

Senate Committee on Workforce Development, Military Affairs and Senior Issues
May 24, 2017

**Wisconsin Department of Public Instruction
Testimony in Support of Senate Bill 127**

Senator Testin and members of the committee, thank you for engaging in discussion around the highly successful CTE incentive grants. The Department of Public Instruction (DPI) is very supportive of Senate Bill 127.

- This bill provides additional funding to promote career and technical education in Wisconsin high schools by making this a sum-sufficient funded program; thereby eliminating the need to prorate payments to school districts for eligible claims.
- This bill rewards school districts for providing opportunities for their students to earn industry-recognized certificates making those students upon graduation, better prepared to enter the workforce.
- Increasing support for career and technical education will increase the number of students graduating with the skills that employer's need, particularly in industries facing workforce shortages.

Background:

Both the Department and DWD are involved in the certificate process for CTE grants. A list of CTE Technical Incentive Grant industry-recognized certifications available to high school students in workforce shortage career clusters has been developed in cooperation by the Department, DWD, Wisconsin Technical College System (WTCS) and the Wisconsin Economic Development Corporation (WEDC). These certifications take into account certifying agency recognition and validity, student accessibility, and programmatic rigor.

These certifications fall into **four categories**:

1. State Certified Work-based Learning Programs-DWD Youth Apprentice (YA),
2. State Certified Work-based Learning Programs-DPI Cooperative Education Skill Standards (Skills Co-Op),
3. Business & Industry Recognized Certifications, and
4. Wisconsin Technical College Certifications

School districts can currently claim the funds annually based on the number of students who meet the following eligibility criteria:

- Certifications earned were on the approved graduating year Certification List.
- Students graduate with a regular high school diploma or technical education high school diploma.
- Funding is limited to \$1000 per pupil regardless of the number of certifications the student earned on the approved list.

In the Class of 2014 there were 2,991 eligible claims submitted by 224 school districts.

- Those school districts received **\$1,000** per qualified claim.
- There were another 471 claims that were deemed ineligible, including **148** students reported as earning more than one certificate.

In the Class of 2015 there were 3,934 eligible claims submitted by 265 school districts.

- Claims were prorated and schools received **\$762.58** per qualified student.
- There were another 657 claims that were deemed ineligible, including **308** students reported as earning more than once certificate

Payments to be made for the current year (2016-17) are not yet known at this time as data from the prior year (2015-16) is still being reviewed. It is unknown the extent eligible claims could potentially exceed the appropriation for this year.

Since this bill changes the funding of the program from a sum certain to a sum sufficient appropriation, all eligible claims submitted by school districts would be funded at the \$1,000 amount, therefore removing the need to prorate payments. Furthermore, removing the cap of one \$1,000 per student will direct additional funding to school districts with students graduating with multiple approved certifications.

The Department strongly supports the proposed bill advances the state's goal of increasing the overall number of pupils earning an industry-recognized certifications as well as rewarding students for earning multiple certifications.

Description of Legislation/Comparison with Current Law:

This bill removes the per pupil limitation on career and technical education incentive grants that the Department of Workforce Development awards to school districts. Under current law, DWD must award a grant to a school district in the amount of \$1,000 per pupil who, in the prior school year, obtained a high school diploma and successfully completed an industry-recognized certification program approved by DWD. Under the bill, DWD must award \$1,000 for each certification program completed by a pupil. The bill also changes the funding of the program from a sum certain to a sum sufficient.

Legislative Action in Previous Session

2013 Wisconsin Act 9 created a workforce training program under the name **Wisconsin Fast Forward (WFF)**. Under this program, the Department awards grants to public and private organizations for the development and implementation of workforce training programs. Funding for the program is provided through two GPR appropriations. Grants are made from a continuing appropriation. The grants program was initially provided \$7.5 million GPR each year in the 2013-15 biennium. **2013 Wisconsin Act 9** also created a biennial appropriation within DWD for the administration of the workforce training program as well for an upgrade of the Department's labor market information system (LMIS) database.

2013 Wisconsin Act 59 created an appropriation within the Department of Public Instruction (DPI) for career and technical education incentive grants. Under the act, DPI is required to award **career and technical education incentive grants** to school districts in the amount of \$1,000 per each pupil in the school district who, in the prior school year, obtained a diploma from a school in the school district and successfully completed an industry-recognized Certification program approved by DPI.

2015 WI Act 55 (2015-17 State Budget) Transferred \$3,000,000 GPR annually from DPI to DWD to eliminate DPI funding for grants to school districts for career and technical education. The program was moved to DWD which is required to make awards of at least \$3,000,000 annually to school districts, with \$1,000 awarded to districts for each pupil who meets the criteria established for the DPI program under current law.

Fiscal Effects:

Under this legislation, it is anticipated that state costs for a sum-sufficient program will increase as the number of eligible students grows, including students earning more than one certificate. However, it is unknown how many additional students will qualify in future years and the potential growth in the number of approved certificate programs offered by school districts.

But by using the class of 2015 as an example, we can estimate the additional expenditures for that year if the appropriation had been sum sufficient:

1. No proration for eligible claims would have resulted in an additional expenditures of \$934,000.
2. Removing the limit on the number of approved certificate per pupil would have resulted in an additional $(308 \times 1000) = \$308,000$ of expenditures.

This would have resulted in a total of \$ 1,242,000 in increased expenditures if the provisions of this bill had been in place in FY16.