



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2013 Wisconsin Act 57
[Senate Bill 335]

**Apprenticeship Completion
Award Program**

2013 Wisconsin Act 57 creates an apprenticeship completion award program. The Act provides \$225,000 general purpose revenue (GPR) in fiscal years 2013-14 and 2014-15 to fund awards issued under the program.

Tuition Reimbursement

Under the Act, the Department of Workforce Development (DWD) must partially reimburse the tuition costs paid by apprentices who have successfully completed part or all of their apprenticeship requirements and are employed in the trade, occupation, or business in which they are being trained under the apprenticeship program. The Act also provides that a sponsor of a qualifying apprentice, not limited to the employer of an apprentice, is eligible for partial tuition reimbursement for the amount paid by the sponsor. However, a state agency or local governmental unit may not receive an apprenticeship completion award.

Under the program, if DWD determines that an apprentice or sponsor is eligible for an apprenticeship completion award, the department must provide a completion award for 25% of the tuition costs incurred by the apprentice or sponsor, but the award may not exceed \$1,000. Furthermore, the total amount of the completion award is capped at 25% of the tuition costs incurred by the apprentice and the sponsor or \$1,000, whichever is less. The Act permits the department to pay the award in two parts. The first payment may be made upon the successful completion of the first year of an apprenticeship contract, but the amount of the first payment may not exceed \$250. The remainder of the award is paid upon the final completion of all apprenticeship requirements.

Reimbursement if Requests Exceed Available Funding

The Act also provides that if the amount of funds to be distributed under the program exceeds the amount of funds available under the Act's appropriation, DWD may reduce the reimbursement percentage or deny applications for the completion awards that would otherwise qualify. In that case,

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.

DWD must determine the reimbursement percentage and eligibility on the basis of the dates on which apprentices and sponsors become eligible for completion awards.

Delinquent Support Obligors

The Act also places certain limitations on individuals seeking a completion award who are delinquent in child support maintenance payments or who owe past support, medical expenses, or birth expenses, if the person's name is on the statewide support lien docket. In these cases, DWD may only provide a completion award if the person provides the department with one of the following:

- A repayment agreement that the person has entered into, that has been accepted by the county child support agency and that has been kept current for the six-month period immediately preceding the date of the application for an award.
- A statement that the person is not delinquent in child support or maintenance payments and does not owe past support, medical expenses, or birth expenses, signed by a representative or designee of the Department of Children and Families within seven working days before the date of the application for a completion award.

Administrative Rules

Under the Act, DWD must promulgate rules to administer the apprenticeship completion award program.

Effective date and initial applicability: The Act took effect on November 16, 2013. The Act first applies to an apprentice who successfully completes part or all of the requirements of his or her apprenticeship program on the first day of the third month after DWD promulgates rules to administer the apprenticeship completion award program.

Prepared by: Michael Queensland, Staff Attorney

November 19, 2013

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State of Wisconsin



2013 Senate Bill 335

Date of enactment: **November 14, 2013**
Date of publication*: **November 15, 2013**

2013 WISCONSIN ACT 57

AN ACT *to create* 20.445 (1) (d) and 106.05 of the statutes; **relating to:** an apprenticeship completion award program, granting rule-making authority, and making an appropriation.

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

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

		2013-14	2014-15
20.445	Workforce development, department of		
(1)	WORKFORCE DEVELOPMENT		
(d)	Apprenticeship completion award program		
	GPR	A	
		225,000	225,000

SECTION 2. 20.445 (1) (d) of the statutes is created to read:

20.445 (1) (d) *Apprenticeship completion award program.* The amounts in the schedule for the apprenticeship completion award program under s. 106.05 (2).

SECTION 3. 106.05 of the statutes is created to read:

106.05 Apprenticeship completion award program. (1) DEFINITIONS. In this section:

(a) "Sponsor" does not include a state agency or local governmental unit.

(b) "Tuition costs" means any fee that is charged for an apprentice to participate in related instruction under s. 106.01 (6).

(2) APPRENTICESHIP COMPLETION AWARDS. (a) The department shall administer an apprenticeship completion award program as provided in this section to partially reimburse tuition costs incurred by any of the following:

1. 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.

2. The sponsor of an apprentice described in subd. 1. (b) Subject to par. (c) and sub. (3), from the appropriation under s. 20.445 (1) (d), the department shall 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 incurred by the apprentice or sponsor or \$1,000, whichever is less, as follows:

1. The department shall make the first payment of a completion award upon the successful completion of the first year of the apprentice's apprenticeship contract. The amount of the first payment may not exceed \$250.

