

Apprenticeship Trainers:

We understand that many of you, and many apprentices, have questions about updated skilled wage rate maps. As you may know, the State of Wisconsin Department of Workforce Development, Bureau of Apprenticeship Standards (DWD-BAS) produces the maps and enforces the minimum rates for apprentices. The minimum rate for an apprentice is calculated as a percentage of the “skilled rate” set by the DWD-BAS, and is dependent on the apprentice’s trade, year, and geographical region.

Traditionally, the DWD-BAS adjusted the skilled wage rate maps regularly usually annually - although the last update was February 2020. Once released, those updated rates would then go into effect for all apprentices. The minimum percentage any given apprentice would be entitled to, based on the apprenticeship contract, would not generally change at the same time the maps were updated. However, the skilled rate, which the percentage would be applied to, would usually change up or down.

Recently, the State of Wisconsin DWD-BAS changed its methodology and data source for setting skilled wage rates for all apprentices not covered by a collective bargaining agreement. Here are the important points for ABC-approved apprenticeship trainers to know going forward:

1. In late December 2022, the DWD-BAS published an updated state map and wage information on its webpage. This preliminary data was public information, but the rates were considered “guidance”, and not yet enforced. The DWD-BAS then solicited comments from employers and employer organizations.
 - a. Link: <https://dwd.wisconsin.gov/apprenticeship/swr-maps/>
2. The new data source the DWD-BAS is relying on is from the 2021 Occupational Employment and Wage Statistics (OEWS) survey, which is produced through a partnership between the federal Department of Labor, Bureau of Statistics (DOL-BLS) and the DWD.
3. The number of geographic regions on the state map was reduced from seven regions to six, in order to adhere with updated federal Affirmative Action and Equal (AAEO) rules. As a result, the borders of every wage rate region changed. ***It is important for employers and apprentices to review the new map and determine if their county has switched to a different region.***

4. ***ABC of Wisconsin identified key issues and concerns with the accuracy and suitability of the proposed wage rates.*** ABC staff, on behalf of the statewide ABC Apprenticeship Committee, communicated those concerns to the DWD-BAS during the appropriate comment period.
5. After the comment period ended, the DWD-BAS informed ABC that the state would move forward with implementing and enforcing the guidance rates, as posted.
6. These new skilled wage rates will **officially go into effect on April 19, 2023.**
7. Because the underlying data source has changed, the resulting updated skilled wage rates may fluctuate widely depending on the region and the trade. Some regions and trades will experience larger-than-typical swings in the new rates, while others may see little variation.

It is important for employers to understand how these changes will affect them and their employees.

- **For employers in regions with a minimal increase (or a decrease)** in the posted skilled wage rate, it is important to know that the DWD-BAS does not intend for these rates to be used as a competitive market wage rates. These rates are minimums—while employers cannot pay apprentices less than what is required by the apprentice contract, they are able to pay more, should they deem it appropriate for their situation.
- **For employers in regions with a larger-than-anticipated increase**, please take time between now and April 19th to prepare for the implementation and its effects. Note, the minimum rates will be enforced by the DWD-BAS, effective that date.
 - Because the maps have not been updated in more than three years, it would be practical for employers to anticipate annual increases moving forward, even if the BAS does not officially implement new rates consistently in the future.
- Note, competitive wages alone may not be enough to ensure employee retention in an uncertain labor market. In addition to working environment, company culture, and a host of other factors, it is often helpful for employees to understand the direct and indirect compensation provided by their respective employers.

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- We strongly encourage all trainers to communicate this information to their apprentices. For ABC-member companies training in apprenticeship, there is a free

Total Compensation Package model, which includes the value of all wages and benefits such as health care, dental and vision insurance, retirement, education benefits, and any other direct or indirect compensation, to assist ABC members in communicating total compensation figures to their employees (both apprentice and non-apprentice). Please contact the ABC office for more information.

Know that ABC of Wisconsin is committed to offering the best apprenticeship program in the nation and producing the best possible results for apprentices, employers, and our members. ABC staff is continuing to work on resolutions to improve this process at the state level, and to add transparency to the process.

Should you or your apprentices have questions on the process of identifying, calculating, and implementing these new DWD-BAS rates, please contact the ABC of Wisconsin apprenticeship office at (608) 244-6056 or apprenticeship@abcwi.org.

Please direct questions and comments regarding the updated wage rate data and sources to the Bureau of Apprenticeship Standards – Director David Polk, at (608) 733-3930 or david.polk@dwd.wisconsin.gov.

Thank you,

ABC of WI Apprenticeship Staff