



# Wisconsin State Assembly

P.O. BOX 8952 MADISON, WI 53708

TO: SPEAKER ROBIN VOS

FROM: Representatives Kalan Haywood and Robert Wittke, Subcommittee Co-Chairs, Assembly Speaker's Task Force on Racial Disparities

RE: Report of the Task Force's Subcommittee on Education and Economic Development

DATE: November 10, 2021

This report summarizes the activities of and the topics of consensus identified by the Subcommittee on Education and Economic Development, a subcommittee of the Assembly Speaker's Task Force on Racial Disparities.

## CREATION AND MEMBERSHIP

On August 24, 2020, you created a task force to focus on racial disparities, educational opportunities, public safety, and police policies and standards in Wisconsin. Representatives Jim Steineke and Shelia Stubbs were appointed as co-chairs of the full task force and community members were invited to apply to serve on the task force by submitting a statement of interest and resume. The task force's 32-person membership was announced on October 21, 2020. Appendix 1 contains a list of the task force members.

The task force has two subcommittees: (1) the Subcommittee on Law Enforcement Policies and Standards (19 members); and (2) the Subcommittee on Education and Economic Development (13 members). Representatives Steineke and Stubbs served as co-chairs of the first subcommittee, in addition to serving as co-chairs of the full task force. The task force co-chairs appointed Representatives Kalan Haywood and Robert Wittke as co-chairs of the second subcommittee, which was tasked with exploring issues relating to racial disparities in education and economic conditions. This report briefly describes the meetings of the Subcommittee on Education and Economic Development, and summarizes the subcommittee's recommendations and consensus items.

## MEETINGS

The full task force held its introductory meeting on October 28, 2020, at which Co-Chairs Steineke and Stubbs explained the task force goals and expectations and announced the formation of the two subcommittees. After this first meeting, the Subcommittee on Education and Economic Development held in-person and virtual meetings, as follows:

- **November 12, 2020 – Madison:** The subcommittee received invited testimony from the Department of Public Instruction (DPI) and Marcio Sierra, Jr., Senior Pastor and President, Lighthouse Church and Schools, regarding racial disparities in education.
- **December 10, 2020 – Madison:** The subcommittee received testimony from representatives of the Department of Workforce Development (DWD) and the Wisconsin Housing and Economic

Development Authority (WHEDA) on efforts to address racial disparities in the workforce and in housing and economic development.

- **January 25, 2021 – Eau Claire:** The subcommittee received testimony from the following invited speakers on various topics related to education and economic development:
  - (1) Jim Schmidt, Chancellor; Dr. Carmen Manning, Dean, College of Education and Human Sciences; and Dr. Demetrius Smith, Director, Bluegold Beginnings, Special Assistant to the Vice Chancellor for Equity, Diversity, and Inclusion, University of Wisconsin (UW)-Eau Claire.
  - (2) Dr. Tammy Tillotson, Trainer of and Advocate for Effective Reading Instruction; Erica Ruf, Educator, Cornell Elementary School; and Amy Brunsvold, Educator, Reading Specialist School, District of Thorp.
  - (3) Kaylynn Stahlbusch, Vice President, Eau Claire Area Chamber of Commerce Workforce Initiatives; and Dave Minor, Executive Director and President, Eau Claire Area Chamber of Commerce, Eau Claire Chamber, EDI Task Force.
  - (4) Joshua Clements, Co-Lead, City Planner, City of Altoona; and Scott Allen, CoLead, Community Development Director, City of Eau Claire, Chippewa Valley House Task Force.
  - (5) Mai Xiong, President, Eau Claire City Council member, Community and Economic Development Officer, WHEDA, Hmong American Leadership and Economic Development (HALED).
  - (6) Mireya Sigala Valadez, Board Member/Advocate, Adjudicator, State of Wisconsin; and Dr. Gerardo Licón, Past President and Board Member, El Centro de Conexión.
- **February 10, 2021 – Virtual:** The subcommittee met virtually to discuss materials and information gathered during previous meetings. Individual members identified topics for further exploration.
- **February 22, 2021 – Milwaukee:** The subcommittee received testimony from the following invited speakers on the topics of education and economic development:
  - (1) Calvin A. Lee, Wisconsin Field Director, American Federation for Children.
  - (2) Dr. Mark Mone, Chancellor, UW-Milwaukee.
  - (3) Dr. Christine Manion, Vice President, Institutional Effectiveness, and Janice Falkenberg, Vice President, General Counsel, Milwaukee Area Technical College.
  - (4) Marne Stuck, Government Affairs Director, Greater Milwaukee Association of Realtors.
  - (5) Ruben W. Hopkins, Chairman/CEO, Wisconsin Black Chamber of Commerce.
  - (6) Tim Sheehy, President, Metropolitan Milwaukee Association of Commerce.
  - (7) Representatives from Milwaukee Public Schools.
- **March 1, 2021 – Virtual:** The subcommittee met virtually and identified general topics within higher education, K-12 education, and economic development for further discussion at future meetings.
- **March 5, 2021 – Virtual:** The subcommittee met virtually to discuss items within a “Potential Topics of Focus” document distributed to members prior to the meeting, including increasing availability of high-quality daycare, improving early literacy for students of color, expanding the number of K-12 teachers of color, and increasing the number of college credits earned by students of color while in high school.
- **March 10, 2021 – Virtual:** The subcommittee continued its discussion of items within the “Potential Topics of Focus” document distributed to members, including transferability of college credits between institutions, encouraging people of color to obtain professional credentials in high-