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

2. The department shall pay the remainder of a completion award upon the successful completion of all requirements of the apprentice's apprenticeship program.

(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 incurred by the apprentice and sponsor or \$1,000, whichever is less.

(3) LIMITATIONS ON AWARDS. (a) If the amount of funds to be distributed under sub. (2) exceeds the amount available under s. 20.445 (1) (d), 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.

(b) The department may provide a completion award under sub. (2) 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:

1. A repayment agreement that the person has entered into, that has been accepted by the county child support agency under s. 59.53 (5), and that has been kept current for the 6-month period immediately preceding the date of the application for a completion award.

2. A statement that the person is not delinquent in child support or maintenance payments and does not owe past support, medical expenses, or birth expenses, signed by a representative or designee of the department of children and families within 7 working days before the date of the application for a completion award.

(4) RULES. The department shall promulgate rules to implement this section.

SECTION 4m. Initial applicability.

(1) APPRENTICESHIP COMPLETION AWARD PROGRAM. This act first applies to an apprentice who successfully completes part or all of the requirements of his or her apprenticeship program as provided in section 106.05 (2) (b) 1. or 2. of the statutes, as created by this act, on the first day of the 3rd month beginning after the rules promulgated under section 106.05 (4) of the statutes, as created by this act, take effect.

**ORDER OF THE WISCONSIN
DEPARTMENT OF WORKFORCE DEVELOPMENT**

EMERGENCY RULE

- 1 The Wisconsin department of workforce development hereby adopts the following emergency
 - 2 rule *to create* DWD 295.25 *relating to* apprenticeship completion awards.
-

**Analysis Prepared by the Department of
Workforce Development**

Statutes Interpreted

Statutes Interpreted: Ch. 106, Stats.

Statutory Authority

Statutory Authority: s. 106.05, Stats.

Explanation of Statutory Authority

The Department of Workforce Development (DWD) has responsibilities imposed by 2013 Wisconsin Act 57 (Act 57) for implementing the state's apprenticeship completion reimbursement program. DWD has specific authority to establish rules interpreting and clarifying provisions under ch. 106, Stats., relating to apprentice, employment and equal rights programs. Act 57 created s. 106.05, Stats., which provides that DWD administer an apprenticeship completion award program to partially reimburse the tuition costs paid by apprentices who have successfully completed part or all of the apprenticeship requirements, or the sponsors of those apprentices, and promulgate rules to implement the program.

Related Statutes or Rules

Chapter 106, Stats., governs the state's apprenticeship program. DWD rules for the apprenticeship completion award program will be incorporated into ch. DWD 295, which governs the fundamental procedures of the federal and state apprenticeship programs.

Plain Language Analysis

This emergency rule will administer an apprenticeship completion award program to partially reimburse the tuition costs paid by apprentices who have successfully completed part or all of their apprenticeship requirements, and are employed in the trade, craft or business in which the person was trained or by the sponsors of those apprentices.

This emergency rule will do all of the following:

- Establish requirements that allow DWD to distribute tuition reimbursement completion awards to an apprentice and the sponsor of the apprentice, up to 25% of the tuition costs, but no more than \$1000.
- Allow DWD to distribute awards in two parts – the first payment may be made upon the successful completion of the first year of the apprentice's contract, but the payment may not exceed \$250. The remainder of the award may be distributed upon the final completion of all requirements under the apprentice's contract.
- Determine the reimbursement award percentage, or, in the alternative, deny applications for reimbursement that would otherwise qualify, if the amount of total reimbursement requests applied for exceeds the amount appropriated, based on the dates on which apprentices and sponsors of the apprentice become eligible for the apprenticeship completion awards.
- Identify requirements that an apprentice, or sponsor of the apprentice, seeking reimbursement under this program must meet when the apprentice is delinquent in child support or maintenance payments, or owes past support, medical expenses or birth expenses.

Summary of, and comparison with, existing or proposed federal statutes and regulations

The Code of Federal Regulation Chapter 29, Part 29, governs the U.S. Department of Labor Standards for the Registration of Apprentice Programs. There are no federal statutes or regulations equivalent to this apprenticeship completion award program.

Comparison with rules in adjacent states

Minnesota has implemented laws relating to voluntary apprentice program administration, but does not have any comparable rules or programs similar to the apprenticeship completion award program.

Illinois, Indiana, Iowa and Michigan do not have their own state apprenticeship laws and rely on federal standards.

Summary of factual data and analytical methodologies

This emergency rule does not depend on any complex analysis of data. Act 57 authorized the department to create this rule. The department has adequate revenue to administer this program during the current biennium under the general purpose revenue provided for fiscal years 2013-14 and 2014-15.

