

2001 DRAFTING REQUEST

Bill

Received: 05/17/2001

Received By: malaigm

Wanted: As time permits

Identical to LRB:

For: Legislative Council - JLC 6-2298

By/Representing: Robert Conlin

This file may be shown to any legislator: NO

Drafter: malaigm

May Contact:

Addl. Drafters: phurley
mdsida
isagerro
jkreye
mlief
kahlepj
grantpr

Subject: Correctional System - misc
Econ. Development - bus. dev.
Education - MPS
Education - school boards
Employ Priv - job training
Higher Education - tech. college
Higher Education - UW System
Higher Education - miscellaneous
Public Assistance - Wis works
Tax - corp. inc. and fran.
Transportation - driver licenses

Extra Copies:

Submit via email: NO

Pre Topic:

No specific pre topic given

Topic:

Legislative Council Committee on Labor Shortage recommendations

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	malaigm 05/24/2001 jkreyc 05/24/2001 grantpr 05/30/2001			_____			
/P2	malaigm 06/19/2001	csicilia 09/07/2001	pgreensl 09/07/2001	_____	lrb_docadmin 09/07/2001		State
/1	malaigm 09/20/2001	csicilia 09/20/2001	pgreensl 09/21/2001	_____	lrb_docadmin 09/21/2001	lrb_docadmin	State 09/21/2001

FE Sent For:

L At intro.

<END>

2001 DRAFTING REQUEST

Bill

Received: **05/17/2001**

Received By: **malaigm**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Council - JLC 6-2298**

By/Representing: **Robert Conlin**

This file may be shown to any legislator: **NO**

Drafter: **malaigm**

May Contact:

Addl. Drafters: **phurley
mdsida
~~isagerro~~
jkreye
mlief
kahlepj
grantpr**

Subject: **Correctional System - misc
Econ. Development - bus. dev.
Education - MPS
Education - school boards
Employ Priv - job training
Higher Education - tech. college
Higher Education - UW System
Higher Education - miscellaneous
Public Assistance - Wis works
Tax - corp. inc. and fran.
Transportation - driver licenses**

Extra Copies:

Submit via email: **NO**

Pre Topic:

No specific pre topic given

Topic:

Legislative Council Committee on Labor Shortage recommendations

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	malaigm 05/24/2001 jkreye 05/24/2001 grantpr 05/30/2001			_____			
/P2	malaigm 06/19/2001	csicilia 09/07/2001	pgreensl 09/07/2001	_____	lrb_docadmin 09/07/2001		State
/1	malaigm 09/20/2001	csicilia 09/20/2001	pgreensl 09/21/2001	_____	lrb_docadmin 09/21/2001		State

FE Sent For:

<END>

2001 DRAFTING REQUEST**Bill**Received: **05/17/2001**Received By: **malaigm**Wanted: **As time permits**

Identical to LRB:

For: **Legislative Council - JLC 6-2298**By/Representing: **Robert Conlin**This file may be shown to any legislator: **NO**Drafter: **malaigm**

May Contact:

Addl. Drafters: **phurley
mdsida
~~isagerro~~
jkreye
mlief
kahlepj
grantpr**Subject: **Correctional System - misc
Econ. Development - bus. dev.
Education - MPS
Education - school boards
Employ Priv - job training
Higher Education - tech. college
Higher Education - UW System
Higher Education - miscellaneous
Public Assistance - Wis works
Tax - corp. inc. and fran.
Transportation - driver licenses**

Extra Copies:

Submit via email: **NO**

Pre Topic:

No specific pre topic given

Topic:

Legislative Council Committee on Labor Shortage recommendations

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	malaigm 05/24/2001 jkreyc 05/24/2001 grantpr 05/30/2001						
/P2	malaigm 06/19/2001	csicilia 09/07/2001	pgreensl 09/07/2001		lrb_docadmin 09/07/2001		State

9/20
PJ/KR

9/20
PJ

<END>

FE Sent For:

2001 DRAFTING REQUEST

Bill

Received: **05/17/2001**

Received By: **malaigm**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Council - JLC 6-2298**

By/Representing: **Robert Conlin**

This file may be shown to any legislator: **NO**

Drafter: **malaigm**

May Contact:

- Addl. Drafters:
- **phurley**
 - **midsida**
 - ~~**isagerro**~~
 - **jkreye**
 - **mlief**
 - **kahlepj**
 - **grantpr**

Subject: **Correctional System - misc**
Econ. Development - bus. dev.
Education - MPS
Education - school boards
Employ Priv - job training
Higher Education - tech. college
Higher Education - UW System
Higher Education - miscellaneous
Public Assistance - Wis works
Tax - corp. inc. and fran.
Transportation - driver licenses

Extra Copies:

Submit via email: **NO**

Requester's email:

Pre Topic:

No specific pre topic given

Topic:

Legislative Council Committee on Labor Shortage recommendations

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1?	malaigm	p2 cjs 9/7 01	5/17 PS IC conversion 9/7 pg	9/7 9/7 PS/RS <END>			
FE Sent For:							

Shovers, Marc

From: Conlin, Robert
Sent: Tuesday, May 15, 2001 2:36 PM
To: Shovers, Marc
Subject: RE: Jt. Legislative Council Committee on Labor Shortage: Drafting Request

Oh, you and your infernal questions!

The education tax credit is based on LRB 0103/3 from this session.

The apprenticeship tax credit and marketing activities and preapprenticeship grants, etc, are from LRB 2911/1 which I don't believe has been introduced yet.

The productivity enhancement tax credit, the job skills advancement program and the development zone tax credit transfer are from last session's SB 394 (LRB 3778/2) — PG

Finally, there is a provision on expanding the W-2 based employment skills grant program which was taken from the budget, but I don't have the spill draft number handy. I think Ivy drafted it.

I think the rest we concocted on our own (and will undoubtedly need the most work).

Bob

-----Original Message-----

From: Shovers, Marc
Sent: Tuesday, May 15, 2001 2:22 PM
To: Conlin, Robert
Subject: RE: Jt. Legislative Council Committee on Labor Shortage: Drafting Request

Hi Bob:

Could you tell me what the LRB numbers are of the drafts on which your draft is based? Thanks.

Marc

-----Original Message-----

From: Conlin, Robert
Sent: Tuesday, May 15, 2001 12:20 PM
To: Shovers, Marc
Cc: Zavos, Nicholas; Ulrich, Wendy
Subject: Jt. Legislative Council Committee on Labor Shortage: Drafting Request

Marc:

As we discussed earlier, here are the copies of the two drafts introduced by the Joint Legislative Council. Now that I think about it, you may not be involved in the drafting of any of these, but I thank you for your willingness to parcel them out to the appropriate people at the LRB anyway. Much of WLC:0150/1 are based on current or prior drafts from the LRB so hopefully they should be in good shape. They should be introduced as companion bills/resolutions in each house, by the Joint Legislative Council. Nick Zavos and I are the lead people over here on the bills and can be contacted about any questions you may have. These are, of course, superpriority drafts that we can't live without for more than a couple of weeks.....Seriously, though, your prompt attention would be appreciated. I have a feeling some of this may be showing up as budget amendments over the summer.

Again, thanks for your help. Let me know if you need hard copies. If you have questions, please let me know.

<< File: 01351 (2).pdf >> << File: 01501 (2).pdf >>

Bob Conlin

Sr. Staff Attorney
Wisconsin Legislative Council Staff
(608) 266-2298

1 **AN ACT** to renumber and amend 49.185 (2), 49.185 (3) (j) and 343.10 (6), to amend
2 20.445 (3) (md), 49.1475, 49.185 (3) (g), 49.185 (3) (i), 71.05 (6) (a) 15., 71.08 (1)
3 (intro.), 71.21 (4), 71.26 (2) (a), 71.28 (1dx) (b) 1., 71.34 (1) (g), 71.45 (2) (a) 10.
4 and 77.92 (4); and to create 15.227 (14), 20.235 (1) (cm), 20.292 (1) (kd), 20.445 (1)
5 (d), 36.11 (1) (cg), 38.14 (2) (e), 38.34, 39.393, 49.175 (1) (zp), 71.07 (5d), 71.07
6 (5r), 71.07 (5v), 71.10 (4) (cd), 71.10 (4) (cp), 71.10 (4) (k), 71.28 (1dx) (b) 1m.,
7 71.28 (1dx) (f), 71.28 (5d), 71.28 (5r), 71.28 (5v), 71.30 (3) (dg), 71.30 (3) (dm),
8 71.30 (3) (g), 71.47 (5d), 71.47 (5r), 71.47 (5v), 71.49 (1) (dg), 71.49 (1) (dm), 71.49
9 (1) (g), 103.0052, 103.0055, 106.01 (11), 106.01 (12), 106.01 (13), 106.18, 119.16
10 (11), 120.13 (25m), 343.10 (6) (b) and 560.27 of the statutes; relating to: special
11 labor-related reports, training and education tax incentives, training and education
12 programs, granting rule-making authority and making an appropriation.

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This draft was prepared for the joint legislative council's special committee on labor shortage. This draft makes numerous changes to current law in a variety of subject matters. Among other things, the draft does the following:

SPECIAL LABOR-RELATED REPORTS

Labor Day Report

The draft requires the department of workforce development (DWD) to prepare an annual report on the labor shortage in Wisconsin. The report must identify critical labor shortage areas by occupation, region, gender and race. The report must also identify potential solutions for the labor shortage. Copies of the report must be submitted to the appropriate standing committees of the legislature and to workforce development organizations throughout the state.

Department of Corrections Study

This draft requires the department of corrections to report on the availability and effectiveness of programs that provide drug and alcohol abuse treatment, instruction in basic skills such as reading and math, and job skills training. The report must include an analysis of the enrollment in and access to these programs by race compared with the racial composition of the prison population as a whole. The report must also include suggestions for programs that would help prisoners and ex-offenders to enter the workforce.

Tax Study

The draft requires the department of revenue, in cooperation with the DWD, to study and report on current workforce development-related tax incentives and to make recommendations on the state's tax laws to help ensure that the state is able to attract, develop and retain a highly skilled, highly trained workforce. In developing the report, groups representing employers, employees, taxpayers and other appropriate groups must be consulted. The report must also consider similar tax incentives in other states.

Student Loan Forgiveness Study

The draft requires the higher educational aids board, by January 1, 2002, to study and report on the cost, desirability, and effectiveness of creating a student loan forgiveness program to attract workers to the state.

