



State of Wisconsin
2023 - 2024 LEGISLATURE

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2023 ASSEMBLY BILL 779

December 8, 2023 - Introduced by Representatives OLDENBURG, PETRYK, ARMSTRONG, BEHNKE, CALLAHAN, DITTRICH, DONOVAN, EDMING, GOEBEN, GUNDRUM, KITCHENS, KRUG, MACCO, MAXEY, MELOTIK, MOSES, MURPHY, MURSAU, NEDWESKI, NOVAK, O'CONNOR, PENTERMAN, RETTINGER, SCHRAA, SNYDER, TUSLER and VANDERMEER, cosponsored by Senators FEYEN, BALLWEG, COWLES and TESTIN. Referred to Committee on Workforce Development and Economic Opportunities.

AN ACT *to repeal* 106.05 (1) (a) and 106.05 (2) (a) 2.; *to renumber* 106.05 (1) (b); *to renumber and amend* 38.04 (26), 106.273 (2) (b) and 118.34 (1); *to consolidate, renumber and amend* 106.05 (2) (a) (intro.) and 1.; *to amend* 106.05 (title), 106.05 (2) (b) (intro.), 106.05 (2) (c), 106.05 (3) (a), 106.05 (3) (b) (intro.) and 118.52 (6) (b); and *to create* 38.04 (26) (b), 38.40 (2g), 71.07 (11), 71.10 (4) (eb), 106.01 (3), 106.05 (1) (e) and (f), 106.05 (1) (v), 106.05 (2m), 106.273 (2) (b) 1. and 118.34 (1) (c) of the statutes; **relating to:** apprenticeship and youth apprenticeship completion awards, career and technical education incentive grants and completion awards, technical preparation programs in school districts and technical colleges, creating an individual income tax credit for completing an apprenticeship program, rejection criteria for part-time

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open enrollment applications, extending the time limit for emergency rule procedures, and providing an exemption from emergency rule procedures.

Analysis by the Legislative Reference Bureau**APPRENTICESHIP AND YOUTH APPRENTICESHIP**

Under current law, any person 16 years of age or older may enter into an apprenticeship, which is a contract whereby the person (apprentice) receives from his or her employer in consideration for the apprentice's services, instruction in any trade, craft, or business. That instruction may include related classroom instruction. Apprenticeship programs are operated by sponsors and approved by the Department of Workforce Development. In some cases, the sponsor of an apprenticeship program is the employer, while in other cases, apprenticeship programs are operated by other types of sponsors, such as apprenticeship committees. Current law also provides for a youth apprenticeship program, under which DWD develops curricula for several specified occupational areas. As established by DWD, a youth apprenticeship is available to high school pupils and consists of work for an employer and related classroom instruction. The apprenticeship and youth apprenticeship programs are administered by DWD. This bill makes various changes related to apprenticeships and youth apprenticeships, including the following:

Skilled wage rate

Under DWD's current apprenticeship rules, an apprentice contract wage scale is deemed adequate when, during the term of training, it averages 60 percent of the current journeyworker rate or skilled wage rate. The skilled wage rate is therefore used to determine what constitutes an adequate wage scale for apprentices. For apprentices in construction who are not covered under a collective bargaining agreement, the skilled wage rate is the rate average, calculated as the mean, based on the geographical area of the appropriate local apprenticeship committee. For apprentices in other (nonconstruction) industry sectors who are not covered under a collective bargaining agreement, the skilled wage rate is the rate paid to the greatest number of competent journeyworkers in like establishments in the community or another rate deemed adequate by DWD. The rate for apprentices who are covered under a collective bargaining agreement is determined by the agreement.

The bill provides that the skilled wage rate for apprentices in all industries who are not covered under a collective bargaining agreement is the average rate paid to competent journeyworkers in like establishments in the area, as determined by the sponsor. The bill maintains the wage scale requirement described above and the requirement that, in determining the skilled wage rate for apprentices whose

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employment is governed by a collective bargaining agreement, the rate specified in the collective bargaining agreement applies.

