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HOUSE OF REPRESENTATIVES

LABOR AND INDUSTRY COMMITTEE
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11:02 A.M.

PRESENTATION ON
WORKFORCE DEVELOPMENT

BEFORE:

HONORABLE JIM COX, MAJORITY CHAIRMAN
HONORABLE CRIS DUSH
HONORABLE TORREN ECKER
HONORABLE MINDY FEE
HONORABLE DAWN KEEFER
HONORABLE FRED KELLER
HONORABLE KATE KLUNK
HONORABLE RYAN MACKENZIE
HONORABLE DAVID MALONEY
HONORABLE LORI MIZGORSKI
HONORABLE ERIC NELSON
HONORABLE MICHAEL PUSKARIC
HONORABLE PAUL SCHEMEL
HONORABLE PATRICK HARKINS, DEMOCRATIC CHAIRMAN
HONORABLE MORGAN CEPHAS
HONORABLE MARIA DONATUCCI
HONORABLE JEANNE MCNEILL
HONORABLE GERALD MULLERY
HONORABLE ED NEILSON
HONORABLE ADAM RAVENSTAHL
HONORABLE PAM SNYDER

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*Pennsylvania House of Representatives
Commonwealth of Pennsylvania*

COMMITTEE STAFF PRESENT:
SHANNON WALKER
MAJORITY RESEARCH ANALYST

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P R O C E E D I N G S

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MAJORITY CHAIRMAN COX: Good morning. I'd like to call this meeting of the Labor and Industry Committee to order. If we could please rise for the Pledge of Allegiance.

(The Pledge of Allegiance was recited.)

MAJORITY CHAIRMAN COX: Well, I would like to welcome everyone to this hearing of the House Labor and Industry Committee. This meeting is being recorded, so please silence your phones, turn off electronic devices, and I'll try to do the same. I was the only violator of this the last time, so mine is officially off.

All right. I would ask that the Secretary please call the roll.

(Roll was taken.)

MAJORITY CHAIRMAN COX: Thank you. All right. I call this hearing today to hear from stakeholders who have an interest in or a role in workforce development.

It says it's on. All right. Give me a moment.

MALE SPEAKER: None of them are on, Chairman.

1 None of them are on.

2 MAJORITY CHAIRMAN COX: Hello? All right. We're
3 just going to have to wing it then.

4 MALE SPEAKER: Check, check. No, nothing.

5 MALE SPEAKER: If I need it, Chairman, I'll just
6 come over and --

7 MAJORITY CHAIRMAN COX: All right. Is this any
8 better? Not much at all.

9 MALE SPEAKER: The light was on.

10 MALE SPEAKER: The lights are.

11 MAJORITY CHAIRMAN COX: The lights are on but
12 nobody's home. We'll have to use our outside voices for
13 this then. Anyway, I invited the people here [inaudible]
14 because they're stakeholders and they have an interest in
15 workforce development. We're going to hear what is working
16 and what's not working, what you see as being beneficial,
17 what you see as being problematic in the current workforce
18 development system. And I'm not going to try to scare you
19 in one direction or another. We just want to hear, again,
20 like I said, what do you want to see improve? What is
21 working that you want to see more of, and what role is the
22 Department playing or not playing that you'd like to see?

23 So, first, we're going to hear from organizations
24 that represent our job creators. Employers, we know that
25 employers know what skills and attributes they need from

1 their workers because they're the ones doing the hiring.
2 And we need to hear what they have to say about the
3 workforce development system.

4 Today, with us we have from left to right Rebecca
5 Oyler, who's the Pennsylvania Legislative Director from the
6 National Federation of Independent Business. We then have
7 Alex Halper, Director of Government Affairs for the PA
8 Chamber of Business and Industry; and Carl Marrara, Vice
9 President of Government Affairs, PA Manufacturers'
10 Association.

11 Shannon Walker will be keeping our time. We have
12 asked each individual who is presenting here on the panel
13 to try and limit your comments and your inspirations to
14 five minutes or so. Shannon will give us a 30-second
15 signal, and [inaudible]. You hear that, you have 30
16 seconds to wrap it up. I will do my best to corral you
17 once that 30 seconds has expired. But I appreciate your
18 willingness to come here today.

