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Testimony on Senate Bill 44
Senate Committee on Universities and Technical Colleges
August 28, 2013

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Good morning Chairperson Harsdorf and committee members. I appreciate the opportunity to testify before you today. My name is Todd Costello, and I am here to testify in favor of Senate Bill 44. We are grateful to Senator Lassa and Representative Doyle for introducing Senate Bill 44 and their commitment to addressing Wisconsin's workforce needs.

Through my work as Chair of the Wisconsin Long Term Care Workforce Alliance, Board Member of the Wisconsin Personal Services Association and member of the Survival Coalition, I have significant exposure to one of the fastest-growing fields in the state—the long-term care workforce. We are pleased to see that the grants awarded through SB 44 will focus on high-demand fields, such as health care.

Wisconsin's long-term care workforce consists of Personal Care Aides, Home Health Aides and Nursing Aides who care for the elderly and people with disabilities. It totals over 90,000 workers, making it the largest occupational group in the state. In fact, Home Health Aides and Personal Care Aides are projected to be the fastest and third fastest-growing occupations in Wisconsin through 2018, increasing by 38 percent and 34 percent, respectively.

In its *Olmstead* decision, the U.S. Supreme Court ruled that individuals with disabilities have a right to live in the community. Many people with disabilities, as well as the elderly, rely on Personal Care Workers and Home Health Aides to complete activities of daily living, such as bathing and getting dressed in the morning. As a result, the long-term care workforce plays an important role in ensuring that people with disabilities and the elderly are able to live independently and in the setting of their choice.

One of the most significant challenges facing the long-term care workforce is high turnover rates, which is compounded by a shortage of available family caregivers and a rapidly aging population. The Department of Health Services projects that Wisconsin's elderly population will grow by over 100,000 people between 2010 and 2015, one-third of whom will require long-term care. And a recent report released by AARP projects that by 2030 there will be, on average, only 4 available family caregivers for each person who is 80 or older—down from an average of

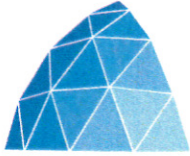
seven in 2010. Long-term care workers will play an important role in caring for Wisconsin's aging population, but the field is faced with a growing shortage of skilled workers. The Wisconsin Office of Economic Advisors projects a need for 30,000 direct-care workers between 2008 and 2018—approximately one-third of these vacancies will be due to replacement needs.

Finding well-trained individuals to fill these positions will be incredibly important for both strengthening Wisconsin's economy and ensuring that individuals with disabilities and the elderly receive quality care.

We believe that increased collaboration between the long-term care workforce and the Wisconsin Technical College System will greatly improve the skills of the individuals entering the long-term care workforce and result in more technical college graduates considering a career in one of the fastest growing fields in the state. Moreover, SB 44 would allow long-term care providers and technical colleges to develop comprehensive curriculum based on industry best practices.

SB 44 is an important first step in addressing the challenges facing the long-term care workforce, and we hope this Committee and the Legislature continues to invest in and support a quality workforce. Therefore, I ask the Committee to support Senate Bill 44.

Thank you for your time.



Testimony in Support of SB 44
Workforce Growth Grants

Senate Committee on Universities and Technical Colleges
Senator Sheila Harsdorf, Chair

August 28, 2013

Senator Harsdorf and Members of the Committee,

On behalf of our 16 local governing technical college boards statewide, the Wisconsin Technical College District Boards Association supports SB 44. We thank Senator Lassa and the bill's co-sponsors, including committee member Senator Shilling, for their support and foresight in proposing this program.

In 2012, Wisconsin technical colleges surveyed local business partners statewide. Based on that data, the colleges estimated 39,000 jobs requiring technical college level skills training that exceeded the colleges' capacity over a two-year period. At the same time, the Department of Workforce Development was estimating between 32,000 and 45,000 unfilled job openings.

In Fall, 2012, technical colleges estimated that they had nearly 12,000 individuals on waiting lists. This number was conservative because the colleges do not maintain waiting lists for all programs and limit the number of persons placed on a wait list for some programs.

In response to these needs, the Wisconsin Technical College System (WTCS) Board proposed a 2013-2015 state budget initiative to close the state's "skills gap." The centerpiece of this proposal requested \$20 million in 2013-14 and \$40 million in 2014-15 for the Wisconsin Skills Link to close the state's skills gap by expanding technical college capacity. The Skills Link proposal was very similar in design to the flexible and rapidly responsive Workforce Growth Grants proposal before you today.