need areas, removing occupational licensing barriers, enhancing procurement preferences for minority-owned business enterprises (MBE), and funding for minority business organizations and chambers of commerce.

- **March 11, 2021 – Virtual:** The subcommittee met virtually and each member identified three issues for further subcommittee consideration. The co-chairs identified the following priority areas based on committee discussion: increasing the number of teachers of color; supporting and enhancing MBEs; professional credentialing; and early literacy.
- **April 6, 2021 – Virtual:** The subcommittee heard from invited speaker Anne Chapman of the Wisconsin Policy Forum on her report entitled “Opening Doors: Strategies for Advancing Racial Diversity in Wisconsin’s Teacher Workforce,” and discussed topics related to the presentation, including strategies to increase the number of K-12 teachers of color in classrooms.
- **April 15, 2021 – Virtual:** The subcommittee planned to receive testimony regarding the Supplier Diversity Program within the Department of Administration (DOA), but adjourned due to technical issues following limited discussion.
- **April 20, 2021 – Virtual:** The subcommittee received testimony from invited speaker Tondra Davis, Director, Supplier Diversity Program, Division of Enterprise Operations, DOA, and discussed topics related to the presentation, including minority-owned businesses and state procurement.

## RECOMMENDATIONS

The Subcommittee on Education and Economic Development received information and testimony regarding K-12 education, higher education, and economic conditions for people of color in Wisconsin. The subcommittee recognizes that significant racial disparities exist in the educational opportunities and performance of students from racially diverse backgrounds, and in the economic opportunities and circumstances of minority communities. Given the wide-ranging and complex causes for these disparities, the subcommittee recommends that the Legislature and state government as a whole continue investigating the causes of existing racial disparities in education and economic development, and advance approaches to reduce disparities within identified subtopic areas. The subcommittee’s report represents a starting point for ongoing work on these important topics.

The subcommittee members identified the following priority areas relating to racial disparities in education and economic development: (1) increasing the number of teachers of color; (2) improving early literacy for students of color; (3) increasing access to high quality child care in minority communities; (4) improving higher education access for students of color; (5) supporting MBEs; (6) reducing occupational licensing barriers; and (7) expanding available and affordable workforce housing. The subcommittee’s recommendations regarding each priority area are explained in more detail below.

### INCREASE THE NUMBER OF TEACHERS OF COLOR

The subcommittee received testimony about educational studies showing that a diverse teacher workforce results in beneficial outcomes for students of color. Consequently, the subcommittee recommends increasing the number of teachers of color in Wisconsin, particularly in classrooms with a high percentage of students of color.

#### Expand the Minority Teacher Loan Program

##### Background

Current law provides a Minority Teacher Loan Program that offers loans to eligible Wisconsin students of color pursuing a teaching license in a teacher “shortage area,” as well as loan forgiveness for teachers

who received those loans and teach in a school with a large population of minority students. Under the Minority Teacher Loan Program, a college student is eligible to receive a loan up to \$10,000 each year for three years (maximum \$30,000) if he or she meets all of the following conditions:

- Student of Color. The student must be a Black American, an American Indian or Alaskan native, a Hispanic<sup>1</sup>, a person of Asian or Pacific Island origin, or a person whose ancestry includes two or more races.
- Wisconsin Education Student. The student must be a Wisconsin college sophomore, junior, or senior who is studying to become a teacher at an institution of higher education in Wisconsin.
- Licensure in a Teacher Shortage Area. The student must be enrolled in a program leading to teacher licensure in a discipline identified as a “shortage area” for Wisconsin by the U.S. Department of Education.<sup>2</sup>
- 3.0 Grade Point Average. The student must have an overall GPA of 3.0 or higher.

