



Legislative Fiscal Bureau

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Joint Committee on Finance

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Youth Apprenticeship Program Funding (DWD -- Employment, Training, and Vocational Rehabilitation Programs)

Bill Agency

[LFB 2007-09 Budget Summary: Page 604, #12]

CURRENT LAW

Under current law, the youth apprenticeship program is administered by the Division of Workforce Solutions (DWS) in the Department of Workforce Development (DWD). The youth apprenticeship program provides high school juniors and seniors with a two-year program that combines academic classroom coursework with mentored on-the-job training in specific occupational areas. Generally, the program includes four standardized courses of classroom instruction and a minimum of 900 hours of work-based learning. Pupils who complete the program receive an occupational proficiency or skills certificate in addition to their high school diploma. In addition, pupils may receive advanced standing credits in technical college for a related program.

Base funding for grants under the youth apprenticeship program is \$1,100,000 GPR. Base funding for state administration of the youth apprenticeship program is \$482,500 GPR and 2.0 GPR positions.

GOVERNOR

Provide \$412,600 GPR in 2007-08, \$1,216,800 GPR in 2008-09, and 2.0 GPR positions, beginning in 2007-08, to increase funding for the youth apprenticeship program.

DISCUSSION POINTS

1. DWD administers the youth apprenticeship program with the assistance of the Department of Public Instruction (DPI) and the Wisconsin Technical College System (WTCS) Board. 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 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.

2. Program areas for the youth apprenticeship program include: (a) auto collision; (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) logistics-freight movement; (p) manufacturing-machining; (q) manufacturing-plastics; (r) manufacturing-production technician; (s) production agriculture; (t) tourism; and (u) welding.

3. 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, other public agencies, nonprofit organizations, individuals, or other persons who have agreed to be responsible for implementing and coordinating a local youth apprenticeship program.

4. Local youth apprenticeship partnerships provide administrative, program, and financial support to the local youth apprenticeship programs. In order to be considered for funding, eligible partnerships are required to: (a) limit the 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.

5. 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.

6. A local partnership can use grant funds for any of the following implementation and coordination activities: (a) recruiting employers to provide on-the-job training and supervision for youth apprentices; (b) providing technical assistance and mentor training to employers; (c) recruiting students to participate in the local youth apprenticeship program; (d) monitoring the progress of youth apprentices participating in the program; (e) coordinating youth apprenticeship activities within and among participating school districts, postsecondary institutions, and employers; (f) coordinating academic and related instruction, overall school-based and work-based learning, and secondary and postsecondary education for youth apprentices; (g) providing the required instruction to youth apprentices; (h) providing support services for youth apprentices; and (i) funding administrative costs (limited to 5% of program costs).

7. A total of \$1,100,000 GPR will be awarded to youth apprenticeship partnerships for local youth apprenticeship programs in 2006-07. The following table shows the planned amount of local youth apprenticeship grants for each local partnership and the anticipated number of youth apprentices enrolled for each partnership for 2006-07. The table shows that, as of March 12, 2007, 34 partnerships received grants in 2006-07. The total number of youth apprentices enrolled as of that date was 1,880.

**Local Youth Apprenticeship Grants and Enrollments
2006-07**

<u>Partnership</u>	<u>Grant</u>	<u>Enrollment</u>	<u>Partnership</u>	<u>Grant</u>	<u>Enrollment</u>
Central Wisconsin (Marshfield)	\$32,188	48	Northwest (Ashland)	10,000	15
CESA 5 (Portage)	44,562	50	Northwoods (Rhineland)	10,000	12
CESA 6 (Oshkosh)	55,661	99	Racine	24,853	60
CESA 11 (Turtle Lake)	23,327	35	Rock County (Beloit)	42,337	70
Chippewa Valley (Chippewa Falls)	40,500	45	South Shore (South Milwaukee)	31,767	57
Dane County	62,639	130	Southern Lakes (Lake Geneva)	23,418	62
Fond du Lac	32,606	180	Southwest/CESA 1 (Greenfield)	18,186	30
Green Bay	42,360	68	Southwest Wisconsin (Fennimore)	67,452	88
Green County	19,282	23	St. Croix Valley (Hudson)	16,249	42
Jefferson County	47,125	60	Trempealeau	14,317	23
Kenosha	27,000	30	Waukesha	56,978	100
Lakeshore Area (Lakeshore Tech)	16,983	20	Wauwatosa	10,000	30
Manitowoc	21,000	46	Wilmot	14,758	19
Marinette-Oconto	20,575	32	Wolf River (Shawano)	34,445	45
Mauston-Royal-Tomah	23,015	38	Workforce 2010 (Ozaukee County)	22,980	40
Mid-Wisconsin (Wisconsin Rapids)	24,109	57	To Be Announced Spring 2007	<u>21,995</u>	<u>Unknown</u>
Milwaukee	45,900	51			
Mississippi Valley (La Crosse)	19,675	27	TOTAL	\$1,100,000	1,880
North Central (Wausau)	81,758	148			

