

Senate Committee on Commerce
Testimony in Support of House Bill 2292
Presented by Eric Stafford, Vice President of Government Affairs
Thursday, March 9, 2023

Madam Chair and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state. We appreciate the opportunity to testify in support of House Bill 2292, a bill that would establish a tax credit for employers who establish, or have established, a registered apprenticeship with U.S. Department of Labor or the Secretary of Commerce and office of registered apprenticeship. HB 2292 passed the House by a vote of 115-7.

Kansas historically has failed to place much of an emphasis on registered apprenticeships, although attention from the employer community and government officials an increased focus on this employment option in recent years. Late last year, Governor Kelly established the Office of Apprenticeship to raise awareness and focus by the state of Kansas and employers on the important role registered apprenticeship programs play in developing the next generation of workers in the state.

In 2020, the Chamber commissioned a workforce report to highlight areas of improvement to improve our state's workforce climate. As we have stated before this committee before, the recommendations call on all interested parties from K-12, to higher education, technical education, and employer communities to work closer together to align goals and outcomes of students.

In that study, and chart provided on page 3, you will see that Kansas ranks near the bottom of the nation for the number of active apprentices compared to the total working age population. HB 2292 attempts to address this by offering employers a tax credit to help offset costs associated with starting a new apprenticeship program, or maintaining an existing program.

HB 2292 offers up to \$2,500 per apprentice for employers, for up to 20 apprentices employed. After 2025, that increases to \$2,750. Our language came from Alabama and was modified by the department of commerce and the office of apprenticeship in Kansas. We are thankful for their input on offering improvements to the bill and we would ask for this committee to support House Bill 2292.

Page 2 of our testimony contains the specific recommendations from our workforce report so you can quickly read their thoughts on Kansas' current climate in this area. Thank you for the opportunity to provide testimony in support of House Bill 2292 and I'll be happy to answer questions at the appropriate time.

Registered Apprenticeships

The U.S. Department of Labor ranks Kansas 38th in the number of active apprentices and 27th in the total number of active apprenticeship programs. It ranks 36th in the number of program graduates and 42nd in the number of new apprentices. When the number of active apprentices is compared to the total working age population (ages 20 - 64) Kansas' rank drops to 44th among the 50 states. In 2019, Kansas had 131.8 apprentices per 100,000 working age population compared to 262.7 in the U.S.

Increasing and Improving Apprenticeships

The use of apprenticeships that enable individuals to get paid work experience with mentoring and to move along a defined career path (typically with no debt) is a significant and growing trend in America. Looking just at federally-established Registered Apprenticeships (RAs), the number of new apprentices in America increased by 128 percent from 2009 to 2019.

In 2019, over 250,000 people entered an RA program and 81,000 individuals completed an apprenticeship. Still, the use of apprenticeships as an important workforce tool in the U.S. lags far behind European nations. While less than five percent of young people in America are apprentices (largely in the construction trades), around 60 percent of young Germans and 70 percent of young people in Switzerland are in apprenticeship programs that cover nearly all sectors of the economy.

Kansas should expand both federally approved Registered Apprenticeships and industry-recognized apprenticeships. Among the strategies for achieving these:

- A. Ease the administrative burden on individual businesses by having other organizations serve as the official sponsoring entity for a Registered Apprenticeship program. Other entities that can serve this important role include local or regional workforce boards, technical colleges, and industry association groups.
- B. Convene regional industry groups, unions, chambers of commerce, workforce centers and education partners to develop more industry-recognized apprenticeship programs (IRAPs) for leading regional sectors and in-demand occupations.

2019 Active Apprentices per 100,000 Working Age Population

