



Workforce Advancement Training (WAT) Grants

2023-25 Biennial Budget Initiative

Issue

The Wisconsin Technical College System (WTCS) Board awards Workforce Advancement Training (WAT) grants to promote increased investment in the skill development of incumbent workers, improving Wisconsin businesses' productivity and competitiveness, augmenting the state's economic base, supporting career pathways, and expanding technical college training services to businesses and industry. WAT grants are an important tool for employers to increase the skills of their current workforce; however, the current level of funding is not keeping pace with demand. Additional funding can support more businesses to reskill or upskill their workforce, providing a relief valve for the demand for talent.

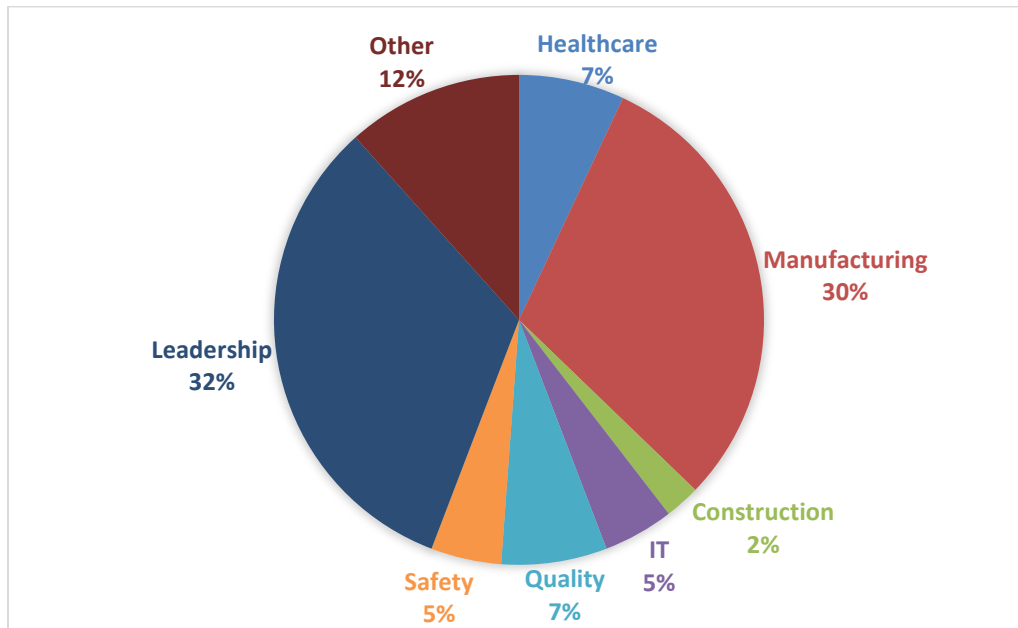
Background

WTCS colleges work closely with Wisconsin employers to offer customized instruction in technical and productivity skills that are tailored to meet specific business needs. Through a variety of programs, WTCS colleges served more than 400,000 incumbent workers through customized training over the last five years, including 38,000 workers funded through WAT grants. WAT grants expand the number and size of Wisconsin employers that have access to critical employee attraction, retention and upskilling opportunities.

Annually, \$4 million is available for WAT grants, including up to \$3.5 million for General Business and up to \$500,000 for Small Businesses, under Grants to Districts Boards authorized under s. 20.292(1)(f). Grants are awarded competitively through an application process in which WTCS districts may apply for grant funds in an amount between \$2,500 and \$200,000 in partnership with a single business or consortium of businesses. WAT grants are a unique economic development program in Wisconsin. WAT grants foster collaboration and serve as a tool to forge essential relationships among technical colleges and local employers. Technical college customized training funded through WAT grants helps drive economic development, attract and retain businesses in Wisconsin.

Most projects funded with WAT grants support a consortium of businesses, taking advantage of economies of scale to deliver training efficiently and creating opportunities for employers to share knowledge and facilitate growth. Trainings are focused on occupational skills, but can include a combination of occupational, academic and employability topics or courses. As shown in Figure 1, training projects cover a variety of topics.

