



CHRIS KAPENGA

WISCONSIN STATE SENATOR

Testimony on Senate Bill 411
Senate Committee on Labor & Regulatory Reform
October 4, 2017

Thank you Chairman Nass and committee members, for holding a hearing today on Senate Bill 411. I also want to thank Representative Hutton for authoring the bill in the Assembly.

Wisconsin faces an impending workforce shortage in the skilled trades that will only be exacerbated as the baby boomer generation nears retirement. This issue has been well-documented, with 500,000 openings nationwide in construction trades alone. A June 2016 survey by the National Association of Homebuilders found that 68% of builders and 78% of subcontractors reported a shortage of workers, and a recent survey from the Associated General Contractors found that 70% of contractors are having difficulty finding workers.

With an expected flurry of activity around the state as the result of the proposed Foxconn investment, the need for skilled workers is more evident than ever. However, Wisconsin has a major bottleneck that prevents additional workers from entering the skilled trades: Wisconsin's mandated apprentice-to-journeyworker ratio.

This ratio mandates that a certain number of journeyworkers be employed for each apprentice hired. While this number varies by trade, it has proven to be an unnecessary burden to employers and potential employees alike. Additionally, as the workforce ages, this problem will only grow. Contractors already have difficulty finding the journeyworkers needed to bring on additional apprentices under current ratios.

After speaking with experts from the trades and analyzing best practices from across the country, this bill removes a major barrier to employment by setting a standardized 1:1 apprentice-to-journeyworker ratio. This will ensure that Wisconsin contractors and employers have the ability to hire additional apprentices and fill open positions, while maintaining a safety standard that is recognized by many states across the nation. In fact, a number of states have higher ratios for specific professions, such as a 3:1 ratio for electricians in Iowa. This bill will still give the state the flexibility to set a higher ratio, but starts at a baseline of 1:1.

This bill also removes the statutory apprenticeship lengths for carpentry and plumbing. Current law gives special treatment to these professions with a 4-year minimum for carpentry apprenticeships and a 5-year minimum for plumbing apprenticeships. The bill would level the playing field with other professions and give the apprenticeship advisory councils the flexibility to adjust apprenticeship lengths to match modern training standards. For example, electricians recently adjusted their minimum apprenticeship length from five years to four years.

Wisconsin has made great strides over the past six years to encourage the importance of work and lower barriers for individuals seeking gainful employment. This bill is yet another reform to help people achieve their piece of the American dream by ensuring that the government is not getting in the way of opportunities.

Thank you, Mr. Chairman and Committee members, for your time and consideration of this bill. At this time I am happy to answer any questions from the committee.

Rob Hutton

STATE REPRESENTATIVE • 13TH ASSEMBLY DISTRICT

October 4, 2017

To: The Senate Committee on Labor and Regulatory Reform
From: Rep. Rob Hutton
Re: Senate Bill 411

Testimony of Rep. Rob Hutton in Support of Senate Bill 411

Thank you to the Senate Committee on Labor and Regulatory Reform for hearing SB 411 today.

SB 411 seeks to address a pending shortage of workers in the construction industry. As the baby boomer generation nears retirement, they are not being replaced by other workers. With 78% of subcontractors nationwide reporting a shortage of workers it is clear that this problem will not be going away soon. In Wisconsin this shortage is especially acute with the upcoming construction of the multi-billion dollar Foxconn facility that will need thousands of workers in the next few years.

One of the primary restrictions to individuals entering many professions are administrative rules governing the number of apprenticeships allowable for a given profession. Current law allows that ratio to be set to require multiple journeymen per apprentice. This causes a continuing shortage of workers as companies seek to find journeymen to fill the necessary slots in order to bring more apprentices on.

This legislation would set the default ratio at one journeyman to one apprentice with the option of allowing more apprentices per journeyman as the specific trade sees necessary. Doing this will allow companies to bring more apprentices on board.

This bill would also remove the statutory language regarding the length of the carpentry and plumbing apprenticeship. Instead, it allows the length of those apprenticeships to be brought in line with best practices of the occupation the same way as all other apprenticeships.

Thank you again for the opportunity to testify. I look forward to answering any questions you may have.