[s. 39.40 (1) to (2m), Stats.]

Current law also provides loan forgiveness for teachers who received loans under the Minority Teacher Loan Program, if they teach in certain subject areas in qualifying school districts. The Higher Educational Aids Board (HEAB), which administers the loans, must forgive 25 percent of the loan and interest for a teacher who received loans under the program for each year in which the teacher satisfies the following criteria:

- Teaching in a Shortage Area. The teacher must be employed full-time in a high-demand area related to the teacher’s licensure in a teacher shortage area.
- Employed by a School Located in a District With 40 Percent Minority Students.<sup>3</sup> The teacher must be employed in a public, private, or tribal school located within a school district in which minority students constitute at least 40 percent of the school district’s student membership (the school itself need not have enrollment of 40 percent minority students).
- Proficient or Distinguished Rating. The teacher must receive a rating of “proficient” or “distinguished” on the Educator Effectiveness System or the equivalent in a school that does not use the system.<sup>4</sup>

[s. 39.40 (3) (a) and (b), Stats.]

The Minority Teacher Loan Program has not been fully utilized in recent years. In 2019-20, the loan program disbursed only \$160,000 of the \$259,000 total annual appropriation.

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<sup>1</sup> “Hispanic” is defined to mean a person of any race whose ancestors originated in Mexico, Puerto Rico, Cuba, Central America or South America or whose culture or origin is Spanish. [ss. 16.287 (1) (d) and 39.40 (1), Stats.]

<sup>2</sup> The Higher Educational Aids Board publication “[Wisconsin Minority Teacher Loan Program Information](#)” identifies the teacher shortage areas for Wisconsin in 2020-21, including mathematics, special education, and technology education.

<sup>3</sup> “Minority student” is the term used in the statute and has a particular statutory definition.

<sup>4</sup> The Educator Evaluation System must be used by school districts and independent charter schools to evaluate teacher performance and to assign each teacher to a performance category. Fifty percent of a teacher’s evaluation score is based on measures of student performance (e.g., performance on state assessments), and 50 percent is based on the extent to which the teacher’s practice meets the core teaching standards adopted by the 2011 Interstate Teacher Assessment and Support Consortium. Alternatively, a district or charter school may choose to use an equivalency system that meets criteria promulgated under DPI administrative rules. [s. 115.415, Stats.]

## **Recommendation**

The subcommittee recommends expanding eligibility for the Minority Teacher Loan Program and outreach to potentially eligible students pursuing teaching degrees. Specifically, the subcommittee recommends either eliminating the requirement for a student to pursue licensure in a “shortage area,” or alternatively, expanding the types of teacher licensure eligible for the program beyond the identified “shortage areas.”

The subcommittee also recommends relaxing the requirements for loan forgiveness so that a teacher is not required to teach in a shortage area to be eligible, and is required to teach in a school district with a lower percentage of minority students than the current 40 percent threshold. Finally, the subcommittee recommends requiring institutions of higher education that offer teacher preparatory programs to do active outreach to students of color enrolled in those programs to inform them about the Minority Teacher Loan Program and offer assistance in applying for loans.

## **Create an Alternative to Passage of the Foundations of Reading Test (FORT)**

### **Background**

The subcommittee heard testimony indicating that required teacher licensure tests pose particular barriers for teachers of color. For example, current law requires individuals applying for a license to teach in kindergarten to grade 5, to teach special education, or for a license as a reading teacher or reading specialist to pass the FORT before receiving an initial teaching license. The FORT is a computer-based test that assesses proficiency in and understanding of reading and writing content knowledge, literacy development, and instruction. [s. 118.19 (14) (a), Stats.]

State law was amended in 2019 to create an alternative to the FORT for applicants seeking special education licensure. Instead of a passing score on the FORT, a special education license applicant may demonstrate completion of a course of study, if the following requirements are met: (1) the course provides rigorous instruction in teaching of phonemic awareness, phonics, vocabulary, reading comprehension, and fluency; (2) a student in the course receives feedback and coaching from someone who is an expert in reading instruction; and (3) a student in the course demonstrates competence in phonemic awareness, phonics, vocabulary, reading comprehension, and fluency by providing a portfolio of work. [s. 118.19 (14) (b), Stats.]

### **Recommendation**

Some subcommittee members recommend providing an alternative method of demonstrating competence in literacy instruction for applicants for licensure. At minimum, the subcommittee recommends allowing individuals applying for licensure to teach in kindergarten to grade 5 to utilize the alternative currently available to applicants for special education licensure. This will allow licensure applicants to demonstrate completion of a course meeting specific requirements in lieu of a passing score on the FORT.