Jobs Skills Training Program Report

This draft requires the DWD to collect information concerning the availability of basic job skills training programs in the state and periodically prepare reports identifying those programs for distribution to regional workforce development organizations, job centers and other appropriate organizations. To the extent practicable, the report must identify available training programs by region.

TAX INCENTIVES**Productivity Enhancement Training Tax Credit**

This draft provides a nonrefundable business tax credit for expenses incurred by a business to provide certain training to the business's employees. The credit equals 100% of the business's certified training expenses, up to a maximum of \$7,500 per year. Eligible training expenses include up to \$2,000 incurred for pre-training assessment and consultation services. The credit may not be claimed for amounts deducted by the business under the Internal Revenue Code as ordinary and necessary business expenses. Unused credits may be carried

forward for up to 15 years. Under the draft, sole proprietorships, corporations and insurers may claim the credit. Partnerships, limited liability companies and tax option corporations compute the credit but pass it on to the partners, members and shareholders in proportion to their ownership interests.

The purpose of the credit is to encourage businesses to provide training to their employees to improve productivity and to promote, and provide workers for, high-skill and high-wage jobs.

To qualify for the credit, the department of commerce must certify the business's productivity enhancement training expenses. To be eligible to have its expenses certified, the business must submit to the department of commerce a productivity enhancement training plan designed to: (1) increase employee productivity; and (2) result in employees holding jobs in the business that require higher degrees of skill to perform and that pay higher wages than their current jobs. In addition, the business must receive pre-training needs assessment and consultation from an experienced provider of productivity assessments, as approved by the department of commerce. Finally, the business must submit an accounting of its productivity enhancement training expenses so that the department of commerce may determine if the expenses were incurred under the training plan.

Each business that has its expenses certified and that claims the tax credit must report to the department of commerce, by March 1 of the year the business receives the certification, on the results of its productivity enhancement training and on its success in meeting the goals established in its productivity enhancement training plan. The department is required to report to the legislature by December 1 annually on the effectiveness of the program.

The tax credit is available for taxable years beginning on or after January 1, 2001. No business may be certified for tax credits for any taxable year beginning after December 31, 2009.

Apprenticeship Tax Credit

This draft creates an income tax and franchise tax credit for an employer that pays wages to an apprentice who is participating in a two-year to five-year apprenticeship program in which the apprentice is receiving instruction leading to qualification as a skilled journeyman in any industrial manufacturing trade, any private sector service occupation, or certain construction trades. The amount of the credit is 5% of the wages that are paid to an apprentice in a taxable year, but cannot exceed \$1,400, except that, in the taxable year in which the apprentice completes the apprenticeship program, the amount of the credit is 8% of the wages that

are paid to an apprentice, but cannot exceed \$3,000. An employer will not receive the credit unless the employer enters into an agreement with the DWD permitting DWD to post on DWD's Internet site the employer's name and address and the number of apprentices and journeymen that the employer employs during the year. Generally, no employer may claim the credit for taxable years beginning after December 31, 2004, if the number of employers training apprentices does not increase by more than 40% from January 1, 2002, to December 31, 2004.

Education Tax Credit

This draft creates an income tax and franchise tax credit for businesses that pay tuition for an individual to attend a university, college, or technical college. Sole proprietorships, corporations, and insurers may claim the credit. Partnerships, limited liability companies, and tax-option corporations compute the credit but pass it on to the partners, members, and shareholders in proportion to their ownership interests. The credit is an amount equal to: (1) 50% of the tuition paid by a business for an individual to attend school in a taxable year, if the individual is enrolled in a degree-granting program; and (2) 75% of the tuition paid by a business for an individual to attend school in a taxable year, if the individual is enrolled in a degree-granting program and if the individual's taxable income is not more than 185% of the federal poverty line. If the credit claimed by a business exceeds the business's tax liability, the state will not issue a refund check, but the business may carry forward any remaining credit to subsequent taxable years.

Development Zone Tax Credits

Under current law, a person may claim an income tax credit for up to 50% of the person's environmental remediation expenses incurred in a development zone. Under current law, the credit may not be transferred between persons, and a municipality or nonprofit organization that engages in remedial remediation activities in a development zone may not claim a credit.

This draft provides that any person eligible to claim a credit for remediation expenses incurred in a development zone may transfer the right to claim the credit to any other person subject to taxation in this state. In addition, the draft provides that a person may claim a credit for 50% of the amount expended by a municipality or a tax-exempt or nonprofit organization for environmental remediation in a development zone, if the municipality or organization has entered into an exclusive written agreement with the person claiming the credit. The draft requires

the department of revenue to promulgate rules implementing the credit transfer provisions.

TRAINING AND EDUCATION

Job Training Access Policies

The draft requires every public educational institution in the state to have a policy on providing access to their facilities to local organizations and businesses for the purpose of employment-related training. If it allows for such access, the policy shall set a reasonable cost. The policy may allow access based on the availability of space and the appropriateness of the training and only insofar as access would be consistent with the institution's mission.

Advanced Journeyworker Pilot Program

The draft permits the DWD to establish an advanced journeyworker credential pilot program in up to three trades, crafts or businesses to recognize advanced training and postapprenticeship achievements. In selecting the trades, crafts or businesses to be included in the program, the department must seek to maximize participation in the program of persons who are considered to be members of a minority group under s. 560.036 (1) (f). The draft requires DWD to submit to the legislature, by July 1, 2004, an evaluation of the effectiveness of the program.

The draft appropriates \$160,000 in fiscal year 2001-02 and \$120,000 in fiscal year 2002-03 and authorizes one additional full-time equivalent position for the implementation and program development of the program.

Workforce Diversity Grant Program

The draft creates a workforce diversity grant program administered by the DWD. Under the program, local, nonprofit organizations which offer diversity training, basic employment skills development or instruction in English as a second language to employees and to those seeking employment may qualify for grants.

To qualify for a grant, a local, nonprofit organization must meet at least one of the following criteria:

- (1) Be comprised of private sector employers and local government units or agencies and be assisting local employers meet their workforce needs.
- (2) Be assisting ex-offenders, whether employed or not, strengthen or develop employment skills and make or ease the transition from incarceration to work.

(3) Be assisting members of the following groups, whether employed or not, prepare for, or gain, entry into the skilled trades: (a) persons eligible for W-2; (b) military veterans; (c) ex-offenders; (d) persons eligible for food stamps; and (e) members of a racial or ethnic minority group.

The department must attempt to award grants to eligible organizations from different geographic regions of the state. The draft appropriates \$120,000 for the grants and limits any grant to any given organization to \$30,000.

Applications for the grants must be received by December 1, 2001 and grants must be awarded by January 1, 2002.

The draft requires the department, by September 1, 2002, to report on the grant program, including the uses made of the grants. The report must recommend whether the program should be funded in the next biennium and, if it recommends continued funding, must recommend an appropriate funding level and any changes that should be made to the program.

Job Retention Skills Development Program

This draft requires each technical college district board to make available, and offer at a frequency based upon demand in the district, a job retention skills development program to assist employers to retain new employees, build the job skill levels of those employees and assist those employees to attain higher wages and long-term careers. To the extent practicable, the program must be provided at employment sites.

The program must emphasize job retention skills development for employees with incomes at or below 200% of the federal poverty line who are current or former recipients of public assistance, employees in the first six months of employment with their employer and entry-level employees.

In supervising and establishing minimum requirements for the program, the state technical college system (board) must consult with employers, technical college district boards, W-2 agencies, local units of government and labor organizations. The program must include elements relating to the skills needed to show up for work on time, to work effectively in a team, to communicate with supervisors and coworkers and to solve basic job-related personal and interpersonal problems.

The draft requires the board, in consultation with employers, district boards and DWD, to develop standards to assess the job retention and skills competencies of participants before and after participation in the program. The program sunsets on December 31, 2004.

Further, the draft requires technical college district boards to assist employers in providing ongoing job retention skills development and reinforcement activities in the work place. The draft also allows district boards to charge employers a fee for the program and services offered to employers. Under the draft, \$200,000 of federal temporary assistance for needy families block grant funds is used to implement the program.

The draft also requires W-2 agencies to coordinate case management services that are provided to W-2 participants in unsubsidized employment with the job retention skills development program.

Nursing Student Loan Forgiveness Program

The draft directs the higher education aids board to establish a loan and loan forgiveness program for persons pursuing an associate's degree in nursing, a bachelor's degree in nursing, a diploma in nursing or who is enrolled in a second degree program that will make the person eligible to take the nursing licensure examination. To the extent possible, the loans must be directed towards persons who are likely to work in the nursing profession in Wisconsin upon completion of their program and who demonstrate a financial need for the loan. Priority for the loans must be given to persons who are members of a minority group and who reside in urban areas of this state with unemployment rates higher than the state average.

The maximum amount of a loan that may be awarded under the program is set at \$3,000 and the total amount a person may receive is \$15,000. A loan recipient is not required to repay the loan while enrolled in a nursing program.

After the recipient has completed the nursing program, the board is required to forgive 25% of the loan's principal and interest for the first fiscal year that the recipient is licensed and employed full-time in Wisconsin as a nurse. Similarly, the board must forgive 25% of the loan's principal and interest for the second fiscal year and 50% for the third fiscal year. The board is authorized to forgive loans on a prorated basis for recipients employed less than full-time.

The board is required to promulgate rules to administer the program.

The draft appropriates \$450,000 in fiscal year 2002-03 for the purpose of making loans under the program.

Preapprenticeship Basic Skills Training

The draft also directs DWD to contract with an organization of employees, an association of employers, or some other similar responsible agency in this state (organization) to provide

preapprenticeship basic skills training grants of up to \$500 to persons whose family income does not exceed 165% of the federal poverty line and who have previously failed a test for placement in an apprenticeship program providing instruction in an industrial manufacturing trade, a private sector service occupation, or certain construction trades, but who wish to participate in such a program. A person who receives a preapprenticeship basic skills training grant may use the grant moneys received to pay for the costs of tuition, fees, books, supplies, and materials, and for any other direct training costs, required to attend a preapprenticeship basic skills training program provided by an organization, a technical college, or a proprietary school approved by the educational approval board.

Employment Skills Advancement Program

Under current law, the DWD awards grants of up to \$500 to eligible individuals for the costs of tuition, books, transportation, or other direct costs of training or education in a vocational or educational program. As a condition of eligibility for a grant, an individual's income may not exceed 165% of the federal poverty line and the individual must contribute matching funds equal to the amount of the grant that he or she receives. Finally, under current law, the total amount of all grants awarded to an individual may not exceed \$500.