Wisconsin Chapter

**Senate Committee on Labor and Regulatory Reform
Testimony in Support of Senate Bill 411
Associated Builders and Contractors of Wisconsin, Inc.**

October 4, 2017

Thank you, Chairman Nass, for holding a public hearing on Senate Bill 411 and I thank Senator Kapenga and Representative Hutton for introducing this legislation.

I am John Mielke, President of Associated Builders and Contractors of Wisconsin, a construction trade association made up of nearly 900 members. On behalf of ABC of Wisconsin, I am testifying in favor of SB 411 because it will help address the skills gap without costing additional tax dollars.

Background on ABC of Wisconsin

- Currently training in 12 different trades.
- We are currently training approximately 1,300 apprentices approved under the Bureau of Apprenticeship in the Department of Workforce Development.
- We have been an approved apprenticeship sponsor for 30 years.
- Majority of our related instruction is provided through the Wisconsin Technical College System at 9 technical colleges.

Background on the skills gap

- There is a construction workforce shortage.
- ABC has heard from members who cannot hire as many apprentices as they want to train because of current DWD rules that are prohibitive, if not convoluted.
- For example, if you want 1 painter apprentice, you need 1 skilled worker to oversee them. But, if you want to bring on 4 painters, you need 12 skilled workers to oversee them. Laborer is 2 skilled for 1 apprentice until you get to 10 apprentices, at which point it jumps to 22 skilled workers and thereafter 5 more skilled workers for each additional apprentice.
- We have had employers who have two great candidates for the apprenticeship program, but can only start one because of the current ratio. It's hard for contractors to face this kind of decision and risk losing a good candidate to another trade or different career.



Senate Committee on Labor and Regulatory Reform
Testimony in Support of Senate Bill 411
Associated Builders and Contractors of Wisconsin, Inc.

October 4, 2017

Wisconsin Chapter Benefits of Ratio portion of SB 411

- Wisconsin is behind compared to some neighboring other states. Iowa, Utah, North Dakota, Colorado, Nebraska, and the federal government have 1-1 ratio. Michigan just passed a law that allows 3 electrical apprentices to serve under 1 skilled worker.
- This change in law will allow more skilled workers to get into the building trades without costing taxpayers any more money or endangering safety.
- Market will drive good safe training for the rest of the trades
- Not every companies structure will allow for a one to one. But some of our companies would benefit from a 1:1 ceiling.
- This is not requiring apprenticeship trainer to train at this level but allowing flexibility.

Take the mandatory apprenticeship length for carpentry and plumbing out of statute.

- Out of all the construction trades, only TWO have the length of the apprenticeship set in statute. All other trades' lengths are set by a joint management – labor advisory committee specific to that trade.
- This legislation is not an effort to reduce the length of the Plumbing Apprenticeship. ABC of Wisconsin supports a five-year program for Plumbing Apprenticeship. This legislation simply puts the length of apprenticeship in the hands of the State Plumbing Apprenticeship Advisory Committee and State Bureau of Apprenticeship Standards, similar to virtually all other apprenticeship programs, such as HVAC and electrical.
- For example, recently the electrical apprentice advisory committee made up of labor and management unanimously changed the electrical apprenticeship so it would be possible to finish in 4 years rather than 5. That would not be possible for carpentry and plumbing.

Thank you for considering these points. I would be happy to answer any questions you may have.

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Scott Walker, Governor
Ray Allen, Secretary

Senate Committee on Labor and Regulatory Reform

Testimony on Senate Bill 411

Andrew Evenson, Legislative Liaison, Department of Workforce Development

Chairperson Nass and members of the Senate Committee:

I am Andrew Evenson, the Legislative Liaison for the Department of Workforce Development (DWD). On behalf of DWD, I would like to thank you for allowing me to testify for information only.

For over 100 years, the Wisconsin Registered Apprenticeship Program has provided training to rigorous industry standards in a variety of occupations. While registered apprenticeship remains a unique on the job training option that benefits apprentices and employers alike, its future growth and continued success required that it adapt and reflect changes in the Wisconsin workplace and the American workplace. Wisconsin has done this by creating pathways in several new, in-demand industries over the past two years.