19 And whoever'd like to begin, we can get started.

20 MR. HALPER: Thank you very much, Chairman Cox.

21 I guess is this -- we're not using them, so --

22 MAJORITY CHAIRMAN COX: [inaudible].

23 MR. HALPER: Well, let me know if you can't hear
24 me.

25 Chairman Cox and Chairman Harkins and Members of

1 the Committee, thank you very much for the invitation to be
2 here and to participate in this discussion. My name is
3 Alex Halper. I'm with the Pennsylvania Chamber of Business
4 and Industry. We're the statewide Chamber of Commerce. We
5 have over 10,000 Members throughout Pennsylvania in all
6 regions, all counties, crossing all industry sectors and
7 businesses of all sizes.

8 Workforce development is a challenge that seems
9 to permeate every sector of the economy, so we appreciate
10 the attention to this critical matter from the Committee at
11 this early part of the session.

12 Before coming to the hearing this morning, I was
13 at a rotunda where Governor Wolf is signing an Executive
14 Order creating the Keystone Workforce Development Command
15 Center. Our President Gene Barr is cochairing that command
16 center with a few others, including --

17 MAJORITY CHAIRMAN COX: I only want to interrupt
18 you to let you know that I've been informed from our
19 technical people that even though the speaker system and
20 the microphone doesn't appear to be working in the room, it
21 is working on the video stream system. So if you can act
22 as if we're hearing it through hearing, go ahead and speak
23 through your microphone with the light on. That will
24 apparently help those who are listening online.

25 MR. HALPER: Okay. Happy to --

1 MAJORITY CHAIRMAN COX: Thank you.

2 MR. HALPER: Happy to do that. Not at all.

3 Gene Barr will be cochairing the command
4 center with a few others, including Rick Bloomingdale from
5 the AFL-CIO. And it's certainly encouraging for the PA
6 Chamber to see both your Committee, as well as the
7 Administration, putting a lot of focus into this critical
8 matter, again, this early in the legislative session.

9 Every year, the PA Chamber conducts an economic
10 survey. We send surveys out to Pennsylvania employers,
11 both Chamber members as well as nonmembers, and ask a
12 series of questions. One question we always ask is
13 essentially what concerns you most as a business owner, as
14 a company? And typically, the responses rotate among the
15 top three over the last 30 or so years that we've conducted
16 the survey: taxes, cost of health care, and the economy in
17 general. Those have always been the top response. Until
18 this past survey conducted last year in September and
19 August, August and September, when the number-one concern
20 was workforce development and being able to find qualified
21 job applicants to fill open positions. This issue, again,
22 something that is a top priority for the PA Chamber, and
23 the responses from Pennsylvania employers really go on to
24 demonstrate that.

25 We also ask a series of questions in this survey

1 getting more specific on the workforce development. When
2 asked for the most common problems experienced when
3 interviewing and considering job applicants, the two most
4 popular responses by far were lack of soft skills, which 43
5 percent of respondents noted that as a top concern; and
6 lack of hard skills was the second-most important. So I'll
7 come back to that in a moment, but clearly, these two areas
8 of a job applicant's qualifications are of top concern for
9 Pennsylvania employers.

10 We also conducted a more specific survey a couple
11 years ago where we asked Pennsylvania employers -- first,
12 we asked them how they're faring when it comes to
13 addressing their own workforce needs. We then asked a
14 series of questions related to employers' interaction with
15 their local educational institutions, the extent to which
16 they invest in job training, and other questions related to
17 their own workforce development activities. And we saw a
18 very clear correlation between employers that make an
19 investment in job training and those that are more
20 successful with their own workforce needs.

21 We have really promoted that idea among our
22 members that working with local school districts on
23 curriculum development, engaging in mentoring programs,
24 apprenticeship programs, this is not about being a good
25 member of your community, and it's not about community

1 service, although that may be a good secondary benefit.
2 This is what successful companies do, and that's why
3 employers are really going to have to be at the forefront
4 in addressing workforce challenges.

5 You know, we reached out to a number of employers
6 in preparation for this hearing today, and there was a wide
7 range of responses. You ask some businesses how are the
8 workforce development programs being administered and
9 handled in your community. Some will say they're perfect,
10 don't change a thing. Others say they have not helped us
11 at all. And that's what can be a challenge when it comes
12 to public policy is, when it comes down to it, it's often
13 the individuals who are administering the programs and how
14 successfully they coordinate within their communities that
15 really make a big difference.