This draft increases the maximum income level for eligibility for an employment skills advancement grant to 185% of the federal poverty line and reduces the amount of matching funds that an individual is required to contribute to 50% of the amount of the grant that an individual receives. Also, the draft increases the maximum amount of all grants that an individual may receive to \$1,000.

Finally, the draft directs the DWD to study and report, by January 1, 2002, on ways to encourage employers to contribute matching funds to individuals eligible to receive an employment skills advancement grant. The report must include a consideration of the desirability and effectiveness of offering tax incentives to employers to do so.

OTHER

Occupational Driver's License Fee

Prior to passage of 1999 Wisconsin Act 9, the biennial budget act, a person could have his or her driver's operating privileges suspended for failing to pay a judgment for an ordinance violation unrelated to the person's operation of a motor vehicle. Although Act 9 repealed this authority, it did not restore operating privileges to those who had their licenses suspended prior to Act 9. Generally, under current law, a person

who has had his or her operating privileges suspended may apply for an occupational license. The fee for such a license is \$40.

This draft reduces the fee for an occupational license to \$10 for persons whose operating privileges were suspended solely for failure to pay a judgment based on an ordinance violation unrelated to the person's operation of a motor vehicle.

Apprenticeship Marketing Program

The draft requires DWD to conduct apprenticeship marketing activities, including the development and provision of promotional materials directed at encouraging employers to hire apprentices, educating high school career counselors on careers available in the skilled trades, encouraging the youth of this state to consider a career in the skilled trades, and otherwise promoting the availability and benefits of careers in the skilled trades. The draft requires DWD to solicit contributions from private sources to assist in the provision of those promotional materials and to seek the advice of and consult with the apprenticeship marketing council created by the draft regarding the administration of those apprenticeship marketing activities.

1 **SECTION 1.** 15.227 (14) of the statutes is created to read:

2 **15.227 (14) APPRENTICESHIP MARKETING COUNCIL.** There is created in the department
3 of workforce development an apprenticeship marketing council appointed by the secretary of
4 workforce development. The council shall consist of 4 members appointed for 3-year terms
5 who represent the interests of employees, 4 members appointed for 3-year terms who
6 represent the interests of employers, and 2 employees of the department of workforce
7 development to serve at the pleasure of the secretary.

8 **SECTION 2.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the
9 following amounts for the purposes indicated:

	2001-02	2002-03
10		
11	20.235 Higher educational aids board	
12	(1) STUDENT SUPPORT ACTIVITIES	

				2001-02	2002-03
1	(cm)	Nursing degree loan program	GPR A	-0-	\$450,000
2				2001-02	2002-03

3 **20.445 Workforce development, department of**

4 (1) WORKFORCE DEVELOPMENT

5 (d) Workplace diversity grant program GPR-A \$120,000 -0-

6 **SECTION 3.** 20.235 (1) (cm) of the statutes is created to read:

7 20.235 (1) (cm) *Nursing degree loan program.* The amounts in the schedule for the
8 nursing degree loan program under s. 39.393.

9 **SECTION 4.** 20.292 (1) (kd) of the statutes is created to read:

10 20.292 (1) (kd) *Job retention skills development programs.* All moneys transferred
11 from the appropriation account under s. 20.445 (3) (md) for job retention skills development
12 programs. No moneys may be encumbered from this appropriation after June 30, 2003.

13 **SECTION 5.** 20.445 (1) (d) of the statutes is created to read:

14 **20.445 (1) (d)** *Workforce diversity grant program.* The amounts in the schedule for
15 workplace diversity grants under s. 103.0055. No moneys may be encumbered under this
16 paragraph after June 30, 2002.

17 **SECTION 6.** 20.445 (3) (md) of the statutes is amended to read:

18 20.445 (3) (md) *Federal block grant aids.* The amounts in the schedule, less the
19 amounts withheld under s. 49.143 (3), for aids to individuals or organizations and to be
20 transferred to the appropriation accounts under sub. (7) (kc) and ss. 20.255 (2) (kh) and (kp),
21 20.292 (1) (kd), 20.433 (1) (k), 20.434 (1) (kp) and (ky), 20.435 (3) (kc), (kd), (km) and (ky),
22 (5) (ky), (7) (kw) and (ky) and (8) (kx), 20.465 (4) (k) and 20.835 (2) (kf). All block grant

1 moneys received for these purposes from the federal government or any of its agencies and
2 all moneys recovered under s. 49.143 (3) shall be credited to this appropriation account.

3 **SECTION 7.** 36.11 (1) (cg) of the statutes is created to read:

4 36.11 (1) (cg) The board shall assure that each institution and college campus establishes
5 a written policy as to whether local organizations and businesses shall be allowed to use
6 classrooms and facilities for employment-related training. The policy may condition access
7 on payment of a reasonable fee, the availability of space, and the appropriateness of the
8 training. The policy may limit access to activities that are consistent with the institution's
9 mission.

10 **SECTION 8.** 38.14 (2) (e) of the statutes is created to read:

11 38.14 (2) (e) Each district board shall establish a written policy as to whether local
12 organizations and businesses shall be allowed to use classrooms and facilities for
13 employment-related training. The policy may condition access on payment of a reasonable
14 fee, the availability of space, and the appropriateness of the training. The policy may limit
15 access to activities that are consistent with the institution's mission.

16 **SECTION 9.** 38.34 of the statutes is created to read:

17 **38.34 Job retention skills development programs.** (1) Each district board shall make
18 available, and shall offer at a frequency based upon demand in the district, a job retention skills
19 development program in order to assist employers to retain new employees, build job skill
20 levels of those employees and assist those employees in attaining higher wages and long-term
21 careers. To the extent practicable, the district board shall offer the program at employment
22 sites. The program shall emphasize job retention skills development for employees with gross
23 incomes at or below 200% of the poverty line, as defined in s. 49.001 (5), who are any of the
24 following:

1 (a) Current or former recipients of public assistance, including participants in W-2
2 employment positions under s. 49.147.

3 (b) employees within the first 6 months of employment with their employer.

4 (c) Entry-level employees.

5 (2) The program shall provide training in all of the following skills:

6 (a) Skills needed to achieve punctuality and consistency in attendance at employment.

7 (b) Skills needed to effectively work in a team.

8 (c) Skills needed to effectively communicate with supervisors and coworkers.

9 (d) Skills needed to solve basic workplace-related personal and interpersonal
10 problems.

11 (3) (a) The board shall supervise, and establish minimum requirements for, the
12 program. Except as provided in sub. (2), the board shall determine the length and content of
13 the program after consultation with employers, district boards, W-2 agencies, local units of
14 government and labor organizations.

15 (b) In consultation with employers, district boards and the department of workforce
16 development, the board shall develop standards for assessing the job retention skills, including
17 the skills specified in sub. (2), of employees before and after their participation in the program.

18 (4) (a) To the extent practicable, the district board shall assist employers in providing
19 ongoing job retention skills development and reinforcement activities in the workplace.

20 (b) The district board may charge employers a fee for the program and services offered
21 under this section.

22 (5) This section does not apply after December 31, 2004.

23 **SECTION 10.** 39.393 of the statutes is created to read:

1 **39.393 Nursing degree loan program. (1)** The board shall establish a loan program
2 to defray the cost of tuition, fees and expenses for persons enrolled in a program in this state
3 that leads to any of the following:

4 (a) An associate's degree in nursing.

5 (b) A bachelor's degree in nursing.

6 (c) A 2nd degree program that will make the person eligible to sit for examination under
7 s. 441.04 or 441.10.

8 (d) A program leading to a diploma in nursing.

9 **(2)** (a) To the extent possible, loans shall be given to persons who are likely to work in
10 the nursing profession in this state upon completion of the program under sub. (1) and who
11 show a financial need for the aid.

12 (b) In making loans under this section, the board shall give priority to persons who are
13 considered members of a minority group under s. 560.036 (1) (f) and who reside in urban areas
14 of this state with unemployment rates higher than the state average.

15 (c) The board shall make loans under this section from the appropriation under s. 20.235
16 (1) (cm). The maximum amount of loan for a person during any fiscal year is \$3,000. The
17 maximum a person may receive under this section is \$15,000. The terms of the loan shall
18 provide that a loan recipient is not required to repay the loan while the recipient is enrolled
19 in a program described in sub. (1).

20 **(3)** (a) After the recipient of a loan under sub. (1) has completed the program described
21 in sub. (1), the board shall forgive 25% of the loan's principal and interest for the first fiscal
22 year, 25% of the loan's principal and interest for the 2nd fiscal year and 50% of the loan's
23 principal and interest for the 3rd fiscal year that the recipient is licensed and employed full time

1 in this state as a nurse. The board may forgive loans on a prorated basis for persons employed
2 less than full time.

3 (b) The board shall promulgate rules to administer this section.

4 **SECTION 11.** 49.1475 of the statutes is amended to read:

5 **49.1475 Follow-up services.** Following any follow-up period required by the contract
6 entered into under s. 49.143, a Wisconsin works agency may provide case management
7 services for an individual who moves from a Wisconsin works employment position to
8 unsubsidized employment to help the individual retain the unsubsidized employment. Case
9 management services may include the provision of employment skills training; English as a
10 2nd language classes, if the Wisconsin works agency determines that the course will facilitate
11 the individual's efforts to retain employment; a course of study meeting the standards
12 established under s. 115.29 (4) for the granting of a declaration of equivalency of high school
13 graduation; or other remedial education courses. A Wisconsin works agency shall coordinate
14 case management services with a program offered by a technical college under s. 38.34. The
15 Wisconsin works agency may provide case management services regardless of the
16 individual's income and asset levels.

17 **SECTION 12.** 49.175 (1) (zp) of the statutes is created to read:

18 **49.175 (1) (zp) Job retention skills development programs.** For the transfer of moneys
19 to the technical college system board for implementation costs for job retention skills
20 development programs under s. 38.34, \$200,000 in fiscal year 2001-02.

21 **SECTION 13.** 49.185 (2) of the statutes is renumbered 49.185 (2) (a) and amended to
22 read:

23 **49.185 (2) (a) -A- Subject to par. (b),** a person contracting with the department under
24 sub. (4) may make an employment skills advancement grant of up to \$500 \$1,000 to an

1 individual eligible under sub. (3) for tuition, books, transportation or other direct costs of
2 training or education in a vocational training or education program.

3 **SECTION 14.** 49.185 (3) (g) of the statutes is amended to read:

4 49.185 (3) (g) The income of the individual's family does not exceed ~~165%~~ 185% of
5 the poverty line.

