brookfield).

Importantly, the new law does not eliminate any existing requirement for a degree or training. Rather, it changes the sequence to allow students to sit for exams pre-graduation if they so choose.

*Recommended position: None/Monitor.*

*Text of Act 114:* <https://legis.wisconsin.gov/2013/related/acts/114>

## **Board Member Contact Information, Duty of County Clerk to Report – 2013 Act 373 (was AB 613)**

This new law became effective April 24, 2014, and expands the duties of county clerks to collect contact information for local government officials, including technical college district board members. Previously, county clerks were required to collect information concerning local municipal officials such as a mayor and city council members. Act 373 expands the data they must collect and annually submit to the state (and keep on file for public information) to cover all local officials of all forms of local government including each technical college district board member. Collected data must include the member's name, phone number, email address, and "post office address."

Act 373 requires college officials to provide the information as requested. The county clerk must send information to the state in early June, so colleges will be contacted before that date annually.

*Recommended position: None/Monitor.*

*Text of Act 373:* <https://docs.legis.wisconsin.gov/2013/related/acts/373>

## **Prohibiting Access to Employee and Student Personal Internet Accounts – 2013 Act 208 (was AB 218 and SB 223)**

Act 208, which became law in mid-April, 2014, restricts the personal "on line" information that Wisconsin employers (including technical colleges) may access concerning employees or candidates for employment. It also restricts the information educational institutions (including technical colleges) may access concerning students or prospective students. Other provisions apply to landlords and their tenants/prospective tenants.

Act 208 prohibits employers and educational institutions from seeking access to, observation of, or disclosure of information from, the *strictly personal* internet accounts of employees, prospective employees, students or prospective students. It also bars disciplining or penalizing any individual for refusing to provide personal login/password access or for opposing/complaining about an employer/school that seeks such information.

The law exempts information available without a login and password, or that is available in the public domain. It defines accounts in a way that distinguishes between personal but work-related accounts and strictly private/personal accounts in no way used for work. The law also exempts electronic devices, accounts and services provided in whole or part by the employer/school, or that the employee/student has access to only due to the employment/student status. Finally, the law makes exceptions for matters such as allowing the investigation of alleged unauthorized transfers of business or school data to a personal account, the misuse of a device paid for in whole or part by

the employer/school, and related situations. These exceptions also provide that an employer may lawfully request any employee's personal email address.

*Recommended position: None/Monitor.*

*Text of Act 208:* <https://docs.legis.wisconsin.gov/2013/related/acts/208>

### **Workforce Advancement Training (WAT) Grants – Eligibility for Technical Assistance Training – 2013 Act 328 (was AB 226)**

Act 328 expands the purposes for which technical colleges may apply for and be awarded Workforce Advancement Training (WAT) grants. These grants are one of almost 20 different purposes for which the WTCS (state) Board may award grants to districts from a new block grant appropriation of approximately \$20 million annually. WAT grants formerly had a specific appropriation of just under \$4 million annually until the 2013-14 budget bill put together the existing purposes and funding of a number of categorical aid programs into one new block grant called “grants to districts.”

Under Act 328, grants may be made to a technical college providing technical assistance to a business for “market expansion or business diversification.” This expands on the existing use of WAT grants for “skills training” for incumbent workers.

The bill was recommended by Western Technical College staff in response to a business request in that district.

*Recommended position: Support.*

*Text of Act 328:* <https://docs.legis.wisconsin.gov/2013/related/acts/328>

### **Enrollment Flexibility for Talent Incentive Grants – 2013 Act 329 (was AB 260 and SB 229)**

Talent Incentive Grants are financial awards made through the Higher Educational Aids Board (HEAB) for uniquely needy students attending public and independent private, non-profit, colleges and universities. Previous law provided for up to 10 semesters of grant support so long as the student remained continuously enrolled. Act 329 provides that a student need not remain continuously enrolled to keep receiving the grant. Instead, overall eligibility is limited to 10 semesters over up to 6 years following the initial award.

