



STATE REPRESENTATIVE

KATHY BERNIER

February 10, 2016

Assembly Committee on Workforce Development *Testimony on Assembly Bill 772*

Good morning Chairman Petryk and committee members. Thank you for holding a Public Hearing on Assembly Bill 772 today, and for allowing me the opportunity to testify in support of the bill.

Under current law, the Department of Workforce Development (DWD) administers grant programs through separate allocations of General Purpose Revenue (GPR) to youth apprenticeship grants, apprenticeship completion awards, employment transit grants, youth summer jobs programs, career and technical education incentive grants, and the Wisconsin Fast Forward program. This bill simply allows for the consolidation of existing GPR into a single appropriation consolidating worker training programs under Wisconsin Fast Forward. The bill maintains each program and continues to provide DWD the ability to issue grant funding for the purpose each program was intended.

Assembly Bill 772 allows DWD, when necessary, to direct underutilized funds in one program to another program which is in higher demand. Under provisions of the bill, each program will receive funds from the same source which will streamline the Department's flexibility in allocating funds to the program where they is most needed. Furthermore, the bill will eliminate any lapses in funding in any of these grant programs.

Assembly Bill 772 provides DWD the ability to move funds quickly into the appropriate program to meet workforce needs as demand for various programs change. As an example, leading up to the 2015-16 school year DWD received 32 Youth Apprenticeship grant requests representing 249 school districts totaling \$2.8 million to train 3,187 students. However, the Youth Apprenticeship program fund has a current budget of just over \$2.2 million. If DWD had the ability to redirect funds from less utilized programs to the Youth Apprenticeship Program, 412 more youths would have been able to participate in the program in 2015-16.

We have two simple amendments to the bill, both worked on with DWD input and support. Assembly Amendment 1 requires specific reporting on how funds are allocated to the various grant programs. The report will be provided to the Governor and Joint Finance Committee Co-Chairs as part of the comprehensive report provided as part of Wisconsin Fast Forward.

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Assembly Amendment 2 removes career and technical education incentive grants from consolidation. The amendment leaves CTE grants a separate GPR appropriation.

Mr. Chairman and committee members, Assembly Bill 772 is a common sense approach making better use of taxpayer money by ensuring those programs that are most used have adequate funding WITHOUT INCREASING SPENDING. The bill seeks no new money. It simply provides the Department of Workforce Development the ability to allocate the resources already apportioned to the most appropriate grant program based on employer and employee need.

Again, thank you for hearing Assembly Bill 772 today, and for allowing me the opportunity to provide testimony in support of the bill. I am happy to answer any questions.



CHRIS KAPENGA

WISCONSIN STATE SENATOR

Testimony on Assembly Bill 772

Assembly Committee on Workforce Development

February 10, 2016

First, I would like to thank Chairman Petryk and the members of the committee for holding a hearing on Assembly Bill 772. Additionally, I would like to thank Representative Bernier for her leadership on this issue.

Under current law, the Department of Workforce Development administers grant programs through separate allocations of General Purpose Revenue to youth apprenticeship grants, apprenticeship completion awards, employment transit grants, youth summer jobs programs, career and technical education incentive grants, and the Wisconsin Fast Forward program. These programs are all appropriately aimed at connecting workers with work in Wisconsin.

This bill allows for the consolidation of existing GPR dollars into a single appropriation by consolidating worker training programs under Wisconsin Fast Forward. It provides DWD with the flexibility needed to adapt to continually changing labor market conditions by granting them the ability to move funds into workforce development programs with high demand.

As an example, leading up to the 2015-16 school year DWD received 32 Youth Apprenticeship grant requests representing 249 school districts totaling \$2.8 million to train 3,187 students. However, the Youth Apprentice program fund has a current budget of just over \$2.2 million. If DWD had the ability to redirect funds from less utilized programs to the Youth Apprenticeship program, 412 more youths would have been able to participate in the program in 2015-16.

I have introduced two amendments to the bill that would address concerns that I have received on the proposal. The first amendment would address the issue of transparency. The amendment would require the Department of Workforce Development to report to the governor and the cochairpersons of the joint committee on finance providing an account of the department's activities and expenditures under this bill during the preceding fiscal year and detailing the amounts allocated to and expended for each of the grants. The second amendment would remove career and technical education incentive grants from the bill. Under this amendment, CTE grants would remain as a separate GPR allocation.

I believe that this change will be beneficial to the department's goal of preparing young people to enter the workforce and helping to shore up projected workforce shortages in the future. It is

important to note that this proposal DOES NOT INCREASE SPENDING of taxpayer dollars, it simply allows for a more efficient use of them.

I ask you to consider the recommendation of Assembly Bill 772 for a vote in front of the full Assembly. Thank you again, Chairman Petryk and members of the committee, for taking the time to hold this public hearing. I look forward to working with you on the passage of this legislation.

Assembly Committee on Workforce Development, Public Works, and Military Affairs

February 10, 2016

Testimony on AB 772, Provided by Georgia Maxwell, Deputy Secretary

Chairperson Petryk and members of the Committee, I am Georgia Maxwell, the Deputy Secretary for the Department of Workforce Development, and I come before you today to testify in support of Assembly Bill 772.

Let me start by saying, Representative Bernier and Senator Kapenga, thank you for authoring this bill. As Wisconsin's talent development agency, DWD plays a key role in carrying out Governor's Walker's agenda to develop the workforce and grow the economy. As the Governor has said, effective worker training programs are inherently economic development efforts. As we help employers find the skilled workers they need, we increase their ability to be competitive and confident in taking on more work. This leads to job creation and, ultimately, reaffirms the economic value of a strong talent development system.

Governor Walker's budget gave us an opportunity to take talent development and economic growth to new levels in Wisconsin. A primary example is the Wisconsin Fast Forward worker training program that the Legislature supported in 2013. The Governor's budget maintained \$15 million for the program during this biennium, and it invested an additional \$10.7 million in grant funding to increase opportunities for workers and students to access employer-driven, targeted skills training with businesses that have open jobs. Additionally, DWD now has the ability to make high-demand programs eligible for grants, including Youth Apprenticeship and K-12 programs that help students graduate with industry-recognized credentials. The budget allowed us to use the business connections and expertise benefiting Wisconsin Fast Forward to support and build upon our existing youth and adult apprenticeship programs.

AB 772 consolidates the funding for these workforce training programs into a single appropriation. The purpose of this bill is to increase flexibility with these important programs without requesting additional funding. DWD can place the funds where the greatest demand is and respond in a timely manner instead of having programs have to wait until the next budget cycle.

For example in Youth Apprenticeship, DWD received 32 grant applications from partnership and/or consortium groups for the 2015-16 school year, which involves 247 school districts and charter schools statewide. The 32 grant requests total over \$2.8 million for 3,187 student training opportunities. Given the current allocation of \$2,223,700, the total number of training opportunities that can be funded with the \$900 per student cap is 2,482. In this case, if there were unused funds in the Apprenticeship Program, DWD would transfer those funds into Youth Apprenticeship so that an additional 705 students could be served that school year.

Finally, DWD supports the author's amendments that remove the career and technical education incentive grants from the bill and includes the reporting of fund transfers.

Thank you again for your time and for your previous support of financial flexibility for DWD to provide workforce training. I am happy to answer any questions the committee may have at this time.