

ASSOCIATED BUILDERS & CONTRACTORS TESTIMONY

Before the House Select Subcommittee on Technical Education & Career Readiness

March 18, 2016

Good morning Chairman Grove, Chairman Harkins, and members of the House Select Subcommittee on Technical Education and Career Readiness and thank you for allowing me to testify on the private sector needs with regard to technical education and career readiness. My name is Katy Rittle and I am the Director of Education & Workforce Development for the Western Pennsylvania Chapter of the Associated Builders & Contractors (ABC), based in Gibsonia, Pennsylvania.

The Associated Builders & Contractors is a national construction industry trade association representing nearly 21,000 chapter members. Founded on the merit shop philosophy, ABC and its 70 chapters help members develop people, win work and deliver that work safely, ethically, profitably and for the betterment of the communities in which ABC and its members work. ABC's membership represents all specialties within the U.S. construction industry and is comprised primarily of firms that perform work in the industrial and commercial sectors. Within Pennsylvania, ABC currently represents roughly 1,500 member companies across five chapter regions.

A core component of ABC's service as an association is the training and education that we provide for industries connected to skilled trades. Member companies routinely enroll employees in our federally registered apprenticeship classes for a variety of trades, ultimately ensuring that employee graduates can demonstrate a competency that meets or exceeds United States Department of Labor (DOL) standards. Not only are these better trained, better equipped employees now eligible to perform Prevailing Wage work, but they also have completed more than [REDACTED] hours of classroom instruction and over 8,000 hours of on-the-job training. This high threshold of commitment confirms a serious dedication to the skilled trade by the apprentice, while also illustrating an elevated level of competency. At ABC's

Western Pennsylvania Chapter, this standard for education is extended to the [REDACTED] trades that we offer education programs for: carpentry, electrical, [REDACTED].

Training and education is so essential to ABC's membership because, as you are aware, the United States labor force is facing precipitous declines in availability. A 2015 survey performed by ManPowerGroup found that 32% of employers reported difficulties in filling job vacancies. Perhaps even more concerning is that 48% - nearly half - of all employers acknowledged that a lack of available employees had a medium to high impact on their business. While the entire labor force is showing signs of a struggle, it is the skilled trades that are suffering the most. 2015 marked the sixth consecutive year that skilled trade positions were the hardest to fill in the United States. While there are several contributing factors to this statistic, the simple fact is that the construction industry cannot train new and younger employees fast enough to replace a rapidly aging workforce. The average age of a plumber is 58, only seven years away from retirement.

Without taking action soon, the cost of construction and even minor home repairs will become nearly unaffordable because of the lack of available skilled labor. We will be a nation without plumbers, electricians, and carpenters. But ABC feels that there are simple steps that can be taken to rectify this growing problem and allow private enterprise to grow and prosper in all fields.

First, while we are making efforts to turn our attention to traditional college alternatives such as trade schools, career & technical colleges, and apprenticeship programs, high schools are still routinely evaluated on college enrollment rates. Not only does this evaluation create a stigma for school professionals as well as students regarding available alternatives, but it continues to incentivize the college track. That track has led to \$1.2 trillion in total student loan debt and a 12.3% unemployment rate for workers under age 25. In essence, encouraging traditional college enrollment as the only option has caused massive student loan debt with no viable career path.

Secondly, the Commonwealth has not fully demonstrated its commitment to career & technical education through funding mechanisms. The 2014-2015 budget committed \$62 million to the 85 career & technical centers (CTCs) throughout the Commonwealth, or an average of just over \$729,000 per center. By contrast, roughly \$5.53 billion was appropriated in basic education to the state's 500 school districts – an average of \$11 million per district. By committing to adequately funding career & technical education efforts, the Commonwealth can demonstrate its dedication to college alternatives and the development of an emerging workforce in the skilled trades.

Finally, when the federal Department of Labor established its standards for apprenticeship, it reinforced an instructive ratio of 1:1, or one supervisory journeyman for every apprentice performing on-the-job training. In 1961, Pennsylvania implemented the Apprenticeship and Training Act, which, among other things, superseded the federal supervisory ratio. While signatory, or union, programs maintain that 1:1 ratio under collective bargaining agreements (CBAs), non-signatory, or open shop, programs, such as ABC's program, are subject to a 4:1 ratio. This bifurcated system means that open shop employers who are seeking to grow their workforce and encourage the development and training of new employees must dedicate four existing employees to the supervision of one new apprentice, crippling the ability to hire and train.

While we are encouraged that Pennsylvania has made efforts to place more importance on career & technical education, there are still several areas for improvement. It is critical to a vibrant future workforce that these changes be implemented to allow our businesses to succeed and prosper. Again, I thank you for your time this morning and I would be happy to answer any questions you may have.