Apprenticeship completion awards

Current law provides for an apprenticeship completion award program (ACAP), administered by DWD, under which apprentices and their sponsors may receive reimbursement for tuition costs charged to an apprentice to participate in the classroom instruction for the apprenticeship. Apprenticeship completion awards are limited to 25 percent of the cost of tuition incurred by the apprentice or sponsor or \$1,000, whichever is less, except that DWD may, if funding is not available to fully fund awards, reduce the reimbursement percentage or deny applications for completion awards that would otherwise qualify. The bill does all of the following with respect to the ACAP:

1. Expands the ACAP to allow reimbursement for additional costs.
2. Eliminates the availability of apprenticeship sponsors to receive reimbursements under the ACAP. Under the bill, therefore, only apprentices may receive reimbursement for costs under the ACAP.
3. Creates a youth apprenticeship completion award program (YACAP) under which youth apprentices may receive reimbursement for various specified costs. Youth apprenticeship completion awards are limited to 25 percent of eligible costs incurred by the youth apprentice or \$500, whichever is less, for a given year of youth apprenticeship, subject to a maximum of two awards for a total maximum of \$1,000, except that DWD may reduce the reimbursement percentage or deny applications as under current law for the ACAP. The YACAP is limited to youth apprenticeships in the area of architecture and construction.

Apprenticeship tax credit

The bill allows an individual enrolled in an apprenticeship program to claim an income tax credit of \$500 for the taxable year in which the individual completes the program.

HIGH SCHOOL EDUCATION—COURSES AND PROGRAMMING***Career and technical education incentive grants and completion awards***

Current law requires DWD to annually confer with the Department of Public Instruction and the Technical College System to identify industries and occupations within this state that face workforce shortages or shortages of adequately trained, entry-level workers. DWD is required to approve industry-recognized certification programs designed to 1) mitigate workforce shortages in the aforementioned industries and occupations and 2) prepare individuals for occupations as fire fighters, emergency medical responders, or emergency medical services practitioners. Current law also requires DWD to award incentive grants to school districts with these industry-recognized certification programs and requires DWD to annually award completion awards to students in the amount of \$500 for each industry-recognized certification program approved by DWD to prepare individuals for occupations as fire fighters, emergency medical responders, or

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emergency medical services practitioners. The bill adds programs in construction work to the list of industry-recognized certification programs for which DWD must approve programs. This change applies for purposes of eligibility for both the incentive grants available to school districts and the completion awards available to students.

Apprenticeship courses and technical preparation programs

Current law requires each school board, in cooperation with a technical college district board, to establish a technical preparation program in each public high school in the school district. The program must consist of a sequence of courses, approved by the Technical College System Board, designed to allow high school pupils to gain advanced standing in the technical college district's associate degree program upon graduation from high school. The TCS Board must annually publish a list of these approved courses that indicates the schools in which each course is taught and the credit equivalency available in each technical college district for each course. There is also a separate statutory requirement that the TCS Board provide a technical preparation program that includes the school district technical preparation program and further requires the TCS Board to plan, coordinate, administer, and implement its technical preparation program.

Under the bill, the TCS Board must annually publish a list of courses offered to high school students that meet all of the following criteria: 1) the course is offered to adults in an approved apprenticeship program; 2) the course has a technical college district course number; and 3) the course is taught by school district faculty, by technical college faculty, or by industry professionals who teach the course to adults in an approved apprenticeship program (TCS-listed apprenticeship courses). The TCS Board must facilitate dual enrollment programs between school boards and technical college district boards for TCS-listed apprenticeship courses and must ensure that an individual's successful completion of a TCS-listed apprenticeship course allows the individual to receive technical college course credit while in high school. These TCS-listed apprenticeship courses must also be included in the TCS Board's and school district's technical preparation programs.

