

2003 DRAFTING REQUEST

Bill

Received: **02/09/2004**

Received By: **pgrant**

Wanted: **As time permits**

Identical to LRB:

For: **Joseph Leibham (608) 266-2056**

By/Representing: **Brett Davis**

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

Drafter: **pgrant**

May Contact:

Addl. Drafters:

Subject: **Higher Education - tech. college
Econ. Development - misc.
Tax - miscellaneous**

Extra Copies: **MES**

Submit via email: **YES**

Requester's email: **Sen.Leibham@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Technical college districts; appropriations for SB 384, Wis Advantage Jobs Training Program

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>
/?	pgrant 02/09/2004	csicilia 02/09/2004					S&L
/1		mbarman 02/10/2004 csicilia	chaugen 02/10/2004		lemery 02/10/2004	Inorthro 02/10/2004	S&L

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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FE Sent For:

*At
Intro.*

<END>

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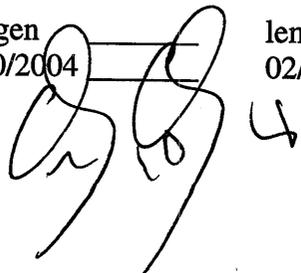
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/?	pgrant 02/09/2004	csicilia 02/09/2004		==			S&L
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1/2 cjs 2/10/04


02/10/2004 10:13:02 AM

Page 2

FE Sent For:

<END>

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02/10/2004 08:56:03 AM

Page 2

LRB-4228

FE Sent For:

<END>

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By/Representing: **Brett Davis**

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1?	pgrant	1 cjs 2/9 04	Ch 2-10	Ch 2-10 PS			

FE Sent For:

<END>

Grant, Peter

From: Davis, Brett
Sent: Tuesday, February 03, 2004 6:37 PM
To: Grant, Peter
Subject: FW: WI Advantage Jobs Training Program Amendments

Peter -

Attached are additional changes that Senator Leibham would like to make to SB 384. Please give me a call to discuss them if you have questions. I can also talk with you about how we plan to amend the language into the bill. It's changed since we last discussed it.

Thanks!

Brett



compromise
language 2.02.04.do...

SB 384 Amendments

50315

same

1. Delete Section 2 of SB 384 (language authorizing the Wisconsin Technical College System districts to create non-stock corporations).
2. Authorize technical college district boards to engage in activities necessary or convenient for the purposes of raising funds and providing support directly related to the implementation and support of the Wisconsin Advantage Jobs Training Program, except as expressly limited by law or by district or board rule, resolution or policy.

3. Revenue Bond Stabilization Fund

- Establish a Wisconsin Advantage Jobs Training Program (WAP) Revenue Bond Stabilization Fund to be administered by the WTCS Board.
- The Fund would receive a portion of the revenue collected through the income tax increment (not to exceed 5%). The WTCS Board would determine the exact percentage deposited in the stabilization fund each year.
- The Fund would be used to offset any shortfalls in revenues collected by the WTCS districts for the repayment of the WAP revenue bonds resulting from business defaults. Revenue from the Fund is prohibited from being used for any purpose other than the repayment of the bonds resulting from a business default. The Funds can only be released by the state board.
- As funds accumulate in the stabilization fund, the WTCS Board may determine when a sufficient balance has been reached and shall remit to the districts any revenues beyond that balance according to the proportional share contributed by each district to the fund.

but shortfall of occur for many reasons - not only bankruptcy use "insufficient revenues"

not A

mm

4. Limit the training provided by the Advantage Program to WI residents only. see p. 3 l. 1-3 ?

? D

5. Limit the 1.5% payments on bonds to 10 years or whenever bonds are retired, whichever occurs first.

? A

6. Prohibit Technical College Districts from raising tuition to cover the cost of the bonds if a business defaults.

much fees are set by state, not districts

? same

7. Prohibit the use of the 1.5% of the gross wages to pay off the bonds if a business defaults on a contract. how ?

8. Additional language should be inserted on page 5, lines 7 – 11 of SB 384 to clarify that property tax revenue cannot be used to pay the principal and interest on bonds.

Grant, Peter

From: Davis, Brett 6-2056
Sent: Wednesday, February 04, 2004 5:00 PM
To: Grant, Peter

Peter -

Attached is the new compromise language to date. Please give me a call to discuss when you get time.

Brett



compromise
language 2.02.04.do...

