



# ROB STAFSHOLT

STATE SENATOR • 10<sup>th</sup> SENATE DISTRICT

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P.O. Box 7882  
Madison, WI 53707-7882

**DATE: December 6, 2023**

**RE: Testimony on Senate Bill 580 and Assembly Bill 550**

**TO: Members of the Senate Committee on Economic Development and Technical Colleges**

**FROM: Senator Rob Stafsholt**

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Thank you Chairman Feyen and members of the Senate Committee on Economic Development and Technical Colleges for hearing my testimony on SB 580 and AB 550.

This legislation expands the already existing Technical Education Equipment Grant Program, which was created by the Legislature and is administered by the Department of Workforce Development. The program is designed to train high school students in the advanced manufacturing industry. Current grants range from \$5,000 to \$50,000, and school districts must provide matching funds equal to 200% of the awarded grant amount. Schools can use the funds for purchasing advance manufacturing equipment, any software necessary for the training, and any material needed for instruction.

This bill raises the maximum amount for these grants to \$100,000, allows for these grants to be used to enhance or improve technical education facilities, allows for a consortia or group of school districts to receive these grants, and requires DWD to award at least a third of the grant money to applicants that are either school districts that are eligible for sparsity aid or a consortia that includes a district eligible for sparsity aid. The bill lowers the amount of matching funds required for these grants, from 200% to 100%, if private funds are used.

We have also authored an amendment to this bill that removes additional appropriations for this program. The simple reason for this is because in previous years DWD has administered these grants, they do not spend all of the funds appropriated for this program.

The cost of higher education has become expensive. High school students around the state are looking for alternative education and career paths. Jobs in the manufacturing fields are often high-paying and are in great demand. This bill helps train and equip our students with the skills necessary for the best manufacturing jobs around the state, especially in our rural areas.

Thank you again Chair Feyen and committee for your time to hear my testimony. I would also like to thank Rep. Green for his work in the Assembly for this bill. I ask for your support for this legislation and am happy to answer any questions you may have.



**THE LEADING VOICE  
FOR WISCONSIN SMALL  
AND INDEPENDENT BUSINESSES**

**December 6, 2023**

**TO: Members  
Senate Committee on Economic Development and Technical Colleges**

**FR: Brian Dake  
President  
Wisconsin Independent Businesses**

**RE: 2023 Senate Bill (SB) 580 relating to: technical education equipment grants,  
extending the time limits for emergency rules procedures, providing an exemption  
from emergency rule procedures, and making an appropriation.**

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Chairman Feyen and committee members my name is Brian Dake, President of Wisconsin Independent Businesses. Thank you for the opportunity to testify in support of 2023 Senate Bill (SB) 580, and its companion bill, 2023 Assembly Bill (AB) 550.

By way of background, Wisconsin Independent Businesses (WIB) was formed in 1977 to provide small, independent business owners with an effective voice in the legislative and regulatory activities of state government. Today, we proudly represent more than 2,000 small business owners throughout Wisconsin. Most of our members (approximately 85%) own and operate businesses which have fewer than 25 employees and/or annual gross revenues of less than \$5 million.

A few of the comments I made in my previous testimony bear repeating. Wisconsin small employers are struggling mightily to find qualified workers to fill open positions. This workforce shortage is particularly acute in labor-intensive industries such as manufacturing.

When Wisconsin manufacturing companies cannot fill open positions with skilled workers, customer orders are delayed, supply chains are disrupted, and jobs are moved elsewhere.

***WIB...Helping you where you need it.***

PO Box 2135 | Madison, Wisconsin 53701 | 800-362-9644 | [www.wibiz.org](http://www.wibiz.org)

From our perspective, there is not a single solution to this multifaceted long-term problem. Reducing the workforce shortage requires a comprehensive approach. Improvements to existing school-to-work programs currently operating in local school districts are a step in the right direction.

School districts throughout Wisconsin offer a variety of career and technical education programs through which high school students learn more about careers in the skilled trades. These programs go beyond just book knowledge. Students learn how to operate state-of-the-art equipment. Participating students graduate with dual enrollment credits, industry-endorsed certificates, and technical endorsements on their high school diplomas.

