



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

February 14, 2006

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 228: Local Youth Apprenticeship Grants for Health Care and Health Care Technology Training

Assembly Bill 228, which would increase funding for local youth apprenticeship grants, was introduced on March 16, 2005, and referred to the Assembly Committee on Workforce Development. On January 17, 2006, the Workforce Development Committee recommended AB 228 for passage by a vote of 8 to 0, and the bill was referred to the Joint Committee on Finance.

### **CURRENT LAW**

The youth apprenticeship and local youth apprenticeship programs are administered by the Division of Workforce Solutions (DWS) in the Department of Workforce Development (DWD). DWD awards grants to local youth apprenticeship partnerships for implementation and coordination of local youth apprenticeship programs. Local youth apprenticeship partnerships are consortia that include: (a) one or more school districts; or (b) any combination of one or more school districts, cooperative educational service agencies (CESAs), other public agencies, workforce development boards, labor, and employer groups. Local youth apprenticeship partnerships provide administrative, program, and financial support to the local youth apprenticeship programs. All local partnerships must be approved by DWD in order to operate a youth apprenticeship program. In order to be considered for funding, eligible partnerships are required to: (a) limit cost per student to a maximum of \$900 per youth apprentice [total grant amount divided by the number of students to be enrolled]; (b) provide at least 50% matching funds; (c) apply for a minimum of \$10,000 in grant funding; (d) have the capacity to deliver the youth apprenticeship program in accordance with program guidelines and requirements; and (e) designate a youth apprenticeship coordinator with specified responsibilities.

The youth apprenticeship coordinator acts as a liaison between participating businesses, schools, and students. The coordinator's required activities include: (a) program development and management; (b) recruitment and marketing; and (c) evaluation and reporting.

DWD approval of grant applications and the level of funding provided are based on the following criteria: (a) the ability of the local partnership to deliver the program in accordance with guidelines and requirements; (b) a satisfactory review of prior year grant performance; (c) the cost-effectiveness of the program using such measures as cost per youth apprentice and cost of related instruction; (d) the actual expenditures and enrollment compared to those estimated in the prior year plan [a minimum of 75% of planned expenditures and enrollment by the end of the third quarter is expected]; and (e) enrollment trends in prior grant years. If a partnership reorganizes, prior performance of the former partnerships will be considered. The Department reserves the right to negotiate or adjust final funding amounts with individual applicants. Funding decisions may be appealed in writing but can only be made on the grounds that a substantial procedural error was made in reviewing the application. A local partnership can use grant moneys for any of the following implementation and coordination activities:

- a. Recruiting employers to provide on-the-job training and supervision for youth apprentices, and providing technical assistance to those employers.
- b. Recruiting students to participate in the local youth apprenticeship program, and monitoring the progress of youth apprentices participating in the program.
- c. Coordinating youth apprenticeship training activities within participating school districts and among participating school districts, postsecondary institutions, and employers.
- d. Coordinating academic, vocational, and occupational learning, school-based and work-based learning, and secondary and postsecondary education for participants in the local youth apprenticeship program.
- e. Assisting employers in identifying and training workplace mentors and matching youth apprentices and mentors.
- f. Providing required instruction to youth apprentices and support services.
- g. Funding administrative costs (limited to 5% of program costs).

A total of \$1,100,000 GPR in annual base level funding is appropriated for local youth apprenticeship grants. The following table shows the amount of local youth apprenticeship grants made to each local partnership and the number of youth apprentices enrolled for each partnership for 2005-06. The table shows that 34 partnerships received grants in 2005-06. The total number of youth apprentices enrolled was 1,964.