16 I'd also want to note, as it relates to the soft-
17 skills issue, employers will tell us they are interested in
18 investing more in job training, working with WIBs, working
19 with educational institutions, and investing more. What
20 they feel they may not be qualified to do, though, is teach
21 employees and job applicants what they consider to be
22 fundamental prerequisite skills for a job, showing up on
23 time, all the things that we've all heard about, working
24 with others, taking direction. And that's why we also need
25 public policy that helps encourage those skills, whether

1 it's in the schools, whether it's encouraging job creation
2 for the types of positions that high school and college
3 students usually take where they often learn these skills.
4 That has to be part of the equation as well.

5 I appreciate again the opportunity to be here and
6 the latitude with the timing and certainly happy to answer
7 any questions.

8 MAJORITY CHAIRMAN COX: Thank you.

9 Next, we'll hear from Rebecca Oyler with the
10 Pennsylvania National Federation of Independent Business.

11 MS. OYLER: Chairman Cox, Chairman Harkins, and
12 Members of the Committee, thank you for inviting me here
13 today to talk about the number-one concern among small
14 business owners: finding qualified employees. My name is
15 Rebecca Oyler. I'm the Legislative Director for the
16 Pennsylvania Chapter of the National Federation of
17 Independent Business.

18 NFIB members represent small businesses in every
19 industry and sector, all of whom are affected by workforce
20 difficulties. In the most recent NFIB Small Business
21 Economic Trends Report, 56 percent of small business owners
22 reported hiring or trying to hire, and 88 percent of these
23 firms reported few or no qualified applicants for the
24 positions they were trying to fill.

25 Like the Chamber's members, NFIB has been doing

1 this poll for a long time, and taxes, health care costs,
2 and regulations have always been near the top. This is
3 just these past couple of years have been when finding
4 qualified workers have popped up to the top of that survey
5 as well, so we're kind of in the same boat.

6 With the focus of today's hearing being on
7 Pennsylvania's programs tied to the Workforce Innovation
8 and Opportunity Act, NFIB PA surveyed its members on their
9 interaction with Pennsylvania's current workforce programs.
10 We found that most small businesses are not generally aware
11 of the workforce programs that may be available to them in
12 their areas. Some that have used them to find candidates
13 did not find these candidates to be qualified for the jobs
14 that they have. Many also noted that bringing trade
15 schools back to high school would be most helpful, as would
16 emphasizing that trade schools are a good alternative to
17 college.

18 Others suggested, like Alex just mentioned, that
19 soft skills like focus, conscientiousness, customer
20 service, dedication, and a good attitude are just as
21 important as the hard skills for the employees they need.
22 And these skills, they say, are particularly lacking today.

23 We've heard in other forums about the complexity
24 -- and I'm sure we'll hear more about it today -- of
25 Pennsylvania's workforce development programs, in part

1 complex because of Federal funding requirements. We've
2 also heard about programs like PAsmart, which provide
3 solutions to specific problems more directly, but these
4 programs must be funded by the State because they don't fit
5 with Federal mandates. Ultimately, we may find that the
6 most effective workforce solutions for Pennsylvania do not
7 follow Federal dictates. Other States have recognized this
8 and have requested and received waivers of Federal
9 requirements so that funds could be used in more carefully
10 crafted State programs.

11 Though I know PA has done this with smaller
12 programs, perhaps it's time to consider that the best
13 solution may require a more comprehensive Federal waiver.
14 A waiver would not require increased funding but would
15 instead direct existing State and Federal taxpayer dollars
16 to the programs that best fit Pennsylvania's most pressing
17 needs.

18 NFIB believes that the most effective workforce
19 problems, especially those designed to target small
20 businesses, must provide flexible and accessible solutions,
21 not cookie-cutter mandates accompanied by bounds of
22 paperwork and red tape. The most innovative solutions will
23 likely not come from Washington or even from Harrisburg for
24 that matter but from local problem solvers.