One of these programs is the Technical Education Equipment Grant Program. The purpose of this grant program is to train high school students in advanced manufacturing fields. The Department of Workforce Development awards grants to school districts that can demonstrate that the career and technical education program for which they will be purchasing and installing advanced manufacturing equipment:

- meets the needs of employers in their region;
- leverages partnerships and matching funds;
- optimizes regional training capacity;
- increases the supply of skilled workers in advanced manufacturing fields;
- builds on proven programs; and
- includes mechanisms for sustainability.

This highly successful program is relatively new, and demand for the grants exceeds available funds. With that in mind, the changes to this program set forth in SB 580 are appropriate.

Doubling the maximum grant award amount is an acknowledgement that state-of-the-art advanced manufacturing equipment is costly and likely to become even more expensive. Allowing grants to be awarded to consortia consisting of multiple school districts provides more students access to these skilled trades programs. Finally, reducing the matching funds requirement from 200% to 100% if the matching funds are from private sources incentivizes school districts to collaborate with local manufacturers.

We respectfully ask for your support of SB 580, and its companion bill, AB 550.

Thank you in advance for your consideration.



TO: Members, Senate Committee on Economic Development and Technical Colleges

FROM: Rachel Ver Velde, Senior Director of Workforce, Education and Employment Policy

DATE: December 6, 2023

RE: Support for SB 580, SB 581, AB 549 & AB 550, relating to technical education equipment grants and grants for technical college manufacturing programs

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Wisconsin Manufacturers & Commerce (WMC) appreciates the opportunity to testify in support of Senate Bill 580, Senate Bill 581, Assembly Bill 549 and Assembly Bill 550. I want to thank Senator Stafsholt, Representative Michalski and Representative Green for authoring these important pieces of legislation to promote and expand access to manufacturing and advanced manufacturing programs for young people.

WMC is the largest general business association in Wisconsin, representing approximately 3,800 member companies of all sizes, and from every sector of the economy. Since 1911, our mission has been to make Wisconsin the most competitive state in the nation to do business. That mission includes making sure Wisconsin's youth are prepared and ready to participate in today's workforce.

Unfortunately, employers in Wisconsin have severe worker shortages and an inability to fill key positions. According to WMC's most recent *Wisconsin Employer Survey* conducted in June 2023, the biggest challenge facing Wisconsin employers is the workforce shortage, with 75% of employers indicating that they are struggling to hire workers. As employers throughout Wisconsin continue to have worker shortages it becomes even more important that their employees have the right skills for the workplace.

WMC believes that access to manufacturing education programs at an early age provides real value not only to the participants of technical education programs, but also for the employers that hire these participants. WMC is supportive of initiatives to expand access to manufacturing equipment in school districts and in technical colleges.

Senate Bill 580 & Assembly Bill 550:

WMC is glad to see this legislation to update the existing technical education equipment grant program. This current grant program is helpful for local school districts to help defray the cost of expensive equipment that they need to educate students on advanced manufacturing. Too often WMC has heard from small and rural school districts that they are unable to access this grant program due to the current requirements. That is why we are very happy to see language in this bill allowing multiple schools to apply as a consortium and the requirement to award one-third of the

grant dollars to sparsity aid districts. Additionally, raising the maximum grant to \$100,000 per recipient will allow school districts to buy more advanced equipment to train their students. Finally, WMC is pleased to see the matching funds required changed to require only a 100% match if all the dollars come from a private source.

Senate Bill 581 & Assembly Bill 549:

WMC strongly believes that Wisconsin technical colleges need to be focused on providing technical and skills-based training. Employers desperately need skilled workers and technical colleges must be equipped to provide students with the proper training to access well-paying, high demand fields. We support the grant program in this bill that will require the Technical College System Board to award one-time grants up to \$1 million for the purchase of manufacturing and advanced manufacturing equipment, or to enhance facilities for advanced manufacturing instruction. These grants require a dollar-for-dollar match by recipient technical college, making sure these grants will only go to technical colleges that are committed to advancing manufacturing curriculum. We are also hopeful that the grant program to provide hiring bonuses for instructors in manufacturing, advanced manufacturing and commercial driver's license programs will attract additional instructors, particularly those with real-life experience.