## **IMPROVE EARLY LITERACY FOR CHILDREN OF COLOR**

The subcommittee received testimony that early literacy is foundational for all other K-12 learning and performance. Therefore, the subcommittee recommends implementing efforts specifically aimed at improving literacy in four-year-old kindergarten (4K) to third grade.

## **Implement Portions of the Mississippi Literacy-Based Promotion Act**

### **Background**

Mississippi enacted the “Literacy-Based Promotion Act” in 2013, and amended it in 2016, with the stated intent of improving reading skills of public school students in kindergarten to third grade so that every student completing third grade is able to read at or above grade level. A central feature of the Mississippi law is that a third grade student’s promotion to fourth grade is largely determined by the student’s proficiency in reading. The Act requires that a third grade student be retained in third grade if the student scores below a certain proficiency level, and then requires a retained student to receive intensive services, monitoring, and supports, including 90 minutes of scientifically research-based reading instruction each day; placement in a high-performing teacher’s classroom; and a “Read at Home” plan for parents and guardians. For other students exhibiting a substantial reading deficiency in any grade K-3, the Act requires intensive reading instruction and intervention documented in an individual reading plan. Subcommittee members discussed the Mississippi law and the potential for implementing portions for Wisconsin.

Current Wisconsin law requires public schools to administer reading readiness assessments chosen by the district to students in grades 4K to 2, and to administer a standardized reading test developed by the Department of Public Instruction (DPI) to students in third grade. [ss. 118.016 and 121.02 (1) (r), Stats.] State law also requires that students with identified reading deficits receive interventions if they fail to meet reading objectives in the district’s reading curriculum plan, if the reading readiness assessment indicates a student in 4K to 2<sup>nd</sup> grade is at risk for reading deficiencies, or if the student in third grade scores below a minimum standard on the state third-grade reading test. [ss. 118.016 (2) and 121.02 (1) (c), Stats.]

### **Recommendation**

The subcommittee recommends implementing portions of the Mississippi Literacy-Based Promotion Act. At minimum, the subcommittee recommends implementing individualized reading plans for students who demonstrate a substantial reading deficiency in any grade 4k to third and state support for teacher training on scientifically based reading instruction and intervention.

## **Encourage Public-Private Literacy and Math Programs**

### **Background**

Current law, enacted under 2019 Wisconsin Act 170, requires DPI to create a three-year, online early learning pilot program for low-income children to improve a child’s transition into five-year-old kindergarten. The program provides computer-based instruction to children, contains content in reading, math, and science, and is aligned with early learning standards. The program is administered by a third-party provider and runs from July 1, 2020, until June 30, 2023.

DPI awarded the contract to a third-party provider using a competitive request for proposals process. The Waterford UPSTART program is currently being administered in six school districts meeting specified statutory criteria, including that each district has large reading achievement gaps. Specifically, the online early learning program is being offered in the following districts: Milwaukee Public Schools; Racine Unified School District; Green Bay Area Public Schools; Lac du Flambeau School District; Siren School District, and North Crawford School District.

## **Recommendation**

The subcommittee recommends that the state elevate reading and math proficiency for all students in early grades, with a particular focus on students of color, by facilitating public-private partnership programs with nonprofit organizations and other entities and foundations. This may include expansion of existing state-initiated programs, such as the online early learning pilot program, or by encouraging and facilitating local school districts to enter into these partnerships with programs such as Boys and Girls Clubs and the Literacy Lab Leading Men Fellowship.

## **INCREASE ACCESS TO QUALITY CHILD CARE IN MINORITY COMMUNITIES**

The subcommittee discussed the impact of high-quality child care on school readiness and the importance of having nurturing learning environments available for young children, particularly for children of color. Thus, the subcommittee recommends creating and implementing initiatives that increase the quality and availability of child care options for children in minority communities.

### **Offer Incentives to Child Care Providers to Promote Early Reading and Math Skills for Children in Communities of Color**

#### **Background**

Wisconsin currently provides various child care quality improvement programs pursuant to federal law requirements. For example, the state provides funds for technical assistance to child care providers, with some of the assistance delivered by nongovernmental organizations such as the Supporting Families Together Association and the Wisconsin Early Childhood Association. The state-funded technical assistance offered to child care providers by these organizations includes quality enhancement programming, such as trainings on the Wisconsin Model Early Learning Standards and the Wisconsin “Pyramid Model.”

