



State Senator Sheila Harsdorf

Date: October 10, 2013

To: Senate Committee on Economic Development and Local Government

Fr: Senator Sheila Harsdorf

Re: Senate Bill 335 – Tuition Reimbursement

Dear Chair Gudex and Committee Members:

Thank you for holding a public hearing on Senate Bill 335 (SB 335), which would create a tuition reimbursement program for apprentices and employers.

As legislators, we often hear from employers regarding three concerns facing businesses; the skills gap, regulatory red tape and improving access to investment capital. In recent years, the State Legislature has been focused on addressing these issues in an effort to cultivate an environment that will encourage job creation and economic development. To this end, this session created an investment capital fund to encourage growth of home grown businesses, have taken on a review of state regulations in order to streamline and create efficiencies, and passed Wisconsin Fast Forward, which among other things creates a collaborative job training grant program.

As originally drafted, SB 335 sought to further these efforts by creating a tuition reimbursement program for those participating in the Wisconsin Apprenticeship program. This program combines on-the-job training with classroom instruction through collaboration between employers and technical colleges. Given concerns raised with the drafted legislation in regards to the implementation of a tuition reimbursement program, Representative Nerison and I worked with the Department of Workforce Development and Wisconsin Technical Colleges to draft an amendment that makes modifications to the original bill.

Senate Amendment 1 to SB 335 would clarify that apprentices and sponsors would be eligible for an apprenticeship certificate award once the apprenticeship program is completed and they are employed in the trade. The award would be 25% of tuition and fees, up to a maximum of \$1,000. The ability to recoup a portion of tuition and fees provides an incentive to both students and employers to participate in apprenticeship programs and further expands student opportunities. The average annual income of an individual that completes an apprenticeship nearly equals that of a college graduate.

I urge your support of this legislation as another step in continuing our efforts to address the skills gap and advance workforce development. Thank you again for the opportunity to testify in favor of this legislation. I would welcome any questions.



LEE NERISON

96TH ASSEMBLY DISTRICT

Remarks of Representative Lee Nerison
on Senate Bill 335 – Tuition Reimbursement Program
Senate Committee on Economic Development and Local Government
October 10, 2013

Chair Gudex and Committee Members:

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As the author of Assembly Bill 403, the companion bill to Senate Bill 335, I thank you for holding a hearing on this legislation which would create a tuition reimbursement program for apprentices and sponsors.

Dating back to 1911, Wisconsin's apprenticeship programs have prepared individuals for skilled occupations by combining on-the-job learning, under the supervision of experienced journey workers, with related classroom instruction. Collaborations between employers, technical colleges, and apprenticeship sponsors are key to the success of apprenticeship programs. Program graduates can receive national-industry recognized credentials, providing them with a higher lifetime earning potential and providing employers with a highly-skilled workforce.

As the State Legislature continues to focus on passing legislation that will foster an environment conducive to job creation, this proposal is another tool that addresses our state's skills gap by advancing a structured system of job training to meet employer needs.

Senate Bill 335 builds on these efforts by creating a tuition reimbursement program for those participating in the Wisconsin Apprenticeship program. Tuition reimbursement is equal to 25% of the cost of tuition and fees, up to a \$1,000 maximum, per apprentice. The ability to recoup a portion of tuition and fees provides an incentive to both students and employers to participate in apprenticeship programs.

Apprenticeship is a time-tested strategy to equip workers with high demand skills. With this in mind, I urge you to support this legislation as another step in continuing our state's efforts to address the skills gap and advance workforce development.

Thank you for your consideration.

**Senate Committee on Economic Development and Local Government
Senate Bill 335, Apprenticeship Tuition Reimbursement Program**

October 10th, 2013

Testimony provided by Jonathan Barry, Deputy Secretary

Chairperson Gudex and members of the Senate Committee on Economic Development and Local Government:

I am Jonathan Barry, Deputy Secretary of the Department of Workforce Development and I appear before you today to speak in favor of Senate Bill 335.

Governor Walker's fall workforce agenda continues to focus on linking employees with the skills they need to succeed in today's workplace, and on employers by ensuring that Wisconsin's workforce is equipped with the skills to meet industry needs now and into the future. SB 335, the Apprenticeship Tuition Reimbursement program builds on the more than \$100 million dollar workforce development investment in the last budget and is one of multiple bills that demonstrate the Governor's focus on assisting Wisconsin families gain the skills they need to acquire family supporting careers.

Wisconsin's first in the nation apprenticeship program is a structured system of training designed to prepared individuals for skilled occupations. It combines on-the-job learning under the supervision of experienced journey workers with related classroom instruction. Without the "job" there is no on-the-job learning, and as such, that component represents 90% of the program. It truly allows workers to "earn while they learn" and puts them on the pathway to a rewarding, long-term career in the skilled trades.

The program is also a win for employers, evidenced by the continued and expanded interest as well as the longevity of the program in Wisconsin. Apprentices train from day one, which helps employers address two problems; the current shortage of skilled workers and the ongoing need for a highly skilled workforce. Apprenticeship allows businesses to tailor their employee training to their specific needs; in their facility, on their equipment, in their environment and in their culture as well as meeting their standards and goals. It truly allows businesses to develop their future leaders.

To encourage growth in apprentices participating in the program as well as businesses, SB 335 incentivizes apprenticeship by allowing up to a \$1,000 dollar reimbursement, or 25% of total cost, of the training. This moves apprenticeship forward, ensuring that the apprentice is rewarded and encourages others who incur costs of apprenticeship to continue to participate or expand participation.

This item, coupled with the increase in funding for the Youth Apprenticeship, truly moves Wisconsin's apprenticeship program forward, and will allow the over 100 year old program to continue on its successful track well into the next century.