When the worker shortage is as dire as the current environment, employers need every tool in the toolbox to attract workers. These bills are a good step forward to raise the awareness of manufacturing and increase participation in manufacturing and technical education programs at both the high school and technical college level. WMC urges members of the Senate Committee on Economic Development and Technical Colleges to support these important pieces of legislation.

To: Chairman Petryk and the Committee on Workforce Development and Economic Opportunities

I am writing this letter on behalf of Ashley Furniture Industries, LLC (Ashley), of Arcadia, Wisconsin. As you may know, Ashley is the world's largest manufacturer of home furnishings and the number one furniture store brand in North America. As one of the largest employers in western Wisconsin, we are proud to have an extensive history in supporting technical education at both the K-12 and technical college level – which currently exceeds over \$7 million in the past six years for Wisconsin alone. This includes the Ashley Mobile Skills Laboratory, VEX Robotics, FIRST Robotics, SkillsUSA, and the latest development of creating Advanced Manufacturing learning centers at Whitehall School District and Luther High School.

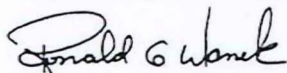
This letter is to express our support for Assembly Bills 549 & 550 as they will further advance the State of Wisconsin as a leader in workforce development, manufacturing output, and overall economic growth. However, to experience this growth, it will require heavy and continued investment to ensure that Wisconsin continues to create a "Positive Balance of Trade". Currently, Wisconsin is #2 in manufacturing jobs per capita (State of Indiana is #1 in US) and we need to strive to become #1 in order to compete within an ever-changing global economy.

While we commend the efforts being made to bolster technical education through these proposed bills, it is essential to acknowledge that even more needs to be done. **As the manufacturing landscape continues to evolve and increasingly rely on emerging technologies like artificial intelligence, the demand for highly skilled individuals is growing ever more crucial.** To ensure we as a state and nation have an adequate workforce pipeline, it is imperative that the state allocates additional funding to technical education programs across all of Wisconsin.

We respectfully urge you to consider further investment in technical education by providing increased financial support to school districts and technical college systems. By doing so, we can foster the development of a diverse and skilled workforce that meets the evolving demands of the manufacturing industry and contributes to the economic growth of our state.

Thank you for your attention to this matter. We appreciate your dedication to addressing workforce issues in manufacturing and look forward to collaborating with you to create a stronger and more vibrant workforce in Wisconsin.

Respectfully submitted,



Ronald G. Wanek  
Ashley Furniture Industries, LLC  
Founder and Chairman of the Board



The Boldt Company  
2121 E. Capitol Drive  
Appleton, WI 54911

920.225.6225  
boldt.com

October 23, 2023

To Whom It May Concern,

The Boldt Company is pleased to write this letter in support of the Technical Education Equipment Grant Legislation and Technical College Grant Programs Legislation. We proudly partner with our educational institutions that encourage the future workforce to enter careers in manufacturing, which flow into transferable skills utilized in our construction industry.

We believe these two bills will help align education and the manufacturing industry by equipping classrooms with the technology, resources, and knowledgeable teachers needed for a comprehensive educational experience. We believe it is critical for students to be proactively exposed to career pathways in manufacturing, and other industries like construction, to make informed career decisions post-graduation. Boldt has invested in Wisconsin's educational system through participation in Youth Apprenticeship and providing Internship employment opportunities. Our experience has emphasized the valuable combination and partnership of classroom and hands-on learning experiences.

Boldt's workforce needs continue to grow. We will continue to collaborate and leverage resources available to employers through our technical college system. I urge you to consider how these bills support skills enhancement opportunities for the future workforce, which builds a stronger community, creates economic investment, and bolsters a better Wisconsin.

Sincerely,



Thomas J. Boldt  
CEO

A handwritten signature in blue ink, appearing to read "Thomas J. Boldt", is written over the printed name and title.