Part-time open enrollment; undue financial burden

Currently, under the part-time open enrollment program, a pupil enrolled in grades nine to 12 in a public school may attend public school in a school district other than the pupil's resident school district (a nonresident school district) to take up to two courses offered by the nonresident school district. Current law requires a pupil's resident school district to pay the nonresident school district an amount equal to the cost of providing the course to the pupil, as determined by the Department of Public Instruction. Under current law, a pupil's resident school board may prohibit the pupil from attending a course in a nonresident school district if the cost of the course would impose an undue financial burden on the school district. The bill specifies that, when making a determination about

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whether a course imposes an undue financial burden, a school district must use a consistent methodology that does not consider the content of the course and evaluate whether paying the cost of the course will impair the school district's operations.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 38.04 (26) of the statutes is renumbered 38.04 (26) (intro.) and amended to read:

38.04 **(26)** TECHNICAL PREPARATION PROGRAMS. (intro.) In consultation with the state superintendent of public instruction, the board shall approve courses for technical preparation programs under s. 118.34 (1) (b). ~~By July 1, 1994, and annually thereafter~~ Annually by July 1, the board shall publish a list of ~~the~~ all of the following:

(a) The approved courses that indicates under s. 118.34 (1) (b), indicating the high schools in which each course is taught and the credit equivalency available in each technical college district for each course.

SECTION 2. 38.04 (26) (b) of the statutes is created to read:

38.04 **(26)** (b) Courses offered to high school students that meet all of the following criteria:

1. The course is offered to adults in an approved apprenticeship program, as defined in s. 106.001 (4).
2. The course has a technical college district course number.
3. The course is taught by school district faculty, by technical college faculty,

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or by industry professionals who teach the course to adults in an approved apprenticeship program, as defined in s. 106.001 (4).

SECTION 3. 38.40 (2g) of the statutes is created to read:

38.40 (2g) APPRENTICESHIP COURSES. (a) In this subsection, “apprenticeship courses” means those courses identified under s. 38.04 (26) (b).

(b) The board shall facilitate dual enrollment programs between school boards and technical college district boards for apprenticeship courses.

(c) The board shall ensure that an individual’s successful completion of an apprenticeship course allows the individual to receive technical college course credit while in high school.

SECTION 4. 71.07 (11) of the statutes is created to read:

71.07 (11) ELIGIBLE APPRENTICESHIP EXPENSES CREDIT. (a) *Definitions.* In this subsection:

1. “Apprentice” has the meaning given in s. 106.001 (1).

2. “Apprenticeship program” has the meaning given in s. 106.001 (4).

3. “Claimant” means an individual who is an apprentice enrolled in an apprenticeship program and who files a claim under this subsection.

(b) *Filing claims.* For taxable years beginning after December 31, 2023, and subject to the limitations under this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02 \$500 for the taxable year in which the claimant successfully completes an apprenticeship program.

(c) *Limitations.* No credit may be allowed under this subsection unless it is claimed within the time period under s. 71.75 (2).

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(d) *Administration.* Subsection (9e) (d), to the extent that it applies to the credit under that subsection, applies to the credit under this subsection.

SECTION 5. 71.10 (4) (eb) of the statutes is created to read:

71.10 (4) (eb) Eligible apprenticeship expenses credit under s. 71.07 (11).

SECTION 6. 106.01 (3) of the statutes is created to read:

106.01 (3) **SKILLED WAGE RATE.** (a) An apprentice contract wage scale shall be deemed adequate when, during the term of training, it averages 60 percent of the current journeyworker rate or skilled wage rate. The apprentice contract shall provide for a graduated scale, progressing in periods as approved by the department.

(b) In determining the journeyworker or skilled wage rate under par. (a), for all industries:

1. For apprentices whose employment is governed by a collective bargaining agreement, the rate specified in the collective bargaining agreement applies.

2. For apprentices whose employment is not governed by a collective bargaining agreement, the skilled wage rate is the average rate paid to competent journeyworkers in like establishments in the area, as determined by the sponsor.

SECTION 7. 106.05 (title) of the statutes is amended to read:

106.05 (title) Apprenticeship and youth apprenticeship completion award program programs.

SECTION 8. 106.05 (1) (a) of the statutes is repealed.

SECTION 9. 106.05 (1) (b) of the statutes is renumbered 106.05 (1) (t).

SECTION 10. 106.05 (1) (e) and (f) of the statutes are created to read:

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106.05 (1) (e) “Eligible apprenticeship expenses” means any of the following costs incurred by an apprentice in connection with the apprenticeship:

1. Tools, books and instructional guides, and other materials, including personal protective equipment, that are used in the apprentice’s trade, craft, or business.