25 Workforce programs that address the needs of

1 small businesses would emphasize early exposure to
2 important trade skills and on-the-job training, through
3 targeted apprenticeships and mentorships. Successful
4 programs would provide flexible ways for trade schools and
5 high schools to partner with local small businesses to
6 ensure they are teaching job-ready skills. They can also
7 offer incentives for small businesses to hire and train
8 nontraditional employees like individuals reentering the
9 workforce. But these programs must be flexible and cannot
10 come with excessive application requirements or with
11 administrative burdens that small businesses, most of which
12 do not have an H.R. staff, would struggle to meet.

13 We would also suggest that workforce readiness
14 not neglect the critical soft skills that employers seek
15 and that help workers earn and keep jobs that lead to even
16 greater opportunities and higher wages.

17 Thank you again for the chance to speak to the
18 Committee on behalf of Pennsylvania small businesses. I'd
19 be happy to answer questions when we're done.

20 MAJORITY CHAIRMAN COX: Thank you.

21 And next, we'll hear from Carl Marrara with the
22 Pennsylvania Manufacturers' Association.

23 MR. MARRARA: Thank you. Chairman Cox, Chairman
24 Harkins, and esteemed Members of the House Labor and
25 Industry Committee, thank you very much for the opportunity

1 to testify at this hearing on workforce development. My
2 name's Carl Marrara. I'm the Vice President of Government
3 Affairs for the Pennsylvania Manufacturers' Association.

4 And nationally, manufacturers are facing an
5 alarming problem. Our workforce is aging and retiring, and
6 there's a shortage of skilled hands to succeed them. And
7 Pennsylvania's no exception to this problem. According to
8 our sources at the Manufacturing Institute, in 2018 there
9 were more than 71,000 manufacturing job openings in the
10 Commonwealth of Pennsylvania. In the last 30 days there
11 have been just shy of 6,000 job openings in our sector in
12 our State. Couple the current shortage with the fact that
13 many companies have more than half of their current
14 workforce within just a few years of retirement and you
15 consider this workforce gap problem a workforce gap crisis.

16 The manufacturing industry and the workforce at
17 large face and increasingly pressing problem: a glut of
18 unfilled jobs due to a skills gap. According to a recent
19 study by the Manufacturing Institute, 51 percent of
20 manufacturers report difficulty in maintaining or
21 increasing production levels to satisfy their growing
22 customer demand. The challenge is systemic.

23 In this 2018 study -- and it remains one of the
24 paramount publications on this topic -- they came to five
25 main conclusions.

1 First, that the hardest jobs to fill are those
2 that have the biggest impact on performance.

3 Second, while they recognize the importance of
4 recruiting and development of talent, many manufacturers
5 depend on outdated approaches for finding the right people,
6 developing their employee skills, and improving their
7 performance.

8 Third, computer skills, programming skills,
9 digital skills, working with tools, and critical thinking
10 are needed to be successful but are lacking in today's
11 workforce.

12 Four, the changing nature of manufacturing work
13 is making it harder for talent to keep up.

14 And five, that the national skilled job shortage
15 will result in 2.4 million vacant jobs within the next
16 decade.

17 The numbers speak for themselves. There are more
18 manufacturing jobs available in Pennsylvania than there are
19 qualified individuals in our State's education system that
20 they are able to produce. In the past academic year, only
21 81.4 percent of seats available to high school students
22 were utilized in career and technical education facilities,
23 commonly known as CTEs.

24 I have visited firsthand some of the finest
25 manufacturing training institutions in the United States

1 that just happen to be right here in our Commonwealth. On
2 a recent visit to the Pennsylvania College of Technology in
3 Williamsport, Pennsylvania, an instructor in the
4 mechatronics lab in Williamsport told me that they had a
5 job fair for their two-year associate of applied science
6 degree students in the mechatronics department. In total,
7 there were 479 job openings. They had 12 graduates. These
8 are good-paying, family-sustaining, meaningful,
9 collaborative, problem-solving, highly fulfilling jobs, and
10 467 of them will go unfilled on that day.

11 When asked what the biggest challenges are in
12 recruiting students, CTE Directors and Directors of
13 associate and certificate programs have continuously stated
14 that the perception of CTE education and the lack of
15 manufacturing career opportunity awareness.

