

# Wisconsin GrandSons of Liberty Position

## Unelected Board Reform

### Wisconsin Technical College District Board Accountability Shift

#### **Technical College System at a glance:**

1. There are 16 technical college districts in Wisconsin, with 49 campuses, and touching the lives of 304,000 students in 2014.
2. The student number equates to roughly 68,000 full time students as many are taking beneficial courses that do not necessarily lead to a degree. In 2014 28,314 degrees were awarded of all types.
3. The system operating budget is 1.1 billion dollars annually.
4. It is expected that going forward the need for a workforce that is technically educated will only increase.

#### **Technical College System Governance:**

1. The system is governed by a System Board comprised of 13 members 9 of which are appointed by the governor. Also included is the Superintendent of DPI.
2. Most of the 16 districts are locally governed by a District Board comprised of 9 members appointed by the chairs of the county boards represented in those districts.
3. District boards have accountability for the institution's finances and direct operations such as appointing and working with the college president, budgeting, strategic planning, hiring personnel, developing and offering programs and courses, and developing and maintaining facilities.
4. District board members each serve a 3 year term with 3 of the 9 positions filled every spring. The appointment process is controlled by the system board and the local appointment committees. Each candidate must submit an affidavit of eligibility to be selected.

#### **Identified Problems and Suggested Solutions:**

1. The district boards represent an unelected unit of government with taxing authority and the control of spending 1.1 billion dollars annually.
2. A FOIA request in spring of 2016 for affidavits of eligibility forms required of all applicants to the 48 available board seats system wide produced only two interested individuals, and most open seats were just reinstated. Some members have served over thirty years.
3. The federal Workforce Innovation and Opportunity Act of 2014 as well as several Wisconsin initiatives on reporting to assure *Institutional Performance* of technical colleges will best be accomplished if the district boards can concentrate on these issues.
4. One suggested solution would be to transfer the approval of operational budgets, the levying of local taxes and union bargaining contract negotiations to the elected county officials who make up the current board appointment committees in 14 of the 16 districts. Two districts use superintendent of schools as committees. Those could also use elected county board chairs.
5. This one change would move nearly all spending to existing elected and accountable boards.
6. At a time when the institutional performance of technical colleges will greatly affect the lives of Wisconsin citizens, it is of paramount importance that the college boards be allowed to focus mainly on educational issues and freed of financial responsibilities.

7. The elected county officials are better equipped to appreciate the needs and resources of their communities, and are experienced in contract negotiations.

#### **Overview:**

##### **With a focus on the appointment of the members of the WTCS District Boards**

The U.S. Constitution does not mention education and therefore leaves it to the constitutions of the various states. Wisconsin established the nation's first system of vocational, technical and adult education in 1911. By 1965 a statewide system was developed and Act 399 of 1993 changed the name of the system to the Wisconsin Technical College System (WTCS). In Wisconsin, the technical college system is established in state statutes chapter 38.02.

#### **The WTCS System Board**

The Technical College System is governed by a 13-member system board, which according to state statute determines the organization, plans, scope, and development of technical colleges. There are sixteen districts that make up the Wisconsin Technical College System, and each district has a 9-member district board. The system board also reviews and approves any proposals by district boards for land acquisition, additional or new facilities, and rentals and remodeling of existing facilities. The system board approves the qualification standards of educational personnel and courses of study offered in the district technical schools. The 13 member WTCS system board consists of: an employer, employee, farmer, student, six public members, the State Superintendent of Public Instruction, Secretary of Workforce Development and the President of the UW Board of Regents. The Governor appoints all the employer, employee, farmer, student and public members.

#### **The WTCS District Boards**

Currently all 144 district board members of the 16 districts are appointed by local appointment committees. 2011 Act 286 changed Milwaukee's district board composition to reflect the larger manufacturers of that community. Milwaukee area's appointment committee consists of the Milwaukee County Executive and the chairpersons of the Milwaukee, Ozaukee and Washington county boards. The remaining district appointment committees consist of the county board chairs of 13 of the districts and school board presidents of the Southwest and Fox Valley districts. [38.10(1) (a) & (b)] The duties of the district boards include hiring the district president, staff and teachers. The board also develops a capital building program within statutory limits, develops a budget and sets a property tax levy, also within statutory limits. The current system wide operational budget is 1.1 billion dollars. The district boards work with the system board on program development.