*Recommended position: Support.*

*Text of Act 329:* <https://docs.legis.wisconsin.gov/2013/related/acts/329>



## **Renaming Student Higher Education Grants – 2013 Act 330 (was AB 532 and SB 406)**

Act 330 changes the names of the state’s main need-based financial aid grants. Previously, the state’s main need-based financial aid grants administered by the Higher Educational Aids Board (HEAB) were called Wisconsin Higher Education Grants (WHEG) for most institutions, e.g., WHEG-Technical Colleges, WHEG-UW, and WHEG-Tribal Colleges. The parallel grants for students at private independent non-profit colleges and universities were called “Tuition Grants.”

Act 330 changes the grants’ name for each/all of these programs to be called the “Wisconsin Grant,” e.g., Wisconsin Grant-Technical Colleges, etc. The new law does not change grant funding or eligibility.

*Recommended position: Support.*

*Text of Act 330:* <https://docs.legis.wisconsin.gov/2013/related/acts/330>

## **Barbering, Changes to Barbering Education and Licensing Requirements – 2013 Act 205 (was SB 237 and AB 291)**

Act 205 became law in April, 2014, and makes several changes to the requirements for obtaining a barbering license, including:

- Eliminating the requirement that the 1,000 classroom-hour course of instruction in barbering must be spread out over a minimum 10-month period;
- Reducing the number of practical training hours a barbering apprentice must complete from 3,712 to 1,712; and
- Eliminating the requirement that a barbering or cosmetology course of instruction may not exceed eight hours in one day or 48 hours in one week.

These changes will affect the course of barbering and cosmetology training at technical colleges.

This is an example of proposed bills affecting technical colleges on which we do not typically take a position unless there is clear and uniform industry support or opposition. While bills affecting various professional credentials are becoming more common, the District Boards Association generally only opposes bills that: 1. restrict the colleges’ ability to train individuals for specific job titles or credentials; 2. limit our graduates’ employability or ability to be licensed for specific titles; or, 3. mandate changes to training that are not supported by the businesses and industries that hire our graduates.

*Recommended position: None/Monitor.*

*Text of Act 205:* <https://docs.legis.wisconsin.gov/2013/related/acts/205>

## **Cosmetologists and Makeup Artists, Changing Training and Licensing Requirements – 2013 Act 356 (was SB 395 and AB 503)**

Act 356 changes the requirements to be licensed as a cosmetologist in Wisconsin. The bills also remove the occupation of “makeup artist” from being required to be a licensed cosmetologist, barber, aesthetician or manicurist.

The new law reduces the required number of training hours from 1,800 to 1,550, which matches Minnesota law. This will require changes to WTCS curriculum and training.

Previously, a person needed to be licensed in Wisconsin in order to perform barbering, cosmetology, aesthetics, or manicuring for compensation in this state. Act 356 exempts the following services (of “makeup artists”) from those licensure requirements: “1. A service performed preparatory to a live public performance or appearance, whether in-person or through broadcast media. 2. A service performed in the course of the production of any ... recording of a moving or still image intended for public release or broadcast.” This may affect the content of training or result in some distinctions in the nature of training included as preparation for specific licensed titles.

This is an example of proposed bills affecting technical colleges on which we do not typically take a position unless there is clear and uniform industry support or opposition. While bills affecting various professional credentials are becoming more common, the District Boards Association generally only opposes bills that: 1. restrict the colleges’ ability to train individuals for specific job titles or credentials; 2. limit our graduates’ employability or ability to be licensed for specific titles; or, 3. mandate changes to training that are not supported by the businesses and industries that hire our graduates.

*Recommended position: None/Monitor.*

*Text of Act 356:* <https://docs.legis.wisconsin.gov/2013/related/acts/356>

## **Recalculating Tax incremental Finance (TIF) District Base Values – 2013 Act 183 (was SB 252 and AB 289)**

A municipality may create a tax incremental financing (TIF) district for an area that is “blighted” and in need of redevelopment. A TIF district allows the municipality to collect payments in lieu of property taxes to repay project costs for things such as roads and infrastructure supporting redevelopment. Upon creation, the TIF district’s total value is established. As TIF district values increase over time, the tax paid on the increased value (a tax “increment”) is used to pay the TIF’s public project costs. TIFs affect technical colleges because their creation reduces total property values subject to local government tax levies, including by the colleges. For this reason, each TIF project includes a technical college board representative on the TIF Board of Review.

