



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-6043/1
MED/ARG/JK:cjs

2021 SENATE BILL 981

February 17, 2022 - Introduced by Senators STAFSHOLT, FEYEN and BALLWEG, cosponsored by Representatives OLDENBURG, ZIMMERMAN, PETRYK, ARMSTRONG, DITTRICH, DRAKE, GUNDRUM, JAMES, MOSES, MURSAU, NOVAK, SCHRAA, SKOWRONSKI, SWEARINGEN, TRANEL, VANDERMEER, VORPAGEL, WITTKER, KUGLITSCH and VRUWINK. Referred to Committee on Economic and Workforce Development.

1 **AN ACT** *to renumber* 106.05 (1) (a) and 106.05 (1) (b); *to renumber and amend*
2 38.04 (26), 106.273 (2) (b) and 118.34 (1); *to amend* 106.05 (title), 106.05 (2) (a)
3 (intro.), 106.05 (2) (b) (intro.), 106.05 (2) (c), 106.05 (3) (a) and 106.05 (3) (b)
4 (intro.); and *to create* 38.04 (26) (b), 38.40 (2g), 71.05 (6) (b) 57., 106.05 (1) (e)
5 to (f), 106.05 (1) (v), 106.05 (2m), 106.273 (2) (b) 1. and 118.34 (1) (c) of the
6 statutes; **relating to:** apprenticeship and youth apprenticeship completion
7 awards, career and technical education incentive grants and completion
8 awards, technical preparation programs in school districts and technical
9 colleges, creating an individual income tax subtraction for expenses paid for
10 apprenticeship programs, and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, any person 16 years of age or over may enter into an apprenticeship, which is a contract whereby the person (apprentice) is to receive from his or her employer, known as a sponsor, in consideration for the apprentice's services, instruction in any trade, craft, or business. That instruction may include related classroom instruction. Current law also provides for a youth apprenticeship

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(YA) program. The apprenticeship and youth apprenticeship programs are administered by the Department of Workforce Development. This bill makes various changes related to apprenticeships and youth apprenticeships, including:

Apprenticeship completion awards

Current law provides for an apprenticeship award completion program (ACAP), administered by DWD, under which apprentices and their sponsors may receive reimbursement for tuition costs charged to an apprentice to participate in the classroom instruction for the apprenticeship. Apprenticeship completion awards are limited to 25 percent of the cost of tuition incurred by the apprentice or sponsor or \$1,000, whichever is less, except that DWD may, if funding is not available to fully fund awards, reduce the reimbursement percentage or deny applications for completion awards that would otherwise qualify. This bill does all of the following with respect to the ACAP:

1. Expands the ACAP to also allow reimbursement for the cost of tools and materials and travel costs.
2. Creates a youth apprenticeship completion award program (YACAP), under which youth apprentices and employers may receive reimbursement for the cost of tools and materials, travel costs, and worksite mentor expenses. Youth apprenticeship completion awards are limited to 25 percent of eligible costs incurred by the apprentice or employer or \$500, whichever is less, for a given year of youth apprenticeship, subject to a maximum of two awards for a total maximum of \$1,000, except that DWD may reduce the reimbursement percentage or deny applications as under current law for the ACAP. The YACAP is limited to youth apprenticeships in the areas of architecture and construction.
3. Provides additional funding for the ACAP and YACAP programs.

Apprenticeship expenses tax subtraction

This bill allows an individual, when calculating income for state income tax purposes, to subtract eligible apprenticeship expenses paid by the individual for the individual or the individual's dependent to participate in an apprenticeship program that is approved by DWD. The deduction first applies to taxable years beginning after December 31, 2021. The bill defines eligible apprenticeship expenses as those expenses eligible under the ACAP as described above.

