



STATE REPRESENTATIVE • 83<sup>rd</sup> Assembly District

## **Testimony on Assembly Bill 241**

Assembly Committee on Workforce Development, Labor, and Integrated Employment May 28, 2025

Thank you, Chairman Melotik and committee members, for hearing my testimony on Assembly Bill 241.

Wisconsin has a strong history of apprenticeship programs that allow workers to earn a paycheck while building skills in careers that can't be outsourced. In 2024, we saw a record number of apprentices, especially in construction.

But current law is holding businesses back. The state mandates a 1-to-1 ratio — one experienced worker for every apprentice. That sounds reasonable, but in practice, it prevents businesses from expanding their training efforts. Construction apprenticeships often last 3 to 5 years, so businesses can only bring on a few at a time, even when they have the capacity to do more.

I recently toured NSI Electrical Contractors in New Berlin, which is in my district. They shared how they would like to take on more apprentices but simply can't under the current ratio. The demand is there, the interest is there, and they have experienced workers ready to mentor. What stood out most during the tour was how proud and energized the employees were. We should be doing everything we can to support that.

Other states have taken a more flexible approach. In Michigan, for example, the ratio is 2-to-1 for plumbing, 3-to-1 for electrical, and there's no limit at all for certain other trades. And despite these higher ratios, there's been no increase in workplace injuries.

I have been made aware of some concerns with how the bill is currently written. In my opinion, the amendment I introduced today addresses those concerns.

Assembly Bill 241, with Assembly Amendment 1, adopts a balanced and practical reform by adjusting the ratio for construction trades to 2-to-1. This simple change gives small businesses the flexibility they need to meet workforce demand and expand opportunities for workers, especially in industries where skilled labor is in short supply.

The best part about this bill is it doesn't cost the state a dime. There's no mandate here. It's entirely up to the business whether they want to hire more apprentices or not. This is a no-cost solution that simply removes a barrier and lets employers do more of what they're already trying to do: train the next generation of skilled workers.

This is a smart, reasonable change. It helps small businesses, gives more Wisconsinites access to good-paying jobs, and strengthens our workforce at a time when we need it most.

I respectfully ask for your support, and I'm happy to answer any questions.

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## Testimony on Assembly Bill 241

Assembly Committee on Workforce Development, Labor, and Integrated Employment Wednesday, May 28, 2025

Thank you, Chairman Melotik and committee members, for holding a hearing on Assembly Bill 241 and allowing me to submit testimony. I would also like to thank Representative Maxey for his work on this legislation in the Assembly.

This is a simple bill. Under current law, and since 2017, the number of apprenticeships that can begin in a construction apprenticeship program is limited to one journeyman for one apprentice – 1:1. This legislation updates the ratio, allowing there to be 2 apprentices for 1 journeyman – 2:1.

The need for this change is clear. Since construction apprenticeships usually last for several years, the current ratio limits the number of apprentices that an employer can train for a career in construction. Some businesses are fortunate enough to have ample demand for those interested in their apprentice programs, but the current 1:1 ratio only allows some of these to begin the program. The other apprentices are left out, and often leave the construction field all together.

Wisconsin is a state that works. In 2024, Wisconsin announced a record number of apprentices, overtaking the previous record in 2023. A large percentage of that total are construction apprentices.

While other states have gone in different directions with revising similar laws, this bill stands as a modest approach that addresses the construction skills gap, while also prioritizing worker safety.

Thank you again, Chairman Melotik and committee members, for allowing me to submit testimony in support of AB 241. I would appreciate your support for this bill.



## Committee on Workforce Development, Labor, and Integrated Employment Public Hearing, May 28, 2025 Assembly Bill 241 John Schulze

Good morning, Chairperson and committee members. Thank you for making the time to hear about a potential solution to help continue to bridge the construction skills gap in Wisconsin.

I'm John Schulze with Associated Builders and Contractors - a trade association made up of over 1,000 employers throughout the state that are literally building Wisconsin.

Let me take you back to the year 2017. The #1 TV Show was The Big Bang theory, the #1 movie was the Last Jedi, and then, as is now, there were concerns about who is going to replace the baby boomer construction workers when they retire.