Act 183 applies to TIF districts in which total property values fall for two consecutive years after the TIF district is approved. It provides that a city or village may adopt a resolution subject to the TIF Board of Review approval to request that the state recalculate a TIF's base property value to reflect a "decrement" situation. A "decrement" situation is one in which a TIF district's value has declined at least 10% since it was created. The new lower value may then be substituted as the new "base" value. The bill allows up to two decrement recalculations over the TIF's life.

This law will have the impact of generating "increments" (amounts attributable to increased value above the "base" that are used to pay project costs) in situations where the project's total value grows but is still less than when the project was first created. This helps pay off the TIF, but also reduces the amount of taxes levied by local taxing authorities on the "base" value. In effect, it allows the base value of a TIF district to decrease for property tax purposes instead of being frozen upon creation of the TIF district.

*Recommended position: None/Monitor.*

*Text of Act 183: <https://docs.legis.wisconsin.gov/2013/related/acts/183>*

## Key 2013 - 2014 Bills Affecting Technical Colleges that Did Not Pass

### **AB 9 – Concealed Carry of Weapons by Law Enforcement and Former Law Enforcement Officers**

Wisconsin's concealed carry of weapons law allows the owners of certain places, including buildings owned by Wisconsin technical colleges, to be posted so as to prohibit the carrying of concealed weapons by most individuals in those places. An exception to prohibiting concealed carry is already provided for law enforcement officers who are on duty. Law enforcement officers who are off duty and law enforcement officers who are retired currently may carry a concealed weapon in public by meeting certain requirements including carrying a photo ID issued by the employer or former employer, and by meeting rules established by the employer/former employer. Under current law, an off-duty or retired officer may not generally carry a concealed weapon where the owner bans concealed carry.

This bill provided that any off duty law enforcement officer or retired law enforcement officer who is authorized to carry a concealed weapon may do so in any place, including

a building owned by a technical college district, that is posted to otherwise prohibit the carrying of concealed weapons.

This bill received a public hearing in October, 2013. After the hearing, the lead sponsor offered amendments that would have greatly expanded the bill. These were controversial and later were withdrawn. While the original bill applied only to retired and off-duty law enforcement, the amendments would have extended the right to concealed carry in posted “no weapons” locations to anyone with a concealed carry permit. This would have made “no weapons” postings for K-12 schools and college buildings largely inapplicable.

*Recommended position: None/monitor (original bill).*

Bill text and history: <https://docs.legis.wisconsin.gov/2013/proposals/ab9>

### **AB 23 (also SB 48) – Funding Post-Retirement Health Care Benefits**

As amended, these bills would have required local governments, including technical college districts, to fully fund any post-retirement health care insurance benefits on an actuarial basis effective for any new employee hired on or after January 1, 2015. They would have required the annual cost of post-retirement health benefits be calculated based on an actuarial study conducted at least once each 4 years, or by another method that complies with “generally accepted accounting principles.” The amount calculated would be required to be placed in a segregated account. The bills also provided for the local government to equitably distribute any funds to its beneficiaries in the event it was ever partially or fully dissolved.

These bills represented solid public policy that is already common practice. There is a question of the bills’ necessity if this is already common practice. There is also uncertainty about whether this policy will always be the best decision regardless of the unique district or the changing environment. On this basis, it makes sense to leave the decision to the local government based on its needs and the current situation rather than mandating it without exception by the state.

*Recommended position: None/monitor.*

Bill text and history:

AB 23: <https://docs.legis.wisconsin.gov/2013/proposals/ab23> (see Substitute Amendment 1)

SB 48: <https://docs.legis.wisconsin.gov/2013/proposals/sb48> (see Substitute Amendment 1)

## **AB 26 – Fees Charged for Public Records Requests**

State law allows public entities, including technical colleges, to charge certain fees to a person requesting a record to cover costs associated with responding to the request. In the 2012 case *Milwaukee Journal Sentinel v. City of Milwaukee*, the Supreme Court held that an authority does not have the power to charge fees for “redacting” (obscuring/ blacking out) or separating out information in the requested record that is not subject to disclosure. Such information might include attorney-client privileged information or certain personal information.