**GREEN BAY PACKAGING**

**BRYAN A. HOLLENBACH**

EXECUTIVE VICE PRESIDENT

bhollenb@gbp.com

Phone: 920.433.5202

Cell: 920.450.8336

October 23, 2023

Members of the Assembly Committee on  
Workforce Development and Economic Opportunities

Re: Support for Assembly Bill 549 and Assembly Bill 550

Dear Members of the Committee:

Green Bay Packaging Inc. strongly supports and stresses the urgency to pass two very important bills – Assembly Bill 549 and Assembly Bill 550, relating to technical education equipment grants and grants for technical college manufacturing programs.

Green Bay Packaging is celebrating its 90<sup>th</sup> year of existence and we continue to play a major role in the economy of the state of Wisconsin. We are headquartered in Green Bay, Wisconsin, employ over 2,000 in the state, and invest at a very high rate. We, like most every other manufacturing employer in Wisconsin, have been experiencing severe worker shortages and struggle with the ability to fill positions with skilled workers.

Employers desperately need these skilled workers and technical colleges must be equipped to provide students with the proper training to acquire these well-paying jobs. We feel strongly that we need to do everything in our power to support legislation that adds more trained individuals to our workforce.

Green Bay Packaging urges members of the Assembly Committee on Workforce Development and Economic Opportunities to support these two important bills. Thank you.

Sincerely,

Bryan A. Hollenbach  
Executive Vice President





# FEDERALFOAM TECHNOLOGIES, INC.

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TO: Members, Assembly Committee on Workforce Development and Economic Opportunities  
FROM: Cathy Longtin, CFO, Federal Foam Technologies, Inc.  
DATE: October 24, 2023

Support for AB 549 & AB 550, relating to technical education equipment grants and grants for technical college manufacturing programs

I want to thank Representative Green, Representative Michalski and Senator Stafsholt for authoring these important pieces of legislation to promote and expand access to manufacturing and advanced manufacturing programs for young people.

Federal Foam Technologies is a foam and plastic fabricator and has over 300 employees in three states with Wisconsin having the largest number of employees. We continue to grow our presence in the state with the recent acquisition of a building in New Richmond, WI. We are committed to this state.

Unfortunately, like many other employers in Wisconsin, Federal Foam Technologies is burdened by the severe worker shortages and an inability to fill key positions. Our two Wisconsin sites have had an average of 75 open positions the entire year of 2023. That is twenty-five percent of the entire company workforce. We need help.

Federal Foam Technologies (FFT) believes that access to manufacturing programs at an early age provides real value not only to the participants of technical education programs, but also for the employers that hire these participants. FFT is supportive of initiatives to expand access to manufacturing equipment in school districts and in technical colleges.

#### Assembly Bill 549:

FFT is glad to see this legislation to update the existing technical education equipment grant program. This current grant program is helpful for local school districts to help defray the cost of expensive equipment that they need in order to educate students on advanced manufacturing. Additionally, raising the maximum grant to \$100,000 per recipient will allow school districts to buy more advanced equipment to train their students. Finally, FFT is happy to see the matching funds required changed to require only a 100% percent match if all of the dollars come from a private source.

#### Assembly Bill 550

FFT strongly believes that Wisconsin technical colleges need to be focused on providing technical and skills-based training. We desperately need skilled workers and technical colleges must be equipped to provide

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**COKATO DIVISION** 150 Industrial Park . Cokato, MN 55321 . 320.286.2696 . fax 320.286.2428



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innovation. technology. results.

students with the proper training to access well-paying, high demand fields. We support the grant program in Assembly Bill 550 that will require the Technical College System Board to award one-time grants up to \$1 million for the purchase of manufacturing and advanced manufacturing equipment, or to enhance facilities for advanced manufacturing instruction. These grants require a dollar-for-dollar match by recipient technical college, making sure these grants will only go to technical colleges that are committed to advancing manufacturing curriculum. We are also hopeful that grant program to provide hiring bonuses for instructors in manufacturing, advanced manufacturing and commercial driver's license programs will incent additional instructors, particularly those with real-life experience.

