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TO: Senate Committee on Economic and Workforce Development
FROM: Senator Rob Stafsholt
DATE: February 23, 2022
SUBJECT: Testimony in Favor of Senate Bills 931 and 981

Thank you, Chairman Feyen and members of the Senate Committee on Economic and Workforce Development for allowing me to testify in favor of Senate Bills 931 and 981.

The number of people going into the trades has been steadily declining for years and it has become increasingly more difficult for employers to find and hire skilled workers. Many in the industry are reporting difficulty with recruiting youth into the trades as high schools and parents are still focused on preparing students for 4-year universities. The pandemic has only made this shortage more apparent due to the increased demand for home services and government incentives for workers to stay home.

Senate Bill 981 would expand the deductibility of postsecondary tuition to apprenticeship instruction. The expansion will include tools and other materials, as well as travel costs in apprenticeship programs. This provides parity for the deduction for tuition and materials paid in an apprenticeship program like in other DWD-approved schooling programs.

In addition, this legislation includes an increase of \$2 million for the Apprenticeship Completion Award Program (ACAP) and \$550,000 for the creation of Youth Apprenticeship Completion Award Program (YACAP). These programs partially reimburse eligible apprentices or sponsors for the costs associated with a registered apprenticeship or youth apprenticeship.

Furthermore, it includes an additional \$2.5 million for Career and Technical Education Incentive grants to encourage school districts to offer high-quality career and technical education programs to mitigate workforce shortages. It also includes changes to provide certainty to students who complete a Technical College System Board-approved apprenticeship course in high school will also receive technical college credit for that course.

The second bill, Senate Bill 931, would utilize \$20 million in federal American Rescue Plan Act (ARPA) funds to increase the number of approved apprenticeship programs, promote the Youth Apprenticeship program in schools that currently have little or no participation, direct additional funding to the Apprenticeship Completion Award Program, and provide funding to bridge the connections between the Youth Apprenticeship Program and apprenticeship programs.

These are common sense bills that will encourage more people to enter the trades. An increase in resources for apprenticeship programs for youth and adults alike will help get the individuals who seek those pathways into solid, family-supporting careers.

Thank you, members. I ask for your support and would be happy to discuss these bills.



LOREN OLDENBURG

STATE REPRESENTATIVE • 96th ASSEMBLY DISTRICT

Senate Bill 931

Relating to: requiring certain efforts to expand and promote the apprenticeship and youth apprenticeship programs.

Senate Committee on Economic and Workforce Development

February 23, 2022

Good morning, Chairman Feyen and committee members. I want to thank you for your willingness to hear Senate Bill 931.

Last session, and this session, it was my honor to work with members of the Assembly Committee on Workforce Development, and my local CESA's to increase the funding for Wisconsin's Youth Apprenticeship Program. These increases were needed so that we could meet the demand of the students who wanted to participate in the youth apprenticeship program.

Wisconsin is facing a workforce shortage, and among the hardest hit industries are the trades. We can see that this is a clear issue as this was reported by Staffing Industry Analysts, that as of September 2021, 68% of tradespeople have struggled to hire skilled workers, and more than one-third are slightly, or extremely understaffed. Thankfully, Wisconsin has two great recourses for training skilled workers for the trades, and other understaffed industries: the Youth Apprenticeship and Registered Apprenticeship programs.

Senate Bill 931 directs \$20 million in American Rescue Plan Act (ARPA) funds to the Department of Workforce Development for the promotion of the apprenticeship programs in Wisconsin. There are four components of this bill:

1. Expanding the availability of apprenticeship programs by increasing the number of approved programs and participation in existing programs, as well as expanding the trades in which approved programs are available.
2. Promoting the Youth Apprenticeship Program, particularly for schools that have little or no participation in the program. Unfortunately, participation growth in the program declined or remained stagnant throughout the pandemic.
 - a. This could be especially helpful in rural areas of the state.

3. Directing additional funding toward the Apprenticeship Completion Award Program (ACAP) which partially reimburses eligible apprentices or sponsors for reimbursement of costs associated with a Wisconsin registered apprenticeship.
4. Providing funding to bridge connections between the Youth Apprenticeship Program and apprenticeship programs.

We all know that Wisconsin businesses are struggling to find workers, and the use of ARPA funds could boost the Registered Apprenticeship and Youth Apprenticeship programs. An increase in participants in the state's apprenticeship programs will lead to having more skilled workers in the state.

Thank you again, Chairman Feyen, for hearing Senate Bill 931.



TO: Members, Senate Committee on Economic and Workforce Development

FROM: Rachel Ver Velde, Director of Workforce, Education and Employment Policy

DATE: February 23, 2022

RE: Support for SB 931, requiring efforts to expand and promote apprenticeships

Wisconsin Manufacturers & Commerce (WMC) appreciates the opportunity to submit testimony in support of Senate Bill 931. We want to thank Senator Stafsholt and Representative Oldenburg for authoring this legislation to promote and expand apprenticeship opportunities.

WMC is the largest general business association in Wisconsin, representing approximately 3,800 member companies of all sizes, and from every sector of the economy. Since 1911, our mission has been to make Wisconsin the most competitive state in the nation to do business. That mission includes making sure Wisconsin's employers have a capable and ready workforce.

According to WMC's most recent *Wisconsin Employer Survey* conducted in January 2022, the biggest challenge facing Wisconsin employers is the workforce shortage, with 88% of employers indicating that they are struggling to hire workers. Moreover, 70% of these employers responded that the workforce shortage is the top public policy issue facing Wisconsin. The viability of thousands of businesses around the state and the jobs they support are threatened by these worker shortages. We must take action to prevent lasting and permanent damage to our state's workforce and overall economy.

WMC believes Wisconsin's apprenticeship programs provide real value not only for the participants, but also for employers. Registered apprenticeships provide hands-on training, education and ultimately a nationally-recognized certification to participants while they work for an employer and receive wages. This program is a great opportunity for employers to have new, dedicated workers and increase the skills of their workforce. Youth apprenticeships are one or two year programs during a student's junior or senior years of high school. This program provides mentored on-the-job work experience, along with related classroom instruction. More than 75% of these youth are offered full-time positions by the employer where they are working, which makes this program a great recruiting tool for employers¹.

But, more can be done to expand these apprenticeships into additional careers. SB 931 requires Governor Evers to allocate \$20 million in American Rescue Plan Act (ARPA) funds to the Department of Workforce Development (DWD) to increase participation in the programs, increase the number of approved programs, promote youth apprenticeship to school districts that are underutilizing the

¹ <https://dwd.wisconsin.gov/apprenticeship/ya-employers.htm>

program and provide linkages between the apprenticeship programs. WMC is particularly glad to see this bill focus on expanding the youth apprenticeship program. Too often we hear that young people and employers have never heard of this program or they do not understand the benefits of youth apprenticeship. We need to be sure that students are presented the wide array of options available to them in order to prepare them for future careers.

When the worker shortage is as dire as the current environment, employers need every tool in the toolbox to attract workers. Senate Bill 931 is a good step forward to raise the awareness of apprenticeships and increase participation in these programs. WMC urges members of the Senate Committee on Economic and Workforce Development to support this important legislation.