The board members of each district serve a 3 year term which is staggered so that every year three of the nine positions are open to be filled. This creates **48 open appointed positions each spring**. The System Board publishes the process required for the appointment of board members by the appointment committees. The process includes yearly notification and posting of open positions. The committee then is required to hold public meetings to include the community in the process. Each applicant is required to complete the "Affidavit of Qualifications for Wisconsin Technical College District Board Membership" form to be considered for a position. An open records request of the System Board to view all of the affidavits presented to all of the 15 appointment committees (not including Milwaukee) resulted in **only two affidavits system wide**. This cannot be overstated. There were only two people who followed the required process to apply for one of the 45 open positions of the district boards. A search of each of the technical college website's listing of board members and bios reveals that as few as five new members were appointed and the majority of expiring positions were filled by reinstating the existing member. Of the eleven sites that gave some biographical data listing the original date of

membership, the twenty members with the most longevity averaged 16 years on their respective board.

**With respect to the *appointed* boards as a governance model:**

**The liberal view is:**

It is the responsibility of government to provide the best services to the citizens of the state. The technical college system is too complex for the average elector to fully understand. Without a basic understanding of the system and the needs of the workforce, the electorate cannot possibly fill the positions on the various boards with people who are best qualified. The appointed boards can be trusted to be prudent and competent.

**Supporting the current appointed board model:**

(The following points are taken from an opinion paper “Local Board Governance of Wisconsin Technical Colleges” by Paul Gabriel, November 2014, found on the website of the Wisconsin Technical College District Boards Association).

1. Boards are representative because part of the appointment process takes place in public hearings conducted by elected officials.
2. Competitive applications and job interviews drive board selection.
3. 24% of all 2014-15 WTCS district board members are CEOs, business owners and company presidents.
4. College boards operate as openly, publicly and accountably as any other local and state government.
5. They also follow the same laws concerning open meetings, public records, public access and public input as all other forms of local government.
6. Appointed boards, by statute 38.01 (c) 1, maintain a diverse board representing women and minorities.
7. The result of 2013 Act 145 is that the average property owner with a \$151,000 home will only pay an average of \$129 per year in technical college property taxes.
8. Every one of the Wisconsin technical colleges has a community-based advisory committee to guide the board.

**The conservative view is:**

Any government entity that has the authority to tax should be made up of members that represent the people being taxed. This is a basic tenet of our republic. And the Wisconsin Technical College district board members collectively control the states largest taxing authority that is not directly elected by the citizens. An election brings issues to the forefront, and a healthy debate allows the citizens to vet the candidates. The argument in favor of shifting financial decision-making to elected officials then becomes one of accountability and representation.

**Supporting a need for change to a more accountable district board:**

1. With only two people applying for any of the 45 open positions in spring of 2016, It is obvious that the public is not engaged in this appointment process.
2. Just because part of the appointment process would take place in a public hearing, there is no guarantee that public input will influence the appointment committee. There is also likely no public hearing if there are no applicants. It would appear that the public is being bypassed in this process.
3. From above: “Every one of the Wisconsin technical colleges has a community-based advisory committee to guide the board. “ That same committee could be a guide to those entrusted with financial decision making.

4. The need for continual assessment of Wisconsin's technical education in order to assure performance standards will best be addressed by boards that can focus solely on those issues and remain free of financial interference. We can't afford to neglect this.
5. 2013 Act 145 reduced the property tax, but it shifted the cost to state funding. The people are still paying for the college system through other forms of revenue. Be it federal, state or local taxes, the tax paying citizens are funding technical education.

**History:**

The following history is from "State of Wisconsin Blue Book" 2013-2014, Technical College System Pg 486-488.

- 1911 Chapter 616 Wisconsin was the first state to establish a system of state aid and support for industrial education.
- 1911 Chapter 347 set up apprenticeship agreements, and in Chapter 505 required employers to release 14 to 16 year olds for part-time attendance in continuation schools for apprentices if available.
- 1917 U.S. Congress passed Smith-Hughes Act which provided financial aid to states to help pay for teachers and staff.
- 1917 Chapter 494 Changed name of Wisconsin's State Board of Industrial Education to the State Board of Vocational Education with a new state director.
- 1961 Chapter 51 authorized the 2 year associate degree.
- 1963 federal Vocational Education Act helped with the building of new facilities.
- 1965 Chapter 292 required a system of vocational, technical and adult education districts covering the entire state by 1970. The name eventually became the Board of Vocational, Technical and Adult Education (VTAE).
- 1993 Wisconsin Act 399 changed the name to the Technical College System and designated the state board as the Technical College System Board.