When the worker shortage is as dire as the current environment, we need every tool in the toolbox to attract workers. Assembly Bill 549 and Assembly Bill 550 are good steps forward to raise the awareness of manufacturing and increase participation in manufacturing and technical education programs at both the high school and technical college level. Federal Foam Technologies, Inc urges members of the Assembly Committee on Workforce Development and Economic Opportunities to support these important pieces of legislation.

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## Written Testimony for Kenny Skar

Kenny Skar, owner of Vincent Tool Technologies Corp  
Assembly Committee on Workforce Development and Economic Opportunities Hearing on  
Assembly Bill 549 and 550  
October 24, 2023

To Chairman Petryk and Committee Members:

My name is Kenny Skar, and I am a concerned business owner of a manufacturing company in Chippewa Falls, WI that employs just under 40 local men and women. I am the Co-Chair President of the Chippewa Valley Technical College Machine Tool Program as well as an Alumni. I am submitting testimony about how the lack of proper funding opportunities and teaching resources for local schools negatively impacts the development of the workforce that our company (and companies like ours) need in order to be successful and continue to grow.

Getting students interested in manufacturing means helping them understand what working in manufacturing these days is truly like. It's not the same kind of environment that their parents or grandparents may have experienced, but it is a struggle to get kids to see that and give manufacturing a chance. In recent years the enrollment in machining programs at our local tech schools has dropped dramatically and if we don't do something soon our communities are not going to be able to offer the good paying jobs they do currently because the manufacturing businesses will be forced to leave and go where the workforce is. Manufacturing businesses in our rural areas are often the lifeblood of a smaller town and closing the doors would lead to the loss of other jobs in these towns too. The restaurants, convenience stores, and other small shops would be gone because there simply wouldn't be enough people coming into town to sustain them. Manufacturing is one of the few industries that brings new money into a state and local economy, rather than simply rotating dollars like some other industries, so maintaining the strength of manufacturing in WI is important to all of us that live here.

The extent to which these two introduced pieces of legislation, Assembly Bills 549 and 550, would help boost manufacturing education programs is significant. These programs have a direct impact on the manufacturing labor force that we, and other businesses like us, rely on. Therefore, providing this testimony seemed a needed effort to make sure the small-town business owner's voice is heard by the legislature. With close to a \$7 billion surplus I strongly feel there is room not only to save some funds for a rainy day, but also invest in the future of our youth, which in turn is an investment in our manufacturing industry and our state economy.

Assembly Bill 550 would do a lot to combat the increasingly difficult challenges that we are faced with when it comes to workforce demands. Too frequently, there are just not enough young people entering the industry to come close to keeping up with the demand for labor. We have to get manufacturing in front of more young people while they are in high school, and we have to give them a bigger taste of it if we want them to seriously consider it as a career option when they graduate. Assembly Bill 550 will double the dollar amount that the existing grant program offers which would go a long way toward helping school districts with the real costs involved in purchasing updated equipment. Inflation has hit us all, and industry equipment is

certainly not exempt from that. Getting updated equipment is costly but that's what is needed if we are going to teach students in a meaningful way about the manufacturing opportunities in today's world. Boosting these school budgets for running these middle and high school level classes is another form of assistance needed so hopefully that will be addressed in the future.

The other important thing that Assembly Bill 550 would do is dramatically reduce the required matching funds (from 200% to 100%) which is extremely helpful to the schools when local businesses may already be strapped for cash and want to help but collectively they just can't stretch far enough to get the school to the goal amount they need. Smaller towns have fewer local businesses to draw on and I think this is sometimes forgotten when these programs are offered. It's important for small schools to have a chance at these grant funds just like the larger schools. This bill would help make this grant program more available to all the rural areas and that's important to us because we hire from a lot of small towns around us. It may sound surprising but our staff is made up of people that live in *eight* different surrounding towns. That's pretty significant for a company the size of ours. It tells you that the pool of students needed to keep manufacturing successful in Wisconsin *is* out there, even in a small area such as ours, but we have to get the resources to them. We have to get the equipment and teaching tools into the small rural schools not just in the larger ones so these rural students can get similar exposure to manufacturing.

