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WORKING TOGETHER FOR EDUCATIONAL OPPORTUNITY

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TESTIMONY

by

**Rebecca Larson, Senior Vice President for Advocacy
Wisconsin Association of Independent Colleges and Universities (WAICU)**

on

Senate Bill 491

to

Senate Committee on Universities and Technical Colleges

January 28, 2016

Chair Harsdorf and members of the Committee, thank you for the opportunity to speak today.

My name is Rebecca Larson. I am Senior Vice President for Advocacy for the Wisconsin Association of Independent Colleges and Universities, or WAICU, the official organization representing Wisconsin's 24 private, nonprofit colleges and universities and their nearly 60,000 students. I am here today for WAICU President, Dr. Rolf Wegenke, who is dealing with a family health issue.

I appear before the Committee to speak for information on Senate Bill 491. WAICU is supportive of efforts to provide students with loan assistance after graduation. However as we reviewed the bill, we noted that WAICU is not included in the listing of organizations to be consulted to identify sectors that are or will be critical to the state's economy. WAICU was founded in 1961 and is the "official" organization of Wisconsin's 24, private, nonprofit colleges and universities and their nearly 60,000 students. By "official" I mean WAICU is named in state statutes [ss. 14.57, 15.377, 15.67, 16.979, 36.31(2m)(a)1, 36.31(2m)(a)3, 38.50, 39.285, 39.437(4)(a), and 115.297] and 2011 Governor's Executive Order # 37, 2012 Governor's Executive Order #59, 2013 Governor's Executive Order #97, and 2015 Governor's Executive Order #147] , performing functions which in other states are performed by a state agency.

I wanted to take this opportunity to point out WAICU institutions productivity numbers. Each year, Wisconsin's private nonprofit institutions produce more than 13,800 graduates. WAICU members grant 24 percent of Wisconsin's bachelor's degrees and 37 percent of the advanced degrees.

Among the bachelor's degrees, the private nonprofit colleges and universities produce:

- 29% of the business graduates
- 31% of the engineering graduates
- 49% of the nursing graduates.

At the graduate level, WAICU members produce:

- 46% of the business degrees
- 57% of the physician assistant degrees
- 70% of the nursing degrees
- 51% of the medical doctor degrees
- 61% of the teacher education degrees
- 100% of the dentistry degrees

With this impressive record and the existing recognition of WAICU in state law, I think it would be appropriate to also consult with WAICU in helping the state adhere to its goals.



Testimony on Senate Bill 491

Chairwoman Harsdorf and members of the Senate Committee on Universities and Technical Colleges, thank you for holding a public hearing today on Senate Bill 491 and thank you to Senator Lassa for her leadership on this important issue. I regret that I am unable to present my testimony in person because I am attending a meeting of the Speaker's Taskforce on Youth Workforce Readiness in Oak Creek.

SB 491 will provide student loan assistance to college graduates who are employed in critical industry sectors in Wisconsin, as determined by DWD and WEDC. A critical industry sector must be determined to be critical to Wisconsin's economy now or in the next four years and must provide employment with wages and benefits that provide for self-sufficiency. A graduate must have outstanding student debt and begin work in one of these sector's within 18 months of graduation.

Participants in the program will receive student loan assistance over a five year period as long as they maintain state residency and continue to be employed in a critical industry sector. Provided sufficient funding exists, the five annual payments will cover 20% of the participant's loan balance, or \$15,000, whichever is less. Participants will be required to make monthly payments on their loans in order to receive annual payments, which will be administered by the Higher Education Aids Board (HEAB).

Student debt is a growing problem in Wisconsin and across the country. Wisconsin's economy also risks future workforce shortages in industries that are critical to our economy. This bill helps to address these issues by both assisting some graduates with a portion of their student debt and encouraging people to pursue careers in industries critical to Wisconsin's economic success.

This bill also ensures that high school students are aware of this program and can take it into account when they consider their higher educational and career options. Finally, because the critical industry sectors can change over time as determined by DWD and WEDC, the assistance provided under this bill will always be relevant to current economic needs and career opportunities.