6 **SECTION 15.** 49.185 (3) (i) of the statutes is amended to read:

7 49.185 (3) (i) The individual contributes, or obtains from other sources, an amount at
8 least equal to 50% of the amount of the grant, for tuition, books, transportation or other direct
9 costs of the training or education.

10 **SECTION 16.** 49.185 (3) (j) of the statutes is renumbered 49.185 (2) (b) and amended
11 to read:

12 49.185 (2) (b) The ~~total amount of the grant plus the amount of any grant that that~~
13 ~~individual has previously received~~ all grants awarded to an individual under this section does
14 may not exceed \$500 \$1,000.

15 **SECTION 17.** 71.05 (6) (a) 15. of the statutes is amended to read:

16 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de), (2di),
17 (2dj), (2dL), (2dr), (2ds), (2dx) ~~and~~, (3s), (5d), (5r) and (5v) not passed through by a
18 partnership, limited liability company or tax-option corporation that has added that amount
19 to the partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or
20 71.34 (1) (g).

21 **SECTION 18.** 71.07 (5d) of the statutes is created to read:

22 71.07 (5d) INDUSTRIAL, SERVICE, AND SKILLED TRADES APPRENTICESHIP CREDIT. (a) In this
23 subsection:

1 1. "Apprentice" means a person who participates in a 2-year to 5-year apprenticeship
2 program, as determined and approved by the department, in which the person receives
3 instruction leading to qualification as a skilled journeyman in any industrial manufacturing
4 trade or private sector service occupation or receives instruction in the construction trades
5 leading to qualification as a skilled journeyman carpenter, including a floor coverer,
6 millwright, or pile driver; laborer; ironworker; or painter, including a taper.

7 2. "Claimant" means a person who files a claim under this subsection and who is a trades
8 trainer, as determined and approved by the department.

9 3 "Department" means the department of workforce development.

10 (b) Subject to the limitations provided in this subsection, a claimant may claim as a
11 credit against the taxes imposed under s. 71.02 an amount that is equal to 5% of the wages that
12 the claimant paid to an apprentice in the taxable year, but not to exceed \$1,400, except that
13 a claimant may claim as a credit against the taxes imposed under s. 71.02 an amount that is
14 equal to 8% of the wages that the claimant paid to an apprentice in the taxable year in which
15 the apprentice completes an apprenticeship program, but not to exceed \$3,000.

16 (c) No claimant may receive a credit under this subsection unless the claimant enters
17 into an agreement with the department permitting the department to post on the department's
18 Internet site the claimant's name and address and the number of apprentices and journeymen
19 employed by the claimant during the calendar year.

20 (d) This subsection does not apply to taxable years that begin after December 31, 2004,
21 if the number of employers training apprentices in department-approved programs does not
22 increase by more than 40% from January 1, 2002, to December 31, 2004, as determined by
23 the department, except that a claimant who has claimed a credit for an apprentice's wages in
24 any taxable year beginning before January 1, 2005, may continue to claim a credit for the

1 apprentice's wages in succeeding taxable years, until the apprentice completes the
2 apprenticeship program. As soon as practicable after December 31, 2004, the department
3 shall certify to the department of revenue the number of employers training apprentices in
4 approved programs on January 1, 2002, and the number of employers training apprentices in
5 approved programs on December 31, 2004.

6 (e) The carry-over provisions of s. 71.28 (4) (e) and (f), as they apply to the credit under
7 s. 71.28 (4), apply to the credit under this subsection.

8 (f) Partnerships, limited liability companies, and tax-option corporations may not
9 claim the credit under this subsection, but the eligibility for, and the amount of, the credit are
10 based on their payment of wages under par. (b). A partnership, limited liability company, or
11 tax-option corporation shall compute the amount of credit that each of its partners, members,
12 or shareholders may claim and shall provide that information to each of them. Partners,
13 members of limited liability companies, and shareholders of tax-option corporations may
14 claim the credit in proportion to their ownership interests.

15 (g) Section 71.28 (4) (g) and (h), as it applies to the credit under s. 71.28 (4), applies
16 to the credit under this subsection.

17 **SECTION 19.** 71.07 (5r) of the statutes is created to read:

18 **71.07 (5r) EDUCATION CREDIT.** (a) In this subsection:

19 1. "Claimant" means a sole proprietor, a partner, a member of a limited liability
20 company, or a shareholder of a tax-option corporation who files a claim under this subsection.

21 2. "Degree-granting program" means an educational program for which an associate,
22 a bachelor's, or a graduate degree is awarded upon successful completion.

23 3. "Family member" has the meaning given in s. 157.061 (7).

1 4. "Managing employee" means an individual who wholly or partially exercises
2 operational or managerial control over, or who directly or indirectly conducts, the operation
3 of the claimant's business.

4 5. "Poverty line" has the meaning given under s. 49.001 (5).

5 6. "Qualified postsecondary institution" means all of the following:

6 a. A University of Wisconsin System institution, a technical college system institution,
7 or a regionally accredited 4-year nonprofit college or university having its regional
8 headquarters and principal place of business in this state.

9 b. A school approved under s. 45.54, if the school has a physical presence, and the
10 delivery of education occurs, in this state.

11 (b) Subject to the limitations provided in this subsection, a claimant may claim as a
12 credit against the tax imposed under s. 71.02 an amount equal to the following:

13 1. Fifty percent of the tuition that the claimant paid or incurred during the taxable year
14 for an individual to participate in an education program of a qualified postsecondary
15 institution, if the individual was enrolled in a degree-granting program.

16 2. Seventy five percent of the tuition that the claimant paid or incurred during the
17 taxable year for an individual to participate in an education program of a qualified
18 postsecondary institution, if the individual was enrolled in a degree-granting program and if
19 the individual's taxable income in the year prior to commencing participation in the education
20 program in connection with which a credit is claimed is not more than 185% of the poverty
21 line.

22 (c) A claimant may not claim the credit under par. (b) for any tuition amounts that the
23 claimant excluded under s. 71.05 (6) (b) 28. or under section 127 of the Internal Revenue Code.

1 (cm) A claimant may not claim the credit under par. (b) for any tuition amounts that the
2 claimant paid or incurred for a family member of the claimant or for a family member of a
3 managing employee unless all of the following apply:

4 1. The family member was employed an average of at least 20 hours a week as an
5 employee of the claimant, or the claimant's business, during the one-year period prior to
6 commencing participation in the education program in connection with which the claimant
7 claims a credit under par. (b).

8 2. The family member is enrolled in a degree-granting program that is substantially
9 related to the claimant's business.

10 3. The family member is making satisfactory progress towards completing the
11 degree-granting program under subd. 2.

12 (d) The carry-over provisions of s. 71.28 (4) (e) and (f), as they apply to the credit under
13 s. 71.28 (4), apply to the credit under this subsection.

14 (e) Partnerships, limited liability companies, and tax-option corporations may not
15 claim the credit under this subsection, but the eligibility for, and the amount of, the credit are
16 based on their payment of tuition under par. (b). A partnership, limited liability company, or
17 tax-option corporation shall compute the amount of credit that each of its partners, members,
18 or shareholders may claim and shall provide that information to each of them. Partners,
19 members of limited liability companies, and shareholders of tax-option corporations may
20 claim the credit in proportion to their ownership interest.

21 (f) Section 71.28 (4) (g) and (h), as it applies to the credit under s. 71.28 (4), applies to
22 the credit under this subsection.

23 **SECTION 20.** 71.07 (5v) of the statutes is created to read:

1 71.07 (5v) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) In this subsection,
2 “productivity enhancement training expenses” has the meaning given in s. 560.27 (1).

3 (b) Any partner, member of a limited liability company or a shareholder of a tax-option
4 corporation may claim as a credit against taxes otherwise due under s. 71.02 an amount that
5 is equal to 100% of the amount of the partner’s, member’s or shareholder’s productivity
6 enhancement training expenses certified by the department of commerce under s. 560.27 in
7 the tax year for which the expenses are certified, but that is not to exceed \$7,500.

8 (c) The carry forward provisions of s. 71.28 (5v) (c) and (f) as they apply to the credit
9 under s. 71.28 (5v) apply to the credit under this subsection.

10 (d) A partner, member of a limited liability company or a shareholder of a tax-option
11 corporation may not claim the credit under par. (b) for any productivity enhancement training
12 expenses that the partner, member or shareholder deducted from gross income for Wisconsin
13 tax purposes under section 162 of the Internal Revenue Code.

14 (e) Partnerships, limited liability companies and tax-option corporations may not claim
15 the credit under this subsection, but the eligibility for, and the amount of, the credit are based
16 on their productivity enhancement training expenses certified under s. 560.27. A partnership,
17 limited liability company or tax-option corporation shall compute the amount of credit that
18 each of its partners, members or shareholders may claim and shall provide that information
19 to each of them. Partners, members of limited liability companies and shareholders of
20 tax-option corporations may claim the credit in proportion to their ownership interest.

21 (f) No credit may be taken under this subsection for taxable years beginning after
22 December 31, 2009.

23 **SECTION 21.** 71.08 (1) (intro.) of the statutes is amended to read:

1 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married couple
2 filing jointly, trust or estate under s. 71.02, not considering the credits under ss. 71.07 (1),
3 (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (6) and (9e), 71.28 (1dd),
4 (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) ~~and~~ (3) and (5v) and 71.47 (1dd), (1de),
5 (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) ~~and~~ (3) and (5v) and subchs. VIII and IX and
6 payments to other states under s. 71.07 (7), is less than the tax under this section, there is
7 imposed on that natural person, married couple filing jointly, trust or estate, instead of the tax
8 under s. 71.02, an alternative minimum tax computed as follows:

9 **SECTION 22.** 71.10 (4) (cd) of the statutes is created to read:

10 71.10 (4) (cd) The education credit under s. 71.07 (5r).

11 **SECTION 23.** 71.10 (4) (cp) of the statutes is created to read:

12 71.10 (4) (cp) The industrial, service, and skilled trades apprenticeship credit under s.
13 71.07 (5d).

14 **SECTION 24.** 71.10 (4) (k) of the statutes is created to read:

15 71.10 (4) (k) Productivity enhancement training credit under s. 71.07 (5v).

16 **SECTION 25.** 71.21 (4) of the statutes is amended to read:

17 71.21 (4) Credits computed by a partnership under s. 71.07 (2dd), (2de), (2di), (2dj),
18 (2dL), (2ds), (2dx) ~~and~~ (3s), (5r) and (5v) and passed through to partners shall be added to
19 the partnership's income.