Federal regulations CFR 29 Part 29 sets forth the framework for the registered apprenticeship program. The framework requires each apprenticeship program to address the requirement of a numeric ratio of skilled workers to apprentices. Currently, that ratio varies by industry and is set by the Apprenticeship Council.

Senate Bill 411 prohibits DWD from prescribing, enforcing, or authorizing a ratio of apprentices to journeymen more than one journeyman for each apprentice to increase the number of sponsors and apprentices in Registered Apprenticeship.

Currently state statute establishes minimum terms for carpentry (4 years which may be extended an additional year) and plumbing (5 years which may be extended an additional year) apprenticeships. SB 411 repeals the minimum terms and allows the Apprenticeship Council to determine minimum terms as they already do for other trades.

I would be happy to answer any technical questions you may have. Thank you again for your time and for the opportunity to testify today.

Apprentice to Journeyworker Ratios and Revisions by State Trade Advisory Committee



State Committee	APR:JW Ratio as of Jan 1, 2017	Revisions
Arborist	1:1	Revised 2017 Implemented 2016.
Auto Fire Sprinkler Fitter	1:1	No change since 2010.
Barber & Cosmetologist	1:1	No change since 2010.
Carpentry	First APR may be employed when 1-3 JWs are employed. Thereafter, 1:3.	No change since 2010.
Construction Craft Laborer	Initially, 1:1. Thereafter, 1:2 up to and including 9 APRs. Thereafter, 1:5.	Revised July 2017. Revised June 2016. Revised July 2014.
Electric Utility	1:1	No change since 2010.
Electrical & Instrumentation	1:1	No change since 2010.
Electrical Construction	Initially, 1:1. May employ 2nd APR with 3 or 4 JWs; two more JWs than APRs between five and twelve JWs; and thereafter, one APR for two JWs.	No change since 2010.
Glazier	Initially, 1:1. Thereafter, 1:3.	No change since 2010.
Industrial Mech. & Fluid Maint	1:1	No change since 2010.
Heat & Frost	Initially, 1:1. Thereafter, 1:3.	No change since 2010.
Ironworking	1:4	No change since 2010.
Machine Tool	1:1	No change since 2010.
Masonry	1:1	No change since 2002
Painting & Decorating	Initially, 1:1. Thereafter, 1:3.	No change since 2010.
Plumbing	Initially, 1:1. Two APRs, 3 JWs. Three APRs, 4 JWs. Four APRs, 5-6 JWs. Five APRs, 7-9 JWs. Six APRs, 10 JWs. Thereafter, 1:2.	No change since 2010.
Roofer & Waterproofer	Initially, 1:1. Thereafter, 1:2.	No change since 2002
Sheet Metal	Initially, 1:1. Thereafter, 1:2.	No change since 2010.
Steamfitting	Initially, 1:1. Thereafter, 1:2.	No change since 2010.
Wastewater Treatment	1:1	Began 2012. No change

SB 411

Statement of Brian C. Hlavin on behalf of Operating Engineers Skill Improvement and Apprenticeship Fund in opposition to SB 411

Good afternoon, and I wish to thank the committee for their attention during this statement in opposition to SB 411. My name is Brian Hlavin. I am a licensed attorney in both the State of Wisconsin and the State of Illinois. For the past 25 years, I have practiced in the areas of labor law and along with the other attorneys in my Firm have represented over a dozen apprenticeship funds throughout both States.

For the past fifteen years, I have served as Fund Counsel to the Operating Engineers Skill Improvement and Apprenticeship Fund located in Coloma, WI. For those of you who have not visited their facility, I strongly recommend that you do so to see first hand their state of the art facilities used to provide the highest level of classroom and hands on instruction to those learning the trade of heavy equipment operators.

As you know, the Operating Engineers Skill Fund, and similar apprenticeship funds, is a Taft-Hartley trust fund and commonly known as a "welfare fund," administered pursuant to the Employee Retirement Income Security Act. Accordingly, this Fund is governed by a Board of Trustees comprised of an equal number of members appointed by management and labor.