SB 384 Amendments

- ✓1. Delete Section 2 of SB 384 (language authorizing the Wisconsin Technical College System districts to create non-stock corporations).
- ✓2. Authorize technical college district boards to engage in activities necessary or convenient for the purposes of raising funds and providing support directly related to the implementation and support of the Wisconsin Advantage Jobs Training Program, except as expressly limited by law or by district or board rule.
3. Revenue Bond Stabilization Fund
 - Establish a Wisconsin Advantage Jobs Training Program (WAP) Revenue Bond Stabilization Fund to be administered by the WTCS Board.
 - The Fund would receive a portion of the revenue collected through the income tax increment (not to exceed 5%). The WTCS Board would determine the exact percentage deposited in the stabilization fund each year. *years*
1st: 27
end: 66
thereafter: 57
 - The Fund would be used to offset any shortfalls in revenues collected by the WTCS districts for the repayment of the WAP revenue bonds resulting from business defaults. Revenue from the Fund is prohibited from being used for any purpose other than the repayment of the bonds resulting from a business default. The Funds can only be released by the state board.
 - As funds accumulate in the stabilization fund, the WTCS Board may determine when a sufficient balance has been reached and shall remit to the districts any revenues beyond that balance according to the proportional share contributed by each district to the fund.
- ✓4. Limit the training provided by the Advantage Program to individuals that pay WI income tax. *or WI residents*
- ✓5. After 10 years or upon the bonds being retired, whichever occurs first, the 1.5% payments shall cease and any excess portions of the 1.5% payments shall be returned to the state's general fund.
- ~~6. Prohibit the use of the 1.5% of the gross wages to pay off the bonds if a business moves its business related to the Program out of the state or lays off or terminates the workers trained in the Program.~~
- ✓7. Additional language should be inserted on page 5, lines 7 – 11 of SB 384 to clarify that property tax revenue cannot be used to pay the principal and interest on bonds.

*Trues
9 a.m*

LRB-4228/1

PK: g's

2003 ASSEMBLY BILL 811

February 5, 2004 - Introduced by Representatives KRAWCZYK, WIECKERT, SUDER, LADWIG, MUSSER, OWENS, GUNDERSON, HAHN, OTT, MCCORMICK, GRONEMUS, ALBERS and FREESE, cosponsored by Senators LEIBHAM, STEPP, KANAVAS, DARLING, ZIEN, KEDZIE and ROESSLER. Referred to Committee on Workforce Development.

Page cont

1 AN ACT to amend 38.39 (3) (c); and to create 20.292 (1) (cn) and 38.39 (4) of the
2 statutes; relating to: appropriating money to technical college districts for the
3 Wisconsin Advantage Jobs Training Program and making an appropriation.

Senate Substitute Amendment 1 to

Senate Bill 384

Analysis by the Legislative Reference Bureau

Under the provisions of ~~2003 Assembly Bill 796~~, a technical college district board, with the approval of the state Technical College System Board, may contract with a business to provide job training, adult basic education, vocational and professional services, and training facilities, equipment, and material to the business. A contract may not provide more than \$3,500 in services to a trainee unless the Joint Committee on Finance (JCF) approves a higher limit. In addition, the state board must ensure that the total cost of such contracts does not exceed \$10,000,000 in any fiscal year unless JCF approves a higher limit. The bill allows a district board to issue revenue bonds to finance the costs of providing these services and materials to a business.

~~Assembly Bill 796~~ requires the Department of Revenue (DOR) to determine the amount of wages from which income tax withholding is calculated for an individual who has been provided training or education by a technical college district under a contract described above and calculate the total for each technical college district. The names of such individuals are certified to DOR by the Department of Commerce. DOR must then certify 1.5 percent of the amount calculated for each technical college district to the Technical College System Board, which distributes the amounts to the districts.

Training and services may be provided only to Wisconsin residents and individuals who are required to file Wisconsin income tax returns.

For ten years or until the bonds are retired, whichever occurs first, the substitute amendment

ASSEMBLY BILL 811

9
- Sen to Submit Amendment to Senate 384 ✓

Contingent upon the enactment of ~~Assembly Bill 796~~, this bill appropriates to the Technical College System Board, for distribution to the districts, the amount certified for each district. The district board must use the funds to pay debt service on the revenue bonds.