SB 44 would provide flexible and accountable funding with a rapid return on investment to help close the state's skills gap. The grants would be competitively awarded and are targeted to areas with a documented skills gap including manufacturing, energy, information technology, skilled trades and health care.

The grants' allowable purposes are broad enough to support short-term programs and services such as "boot camps" aimed at a specific business, sector or industry cluster. They are also broad enough to expand the pipelines through existing programs to specific careers.

In the midst of a great recession, Wisconsin technical colleges placed 88% of 2011-12 graduates in employment within 6 months of graduation. The median starting compensation for 2-year program graduates last year was more than \$36,000 annually. Our graduates have a track record of compensation increases significantly outpacing inflation over 5 years in the workforce.

These outcomes are driven by two main engines. First, the education and training we offer is driven by working closely with employers. We seek to deliver exactly what is needed for students to move immediately into great jobs at high compensation levels. Every technical college program at every college is guided by an advisory committee with private sector members that helps assess current and future demand, quantifies the specific skills needed for the job, and helps shape curriculum.

Second, the education and training we provide is driven by our ability to employ the resources (instruction, facilities, technology, and equipment) needed to meet demand for education and training. We do not simply seek additional funding to grow capacity without also making tough choices for strategic reallocation. We have started and ended approximately 400 programs over the past decade. The number of programs we suspend is roughly equal to the number of new programs. There are few or no other statewide higher education systems nationally that manage program mix at this aggressive and responsive a level.

Our capacity is derived through state and local funding, student tuition, partnerships with business and industry, and modest federal support. The current biennium budget bill made a positive new investment of \$5 million to expand capacity beginning in 2014-15. However, this new investment, continued new efficiencies and continued reallocation of resources will not fully meet our capacity limits. SB 44's new investment will accelerate our ability to close the state's skills gap in ways that are carefully tailored to assure rapid, significant and demonstrable outcomes.

Thank you for your consideration and we hope you will support this bill.

Paul Gabriel
Executive Director



DOYLE TESTIMONY ON SB 44

Thank you Chairwoman Harsdorf for holding a hearing on Senate Bill 44 the Workforce Growth Program. This bill was introduced last session, and again this session in both the Assembly and the Senate.

The Workforce Growth competitive grant program was developed with the help of the Wisconsin Technical College System and the Wisconsin Technical College District Boards Association. This grant program would be similar to the successful Workforce Advancement Training Grants model and would attempt to relieve capacity issues in high-growth, high-demand industry sectors (ensuring sufficient numbers of classes, classroom space, proper equipment, and trained instructors are available to meet demand). It also seeks to make training more affordable, and encourage individuals to get training in high-demand industries.

Under the program, a business, a group of businesses, or a workforce development board would partner with their local technical college to apply for a competitive grant to meet their local skilled worker training needs. In this way, the grants can be appropriate to the specific area of the state, and the particular gap in skilled workers for that area.

Funding from the grants could be used for scholarships for training workers, infrastructure construction, purchasing equipment, faculty hiring, and curriculum development towards a certificate or degree program. It can also be used towards job placement and business recruitment.



STATE REPRESENTATIVE
STEVE DOYLE

WISCONSIN STATE ASSEMBLY

94th DISTRICT

The criteria used by the Wisconsin Technical College System to determine grant recipients will focus on projects in specific areas of high employment demand, including manufacturing, energy, information technology, skilled trades and health care. We could eliminate waiting lists in high-demand jobs and we could increase the speed of the training for the needs of all types of businesses.

This bill does not restore all the funding cuts to the Technical College System; however, it does provide a targeted process to help the needs of businesses to address the gaps between properly trained workers and the jobs available.

I hope the committee will consider this proposal as a way to invest in our workers and our state businesses who have expressed a need for skilled workers. Thank you Chair Harsdorf and Committee members for allowing me to speak in favor of this bill today.



JULIE LASSA

STATE SENATOR

**Testimony of Senator Lassa
Senate Bill 44
Senate Committee on Universities and Technical Colleges
August 28, 2013**

Thank you Chairwoman Harsdorf and committee members for this opportunity to testify in support of Senate Bill 44, the Workforce Growth Program. This proposal creates a competitive grant program under the Wisconsin Technical College System (WTCS) similar to the successful Workforce Advancement Training Grant model, which promotes increased investment in existing worker training and expands technical college training services to help businesses and industry meet their training needs.

