



CHRIS KAPENGA

WISCONSIN STATE SENATOR

Testimony on Senate Bill 596

Senate Committee on Workforce Development, Public Works, and Military Affairs

January 28, 2016

First, I would like to thank Chairman Roth and the members of the committee for holding a hearing on Senate Bill 596. Additionally, I would like to thank Representative Bernier for her leadership on this issue in the Assembly.

Under current law, the Department of Workforce Development administers grant programs through separate allocations of General Purpose Revenue to youth apprenticeship grants, apprenticeship completion awards, employment transit grants, youth summer jobs programs, career and technical education incentive grants, and the Wisconsin Fast Forward program. These programs are all appropriately aimed at connecting workers with work in Wisconsin.

This bill allows for the consolidation of existing GPR dollars into a single appropriation by consolidating worker training programs under Wisconsin Fast Forward. It provides DWD with the flexibility needed to adapt to continually changing labor market conditions by granting them the ability to move funds into workforce development programs with high demand.

As an example, leading up to the 2015-16 school year DWD received 32 Youth Apprenticeship grant requests representing 249 school districts totaling \$2.8 million to train 3,187 students. However, the Youth Apprentice program fund has a current budget of just over \$2.2 million. If DWD had the ability to redirect funds from less utilized programs to the Youth Apprenticeship program, 412 more youths would have been able to participate in the program in 2015-16.

I have introduced two amendments to the bill that would address concerns that I have received on the proposal. The first amendment would address the issue of transparency. The amendment would require DWD to include in their annual Fast Forward Report an account of the department's activities and expenditures under this bill during the preceding fiscal year and detailing the amounts allocated to and expended for each of the grants. The second amendment would remove career and technical education incentive grants from the bill. Under this amendment, CTE grants would remain as a separate GPR allocation.

I believe that this change will be beneficial to the department's goal of preparing young people to enter the workforce and helping to shore up projected workforce shortages in the future. It is important to note that this proposal does not increase spending of taxpayer dollars, it simply allows for a more efficient use of them.

I ask you to consider the recommendation of Senate Bill 596 for a vote in front of the full Senate. Thank you again, Chairman Roth and members of the committee, for taking the time to hold this public hearing. I look forward to working with you on the passage of this legislation.



STATE REPRESENTATIVE

KATHY BERNIER

January 28, 2016

Senate Committee on Workforce Development, Public Works and Military Affairs
Testimony on Senate Bill 596

Good morning Chairman Roth and committee members. Thank you for holding a Public Hearing on Senate Bill 596 today, and for allowing me the opportunity to submit written testimony in support of the bill.

Under current law, the Department of Workforce Development (DWD) administers grant programs through separate allocation of General Purpose Revenue (GPR) to youth apprenticeship grants, apprenticeship completion awards, employment transit grants, youth summer jobs programs, career and technical education incentive grants, and the Wisconsin Fast Forward program. This bill simply allows for the consolidation of existing GPR dollars into a single appropriation consolidating worker training programs under Wisconsin Fast Forward. The bill maintains each program and continues to provide DWD the ability to issue grant funding for the purpose each program was intended.

Senate Bill 596 allows DWD, when necessary, to direct underutilized funds in one program to another program which is in higher demand. Under provisions of the bill, each program will receive funds from the same source which will streamline the Department's flexibility in allocating revenue to the program where it is most needed. Furthermore, the bill will eliminate any lapses in funding in any of these grant program.

Senate Bill 596 provides DWD with the ability to move funds quickly into the appropriate program to meet workforce needs as demand for various programs change. As an example, leading up to the 2015-16 school year DWD received 32 Youth Apprenticeship grant requests representing 249 school districts totaling \$2.8 million to train 3,187 students. However, the Youth Apprentice program fund has a current budget of just over \$2.2 million. If DWD had the ability to redirect funds from less utilized programs to the Youth Apprenticeship program, 412 more youths would have been able to participate in the program in 2015-16.

Again, thank you for hearing Senate Bill 596 and for allowing me the opportunity to submit written testimony in support of the bill. I am confident that DWD officials and others testifying in support of this sensible update will address any questions you may have.

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Senate Committee on Workforce Development, Public Works, and Military Affairs

January 28, 2016

Testimony on SB 596, Provided by Georgia Maxwell, Deputy Secretary

Chairperson Roth and members of the Committee, I am Georgia Maxwell, the Deputy Secretary for the Department of Workforce Development, and I come before you today to testify in support of Senate Bill 596.

Let me start by saying, Representative Bernier and Senator Kapenga, thank you for authoring this bill. As Wisconsin's talent development agency, DWD plays a key role in carrying out Governor's Walker's agenda to develop the workforce and grow the economy. As the Governor has said, effective worker training programs are inherently economic development efforts. As we help employers find the skilled workers they need, we increase their ability to be competitive and confident in taking on more work. This leads to job creation and, ultimately, reaffirms the economic value of a strong talent development system.

Governor Walker's budget gave us an opportunity to take talent development and economic growth to new levels in Wisconsin. A primary example is the Wisconsin Fast Forward worker training program that the Legislature supported in 2013. The Governor's budget maintained \$15 million for the program during this biennium, and it invested an additional \$10.7 million in grant funding to increase opportunities for workers and students to access employer-driven, targeted skills training with businesses that have open jobs. Additionally, DWD now has the ability to make high-demand programs eligible for grants, including Youth Apprenticeship and K-12 programs that help students graduate with industry-recognized credentials. The budget allowed us to use the business connections and expertise benefiting Wisconsin Fast Forward to support and build upon our existing youth and adult apprenticeship programs.

SB 596 consolidates the funding for these workforce training programs into a single appropriation. The purpose of this bill is to increase flexibility with these important programs without requesting additional funding. DWD can place the funds where the greatest demand is and respond in a timely manner instead of having programs have to wait until the next budget cycle.

For example in Youth Apprenticeship, DWD received 32 grant applications from partnership and/or consortium groups for the 2015-16 school year, which involves 247 school districts and charter schools statewide. The 32 grant requests total over \$2.8 million for 3,187 student training opportunities. Given the current allocation of \$2,223,700, the total number of training opportunities that can be funded with the \$900 per student cap is 2,482. In this case, if there were unused funds in the Apprenticeship Program, DWD would transfer those funds into Youth Apprenticeship so that an additional 705 students could be served that school year.

Finally, DWD supports the author's amendments that remove the career and technical education incentive grants from the bill and includes the reporting of fund transfers.

Thank you again for your time and for your previous support of financial flexibility for DWD to provide workforce training. I am happy to answer any questions the committee may have at this time.