This bill would have allowed a public entity including a technical college district “to charge the actual, necessary and direct cost of deleting, redacting, or separating information that is not subject to disclosure” from a record being disclosed.

*Recommended position: Support.*

Bill text and history: <https://docs.legis.wisconsin.gov/2013/proposals/ab26>

## **AB 52 (also SB 44) – Workforce Growth Grants for Technical Colleges**

These twin bills were introduced early in 2013 by 16 Assembly Democrats and 8 Senate Democrats. They mirrored bills introduced but not passed in the 2011 session.

AB 52 and SB 44 would have appropriated \$10 million to the WTCS Board for new technical college aid in 2013-2014. The aid would have been distributed to districts on a competitive grant basis by the WTCS for projects in which:

- the college partners with a business, consortium of businesses, an economic development organization or a local workforce development board;
- to meet local needs supporting sectors with a “documented skills gap” or high workforce shortage, including manufacturing, energy, informational technology, skilled trades and healthcare;
- for activities that address development of individuals prior to entering the workforce or for workforce training; for any of the following:
  - “Jobs training scholarships” for students;
  - building or infrastructure construction;
  - equipment and material purchases;
  - faculty hiring;
  - development of certain industry-driven curricula; and
  - student career support services including job placement and business recruitment.

In awarding grants, the WTCS Board would have been required to consider the likely speed of responsiveness and to give preference to projects that eliminated waiting lists for courses in topics related to jobs with high employment demand.

*Recommended position: Support.*

Bill text and history:

AB 52: <https://docs.legis.wisconsin.gov/2013/proposals/ab52>

SB 44: <https://docs.legis.wisconsin.gov/2013/proposals/sb44>

### **AB 177 – Statewide Referendum to Eliminate Local Technical College Control, Facilities, Tax Funding and Employees, and to Create a State-Controlled College System and Increase the State Sales Tax**

AB 177 was introduced in late April, 2013, by Representative Garey Bies (R-Sister Bay) and was co-sponsored by two members of the Assembly, John Nygren, R-Marinette, and Tom Larson, R-Colfax, and no members of the Senate. It received a public hearing in October, 2013, but died in committee.

AB 177 would have placed a binding referendum on the Spring, 2014, statewide ballot. The referendum, if supported, would trigger a series of changes in Spring, 2015. These changes would:

- eliminate all technical college local control and the districts' status as local governments;
- eliminate all local property tax funding and local borrowing/issuance of debt;
- shift all technical college employees from being local district employees to become state employees; and
- transfer all college operations, facilities, assets, contracts, debt and liabilities to the state.

This would effectively eliminate technical college districts as local governments and re-create them as fully state-controlled colleges. The bill expressly stated that, upon implementation, “... a district’s board is only responsible for advising the district director, who is appointed by the WTCS Board.”

The proposal would also have increased the state sales tax by 20%, from \$.05 to .06. Representative Bies’ co-sponsorship memo stated in part that: “Under this bill, ... the tech college system would be funded by a one-cent increase in the state sales and use tax.” However, the bill did not dedicate any new sales tax revenue (or any other state funds) to the new college system to replace lost property tax revenue. The referendum would not ask voters to support using the new state sales tax revenue to operate technical colleges, and the bill itself did not do so in any amount. Such choices, instead, would have been left to future legislators and future state budget processes.

At the hearing, Representative Bies said he supported the bill as a solution to “voc ed institutes” of the past having evolved to become full-fledged colleges in a statewide system. In that sense, he argued, it was no longer appropriate for the colleges to be primarily funded by local property taxes. He also asserted that technical college district boards are an example of “taxation without representation.” They are “not responsive”

and, according to some of his constituents, he stated, “ignore citizens.”

Representative Bies asserted that the bill’s changes would not reduce local responsiveness because a local college board would still advise the local (state employed) president, who would then “come to Madison” to make the case for resources to meet local needs. To some extent, other committee members echoed this notion that eliminating local board governance would not necessarily erode college resources or responsiveness.

