

12/3/13

Written statement of Jeffrey S. Kelly, CEO of Hamill Mfg. Co.

Good Morning! Thank you for the opportunity to comment on HB 1725 (CareerBound) and the impending bill on PA WInS. Before I begin, I want to establish my credibility as a leader in the struggle to find and develop the next generation of skilled workers for manufacturing and other related industries that rely on such skilled people.

My company, Hamill Manufacturing Co., located in Penn Township Westmoreland County, has been involved with the Navy Nuclear Program since the company was founded in 1952. This program requires the manufacturing of highly precise, complex equipment that runs our Navy submarines and aircraft carriers. We have the skilled machinists, welders, inspectors and other support technicians – 125 strong – that do that.

The greatest threat to our future success will be an inability to attract, train and retain the skilled workers that we need. The demographics of the “baby boom” generation are a reality that means many, and in most cases, the majority of the highly skilled workers are now, and in the near future, leaving the workforce. Replacing them is a huge challenge.

Hamill has had and continues to run a highly successful apprenticeship program that we operate in conjunction with the Pittsburgh chapter of the National Tooling and Machining Association (NTMA). We currently have 7 enrolled and we graduated 5 in June. The program is expensive, but we realize that someone has to train. Perhaps the greatest threat to our program is the losing of trained apprentices to larger companies that refuse to train. For many large manufacturers have as their workforce development strategy “poaching”. Hamill and its NTMA colleagues have been trying for years to get the poachers to develop their own training programs – largely to no avail. Pa WInS, through the use of tax credits, just might help to get companies that now poach to consider in house apprentice programs.

Hamill, because of its extensive involvement in the community, has developed wonderful relationships with the three Career and Technical Centers in Westmoreland County. As a result, we are able to keep our pipeline of young people interested in machining and welding full. The problem is that there aren't enough young people in these programs to fill all the needs of the companies in the Commonwealth.

We recognize that the essential components of any workforce development strategy are recruiting, training and retention. It's like a three-legged stool! Training is the one component that most companies have mastered. It is the one area that the public sector and the education system seem to understand. They do well at providing the needed services to facilitate such.

Retention is entirely the responsibility of a company. What can get complicated is a market where the shortage of skilled labor will drive companies to poach from competitors and vendors. This disruption is best overcome by eliminating the shortage. That is the role the public sector can play by providing a supply of skilled talent to an

industry. In my view that can best be accomplished by the private sector doing the training and the public sector providing the incentive through tax policy to encourage the private sector to train.

The most problematic leg of the stool is recruiting. For most young people in our society, careers in manufacturing and the skilled trades are not even on their radar. They are completely unaware of the existence of such careers. So a priori of recruiting is a factor that we call "awareness". I perceive that CareerBound will attempt to address the "awareness" issue.

Hamill has long recognized the aspect of "awareness" when it comes to recruiting. How do you get young people to even know you exist and that you offer a wonderful career opportunity for them? You have to make them aware!

Nine years ago, when I was serving on the national executive team of the NTMA, I witnessed an event in Orlando where hundreds of young people were participating in a combat robot program called BattleBots IQ. What I saw was hundreds of young people being exposed to STEM related subjects and manufacturing disciplines through the milieu of building and competing a 15 pound robot.

I brought the idea back to SWPa and challenged a group of NTMA members, WIB members and schools to try to have a bots program of our own. Next March and April, the SWPa BotsIQ program will hold its 9th competition. It has grown to over 50 schools and 72 teams from 13 counties. As a matter of perspective, in the first year we had 5 schools and 7 teams from 2 counties!

The power of the Bots IQ program is that was started by private industry and aided and supported by our WIB, some school districts, several industry groups, the foundation community and a highly resourceful and dedicated group of volunteers. The children who participate get an in-depth exposure to all the STEM related subjects plus industry related experiences such as machining, welding, assembly, electronics, pneumatics, design, procurement, budgeting, engineering and teamwork.

My hope is that the CareerBound bill will incorporate the BotsIQ program as a template for building a successful industry/education collaborative that will make our young people aware of the many successful careers that can be had in manufacturing and those industries requiring skilled workers.

Now I would like to engage in a dialog with all of you present to consider how we can make the two bills under consideration relevant to industry needs. My hope is that they will truly help solve the existing and ever increasing problem of finding and developing the next generation of skilled workers.