**Recent Legislation addressing funding and board selection:**

- 2011 Act 286, changed the appointment committee of Milwaukee district from the district's school board presidents to a committee consisting of the Milwaukee County Executive and the chairpersons of Milwaukee, Ozaukee and Washington county boards. The law further defined the distribution attributes that the board had to have with respect to demographics and workforce representation.
- 2013 Act 145 providing property tax relief and shifting technical colleges from primarily local funding to primarily state funding. Local funding went from 68% to 33% and State funding went from 9% to 44%.
- March 2014 Legislature approved a "Joint Legislative Council Special Committee on the Review of Wisconsin Technical College System Funding and Governance". Representative Nygren chaired the committee, however it never began operation and dissolved.

**Additional Information:**

The 2007-08 legislature formed a Joint Legislative Audit Committee with the directive to examine and report on policies of the Wisconsin Technical College System. They reported their findings in a report titled: "An Evaluation-Personnel, Policies and Practice of the Wisconsin Technical College System". After this report was made public, there were many articles published using the findings.

The following are the highlights of the findings:

- WTCS employees earned an average of \$74,598 with MATC district employees averaging \$89,850. By comparison, U.W. 2 year college employees averaged \$52,552 in 2005.
- WTCS “Other post-employment benefits (OPEB) liabilities are largely unfunded (2005) and MATC district is most unfunded at \$228 million, based on actuarial estimates.
- Average base salaries of WTCS faculty are among the highest reported nationally.
- The salaries exceeded the average annual earnings of full-time faculty at the two-year U.W. Colleges by approximately \$22,000.

**Constitutionality of unelected boards: (Wisconsin ):**

Wisconsin government delegates powers to handle specific areas under the state constitutions. However, unelected boards are created without representation of the populace. In making administrative law and taxing without input of electorate, they often assume powers not granted at federal and state levels. Thus all are disenfranchised.

**Position of the Wisconsin GrandSons of Liberty:**

A study of the functions of this unit of Wisconsin government, and the process that has been used in populating the 144 board positions, leads to questions of representation and accountability. The sixteen boards of the Wisconsin Technical College System, it would appear from the results of the 2007 report, have often operated without the required oversight of the System Board.

A further study of the process of appointment of the members of the 15 district boards, excluding the MATC board, strongly suggests that the rigorous process outlined by the WTCS System Board found in: “Manual for the Appointment of Wisconsin’s Technical College System District Board Members” for the selection of members of each of the technical college district boards is not being followed.

We agree with the WTCS District Boards Association that the local district boards drive a more local and rapid responsiveness. However, we support the concept of dividing the responsibilities of the governing bodies into two sets: *financial* and *institutional performance assurance*. The financial responsibilities of approval of operational budgets, labor contract negotiation and the levying of property tax would be transferred to the existing county chairs that currently make up the district board appointment committees. In the two cases where school board presidents are the committee, the chairs of those county boards would also receive the transferred financial responsibilities. The remaining institutional performance assurance, being the most important function of district boards, would then become the primary responsibility of the existing technical college district boards.

In an effort to make the Technical College System more accountable and representative to the people of Wisconsin, we offer these suggestions:

- 2011 Act 286 is designed to address the Milwaukee Area Technical College board and requires time in order to assess its effectiveness. Therefore, that board will continue the current appointment process.
- For the remaining 15 districts:
- Assign the financial responsibilities of school operational budget approval, labor contract negotiation and levying of property taxes to the elected county officials that currently make up district board appointment committees and county board chairs of the two districts that use school board presidents as committees.

- Assign the primary responsibility of institution performance of technical colleges to the existing district boards.
- Continue to employ the community-based advisory committees that every one of the technical colleges has, to guide the boards.
- Finally, we recommend that the legislature requests a study of the district board appointment process in an effort to determine why there is little interest in applying for the yearly open positions. The study should also determine if this is the best structure for a governing body with these responsibilities.