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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

Senate

(Assembly, Senate or Joint)

Committee on ... Job Creation, Economic Development and Consumer Affairs (SC-JCEDCA)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Mike Barman (LRB) (August/2012)

Senate

Record of Committee Proceedings

Committee on Job Creation, Economic Development and Consumer Affairs

Senate Bill 129

Relating to: transfer of the business employees' skills training grant program to the Technical College System Board, granting rule-making authority, and making an appropriation.

By Senators Leibham, Kanavas, Stepp, Zien and Darling; cosponsored by Representatives Davis, Wieckert, Hines, Moulton, Kleefisch, Kerkman, Owens, Vos, Montgomery, Suder, Honadel, Towns, Gronemus, Freese, J. Fitzgerald, Vrakas, Van Roy, Nischke, Gunderson, Albers, Hundertmark, Lamb, Musser, Hahn and LeMahieu.

April 12, 2005 Referred to Committee on Job Creation, Economic Development and Consumer Affairs.

May 19, 2005 **PUBLIC HEARING HELD**

Present: (5) Senators Kanavas, Zien, Reynolds, Lassa and Decker.
Absent: (0) None.

Appearances For

- Brett Davis, Madison — Representative
- Joe Leibham, Madison — Senator
- Ron Brown, Madison — Senator
- Mr. James Otterstein — Wisconsin Economic Development Association/BTC
- Mr. Bill Smith, Madison — National Federation of Independent Business
- Ms. Morna Foy — Wisconsin Technical College System
- Ms. Carol Brown — Waukesha County Technical College
- Mr. Jim Hough, Madison — Wisconsin Economic Development Association
- Mr. Paul Gabriel, Madison — Wisconsin Technical College District Boards Association

Appearances Against

- None.

Appearances for Information Only

- None.

Registrations For

- None.

Registrations Against

- None.

August 25, 2005

EXECUTIVE SESSION HELD

Present: (5) Senators Kanavas, Zien, Reynolds, Lassa and Decker.
Absent: (0) None.

Moved by Senator Kanavas that **Senate Bill 129** be recommended for passage.

Ayes: (3) Senators Kanavas, Zien and Reynolds.
Noes: (2) Senators Lassa and Decker.

PASSAGE RECOMMENDED, Ayes 3, Noes 2

Jeremy Shepherd
Committee Clerk

SENATE BILL 129 (LRB -2336)

An Act to repeal 560.155; and to create 20.292 (1) (eh) and 38.41 of the statutes; relating to: transfer of the business employees' skills training grant program to the Technical College System Board, granting rule-making authority, and making an appropriation.

2005

03-18.	S.	Introduced by Senators Leibham, Kanavas, Stepp, Zien and Darling ; cosponsored by Representatives Davis, Wieckert, Hines, Moulton, Kleefisch, Kerkman, Owens, Vos, Montgomery, Suder, Honadel, Towns, Gronemus, Freese, J. Fitzgerald, Vrakas, Van Roy, Nischke, Gunderson, Albers, Hundertmark, Lamb, Musser, Hahn and LeMahieu.	
03-18.	S.	Read first time and referred to committee on Veterans, Homeland Security, Military Affairs, Small Business and Government Reform	134
03-29.	S.	Fiscal estimate received.	
03-29.	S.	Fiscal estimate received.	
03-30.	S.	Pursuant to Senate Rule 46(2)(c), withdrawn from the committee on Veterans, Homeland Security, Military Affairs, Small Business and Government Reform and rereferred to the joint committee on Finance	140
04-05.	S.	Executive action taken.	
04-06.	S.	Report introduction and adoption of Senate Amendment 1 recommended by joint committee on Finance, Ayes 15, Noes 0 (LRB a0373)	151
04-06.	S.	Report passage as amended recommended with emergency statement attached, pursuant to s. 16.47 (2), Wisconsin Statutes, by joint committee on Finance, Ayes 9, Noes 6	151
04-06.	S.	Available for scheduling.	
04-06.	S.	Placed on calendar 4-12-2005 by committee on Senate Organization.	
04-12.	S.	Read a second time	163
04-12.	S.	Referred to committee on Job Creation, Economic Development and Consumer Affairs	163
05-19.	S.	Public hearing held.	
08-25.	S.	Executive action taken.	
08-26.	S.	Report passage recommended by committee on Job Creation, Economic Development and Consumer Affairs, Ayes 3, Noes 2	332
08-26.	S.	Available for scheduling.	

2006

05-11.	S.	Failed to pass pursuant to Senate Joint Resolution 1	853
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WISCONSIN STATE LEGISLATURE





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**Testimony in Support of SB 129 and AB 241
Expanding and Transferring the Business Employees' Skills Training
Program (BEST) to the WTCS**

Senate Committee on Job Creation, Economic Development and Consumer Affairs
May 19, 2005

Wisconsin Technical College District Boards Association
Paul Gabriel, Executive Director

Wisconsin Technical College District Boards support the expansion and transfer of the Business Employees' Skills Training Program (BEST) as a key element in a comprehensive job training investment for Wisconsin businesses. Expanding BEST training will keep great jobs in Wisconsin and grow Wisconsin businesses. The bills will also help make Wisconsin more competitive by offering training incentives that are often already available in surrounding states.

