CALL TO ORDER

The regular monthly meeting of the Legislative Task Force Committee was held on Friday, May 24, 2013, and called to order by Chairperson Falkenberg at 12:10 p.m. in the Board Room, Room M210, at the Downtown Milwaukee Campus of Milwaukee Area Technical College.

A. ROLL CALL:

Members Present:

Lauren Baker, Jason Bauknecht, Ellis Bromberg, Charles Bruders, Michael Burke, Janice Falkenberg Trevor Kubatzke, Vicki Martin and Michael Rosen

Members Absent:

Timothy Elverman, Archie Graham, Jerry Manz, Marwill Santiago and Adam Strozier

B. COMPLIANCE WITH OPEN MEETINGS LAW:

The Legislative Task Force meeting was noticed in compliance with the Wisconsin Open Meetings law.

C. APPROVAL OF MINUTES OF APRIL 11, 2013 MEETING:

Mr. Kubatzke moved, and Ms. Baker seconded, that the minutes be approved. The Task Force concurred.

D. DISCUSSION ITEMS:

1. Legislative Update:
   a. Federal:

   Student Loan Interest Rate Legislation (HR 1911)
   J. Bauknecht reported that the Republican controlled House approved HR 1911 on May 22. This bill is intended to deal with the impending July 1 interest rate increase on subsidized Stafford loans by moving all federal loans (other than Perkins) to a variable interest rate. Loans would be recalculated yearly and rates could increase or decrease throughout the life of the loan. The Democratically controlled Senate does not agree with the House solution to the problem and will vote on its own alternative bill in the next two weeks.

   While discussing student loans, T. Kubatzke stated that the Department of Education (DOE) has changed its default rate cap to 25. Previously if a school received a score over 20, the DOE would intervene with the institution. It seems that many schools are close to that point. He stated that MATC’s default rate is currently 19.
Public Television Funding

E. Bromberg explained that the House Education/Labor Subcommittee has been discussing the 2014 federal budget and has not included funding for Public Television as part of their recommendation for the 2014 budget. He noted that Public Television has often been added back into the budget by the Democratically-controlled Senate. He expects the same to occur this year. There is also bi-partisan support in the House for PTV funding, so he and others in the industry are not alarmed by the House Education/Labor Subcommittee’s actions thus far.

b. State:

2013-15 State Budget (AB 40)

J. Bauknecht reported that during meetings of the Joint Finance Committee on May 9 and May 23 the Committee voted on several provisions in the budget bill related to the Tech Colleges. The Committee voted to retain the Governor’s proposed $5 million increase in general aid funding. Additionally, the Committee voted to increase the $1.5 million threshold for referendums on building projects to $2.5 million if a college will receive an equal amount of federal matching funds. They also modified the Governor’s proposal regarding operating levies, allowing the levy to increase for “net new growth”. In addition, the Committee supported but modified the Governor’s proposal to combine 15 existing categorical aid programs into one $22 million block grant program.

The Committee agreed with the Governor’s proposal to award general aid funds to the colleges based on performance/results beginning in 2014-15, but capped the amount of aid that will be performance-based at 30%.

Senator Glenn Grothman introduced motion 155 on May 9, ostensibly directed at MATC. The motion says that for the purposes of the limit governing the operating levy applicable to WTCS districts, the operating levy would include payments on promissory notes issued after the effective date, unless the note is issued to finance assets on projects with a useful life in excess of one year. The Task Force members discussed the fact that this motion is problematic for most of the Tech Colleges. MATC’s leadership is working with the other colleges on a strategy of educating legislators and the Governor’s office on the possible ramifications of this language in state statutes, with the hope of having this provision removed from the budget bill.

The Joint Finance Committee also voted to modify and adopt the Governor’s proposal to limit the ability of Tech Colleges and others from rehiring WRS retiree annuitants. The Committee voted to increase the separation period from retirement to being rehired from 30 to 75 days, and to prohibit the employee from receiving a WRS annuity unless he or she is employed less than 1,392 hours (67% full time or less).
The Tech Colleges were pleased that the Committee also clarified the Governor’s proposal to develop 30 credits of universally transferable general studies credits between the Tech Colleges and UW institutions (core general education courses), and voted to increase by $2 million the Wisconsin Higher Education Grant (WHEG) program for Tech College students.

The Joint Finance Committee also clarified that a veteran can qualify for tuition and fee remission if he or she has resided in Wisconsin for 5 years preceding enrollment in college, rather than needing to be a Wisconsin resident when they enlisted in the military service. They must maintain a 2.0 grade point average.

Other State Legislation, AB 170 and AB 177
The Task Force Committee members reviewed the updated document prepared by T. Elverman, “State Legislation That Could Affect MATC”, and J. Bauknecht highlighted two bills that had been introduced since the April Task Force Committee meeting:

AB 170, introduced by Rep. Duey Stroebel, would make changes regarding the ability of participants in the Wisconsin Retirement System (WRS) to receive an annuity if they have been rehired for another job qualifying them for WRS benefits. The Task Force members noted that this issue is being addressed in the state budget bill (AB 40), and therefore asked J. Bauknecht to monitor it.

AB 177, introduced by Rep. Garey Bies, would transfer all Technical College district facilities and assets to the WTCS Board on July 1, 2015. It would also prohibit local Tech College District Boards from levying property taxes and would increase the state’s sales tax by one cent on January 1, 2015 to help pay for the costs of operating the Tech Colleges. The Task Force members discussed the implications of this legislation and noted that currently there is not widespread support for it among Rep. Bies’ Republican colleagues because of its call for a tax increase. However, the Task Force Committee recommended that MATC’s team continue to work closely with the other Tech Colleges and the WTCS to carefully monitor this bill’s potential for advancing. The bill has not yet had a committee hearing.

c. Local:

None

E. ADJOURNMENT:

The meeting was adjourned at 1:10 p.m.
Respectfully submitted,

Desma P. Madison

Secretary
Legislative Task Force