Mr. Bies received a number of questions, mostly centered on the bill’s many “moving pieces” and its undefined (by the bill) implementation process. As an example, one member asked how bonding and debt would be transferred legally from local districts to the state. This would be left to future legislation triggered by the referendum’s passage, both Representative Bies and legislative legal counsel answered. Only one other person testified in favor, a UW (or former UW) employee who supports electing college boards and ending local property taxation.

In opposition to the bill, a number of persons testified including business and industry leaders statewide and a community foundation leader, in addition to district board members and college presidents and staff. Those testifying at or attending the hearing also submitted written testimony or letters opposing the bill, which were placed into the record. They included letters from 19 business leaders across the state, plus others.

*Recommended position: Strongly oppose.*

Bill text and history: <https://docs.legis.wisconsin.gov/2013/proposals/ab177>

### **AB 337 – “Sum Sufficient” Funding of Wisconsin Higher Education Grants (WHEG)**

AB 337 was co-sponsored by 16 Assembly Democrats led by Representative Janet Bewley (D-Ashland). It would have applied to technical college financial aid. A similar proposal affecting UW financial aid was introduced as a distinct bill.

This bill would have made funding for the WTCS student WHEG program “sum sufficient” as of July 1, 2015. “Sum sufficient” means that the state must appropriate as much as is needed to fully fund the program. Wisconsin Higher Education Grants (WHEG) are the state’s main need-based financial aid grant for technical college and UW students. There is a parallel WHEG program for tribal college students and a similar program called “Tuition Grants” for students attending independent non-profit private colleges and universities in the state. Each program has its own appropriation.

For the WTCS WHEG program, most eligible students do not receive a grant. For those who do, the grant averages \$941 annually. WTCS WHEG funding in 2012-13 was approximately \$18.8 million. Act 20, the 2013-15 state budget, increased funding on a

one-time basis for 2013-14 by \$2 million to \$20.8 million. After June 30, 2014, funding returns to the prior \$18.8 million per year. Each year, WHEG funds are completely exhausted just weeks after the window to apply opens. Some 54,000 WTCS students who were eligible and applied for a grant last year did not receive one because funding was already exhausted.

The bill would also have created a transition across 2013-14 and 2014-15. For those years, it would have appropriated an amount required to provide grants for all eligible students who apply in each of those two years and receive grants using the same formula the Higher Educational Aids Board (HEAB) used to calculate grant amounts per student in 2011-2012.

The Legislative Fiscal Bureau, the Legislature's non-partisan fiscal experts, previously calculated that funding all eligible students at HEAB's 2011-12 formula rate would require increased (additional) funding of about \$24 to \$28 million each in 2013 and 2014. Much more (an amount not calculated) would be required to fully fund all eligible WHEG need as of July, 2015.

WHEG is one of the single most important tools available to promote student retention, success and closing of the state's skills gap. The "need gap," the unfunded cost of college after accounting for all current personal resources, aid and loans, continues to grow. Increasing WHEG funding would reduce the need gap and reduce the debt burden from loans many college students face after completing their education.

*Recommended position: Support.*

Bill text and history: <https://docs.legis.wisconsin.gov/2013/proposals/ab337>

### **AB 470 – Increasing the Minimum Retirement Age for WRS Retirees**

Public employees covered by the Wisconsin Retirement System (WRS) may receive a pension upon leaving employment based on certain factors including minimum years of service, final average earnings, and a minimum age. This bill would have increased the minimum retirement age for a full annuity/pension from 55 to 57 for regular employees, and from 50 to 52 for "protective occupations" such as law enforcement and guards in corrections facilities. Had the bill passed, it would have applied only to new employees in the WRS and to current WRS participants who were younger than 40 when the bill became law.

*Recommended position: None/Monitor.*

Bill text and history: <https://docs.legis.wisconsin.gov/2013/proposals/ab470>



## **AB 471 – Changing the Calculation of “Final Average Earnings” for WRS Retirees**

Public employees covered by the Wisconsin Retirement System (WRS) may receive a pension upon leaving employment based on certain factors including minimum years of service, final average earnings, and a minimum age. This bill would have changed the number of years of employment used to calculate “final average earnings.”

