LRB-2336/3 MJL:wlj:rs

2005 SENATE BILL 129

March 18, 2005 – 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. Referred to Committee on Veterans, Homeland Security, Military Affairs, Small Business and Government Reform.

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.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Commerce (Commerce) awards grants to certain Wisconsin businesses with no more than 25 full-time employees and no more than \$2,500,000 in gross annual income to provide skills training for employees of the businesses. Commerce must give preference in awarding grants to the following three types of businesses: businesses in industries with severe labor shortages; businesses in industries that Commerce determines are especially adversely affected by federal requirements or policies; and businesses that operate in development zones or enterprise development zones.

This bill transfers the administration of this grant program to the Technical College System (TCS) Board and makes the following changes to the program: (1) requires the TCS district boards annually to designate, based upon regional need, the types of businesses to be given preference in awarding grants; (2) requires that an eligible business employ no more than 100 full-time employees; and (3) requires a business that receives a grant to provide matching funds for the entire amount of the grant, unless the board finds that the business is subject to extreme financial hardship.

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before applying for the grant.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **Section 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert $\mathbf{2}$ the following amounts for the purposes indicated: 3 2005-06 2006-07 4 Technical college system board 20.292 5 (1) TECHNICAL COLLEGE SYSTEM 6 (eh) Business employees' skills train-7 GPR ing grants Α 1.000.000 1.500.000 **Section 2.** 20.292 (1) (eh) of the statutes is created to read: 8 9 20.292 (1) (eh) Business employees' skills training grants. The amounts in the 10 schedule for grants under s. 38.41. **Section 3.** 38.41 of the statutes is created to read: 11 12 38.41 Business employees' skills training grant program. (1) Subject 13 to sub. (2), the board may award a grant to a business if all of the following apply: 14 (a) The business is located in this state and satisfies any of the following 15 criteria: 16 1. The business has no more than 100 full-time employees. 17 2. The business had no more than \$2,500,000 in gross annual income in the year preceding the year in which the business receives the grant. 18 19 (b) The business has been in compliance with s. 77.58 for at least 6 months

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- (c) The business agrees in writing to use the grant only to provide skills training or other education related to the needs of the business to current or prospective employees of the business.
 - (d) The business agrees in writing to comply with sub. (2) (d).
- (e) The business submits a plan to the board detailing the proposed use of the grant, and the board approves the plan.
- (f) The business enters into a written agreement with the board that specifies the conditions for the use of the grant, including reporting and auditing requirements.
- (g) The business agrees in writing to submit to the board the report required under sub. (3) by the time required under sub. (3).
- (h) The business provides matching funds at least equal to the amount of the grant. The board may waive the requirement under this paragraph if the board determines that the business is subject to extreme financial hardship.
- (2) (a) The board may not award a business more than \$20,000 in grants under this section.
- (b) Annually, each district board shall submit to the board a list of the types of businesses that the district board believes, based upon regional need, should be given preference in the granting of awards. The board shall give preference to those types of businesses designated by the district boards in awarding grants under this section.
 - (d) A grant under this section may not be used for any of the following:
- 1. To pay more than 80 percent of the cost of any skills training or other education related to the needs of the recipient business that is provided to the owner of the business, the owner's spouse, or a child of the owner.

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- 2. To pay wages or compensate for lost revenue, if any, in connection with providing the training or other education, or otherwise.
- (3) A business that receives a grant under this section shall submit to the board, within 6 months after spending the full amount of the grant proceeds, a report detailing how the grant proceeds were used.
 - (4) The board shall promulgate rules to implement and administer this section.
- **Section 4.** 560.155 of the statutes is repealed.

Section 5. Nonstatutory provisions.

(1) On the effective date of this subsection, the department of commerce shall transfer any pending applications for grants under section 560.155 of the statutes, as affected by this act, to the technical college system board for consideration under section 38.41 of the statutes, as created by this act.

13 (END)