

**MEMORANDUM**

TO: Current and Potential Sponsors of Apprenticeships in Alabama

FROM: Joshua J. Laney, Director, Alabama Office of Apprenticeship

RE: Policy on Completion Wages

DATE: 12/01/2021

MEMO REF NUMBER: 2021-001

The Alabama Department of Commerce and Alabama Industrial Development Training (AIDT) have conducted studies demonstrating significant measurable gains in job applications, reductions in no-show rates for interviews, and improved completion of pre-employment training when entry wages are increased. In coordination with industry partners and associations, Commerce is implementing a policy to only offer AIDT services and other state funded supports to employers paying living wages. Such living wage programs offer a return on the investment of state support dollars and incentives, as well as the opportunity for economic advancement of Alabama citizens. As a workforce function of the Department of Commerce, the Alabama Office of Apprenticeship (AOA) is implementing a practice aligned with and based on the Commerce policy. The AOA policy establishes minimum rates of pay for the completion of apprenticeship training programs instead of minimum starting rates.

The completion pay rate of apprenticeship programs shall be no less than \$13.50/hour at the conclusion of one year of training as a registered apprentice. This amount shall be treated as a benchmark and unique circumstances of local living wage, job availability, labor availability, and other factors may be considered by the AOA to adjust this wage as appropriate to conditions. The director of the AOA maintains final discretion regarding any variance from the established completion wage benchmark. This rate requirement is effective immediately and applies to any newly registered program or any program for whom standards are being revised. Technical assistance is available upon request to sponsors with questions about how to establish wage benchmarks. The AOA will maintain alignment with Commerce recommendations for wage floors should those amounts change in the future, and AOA project managers will coordinate those changes with the programs they support.



cc: Alabama Apprenticeship Council