As a member of the Wisconsin Economic Development Corporation Board of Directors, I have had the chance to attend business roundtables all over the state, hearing from representatives of companies large and small, in every industry sector, talk about the hurdles they face in growing and adding jobs in our state. Along with access to capital, these businesses invariably cite their difficulty in finding workers with the specialized skills they need. Simply having a diploma or a certificate is not enough. Today's workers often need highly technical training that applies to a specific type of machinery or production process. What works in one company may not work in a similar business down the road. Large companies may have the resources to take employees off line and provide the instructors and facilities needed for this specialized training. But small to medium sized companies – the ones we know are creating the majority of jobs in our state – often do not. Their inability to find or train the skilled workforce they need is a major impediment to growth in our state.

Our Technical College System is on the front lines of addressing that need, particularly through the Workforce Advancement Training, or WAT, Grant Program. WAT grants allow companies to work with individual technical colleges to provide short term specialized training programs for incumbent employees in a wide range of technical and management skills.

The Workforce Advancement Training Grants have been a true success story. Hundreds of these grants have been made to fund training partnerships between businesses in need of specialized training and their local technical colleges – there were 111 of these grants in 2012 alone. These grants have benefited companies all over the state, including in the communities you represent.

A WAT grant helped Wisconsin Indianhead Technical College work with Northwire in Osceola to upgrade the skills of its workers, who manufacture cutting-edge specialty wire, cables and assemblies. Southwest Tech helped Dilman Equipment in Prairie du Chien introduce Lean

Manufacturing techniques into its asphalt equipment manufacturing operations. MAG Giddings and Lewis in Fond du Lac trained its employees in Operational Excellence with the support of Moraine Park Technical College. Western Technical College provided advanced manufacturing training for the members of the Equipment and Metal Manufacturers Association. And in Baraboo, Madison College provided group leadership skills training that helped Seneca Foods expand its can manufacturing facility.

These are just a handful of examples that demonstrate the importance of our technical colleges in providing the specialized training that helps keep our manufacturers competitive and growing here in Wisconsin.

I like to describe the Workforce Growth Program as being like the WAT Grant program on steroids.

Under this \$10 million program, a business, a consortium of multiple businesses, workforce development board or an economic development organization would partner with the local technical college to apply to WTCS through a competitive grant process for workforce growth funding to meet their local skilled worker training needs.

Unlike the WAT grant program, however – and also unlike the Wisconsin Fast Forward program – the funding in SB 44 would be directly targeted at building the capacity of our technical colleges to address local, market-driven demand for skilled workforce training. Depending on the needs in a particular region or industry in our state, the grants could be used to expand facilities, purchase equipment, hire faculty or develop curriculum.

Workforce Growth Program funding could also be used to address student needs such as training scholarships, student career support services, job placement, and business recruitment. Recognizing that there is no one-size-fits-all solution for the skills gap problem, the Workforce Growth Program is flexible enough to provide the help that's needed, where it's needed, to address the existing demand for workforce skills training in Wisconsin.

I have been asked why we need the Workforce Growth Program given the investment the Legislature made in workforce development when it passed the Wisconsin Fast Forward bill last spring. I cosponsored that legislation, because I know from hearing directly from business leaders that addressing the skills gap is one of the most important things state government can do to help put Wisconsin citizens back to work.

However, it is not clear how much of the \$15 million address capacity issues at our technical colleges will directly. We do not yet know how that money will be spent, and how much, if any of it, will help reduce the waiting lists of workers trying to get training in in-demand skills. The Workforce Growth Program, on the other hand, will result in a technical college system with an expanded capacity to help both new and incumbent employees get the cutting-edge training that will help them stay in good paying jobs, and help their employers grow and expand.

In addition, the \$10 million in this bill, along with the the \$15 million in Fast Forward and the \$4.5 million increase to WTCS in the current budget need to be seen in the context of the \$79

million cut the Tech College system took in the previous fiscal budget. We need to do more to help Wisconsin's technical colleges build capacity to better address business and local community needs.

The Workforce Growth Program will be a rapid response that targets funds not only at the industry sectors and skill sets that have the greatest demand, it will target them toward the institutions that have the best track record and are the most strongly positioned to address the skills gap – our technical colleges. And when that \$10 million has been invested, the people of Wisconsin will be left with a stronger tech college system, one that will help Wisconsin workers and businesses change with the changing demands of the world economy.

Thank you once again for holding a hearing on SB 44 today, and I urge you to give this bill your support as we work together to address the state's skills gap problem.