Assembly Bill 549 will help make sure our local tech schools can also offer updated equipment and modern learning environments to keep the attention of the students that come to them for manufacturing programs. This bill even goes a step further by encouraging instructors to head in the direction of teaching manufacturing which is the out-of-the-gate kind of assistance needed to build these technical programs up in our local technical colleges.

Thank you to Chairman Petryk and to the members of the Committee for hearing this testimony. Your consideration of these bills and presenting them to the full Assembly matters, and I am hopeful the Senate will support them as well so they can make it to the Governor's desk.

Respectfully,

A handwritten signature in blue ink, appearing to read "Kenny Skar". The signature is stylized with a long, sweeping underline that extends to the right.

Kenny Skar



To: Assembly Committee on Workforce Development and Economic Opportunities  
Subject: Assembly Bill 549

On behalf of Northcentral Technical College (NTC), I would like to offer our support for AB 549.

Manufacturing is a critical industry in our District, and across the state. As local manufacturers look to invest in new technologies, automation and growth, their biggest challenge is skilled talent. Fortunately, they have a strong partner in NTC. We work diligently to create multiple pathways for students to ensure we are providing both a skilled workforce and supporting incumbent worker training and education. In turn, our local manufacturers give of their time, talent and dollars in support of our students through advisory committee participation, scholarships, youth apprenticeships, tuition reimbursement, capital campaign contributions, equipment donations and more. These connections and activities not only positively contribute to the College, but are essential to the success of local manufacturers and the local economy.

Please know that we remain deeply committed to supporting local manufacturers and the statewide manufacturing sector and we recognize the viability of the industry is critical to our state's economy. We also recognize that manufacturing programs are some of the most costly to offer, especially as we look to integrate the latest technology in automation, robotics and Industry 4.0 into our curriculum.

We appreciate the support and look forward to continuing to work with the Legislature and Governor to ensure we are able to remain responsive to the many industries, including manufacturing, who rely on us to be flexible, responsive and supportive of their workforce needs.

Thank you for your consideration.

Sincerely,  
Dr. Jeannie Worden  
President, Northcentral Technical College

1000 W. Campus Drive  
Wausau, WI 54401-1899  
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[www.ntc.edu](http://www.ntc.edu)

October 24, 2023

To: Members, Assembly Committee on Workforce Development and Economic Opportunities

From: Jon Emerick, Executive Vice President, Celerity Staffing Solutions

Re: Support for AB 549 & AB 550, relating to technical education equipment grants and grants for technical college manufacturing programs

This letter to express my sincerest support for the above Assembly Bills. Our company provides contingent staffing and recruiting services for hundreds of employers throughout the State of Wisconsin. We operate at the front lines of the shrinking labor market. So often we see individuals seeking employment that lack the basic skills and experience for many entry level manufacturing positions. Any legislation that closes the gap between how students are prepared to enter the workforce and what skills, habits and understanding our State's employers are looking for.

Many factors are conspiring against employers in this market and we are in a battle to keep workers engaged and learning. Unfortunately, we only see the challenges increasing in the near future. My hope is that in the next few years we will see young folks enter the workforce better equipped for the needs of our employers.

Sincerely,

*Jon Emerick*

Jon Emerick  
Exec. Vice President



RE: Support for AB 549 & AB 550, relating to technical education equipment grants and grants for technical college manufacturing programs

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Integra appreciates the opportunity to provide written testimony in support of Assembly Bill 549 and Assembly Bill 550. These are important pieces of legislation to promote and expand access to manufacturing and advanced manufacturing programs for young people within our state.

Integra is a member of Wisconsin Manufacturers & Commerce (WMC), which is the largest general business association in Wisconsin. We support WMC in their mission that includes making sure Wisconsin's youth are prepared and ready to participate in today's workforce.