2. Tuition costs.

3. Travel costs, including mileage reimbursement, costs related to mass transit, parking costs, and taxicab and transportation network company ride fares.

(f) “Eligible youth apprenticeship expenses” means any of the following incurred by a youth apprentice in connection with the youth apprenticeship program:

1. Tools, books and instructional guides, and other materials, including personal protective equipment, that are used in the youth apprentice’s youth apprenticeship program.

2. Travel costs, including mileage reimbursement, costs related to mass transit, parking costs, and taxicab and transportation network company ride fares.

SECTION 11. 106.05 (1) (v) of the statutes is created to read:

106.05 (1) (v) “Youth apprenticeship program” means a program undertaken by a youth apprentice under the youth apprenticeship program under s. 106.13.

SECTION 12. 106.05 (2) (a) (intro.) and 1. of the statutes are consolidated, renumbered 106.05 (2) (a) and amended to read:

106.05 (2) (a) The department shall administer an apprenticeship completion award program as provided in this ~~section~~ subsection to partially reimburse ~~tuition~~

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~~costs~~ eligible apprenticeship expenses that are incurred by any of the following: 1.
~~An~~ an apprentice who has successfully completed part or all of the requirements of
his or her apprenticeship program as provided in par. (b) 1. and 2. and who is
employed in the trade, occupation, or business in which he or she is being trained
under the apprenticeship program.

SECTION 13. 106.05 (2) (a) 2. of the statutes is repealed.

SECTION 14. 106.05 (2) (b) (intro.) of the statutes is amended to read:

106.05 (2) (b) (intro.) Subject to par. (c) and sub. (3), from the appropriation
under s. 20.445 (1) (dr), the department may provide to an apprentice described in
par. (a) ~~1. or the apprentice's sponsor~~ a completion award equal to 25 percent of the
~~cost of tuition~~ eligible apprenticeship expenses that are incurred by the apprentice
~~or sponsor~~ or \$1,000, whichever is less. If the department provides a completion
award under this subsection, the department shall pay the award as follows:

SECTION 15. 106.05 (2) (c) of the statutes is amended to read:

106.05 (2) (c) The total amount of a completion award that the department
may pay to an apprentice ~~and his or her sponsor~~ may not exceed 25 percent of the
~~cost of tuition~~ eligible apprenticeship expenses that are incurred by the apprentice
~~and sponsor~~ or \$1,000, whichever is less.

SECTION 16. 106.05 (2m) of the statutes is created to read:

106.05 (2m) YOUTH APPRENTICESHIP COMPLETION AWARDS. (a) The
department shall, subject to par. (am), administer a youth apprenticeship
completion award program as provided in this subsection to partially reimburse
eligible youth apprenticeship expenses that are incurred by a youth apprentice who

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has successfully completed part or all of the requirements of his or her youth apprenticeship program as provided in par. (b).

(am) A completion award under par. (b) shall be available only with respect to a youth apprenticeship program for an occupational area specified in s. 106.13 (2m) (b).

(b) Subject to par. (c) and sub. (3), the department may, upon the successful completion of all requirements of one year of a youth apprenticeship program, provide to a youth apprentice a completion award. An award shall be equal to 25 percent of the eligible youth apprenticeship expenses that are incurred by the youth apprentice for that year or \$500, whichever is less.

(c) 1. The total amount of a completion award that the department may pay to a youth apprentice for one year of a youth apprenticeship program may not exceed 25 percent of the eligible youth apprenticeship expenses that are incurred by the youth apprentice or \$500, whichever is less.

2. The department may not provide completion awards under par. (b) to a youth apprentice for more than 2 years of participation in a youth apprenticeship program by the youth apprentice, and the total amount of completion awards that the department may provide to a youth apprentice may not exceed 25 percent of the eligible youth apprenticeship expenses that are incurred by the youth apprentice for those years or \$1,000, whichever is less.

SECTION 17. 106.05 (3) (a) of the statutes is amended to read:

106.05 (3) (a) If the amount of funds to be distributed under sub. (2) exceeds the amount available in the appropriation under s. 20.445 (1) (dr) for completion

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awards under sub. (2), the department may reduce the reimbursement percentage or deny applications for completion awards that would otherwise qualify under sub. (2). In that case, the department shall determine the reimbursement percentage and eligibility on the basis of the dates on which apprentices ~~and sponsors~~ become eligible for completion awards.