Further, the apprenticeship program is regulated by the US Department of Labor Bureau of Apprenticeship as well as the State of Wisconsin. To be compliant, the Apprentice Standards must satisfy those agencies' regulations, including on the issue of apprentice ratio to journey-worker. Similarly, the underlying collective bargaining agreements between Local 139 and its signatory employers are what commit these employers to the apprenticeship program and establish the funding mechanism for the program. More importantly, Local 139 and the signatory employers have over the years negotiated through the federally protected collective bargaining process the apprenticeship ratio for their industry that provides for the most effective and safe training of apprentices on job sites.

It is with this background that I respectfully state that in my opinion, SB 411 is fundamentally flawed by mandating no more than one journey-person for each apprentice in order to be approved by the State.

First, this requirement is contrary to the USDOL's recognition of the State of Wisconsin as a certified bureau to regulate apprenticeships at the State level. To obtain and maintain such status, the State bureau must meet the minimum requirements set by the USDOL. On the issue of apprenticeship ratios, the USDOL has clearly established that such matters are not to be established by the governmental body. Rather, the private parties to the program are to establish such ratios based upon the following factors: supervision, training, safety, continuity of employment, CBA, and job site, workforce, department or plant. US Code of Fed. Reg. Title 29 - Part 29.5(b)(7).

The USDOL understood that a hard line ratio set by the governmental agency does not recognize the specific needs, issues and safety concerns of the specific occupation. A heavy equipment apprentice is not the same as a butcher's, auto mechanic or robotic technician. Each occupation faces its own unique skills, environment and safety concerns. Accordingly, the USDOL mandates that this issue must be left to the private parties within the specific industry to establish the ratio consistent with the above factors. To do so otherwise limits the lengths to which parties may address particular safety concerns and erodes the very protection and safeguards that these standards were created to provide. SB 411, by deviating from this mandate, results in the de-recognition the State's regulatory authority. As such, the law will not only be unenforceable by the State upon its very enactment, it will also lead to less safe working conditions, increased unemployment for journeyworkers and increase danger to the public as less skilled workers without proper supervision will be building roads, handling our food and designing our technology.

Please note that currently the Apprenticeship Fund Trustees, comprised of management and labor representatives, meet regularly to determine what ratio provides the most cost-effective, productive and safe training for their specific industry. What may work in the food industry is not the same as the construction industry. By the State legislating a specific ratio, the State is interfering with the private market place deciding for itself what is best for the industry.

Moreover, USDOL regulations further require that recognized states provide the Office of Apprenticeship with the opportunity to review all potential changes to the state's apprenticeship law and obtain the Office of Apprenticeship's concurrence prior to implementation. See, 29 CFR 29.13(b)(9). Without this overview, SB411 places the state's recognition status in peril.

Next, as stated above, the Fund is governed by ERISA. ERISA by its terms preempts any and all State laws as they may now or hereafter relate to employee benefit plans Section 514 of ERISA, 29 U.S.C. §1144. Here, SB 411 clearly "relates to" the plan because the apprenticeships certification depends upon its compliance with SB 411. Absent compliance, the fund ceases to be recognized by the state. By mandating the specific structure of the Fund, It is my opinion that SB 411 would be pre-empted by ERISA as an improper restraint that relates to the Fund.

Finally, as stated above the ratio is subject to negotiations as part of the collective bargaining process. Here, by establishing a firm ratio, the State has interfered with a mandatory subject of bargaining under the National Labor Relations Act and interfered with the regulatory scheme of the NLRA and the policies implicated by the Act. Again, this results, in my opinion, in SB 411 being pre-empted by the NLRA. As the Supreme Court has held, private sector collective bargaining is outside the purview of the States. Machinists v. Wisconsin Employment Relations Commission, 427 U.S. 132 (1976); San Diego Building Trades Council v. Garmon, 359 U.S. 236 (1959). The Machinist preemption doctrine provides that state regulations which intrude on the parties' collective bargaining process will be preempted. Here, the NLRA clearly establishes that the Federal government shall regulate this area. As such, the Federal Courts will strike down any state law that seeks to regulate matters that frustrate the collective bargain process by the imposition of substantive requirements as to virtually dictate the results of the CBA terms.

Here, SB 411 by setting the only permissible ratio of journey worker to apprentice eliminates a provision that has been historically the subject of bargaining is a clear violation. It does not establish a minimum labor standard, but rather provides a disincentive to collective bargaining and when parties cannot negotiate their own arrangements and statutes intrude upon the collective bargaining process, preemption will apply. See, 520 S. Michigan Ave. Assoc. Ltd. v. Shannon, 549 F.3d 1119.