20 **SECTION 26.** 71.26 (2) (a) of the statutes is amended to read:

21 71.26 (2) (a) *Corporations in general.* The "net income" of a corporation means the
22 gross income as computed under the ~~internal revenue code~~ Internal Revenue Code as modified
23 under sub. (3) minus the amount of recapture under s. 71.28 (1di) plus the amount of credit
24 computed under s. 71.28 (1) and (3) to (5) plus the amount of the credit computed under s.

1 71.28 (1dd), (1dc), (1di), (1dj), (1dL), (1ds) ~~and~~, (1dx), (5d), (5r) and (5v) and not passed
2 through by a partnership, limited liability company or tax-option corporation that has added
3 that amount to the partnership's, limited liability company's or tax-option corporation's
4 income under s. 71.21 (4) or 71.34 (1) (g) plus the amount of losses from the sale or other
5 disposition of assets the gain from which would be wholly exempt income, as defined in sub.
6 (3) (L), if the assets were sold or otherwise disposed of at a gain and minus deductions, as
7 computed under the ~~internal revenue code~~ Internal Revenue Code as modified under sub. (3),
8 plus or minus, as appropriate, an amount equal to the difference between the federal basis and
9 Wisconsin basis of any asset sold, exchanged, abandoned, or otherwise disposed of in a taxable
10 transaction during the taxable year, except as provided in par. (b) and s. 71.45 (2) and (5).

11 **SECTION 27.** 71.28 (1dx) (b) 1. of the statutes is amended to read:

12 71.28 (1dx) (b) 1. Fifty percent of the amount expended by the person for environmental
13 remediation in a development zone.

14 **SECTION 28.** 71.28 (1dx) (b) 1m. of the statutes is created to read:

15 71.28 (1dx) (b) 1m. Fifty percent of the amount expended by a municipality, as defined
16 in s. 292.01 (11), or an organization that is exempt from federal income taxation under section
17 501 (c) (3) of the Internal Revenue Code for environmental remediation in a development
18 zone, if the municipality or organization has entered into an exclusive written agreement with
19 the person claiming the credit that approves of the person claiming the credit based on the
20 expenditures of the municipality or organization. The department shall promulgate rules to
21 implement this subdivision.

22 **SECTION 29.** 71.28 (1dx) (f) of the statutes is created to read:

23 71.28 (1dx) (f) *Transfer of credits.* Any person who is eligible to claim credit under
24 par. (b) 1. may transfer the right to claim the credit under par. (b) 1. to any other person who

1 is subject to taxation under this chapter. The department shall promulgate rules to implement
2 this paragraph.

3 **SECTION 30.** 71.28 (5d) of the statutes is created to read:

4 **71.28 (5d) INDUSTRIAL, SERVICE, AND SKILLED TRADES APPRENTICESHIP CREDIT.** (a) In this
5 subsection:

6 1. "Apprentice" means a person who participates in a 2-year to 5-year apprenticeship
7 program, as determined and approved by the department, in which the person receives
8 instruction leading to qualification as a skilled journeyman in any industrial manufacturing
9 trade or private sector service occupation or receives instruction in the construction trades
10 leading to qualification as a skilled journeyman carpenter, including a floor coverer,
11 millwright, or pile driver; laborer; ironworker; or painter, including a taper.

12 2. "Claimant" means a person who files a claim under this subsection and who is a trades
13 trainer, as determined and approved by the department.

14 3 "Department" means the department of workforce development.

15 (b) Subject to the limitations provided in this subsection, a claimant may claim as a
16 credit against the taxes imposed under s. 71.23 an amount that is equal to 5% of the wages that
17 the claimant paid to an apprentice in the taxable year, but not to exceed \$1,400, except that
18 a claimant may claim as a credit against the taxes imposed under s. 71.23 an amount that is
19 equal to 8% of the wages that the claimant paid to an apprentice in the taxable year in which
20 the apprentice completes an apprenticeship program, but not to exceed \$3,000.

21 (c) No claimant may receive a credit under this subsection unless the claimant enters
22 into an agreement with the department permitting the department to post on the department's
23 Internet site the claimant's name and address and the number of apprentices and journeymen
24 employed by the claimant during the calendar year.

1 (d) This subsection does not apply to taxable years that begin after December 31, 2004,
2 if the number of employers training apprentices in department-approved programs does not
3 increase by more than 40% from January 1, 2002, to December 31, 2004, as determined by
4 the department, except that a claimant who has claimed a credit for an apprentice's wages in
5 any taxable year beginning before January 1, 2005, may continue to claim a credit for the
6 apprentice's wages in succeeding taxable years, until the apprentice completes the
7 apprenticeship program. As soon as practicable after December 31, 2004, the department
8 shall certify to the department of revenue the number of employers training apprentices in
9 approved programs on January 1, 2002, and the number of employers training apprentices in
10 approved programs on December 31, 2004.

11 (e) The carry-over provisions of sub. (4) (e) and (f), as they apply to the credit under
12 sub. (4), apply to the credit under this subsection.

13 (f) Partnerships, limited liability companies, and tax-option corporations may not
14 claim the credit under this subsection, but the eligibility for, and the amount of, the credit are
15 based on their payment of wages under par. (b). A partnership, limited liability company, or
16 tax-option corporation shall compute the amount of credit that each of its partners, members,
17 or shareholders may claim and shall provide that information to each of them. Partners,
18 members of limited liability companies, and shareholders of tax-option corporations may
19 claim the credit in proportion to their ownership interests.

20 (g) Subsection (4) (g) and (h), as it applies to the credit under sub. (4), applies to the
21 credit under this subsection.

22 **SECTION 31.** 71.28 (5r) of the statutes is created to read:

23 **71.28 (5r) EDUCATION CREDIT.** (a) In this subsection:

24 1. "Claimant" means a corporation that files a claim under this subsection.

1 2. "Degree-granting program" means an education program for which an associate, a
2 bachelor's, or a graduate degree is awarded upon successful completion.

3 3. "Family member" has the meaning given in s. 157.061 (7).

4 4. "Managing employee" means an individual who wholly or partially exercises
5 operational or managerial control over, or who directly or indirectly conducts, the operation
6 of the claimant's business.

7 5. "Poverty line" has the meaning given under s. 49.001 (5).

8 6. "Qualified postsecondary institution" means all of the following:

9 a. A University of Wisconsin System institution, a technical college system institution,
10 or a regionally accredited 4-year nonprofit college or university having its regional
11 headquarters and principal place of business in this state.

12 b. A school approved under s. 45.54, if the school has a physical presence, and the
13 delivery of education occurs, in this state.

14 (b) Subject to the limitations provided in this subsection, a claimant may claim as a
15 credit against the tax imposed under s. 71.23 an amount equal to the following:

16 1. Fifty percent of the tuition that the claimant paid or incurred during the taxable year
17 for an individual to participate in an education program of a qualified postsecondary
18 institution, if the individual was enrolled in a degree-granting program.

19 2. Seventy five percent of the tuition that the claimant paid or incurred during the
20 taxable year for an individual to participate in an education program of a qualified
21 postsecondary institution, if the individual was enrolled in a degree-granting program and if
22 the individual's taxable income in the year prior to commencing participation in the education
23 program in connection with which a credit is claimed is not more than 185% of the poverty
24 line.

1 (c) A claimant may not claim the credit under par. (b) for any tuition amounts that the
2 claimant has excluded under section 127 of the Internal Revenue Code.

3 (cm) A claimant may not claim the credit under par. (b) for any tuition amounts that the
4 claimant paid or incurred for a family member of a managing employee unless all of the
5 following apply:

6 1. The family member was employed an average of at least 20 hours a week as an
7 employee of the claimant, or the claimant's business, during the one-year period prior to
8 commencing participation in the education program in connection with which the claimant
9 claims a credit under par. (b).

10 2. The family member is enrolled in a degree-granting program that is substantially
11 related to the claimant's business.

12 3. The family member is making satisfactory progress towards completing the
13 degree-granting program under subd. 2.

14 (d) The carry-over provisions of sub. (4) (e) and (f), as they apply to the credit under
15 sub. (4), apply to the credit under this subsection.

16 (e) Partnerships, limited liability companies, and tax-option corporations may not
17 claim the credit under this subsection, but the eligibility for, and the amount of, the credit are
18 based on their payment of tuition under par. (b). A partnership, limited liability company, or
19 tax-option corporation shall compute the amount of credit that each of its partners, members,
20 or shareholders may claim and shall provide that information to each of them. Partners,
21 members of limited liability companies, and shareholders of tax-option corporations may
22 claim the credit in proportion to their ownership interest.

23 (f) Subsection (4) (g) and (h), as it applies to the credit under sub. (4), applies to the
24 credit under this subsection.

1 **SECTION 32.** 71.28 (5v) of the statutes is created to read:

2 71.28 (5v) **PRODUCTIVITY ENHANCEMENT TRAINING CREDIT.** (a) In this subsection,
3 “productivity enhancement training expenses” has the meaning given in s. 560.27 (1).

4 (b) Any corporation may claim as a credit against taxes otherwise due under s. 71.23
5 an amount that is equal to 100% of the amount of the corporation’s productivity enhancement
6 training expenses certified by the department of commerce under s. 560.27 in the tax year for
7 which the expenses are certified, but that is not to exceed \$7,500.

8 (c) Any corporation receiving a credit under this subsection may carry forward to the
9 next succeeding 15 taxable years the amount of the credit not offset against taxes for the year
10 in which the productivity enhancement training expenses were incurred.

11 (d) A corporation may not claim the credit under par. (b) for any productivity
12 enhancement training expenses that the corporation deducted from gross income for
13 Wisconsin tax purposes under section 162 of the Internal Revenue Code.

14 (e) Partnerships, limited liability companies and tax-option corporations may not claim
15 the credit under this subsection, but the eligibility for, and the amount of, the credit are based
16 on their productivity enhancement training expenses certified under s. 560.27. A partnership,
17 limited liability company or tax-option corporation shall compute the amount of credit that
18 each of its partners, members or shareholders may claim and shall provide that information
19 to each of them. Partners, members of limited liability companies and shareholders of
20 tax-option corporations may claim the credit in proportion to their ownership interest.

21 (f) No credit may be taken under this subsection for taxable years beginning after
22 December 31, 2009. Credits under this subsection that are claimed for taxable years beginning
23 before December 31, 2009 may be carried forward to taxable years beginning after December
24 31, 2009.

1 **SECTION 33.** 71.30 (3) (dg) of the statutes is created to read:

2 71.30 (3) (dg) The education credit under s. 71.28 (5r).

