



2003 ASSEMBLY BILL 796

February 2, 2004 - Introduced by Representatives KRAWCZYK, WIECKERT, SUDER, LADWIG, MUSSER, OWENS, GUNDERSON, HAHN, OTT, McCORMICK, GRONEMUS, ALBERS and FREESE, cosponsored by Senators LEIBHAM, STEPP, KANAVAS, DARLING, ZIEN, KEDZIE and ROESSLER. Referred to Committee on Workforce Development.

1 **AN ACT** *to amend* 38.28 (1m) (a) 1. and 66.0621 (1) (c); and *to create* 38.14 (15),
2 38.39, 73.03 (61) and 560.03 (24) of the statutes; **relating to:** authorizing
3 technical college districts to issue revenue bonds for the purpose of providing
4 services and facilities to businesses and granting rule-making authority.

Analysis by the Legislative Reference Bureau

This bill authorizes a technical college district board, with the approval of the state Technical College System Board, to enter into a contract with a business to provide job training, adult basic education, vocational and professional services, and training facilities, equipment, and material to the business. A contract may not provide more than \$3,500 in services to a trainee unless the Joint Committee on Finance (JCF) approves a higher limit. In addition, the state board must ensure that the total cost of such contracts does not exceed \$10,000,000 in any fiscal year unless JCF approves a higher limit. (In both cases, approval by JCF may be by passive review; i.e., if the cochairpersons of JCF do not schedule a meeting to review the request, it is considered approved.) The bill allows a district board to issue revenue bonds to finance the costs of providing these services and materials to a business.

The bill requires the Department of Revenue (DOR) to determine the amount of wages from which income tax withholding is calculated for an individual who has been provided training or education by a technical college district under a contract described above and calculate the total for each technical college district. The names of such individuals are certified to DOR by the Department of Commerce. DOR must then calculate 1.5 percent of the amount determined for each technical college

ASSEMBLY BILL 796

district and notify the Technical College System Board of the result. The bill does not, however, appropriate these amounts.

The bill also authorizes a district board to organize a nonstock corporation for the purposes of raising funds and providing support for the district.

For further information see the *state and local* 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.** 38.14 (15) of the statutes is created to read:

2 38.14 (15) NONSTOCK CORPORATIONS. The district board may organize one or
3 more nonstock corporations under ch. 181 for the purposes of raising funds and
4 providing support for the operation and management of the district.

5 **SECTION 2.** 38.28 (1m) (a) 1. of the statutes, as affected by 2003 Wisconsin Act
6 33, is amended to read:

7 38.28 (1m) (a) 1. “District aidable cost” means the annual cost of operating a
8 technical college district, including debt service charges for district bonds and
9 promissory notes for building programs or capital equipment, but excluding all
10 expenditures relating to auxiliary enterprises and community service programs, all
11 expenditures funded by or reimbursed with federal revenues, all receipts under sub.
12 (6) and ss. 38.12 (9), 38.14 (3) and (9), 38.39, 118.15 (2) (a), 118.55 (7r), and 146.55
13 (5), all receipts from grants awarded under ss. 38.04 (8), (20), (28), and (31), 38.14
14 (11), 38.26, 38.27, 38.33, and 38.38, all fees collected under s. 38.24, and driver
15 education and chauffeur training aids.

16 **SECTION 3.** 38.39 of the statutes is created to read:

17 **38.39 Wisconsin Advantage Jobs Training Program.** (1) (a) With the
18 approval of the board, a district board may establish a regional project for the
19 creation and retention of jobs. Under the project, the district board may on its own

ASSEMBLY BILL 796

1 or jointly with any other entity contract with a business located in the district to
2 provide the business with one or more of the following:

- 3 1. Training for jobs created or retained by the business.
- 4 2. Adult basic education.
- 5 3. Vocational and skill-assessment services.
- 6 4. Training facilities, equipment, and material.
- 7 5. Professional services.

8 (b) 1. Except as provided in subd. 2., a district board may not enter into a
9 contract under par. (a) in which the cost per trainee exceeds \$3,500.

10 2. If the district board proposes to enter into a contract under subd. 1. in which
11 the cost per trainee exceeds \$3,500, the district board shall notify the joint committee
12 on finance in writing of its proposed action. If the cochairpersons of the committee
13 do not notify the district board that the committee has scheduled a meeting for the
14 purpose of reviewing the proposed contract within 14 working days after the date of
15 the district board's notification, the district board may enter into the contract. If,
16 within 14 working days after the date of the district board's notification, the
17 cochairpersons of the committee notify the district board that the committee has
18 scheduled a meeting for the purpose of reviewing the proposed contract, the district
19 board may enter into the contract only upon approval of the committee.