8. In 2005-06, 34 partnerships served 1,944 participants. In addition, 309 school districts and 1,279 employers also participated in the youth apprenticeship program.

9. Performance of local partnerships in using grant funds is reviewed quarterly, and staff also conducts an annual review. If expenditures and/or enrollment fall 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 80% of the youth apprentices enrolled in the program are expected to receive a high school diploma upon completion of the youth apprenticeship program. 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.

10. In 2005-06, the average cost per student was \$566, 100% of the youth apprentices graduated and received a high school diploma, and 86% of apprentices were offered employment by the employer that provided on-the-job training.

11. The bill would provide \$412,600 GPR in 2007-08 and \$1,216,800 GPR in 2008-09, and 2.0 GPR positions, beginning in 2007-08, to increase funding for the youth apprenticeship program. Of these amounts, \$87,600 in 2007-08 and \$116,800 in 2008-09 would fund the 2.0 positions, while \$325,000 in 2007-08 and \$1,100,000 would increase the amount of youth apprenticeship grant funds awarded.

12. Under the bill, all of the funding and positions provided are reflected in the youth apprenticeship grants appropriation. However, this appropriation is the aids appropriation associated with youth apprenticeship grants. Therefore, the administration requests that \$87,600 GPR in 2007-08, \$116,800 GPR in 2008-09, and 2.0 GPR positions, beginning in 2007-08, be provided for the workforce development general program operations appropriation and that the remaining \$325,000 GPR in 2007-08 and \$1,100,000 GPR in 2008-09 be provided for the local youth apprenticeship grants appropriation.

13. Although the maximum cost per student cannot exceed \$900, the actual cost per student is approximately \$600. With the additional funding of \$325,000 in 2007-08 and \$1,100,000 in 2008-09, DWD anticipates that a total of 2,400 students in 2007-08 and 3,700 students in 2008-09 would participate in the youth apprenticeship program.

14. DWD indicates that Milwaukee has had underenrollment in the youth apprenticeship program. Although it was estimated that 51 students would enroll in the youth apprenticeship program in Milwaukee, it is now anticipated that 30 students will participate by the end 2006-07. A portion of the funding increase would assist Milwaukee in expanding the youth apprenticeship enrollment and recruiting new businesses to participate in the southeast Wisconsin programs. Of the 2.0 GPR positions that would be provided for the youth apprenticeship program, 1.0 position would be dedicated to the Milwaukee initiative.

15. The other 1.0 position would work with local partnerships around the state to

oversee program operations and work with business and industry associations to assist with recruiting new businesses for the youth apprenticeship program.

16. DWD estimates that participation in the youth apprenticeship program in Milwaukee would increase by 10 students in 2007-08 and by another 60 students in 2008-09, for a total of 40 students in 2007-08 and 100 students in 2008-09. Although the actual cost per student is \$600 statewide, given the difficulty in recruiting businesses and students to participate in the youth apprenticeship program in Milwaukee, funding in Milwaukee would be \$900 per student, which would result in funding of \$36,000 in 2007-08 and \$90,000 in 2008-09 to support the youth apprenticeship program. The remainder of the grant funds of \$289,000 in 2007-08 and \$1,010,000 in 2008-09 would support youth apprenticeship programs outside of Milwaukee.