The Wisconsin Model Early Learning Standards specify developmental expectations for children from birth to first grade. The Pyramid Model is a multi-level system of supports to enhance social and emotional competence among infants, toddlers, and young children, and focuses on creating high-quality learning environments, teaching the practice of key social and emotional skills, preventing challenging behavior by intentionally supporting nurturing and responsive relationships, and employing highly individualized supports when children need them.

Participation in such trainings factors into a child care provider’s rating under YoungStar, which is the state quality rating and improvement system that evaluates child care providers and is overseen by the Wisconsin Department of Children and Families. [s. 48.659, Stats.] The system rates child care providers on a scale from one star (lowest rating) to five stars (highest rating) based on specified factors, including the program’s learning environment and curriculum. Evaluation under the YoungStar system is optional for child care providers, but any provider who wishes to accept state child care subsidies for eligible, low-income families under the Wisconsin Shares Program is required to participate.

#### **Recommendation**

The subcommittee recommends creating incentives for child care providers to complete training and implement evidence-based curricula introducing children to early math and literacy concepts. These incentives could include offering grants for individual child care providers to participate in trainings or purchase curriculum materials, or issuing financial merit awards directly to providers or staff after they complete specified trainings or implement approved evidence-based literacy and math practices.

## **Provide Funding for Full-Day, Four-Year-Old Kindergarten**

### **Background**

Under current law, public school districts, independent charter schools, and private schools participating in a parental choice program receive funding based largely on the number of students enrolled in the district, school, or program (“membership”). Students in any grade from five-year-old kindergarten to 12<sup>th</sup> grade are counted as 1.0 pupil for membership purposes. However, a student enrolled in 4K is counted and funded at only 50 percent or 60 percent compared to other students. Specifically, a 4K student is counted as 0.5 member if the school’s 4K program provides at least 437 hours of instruction, and is counted as 0.6 member if the 4K program also provides an additional 87.5 hours of outreach activities. [s. 121.004 (7) (c) and (cm), Stats.] Because of this, many districts and schools do not offer 4K full-time, five days per week. Even if a district or school chooses to provide full-time 4K, the school cannot count a 4K student like other students and cannot receive the same level of funding for 4K students.

### **Recommendation**

Some subcommittee members recommend that students attending full-time 4K be counted in the same manner as students attending other grade levels (1.0 pupil for membership purposes) in order to provide additional funding and incentivize districts and schools to offer 4K programming full-time, five days per week. At a minimum, the subcommittee recommends that 4K students enrolled in a district or school with a high percentage of low-income students of color be counted as 1.0 pupil for membership purposes.

## **IMPROVE HIGHER EDUCATION ACCESS FOR STUDENTS OF COLOR**

The subcommittee received testimony indicating that students of color have lower rates of participation in and completion of higher education programs. The subcommittee discussed the unique difficulties that often face students of color, such as limited access to financial resources or less access to adults with higher education experience who can help a student navigate application and financial aid processes. Thus, the subcommittee recommends facilitating programs allowing students of color to earn low-cost or no-cost postsecondary credits while in high school, and offering assistance in completing financial aid paperwork necessary for many students to afford higher education.

### **Increase the Number of Low-Cost College Credits Earned by Students of Color While in High School**

#### **Background**

State law creates several dual enrollment programs that allow high school students to access college and university courses and credits at a reduced cost.<sup>5</sup> The general goal of dual enrollment courses is to interest high school students in pursuing a postsecondary education by allowing them to obtain postsecondary credit before graduating from high school, thereby reducing the number of credits required to earn an associate or undergraduate degree. Current law creates the Early College Credit Program, which allows public and private school students to attend courses at an institution within the UW System, a tribally controlled college, or a private, nonprofit institution of higher education in Wisconsin. Current law also creates the Start College Now Program, which allows public school

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<sup>5</sup> Current law also requires school districts to pay Advanced Placement (AP) and International Baccalaureate (IB) exam fees for students who qualify for free or reduced-price meals. [s. 120.12 (22), Stats.]

students to attend courses within the Wisconsin Technical College System. [ss. 38.12 (14) and 118.55, Stats.]

In addition to statutory dual enrollment programs, individual colleges and universities establish concurrent enrollment programs by directly contracting with schools or districts to allow high school students to earn both high school and postsecondary credits through higher education courses taught at their high schools. These courses may be taught by a faculty member at the participating high school, if the high school instructor is approved by the contracting postsecondary institution and is a qualified instructor under requirements imposed by the Higher Learning Commission (HLC). Under HLC requirements effective in September 2023, a high school faculty member must possess a master's degree or higher in his or her area of instruction, or a master's degree or higher in a different area of instruction and have completed 18 graduate credits in his or her area of instruction, in order for the high school instructor to teach a concurrent enrollment course for postsecondary credit.

