



## Legislative Fiscal Bureau

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October 15, 2013

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 399/Senate Bill 331: Technical Education Incentive Grants

Assembly Bill 399 was introduced on October 1, 2013, and referred to the Assembly Committee on Workforce Development. The committee held a public hearing on October 9, 2013. The Committee introduced and adopted Assembly Amendments 1 and 2, and recommended the bill for passage on October 10, 2013, by a vote of 14 to 0. Assembly Bill 399 would create a new categorical grant program under the Department of Public Instruction (DPI) for school districts operating career and technical education programs in the high school grades.

Senate Bill 331 was introduced on October 4, 2013, and referred to the Senate Committee on Economic Development and Local Government. The Committee held a public hearing on October 10, 2013. The Committee introduced and adopted Senate Amendments 1 and 2 and recommended the bill for passage on October 11, 2013, by a vote of 5 to 0.

### **CURRENT LAW**

Under current law authorizing a technical education high school diploma, a school board may grant a technical education diploma if a pupil: (a) satisfies the state's credit requirements for regular diplomas, including four English credits, three social studies credits, two mathematics credits, two science credits, 1.5 physical education credits, and 0.5 health education credit; (b) earns the same total number of credits that the school board requires of other pupils for graduation; and (c) successfully completes a technical education program established by the school board, in one or more subjects. In establishing such a technical education program, the school board may incorporate standards for industry-recognized certifications. DPI is required to provide each school board operating high school grades a list of such certifications annually.

### **SUMMARY OF BILLS**

Under the new career and technical education incentive grants created under the bills, the State Superintendent would be required annually to confer with the Department of Workforce Development (DWD) and the Wisconsin Technical College System (WTCS) to identify industries

and occupations within the state that face workforce shortages or shortages of adequately trained entry-level workers. The bills would require the State Superintendent annually to notify school districts of the identified industries and occupations and make this information available on the DPI website.

The bills would require the State Superintendent to approve industry-recognized certification programs that satisfy all of the following: (a) the industry-recognized certification program is designed to mitigate workforce shortages in any of the identified industries or occupations identified by DWD and WTCS; and (b) the industry-recognized certification program is a component of the school district's technical education program, as provided under current law allowing school boards to grant technical education high school diplomas.

Beginning in the 2014-15 school year, the bills would require the State Superintendent annually to award incentive grants to school districts in the amount of \$1,000 per pupil for each pupil in the school district who, in the prior year, obtained a high school diploma or a technical education high school diploma from a school in the school district, if all of the following apply: (a) the school district has an industry-recognized certification program approved by the State Superintendent; and (b) the pupil successfully completed an approved industry-recognized certification program in the district. Grants would be awarded from a new annual appropriation under DPI created for this purpose under the bills with \$3,000,000 GPR in 2014-15. The bills would provide that, if the appropriation in any fiscal year would be insufficient to pay the full amount, then DPI would prorate the payments of grants to eligible school districts.

Assembly Amendment 1 to AB 399/Senate Amendment 1 to SB 331 would clarify that a high school need not offer the optional technical education diploma in order to qualify for an incentive grant under the bills. The high school need only offer an industry-recognized certification program, which is identified as addressing a workforce shortage in the state, in order to qualify for the grant program.

Assembly Amendment 2 to AB 399/Senate Amendment 2 to SB 331 would clarify that a high school would receive a grant for each qualifying pupil if: (a) the pupil obtained a diploma in the prior year, and (b) the pupil successfully completed an industry-recognized certification program in any school year in which that certification program was identified by DPI, DWD, and WTCS as addressing a workforce shortage in the state. Therefore, if, prior to the pupil's graduation from high school, the certification program were removed from the list of those addressing workforce shortages, but appeared on that list in the year in which the pupil completed the course, the school would still receive a grant related to that pupil's completing the course.

## **FISCAL EFFECT**

As noted above, AB 399 and SB 331 would provide \$3,000,000 GPR in 2014-15. In their agency fiscal estimates, staff for WTCS and DWD indicate that the resources required to confer with DPI, DWD, and WTCS on workforce shortages could be absorbed within the agency's current budget.

Prepared by: Layla Merrifield