

Order of the Wisconsin Department of Workforce Development

The Wisconsin Department of Workforce Development proposes an order to create ch. DWD 802, relating to technical education equipment grants under the Wisconsin Fast Forward program.

The statement of scope for this rule, SS 002-20, was approved by the Governor on January 22, 2020, published in register No. 769B, on January 27, 2020, and approved by the Department of Workforce Development on February 6, 2020. This emergency rule was approved by the Governor on February 21, 2020.

Analysis Prepared by the Department of Workforce Development

Finding of Emergency

The Department of Workforce Development seeks to promulgate new rules in Chapter DWD 802 to implement the Technical Education Equipment Grants program created by 2017 Wisconsin Act 59. Section 1407k of the Act, creating s. 106.275, Stats., required the Department to promulgate rules to implement the program.

In a November 2019 Audit, the Legislative Audit Bureau ("LAB") found that the Department had not complied with the statute requiring it to promulgate rules for awarding grants for advanced manufacturing technical education equipment. The LAB recommended that the Department comply with the statutes by promulgating rules for awarding grants for technical education equipment for advanced manufacturing fields and report to the Joint Legislative Audit Committee by March 31, 2020, on its effort to implement this recommendation. Legislative Audit Bureau Report 19-24, November 2019, p. 46.

In addition, the funding for the Technical Education Equipment Grant program is an annual appropriation of \$1,000,000 for 2019-2020 that will lapse if not encumbered by the end of the fiscal year. The grants must be encumbered by June 30, 2020. *See* s. 20.445(1)(cg), Stats.

Furthermore, the Legislature by Section 9151 (5y) in 2017 Wisconsin Act 59 provides an exemption from a finding of emergency for the adoption of this rule.

Statutes Interpreted: Section 106.275, Stats.

Statutory Authority: Section 106.275 (4), Stats.

Explanation of Statutory Authority.

2017 Wisconsin Act 59 created s. 106.275, Stats, which allows the Department to award technical education equipment grants to school districts and requires the Department to promulgate rules to implement the grant procedures and requirements.

Related Statute or Rules: Section 106.275, Stats.

Plain Language Analysis.

This rule establishes procedures and requirements for the Department of Workforce Development to award technical education equipment grants to school districts in this state. A school district may use a grant only for acquiring the following: 1) equipment that is used in advance manufacturing fields in the workplace; 2) any software necessary to operate such equipment; and 3) any instructional material necessary to train pupils in the operation of such equipment. A grant may not be less than \$5,000 nor more than \$50,000. To be eligible for a grant, a school district must provide matching funds equal to 200 percent of the amount of the grant. The matching funds may be in the form of money or the monetary value of equipment. The rule allows the matching funds to be contributed by an applicant, private sources, or both.

The rule requires the Department to solicit applications for the grants by preparing one or more Grant Program Announcements (GPAs). A GPA must do all of the following: 1) describe the grants; 2) invite applications; 3) specify who may apply; and 4) establish application procedures, criteria for awarding the grants, and conditions and restrictions accompanying the grants. The Department must publish a notice of availability of each GPA on its website and distribute copies upon request. School districts must apply on an application form included in the GPA by the date and in accordance with procedures and requirements specified in the GPA. An applicant must describe all of the following information: 1) the purpose and need for the grant; 2) project outcomes that the applicant seeks to achieve from receiving the grant; 3) the amount, form, and source of matching funds; and 4) any other information required in the GPA.

The rule requires the Department to make a preliminary review of applications. Based on the preliminary review, the Department may deny applications that fail to include the above information or to comply with the format and content specifications of the GPA. For applications that satisfy the preliminary review, the Department must evaluate them and, as specified in the GPA, assign points signifying the degree to which they meet applicable criteria. The Department must award grants to applications with the most points and notify applicants in writing of its decision by the date set in the GPA. The grants are made through contracts between the Department and grant recipients.

The rule also imposes reporting requirements on school districts that receive grants. The rule requires a grant recipient to file a report with the Department by September 1 of each of the first 3 fiscal years following the fiscal year in which the grant was received. The report must describe how the grant moneys were expended, describe the outcomes achieved as a result of receiving the grant, share best practices for training pupils on the use of equipment acquired with the grant, and include a plan for sustainability of that training. Finally, the report must provide such other information as the Department may require in the GPA.

Summary of, and comparison with, existing or proposed federal regulations.

The federal Workforce Investment and Opportunity Act of 2014 (WIOA) provides funding for employment and training programs. The Department, with the approval of the Council on Workforce Investment, provides grant allocations to 11 regional workforce development boards, which fund and supervise local programs. Programs for employment placement/retention, job training, and education-related training programs are delivered through Wisconsin Job Centers.

Comparison with rules in adjacent states.

Illinois. The Industrial Development Assistance Law allows local school districts and community colleges to apply for and receive grants under Act 100-0679 for the acquisition of land, construction of facilities, and purchase of equipment, dedicated solely to the instruction of occupations in manufacturing.

Iowa. The Registered Apprenticeship Program (RAP) uses apprenticeship training program funds to support grants to Registered Apprenticeship program sponsors – which are typically employers, labor management partnerships, or industry associations to subsidize the cost of RAP. Such costs included related classroom instruction, purchasing equipment for the apprenticeship program, and establishing new locations to expand apprenticeship training.

Michigan. The Michigan Department of Education (MDE) in 2018 awarded \$5 million in grants to 14 districts and intermediate districts to purchase specialized equipment and expand programs as part of the Career and Technical Education (CTE) Innovation and Equipment Grants. These grants allow districts to obtain equipment to expand career and technical education programs in manufacturing with an emphasis on mechatronics, computer numerical control machining, and welding.

