
Testimony of BJ Dernbach
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Chairman Guthrie, ranking Member Davis, and Members of the Committee, thank you for inviting me to testify about how Wisconsin has used our youth and registered apprenticeship models to address our workforce needs and about some of the other innovative state programs we have been pursuing in tandem with WIOA.

Wisconsin's economy is the best it has been in recent history. The unemployment rate is at 2.9% and has remained under 3 percent for six consecutive months. Our unemployment insurance claims continue to remain at historic lows, with initial claims ending in 2017 at their lowest level in 30 years. In addition, Moody's Investor Service recently upgraded the state's credit rating.

While this is great news for Wisconsin, it is posing a challenge for companies seeking to fill open positions. It is imperative we find enough qualified workers to meet the needs of our employers. That's why our Department is on a mission to get individuals, no matter their talent level or employment history, off the sidelines and into gainful employment.

One of the most effective tools in our tool box to help get people into careers and get them a life-long credential is the State of Wisconsin's Registered Apprenticeship Program. In 1911, Wisconsin created the first registered apprenticeship program in the United States as a way to provide an industry recognized credential for our employers and employees. That first year, 625 apprentices signed up.

Today, Wisconsin has nearly 11,000 registered apprentices with 2,500 employers. In addition, we are growing the number of programs available to individuals. Currently there are 200 occupations active in the State, and just last week I attended events at which two new programs were created. The first was an Organic Farm Managers program that was held at the historic Frank Lloyd Wright farmstead; the second was for an Information Technology help desk program at Footlocker.com/Eastbay headquarters in Wausau, Wisconsin.

Apprenticeship training has proven to be a great value for both employers and apprentices. The annual median salary for someone who completes an apprenticeship program is \$71,624. In addition, two years after completion of their programs, 98% of the apprentices were still working at the same occupation and 94% were still living in Wisconsin.

The apprenticeship program in Wisconsin has remained strong for more than 100 years. With bipartisan support, Governor Walker and the Legislature continue to expand the state's robust public and private-sector partnerships. In addition to receiving state General Purpose Revenue, our agency has received an American Apprenticeship Grant and a State Expansion Grant, both of which are being used to expand the Registered Apprenticeship Program into new areas such as Health Care and Information Technology.

Another key to our success is that we work closely with the Wisconsin Apprenticeship Advisory Council, a 13-member stakeholder group of management and labor that provides guidance to the Department of

Workforce Development and the Wisconsin Technical College System on matters related to the enactment of apprenticeship laws, rules and standards. The Council has been in existence since the early 1930s.

To further support apprenticeships, Wisconsin created the Apprenticeship Completion Award Program. This program partially reimburses eligible apprentices, sponsors and employers for certain costs of related instruction. The program was developed by the Legislature and signed by Governor Walker as part of 2013 WI Act 57. The department may reimburse the apprentice, the employer or the sponsor a maximum of \$1,000 for up to 25% of the tuition, book, materials and other course fees directly associated with related instruction.

In addition, to recognize and encourage employers to hire apprentices, a participating business can receive a discount on their Worker's Compensation premiums. The program offers a 2% premium credit up to \$2,500 on an employer's Worker's Compensation premium if they employ an apprentice through Wisconsin's Bureau of Apprenticeship Standards.

One of the other areas in which Wisconsin has been focusing its efforts is expanding the state's Youth Apprenticeship program. Last year, Wisconsin announced a record \$3.9 million annual state investment for the program and we are expecting even more demand this school year.

Wisconsin's Youth Apprenticeship program started in 1991 as part of a statewide School-to-Work initiative. It is designed for high school students who want hands-on learning in an occupational area at a worksite, along with classroom instruction. It provides high school juniors and seniors an opportunity to explore career options and gain skills while earning a wage.

These efforts to engage with students, schools, parents, and businesses are paying off. During the 2017-18 school year, we had a record 4,225 youth apprentices working at a record 3,031 Wisconsin employers. The total earnings of the youth apprentices last school year were estimated to be over \$19 million. There were 11 different fields of study in which students were enrolled, including agriculture, natural resources, finance, health sciences, marketing, and information technology. In addition, 40% of the enrollees were female.

Youth Apprenticeship is administered at the local level by 33 regional youth apprenticeship consortia, in partnership with schools, workforce development boards, chambers of commerce, employers and parents. Students attend related instruction and work up to 900 hours at a business. Related classroom instruction may be delivered at a high school or technical college depending on arrangements made at the local level. Upon successful completion of the program, students receive a state-issued skill certificate.

To leverage the Youth and Registered Apprenticeship programs, Wisconsin has created a career pathway or "bridge" between the two. The bridge concept provides a seamless transition for high school students into registered apprenticeship and gainful employment by connecting the state's premier work-based learning programs.

The Wisconsin Apprenticeship Advisory Council established the Career Pathways Advisory subcommittee to explore and define how the bridge will work, identify policies and create a mechanism for replication statewide. Currently there have been 10 crosswalks developed in the manufacturing and construction sectors with another under development. This allows the hours worked as student to translate into their registered apprenticeship hours, and in some cases saving up to a year in the registered program.

Additionally, Governor Walker recently announced the Wisconsin Career Creator plan, an initiative designed to improve educational and training opportunities for Wisconsin's youth. \$20 million in funding was announced for the initiative as part of 2017 Wisconsin Act 58 for the 2019-2021 biennium.

One component of the plan is establishing a pilot program to expand the Youth Apprenticeship model to serve middle school through 10th grade, incorporating career awareness, job shadows, academic and career planning and possible internships to demonstrate viable career paths through Youth Apprenticeship at an earlier age.

The skills these students acquire and the opportunity to gain hands-on work experience in their chosen field will help define their future career path and drive their desire to learn and become an active participant in

Wisconsin's labor force in the years to come. What's happening in Wisconsin is a great story of workforce partnerships and opportunities, not only for youth, but for all job seekers.

Along with apprenticeship, we have also been utilizing the flexibility under WIOA to partner with our Department of Corrections to bring job services to the Wisconsin Oakhill Correctional Facility. Working with our sister agency, we will be able to provide inmate case management service, career counseling, job searches, resume help, and the ability to attend workshops. We will also have our Registered Apprenticeship, WIOA Title I Training services, Veteran Services, and Vocational Rehabilitation services available in that space.

Wisconsin also made an additional \$1 million state investment into this effort by placing mobile training classrooms in correctional facilities. Through the mobile labs, incarcerated individuals are able to earn training and credentials for Computer Numerical Control (CNC) coursework. The CNC mobile lab curriculum is designed to take place in an accelerated format during the 14-week course. It includes skills training to perform operation of machine tools, computer operations, entry-level CNC programming, CNC set up, CNC operation, mold and die printing reading, and occupational math.

We have also been able to target other populations to address Wisconsin's workforce needs. The additional flexible dollars have been used for:

- The Hiring Our Heroes Program, through which employers will be reimbursed for the wages of a veteran transitioning into private-sector employment.
- A Mobile Job Center, which will allow for rapid response events for job center services in addition to providing access to job center services in hard to reach communities.
- Common Intake, which will pay for infrastructure upgrades that will enable us to connect with other Cabinet agencies in order to identify common clients.

In summary, Governor Walker and the Wisconsin Department of Workforce Development believe strongly that apprenticeships and flexible WIOA funds play a vital role in keeping our workforce strong and our young women and men prepared for a future that needs capable and innovative workers. Thank you, members of the committee, for this opportunity to speak today and share our success stories.