Figure 1: FY23 Funded Projects by Training Topic



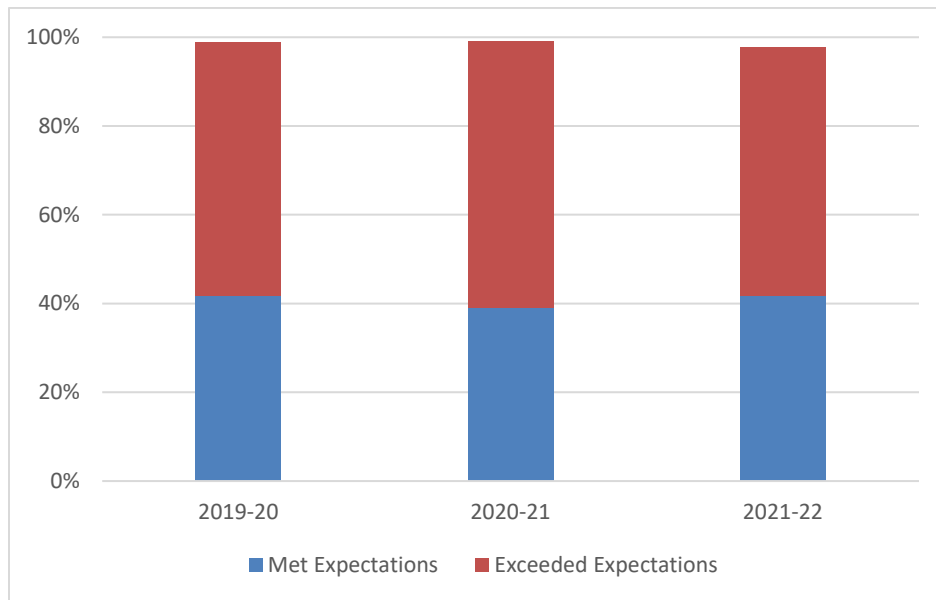
In the most recent grant cycle, several consortiums of manufacturers collaborated on technical training to increase the skills and knowledge of their employees in areas such as blueprint reading; occupational math; engineering and design software; engine fundamentals and repair; and machine maintenance. Several other consortiums focused training on the development of leadership skills, including for those employees in first-time supervisory roles, in the areas of effective communication; problem-solving; conflict resolution; delegation; and performance management. Individually, employers received technical training in areas including maintenance basics, mechanical components and measurement and quality control techniques. Several employers identified various forms of leadership development training, with one employer focused on creating a cohesive, cross-organizational leadership team among more than one dozen new top-level managers. Increasing skills in these areas not only improves production and operational efficiency, but also workplace culture and employee retention. Businesses that can retain their skilled workforce are able to reduce recruitment costs and maintain a competitive advantage.

With a labor shortage impacting many industries throughout the state, WAT grants are an effective tool to help employers grow internal talent to meet their workforce demands. As retirements and job shifts create position openings, many employers look to promote from within as part of their succession planning but lack the expertise to develop training programs internally. Technical employees transitioning into supervisory roles and entry-level employees transitioning to mid- and advanced-skill roles benefit from WAT grant projects focused on leadership and technical skill development. In the healthcare and childcare industries, WAT

grant training has moved employees into high-demand roles such as Certified Nursing Assistants, Medical Assistants, Medications Aides and certified infant/toddler care providers.

As shown in Figure 2, training programs designed to increase employee skills met or exceeded expectations 98-99% of the time, with over 40% of employers reporting training programs that exceeded their expectations in the most recent year. Employers also report benefits of increased productivity and reduced employee turnover resulting from WAT grants.

Figure 2: WAT Grants Increase Employee Skills



While WAT grants have proven to be successful for Wisconsin employers, particularly those customized to increase employee skills, the current funding level is not adequate to keep up with demand for these grants. In each of the last five years, more than \$5 million in customized training projects have been proposed, a shortfall of approximately \$1 million annually compared to the WAT grant allocation amount. Currently, grants are awarded on an annual cycle. However, if applications were accepted throughout the year, it is estimated that demand would grow by an additional \$1 million because additional funds would encourage WTCS colleges to initiate more projects with businesses within their districts. As employers face labor shortages throughout the state, resources to grow a talent pipeline from within the existing workforce are more important than ever. Additional funding could help to increase the customized training options that will allow employers to reskill or upskill their existing employees to meet their ever-changing business needs.

Request

\$1.5 million GPR in 2023-24 and \$2 million GPR in 2024-25 in s. 20.292(1)(f) to increase the amount available for WAT grants.