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

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

1 SECTION 1. 20.292 (1) (cn) of the statutes is created to read:

2 20.292 (1) (cn) *Services provided to businesses.* A sum sufficient equal to the
3 total of the amounts determined by the department of revenue under s. 73.03 (61) for
4 distribution to the districts under s. 38.39. *and for transfer to the appropriation*
account under par. (kn)

5 SECTION 2. 38.39 (3) (c) of the statutes, as created by 2003 Wisconsin Act ...

6 (~~Assembly Bill 796~~), is amended to read: *Senate Bill 384*

7 38.39 (3) (c) The district board shall maintain a special fund, to be identified
8 as the Wisconsin Advantage Jobs Training Program special redemption fund, into
9 which it deposits the fees received under sub. (2), the payments received from the
10 state under sub. (4), and any other moneys designated by the district board for
11 deposit into the special fund. The district board may use this revenue solely for the
12 payment of principal ^{of} and interest on the bonds issued under par. (a) until all such
13 bonds are retired.

14 SECTION 3. 38.39 (4) ^{and (4m)} of the statutes ^{are} is created to read:

15 38.39 (4) Annually the board shall pay to the district board, from the
16 appropriation under s. 20.292 (1) (cn), an amount equal to the amount calculated for
17 that district by the department of revenue under s. 73.03 (61).

18 SECTION 4. Nonstatutory provisions.

When the bonds are retired, the district board shall transmit the balance in the fund to the secretary of administration for deposit in the general fund.

2-4 → 4

2-17 → 17

ASSEMBLY BILL 811

SECTION 4

*Senate Substitute
Amendment 1 to*

Senate

384

1
2
3

(1) This act is void unless ~~2003 Wisconsin Act 22 Assembly Bill 811~~ *Senate* is enacted into law on or before the effective date of this subsection.

(END)

2-4

④ SEC. #. CR. 20-292(1)(k)^h

⑦ 20-292 (1)(k) Revenue bond stabilization. All

^{money}
~~assets~~ transferred from the appropriation account
under par. (c)^h for the purposes specified

in s. 38.39 (4m)(b).

2-17:1

③

④ (4m)(a) Annually the board shall determine the amount to be transferred from the appropriation account s. 20.292(1)(cn) under s. 20.292(1)(cn) to the appropriation account s. 20.292(1)(kn).

6 under s. 20.292(1)(kn). The amount transferred in any fiscal year may not exceed an amount equal to the following:

INS. 2-17X
total of the amounts determined by the department of revenue in the fiscal year under s. 73.03(1)

⑤ (b) The board shall use the moneys appropriated under s. 20.292(1)(kn) to offset any shortfall in revenue collected by the districts for payment of principal and interest on the bonds issued under sub. (3)(a). It is any

fiscal year the board determines that the unencumbered unencumbered balance in the appropriation account 20.292(1)(kn) under s. 20.292(1)(kn) is more than sufficient balance for that purpose, the board

2-17:2

shall distribute the excess to the
district boards according to each district's
proportional share of
of the
the total amounts calculated by the department
S. 73.03(61).
of revenue under S. 73.03(61).

2-17-X

⑨ 1. In the 2004-05 fiscal year, $7\frac{1}{2}$ percent of the total of the amounts determined by the department of revenue in that fiscal year under s. 73.03 (61).

④ 2. In the 2005-06 fiscal year, $6\frac{2}{3}$ percent of the total of the amounts determined by the department of revenue in that fiscal year under s. 73.03 (61).

④ 3. In the 2006-07 fiscal year and in each fiscal year thereafter, $5\frac{1}{2}$ percent of the total of the amounts determined by the department of revenue in that fiscal year under s. 73.03 (61).

Northrop, Lori

From: Davis, Brett
Sent: Tuesday, February 10, 2004 9:49 AM
To: LRB.Legal
Subject: Draft review: LRB 03-4228/1 Topic: Technical college districts; appropriations for SB 384, Wis Advantage Jobs Training Program

It has been requested by <Davis, Brett> that the following draft be jacketed for the SENATE:

Draft review: LRB 03-4228/1 Topic: Technical college districts; appropriations for SB 384, Wis Advantage Jobs Training Program

NOW

T
Stacy

2003 BILL

Page

1 AN ACT *to amend* 38.39 (3) (c); and *to create* 20.292 (1) (cn), 20.292 (1) (kn) and
 2 38.39 (4) and (4m) of the statutes; **relating to:** appropriating money to
 3 technical college districts for the Wisconsin Advantage Jobs Training Program
 4 and making an appropriation.