Thank you again for taking the time to give this important legislation a public hearing.

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JULIE LASSA

STATE SENATOR

Testimony on Senate Bill 491
Senate Committee on Universities and Technical Colleges
Wisconsin State Capitol, Room 300SE
Thursday, January 28, 2016 at 9:31 a.m.

Thank you Chair Harsdorf and committee members for the opportunity to testify today in support of Senate Bill 491, which I call, "*Wisconsin's Workforce Focus*," as it helps our state in *Focusing on Critical Careers and Uptrending Sectors*.

As a member of the Governor's Council on Workforce Investment, I was able to participate in an extremely in-depth examination of Wisconsin's workforce trends. The outcome of that process was a four-year strategic plan to address our state's growing demand for skilled talent – and a shrinking supply that is only predicted to get worse as the Baby Boom generation continues to retire.

Two of the Council's recommendations involved using student loan debt relief to encourage recent college graduates to bring their skills in high-demand fields to Wisconsin, or to locate to rural areas of the state, which are especially hard hit by the workplace shortage. I especially like this concept, because it would boost our state's economy two ways: Not only does it help grow and shape Wisconsin's skilled workforce to meet the demands of tomorrow's economy, it also helps young people with the growing burden of higher education loan debt. That's why I have authored two bills that address both of these CWI recommendations.

I just testified in support of GROW Wisconsin, which would offer student loan forgiveness to graduates who move to rural communities to take a position or start a business. "*Wisconsin's Workforce Focus*" specifically addresses the "brain drain" of Wisconsin students leaving the state after graduating by offering those with identified high-demand skills debt relief in exchange for staying in Wisconsin. It would also encourage talented young people with those skills to return or move to our state.

Under this legislation, the Secretaries of WEDC and DWD, in consultation with the Superintendent of DPI, the University of Wisconsin System, the technical college system, and local workforce investment boards, will identify economic industry sectors, projecting at least four years into the future, that are or will be critical to Wisconsin's economy. (Upon learning of their interest, I will amend the bill to include consultation with the Wisconsin Association of Independent Colleges and Universities.) In determining which industry sectors are critical to Wisconsin's economy, the secretaries must consider wage and benefits paid to employees in these sectors. Based on current data, these sectors may include advanced manufacturing, healthcare, computer and technical fields, business and financial operations, science, and more.

Information on the critical economic industry sectors and this student loan forgiveness program, along with informational and promotional materials, shall be provided to high school guidance counselors to assist students with their career planning needs.

To qualify for Student Loan Reimbursement, individuals must:

(more)

- Have obtained a technical college embedded pathway certificate, technical college short-term, one-year, or two-year technical diploma, or an associates, bachelors, or post-graduate degree
- Enrolled in a postsecondary institution on or after the effective date of this bill
- Become employed in Wisconsin within 18 months of graduation in an economic sector identified by the Secretaries of WEDC and DWD
- Remain employed in Wisconsin throughout the period of loan forgiveness in an economic sector identified by the Secretaries of WEDC and DWD
- Remain a resident in Wisconsin throughout the period of loan forgiveness

Under this bill, individuals will have payments made on their student loans in equal shares over a maximum of 5 years. The total combined annual payments will be equal to 20% of the individual's outstanding student loan balance, up to a maximum of \$15,000.

Every year between 2008 and 2012, Wisconsin lost a net of more than 2,200 young people ages 21 to 29 with at least one college degree. That is a situation we have to reverse if we are going to avoid the economic devastation a shrinking skilled workforce would bring to our state. The Department of Workforce Development estimates that by 2022, Wisconsin will have a workforce shortage of 46,000 workers. A flat labor force will reduce productivity, limit income growth, and decrease our ability to maintain our roads and schools. Developing "Wisconsin's Workforce Focus" will offer us a powerful tool to retain and attract more talented young people to live in our state, and to help us keep Wisconsin's economy strong.