## Local Youth Apprenticeship Grants and Enrollments

**2005-06**

<u>Partnership</u>	<u>Grant</u>	<u>Enrollment</u>
Central Wisconsin (Marshfield)	\$32,188	48
CESA 11 (Turtle Lake)	20,327	30
CESA 5 (Portage)	45,562	48
CESA 6 (Oshkosh)	55,661	143
Chippewa Valley (Chippewa Falls)	45,000	50
Dane County	67,639	130
Fond du Lac	32,606	200
Green Bay	42,360	86
Green County	19,282	27
Jefferson County	51,125	60
Kenosha	27,000	44
Lakeshore Area (Lakeshore Tech)	16,983	24
Manitowoc	21,000	43
Marinette-Oconto	20,575	25
Mauston/Royal et al.	23,015	45
Mid-Wisconsin (Wisconsin Rapids)	24,109	70
Milwaukee	46,720	55
Mississippi Valley (LaCrosse)	16,760	21
North Central (Wausau)	78,758	132
Northwest (Ashland)	11,455	19
Northwoods (Rhinelander)	10,000	12
Racine	24,853	60
Rock County (Beloit)	42,337	48
South Shore (South Milwaukee)	31,767	57
Southern Lakes (Lake Geneva)	23,418	55
Southwest/CESA 1 (Greenfield)	18,186	30
Southwest Wisconsin (Fennimore)	67,452	88
St. Croix Valley (Hudson)	16,249	40
Trempealeau	9,000	36
Waukesha	56,978	95
Wauwatosa	10,000	20
Wilmot	14,758	17
Wolf River (Shawano)	34,445	50
Workforce 2010 (Ozaukee County)	<u>22,980</u>	<u>56</u>
<b>TOTAL</b>	<b>\$1,080,548</b>	<b>1,964</b>

Performance of local partnerships in using grant funds is reviewed quarterly, and staff also conduct an annual review. Staff members make a minimum of one on-site visit to each local partnership each year. If expenditures and/or enrollment falls below 85% of the approved plan, or if the actual cost per student exceeds \$900, funds may be de-obligated from the grant. At least 75% of the youth apprentices enrolled in the program are expected to successfully complete the program and receive a skill certificate. At least 60% of two-year graduates are expected to be offered

employment by the employer that provided on-the-job training for the apprentice. Local partnerships that fail to achieve these graduation and employment rates are precluded from receiving future grants.

The youth apprenticeship program provides high school juniors and seniors with a two-year program combining academic classroom coursework with on-the-job training in specific occupational areas. Seniors have an option of obtaining a certificate after one year for certain coursework and training. Occupational programs are based on industry skills standards. Pupils who complete the program receive an occupational proficiency or skills certificate in addition to their high school diploma.

DWD administers the program with the assistance of the Department of Public Instruction (DPI) and the Wisconsin Technical College System (WTCS) Board. Staff from the three agencies work with local youth apprenticeship partnerships to establish and operate local youth apprenticeship programs. Schools and WTCS districts provide the academic component of the program. DWD approves occupations for the youth apprenticeship program, and may contract with WTCS districts, local school districts, or the University of Wisconsin (UW) for the development of curricula for occupations approved for the program. Employers hire youth apprentices for the two-year program, pay them at least minimum wage, provide on-the-job training in the occupational clusters set by the statewide curriculum, and provide a skilled mentor for the youth apprentices.

The first occupations developed for the program were printing in 1992-93, and financial services in 1993-94. As of the winter, 2006, 21 curricula had been completed including: (a) auto collision-technician, (b) auto technician, (c) biotechnology, (d) drafting and design-architecture; (e) drafting and design-engineering; (f) drafting and design-mechanical design; (g) financial services; (h) graphic arts-printing; (i) health services; (j) information technology-computer science; (k) information technology-networking; (l) industrial equipment; (m) insurance; (n) lodging management; (o) manufacturing-production technician; (p) manufacturing-machining; (q) manufacturing-plastics; (r) production agriculture; (s) tourism; (t) welding; and (u) logistics-freight movement.