SECTION 18. 106.05 (3) (a) of the statutes, as affected by 2023 Wisconsin Act (this act), is amended to read:

106.05 (3) (a) If the amount of funds to be distributed under ~~sub. subs. (2) and (2m)~~ exceeds the amount available in the appropriation under s. 20.445 (1) (dr) for completion awards under ~~sub. subs. (2) and (2m)~~, the department may reduce the reimbursement percentage or deny applications for completion awards that would otherwise qualify under ~~sub. subs. (2) and (2m)~~. In that case, the department shall determine the reimbursement percentage and eligibility on the basis of the dates on which apprentices become eligible for completion awards.

SECTION 19. 106.05 (3) (b) (intro.) of the statutes is amended to read:

106.05 (3) (b) (intro.) The department may provide a completion award under sub. (2) or (2m) to a person who is delinquent in child support or maintenance payments or who owes past support, medical expenses, or birth expenses, as established by appearance of the person's name on the statewide support lien docket under s. 49.854 (2) (b), only if the person provides the department with one of the following:

SECTION 20. 106.273 (2) (b) of the statutes is renumbered 106.273 (2) (b) (intro.) and amended to read:

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106.273 (2) (b) (intro.) Prepare individuals for occupations as ~~fire~~ any of the following:

2. Fire fighters,~~emergency.~~

3. Emergency medical responders, as defined in s. 256.01 (4p),~~or emergency.~~

4. Emergency medical services practitioners, as defined in s. 256.01 (5).

SECTION 21. 106.273 (2) (b) 1. of the statutes is created to read:

106.273 (2) (b) 1. Construction workers. In this subdivision, “construction worker” means an individual engaged in the construction of roads, bridges, highways, sewers, water mains, utilities, public buildings, factories, housing, or similar construction projects.

SECTION 22. 118.34 (1) of the statutes is renumbered 118.34 (1) (a) and amended to read:

118.34 (1) (a) In cooperation with a technical college district board, each school board shall establish a technical preparation program in each public high school located in the school district.

(b) The program under par. (a) shall consist of a sequence of courses, approved by the technical college system board under s. 38.04 (26), designed to allow high school pupils to gain advanced standing in the technical college district’s associate degree program upon graduation from high school.

SECTION 23. 118.34 (1) (c) of the statutes is created to read:

118.34 (1) (c) Courses identified under s. 38.04 (26) (b) shall be included in the applicable school district’s technical preparation program.

SECTION 24. 118.52 (6) (b) of the statutes is amended to read:

118.52 (6) (b) *Undue financial burden.* The school board of a pupil's resident school district may reject an application to attend a course in a public school in a nonresident school district if the cost of the course would impose upon the resident school district an undue financial burden in light of the resident school district's total economic circumstances, including its revenue limit under subch. VII of ch. 121, its ability to pay tuition costs for the pupil, and the per pupil cost for children continuing to be served by the resident school district. In determining whether the cost of a course imposes an undue financial burden, a resident school district shall use a consistent methodology that does not consider the content of the course and shall evaluate whether paying the cost of the course will impair the operations of the resident school district.

SECTION 25. Nonstatutory provisions.

(1) The department of workforce development may promulgate emergency rules under s. 227.24 that are necessary to implement this act. Notwithstanding s. 227.24 (1) (c) and (2), emergency rules promulgated under this subsection remain in effect for 2 years, or until the date on which permanent rules take effect, whichever is sooner. Notwithstanding s. 227.24 (1) (a) and (3), the department is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection.

SECTION 26. Effective dates. This act takes effect on the day after publication, except as follows:

ASSEMBLY BILL 779**SECTION 26**

(1) The treatment of ss. 106.05 (title), (1) (e) 1. and 3., (f), and (v), (2m), and (3) (a) (by SECTION 18) and (b) (intro.) and 106.273 (2) (b) 1. takes effect on the 2nd day after publication of the 2023 biennial budget act or on the day after publication, whichever is later.

(END)