In conclusion, I restate that Operating Engineers Skill Improvement and Apprenticeship Fund is opposed to SB 411. These apprenticeship programs have existed under the current regulatory scheme for decades. Allowing the private parties to these programs to contractually agree to what ratio is best for their industry is what makes them successful. Again, it is our position that the State should not assert itself into the free market process by dictating a specific ratio for all.

Thank you.



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October 4, 2017

Dear members of the Committee on Labor and Regulatory Reform,

Thank you for the opportunity to speak. My name is Natalie Goodnow and I am a Research Fellow with the Wisconsin Institute for Law & Liberty, a not-for-profit law and policy organization in Milwaukee. Today I will be testifying on SB 411.

As the country moves towards expanding apprenticeship opportunities, it is fitting that Wisconsin – the first state in the nation to pass legislation creating a registered apprenticeship system – be at the forefront. Wisconsin’s economic activity – bolstered by Foxconn – places a renewed emphasis on the need for skilled workers. This new bill could allow businesses to hire more apprentices by reducing legal burdens on them.

In this testimony I will talk about how changing the apprentice-to-journeyworker ratio does three things: 1) helps employers fill their demand for skilled workers; 2) keeps costs down for consumers and employers, and increases job opportunities; and 3) better aligns Wisconsin with national trends.

1. SB 411 helps ensure employers have enough skilled workers to fill their employment needs

Often an alternative path to two- or four-year colleges, apprenticeships are a win-win for both employers and job-seekers. Companies are able to train people to fill their precise skill needs, and job-seekers get a hands-on education and improved employment opportunities and earning potential.

Unfortunately existing Wisconsin law makes it difficult for some employers to hire additional apprentices. Using a system of, sometimes complex, ratios, the Department of Workforce Development (DWD) mandates how many apprentices a business can hire. These ratio rules limit the hiring of apprentices relative to the number of journeyworkers employed.

The ratios vary by industry and often change with the hire of apprentices. For example, in carpentry, the ratio starts at one apprentice per one journeyworker. But, if a company wishes to hire an additional apprentice, they must employ three journeyworkers per apprentice.

Research by the C. D. Howe Institute in Canada and the Yankee Institute in Connecticut suggests that requiring a high number of journeyworkers to apprentices can result in too few apprentices being trained to fill the employment needs of businesses. They also found that high ratios are likely to harm smaller businesses with fewer journeyworkers and reduce their incentive to expand.

Take for example Paul Breglia, owner of Crest Mechanical Services in Connecticut. According to Breglia, “There’s a dearth of journeymen. The older guys are retiring and we need apprentices to train the next

generation.” Data from the Consumer Protection Department verifies that the number of journeymen in Connecticut is declining. Breglia says Connecticut’s ratio rule restricts him from taking on more apprentices, though. “I would have to hire three more guys to take on one more apprentice.”

Of course, changing the apprentice ratio does not mandate that businesses hire more apprentices. It simply gives them the flexibility to do so.

2. Lower ratios keep costs down for consumers and employers and increase job opportunities

The Howe study also concludes that: “journeyperson-apprentice ratios above one [to one] result in 38 percent fewer young workers – those between the ages of 25 and 34 – in a trade.” This suggests that higher ratios “reduce total employment in a trade by dissuading workers most likely to start a new career from entering a trade or by diminishing the ability of firms to hire younger workers.”

The C.D. Howe Institute and Yankee Institute also found that higher ratios drive up the cost to do business by limiting the labor pool, which can lead to an increase in workers’ wages. This in turn drives up the costs to the consumers.

Under the bill, DWD would not be able to “prescribe, enforce, or authorize” apprenticeship ratios that require more than one journeyworker to one apprentice. This bill, which would level the ratios across industries, would allow employers to expand their apprenticeship programs and take on more apprentices.