Analysis by the Legislative Reference Bureau 2003

Under the provisions of Senate Substitute Amendment 1 to Senate Bill 384, a technical college district board, with the approval of the state Technical College System Board, may contract with a business to provide job training, adult basic education, vocational and professional services, and training facilities, equipment, and material to the business. Training and services may be provided only to Wisconsin residents and individuals who are required to file Wisconsin income tax returns. A contract may not provide more than \$3,500 in services to a trainee unless the Joint Committee on Finance (JCF) approves a higher limit. In addition, the state board must ensure that the total cost of such contracts does not exceed \$10,000,000 in any fiscal year unless JCF approves a higher limit. The bill allows a district board to issue revenue bonds to finance the costs of providing these services and materials to a business.

For ten years or until the bonds are retired, whichever occurs first, the substitute amendment requires the Department of Revenue (DOR) to determine the amount of wages from which income tax withholding is calculated for an individual who has been provided training or education by a technical college district under a contract described above and calculate the total for each technical college district.

BILL

The names of such individuals are certified to DOR by the Department of Commerce. DOR must then certify 1.5 percent of the amount calculated for each technical college district to the Technical College System Board, which distributes the amounts to the districts.

Contingent upon the enactment of ²⁰⁰³ Senate Bill 384, this bill appropriates to the Technical College System Board, for distribution to the districts, the amount certified for each district. The district board must use the funds to pay debt service on the revenue bonds.

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

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

1 **SECTION 1.** 20.292 (1) (cn) of the statutes is created to read:

2 20.292 (1) (cn) *Services provided to businesses.* A sum sufficient equal to the
3 total of the amounts determined by the department of revenue under s. 73.03 (61) for
4 distribution to the districts under s. 38.39 and for transfer to the appropriation
5 account under par. (kn).

6 **SECTION 2.** 20.292 (1) (kn) of the statutes is created to read:

7 20.292 (1) (kn) *Revenue bond stabilization.* All moneys transferred from the
8 appropriation account under par. (cn) for the purposes specified in s. 38.39 (4m) (b).

9 **SECTION 3.** 38.39 (3) (c) of the statutes, as created by 2003 Wisconsin Act
10 (Senate Bill 384), is amended to read:

11 38.39 (3) (c) The district board shall maintain a special fund, to be identified
12 as the Wisconsin Advantage Jobs Training Program special redemption fund, into
13 which it deposits the fees received under sub. (2), the payments received from the
14 state under sub. (4), and any other moneys designated by the district board for
15 deposit into the special fund. The district board may use this revenue solely for the
16 payment of principal and interest on the bonds issued under par. (a) until all such

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1 bonds are retired. When the bonds are retired, the district board shall transmit the
2 balance in the fund to the secretary of administration for deposit in the general fund.

3 **SECTION 4.** 38.39 (4) and (4m) of the statutes are created to read:

4 38.39 (4) Annually the board shall pay to the district board, from the
5 appropriation under s. 20.292 (1) (cn), an amount equal to the amount calculated for
6 that district by the department of revenue under s. 73.03 (61).

7 (4m) (a) Annually the board shall determine the amount to be transferred from
8 the appropriation account under s. 20.292 (1) (cn) to the appropriation account under
9 s. 20.292 (1) (kn). The amount transferred may not exceed an amount equal to the
10 following:

11 1. In the 2004–05 fiscal year, 7 percent of the total of the amounts determined
12 by the department of revenue in that fiscal year under s. 73.03 (61).

13 2. In the 2005–06 fiscal year, 6 percent of the total of the amounts determined
14 by the department of revenue in that fiscal year under s. 73.03 (61).

15 3. In the 2006–07 fiscal year and in each fiscal year thereafter, 5 percent of the
16 total of the amounts determined by the department of revenue in that fiscal year
17 under s. 73.03 (61).

18 (b) The board shall use the moneys appropriated under s. 20.292 (1) (kn) to
19 offset any shortfall in revenue collected by the districts for payment of principal and
20 interest on the bonds issued under sub. (3) (a). If in any fiscal year the board
21 determines that the unencumbered balance in the appropriation account under s.
22 20.292 (1) (kn) is more than sufficient for that purpose, the board shall distribute the
23 excess to the district boards according to each district's proportional share of the total
24 of the amounts calculated by the department of revenue under s. 73.03 (61)

25 **SECTION 5. Nonstatutory provisions.**

BILL

*2003 Wisconsin Act...
Δ Δ*

1

(1) This act is void unless ~~Senate Substitute Amendment to~~ (Senate Bill 384)

2

is enacted into law on or before the effective date of this subsection.

3

(END)