Transferring BEST from Commerce to the WTCS – By shifting the BEST program, these bills take advantage of the strong existing connections between local technical college boards and regional employee and business training needs. This local district role, combined with the coordination and accountability role of the state-level WTCS, harnesses the power of the proven WTCS model serving businesses strategically, effectively, and with a maximum return on investment.

While we support transferring an expanded BEST program from Commerce to the WTCS, there are four important considerations we hope the committee will preserve in the bills or add to the bills:

Funding – The bills are designed to create a new appropriation in the WTCS without reducing existing economic development funding. We strongly support this approach. The bills create an important new tool and investment using the longstanding training expertise and close day-to-day connections between technical colleges and regional and local businesses. This should not be realized at the expense of existing funding.

Administration – The bills do not, however, provide any infrastructure or administrative support for the WTCS to operate the program. We hope the committee and bill sponsors will consider the additional burden created to administer the expanded BEST program and allow for some modest administrative support for the WTCS (state) office. The WTCS has already made significant staff cuts, faces additional reductions in the 2005-07 budget bill, and faces the loss of Federally-supported staff under the Perkins Act reauthorization that has already passed the U.S. House of Representatives.

Match Flexibility – While we support the bills’ concept of requiring businesses to “match” the investment made in training that grows their business, we hope the committee and sponsors will consider ways to make the match requirement as flexible as possible. Small and medium businesses can often provide valuable and “real cost” matches through physical plant, equipment, or other in-kind services more flexibly than a dollar-for-dollar match.

A Comprehensive Commitment to Job Training – Finally, this extremely important job training opportunity should be seen as complementary, and not in lieu of, other important state investments already under consideration in the budget process. In AB 100, the Governor proposes creating a new Training Assistance Grant Program. The budget bill also expands funding for Wisconsin’s Manufacturing Extension Grant Program (supporting the two manufacturing centers, WMEP and NWMOC), and transfers the funding for administrative purposes from Commerce to the WTCS.

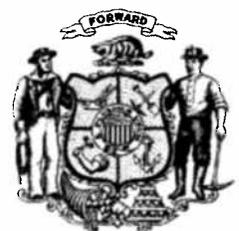
SB 129/AB 241 and the state budget proposals together create a powerful new comprehensive investment that greatly expands Wisconsin’s capability and competitiveness to locate, grow and keep businesses in Wisconsin. The expanded BEST program targets small and medium businesses based on regional needs. The Training Assistance Program creates new leverage across the full range of business types and sizes. The Manufacturing Extension funding and shift of the program’s administrative attachment leverages services and training targeted to Wisconsin manufacturers and promotes further collaboration between the WMEP, NWMOC, and WTCS.

We encourage the committee to support SB 129 and AB 241 as key to Wisconsin’s realization of a comprehensive business training package. This package will be flexible and results-oriented, will increase our competitiveness with other states to grow and keep businesses, and will generate a huge return on investment through thriving business and industry with cutting-edge training necessary in today’s rapidly evolving business environment.

Thank you for considering these important bills. We greatly appreciate the sponsors’ and committee’s leadership on behalf of Wisconsin businesses.



WISCONSIN STATE LEGISLATURE





**Senate Committee Job Creation, Economic Development and Consumer Affairs
Testimony on AB 241 and SB 129
Business Employees Skills Training Grants
Morna Foy
Wisconsin Technical College System
May 19, 2005**

Senator Kanavas and members of the Committee:

Thank you for this opportunity to comment on AB241 and SB129, proposals relating to the Business Employees Skills Training (BEST) grants. And thank you to the bills' authors, Senator Liebham and Representative Davis, for recognizing the training needs of Wisconsin's small and medium-sized businesses and the role technical colleges can play in addressing those needs.

Wisconsin faces major challenges to maintain the highly productive workforce that has long been the basis of the state's prosperity. Economic viability in the new knowledge-based economy depends on how well and how quickly we can put what we know to work. Education and training provide the problem solving and reasoning skills as well as the academic foundations our workforce needs to produce, select, adapt, commercialize, and use knowledge.

Business and industry consistently rank access to a skilled labor force as the most important factor affecting economic development, and as a result, employers invest significant resources in training their workers. In 2003-04, 4,500 employers contracted with the technical college districts to provide training to 103,000 incumbent workers. Another 1,200 employers sought technical assistance from the technical colleges to integrate new technology and work practices into their operations to improve productivity, profitability, and competitiveness. But these services are only available to those businesses and individuals who can afford them. Although knowledge is the key to success in the new economy, the biggest barrier many small to mid-sized businesses face is finding the resources to provide the ongoing education and training their workforce needs to remain competitive.