Our company in Wisconsin has experienced worker shortages, particularly skilled positions. According to WMC's most recent *Wisconsin Employer Survey*, the biggest challenge facing Wisconsin employers is the workforce shortage, with 75% of employers indicating that they are struggling to hire workers. As an employer in Wisconsin for over 40 years, it is important that our employees have the right skills for the workplace.

Integra believes that access to manufacturing programs at an early age provides real value not only to the participants of technical education programs, but also for us as an employer that hires these participants. Integra is supportive of initiatives to expand access to manufacturing equipment in school districts and in technical colleges.

Integra agrees with WMC that Assembly Bill 549 and Assembly Bill 550 are important to raise awareness of manufacturing. We believe it is imperative that students throughout Wisconsin have access to manufacturing technical education programs and we are glad to see legislators take action to do so.

Integra joins WMC in asking the members of the Assembly Committee on Workforce Development and Economic Opportunities to support these important bills.

**Stacy Roberts, Human Resources and Safety Manager**

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**Date:** Wednesday, Dec. 6, 2023

**To:** Chair Feyen, Vice-Chair Stafsholt, and Members of the Senate Committee on Economic Development and Technical Colleges

**From:** Department of Workforce Development Secretary Amy Pechacek

**Written Testimony Regarding SB 580**

Chair Feyen, Vice-Chair Stafsholt, and committee members, thank you for the opportunity to provide written testimony for information only on SB 580, which proposes several changes to the Department of Workforce Development (DWD)'s Wisconsin Fast Forward Advanced Manufacturing Technical Education Equipment Grant program and requires DWD to promulgate rules to make the proposed adjustments. The intent of this bill is to further bolster Wisconsin's manufacturing workforce by sparking high school students' interest in the industry and strengthening the pipeline of homegrown talent, particularly in smaller, rural areas of the state. This objective reflects a priority of this administration and aligns with DWD's mission.

However, the proposed legislation would likely further disadvantage smaller, rural school districts due to the following issues. The bill:

- Fails to adequately address the biggest barrier to these districts, which is the match component;
- Increases the maximum grant amount without increasing the overall appropriation, resulting in fewer grantees; and
- Expands potential expenses outside the grant's statement of purpose, increasing overall competition among applicants, while further favoring school districts with more funding and more access to private funding.

The manufacturing industry is essential to Wisconsin's economic success. Manufacturing employs more than 480,000 state residents, generates \$66 billion in economic output, and accounts for nearly 19% of the state's domestic product.

Thanks to the strength of the state's manufacturers, construction industry, and many other sectors, Wisconsin's economy has been on a winning streak. The latest numbers show record-high total nonfarm jobs in July, August, and September of this year. Currently, Wisconsin has more than 3 million total jobs, which remains near record levels. Wisconsin's monthly unemployment rate was the lowest in the state's history in May, and in October, it remained below the national rate at 3.2%. Meanwhile, the state's labor force participation rate stands at more than full 3 percentage points above the national rate.

Wisconsin's nationally acclaimed Registered Apprenticeship and Youth Apprenticeship programs factor into this success and offer important pathways to careers in manufacturing. During National Apprenticeship Week last month, Governor Evers announced that Wisconsin's Registered Apprenticeship program has had 16,384 enrolled apprentices thus far in 2023, an all-time record in the program's 112-year history and surpassing last year's record-high participation. In 2022, Wisconsin's Youth Apprenticeship program also reached a record with more than 8,300 youth apprentices, including more than 1,500 students working in manufacturing.

These numbers are incredibly positive for Wisconsin manufacturing and other industries, yet we know many employers are feeling anxious about their ability to fill jobs. The reality is Wisconsin is facing a labor market



quantity challenge driven by demographic trends that have been building for decades. Baby Boomers are aging and retiring, birth rates have declined, and there has been net zero to negative in-migration to Wisconsin over most of the last decade. DWD has taken a proactive approach to these challenges across industries by working to remove employment barriers, providing training opportunities, and connecting employers with underutilized talent pools.

This approach has been accelerated by the historic leadership of Gov. Tony Evers, who made an unprecedented investment in people, jobs, and the well-being of our communities through the \$158 million Workforce Solutions Initiative in addition to DWD's existing programming.