### **Recommendation**

The subcommittee recommends that the state improve outreach efforts intended to inform students of color about existing programs to earn postsecondary credits, such as the Early College Credit Program, the Start College Now Program, and other concurrent enrollment offerings. The subcommittee further recommends creating incentives for high school teachers to obtain credentials necessary to teach concurrent enrollment courses for postsecondary credit, focused specifically on teachers in schools with large populations of students of color. Finally, the subcommittee recommends that the state explore methods for improving transfer of credits between the Wisconsin Technical College System and the UW System to reduce overall costs for students.

## **Encourage and Facilitate Completion of the Free Application for Federal Student Aid (FAFSA)**

### **Background**

State law does not currently require school districts to offer FAFSA completion training and assistance to students or families, though some districts choose to do so.

### **Recommendation**

The subcommittee recommends requiring school districts to provide FAFSA completion training and assistance to students and families during 11<sup>th</sup> or 12<sup>th</sup> grade. Districts may provide this training or assistance directly, or may apply for grant funds to contract with a third-party provider or organization.

## **SUPPORT FOR MBEs**

The subcommittee received testimony indicating that increasing business ownership and entrepreneurship by people of color will contribute to the financial health and well-being of minority communities. Consequently, the subcommittee recommends enhancing supports and programs for MBEs.

### **Enhance State Agency MBE Purchasing Goals**

#### **Background**

Current law requires DOA to certify minority-owned businesses, which are businesses that meet both of the following: (1) the business is 51 percent or more owned, controlled and actively managed by a minority group member or members who are U.S. citizens or lawful residents; and (2) the business

currently performs a useful business function. State law also includes a purchasing goal asserting that state agencies must “attempt to ensure” that five percent of purchasing be from minority-owned businesses. Each state agency must report to DOA twice annually the total amount it expended for contracts and orders awarded to MBEs and the number of contacts with minority-owned businesses made in connection with proposed purchases. [ss. 16.287, and 16.75 (3m) (b) 1. and (c) 2., Stats.]

### **Recommendation**

The subcommittee recommends that the state increase its purchasing goal from MBEs above five percent. At minimum, the subcommittee recommends that each individual state agency attempt to ensure that five percent of its total purchasing be from MBEs, rather than relying on five percent of the total purchasing amount by all state agencies to meet the stated goal.

## **Allow Larger Deviations From Low-Bid Requirements for MBEs**

### **Background**

Current law generally requires the state to award contracts that exceed a certain dollar amount to the lowest responsible bidder, but allows the state to give a bid preference to an MBE if the bid is within a specified range above the lowest bid. An agency may purchase from an MBE submitting a competitive bid that is no more than five percent higher than the apparent low bid (alternatively, a competitive proposal that is no more than five percent higher than the most advantageous proposal). State law allows, but does not require, an agency to apply the five percent bid preference for an MBE. [s. 16.75 (3m) (b) 5., Stats.]

### **Recommendation**

The subcommittee recommends raising the discretionary deviation for state agencies to purchase from an MBE submitting a competitive bid to a figure higher than five percent.

## **Eliminate Fees for Certification as an MBE**

### **Background**

Current law permits DOA to charge a fee to businesses seeking certification as an MBE to cover DOA’s expenses in making the certification determination. Though authorized to do so under state law, DOA is not presently charging a certification fee to MBEs. [s. 16.287 (2) (dm), Stats.]

### **Recommendation**

The subcommittee recommends removing the authorization for DOA to charge a certification fee.

## **Provide More State Outreach and Support for MBEs**

### **Background**

Certification of MBEs is currently handled by the Wisconsin Supplier Diversity Program within DOA. The program currently has three staff members to handle outreach to and certification of all MBEs in the state, in addition to outreach and certification for disabled veteran-owned businesses and women-owned businesses.

## **Recommendation**

The subcommittee recommends creation of new staff positions for the Wisconsin Supplier Diversity Program and increased funding to expand efforts by the program to provide outreach, training, and certification to businesses owned and operated by people of color.

## **Provide Funding to Minority Business Organizations and Chambers of Commerce**

### **Background**

The Wisconsin Economic Development Corporation (WEDC) currently administers grants under the Diverse Business Development Program (formerly the Minority Business Development Program), which is a program designed to support existing, new, and expanding businesses owned by people of color, women, and veterans in Wisconsin. Entities eligible to receive grants are nonprofit organizations providing technical assistance, training, or micro-loans to MBEs or businesses owned by women and veterans. Recipients must demonstrate professional capacity, financial stability and viability, as well as a demonstrated need. In 2019-20, the program awarded \$200,000 in minority business development grants to four organizations, including \$50,000 to the African American Chamber of Commerce of Wisconsin.