16 And, unfortunately, this is not an anomaly.
17 Program after program and institution after institution of
18 Pennsylvania's highest performing CTEs and higher education
19 institutions focused on these types of programs say that
20 their demand for graduates is staggeringly higher than
21 students graduating from their institutions.

22 In visiting with manufacturers throughout the
23 Commonwealth, we often hear that they can't find hires that
24 are trainable. The soft skills of arriving on time, being
25 engaged throughout the workday, basic manners, and even the

1 ability to take and/or pass a drug test are barriers to
2 employment. One major reason for this is that the rate of
3 young adults entering the workforce is rapidly declining.
4 According to the Bureau of Labor Statistics, in 1978 the
5 percentage of workforce ages 16 to 24 -- there's a typo in
6 my testimony. It says 14. It should be 16 to 24 -- was
7 24.5 percent. In 2018, the same age demographic makes up
8 only 12.5 percent. The reasons are complex, but it comes
9 down to red tape and barriers into the workforce.

10 Workforce development is a really difficult
11 policy issue to tackle. We know that there's a problem.
12 We know that there are hundreds if not thousands of people,
13 different firms, institutions, agencies, programs out there
14 to mitigate it, but the problem still perpetuates. A
15 concerted effort to analyze, streamline, and execute a
16 21st-century workforce is desperately needed here in
17 Pennsylvania. I was going to get into the block grant that
18 our Governor so desperately needs to request from the
19 United States Department of Labor and the Employment and
20 Training Administration. It's so desperately needed. But
21 in order to do that, we have to streamline and reorganize
22 our programs in Pennsylvania so that they are as efficient
23 as possible. Otherwise, we will not get that Federal
24 waiver.

25 So thank you to the Committee for exploring this

1 important topic as we realize this problem and begin to
2 explore more meaningful, collaborative, and needed
3 solutions. Thank you.

4 MAJORITY CHAIRMAN COX: Thank you for your
5 testimony.

6 It appears our microphones and our speakers are
7 working in the room.

8 I want to start with kind of a broader question.
9 How responsive -- and you've all kind of alluded to this.
10 But how responsive do you think our current workforce
11 development system is to the regional needs? We have the
12 Workforce Investment Boards around the State and so forth.
13 Do you feel that there is a disconnect between what we're
14 doing on the State level if you will versus what you're
15 seeing happening on your local Workforce Investment Board
16 levels?

17 MR. HALPER: I would say -- and I apologize this
18 is not a very helpful answer -- but that it really varies
19 tremendously around the State, which has left me with the
20 impression that it may not necessarily be a glaring
21 deficiency in State law or with any particular program but
22 really come down to how programs are administered, you
23 know, State programs are administered at the local level.
24 And the individuals at various institutions, whether it's a
25 Workforce Investment Board or at local employers or school

1 districts or other educational institutions. So I think
2 the extent to which policy can require better coordination
3 would be welcome, but that's not always something that can
4 be regulated or mandated. It comes down to finding the
5 right individuals to make that type of interaction
6 possible.

7 MAJORITY CHAIRMAN COX: Okay. Thank you. That's
8 consistent with what I've heard on the local level with my
9 Workforce Investment Board. We do have a requirement that
10 a report be submitted on March 1st of this year, and this
11 would be the first time it's being submitted since the
12 introduction or since the passing of this legislation. So
13 all the Administration, since the passage, have been erring
14 to not filing it, so we're hopeful that that report pulls
15 together the local reports and gives us the ability to say,
16 all right, what types of improvements can we see overall
17 that will help? The information gathering is supposed to
18 have occurred but to date has not, so we're hopeful to get
19 some information from that.

20 MR. HALPER: I would add if I may that I think
21 the report will hopefully be informative and helpful, but
22 it's going to be information from the program
23 administrators. I think, you know, if input from other
24 stakeholders on the ground, whether it's school districts
25 or employers, can also be sought, I think that should

1 absolutely be encouraged if not required in future reports.

2 MAJORITY CHAIRMAN COX: Okay. I can't speak to
3 all the reports, but I know the one coming out of the
4 greater Reading Workforce Investment Board, that area
5 includes what you just described with stakeholder input.