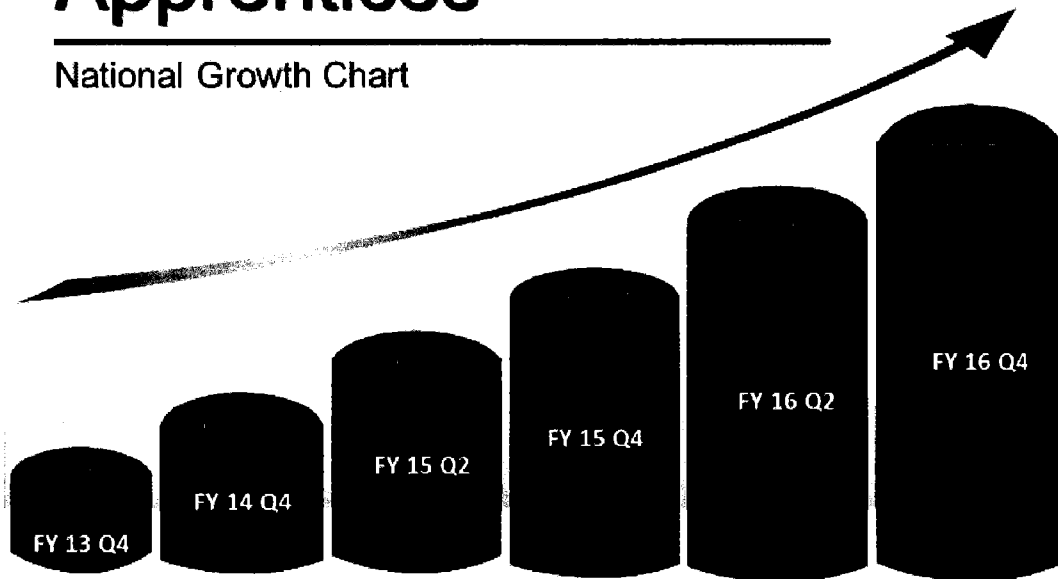
Some may argue that the bill will lower safety standards and quality of work. Safety and quality should certainly be maintained in order to protect employees, employers, and consumers. The question is if this bill would promote unsafe and sloppy practices. Though the bill would lower the ratio of journeyworkers to apprentices, it wouldn’t give free rein to apprentice programs. Programs would not be able to suddenly have one journeyworker to ten apprentices. Oversight from DWD would still be required to make sure safety standards are being followed. Researchers at C.D. Howe make the recommendation that rather than limiting entry into apprenticeship programs, regulations should instead focus on quality of work done. Maintaining high quality and safety standards should be a priority, but do not need to be accomplished by limiting job opportunities.

3. Expanding apprenticeship opportunities aligns Wisconsin with national trends

Other states have led the way toward lowering the apprentice-to-journeyworker ratios. According to the U.S. [Department of Labor](#), the occupation with the highest number of apprentices in 2016 was electrician, so I will use that as my comparison point. In 2016, the Michigan legislature changed the state’s [ratio rule](#) for the electrical industry to one journeyworker to up to three apprentices. Other states with this ratio for their electrical industry include Iowa, Utah, North Dakota, Colorado, and Nebraska. Wisconsin, by comparison, is much more restrictive; the [electrical ratio](#) for journeyworkers to apprentices is one journeyworker to the first apprentice, then three to four journeyworkers to the second apprentice, etc.

Apprentices

National Growth Chart



Source: United States Department of Labor

A shift toward expanding apprenticeship opportunities isn't just happening at the state level. The Obama Administration awarded millions in grants to increase apprenticeship opportunities. And this June President Trump signed an executive order reducing the federal government's role in creating and regulating apprenticeship programs. The goal of this order is to give businesses and agencies more freedom to design apprenticeship programs, hopefully increasing the number of apprenticeship slots and helping industries fill their massive need for employees. Just the construction industry and members of Associated Builders and Contractors alone need half a million workers to fill existing jobs.

"Today's apprentices will construct the roads and bridges that move our citizens, they will bend the metal and steel that shape our cities, and they will pioneer the new technology that drives our commerce," said President Trump in a June speech.

Unfortunately in Wisconsin the current apprenticeship ratio laws deter people from entering certain professions. With this bill, the legislature can fix that.