DWD's Technical Education Equipment Grant program is an existing program available to assist Wisconsin school districts with career and technical education programs. The grants support the purchase and installation of advanced manufacturing equipment as well as training for high school students. The grants also accelerate the transition of students into the workforce by preparing them for stable careers. Additionally, the grants help students, and their families, reduce higher education costs by providing dual enrollment credits, industry-endorsed certificates, and technical endorsements on high school diplomas.

DWD favors improving the Technical Education Equipment Grant program to increase access to advanced manufacturing job opportunities and address the industry's worker quantity challenge. However, a close review of SB 580 raises concerns that merit additional consideration. It is worth noting that the substitute amendment offered does not address the department's concerns. These concerns fall into four primary areas:

- I. The bill does not adequately address the high match requirement for school districts. The match requirement prevents many smaller, rural school districts from applying for Technical Education Equipment Grants.
  - a. SB 580 reduces the match requirement for school districts from 200% to 100%, but only if school districts partner with a private entity. DWD staff have noted that it is challenging for smaller, rural school districts to obtain private sector partnerships compared to larger, urban school districts.
  - b. DWD staff also have noted that even if smaller, rural school districts can obtain a private sector partner, lowering the match to 100% may still not provide a financially feasible path for many of these districts.
  - c. The department appreciates the proposal's attempt to address this barrier and is interested in exploring additional mechanisms to reduce the match requirement for smaller, rural school districts.
- II. The bill increases the maximum grant award per grantee, thus potentially decreasing the number of school districts that will benefit from the program.
  - a. SB 580 increases the maximum grant award amount from \$50,000 to \$100,000 while the overall appropriation remains the same.
    - i. DWD has not received feedback from districts requesting larger awards. In fact, the department estimates that the average grant award in SFY 2022 was \$24,000, and the award amounts vary depending on the districts' needs and available funding.
- III. SB 580 expands the categories of potential expenses under the grant to include higher cost projects that will likely increase competition, further decrease the number of grantees, and further prioritize wealthier, larger school districts.
  - a. This bill allows Technical Education Equipment Grant funding to be used for the enhancement or improvement of a technical education facility and for the acquisition of equipment that is used in construction fields in the workplace.
    - i. DWD recognizes the funding need for technical education facilities. This need was previously identified during the application processes for Governor Evers' Workforce Solutions Initiative.
    - ii. However, the department is concerned that this expansion, especially without an increase in funding, does not fall within the scope of this grant program, and therefore, will result in unmet equipment needs in schools.

- iii. DWD is interested in exploring other opportunities to provide schools the funding they need to enhance or improve their technical education facilities.
  - b. Due to the increased maximum grant award amount and the inclusion of more costly projects such as facility upgrades under the grant, DWD predicts that school districts with access to more funding will propose more expensive projects, increasing overall competition and resulting in fewer smaller, rural school districts receiving grants.
- IV. The bill would require DWD to award one-third of grant funding to school districts or consortia that are eligible for sparsity aid. The sparsity aid program, administered by the Department of Public Instruction under s. 115.436, provides additional unrestricted aid to rural school districts with relatively small economies of scale.
  - a. DWD currently awards an estimated 24% of the program's grant funding to school districts eligible for sparsity aid. Thus, the new one-third funding goal likely would be achievable given the increased potential to form consortia under the proposal. However, as noted above, other aspects of the proposed legislation hold the potential to diminish the ability of small rural school districts to participate in the program and raise concerns about meeting the one-third requirement for small district grants under SB 580.

DWD is in favor of one of the provisions included in SB 580: allowing consortia or groups of school districts to apply for a Technical Education Equipment Grant together. While this is possible under the current program, the proposed legislation will streamline the administrative process for a consortia's application. DWD has seen success in the past when school districts combine resources and apply for a grant together.

DWD remains available to discuss opportunities to improve the Technical Education Equipment Grant program, and to address the evolving needs of Wisconsin's manufacturing workforce more broadly. Thank you for the opportunity to provide this information.

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