Summary of factual data and analytical methodologies.

The rules for the standard Wisconsin Fast Forward grant program under Wis. Admin. Code ch. DWD 801 were reviewed as part of the process for developing this proposed rule. No other data or analysis was needed.

Analysis and supporting documents used to determine effect on small business or in preparation of an economic impact analysis.

The proposed rule will have no significant economic impact on small businesses as defined in s. 227.114 (1), Stats.

Anticipated costs incurred by private sector: Not Applicable.

Effect on small business: The proposed rule will have no significant economic effect on small businesses as defined in s. 227.114 (1), Stats.

Agency contact person.

Questions and comments related to this rule may be directed to:

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Division of Employment Training
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E-Mail: Steve.Laesch@dwd.wisconsin.gov

Place where comments are to be submitted and deadline for submission.

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Hearing comments will be accepted until the last scheduled hearing is conducted. The Department will hold a hearing in conjunction with the permanent rule hearing.

SECTION 1. Chapter DWD 802 is created to read:

Chapter DWD 802

Technical Education Equipment Grants

DWD 802.01 Authority and purpose.

DWD 802.02 Applicability.

DWD 802.03 Definitions.

DWD 802.04 Application.

DWD 802.05 Grant awards.

DWD 802.06 Match requirement.

DWD 802.07 Use of grant funds.

DWD 802.08 Amount of grants.

DWD 802.09 Reporting requirements.

DWD 802.01 Authority and purpose. This chapter is created to establish the rules for administering and awarding technical education equipment grants to school districts in this state, as authorized under s. 106.275, Stats.

DWD 802.02 Applicability. This chapter applies to the department, applicants for grants, and school districts in this state that are awarded grants for technical education equipment under s. 106.275, Stats.

DWD 802.03 Definitions. In this chapter:

- (1) “Applicant” means a school district in this state that applies to the department for a grant.
- (2) “Department” means the department of workforce development.
- (3) “Grant” means an agreement between the department and the grantee whereby the department provides funds from the appropriation under s. 20.445 (1) (cg), Stats., for the purposes specified in s. 106.275 (1) (b), Stats.
- (4) “Grantee” means a school district awarded a grant by the department.

(5) “Grant Program Announcement” or “GPA” means a document that describes the grant program under this chapter, invites applications for a grant, specifies who may apply, and establishes application procedures, criteria for awarding grants, and conditions and restrictions that accompany grants.

DWD 802.04 Application. (1) PROCEDURE. The department shall solicit applications for grants by preparing one or more GPAs, publishing a notice of the availability of each GPA on the department’s website, and distributing copies of the GPA on request. An applicant shall apply for a grant on an application form included in the GPA by the date specified in the GPA and in accordance with the procedures and requirements specified in the GPA.

Note: GPAs can be found on the department's website at http://wisconsinfastforward.com/wff_standard.htm.

(2) CONTENTS. An applicant for a grant shall describe all of the following:

- (a) The purpose and need for the grant.
- (b) The projected outcomes that the applicant is seeking to achieve as a result of receiving the grant.
- (c) The amount, form, and source of the matching funds required under s. DWD 802.06.
- (d) Any other information required in the GPA.

DWD 802.05 Grant awards. (1) PRELIMINARY REVIEW. The department shall review each application for compliance with the format and content specifications of s. DWD 802.04 (2) and the GPA. The department may deny any application that fails to meet any of those criteria.

(2) EVALUATION CRITERIA. (a) The department shall evaluate grant applications that meet the criteria as specified in sub. (1) against criteria specified in s. DWD 802.04 (2) and established in the GPA. As specified in the GPA, the department shall assign points to each application signifying the degree to which the application meets each applicable criterion. The total points assigned to the application for all applicable criteria will be the score for the application. The department shall numerically rank each application for each GPA.

(3) **MAKING AWARDS.** For each GPA, the department shall award grants to the applicants with the highest numerical scores under sub. (2).

(4) **NOTIFICATION.** The department shall notify each applicant in writing of the department's decision on the application by the date set in the GPA.

(5) **CONTRACT.** The department shall make each grant award through a contract between the department and the applicant selected to receive the grant.

DWD 802.06 Match requirement. An applicant may not be awarded a grant unless the applicant provides matching funds equal to 200 percent of the amount of the grant that is awarded. The matching funds may be in the form of money, or the monetary value of equipment, contributed from private sources or the applicant or from both private sources and the applicant.

DWD 802.07 Use of grant funds. A grantee may use grant funds only for the acquisition of equipment that is used in advanced manufacturing fields in the workplace, together with any software necessary for the operation of that equipment and any instructional material necessary to train pupils in the operation of that equipment.

DWD 802.08 Amount of grants. The amount of a grant shall be based on the amount requested by the applicant and approved by the department, except that no grant may be less than \$5,000 nor more than \$50,000.

DWD 802.09 Reporting requirements. A grantee shall file a report with the department by September 1 of each of the first 3 fiscal years following the fiscal year in which the grant was received. In each report, the grantee shall do all of the following:

- (a) Describe how the grant moneys were expended.
- (b) Describe the outcomes achieved as a result of receiving the grant.
- (c) Share the best practices employed by the grantee regarding the training of pupils in the use of the equipment acquired with the grant moneys.
- (d) Include a plan for sustainability of the training described in par. (c).
- (e) Provide such other information as the department may require in the GPA.

SECTION 2. This emergency rule shall take effect upon publication in the official state newspaper.

Dated this _____ day of February, 2020

STATE OF WISCONSIN
DEPARTMENT OF WORKFORCE
DEVELOPMENT

Caleb Frostman, Secretary