In its biennial budget request, the WTCS Board proposed a \$10 million worker training initiative that would have funded free or reduced-price technical college training for Wisconsin businesses. Although this proposal was not included in the executive budget, the Legislature is considering three proposals that could significantly increase access to worker training. The funding increases to the BEST program proposed in AB241 and SB129, together with proposals in the executive budget bill (AB100) to increase funding for Wisconsin Manufacturing Centers and to create a Training Assistance Grant program, would increase state funding for worker training by \$7.8 million over the biennium.

Daniel Clancy, President

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On behalf of our employer and employee partners, the WTCS supports all three of these initiatives to build a high-skilled, responsive workforce for Wisconsin. In this difficult budget environment, the WTCS understands that some may be inclined to choose among these programs, but we believe that they will have strongest and most effective economic development impact as a package because they target different employers and different worker training needs.

The BEST grant program's focus on small and medium sized businesses is a unique opportunity to assist employers who are producing new jobs and yet struggle to find the resources to ensure their employees remain current with the rapidly changing skills and knowledge needed in today's economy. AB241 and SB129 create a new appropriation within the WTCS and increase training funding by \$1.5 million over the biennium without reducing existing economic development funds. The bills also take advantage of technical college districts strong community ties and regional economic development experience by asking district boards to identify industry areas in their regions that could most benefit from training assistance.

In supporting these proposals, the WTCS would ask the committee to consider two amendments. First, the WTCS would support greater flexibility in establishing the match amount. The bills require the grant recipient to match the grant award dollar for dollar, unless the match requirement is waived by the WTCS Board for extreme financial hardship. The WTCS appreciates Senator Liebham and Representative Davis' willingness to include a match requirement, a provision that leverages the state's investment and encourages employer commitment to training projects. At the same time, it may be appropriate to require a match of less than 100% for reasons other than extreme financial hardship. For example, it may be appropriate to allow less than 100% match to encourage businesses to invest in training projects for the first time.

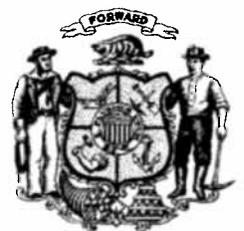
The WTCS would also ask the Committee to provide funding to administer the program. The BEST program makes grants directly to private businesses and requires the administering agency to monitor the use of grant dollars by these private entities. Assuming this function would require the WTCS Board to establish new mechanisms for evaluating grant applications and monitoring grant accountability.

The WTCS and our employer and employee partners are extremely pleased to be a part of state efforts to increase access to worker training. Providing new training funding for small and medium-sized businesses of critical regional importance through the BEST grants, for manufacturers through the Wisconsin Manufacturing Extension Centers, and to employers creating significant numbers of new jobs under the Training Assistance Grant program will help ensure Wisconsin has the highest-skilled, most competitive workforce in the world.

Thank you again for this opportunity to address the Committee. I would be happy to answer any questions.



WISCONSIN STATE LEGISLATURE





A member of the Wisconsin Technical College System

May 19, 2005

Senator Joseph Leibham
Room 127, South, State Capitol
P.O. Box 7882
Madison, WI 53707

Dear Joe:

As president of Lakeshore Technical College, I write in support of job training bills AB241/SB129, the Business Employees' Skills Training (BEST) grant program. Blackhawk Technical College formally joins LTC in sending this letter. Other technical colleges support these training bills as well.

The bills would provide critical training funds for small and medium-sized businesses. Unlike big businesses, they typically can't afford the cost of training their workforce. The BEST program gives them access to training that can help them grow and sustain employment and economic development in Wisconsin.

The bills would help state employers by expanding funding and grant eligibility and by taking advantage of the expertise of the Technical College Districts (TCD).

Expand funding

The bills would increase annual grant awards to \$20,000 from \$5,000. LTC fully supports the expansion of funding.

Expand grant eligibility

The bills would allow more businesses of different sizes to take advantage of the program. LTC supports the expansion of grant eligibility.

Take advantage of TCD expertise

By transferring BEST program administration to the Technical College Districts, the bills would take advantage of the Districts' strong community ties and regional economic development experience. LTC supports this transfer.

LTC would like you to consider two amendments to the proposal:

- (1) provide more flexibility in establishing the match amount. Often, small and medium-sized businesses can provide in-kind services more easily than a dollar-for-dollar match. Another example would be to allow less than a 100% match to encourage training in industries with critical economic importance.

Michael A. Lanser, Ed.D., President

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- (2) provide minimal funding to administer the program. TCD would have to establish new mechanisms to evaluate grant applications and monitor grant accountability because awards are given directly to the businesses.

Joe, thank you for caring about technical colleges and the role we play. We appreciate you introducing AB241/SB129 and hope they can go out on their own. This is a tough budget and these are challenging times. We look for your continued leadership in this area.

Sincerely,



Michael A. Lanser, Ed.D.
President

cc: Members of the Senate Job Creation, Economic Development, and Consumer Affairs Committee

Sen. Ted Kanavas, Chairperson

Sen. Dave Zien

Sen. Tom Reynolds

Sen. Julie Lassa

Sen. Russ Decker