3 **SECTION 34.** 71.30 (3) (dm) of the statutes is created to read:

4 71.30 (3) (dm) The industrial, service, and skilled trades apprenticeship credit under
5 s. 71.28 (5d).

6 **SECTION 35.** 71.30 (3) (g) of the statutes is created to read:

7 71.30 (3) (g) Productivity enhancement training credit under s. 71.28 (5v).

8 **SECTION 36.** 71.34 (1) (g) of the statutes is amended to read:

9 71.34 (1) (g) An addition shall be made for credits computed by a tax-option
10 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx) ~~and, (3), (5r) and (5v)~~
11 and passed through to shareholders.

12 **SECTION 37.** 71.45 (2) (a) 10. of the statutes is amended to read:

13 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit computed
14 under s. 71.47 (1dd) to (1dx), ~~(5d), (5r) and (5v)~~ and not passed through by a partnership,
15 limited liability company or tax-option corporation that has added that amount to the
16 partnership's, limited liability company's, or tax-option corporation's income under s. 71.21
17 (4) or 71.34 (1) (g) and the amount of credit computed under s. 71.47 (1), (3), (4) and (5).

18 **SECTION 38.** 71.47 (5d) of the statutes is created to read:

19 71.47 (5d) INDUSTRIAL, SERVICE, AND SKILLED TRADES APPRENTICESHIP CREDIT. (a) In this
20 subsection:

21 1. "Apprentice" means a person who participates in a 2-year to 5-year apprenticeship
22 program, as determined and approved by the department, in which the person receives
23 instruction leading to qualification as a skilled journeyman in any industrial manufacturing
24 trade or private sector service occupation or receives instruction in the construction trades

1 leading to qualification as a skilled journeyman carpenter, including a floor coverer,
2 millwright, or pile driver; laborer; ironworker; or painter, including a taper.

3 2. "Claimant" means a person who files a claim under this subsection and who is a trades
4 trainer, as determined and approved by the department.

5 3. "Department" means the department of workforce development.

6 (b) Subject to the limitations provided in this subsection, a claimant may claim as a
7 credit against the taxes imposed under s. 71.43 an amount that is equal to 5% of the wages that
8 the claimant paid to an apprentice in the taxable year, but not to exceed \$1,400, except that
9 a claimant may claim as a credit against the taxes imposed under s. 71.43 an amount that is
10 equal to 8% of the wages that the claimant paid to an apprentice in the taxable year in which
11 the apprentice completes an apprenticeship program, but not to exceed \$3,000.

12 (c) No claimant may receive a credit under this subsection unless the claimant enters
13 into an agreement with the department permitting the department to post on the department's
14 Internet site the claimant's name and address and the number of apprentices and journeymen
15 employed by the claimant during the calendar year.

16 (d) This subsection does not apply to taxable years that begin after December 31, 2004,
17 if the number of employers training apprentices in department-approved programs does not
18 increase by more than 40% from January 1, 2002, to December 31, 2004, as determined by
19 the department, except that a claimant who has claimed a credit for an apprentice's wages in
20 any taxable year beginning before January 1, 2005, may continue to claim a credit for the
21 apprentice's wages in succeeding taxable years, until the apprentice completes the
22 apprenticeship program. As soon as practicable after December 31, 2004, the department
23 shall certify to the department of revenue the number of employers training apprentices in

1 approved programs on January 1, 2002, and the number of employers training apprentices in
2 approved programs on December 31, 2004.

3 (e) The carry-over provisions of s. 71.28 (4) (e) and (f), as they apply to the credit under
4 s. 71.28 (4), apply to the credit under this subsection.

5 (f) Partnerships, limited liability companies, and tax-option corporations may not
6 claim the credit under this subsection, but the eligibility for, and the amount of, the credit are
7 based on their payment of wages under par. (b). A partnership, limited liability company, or
8 tax-option corporation shall compute the amount of credit that each of its partners, members,
9 or shareholders may claim and shall provide that information to each of them. Partners,
10 members of limited liability companies, and shareholders of tax-option corporations may
11 claim the credit in proportion to their ownership interests.

12 (g) Section 71.28 (4) (g) and (h), as it applies to the credit under s. 71.28 (4), applies
13 to the credit under this subsection.

14 **SECTION 39.** 71.47 (5r) of the statutes is created to read:

15 **71.47 (5r) EDUCATION CREDIT.** (a) In this subsection:

- 16 1. "Claimant" means a corporation that files a claim under this subsection.
- 17 2. "Degree-granting program" means an educational program for which an associate,
18 a bachelor's, or a graduate degree is awarded upon successful completion.
- 19 3. "Family member" has the meaning given in s. 157.061 (7).
- 20 4. "Managing employee" means an individual who wholly or partially exercises
21 operational or managerial control over, or who directly or indirectly conducts, the operation
22 of the claimant's business.
- 23 5. "Poverty line" has the meaning given under s. 49.001 (5).
- 24 6. "Qualified postsecondary institution" means all of the following:

1 a. A University of Wisconsin System institution, a technical college system institution,
2 or a regionally accredited 4-year nonprofit college or university having its regional
3 headquarters and principal place of business in this state.

4 b. A school approved under s. 45.54, if the school has a physical presence, and the
5 delivery of education occurs, in this state.

6 (b) Subject to the limitations provided in this subsection, a claimant may claim as a
7 credit against the tax imposed under s. 71.43 an amount equal to the following:

8 1. Fifty percent of the tuition that the claimant paid or incurred during the taxable year
9 for an individual to participate in an education program of a qualified postsecondary
10 institution, if the individual was enrolled in a degree-granting program.

11 2. Seventy five percent of the tuition that the claimant paid or incurred during the
12 taxable year for an individual to participate in an education program of a qualified
13 postsecondary institution, if the individual was enrolled in a degree-granting program and if
14 the individual's taxable income in the year prior to commencing participation in the education
15 program in connection with which a credit is claimed is not more than 185% of the poverty
16 line.

17 (c) A claimant may not claim the credit under par. (b) for any tuition amounts that the
18 claimant excluded under section 127 of the Internal Revenue Code.

19 (cm) A claimant may not claim the credit under par. (b) for any tuition amounts that the
20 claimant paid or incurred for a family member of a managing employee unless all of the
21 following apply:

22 1. The family member was employed an average of at least 20 hours a week as an
23 employee of the claimant, or the claimant's business, during the one-year period prior to

1 commencing participation in the education program in connection with which the claimant
2 claims a credit under par. (b).

3 2. The family member is enrolled in a degree-granting program that is substantially
4 related to the claimant's business.

5 3. The family member is making satisfactory progress towards completing the
6 degree-granting program under subd. 2.

7 (d) The carry-over provisions of s. 71.28 (4) (e) and (f), as they apply to the credit under
8 s. 71.28 (4), apply to the credit under this subsection.

9 (e) Partnerships, limited liability companies, and tax-option corporations may not
10 claim the credit under this subsection, but the eligibility for, and the amount of, the credit are
11 based on their payment of tuition under par. (b). A partnership, limited liability company, or
12 tax-option corporation shall compute the amount of credit that each of its partners, members,
13 or shareholders may claim and shall provide that information to each of them. Partners,
14 members of limited liability companies, and shareholders of tax-option corporations may
15 claim the credit in proportion to their ownership interest.

16 (f) Section 71.28 (4) (g) and (h), as it applies to the credit under s. 71.28 (4), applies to
17 the credit under this subsection.

18 **SECTION 40.** 71.47 (5v) of the statutes is created to read:

19 71.47 (5v) PRODUCTIVITY ENHANCEMENT TRAINING CREDIT. (a) In this subsection,
20 "productivity enhancement training expenses" has the meaning given in s. 560.27 (1).

21 (b) Any corporation may claim as a credit against taxes otherwise due under s. 71.43
22 an amount that is equal to 100% of the amount of the corporation's productivity enhancement
23 training expenses certified by the department of commerce under s. 560.27 in the tax year for
24 which the expenses are certified, but that is not to exceed \$7,500.

1 (c) Any corporation receiving a credit under this subsection may carry forward to the
2 next succeeding 15 taxable years the amount of the credit not offset against taxes for the year
3 in which the productivity enhancement training expenses were incurred.

4 (d) A corporation may not claim the credit under par. (b) for any productivity
5 enhancement training expenses that the corporation deducted from gross income for
6 Wisconsin tax purposes under section 162 of the Internal Revenue Code.

7 (e) Partnerships, limited liability companies and tax-option corporations may not claim
8 the credit under this subsection, but the eligibility for, and the amount of, the credit are based
9 on their productivity enhancement training expenses certified under s. 560.27. A partnership,
10 limited liability company or tax-option corporation shall compute the amount of credit that
11 each of its partners, members or shareholders may claim and shall provide that information
12 to each of them. Partners, members of limited liability companies and shareholders of
13 tax-option corporations may claim the credit in proportion to their ownership interest.

14 (f) No credit may be taken under this subsection for taxable years beginning after
15 December 31, 2009. Credits under this subsection that are claimed for taxable years beginning
16 before December 31, 2009 may be carried forward to taxable years beginning after December
17 31, 2009.

18 **SECTION 41.** 71.49 (1) (dg) of the statutes is created to read:

19 71.49 (1) (dg) The education credit under s. 71.47 (5r).

20 **SECTION 42.** 71.49 (1) (dm) of the statutes is created to read:

21 71.49 (1) (dm) The industrial, service, and skilled trades apprenticeship credit under
22 s. 71.47 (5d).

23 **SECTION 43.** 71.49 (1) (g) of the statutes is created to read:

24 71.49 (1) (g) Productivity enhancement training credit under s. 71.47 (5v).

1 **SECTION 44.** 77.92 (4) of the statutes is amended to read:

2 77.92 (4) "Net business income", with respect to a partnership, means taxable income
3 as calculated under section 703 of the Internal Revenue Code; plus the items of income and
4 gain under section 702 of the Internal Revenue Code, including taxable state and municipal
5 bond interest and excluding nontaxable interest income or dividend income from federal
6 government obligations; minus the items of loss and deduction under section 702 of the
7 Internal Revenue Code, except items that are not deductible under s. 71.21; plus guaranteed
8 payments to partners under section 707 (c) of the Internal Revenue Code; plus the credits
9 claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx) ~~and~~, (3s), ~~(5d)~~, ~~(5r)~~
10 and (5v); and plus or minus, as appropriate, transitional adjustments, depreciation differences
11 and basis differences under s. 71.05 (13), (15), (16), (17), and (19); but excluding income,
12 gain, loss and deductions from farming. "Net business income", with respect to a natural
13 person, estate or trust, means profit from a trade or business for federal income tax purposes
14 and includes net income derived as an employe as defined in section 3121 (d) (3) of the Internal
15 Revenue Code.

