

# WMC Comments

## Legislative Council

Technical College Study Committee

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# WMC

WISCONSIN MANUFACTURERS & COMMERCE



# WMC Background

- Founded in 1911 in response to progressive era reforms
- State Chamber of Commerce and Manufacturers Association
- More than 3,700 members statewide employing 1/4<sup>th</sup> of the private sector workforce
- All sectors of economy, and businesses of all size
- Mission: To make Wisconsin the best state in the nation to do business



# Some History on Technical Colleges in Wisconsin

- WI was the first state to establish state support for technical and adult education (Ch. 616, Laws of 1911)
- WI was also the first state to establish apprenticeship agreements (Ch. 347, Laws of 1911)
- Over time, that evolved into the Technical College System that we have in WI today



# WMC Partnerships with Technical Colleges

- WTCS stimulates local economic development by providing the state with hands-on education that brings people and jobs together at incredibly high placement rates



# WMC Partnerships with Technical Colleges

- 2014 Workforce Paradox Sessions
- Future Wisconsin project
- Connect Technical College leadership with local Chambers
- WMC members engage with local technical colleges



# The Skills Gap in Wisconsin is Real

- WI employers continue to struggle finding qualified workers
- Gap between job demands and worker skills
- How do we know?
- We held focus groups in 54 communities with 300 manufacturers, tours of all 16 technical colleges by 1,200 business and education leaders and two statewide conferences



# State Focus on Technical Education

## Fast Forward

- \$50 million for employee training grants and ending wait lists for in-demand technical college programs
- Labor Market Information System (LMIS) to connect workers and employers according to skills and job demands in a timely fashion

## Apprenticeship Reforms

- \$1 million for tuition reimbursement and youth apprenticeship grants

Many others...



# CEO Survey, July 2014

## Employers are optimistic

- 96% believe WI is heading in the right direction
- 90% say state government is very or somewhat pro-business
- 71% believe WI will see moderate growth in next 6 months (65% in January)
- 56% of CEOs expect to hire in the next 6 months





# CEO Survey, July 2014

Optimism doesn't fix skills gap or create jobs

- 53% having trouble finding workers
  - 72% lack of qualified workers
  - 20% poor work ethic
  - 16% generous entitlement programs
  - 11% substance abuse
- High taxes, burdensome federal laws and regulations work against hiring



# Areas of Concern

- Keeping programs in line with the needs of employers
- Ensuring graduates are ready to work
- Overcoming the outdated stigma placed on technical education and manufacturing
- Keep mission focused on local economic development, partnering with local manufacturers to continually improve programs and class offerings to meet the goals mentioned above



# Major State and Local Taxes

WI taxes rank high as a percentage of personal income

- **Property Tax: #11** among states
- **Income Tax: #11**
- **Sales Tax: #36**
- **Overall Tax Burden: #11**

Drawn from 2011 U.S. Census data (updated spring 2014)



# Property Tax

- Largest state or local tax paid
  - \$10.3 billion in 2011/12
- Levied by multiple levels of government
- Challenging for voters to assign responsibility for property tax changes

# DOR Levy Distribution Data

## Property Tax Levies for 2011/12 by type of unit

Type of Unit	Number of Units	Number of Units with a Tax Levy	Amount Levied	% of Total Levy
School districts	424	424	\$4,646,695,395	44.75%
Technical college districts	16	16	771,464,190	7.43%
Counties	72	72	1,972,231,785	18.99%
Municipalities – regular	1,850	1,825	2,461,688,769	23.70%
Municipalities – TIF increments	384	384	350,607,230	3.38%
Special districts	542	238	99,508,142	0.96%
State (forestation tax)	1	1	82,623,849	0.80%
<b>Total</b>	<b>3,289</b>	<b>2,960</b>	<b>10,384,819,360</b>	<b>100.00%</b>



# Property Tax - WTCS

- Traditional “levy limit” for district boards replaced by “revenue limit”
- Allow revenue growth equal to the larger of:
  - 0%; or
  - Growth from net new construction
- Infusion of \$406 million in state aid in Dec 2014



# Referenda for Capital Expenditures

- \$1.5 million cap before referendum
  - Increased from \$1 million (2009)
- Exceptions
  - Student housing, if levy, state aid, or tuition funds are not used (2011)
  - \$2.5 million cap if equal amount of federal funds (2013)
- Further tweaks to s. 38.15?

# Referenda for Capital Expenditures

- Referenda Approved
  - Madison Area – Nov 2010
    - \$133 million bond
    - 63% approval
  - Fox Valley – Apr 2012
    - \$66.5 million bond
    - 65% approval





# Cost Comparison

- Lumina Foundation for Education  
“Trends in College Spending 1999-2009”
  - Shows Wisconsin had highest state subsidy for community colleges
- Fair comparison?
- Quality considerations?



# District Boundaries

- Difficult to adjust boundaries
  - Germantown situation
- If no property tax levied, allow tech colleges to compete regardless of geographic boundaries?

# Thank you!!

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*Wisconsin's Chamber*