This workforce shortage is not a construction-only problem. Employers across many sectors of Wisconsin's economy were and are still struggling to recruit workers. But unlike many careers, there was and still is a state law that caps the number of construction apprentices that can be trained. Before the 2017 reforms, the Wisconsin apprentice / skilled worker ratios were, to be candid, byzantine. For example, two painting apprentices had to be supervised by six skilled workers. Three insulator apprentices had to be supervised by nine skilled insulators.

So, contractors talked to their legislators, and a law was passed to make the ratios 1:1 across all construction trades. At that time, there were concerns that the 1:1 ratio would result in poorly trained apprentices doing shotty work, injuring themselves and their coworkers, and driving wages down.

So, let's fast forward to 2025.

- Injury rates did not go up on job sites.
- Wisconsin construction wages have increased (see Current Employment Statistics (CES) report from the Bureau of Labor Statistics (BLS) in May 2024 --- Wisconsin is in the top four of states that reported an annual increase in hourly construction rates of between 8 9%).
- Wisconsin's apprenticeship program is still the envy of much of the country. For example Wisconsin apprentices routinely win the annual national craft championships.
- And more of your friends and neighbors are in family sustaining lifelong careers in the construction trades.

Late last year, Governor Evers proudly announced that Wisconsin had a record number of apprentices – 17,089, overtaking the previous record in 2023. A large percentage of that total are construction apprentices.

So, good news, the parade of horribles predicted by some in 2017 did not happen. The bad news is that there is still a construction skills gap. According to August 2024 data from the federal Bureau of Labor Statistics, over 600,000 new skilled construction workers will be needed nationwide every year just to keep up with current demand and replace retiring workers.

Wisconsin employers and employees are again asking for apprenticeship ratio reform.

I want to be clear that 1:2 is a measured compromise. For comparison, Michigan already has a 1:2 ratio for plumbing (one skilled plumber can supervise two apprentices), 1:3 for electrical apprentices, and <u>no ratio limit for other construction apprentices</u>, including sprinkler fitter. Michigan data has not shown any correlation between higher apprenticeship ratios and injury rates.

Also, a reminder that this ratio reform, like the previous ratio reform in 2017, will not affect union collective bargaining agreements. For example, the current IBEW 890 CBA in the Janesville area allows one journeyperson to oversee three apprentices, and apprentices in their final year are ratio neutral -- much, much less restrictive than what is being proposed in AB 241.

So, in the end, what will this bill do?

 Where I think it will matter the most is small and medium sized contractors in places like Lake Mills, Fort Atkinson, and Sheboygan, where there are employees ready to start their journey into a lifelong family sustaining career in construction but cannot because of current state law.

Thank you for your time. Please let me know if you have any questions.

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Tony Evers, Governor Amy Pechacek, Secretary

## Written Testimony on AB 241 Amy Pechacek, Secretary Department of Workforce Development May 28, 2025

Chair Melotik, Vice-Chair Snyder, Ranking Member Sinicki, and members of the Assembly Committee on Workforce Development, Labor, and Integrated Employment, thank you for the opportunity to provide written testimony for information only on AB 241. Thank you to Representative Maxey and Senator Kapenga for their interest in Wisconsin's apprenticeship program.

AB 241 allows for the journeyworker to apprentice ratio be changed from 1:1 to 1:2 allowing for two apprentices per journeyworker. The proposal will have no effect on collective bargaining agreements that establish their own apprenticeship ratios. The Department of Workforce Development (DWD) has a couple of concerns the committee should be aware of as they consider the bill. First, increasing the apprentice to journeyworker ratio may influence safety and quality of instructions. Additionally, changes to the ratio may affect compliance with current U.S. Department of Labor (DOL) guidance. While we understand workforce shortage concerns, AB 241 could have unintended consequences on Wisconsin's record-breaking apprenticeship program.

DWD's Bureau of Apprenticeship Standards (BAS) develops, administers, and regulates the Registered Apprenticeship, Youth Apprenticeship, and Certified Pre-Apprenticeship programs in order to supply highly skilled workers for Wisconsin's workforce. Wisconsin has always been a national leader in apprenticeship, launching the nation's first registered apprenticeship in 1911 and the nation's first youth apprenticeship in 1991. However, Wisconsin's leadership in apprenticeship doesn't stop there. 2024 was a record-breaking year for apprenticeship in Wisconsin, with a record number of apprentices, employer partners, and career pathways. There is no doubt, Wisconsin is the gold standard for apprenticeship across the nation.