16 **SECTION 45.** 103.0052 of the statutes is created to read:

17 **103.0052 Labor day report.** By September 1, 2001 and annually thereafter, the
18 department shall prepare a report on the labor shortage in this state. The report shall identify
19 critical labor shortage areas by occupation, region, gender and race. The report shall also
20 identify potential solutions for the labor shortage. The report shall be submitted to the
21 appropriate standing committees of the legislature under s. 13.172 (3). The department shall
22 also provide the report to workforce development organizations throughout the state.

23 **SECTION 46.** 103.0055 of the statutes is created to read:

1 **103.0055 Workplace diversity grant program. (1)** The department shall administer
2 a grant program under which local, nonprofit organizations which offer diversity training,
3 basic employment skills development or instruction in English as a second language to
4 employees and those seeking employment may receive grants for the operation of such
5 activities.

6 **(2)** To qualify for a grant under this section, a local, nonprofit organization must meet
7 at least one of the following criteria:

8 **(a)** Be comprised of private sector employers and local governmental units or agencies
9 and be assisting local employers meet their workforce needs.

10 **(b)** Be assisting ex-offenders, whether employed or not, strengthen or develop
11 employment skills and make or ease the transition from incarceration to work.

12 **(c)** Be assisting members of any of the following categories, whether employed or not,
13 prepare for, or gain, entry into the skilled trades:

14 1. Persons eligible for benefits under ss. 49.141 to 49.161.

15 2. Military veterans.

16 3. Ex-offenders.

17 4. Persons eligible for food stamps.

18 5. Persons considered members of a minority group under s. 560.036 (1) (f).

19 **(3)** To the extent practicable, the department shall ensure grants are awarded to local,
20 nonprofit organizations from different geographic regions of the state.

21 **(4)** To qualify for a grant, a local, nonprofit organization shall apply to the department
22 by December 1, 2001. The application shall describe how the organization qualifies under
23 subs. (1) and (2) and how the organization will use a grant.

1 (5) The department shall promulgate rules to establish criteria to be used in determining
2 which qualified local, nonprofit organizations are eligible for grants under this section.
3 Notwithstanding s. 227.24 (1) (a), the department may promulgate an emergency rule under
4 s. 227.24 without providing evidence that the emergency rule is necessary for the public peace,
5 health, safety, or welfare, and without a finding of emergency.

6 (6) The department may not expend more than \$30,000 as grants under this section for
7 a given local, nonprofit organization.

8 (7) By January 1, 2002, the department shall make the grants from the appropriation
9 under s. 20.445 (1) (d).

10 (8) By September 1, 2002, the department shall report on the grant program under this
11 section, including the uses grant recipients made of the grants and a recommendation on
12 whether the grant program should be funded in the next biennium and, if so, a recommendation
13 of an appropriate funding level and any changes that should be made to the program. The
14 report shall be submitted to the joint committee on finance, the appropriate standing
15 committees and the governor.

16 **SECTION 47.** 106.01 (11) of the statutes is created to read:

17 **106.01 (11)** The department may establish an advanced journeyworker credential pilot
18 program in up to 3 trades, crafts or businesses to recognize advanced training and
19 postapprenticeship achievements. In selecting the trades, crafts or businesses to be included
20 in the program, the department shall seek to maximize participation in the program of persons
21 who are considered to be members of a minority group under s. 560.036 (1) (f). By July 1,
22 2004, the department shall submit to the legislature under s. 13.172 (2) an evaluation of the
23 effectiveness of the program established under this subsection.

24 **SECTION 48.** 106.01 (12) of the statutes is created to read:

1 106.01 (12) From the appropriations under s. 20.445 (1) (a) and (g), the department shall
2 allocate \$150,000 in each fiscal year for apprenticeship marketing activities, including the
3 development and distribution of promotional materials directed at encouraging employers to
4 hire apprentices, educating high school career counselors on careers available in the skilled
5 trades, encouraging the youth of this state to consider a career in the skilled trades, and
6 otherwise promoting the availability and benefits of careers in the skilled trades. The
7 department shall solicit contributions from private sources to assist in the provision of those
8 promotional materials and shall credit any contributions received to the appropriation account
9 under s. 20.445 (1) (g). The department shall seek the advice of and consult with the
10 apprenticeship marketing council regarding the administration of the apprenticeship
11 marketing activities provided under this subsection.

12 **SECTION 49.** 106.01 (13) of the statutes is created to read:

13 106.01 (13) (a) In this subsection, "industrial, service, or skilled trades apprenticeship
14 program" means a 2-year to 5-year apprenticeship program, as determined and approved by
15 the department, in which an apprentice receives instruction leading to qualification as a skilled
16 journeyman in any industrial manufacturing trade or private sector service occupation or
17 receives instruction in the construction trades leading to qualification as a skilled journeyman
18 carpenter, including a floor coverer, millwright, or pile driver; laborer; ironworker; or painter,
19 including a taper.

20 (b) From the appropriation under s. 20.445 (1) (a), the department shall allocate
21 \$300,000 in each fiscal year to contract with an organization to provide preapprenticeship
22 basic skills training grants of up to \$500 to persons who are eligible under this paragraph to
23 receive those grants. A person is eligible to receive a grant under this paragraph if the person's
24 family income does not exceed 165% of the poverty line for the continental United States, as

1 revised annually by the federal department of health and human services under 42 USC 9902
2 (2), and if the person has previously failed a test for placement in an industrial, service, or
3 skilled trades apprenticeship program, but wishes to participate in such a program. A person
4 who receives a grant under this paragraph may use the grant moneys received to pay for the
5 costs of tuition, fees, books, supplies, and materials, and for any other direct training costs,
6 required to attend a preapprenticeship basic skills training program provided by an
7 organization, a technical college, or a school approved by the educational approval board
8 under s. 45.54.

9 **SECTION 50.** 106.18 of the statutes is created to read:

10 **106.18 Job skills training reports.** The department shall collect information
11 concerning the availability of basic job skills training programs in the state and periodically
12 prepare reports identifying those programs for distribution to regional workforce
13 development organizations, job centers and other appropriate organizations as determined by
14 the department. To the extent practicable, the report shall identify available training programs
15 by region of the state.

16 **SECTION 51.** 119.16 (11) of the statutes is created to read:

17 **119.16 (11) POLICY FOR ACCESS TO FACILITIES.** The board shall establish a written policy
18 as to whether local organizations and businesses shall be allowed to use classrooms and
19 facilities for employment-related training. The policy may condition access on payment of
20 a reasonable fee, the availability of space, and the appropriateness of the training. The policy
21 may limit access to activities that are consistent with the institution's mission.

22 **SECTION 52.** 120.13 (25m) of the statutes is created to read:

23 **120.13 (25m) POLICY FOR ACCESS TO FACILITIES.** Establish a written policy as to whether
24 local organizations and businesses shall be allowed to use classrooms and facilities for

1 employment-related training. The policy may condition access on payment of a reasonable
2 fee, the availability of space, and the appropriateness of the training. The policy may limit
3 access to activities that are consistent with the institution's mission.

4 **SECTION 53.** 343.10 (6) of the statutes is renumbered 343.10 (6) (a) and amended to
5 read:

6 343.10 (6) FEE. (a) ~~No~~ Except as provided in par. (b), no person may file an application
7 for an occupational license under sub. (1) unless he or she first pays a fee of \$40 to the
8 department.

9 **SECTION 54.** 343.10 (6) (b) of the statutes is created to read:

10 343.10 (6) (b) A person whose license was suspended solely based upon a failure to pay
11 a judgment for violation of an ordinance unrelated to the person's operation of a motor vehicle
12 may not file an application for an occupational license under sub. (1) unless he or she first pays
13 a fee of \$10 to the department.

14 **SECTION 55.** 560.27 of the statutes is created to read:

15 **560.27 Productivity enhancement training expense certification. (1) DEFINITION.**
16 In this section, "productivity enhancement training expenses" means expenses incurred by a
17 business in providing training designed to increase the productivity of the business's
18 employees and to promote or create jobs that require high degrees of skill to perform and that
19 pay high wages. "Productivity enhancement training expenses" includes up to \$2,000 in
20 expenses incurred for needs assessment and consultation under sub. (4) (b).

21 **(2) PROGRAM.** The department shall develop, implement and administer a productivity
22 enhancement training expense certification program to assist businesses in providing training
23 to their employees that is designed to improve the employees' productivity and to promote,

1 and provide workers for, jobs within the businesses that require high degrees of skill to
2 perform and that pay high wages.

3 (3) CERTIFICATION. The department shall certify as eligible for the tax credit under s.
4 71.07 (5v), 71.28 (5v) or 71.47 (5v) any business that meets the eligibility requirements under
5 sub. (4).

6 (4) ELIGIBILITY. A business is eligible to have its productivity enhancement training
7 expenses certified if all of the following apply:

8 (a) The business submits to the department a productivity enhancement training plan
9 that the department finds does all of the following:

10 1. Provides for training of the business's employees that will increase the employees'
11 productivity to achieve specific goals established as a result of the assessment and consultation
12 under par. (b).

13 2. Provides for training of the business's employees that will result in the employees
14 holding jobs within the business that require higher degrees of skill and that pay higher wages
15 than their current jobs, as determined by the assessment and consultation under par. (b).

16 (b) Prior to providing any productivity enhancement training, the business receives
17 needs assessment and consultation from an entity that is experienced in providing productivity
18 assessment or business planning and that is approved by the department.

19 (c) Through the needs assessment and consultation under par. (b), the business and the
20 entity agree on a training plan that is appropriate for the purposes specified under par. (a).

21 (d) The business submits to the department an accounting of the productivity
22 enhancement training expenses incurred by the business under the plan under par. (a) and the
23 department determines that the expenses were incurred under the plan.

1 **(5) REPORTING.** (a) Each business certified under this section that claims the tax credit
2 under s. 71.07 (5v), 71.28 (5v) or 71.47 (5v) shall report to the department, no later March 1
3 of the year after it received the certification, on the results of its productivity enhancement
4 training and on its success in meeting the goals established in its productivity enhancement
5 training plan. The report shall be on a form prescribed by the department.

6 (b) Annually, the department shall estimate the amount of foregone state revenue
7 because of the tax credits claimed by persons certified under this section.