Career and technical education incentive grants and completion awards

Current law requires DWD to approve industry-recognized certification programs designed to a) mitigate workforce shortages and b) prepare individuals for occupations as fire fighters, emergency medical responders, or emergency medical services practitioners. Current law requires DWD to award incentive grants to school districts with industry-recognized certification programs and requires DWD to annually award completion awards to students in the amount of \$500 for each industry-recognized certification program approved by DWD to prepare individuals for occupations as fire fighters, emergency medical responders, or emergency medical services practitioners. This bill does all of the following:

1. Adds programs in construction work to the list of industry-recognized certification programs for which DWD must approve programs. This change applies

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for purposes of eligibility for both incentive grants and completion awards described above.

2. Provides additional funding for the incentive grants to school districts described above.

Apprenticeship courses and technical preparation programs

Current law requires each school board, in cooperation with a technical college district board, to establish a technical preparation program in each public high school in the school district. The program must consist of a sequence of courses, approved by the Technical College System Board, designed to allow high school pupils to gain advanced standing in the technical college district's associate degree program upon graduation from high school. The TCS Board must annually publish a list of these approved courses that indicates the schools in which each course is taught and the credit equivalency available in each technical college district for each course. There is also a separate statutory requirement that the TCS Board provide a technical preparation program that includes the school district technical preparation program described above and further requires the TCS Board to plan, coordinate, administer, and implement its technical preparation program.

Under this bill, the TCS Board must annually publish a list of courses offered to high school students that meet all of the following criteria: 1) the course is offered to adults in an approved apprenticeship program; 2) the course is an approved technical college district course; and 3) the course is taught by school district faculty, by technical college faculty, or by industry professionals who teach, or are qualified to teach, the course to adults in an approved apprenticeship program (TCS-listed apprenticeship courses). The TCS Board must facilitate dual enrollment programs between school boards and technical college district boards for TCS-listed apprenticeship courses and must ensure that an individual's successful completion of, or award of partial course credit for, a TCS-listed apprenticeship course allows the individual to receive technical college course credit. These TCS-listed apprenticeship courses are also included in the TCS Board's and school district's technical preparation programs.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 38.04 (26) of the statutes is renumbered 38.04 (26) (intro.) and
2 amended to read:

SENATE BILL 981**SECTION 1**

1 38.04 (26) TECHNICAL PREPARATION PROGRAMS. (intro.) In consultation with the
2 state superintendent of public instruction, the board shall approve courses for
3 technical preparation programs under s. 118.34 (1) (b). ~~By July 1, 1994, and annually~~
4 ~~thereafter~~ Annually by July 1, the board shall publish a list of ~~the~~ all of the following:

5 (a) ~~The~~ approved courses ~~that indicates~~ under s. 118.34 (1) (b), indicating the
6 high schools in which each course is taught and the credit equivalency available in
7 each technical college district for each course.

8 **SECTION 2.** 38.04 (26) (b) of the statutes is created to read:

9 38.04 (26) (b) Courses offered to high school students that meet all of the
10 following criteria:

11 1. The course is offered to adults in an approved apprenticeship program, as
12 defined in s. 106.001 (4).

13 2. The course is an approved technical college district course.

14 3. The course is taught by school district faculty, by technical college faculty,
15 or by industry professionals who teach, or are qualified to teach, the course to adults
16 in an approved apprenticeship program, as defined in s. 106.001 (4).

17 **SECTION 3.** 38.40 (2g) of the statutes is created to read:

18 38.40 (2g) APPRENTICESHIP COURSES. (a) In this subsection, “apprenticeship
19 courses” means those courses identified under s. 38.04 (26) (b).

20 (b) The board shall facilitate dual enrollment programs between school boards
21 and technical college district boards for apprenticeship courses.

22 (c) The board shall ensure that an individual’s successful completion of, or
23 award of partial course credit for, an apprenticeship course allows the individual to
24 receive technical college course credit.

25 **SECTION 4.** 71.05 (6) (b) 57. of the statutes is created to read:

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1 71.05 (6) (b) 57. a. For taxable years beginning after December 31, 2021, and
2 subject to the definition and limitations in subd. 57. b. to d., eligible apprenticeship
3 expenses that are paid in the taxable year by an individual for the individual or the
4 individual's dependent, as defined in section 152 of the Internal Revenue Code, to
5 participate in an apprenticeship program.