2017 Senate Bill 411
October 4, 2017

Jeffrey J. Beiriger
Executive Director
Plumbing Heating Cooling Contractors – Wisconsin Association

Good afternoon. My name is Jeff Beiriger and I am the Executive Director of the Plumbing Heating Cooling Contractors – Wisconsin Association and the Master Plumbers Association of Wisconsin. I am testifying for information only on behalf of PHCC-Wisconsin.

As we understand it, there are two parts to SB 411 – apprentice to journey person ratios and the minimum duration of an apprenticeship. Let me address each and then share a few additional thoughts regarding SB 411 and our industry.

With regard to ratios, we don't have any particular concerns with this change, but we think it's important to keep expectations in check. Right now, there are few employers who are training at the maximum allowable ratio. That's not necessarily because there aren't enough applicants to our programs. In many cases, it's a result of there not being enough employers who are making the business decision to train. It's not that the industry doesn't know it must train workers as apprenticeship has been part of our

history for a very long time. What's new to all of us is an urgency to train workers borne from changing demographics and a weak construction economy in the early part of this decade. Business owners couldn't add apprentices without the work to support them and this pause came at the worst possible time. But while a stronger economy has created more opportunity, that doesn't mean we can double or triple the number of apprentices overnight and still provide the quality training that our business owners want and apprentices expect. Beyond that, there are some employers, like those doing service work, are always going to be challenged to find opportunities for apprentices. Some employers don't have journey-level workers who can be trainers. Some employers, often in smaller communities, don't have full-time plumbing work necessarily and need their techs to be able to do heating and cooling, pump installing, inspections, and other work to cobble together a full-time job. That's a tall order for a new entrant into the industry.

The second aspect of SB 411 is the length of the training program. Our initial reaction was negative because we feared that this legislation would dictate that the length of the apprenticeship would be changed to one year. Our members know that apprenticeship programs, at least in this industry, take longer. To create a uniform standard for the minimum

duration of an apprenticeship is not our concern. Our concern would be the exclusion of the industry in determining how it should train its future workforce. If state apprenticeship trade committees will continue to serve that role, something we would prefer to see in the legislation, then that objective will be met. We prefer the existing language, but it is the goal of all of this that is more important. We want our employers to continue to have a role in the development of training programs, including the material covered and the length of time to complete the program. In the end, the industry wants to ensure that its future workforce continues to be the product of high standards and a challenging curriculum. For our business owners, the end-product of these training program – is their product. Training matters because it is the skills of the worker, more than faucets and fixtures, that we are selling.

There are a few additional references in SB 411 for which we would appreciate clarification. On page 3, line 18, there is new language regarding the DWD having authority to determine the level of supervision for an apprentice and the character of plumbing work. This language is not addressed in the LRB analysis and our members have asked for this to be fleshed out in greater detail. If the interest is solely on ratios and length of term, this language need not be part of SB 411 to accomplish that end. Its

inclusion suggests that there is a reason for that language to be part of this bill and we'd appreciate any insights that can be shared.

In the end, our industry is one that is receiving increased attention as the pendulum swings back from "everyone must go to college" to one where the trades are once again seen as a place of opportunity. At least for some. The trades still have an uphill climb before they are on a level playing field with the college-bound. Shop classes can't be a thing of the past. Schools can't be judged solely by their college-bound percentages.

The trades aren't a place for those who can't go to college. They are a place for those who choose not to go to college, even if they could. They are a place where people can use their heads and their hands. They are for people who are smart but who prosper where they can see and then do and not simply learn from a lecture or a book.

There's an opportunity to start there. If any portion of our worker shortage can be blamed on the negative talk about the trades, let's address that even as we consider this bill. Let's talk about the trades as an alternative to college. One where you earn as you learn. One where you don't have any student loans. One where you can learn a skill that will always be needed in our state. One where your skills can help build a Habitat home or rebuild a community after a tornado has come through.

One where employers and employees contribute to training and ask for little or nothing in the way of government support. One where there are opportunities for those who want to learn more. One where business ownership is a real possibility. It's there that we believe we need to focus our collective attention as we look to rebuild our ranks.

Ask any contractor and they'll tell you that finding and retaining a future workforce is one of their top two or three business concerns. SB 411 probably doesn't hurt the industry any and maybe it even helps a little.