WEDC also provides funding to minority chambers of commerce as contract partners. During 2019-20, WEDC provided \$300,000 to the African American Chamber of Commerce of Wisconsin, Inc., \$325,000 to the First American Capital Corporation, Inc., and \$275,000 to the Hmong Wisconsin Chamber of Commerce, Inc.

### **Recommendation**

The subcommittee recommends that grant funding under the Diverse Business Development Program be increased and made available to more minority chambers of commerce and local minority business organizations to provide technical assistance to MBEs in obtaining state certification. The subcommittee also recommends creating small business marketing grants for MBEs.

## **REDUCE OCCUPATIONAL LICENSING BARRIERS**

Subcommittee discussion noted that occupational licensing requirements often pose obstacles to entrepreneurship and work opportunities for people of color. Consequently, the subcommittee recommends reducing occupational licensing barriers and requirements, such as authorizing provisional licenses while an application is pending and prohibiting denial of licensure based on an expunged conviction.

## **Allow the Department of Safety and Professional Services (DPS) and Credentialing Boards to Grant Provisional Licenses**

### **Background**

State law requires an individual to obtain an occupational license or credential before engaging in certain professions. Licensing of professional occupations in Wisconsin is largely overseen by DPS, which administers over 200 types of occupational licenses, certificates, permits, and registrations issued to individuals and business entities, and oversees almost 100 boards, councils, and advisory committees. Licensure is required for numerous occupations, including business professions such as real estate brokers, accountants, funeral directors, and barbers; health care professions such as

physicians, nurses, dentists, and dietitians; and trades professions such as plumbers, electricians, soil erosion inspectors, and welders. [See chs. 101, 145, 167, and 440 to 480, Stats.] Under current law, an individual who has applied for licensure generally cannot work in the licensed profession until DSPS or the appropriate credentialing board completes the consideration process and issues the necessary credential.

### **Recommendation**

The subcommittee recommends authorizing DSPS or the appropriate credentialing board to grant provisional licensure while an application is pending before the agency or board.

## **Prohibit Licensure Denial Based on an Expunged Conviction**

### **Background**

Wisconsin law regarding employment discrimination generally prohibits a licensing agency from refusing to license an individual because of specific reasons, including arrest or conviction record. [s. 111.321 and 111.322 (1), Stats.] However, DSPS and its boards are generally allowed to consider a prior conviction or a prior arrest based on a list of offenses identified in statute, if the circumstances of the criminal conduct “substantially relate” to the circumstances of the job or licensed activity. “Conviction record” includes “information indicating that an individual has been convicted of any felony, misdemeanor or other offense, has been adjudicated delinquent, has been less than honorably discharged, or has been placed on probation, fined, imprisoned, placed on extended supervision or paroled pursuant to any law enforcement or military authority.” Current law permits licensing agencies to consider substantially related convictions in determining whether to issue a license to the individual, even if the individual’s conviction record was subsequently expunged by a court. [ss. 111.32 (3) and 111.335 (2) (b) and (3) (a) 1., Stats.]

### **Recommendation**

The subcommittee recommends that state law prohibit DSPS and licensing boards from denying occupational licensure based on an expunged conviction.

## **Incentivize Individuals to Obtain Credentials in High-Need Areas**

### **Background**

Subcommittee members noted that Wisconsin currently has a shortage of credentialed individuals in certain professions, such as social work and alcohol and drug abuse counseling. Applying for licensure from DSPS or a credentialing board generally requires payment of a licensure fee, in addition to meeting eligibility criteria. Current law allows an individual seeking licensure to request a fee reduction of the initial credentialing fee, if the individual has a federal adjusted gross income at or below 180 percent of the federal poverty guidelines for his or her family household size. A qualifying individual is entitled to a fee reduction, but must still provide a payment equal to 10 percent of the standard fee. [s. 440.052, Stats.]

### **Recommendation**

The subcommittee recommends creating incentives for individuals to obtain credentials in these high-need areas, which should be particularly aimed at individuals of color. The incentives may include grants to fully cover licensing application fees regardless of income, scholarships to cover tuition and costs for required education and training, or loan forgiveness programs.