Analysis and supporting document used to determine effect on small business or in preparation of an economic impact analysis

This emergency rule does not impose any new regulatory burdens on any business. The purpose of this emergency rule is to reimburse eligible tuition costs to an apprentice, or sponsor of the apprentice, upon successful completion of the first year under the apprentice's contract or upon the full completion of the apprentice's contract.

Effect on small business

This emergency rule does not place any requirements on small businesses but it may have a positive impact on small businesses that employ apprentices and incur tuition costs. Small businesses that incur tuition costs may be eligible for reimbursement of up to \$1,000 per apprentice.

Agency contact person

Questions and comments related to this rule may be directed to:

Karen Morgan
Department of Workforce Development
Division of Employment and Training
P.O. Box 7972
Madison, WI 53708-7972
Telephone: (608) 266-3133
E-Mail: Karen.morgan@dwd.wi.gov

Place where comments are to be submitted and deadline for submission

Karen Morgan
Department of Workforce Development
Division of Employment and Training
P.O. Box 7972
Madison, WI 53708-7972
Telephone: (608) 266-3133
E-Mail: Karen.morgan@dwd.wi.gov

Hearing dates have not yet been scheduled, but will be held in conjunction with the permanent rule. Hearing comments will be accepted until May 2, 2014.

Finding of Emergency

1
2 The department of workforce development finds that an emergency exists and that the
3 attached rule is necessary for the immediate preservation of the public welfare. Statements of
4 facts constituting an emergency include:

5 (1) Wisconsin currently has more than 2,100 employers participating in, and training
6 individuals, under the apprenticeship program.

7 (2) During 2013, Wisconsin had 9,723 valid apprenticeship contracts.

8 (3) Over the past ten years, the completion rate of the apprenticeship program averaged
9 between 55-60%.

10 (4) 2013 Wisconsin Act 57 creates an apprenticeship completion award program to be
11 administered by the department of workforce development to partially reimburse tuition costs
12 incurred by an apprentice who has successfully completed part or all of the requirements of their
13 apprenticeship contract, and is employed in the trade, occupation, or business under the
14 apprenticeship contract, or the sponsor of the apprentice.

15 (5) The department of workforce development has received general purpose revenue
16 (GPR) funds of \$225,000 in fiscal year 2013-14 and 2014-15, to distribute up to 25%, or \$1,000,
17 whichever is less, of the tuition costs incurred by the apprentice and sponsor of the apprentice.

18 The amount of the first payment upon successful completion by the apprentice of the first year of
19 the contract may not exceed \$250.

20 (6) The department of workforce development is adopting this emergency rule to prevent
21 a potential hardship to Wisconsin's apprenticeship program participants. Adoption of this
22 emergency rule will ensure those participating in an eligible apprenticeship contract may begin

1 receiving apprenticeship completion awards as soon as possible. Because a permanent rule
2 cannot be adopted in time, GPR funds for fiscal year 2013-14 would be lost if the emergency
3 rule is not adopted.

4 **Emergency Rule**

5 **SECTION 1.** DWD 295.25 is created to read:

6 **DWD 295.25 Apprenticeship completion award program. (1) DEFINITIONS.** In
7 this section:

8 (a) "Sponsor" has the meaning given under s. 106.01 (8), Stats., as modified by s. 106.05
9 (1) (a), Stats.

10 (b) "Tuition costs" has the meaning given under s. 106.05 (1) (b), Stats. Examples of
11 costs which are not "tuition costs" include student fees charged for use of a health
12 center, parking fees, or late fees.

13 **Note: Section 106.01 (8), Stats., defines "sponsor" as follows:**

14
15 "Sponsor" means any employer, organization of employees, association
16 of employers, committee, or other person operating an apprenticeship
17 program and in whose name the apprenticeship program is approved by
18 the department.

19
20 **Note: Section 106.05 (1) (b), Stats., limits the definition of "sponsor" as**
21 **follows:**

22
23 "Sponsor" does not include a state agency or local governmental unit.

24
25 **Note: Section 106.05(1)(b), Stats., defines "tuition costs" as follows:**

26
27 "Tuition costs" means any fee that is charged for an apprentice to
28 participate in related instruction under s. 106.01 (6), Stats.

29
30 **Note: Section DWD 295.001 (20), defines "related instruction" as follows:**

31
32 "Related instruction" means an organized and systematic form of
33 instruction designed to provide the apprentice with the knowledge of the
34 theoretical and technical subjects related to the apprentice's occupation.