6 b. In this subdivision, "apprenticeship program" has the meaning given in s.
7 106.001 (4) and "eligible apprenticeship expenses" has the meaning given in s. 106.05
8 (1) (e).

9 c. No subtraction may be made under this subdivision for an amount paid for
10 an apprenticeship program if the source of the payment is an amount withdrawn
11 from a college savings account, as described in s. 224.50, or from a college tuition and
12 expenses program, as described in s. 224.48.

13 d. The subtraction that may be claimed under this subdivision for an amount
14 paid for an apprenticeship program is reduced by the amount paid for an
15 apprenticeship program that is being claimed as a modification for tuition expenses
16 or mandatory student fees under subd. 28.

17 **SECTION 5.** 106.05 (title) of the statutes is amended to read:

18 **106.05** (title) **Apprenticeship and youth apprenticeship completion**
19 **award program programs.**

20 **SECTION 6.** 106.05 (1) (a) of the statutes is renumbered 106.05 (1) (p).

21 **SECTION 7.** 106.05 (1) (b) of the statutes is renumbered 106.05 (1) (t).

22 **SECTION 8.** 106.05 (1) (e) to (f) of the statutes are created to read:

23 106.05 (1) (e) "Eligible apprenticeship expenses" means any of the following
24 costs incurred by an apprentice or the apprentice's sponsor in connection with the
25 apprenticeship:

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- 1 1. Tools and other materials used in the apprentice’s trade, craft, or business.
- 2 2. Tuition costs.
- 3 3. Travel costs, including mileage reimbursement, mass transit-related costs,
- 4 and taxicab and transportation network company ride fares.

5 (f) “Eligible youth apprenticeship expenses” means any of the following
6 incurred by a youth apprentice or an employer described in s. 106.13 (3m) (b) 1. in
7 connection with the youth apprenticeship program:

- 8 1. Tools and other materials used in the youth apprentice’s trade, craft, or
- 9 business.
- 10 2. Travel costs, including mileage reimbursement, mass transit-related costs,
- 11 and taxicab and transportation network company ride fares.
- 12 3. Worksite mentor expenses.

13 **SECTION 9.** 106.05 (1) (v) of the statutes is created to read:

14 106.05 (1) (v) “Youth apprenticeship program” means a program undertaken
15 by a youth apprentice under the youth apprenticeship program under s. 106.13

16 **SECTION 10.** 106.05 (2) (a) (intro.) of the statutes is amended to read:

17 106.05 (2) (a) (intro.) The department shall administer an apprenticeship
18 completion award program as provided in this section ~~subsection~~ to partially
19 reimburse ~~tuition costs~~ eligible apprenticeship expenses that are incurred by any of
20 the following:

21 **SECTION 11.** 106.05 (2) (b) (intro.) of the statutes is amended to read:

22 106.05 (2) (b) (intro.) Subject to par. (c) and sub. (3), from the appropriation
23 under s. 20.445 (1) (dr), the department may provide to an apprentice described in
24 par. (a) 1. or the apprentice’s sponsor a completion award equal to 25 percent of the
25 ~~cost of tuition~~ eligible apprenticeship expenses that are incurred by the apprentice

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1 or sponsor or \$1,000, whichever is less. If the department provides a completion
2 award under this subsection, the department shall pay the award as follows:

3 **SECTION 12.** 106.05 (2) (c) of the statutes is amended to read:

4 106.05 (2) (c) The total amount of a completion award that the department may
5 pay to an apprentice and his or her sponsor may not exceed 25 percent of the ~~cost of~~
6 tuition eligible apprenticeship expenses that are incurred by the apprentice and
7 sponsor or \$1,000, whichever is less.

8 **SECTION 13.** 106.05 (2m) of the statutes is created to read:

9 106.05 (2m) YOUTH APPRENTICESHIP COMPLETION AWARDS. (a) The department
10 shall, subject to par. (am), administer a youth apprenticeship completion award
11 program as provided in this subsection to partially reimburse eligible apprenticeship
12 expenses that are incurred by any of the following:

13 1. A youth apprentice who has successfully completed part or all of the
14 requirements of his or her youth apprenticeship program as provided in par. (b).