Increasing the ratio to 1:2 may cause issues with safety and quality of instruction, jeopardizing Wisconsin's apprenticeship track record. DWD supports the safe and effective training of apprentices and emphasizes the importance of proper supervision to ensure both skill development and workplace safety. The department has concerns with loosened industry-wide requirements that could lead to scenarios where a single journeyworker is responsible for overseeing multiple apprentices simultaneously, as this might compromise the quality of instruction, reduce oversight, and increase risk of safety incidents on jobsites. This bill, as written, provides a hard rule that the ratio shall be no less than one journeyworker for two apprentices regardless of specific occupational hazards and specific trainers' previous training and safety record that may be present in the training program. DWD believes that, at minimum, BAS should have the opportunity to require one journeyworker to one apprentice on a case-by-case basis depending on the particular safety concerns.

In addition to safety concerns, an increase to the ratio would contradict DOL guidance. The DOL Office of Apprenticeship (OA) issued circular 2021-02 to provide guidance for the applicable regulatory provision governing ratios in Title 29 Code of Federal Regulations (CFR), <u>Section 29.5(b)(7)</u>. This guidance reinforces OA's concerns with a ratio greater than 1:1 in hazardous occupations including construction. Wisconsin, as a State Apprenticeship Agencies (SAA) recognized by DOL OA, must maintain state apprenticeship law that conforms to the requirements of 29 CFR, Sub A, Parts 29 and 30. This legislation deviates from the OA guidance and may risk DOL OA's continued recognition of Wisconsin's Registered Apprenticeship program.

In short, imposing a uniform ratio modification across all occupations, irrespective of distinct operational requirements or safety considerations, compromises DWD's ability to meet industry-specific needs. While we appreciate the need to bolster the pipeline of apprentices, we would greatly appreciate the committee's consideration of a more nuanced approach that would more appropriately meet the needs and demands of individual industry.

Thank you for your consideration. Please do not hesitate to reach out if you have any questions.

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- TO:Representative Paul Melotik, Chairman and Members of the Assembly<br/>Committee on Workforce Development, Labor, and Integrated Employment
- FROM: IBEW State Conference, Iron Workers District Council of North Central States, Plumbers Local 75, SMART Local 18, WI Laborers District Council, WI Pipe Trades Association, Operating Engineers Local 139, North Central States Regional Council of Carpenters, International Union of Painters and Allied Trades, Bricklayers and Allied Crafts of Wisconsin
- DATE: May 28, 2025
- RE: Opposition to 2025 AB 241

The above-named Building Trades Unions strongly oppose AB 241. This bill increases the ratio of journeyworkers to apprentices on a jobsite from 1:1 to 1:2, which would jeopardize jobsite safety and harm the instruction and hands-on training component of apprenticeship that currently produces excellent construction workers across Wisconsin.

Wisconsin apprenticeship training is very highly regarded throughout our nation. Despite policies designed to hurt union building trades in Wisconsin over the last decade, union apprenticeship still accounts for nearly 80% of all construction apprentices.

Union and union employer apprenticeship programs account for 96% of private sector apprenticeship funding in Wisconsin – over \$64 million per year, compared to \$2.9 million invested by employer-only (non-union) programs.

Given the skill, instruction, and safety concerns, many union building trades work with their contractors to meet or exceed the current DWD 1:1 ratio depending on the type of work. 2:1 and 3:1 journeyworker to apprentice ratios are agreed to in some trades to reflect on the job safety and training that could be jeopardized at 1:1, let alone 1:2.

Some might argue that the bill allows for collectively bargained ratios to stay in force, but that is a red herring. If DWD must enforce a lesser standard for apprenticeship programs not

governed by a collective bargaining agreement (i.e., non-union), those programs could take advantage of the regulation by gaming the system and undercut bids by contractors adhering to the more responsible ratio.

Inevitably, collectively bargained ratios might be reduced in order to compete with that standard. If that happens, then safety, training and quality will all suffer. This result would undermine our top-notch Wisconsin apprenticeship program in the long run and create a race to the bottom for construction worker training.

We strongly support efforts to encourage contractors to sponsor more apprentices. But sacrificing safety and quality of training is not an appropriate approach.

Please oppose AB 241.