17. It is possible that even with the additional funding and positions, the youth apprenticeship program would not reach 3,700 participants. It may be difficult to recruit new businesses, and the businesses that do participate may not want to hire more youth apprentices. In addition, many schools continue to cut programs every year due to budget constraints. Consequently, fewer schools may be willing to participate in the youth apprenticeship program.

18. Therefore, the Committee could provide a portion of the requested funds to incrementally recruit new employers and participants. The Committee could provide \$79,800 GPR in 2007-08, \$148,400 GPR in 2008-09, and 1.0 GPR position, beginning in 2007-08, to focus on increasing enrollment in Milwaukee. Milwaukee has been identified as an area that has potential to expand enrollment and an area that would benefit from increased enrollment. Of these funds, \$43,800 in 2007-08 and \$58,400 in 2008-09 would support the 1.0 position. The remaining funds of \$36,000 in 2007-08 and \$90,000 in 2008-09 would support enrollment of 40 in 2007-08 and 100 in 2008-09.

19. Alternatively, the Committee could provide \$250,100 GPR in 2007-08, \$666,800 GPR in 2008-09, and 2.0 GPR positions beginning in 2007-08, to begin expanding the youth apprenticeship program. This amount of funding would support the 2.0 positions and provide half of the funding requested for grants to local partnerships. If the expansion is successful in recruiting new employers and increasing the number of participants, additional money could be provided during the 2009-11 biennium. With these funds, a total of 2,100 students in 2007-08 and 2,800 students in 2008-09 could participate in the youth apprenticeship program. As a result, 200 to 300 additional students could participate in 2007-08 and 900 to 1,000 additional students could participate in 2008-09 at the rate of \$600 per student.

20. However, funding for the youth apprenticeship program has decreased over the years. In 1999-01, the youth apprenticeship program was provided \$3,050,000 annually. This amount was reduced to \$2,203,000 annually in 2001-03. Funding was reduced again to \$1,100,000 in 2003-05. The additional funding provided under the bill of \$325,000 in 2007-08 and \$1,100,000 in 2008-09 for youth apprenticeship grants would still amount to less than what was provided for the youth apprenticeship program in 2001-03. Approximately 3,400 students in 2001-02 and 3,300 students in 2002-03 participated in the youth apprenticeship program.

ALTERNATIVES TO BILL

1. Adopt the Governor's recommendation to provide \$412,600 GPR in 2007-08, \$1,216,800 GPR in 2008-09, and 2.0 GPR positions, beginning in 2007-08, to increase funding for the youth apprenticeship program with a modification to place \$87,600 GPR in 2007-08, \$116,800 GPR in 2008-09, and 2.0 GPR positions, beginning in 2007-08, in the workforce development general program operations appropriation and place the remaining \$325,000 GPR in 2007-08 and \$1,100,000 GPR in 2008-09 in the local youth apprenticeship grants appropriation.

ALT 1	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	\$0	0.00	\$1,629,400	2.00

2. Modify the Governor's recommendation to provide \$79,800 GPR in 2007-08, \$148,400 GPR in 2008-09, and 1.0 GPR position, beginning in 2007-08, to focus on increasing enrollment in Milwaukee. Place \$43,800 in 2007-08, \$58,400 in 2008-09, and 1.0 position, beginning in 2007-08, in the workforce development general program operations appropriation and place the remaining \$36,000 in 2007-08 and \$90,000 in 2008-09 in the local youth apprenticeship grants appropriation.

ALT 2	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	-\$1,401,200	- 1.00	\$228,200	1.00

3. Modify the Governor's recommendation to provide \$250,100 GPR in 2007-08, \$666,800 GPR in 2008-09, and 2.0 GPR positions beginning in 2007-08, to begin expanding the youth apprenticeship program. Place \$87,600 in 2007-08, \$116,800 in 2008-09, and 2.0 positions, beginning in 2007-08, in the workforce development general program operations appropriation and place the remaining \$162,500 in 2007-08 and \$550,000 in 2008-09 in the local youth apprenticeship grants appropriation. This funding represents half of the grant funding requested under the bill.

ALT 3	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	-\$712,500	0.00	\$916,900	2.00

4. Delete provision.

ALT 4	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	-\$1,629,400	- 2.00	\$0	0.00

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