15 2. An employer described in s. 106.13 (3m) (b) 1.

16 (am) A completion award under par. (a) shall be available only with respect to
17 a youth apprenticeship program for an occupational area specified in s. 106.13 (2m)
18 (b).

19 (b) Subject to par. (c) and sub. (3), from the appropriation under s. 20.445 (1)
20 (dr), the department may, upon the successful completion of all requirements of one
21 year of youth apprenticeship, provide to a youth apprentice described in par. (a) 1.
22 or an employer described in par. (a) 2. a completion award. An award shall be equal
23 to 25 percent of the eligible youth apprenticeship expenses that are incurred by the
24 youth apprentice or employer for that year or \$500, whichever is less.

SENATE BILL 981**SECTION 13**

1 (c) 1. The total amount of a completion award that the department may pay to
2 a youth apprentice and an employer for one year of youth apprenticeship may not
3 exceed 25 percent of the eligible youth apprenticeship expenses that are incurred by
4 the youth apprentice and employer or \$500, whichever is less.

5 2. The department may not provide completion awards to a youth apprentice
6 and an employer for more than 2 years of youth apprenticeship with respect to a
7 given youth apprentice, and the total amount of completion awards that the
8 department may pay to a youth apprentice and an employer with respect to a given
9 youth apprentice may not exceed 25 percent of the eligible youth apprenticeship
10 expenses that are incurred by the youth apprentice and employer for those years or
11 \$1,000, whichever is less.

12 **SECTION 14.** 106.05 (3) (a) of the statutes is amended to read:

13 106.05 (3) (a) If the amount of funds to be distributed under ~~sub.~~ subs. (2) and
14 (2m) exceeds the amount available in the appropriation under s. 20.445 (1) (dr) for
15 completion awards under ~~sub.~~ subs. (2) and (2m), the department may reduce the
16 reimbursement percentage or deny applications for completion awards that would
17 otherwise qualify under ~~sub.~~ subs. (2) and (2m). In that case, the department shall
18 determine the reimbursement percentage and eligibility on the basis of the dates on
19 which ~~apprentices and sponsors~~ applicants become eligible for completion awards.

20 **SECTION 15.** 106.05 (3) (b) (intro.) of the statutes is amended to read:

21 106.05 (3) (b) (intro.) The department may provide a completion award under
22 sub. (2) or (2m) to a person who is delinquent in child support or maintenance
23 payments or who owes past support, medical expenses, or birth expenses, as
24 established by appearance of the person's name on the statewide support lien docket

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1 under s. 49.854 (2) (b), only if the person provides the department with one of the
2 following:

3 **SECTION 16.** 106.273 (2) (b) of the statutes is renumbered 106.273 (2) (b) (intro.)
4 and amended to read:

5 106.273 (2) (b) (intro.) Prepare individuals for occupations as ~~fire~~ any of the
6 following:

7 2. “Fire fighters, emergency.

8 3. “Emergency medical responders, as defined in s. 256.01 (4p), or emergency.

9 4. “Emergency medical services practitioners, as defined in s. 256.01 (5).

10 **SECTION 17.** 106.273 (2) (b) 1. of the statutes is created to read:

11 106.273 (2) (b) 1. Construction workers. In this subdivision, “construction
12 worker” means an individual engaged in the construction of roads, bridges,
13 highways, sewers, water mains, utilities, public buildings, factories, housing, or
14 similar construction projects.

15 **SECTION 18.** 118.34 (1) of the statutes is renumbered 118.34 (1) (a) and
16 amended to read:

17 118.34 (1) (a) In cooperation with a technical college district board, each school
18 board shall establish a technical preparation program in each public high school
19 located in the school district.

20 (b) The program under par. (a) shall consist of a sequence of courses, approved
21 by the technical college system board under s. 38.04 (26), designed to allow high
22 school pupils to gain advanced standing in the technical college district’s associate
23 degree program upon graduation from high school.

24 **SECTION 19.** 118.34 (1) (c) of the statutes is created to read:

