



Legislative Fiscal Bureau

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May 21, 2001

Joint Committee on Finance

Paper #1031

Governor's Work-Based Learning Board -- Youth Apprenticeship Training Grants (DWD -- Employment, Training and Vocational Rehabilitation Programs)

[LFB 2001-03 Budget Summary: Page 729, #15]

CURRENT LAW

Under current law, the Governor's Work-Based Learning Board (GWBLB) has authority to award grants to employers for each youth apprentice that receives at least 180 hours of paid on-the-job training from the employer during the school year. The GWBLB may award a training grant to an employer that provides less than 180 hours of paid on-the-job training if the Board determines that it would be beneficial for the youth apprentice to receive training from more than one employer. The maximum training grant is \$500 per year and a grant cannot be awarded for a specific youth apprentice for more than two school years. Under current law, no base level funding is provided for the youth apprenticeship training grant program.

GOVERNOR

Require the Governor's Work-Based Learning Board (GWBLB) to establish eligibility criteria for youth apprenticeship training grants that would limit the grants to small employers and to employers that provide on-the-job training in employment areas. The Board would determine the definitions of "small employer" and "on-the-job training in employment areas," but would not have to promulgate administrative rules to establish the criteria.

DISCUSSION POINTS

1. Many of the current, statewide school-to-work programs were created by 1991 Act 39. The Act required the former Department of Industry, Labor and Human Relations (DILHR), in

cooperation with the Department of Public Instruction (DPI) and the Wisconsin Technical College System (WTCS) Board, to develop a youth apprenticeship program and created a 12-member youth apprenticeship council in DILHR to coordinate the establishment of the program. In 1993 Act 16, DILHR's Office of Workforce Excellence was permanently funded to provide oversight for school-to-work programs. The Act also provided funds for youth apprenticeship training grants to participating employers. The 1999-01 biennial budget (1999 Wisconsin Act 9) significantly changed administration and operation of many of the state's school-to-work programs. Act 9 created the Governor's Work-Based Learning Board to administer and coordinate existing and new work-based learning programs for youth. The Board is attached to the Department of Workforce Development (DWD) for administrative purposes. DWD's Division of Connecting Education and Work was eliminated and the responsibility for administering youth apprenticeship, school-to-work and work-based learning programs along with Division staff and funding were transferred to the Board.

2. The youth apprenticeship program provides high school juniors and seniors with the option of enrolling in a one or two-year program combining academic classroom coursework with on-the-job training in specific occupational areas. 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. The GWBLB administers the program with the assistance of DPI and the 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 through a curriculum developed at the state level. The GWBLB approves occupations for the youth apprenticeship program and contracts with WTCS districts, local school districts or the UW for the development of curricula for occupations approved for the program. Employers hire youth apprentices for the one- or 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.

3. The youth apprenticeship training grant program was established to provide an incentive to secure sufficient employer participation in the youth apprenticeship program. The grants were intended to offset some of the employer's costs incurred in investing in young, untrained workers. Employer costs included training expenses, purchases of tools, special equipment and uniforms, and worker's compensation insurance payments. The total annual amount appropriated for the grant program ranged from \$380,000 GPR in 1996-97 to \$1,150,000 GPR in 1998-99. However, the largest amount of grants awarded was \$579,300 in 1995-96. The total number of students for which grants were made ranged from 117 in 1993-94 to 730 in 1995-96. A total of \$690,000 GPR in 1997-98 and \$1,150,000 GPR in 1998-99 was appropriated for youth apprenticeship training grants. Total grants of less than \$500,000 were made in each year for 506 and 600 students, respectively.

4. As noted, Act 9 transferred the youth apprenticeship training grant program to the GWBLB for administration. Although the training grant program was administered by the Board, annual base level funding for the grants of \$1,150,000 GPR was transferred to a new local youth

apprenticeship grant program and placed in a different appropriation. This funding was supplemented by additional annual funding of \$2,000,000 GPR. The youth apprenticeship training grant program was not funded.

5. The GWBLB awards local youth apprenticeship grants to local youth apprenticeship partnerships for implementation and coordination of local youth apprenticeship programs. Local youth apprenticeship partnerships are consortia that include one or more school districts, other WTCS institutions, 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. Each local partnership has a youth apprenticeship coordinator who acts as a liaison between the participating businesses, schools and students. The coordinators' responsibilities include recruiting students and businesses, developing training sites and providing more training.

6. 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 (including making training grants to employers) 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; and (f) any other implementation or coordination activity that the Board may direct or permit.

7. A total of \$3,150,000 GPR is annually appropriated for local youth apprenticeship grants. The GWBLB awarded all of that amount in 2000-01 to 40 local partnerships, representing 362 school districts (85%) to operate youth apprenticeship programs. Of the total amount awarded to local partnerships, \$752,700 in grants was awarded in 2000-01 to industry and labor associations to assist the local partnership in recruiting businesses and students to participate in local youth apprenticeship programs. In addition, some of the local partnerships use grant monies to make training grants to businesses to partially offset expenses for investing in youth apprentices. Local partnerships have awarded \$94,300 for this purpose during the biennium.

8. The provision in the bill modifying the youth apprenticeship training grant program is intended to ensure that grants would be targeted to small businesses in areas of need, if the grant program was funded. However, the program has not been funded since 1998-99 and, under the bill, no funding would be provided in the 2001-03 biennium. The GWBLB has not requested that the program be funded, in part, because local partnerships can use their grants to provide assistance to employers. It appears that there is currently little demand for the state level program. Consequently, the Committee could deny the requested program modification and, instead, eliminate the youth apprenticeship training grant program and related appropriation.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to require the Governor's Work-Based Learning Board to establish eligibility criteria for youth apprenticeship training grants that would limit the grants to small employers and to employers that provide on-the-job training in employment areas. Also, require the Board to determine the definitions of "small employer" and "on-the-job training in employment areas."

2. Deny the Governor's recommendation and, instead eliminate the youth apprenticeship training grant program and related appropriation under the GWBLB.

3. Maintain current law.

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