20 (c) 1. Except as provided under subd. 2., the board shall ensure that the total
21 cost to the district boards of the contracts under par. (a) does not exceed \$10,000,000
22 in any fiscal year.

23 2. If the board proposes to increase the limit under subd. 1. in any fiscal year,
24 the board shall notify the joint committee on finance in writing of its proposed action.
25 If the cochairpersons of the committee do not notify the board that the committee has

ASSEMBLY BILL 796**SECTION 3**

1 scheduled a meeting for the purpose of reviewing the proposed increase within 14
2 working days after the date of the board's notification, the board may increase the
3 limit. If, within 14 working days after the date of the board's notification, the
4 cochairpersons of the committee notify the board that the committee has scheduled
5 a meeting for the purpose of reviewing the proposed increase, the limit may be
6 increased only upon approval of the committee.

7 (2) A contract under sub. (1) may require the business to pay fees for the
8 services provided, or to pay all or a portion of the costs of the services provided.

9 (3) (a) The district board may issue revenue obligations under s. 66.0621 to
10 provide funds for payment of the costs of providing services under a contract under
11 sub. (1).

12 (b) The district board may pledge as security for repayment of the bonds issued
13 under par. (a) district property and moneys in reserve fund balances that are not
14 derived from property taxes.

15 (c) The district board shall maintain a special fund, to be identified as the
16 Wisconsin Advantage Jobs Training Program special redemption fund, into which it
17 deposits the fees received under sub. (2) and any other moneys designated by the
18 district board for deposit into the special fund. The district board may use this
19 revenue solely for the payment of principal of and interest on the bonds issued under
20 par. (a) until all such bonds are retired.

21 (d) Notwithstanding s. 66.0621 (4) (a) 1., all of the following apply to the bonds
22 issued under par. (a):

23 1. In the statement included with each bond the district board shall express its
24 expectation and aspiration that if at any time the revenues received or expected to
25 be received in the special redemption fund under par. (c) are insufficient to pay the

ASSEMBLY BILL 796

1 principal and interest on the bond when due, the district board shall make the
2 payment from other district funds, subject to par. (e).

3 2. The bonds are payable at times not to exceed 10 years from the date of
4 issuance.

5 (e) The district board may not use moneys derived from property taxes to pay
6 debt service on revenue obligations issued under par. (a).

7 (5) Annually, the board shall submit a report to the governor, and to the
8 legislature under s. 13.172 (2), describing the contracts entered into under this
9 section and the success of the program under this section in creating and retaining
10 jobs.

11 (6) The board shall promulgate rules to implement and administer this section.

12 **SECTION 4.** 66.0621 (1) (c) of the statutes is amended to read:

13 66.0621 (1) (c) "Revenue" means all moneys received from any source by or for
14 the operation of a public utility and all rentals and fees and, in the case of a local
15 professional baseball park district created under subch. III of ch. 229 includes tax
16 revenues deposited into a special fund under s. 229.685 and payments made into a
17 special debt service reserve fund under s. 229.74 and, in the case of a local
18 professional football stadium district created under subch. IV of ch. 229 includes tax
19 revenues deposited into a special fund under s. 229.825 and payments made into a
20 special debt service reserve fund under s. 229.830 and, in the case of a technical
21 college district includes revenues deposited into a special fund under s. 38.39 (3) (c).

22 **SECTION 5.** 73.03 (61) of the statutes is created to read:

23 73.03 (61) Annually, to determine the amount of wages from which withholding
24 under s. 71.64 (1) is calculated for an individual whose name is reported to the
25 department by the department of commerce under s. 560.03 (25), calculate 1.5

ASSEMBLY BILL 796**SECTION 5**

1 percent of that amount, and notify the technical college system board of the result,
2 aggregated by each technical college district.

3 **SECTION 6.** 560.03 (24) of the statutes is created to read:

4 560.03 (24) Promulgate rules for determining the number of persons provided
5 training, education, or services under s. 38.39 and the identity of each such person,
6 and annually by July 1, report the information to the department of revenue for the
7 purpose of s. 73.03 (61).

8 (END)