What would help even more is to change the message about who we are and what we do. Let's praise those who choose the trades as much as those who choose college. Let's respect a journeyworker the same way we do a college grad. And let's support high standards in training that serve our apprentices and business owners for many years to come.

For more information:

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Why We Need the Ratio Change

May 2016 Bureau of Labor Statistics – Plumber's

1. Number of Plumbers 6,363 Wisconsin
 Master Plumbers 2,874
 Journeyman Plumbers 2,576
 Plumbing Apprentices 913
 Present Day Ratio 1:6
2. Employment per 1,000 jobs 2.304
3. Medium hourly wage \$32.65
4. "Employment of plumbers, pipefitters, and steamfitters is projected to grow 21 percent from 2012 to 2022, faster than the average for all occupations."
5. Their projection from 2010-2020 was for 26 percent growth in plumbing jobs, so this is actually a drop in their projection.
6. Demand for plumbers will stem from new building construction and stricter water efficiency standards for plumbing systems, such as low-flow toilets and showerheads. Replacement of our aging infrastructure.
7. The construction of new power plants and factories should spur demand for pipefitters and steamfitters. Employment of sprinkler fitters and plumbers is expected to increase in states that adopt changes to the International Residential Code (IRC), which requires new single-and-double-family homes to have fire sprinkler systems." The IRC, the source for building codes in every State in the Union, created a new requirement in 2012 for newly built (not remodeled) single-family homes to have fire sprinklers.
8. The Bureau anticipates higher than average retirements among plumbers in the next decade. Plumbers' average age is quite a bit higher than most trades.
9. The Wisconsin Technical College System added a semester just devoted to "Green Plumbing Application". Day School Hours increased from 500 to 572.
10. Green Plumbers – Certification
11. 4 year or 5 year? Why are apprentices completing their education in 4 years yet sitting for a year before writing their test?

This ratio change is not about labor it's about "Skilled Labor"
"Knowledge + Experience = WISDOM"

Patrick O'Neill
WCTC Plumbing Instructor
Master Plumber #225344
Plumbing Designer D-2215-P



AMERICANS
for TAX REFORM

October 4, 2017

To: Members of the Committee on Labor and Regulatory Reform

From: Americans for Tax Reform

Re: Senate Bill 411

Dear Senator,

On behalf of Americans for Tax Reform (ATR) and our supporters across Wisconsin, **I urge you to support SB 411**, legislation introduced by Senator Chris Kapenga & Rep. Rob Hutton that would remove policy roadblocks that prevent the hiring of new apprentices and the expansion of apprenticeship opportunities in Wisconsin.

American employers have millions of jobs they need to fill, but are unable to find workers with the requisite skills. The expansion of apprenticeship opportunities in the U.S., and the enactment of state and federal policies to permit such expansion, is crucial to closing the skills gap and providing job opportunities that will allow Americans to earn an income while learning the skills needed to compete and thrive in the 21st century. Removing misguided rules and regulations that stand in the way of apprenticeship expansion is the best place for state lawmakers to start, and that's exactly what SB 411 would do.

Under current law, there are some trades where multiple journeymen are required to hire and train a new apprentice. These apprenticeship ratios are arbitrarily established and vary by trade with no rhyme or reason. The current system makes no sense and prevents businesses from hiring and training needed workers. The status quo also prevents Wisconsin residents from apprenticeship opportunities that provide income and a career path while teaching valuable skills that are in demand. SB411 would end the state's nonsensical apprenticeship ratio system that is variable by trade, and move to an across the board 1:1 journeyman-to-apprentice ratio, while allowing the hiring of even more apprentices per journeyman, should a trade deem it appropriate.

This reform represents an important first step toward creating an environment where the opportunities for well-paying jobs are plenty and where employers can find workers with the needed skillsets. As such, **I urge members of the committee to support and vote YES on SB 411**. I thank you for your public service and your leadership in providing billions of dollars in tax relief to Wisconsin taxpayers over the last six years. Enactment of SB 411 would add to the already long list of pro-growth reforms that you and your colleagues have enacted in recent years. If you have any questions or if ATR can be of assistance, don't hesitate to contact me or Patrick Gleason, ATR's director of state affairs, at pgleason@atr.org or 202-785-0266.

Sincerely,



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