Pension amounts are calculated in two ways. An annuitant may receive an amount based either on a “money purchase annuity” or based on a formula. The formula is based on multiplying years of creditable service, a “multiplier,” and “final average earnings.” Final earnings are currently calculated as a monthly figure based on the 3 highest earning years of all years of covered employment.

AB 471 would have changed the formula to count the 5 highest years of income (instead of 3) in determining the monthly “final average earnings.” Assuming an employee steadily makes slightly more each year, the larger number of years would slightly reduce the annuity/pension under the formula. The change would affect certain employees more dramatically. Some WRS employees may move from one level of compensation to a much higher level late in a career. This bill would have a potentially significant impact on pension amounts for such a person who serves in the new role for less than 5 years.

*Recommended position: None/Monitor.*

Bill text and history: <https://docs.legis.wisconsin.gov/2013/proposals/ab471>

## **AB 522 – Sharing Payments in Lieu of Property Taxes Among All Local Governments**

A variety of tax-exempt entities do not pay property taxes on property they own. Some such not-for-profit entities arrange to pay a municipality a payment in lieu of property taxes to cover the cost of certain public services. AB 522 would have required any such agreement provide for the sharing of payments in lieu of taxes with other local governments including technical college districts. The share provided would be prorated based on the proportion of taxes each local government would receive if the entity were not tax-exempt.

*Recommended position: Support.*

Bill text and history: <https://docs.legis.wisconsin.gov/2013/proposals/ab522>

## **AB 549 – Charter School Authority Expansion to Include Technical Colleges**

Currently, school boards may contract with individuals, groups, business or certain public bodies to establish charter schools, which operate with fewer constraints than other public schools. A limited number of public entities currently may also establish their own independent charter school with or without a contract with a school board. These entities are: MATC Milwaukee, UW-Milwaukee, UW-Parkside, and the City of Milwaukee.

AB 549 would have expanded the independent charter school authority (ability to create a charter with or without a contract with a school board) to the following:

- All technical college district boards;
- All 4-year UW universities and all 2-year UW campuses;
- All cooperative educational services agencies (CESAs).

An independent charter school created under this bill by a technical college district could operate within the specific district boundaries or in a “county adjacent to” the college district.

The bill provided significant other changes to charter school law including a process for the expansion/replication of successful charters, streamlined procedures for school boards authorizing new charters, requiring a governing board for each charter school, and others.

*Recommended position: None/Monitor.*

Bill text and history: <https://docs.legis.wisconsin.gov/2013/proposals/ab549>

## **SB 87 (also AB 90) – Mandating Technical College District Board Member Contacts on Websites**

These bills would have required that technical colleges post an email address for each district board member plus a phone number for the board chair on the college’s website. The bills also required the WTCS (state) Board make the same information available on its website. Finally, the bills required that the above information be provided to any person who requests it.

These bills applied only to technical college district board members and not to school boards, county boards, city boards, village boards, town boards, other special purpose public boards and public authorities, or to the UW Board of Regents.

*Based on an agreement by each of the 16 district boards and the WTCS to meet the bills’ terms voluntarily, the co-sponsors agreed to request that the respective committee chairs not schedule hearings. This effectively stalled both bills permanently in committee. Each district has updated its website to include the required information.*

*Recommended position: None/monitor.*

Bill text and history:

SB 87: <https://docs.legis.wisconsin.gov/2013/proposals/sb87>

AB 90: <https://docs.legis.wisconsin.gov/2013/proposals/ab90>

### **SB 376 (also AB 498) – Creating a Student Loan Refinancing Authority, Student Loan Information, Counseling, and Expanding the Tuition Income Tax Subtraction**

These identical bills were introduced by all 15 Senate Democrats and all 39 Assembly Democrats in late 2013.

SB 376 and AB 498 would have made major changes related to financial aid, specifically student loans, and information about college costs, aid and loans. First, they would have created a new public 9-member “Wisconsin Student Loan Refinance Authority” made up of 4 legislators, 3 higher education members, and 2 financial aid professionals. The Authority would have provided student loans to Wisconsin residents to allow them to refinance their outstanding loan or loans at the most economical rates.