1 Such instruction may be given in a classroom, through occupational or
2 industrial courses, or by correspondence courses of equivalent value,
3 electronic media, or other forms of self-study approved by the
4 department.
5

6 (2) ELIGIBILITY. The department shall provide an apprenticeship completion award
7 under s. 106.05, Stats., to an apprentice or sponsor who has incurred tuition costs and meets all
8 of the following requirements:

9 (a) The apprentice has a valid apprenticeship contract under s. DWD 295.07.

10 (b) The apprentice or sponsor has not been reimbursed for any tuition costs by any other
11 entity.

12 (c) The apprentice or sponsor completes and files an application under sub. (3), within
13 60 days of the date of the notice provided by the department that the apprentice or sponsor is
14 eligible for an apprenticeship completion award. If an application for a completion award is not
15 received within 60 days of the date of the notice provided by the department, the department
16 does not guarantee the payment of an apprenticeship completion award.

17 (d) The apprentice has successfully completed the first year of the apprenticeship
18 contract or has fully completed the apprenticeship contract and the apprentice is employed in the
19 trade, occupation, or business in which the apprentice is being trained.

20 (e) If the applicant is delinquent in child support or maintenance payments, or owes past
21 support medical expenses or birth expenses, then the applicant must meet the requirements under
22 s. 106.05 (3) (b), Stats.

23 (3) APPLICATION FOR APPRENTICESHIP COMPLETION AWARD. The application for an
24 apprenticeship completion award shall contain all of the following:

25 (a) The name and address of the apprentice and sponsor, and identification of who is
26 applying for reimbursement.

1 (b) A copy of all invoices and documents containing tuition costs eligible for
2 apprenticeship completion awards. This information shall include all of the following:

- 3 1. The name and address of the entity to whom the tuition costs were paid.
- 4 2. The amount and description of all tuition costs.
- 5 3. The dates on which tuition costs were paid.
- 6 4. Cancelled checks or other information documenting that the apprentice or sponsor has
7 paid all costs under subd. 2.
- 8 5. Any other relevant information requested by the department.

9 (c) A statement from the sponsor that states either of the following:

- 10 1. The apprentice has successfully completed the first year under the apprenticeship
11 contract.
- 12 2. The apprentice has successfully completed the full apprenticeship contract.

13 **Note:** The application for apprenticeship completion awards can be found online at
14 <http://www.wisconsinapprentice.org>.

15 (4) COMPLETION AWARD RATES AND RECALCULATIONS. (a) The department shall
16 reimburse all eligible tuition costs under this section in an amount not to exceed 25%, or \$1,000,
17 whichever is less, upon successful completion of an apprenticeship contract.

18 (b) The department shall reimburse an apprentice or sponsor up to \$250 of the total
19 amount identified under par. (a), after the apprentice has successfully completed the first year
20 under the apprenticeship contract.

21 (c) The department may calculate the amount of an apprenticeship completion award on
22 a pro rata basis when both the apprentice and sponsor incur eligible tuition costs. The total
23 amount of the apprenticeship completion award may not exceed the amounts identified under
24 pars. (a) and (b).

1 (d) If the amount of funds to be distributed under this section exceed the amount
2 available under s. 20.445 (1) (d), Stats., the department may do any of the following:

3 1. Recalculate the reimbursement rates of eligible tuition costs under pars. (a) and (b).

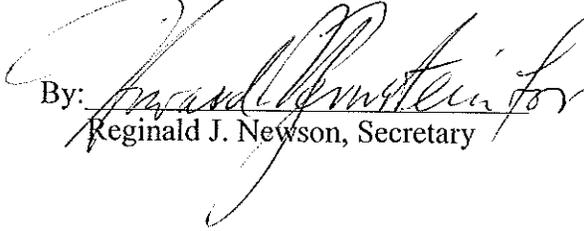
4 2. Deny applications for apprenticeship completion awards that would otherwise qualify
5 under sub. (3), or reduce the reimbursement amount specified under pars. (a) and (b).

6 3. Distribute apprenticeship completion awards based on the dates on which the
7 apprentices and sponsors of the apprentice become eligible for apprenticeship completion awards
8 and determine the reimbursement percentage.

9 **SECTION 2. EFFECTIVE DATE.** This emergency rule takes effect upon publication and
10 remains in effect for 150 days. The department may seek to extend this emergency rule as
11 provided in s. 227.24, Stats.

Dated this 12th day of March, 2014.

WISCONSIN DEPARTMENT OF
WORKFORCE DEVELOPMENT

By: 
Reginald J. Newson, Secretary