8 (c) Annually, by December 1, the department shall report to the legislature under s.
9 13.172 (2) on the effectiveness of the productivity enhancement training certification program
10 and the tax credits under ss. 71.07 (5v), 71.28 (5v) and 71.47 (5v) in meeting the purposes of
11 the program as specified in sub. (2).

12 **(6) APPLICATION.** The department shall, by rule, develop application procedures for
13 productivity enhancement training certification. The application for certification shall show
14 that the applicant satisfies the requirements under sub. (4) and commits to reporting under sub.
15 (5) (a).

16 **(7) NOTIFICATION.** The department shall notify the department of revenue of all persons
17 entitled to claim tax credits under ss. 71.07 (5v), 71.28 (5v) and 71.47 (5v).

18 **(8) TRANSFERABILITY.** The tax credits for which a person is certified as eligible under
19 this section are not transferable to another person or business.

20 **(9) SUNSET.** No business may be certified under this section after December 31, 2009,
21 or for tax credits for any tax year beginning after December 31, 2009.

22 **SECTION 56. Nonstatutory provisions; corrections.**

23 (1) By March 15, 2002, the department of corrections shall study and report on the
24 availability and effectiveness of programs that provide prisoners with treatment for drug and

1 alcohol abuse, instruction in basic skills such as reading and math, and training in job skills.
2 The report shall include an analysis of the racial composition of the enrollment in such
3 programs compared to the racial composition of the prison population as a whole. The report
4 shall also include recommendations for establishing new programs that would better prepare
5 prisoners to enter the workforce and suggestions about how current programs could be
6 improved. The report shall be submitted to the appropriate standing committees of the
7 legislature, the joint finance committee and the governor.

8 **SECTION 57. Nonstatutory provisions; higher educational aids board.**

9 (1) REPORT ON STUDENT LOAN FORGIVENESS TO ATTRACT WORKERS. By January 1, 2002,
10 the higher educational aids board shall study and report on the cost, desirability, and
11 effectiveness of creating a general program of student loan forgiveness for attracting workers
12 to, and retaining workers in, the state applicable to individuals employed by Wisconsin
13 employers and who agree to remain in Wisconsin for a specified number of years. The report
14 shall include legislative recommendations for establishing such a program so as to achieve
15 both cost and program effectiveness. The report shall be submitted to the appropriate standing
16 committees of the legislature, the joint finance committee, and the governor.

17 **SECTION 58. Nonstatutory provisions; revenue.**

18 (1) REPORT ON TAX INCENTIVES. The department of revenue, in cooperation with the
19 department of workforce development, shall by January 1, 2002, study and report on existing
20 incentives in the income tax code in the form of credits and deductions available to employers
21 for providing training to employees, for offering transportation and child care benefits to
22 employees, for locating places of employment in areas of high unemployment and for
23 employing ex-felons, recipients of public assistance and minorities. The report shall include
24 an analysis of the costs and effects of such credits and deductions, an analysis of such benefits

1 offered by other states, and recommendations for improvements to the state's tax laws
2 designed to help attract, develop and retain a highly skilled, highly trained workforce while
3 maintaining a sound, stable tax base. In developing recommendations, the department of
4 revenue shall consult with groups representing the interests of employers, employees,
5 taxpayers and any other groups that the department of revenue considers appropriate. The
6 report shall be submitted to the appropriate standing committees of the legislature, the joint
7 committee on finance and the governor.

8 **SECTION 59. Nonstatutory provisions; workforce development.**

9 (1) EMPLOYMENT SKILLS ADVANCEMENT REPORT. The department of workforce
10 development shall, by January 1, 2002, study and report on ways to encourage employers to
11 contribute qualifying amounts under section 49.185 (3) (i) of the statutes to individuals
12 eligible to receive an employment skills advancement grant under section 49.185 of the
13 statutes. The report shall include a consideration of the desirability and effectiveness of
14 offering tax incentives to employers to do so. The report shall be submitted to the joint
15 committee on finance and the governor.

16 (2) APPRENTICESHIP MARKETING COUNCIL; INITIAL TERMS. Notwithstanding the length of
17 terms specified for the members of the apprenticeship marketing council under section 15.227
18 (14) of the statutes, as created by this act, representing the interests of employees and the
19 members of that council representing the interests of employers, the initial members of that
20 council representing the interests of employees and the initial members of that council
21 representing the interests of employers shall be appointed for the following terms:

22 (a) One member representing employees and one member representing employers, for
23 terms expiring on July 1, 2001.

1 (b) One member representing employees and one member representing employers, for
2 terms expiring on July 1, 2002.

3 (c) Two members representing employees and two members representing employers,
4 for terms expiring on July 1, 2003.

5 **SECTION 60. Appropriation changes.**

6 (1) **ADVANCED JOURNEYWORKER CREDENTIAL PILOT PROGRAM.** In the schedule under
7 section 20.005 (3) of the statutes for the appropriation to the department of workforce
8 development under section 20.445 (1) (a) of the statutes, as affected by the acts of 2001, the
9 dollar amount is increased by \$160,000 for fiscal year 2001-02 and the dollar amount is
10 increased by \$120,000 for fiscal year 2002-03 to increase the authorized FTE positions for
11 the department by 1.0 GPR position for the implementation and program development of the
12 advanced journey worker credential pilot program under section 106.01 (11) of the statutes,
13 as created by this act.

14 (2) **JOB RETENTION SKILLS DEVELOPMENT PROGRAMS.**

15 (a) There is transferred from the appropriation to the department of workforce
16 development under section 20.445 (3) (md) of the statutes, as affected by this act, to the
17 appropriation to the technical system college board under section 20.292 (1) (kd) of the
18 statutes, as created by this act, \$200,000 in fiscal year 2001-02.

19 (b) In the schedule under section 20.005 (3) of the statutes for the appropriation to the
20 department of workforce development under section 20.445 (3) (md) of the statutes, as
21 affected by this act, the dollar amount for fiscal year 2001-02 is decreased by \$200,000 to
22 reflect the transfer of moneys under paragraph (a).

23 (3) **PREAPPRENTICESHIP BASIC SKILLS TRAINING GRANTS.** In the schedule under section
24 20.005 (3) of the statutes for the appropriation to the department of workforce development

1 under section 20.445 (1) (a) of the statutes, as affected by the acts of 2001, the dollar amount
2 is increased by \$300,000 for fiscal year 2001-02 and the dollar amount is increased by
3 \$300,000 for fiscal year 2002-03 to increase funding for preapprenticeship basic skills
4 training grants under section 106.01 (11) of the statutes, as created by this act.

5 (4) APPRENTICESHIP MARKETING ACTIVITIES. In the schedule under section 20.005 (3) of
6 the statutes for the appropriation to the department of workforce development under section
7 20.445 (1) (a) of the statutes, as affected by the acts of 2001, the dollar amount is increased
8 by \$150,000 for fiscal year 2001-02 and the dollar amount is increased by \$150,000 for fiscal
9 year 2002-03 to increase funding for the apprenticeship marketing activities specified under
10 section 106.01 (12) of the statutes, as created by this act.

11 (5) APPRENTICESHIP MARKETING POSITIONS. In the schedule under section 20.005 (3) of
12 the statutes for the appropriation to the department of workforce development under section
13 20.445 (1) (a) of the statutes, as affected by the acts of 2001, the dollar amount is increased
14 by \$125,000 for fiscal year 2001-02 and the dollar amount is increased by \$125,000 for fiscal
15 year 2002-03 to increase the authorized FTE positions for the department by 2.0 GPR
16 positions for the marketing of apprenticeship training in this state.

17 (6) INTERNET POSTING OF EMPLOYERS PROVIDING APPRENTICESHIP TRAINING. In the
18 schedule under section 20.005 (3) of the statutes for the appropriation to the department of
19 workforce development under section 20.445 (1) (a) of the statutes, as affected by the acts of
20 2001, the dollar amount is increased by \$10,000 for fiscal year 2001-02 and the dollar amount
21 is increased by \$10,000 for fiscal year 2002-03 to increase funding for the department to post
22 on its Internet site the name and address of, and the numbers of apprentices and journeyman
23 employed by, each person that is claiming an industrial, service, and skilled trades

1 apprenticeship tax credit under section 71.07 (5d), 71.28 (5d), or 71.47 (5d) of the statutes,
2 as created by this act.

3 **SECTION 61. Initial applicability.**

4 (1) **TRANSFER OF ENVIRONMENTAL REMEDIATION TAX CREDITS.** The treatment of section
5 71.28 (1dx) (b) 1. and 1m. and (f) of the statutes first applies to taxable years beginning on
6 January 1, 2001.

7 (2) **PRODUCTIVITY ENHANCEMENT TRAINING TAX CREDIT.** The treatment of sections 71.07
8 (5v), 71.28 (5v), and 71.47 (5v) of the statutes first applies to taxable years beginning on
9 January 1, 2001.

10 (3) **INDUSTRIAL, SERVICE, AND SKILLED TRADES APPRENTICESHIP TAX CREDIT.** The treatment
11 of sections 71.05 (6) (a) 15., 71.07 (5d), 71.10 (4) (cp), 71.26 (2) (a), 71.28 (5d), 71.30 (3)
12 (dm), 71.45 (2) (a) 10., 71.47 (5d), 71.49 (1) (dm), and 77.92 (4) of the statutes first applies
13 to taxable years beginning on January 1, 2002.

14 (4) **EDUCATION CREDIT.** This act first applies to taxable years beginning on January 1 of
15 the year in which this subsection takes effect, except that if this subsection takes effect after
16 July 31 this act first applies to taxable years beginning on January 1 of the year following the
17 year in which this subsection takes effect.

18 **SECTION 62. Effective dates; workforce development.** This act takes effect on the day
19 after publication, except as follows:

20 (1) SECTION 60 (3), (4), (5), and (6) of this act takes effect on the 2nd day after
21 publication of the 2001-03 biennial budget act.

22 (END)

Memo

To: Attorneys Joe Kreye, Peter Grant, Lonnie Lief, Pam Kahler, Ivy Sager-Rosenthal, Peggy Hurley, and Mike Dsida

From: Gordon M. Malaise, Senior Legislative Attorney

Subject: Legislative Council Committee on Labor Shortage Recommendations

Date: May 24, 2001

The attached draft, which is the work product of the Legislative Council's Special Committee on Labor Shortage, includes provisions in each of your drafting areas. Please review and revise the provisions that fall into your drafting areas and pass the draft on to another attorney listed above. The last attorney may return the draft to me for one last once over, and I will submit the draft to editing.

Thank you for your assistance in this matter.