The bills also would have required:

- The Department of Financial Institutions to compile and maintain web resources allowing students to compare private sector student loan information reflecting the “best” providers for private student loans.
- Each technical college, UW institution, private/non-profit college and university, and tribal college to provide information to all newly accepted students listing information such as total education costs, expected financial aid awards, loan costs, and other information.
- Each college or university offering associate degrees or higher in the state to provide student financial aid and loan counseling including specific information as the student leaves his/her studies.

The bills allowed colleges to assess student loan vendors a fee of up to \$50 per loan in order to fund the bill’s counseling mandate costs.

Finally, the bills would have expanded a state income tax subtraction relative to higher education tuition. The current subtraction phases out as income increases. Under the bills, the phase-out was removed. Also, “tuition” for income tax subtraction purposes was defined to include the cost of paying back certain loans after college.

*Recommended position: None/monitor.*

Bill text and history:

AB 498: <https://docs.legis.wisconsin.gov/2013/proposals/ab498>

SB 376: <https://docs.legis.wisconsin.gov/2013/proposals/sb376>

## **SB 476 – Limiting Eligibility to Serve on the MATC Milwaukee Board**

This bill was introduced early in 2014 by Senator Glenn Grothman (R-West Bend) and co-sponsored by Senators Alberta Darling (R-River Hills) and Mary Lazich (R-New Berlin), and six Assembly Republicans.

It would require that appointees to each of the existing five private “businessperson” positions on the MATC Milwaukee Board (described in more detail below) also have at least two years experience “managing” a business.

The final new law passed in the previous 2-year legislative session, 2011 Act 286, fundamentally changed the MATC Milwaukee board appointing authority, the district’s board positions, and eligibility to serve on the board. The appointing authority was changed from being comprised of almost 30 constituent school board presidents to be just 4 county officials: the Milwaukee County Board Chair, Milwaukee County Executive, Ozaukee County Board Chair, and the Washington County Board Chair. The first 2 of 4 represent approximately 90% of the district population. The latter 2 of 4 represent approximately 10% of the district population.

Like other colleges, the MATC Milwaukee District Board continues to have an elected official and school district administrator position. However, the “at large” positions were reduced from 3 to 2. The traditional 2 “employer” and 2 “employee” positions were eliminated.

In their place, 5 board seats were dedicated to “persons representing employers.” These are limited to be from private for-profit businesses, or from a non-profit healthcare entity, a credit union, or a cooperative association. All other forms of employment including persons in public employment or working for non-profits are excluded from the majority of five board seats. Likewise, any retired person or person not currently employed is not eligible to serve. The 5 businessperson positions must be split between large (>100 employees) and small employers, and at least 2 of the 5 must represent manufacturing.

This bill would have further limited the 5 private employer board positions. In addition to current law about the type of employment eligible, each of the five could come only from among persons with 2 years or more experience managing an eligible business (for-profit, non-profit healthcare institution, credit union or coop). This would have made 2 incumbent board members ineligible to continue serving. One is a retired fire captain now working for a large private dental concern. The other is a machine builder/repairer for a major private manufacturer. Both were working in qualifying private businesses, but did not appear to meet the bill’s new “management” requirement.

The District Boards Association testified that it is always easy to argue that we “want more” representation on local boards from various industries, employers, backgrounds, experiences, and a myriad of other factors across the great diversity of humanity residing in our districts. The real issue posed by the bill was who decides and why. We

asserted that a well-balanced local appointing authority is in the best position to select representation without a new state mandate further restricting the ability to serve.

The 1911 law that established municipal industrial school boards that would become today's technical college local boards focused on balancing them to represent "employers and employees," along with a local school official. This model continues to work remarkably well after 102 years and is not in need of further restriction, particularly aimed at any one district.

*Recommended position: Strongly oppose.*

Bill text and history: <https://docs.legis.wisconsin.gov/2013/proposals/sb476>

(End of Report)

*This report was prepared by Paul Gabriel, who is responsible for the content, including any analysis or opinion. For more information, contact Paul Gabriel at 608 266-9430 or [pgabriel@districtboards.org](mailto:pgabriel@districtboards.org).*