## **EXPAND AVAILABLE AND AFFORDABLE WORKFORCE HOUSING**

The subcommittee received testimony about the importance of stable and affordable housing for individuals who are working but are income insecure, and the shortage of such housing for those of low to moderate income. Several speakers noted racial gaps in home ownership rates and access to affordable rental housing, which impacts economic success for families of color and their ability to build intergenerational wealth. Therefore, the subcommittee recommends expanding the availability of affordable workforce housing, particularly in communities of color.

### **Create a Workforce Housing Tax Credit Program to Encourage Development of Affordable Housing**

#### **Background**

Federal and state law provide low-income housing tax credit programs aimed at developing housing for households at or below 50 percent or 60 percent of county median income. The programs are administered by WHEDA and are intended to encourage development of multifamily properties with below-market rents for low-income households. The Wisconsin nonrefundable tax credit for low-income housing developments was created in 2018 and was intended to supplement the federal program. The credit is claimable against the state individual income tax, the corporate income/franchise tax, and the insurance premiums tax. WHEDA awards credits through a competitive application process to property owners who meet specified criteria. Under the program, WHEDA may award up to \$7 million in state housing tax credits annually, claimable for six years, for a maximum program total of \$42 million annually after the program is fully implemented. WHEDA is also required to give preference to developments located in cities, towns, or villages with populations fewer than 150,000. [ss. 71.07 (8b), 71.28 (8b), 71.47 (8b), 76.639, and 234.45, Stats.]

#### **Recommendation**

The subcommittee recommends the creation of a state workforce housing tax credit to encourage development of affordable housing for families above the low-income threshold, but below the area median income, to encourage development of housing for working families not currently covered by existing programs.

DRAFT

## APPENDIX 1

### MEMBERS OF THE SPEAKER'S TASK FORCE ON RACIAL DISPARITIES

#### Subcommittee on Education and Economic Development

Representative Robert Wittke, 62nd Assembly District | *Subcommittee Co-Chair*  
Representative Kalan Haywood, 16th Assembly District | *Subcommittee Co-Chair*  
Damond Boatwright | *Regional President, SSM Health – Wisconsin*  
Marty Calderon | *Executive Director, God Touch Ministry of Milwaukee*  
Ricardo Diaz | *Retired and Former Director, United Community Center in Milwaukee*  
Linda Fair | *Advisor, Blackhawk Technical College*  
Dr. Eve Hall | *President and CEO, Milwaukee Urban League*  
Tehassi Hill | *Chair, Oneida Nation*  
Dr. Jeremiah Holiday | *Chief Academic Officer, Milwaukee Public Schools*  
Theresa Jones | *Vice President for Diversity, Inclusion, and Equity, Children's Wisconsin*  
Veronica King | *Instructor, Gateway Technical College*  
Ted Neitzke | *CEO and Agency Administrator, CESA 6*  
Orlando Owens | *Minister, Abundant Harvest Church of God In Christ*  
\*Pastor Jerome Smith | *Greater Praise Church of God In Christ, and Co-Founder, The Joseph Project*

#### Subcommittee on Law Enforcement Policies and Standards

Representative Jim Steineke, 5th Assembly District | *Task Force and Subcommittee Co-Chair*  
Representative Shelia Stubbs, 77th Assembly District | *Task Force and Subcommittee Co-Chair*  
Reverend and Dr. Marcus Allen | *Pastor, Mount Zion Baptist Church of Madison*  
Kalvin Barrett | *Law Enforcement Instructor, Madison College*  
Keetra Burnette | *Senior Director of Stakeholder Engagement, United Way Dane County*  
ReBecca Burrell | *Founder, Revolution Ready*  
Danilo Cardenas | *Milwaukee Police Association*  
Nate Dreckman | *Grant County Sheriff*  
Pastor Dannie Evans | *Former Probation and Parole Agent, Rock County Youth Justice*  
Tony Gonzalez | *Founder and Co-Chair, Toward One Wausau*  
Pam Holmes | *Retired Milwaukee Police Officer*  
Tory Lowe | *Co-Founder and CEO, Justice of Wisconsin*  
Patrick Mitchell | *Chief of Police, West Allis*  
Orlando Owens | *Minister, Abundant Harvest Church of God In Christ*  
Jim Palmer | *Executive Director, Wisconsin Professional Police Association*  
Steven Roux | *Chief of Police, Rice Lake Police*  
Fred Royal | *Vice President, Milwaukee NAACP*  
Wayne Strong | *Retired Lieutenant, Madison Police Department*  
Reverend Yao Yang | *Pastor, The Cross of Wausau, and Joseph Project Leader*

\*Pastor Smith passed away prior to issuance of the final report, but made important contributions to the work of the subcommittee and will be greatly missed.