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To: The Senate Committee on Mental Health, Substance Abuse Prevention,
Children and Families
From: Sen. Dan Feyen
Re: Senate Bill 26

Hello Chair James and members of the committee, thank you for taking the time to hear testimony on SB 26.

This is a very simple, permissive, bill that allows a technical college to lease out space to an outside agency to run a child care center.

The bill was brought to our attention by Moraine Park Technical College, who you will hear more from later, who was seeking to use \$3 million of their approved \$55 million referendum to build out a child care facility to lease to the Fond du Lac YMCA. This would save taxpayers from having to foot the bill for running the childcare facility, while also collecting rent payments through the agreement.

Unfortunately, State Statute only allows Technical Colleges to lease land or buildings to others if is not needed for school purposes. Since MPTC would still be using this facility as a clinical site and classrooms for their Early Childhood Education program, they are not allowed to lease or rent the space. Common sense should tell you that if the college is able to get multiple uses out of the same building, that is good for the college, good for the taxpayer, and good for the community.

SB 26 fixes this issue and paves the way for Moraine Park Technical College to move ahead with their plan to have an on-site daycare run by the YMCA. This bill also opens the door for other technical colleges to take advantage and partner with outside agencies to open more daycares across the state.

Imagine the educational doors that can be opened by having a technical college with on-site drop-in care for students with children. Or how this might benefit MPTC students who are enrolled in the Early Childhood program.

This common-sense fix will open daycare slots, provide flexibility for technical college students and employees with kids, and provide an incredible learning experience for future early childhood educators all while saving taxpayer dollars.

Thank you very much for holding a public hearing on this bill.



JERRY L. O'CONNOR

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

To: The Senate Committee on Mental Health, Substance Abuse Prevention,
Children and Families

From: Rep. Jerry L. O'Connor

Re: Senate Bill 26

Hello Chair James and members of the committee, thank you for taking the time to hear testimony on SB 26.

This is a simple, commonsense solution and a win-win for our technical colleges and the taxpayer.

Moraine Park Technical College (MPTC), which sought to allocate \$3 million of its approved \$55 million referendum to develop a child care facility that would be leased to the Fond du Lac YMCA. However, current state law only allows technical colleges to lease land or buildings if they are not needed for school purposes. Since MPTC plans to use the facility as a clinical site and classrooms for its Early Childhood Education program, it is prohibited from leasing the space.

SB 26 addresses this issue by allowing MPTC to proceed with its plan to establish an on-site daycare operated by the YMCA.

Furthermore, this bill creates opportunities for other technical colleges to collaborate with outside organizations to expand child care options across the state. This arrangement would not only generate rental income for the college but also eliminate the need for taxpayers to cover the costs of operating the facility.

Consider the advantages of a technical college offering on-site drop-in child care for students with children or the valuable hands-on experience this provides to students in the Early Childhood Education program. This practical, common-sense solution will increase daycare availability, support technical college students and employees with children, and enhance training opportunities for future educators—all while saving taxpayer dollars.

Thank you very much for the opportunity to testify on this bill.

Senate Committee on Mental Health, Substance Abuse Prevention, Children and Families

SB 026 – Tech College Leasing

February 11, 2025

I am Layla Merrifield, president of the Wisconsin Technical College System. Thank you for the opportunity to testify for information only today.

First, I applaud Moraine Park Technical College for their efforts to address a significant workforce issue in their community – childcare – by seeking to find collaborative solutions with local partners. Technical colleges across Wisconsin are problem solvers and doers, and this is just one example of their ability to innovate.

I would specifically like to thank Senator Feyen for his willingness to bring forward legislation on behalf of his local technical college. We are fortunate and proud to have strong relationships between our colleges and policymakers.

As background:

- Local technical college boards and the System Board share governance responsibilities for facilities development under a structure laid out in statute.
- The System Board has an essential oversight function and tested policies and procedures to evaluate and approve land use and facilities development projects at the local level, which provides an additional layer of oversight and protection for taxpayers.
- State statutes protect technical college assets – taxpayer assets – by ensuring that technical college property must be used for its intended purpose: education and training.
- In a situation where a technical college district has unused land or buildings, colleges may either dispose of, or temporarily lease, that property to others under current law.

- Currently, technical colleges may not lease facilities to others if the property is also needed for school purposes. However, in the past, this statute was amended to allow colleges to enter into leases for school purposes. These were specific, time-limited exceptions for two projects:
 - 1989 Fox Valley project to develop a bookstore
 - 1998 Waukesha project to construct facilities for a healthcare clinic

SB 26 proposes a permanent exception to current law to permit technical colleges to lease facilities to others for school purposes for the operation of a childcare center. It should be noted, however, that childcare centers already operate on several technical college campuses under a variety of structures, without the need for this statutory change.

The System takes no position on this legislation. However, even if this statute were amended, I want to assure the committee that the underlying project will be subject to the same vetting process required of all new building projects at technical colleges.

- Moraine Park proposes to borrow funds to construct a new childcare facility, then enter into a lease agreement with a private entity to operate that facility. Those lease payments will be reviewed to ensure fiscal sustainability for the college's taxpayers.
- Technical colleges are generally not permitted to use taxpayer funds to construct facilities for the sole benefit of a private business. The college will be required to demonstrate a sufficient programmatic connection to the college's educational mission, and document how the college's students will benefit from the project.
- At present, the college has not yet completed a public RFP process to select the private provider, which is always required for contracts exceeding \$50,000.

- All technical college building projects are required to complete a two-step project review by the System Board to review all of the above information and make a determination about the project's viability.

Childcare operators face a difficult business model, and Wisconsin's current childcare shortage is serious, totaling an estimated 33,000 slots statewide. This shortage no doubt hurts Moraine Park's students, many of whom are also parents, just as it impacts WTCS students throughout the state.

We are committed to supporting the childcare industry where that is feasible, and within our very limited means. The most important way we do that is through our System-wide programming, which produces around 475 graduates annually in assorted early childhood education credentials.

We take seriously our responsibility to ensure taxpayer dollars are spent carefully, for their intended purpose, and considering the needs of all the many industries that depend on us.

Thank you. I am happy to take questions.