## **BACKGROUND**

The 1999-01 biennial budget act (1999 Wisconsin Act 9) transferred the youth apprenticeship program from DWD to the newly-created Governor's Work-Based Learning Board (GWBLB) and created the local youth apprenticeship grant program under the Board with annual funding of \$2,000,000 GPR. The 2001-03 biennial budget deleted \$847,000 GPR from the local youth apprenticeship grant program, and included a provision prohibiting local partnerships from providing funding to businesses or business organizations.

As introduced by the Governor, the 2003-05 biennial budget bill (2003 Senate Bill 44) would have eliminated the GWBLB and transferred its functions to DWS in DWD. The Department, in

conjunction with the Governor's Work-Based Learning Council (created by the bill) would have administered the programs transferred from the GWBLB, including the youth apprenticeship and local youth apprenticeship grant programs. In subsequent actions on the bill, the Joint Committee on Finance and Legislature deleted the Governor's proposal and, instead, eliminated the GWBLB, and placed the youth apprenticeship and local youth apprenticeship grant programs in DWD, and provided \$1,100,000 GPR annually for grants. The remaining GWBLB functions and programs were transferred to the Wisconsin Technical College System (WTCS) for administration. However, in a partial veto of the bill the Governor restored the GWBLB and its responsibilities for administering certain programs, including the youth apprenticeship and the local youth apprenticeship grant program.

In the 2005-07 biennial budget (2005 Assembly Bill 100) the Governor proposed consolidating and restructuring GWBLB programs and appropriations. The appropriation for local youth apprenticeship grants and annual funding of \$1,100,000 GPR was eliminated from DWD and recreated under the GWBLB. However, the Joint Finance Committee and Legislature deleted the Governor's proposal. Instead, the GWBLB was again eliminated and most of its functions and programs were transferred to WTCS. The youth apprenticeship and local youth apprenticeship grant programs, including annual grant funding of \$1,100,000 GPR, were retained in DWD.

## **SUMMARY OF BILL**

Assembly Bill 228 would provide additional funding of \$1,400,000 GPR in 2005-06 and 2006-07 for local youth apprenticeship grants. The additional funding would be required to be used for youth apprenticeship programs that were targeted at providing training and state-required exit testing in the areas of health care and health care technology. AB 228 would also require that eligibility criteria for local youth apprenticeship grants be established, and that the criteria ensure that those grants be distributed throughout all geographic areas of the state in both urban and rural communities.

There are a number of technical problems with AB 228 that would need to be addressed to make the bill achieve the intended results. First, the bill eliminates the current DWD GPR appropriation used to fund local youth apprenticeship grants, and replaces it with a new GPR appropriation [20.445 (7) (b)] that corresponds to the old, deleted GWBLB appropriation schedule. The current training grant appropriation [20.445 (1) (e)] should be retained and the additional funding should be placed in that appropriation. In addition, the bill would require the GWBLB to establish eligibility criteria for youth apprenticeship training grants, and would require the Board to provide youth apprenticeship training programs. The references to Board should be deleted and replaced with DWD.

A final concern relates to the timing of the training grant process. AB 228 would provide \$1,400,000 GPR in 2005-06 and 2006-07 for health and health care technology training programs. Local youth apprenticeship grants for 2005-06 have been awarded, and the programs are well into

the school year. As a result, no additional grants could be awarded for 2005-06. Moreover, requests for proposal for the 2006-07 school year will be sent out in April and returned in May. It is likely that the bill would have to be passed before the beginning of the next fiscal year for the additional funding to be included in the 2006-07 local youth apprenticeship grant distribution.

## **FISCAL EFFECT**

Assembly Bill 228 would increase state GPR expenditures by \$1,400,000 GPR in 2005-06 and 2006-07.

No additional funding would be provided to administer the expanded local youth apprenticeship grant program. However, DWD has indicated it would need an additional 1.0 GPR position and \$84,000 annually for administrative activities related to registering, tracking performance, and preparing and issuing certificates for a significantly increased student enrollment.

Prepared by: Ron Shanovich