6 We're going to start with some questions from
7 some of the Members. Start with the Minority Chairman, Mr.
8 Harkins.

9 DEMOCRATIC CHAIRMAN HARKINS: I just wanted to
10 thank you all for your testimony. It's spot on with what
11 I'm hearing from the employers and school districts in my
12 area, and we are trying to work on partnerships with
13 everybody in my region. So, again, thank you for what you
14 said.

15 MAJORITY CHAIRMAN COX: All right. Next, we'll
16 go to Representative Klunk.

17 REPRESENTATIVE KLUNK: Thank you, Mr. Chairman,
18 and thank you to the panel for joining us today.

19 So workforce development is a big issue in my
20 community, and regionally what we've done -- we're a
21 manufacturing community -- our manufacturers came together,
22 talked with our local school districts, and built a chamber
23 pre-apprenticeship model, which is very unique across the
24 State, and it seems to be working regionally in our area to
25 make sure that our school district is properly training

1 young people to fill the jobs that will be available in our
2 local community now and into the future.

3 So when you look at the data that you've received
4 from your employers across the State, from NFIB, the small
5 guys to, you know, the bigger guys through the PMA and the
6 Chamber, what are you guys seeing regionally? We have the
7 statewide data, but are we seeing anything regionally from
8 a regional need? And kind of going back to the Chairman's
9 question about these Workforce Development Boards
10 developing, you know, the needs and kind of the plan for
11 that region. Is there anything that we can extrapolate
12 from the data that you guys have of, you know, does the
13 southeast need more soft skills, does southcentral need
14 more manufacturing, welding, you know, those types of
15 skills so then we can get that data back to the State and
16 kind of work together in developing and using that data to
17 develop local plans? So that's question #1.

18 Then the skills gap is the other data that you've
19 enable to gather. And is there a skills gap difference
20 between those who are, you know, coming out of high school,
21 you know, college right now, that age group versus maybe my
22 generation that's in that 30 to 40s where, you know, the
23 skills workforce development was not a conversation when I
24 was growing up. And what are we doing to capture the
25 issues with the skills gap in that generation? Because

1 there's a large number of people in my generation that are
2 not in my opinion properly trained to take those jobs.
3 We're helping with the younger people to fill that
4 pipeline, but what are we doing with that middle age group?
5 So what are you seeing? There's a lot of questions there.

6 MR. MARRARA: I can start off. We do see a lot
7 of reactions to problems regionally similar to what you're
8 talking about in your region of kind of southcentral
9 Pennsylvania. There's a great program that I encourage
10 Committee Members to look into up in northeast
11 Pennsylvania. It's called the YES program, the Your
12 Employability Skills program, run by Northeast PA
13 Manufacturers' and Employers' Association. A lot of that
14 is focusing on soft skills because, as I said in my
15 testimony -- well, and I might not have gotten to it. I
16 had to cut some things out to make sure I was under five
17 minutes, but, you know, a lot of manufacturers will pay for
18 training for new hires. The problem is that they can't
19 find folks that are trainable. Programs like the YES
20 program, the Your Employability Skills, is engaged in
21 creating that or instilling those soft skills. High
22 schools are making it a part of the curriculum. You can
23 actually go and do the YES program as part of the school
24 day, and then they also do have night school so that adults
25 can earn the same certificate. That certificate is as good

1 as gold in northeast Pennsylvania. And in order to pass
2 that program, you know, there are different tests and
3 benchmarks, and at the end of the program, each one of them
4 has to pass a drug test. But that program is as good as
5 gold to go to the local manufacturers to get a job.

6 And then the manufacturers themselves are
7 partnering, whether it be with a local WIB, whether that be
8 with, you know, a union hall on getting those hard skills
9 that are needed to perform the daily job.

10 A lot of the hard skills can be learned, and
11 Pennsylvania is not unique. And I really tried to allude
12 to this in my testimony. We are not unique that this is a
13 problem here in Pennsylvania. This is a national problem,
14 very much national problem. The one great thing about the
15 Commonwealth's stance on this is we have some of the best
16 institutions not just in the United States but in the world
17 for training future manufacturers.

18 On our visit to the Pennsylvania College of
19 Technology in Williamsport, they have a whole department
20 centered around continuing education and retraining that
21 30- to 45-year-old employees so that they can move up the
22 ladder. But one of the issues is that we don't have
23 anybody coming in on that bottom end. So we would love to
24 see some of those folks advance through the different tiers
25 of a manufacturing facility, but without a pipeline coming

1 in on the entry level, there's no place that those folks
2 can go because all the positions need to be filled.

3 As I said in my testimony as well, with
4 retirements coming right around the corner, we're facing a
5 big problem. And I think that that's where a lot of that
6 coordination can come into play. But, as Rebecca said,
7 there's so much red tape whenever Federal funds are
8 involved that if we could better coordinate amongst those
9 programs, you know, the YES program should be coordinating
10 with, you know, some of those other programs like the WIBs
11 and those types of things. And they very well might be,
12 but because there's so much red tape, because everything is
13 so siloed, and because everybody wants to hang on to that
14 portion of the Federal fund that is theirs, that the
15 incentive for them. They don't want to give up their slice
16 of the pie because they're afraid that the funding is going
17 to go along with it. And that's ultimately where the --
18 that's the root of the problem. Follow the money.

19 REPRESENTATIVE KLUNK: All right. And I just
20 have a couple of comments. With regard to regional
21 differences, I do think that some boards do a much better
22 job, and I know they're required by law to have a majority
23 of employers on their boards. And a lot of them do a much
24 better job of bringing small employers into the mix, others
25 not so much, and I think that has more to do with the

1 economy in the region and the makeup of the workforce and
2 the employers in the region. So out of necessity a lot of
3 times smaller employers have to be pulled into the mix
4 because they're the ones with the local jobs.

5 But that said, to encourage more involvement with
6 smaller businesses and smaller employers, I think it's
7 helpful at the State level to provide a certain amount of
8 flexibility within these programs so that there's the
9 ability to reach out to smaller employers and provide
10 specifically what they need.

11 With regard to the skills gap and maybe the
12 generational differences, I would say we're hearing from
13 our Members that where they're trying to find employees,
14 they tend to prefer hiring more experienced employees
15 because they come ready-made with those soft skills that
16 we've been talking about. And a lot of the younger
17 employees we're hearing don't necessarily have the skills
18 that make them easily trainable in the hard skills. So a
19 lot of our employees are willing to train the hard skills.
20 But I believe, like Alex said, they need them to come with
21 the basic set of soft skills, and they're finding that
22 those employees who have more experience tend to come with
23 those soft skills ready-made.

24 MAJORITY CHAIRMAN COX: Thank you.

25 Next, we have Representative Neilson.

1 REPRESENTATIVE NEILSON: Thank you, Chairman, and
2 thank you for your testimony today.

3 I want to focus in on soft skills because the
4 hard skills, as you said -- I was lucky. When I got out of
5 school, I became an electrician, and I went through a
6 State-approved program with the IBW, the top in the
7 Commonwealth -- I can say while I have the microphone --
8 with the soft skills.

9 So the soft skills, you're asking us to pay money
10 and create programs with this funding to teach a kid how to
11 be on time, how to be courteous. I mean, they're the soft
12 skills that all -- you're shaking your head no. However,
13 all three of you mentioned the soft skills in your
14 testimony, and you talked about conscientiousness,
15 dedication, and wanting the flexibility of these Federal
16 funds and our State funds to do this programming. I mean,
17 that sounds like a parenting problem.

18 I mean, I have five kids. Four of my sons all
19 worked through high school. I have one. He's 13. I've
20 been begging him to get a job for two years now. But I've
21 given them that discipline at home. I mean, soft skills --
22 of course I look at the opportunities for kids now. My
23 fast food chain up the street would much rather hire a 70-
24 year-old person than a 15-year-old kid because, as you say,
25 they're dependable. And I believe in my heart of hearts

1 our parents are giving it to them. And that's just my
2 personal -- I don't give to mine. I make them earn it.

3 But I don't see how we can address that kind of
4 issue, those soft skills, how to address them, I mean,
5 because we can't expend this money. That should be
6 something from home, connection with schools, and stuff
7 like that I believe in my personal opinion, but I'd love to
8 hear from you all and see how you think we should expend
9 State dollars or Federal dollars to give someone and teach
10 someone how to be courteous.

11 MR. MARRARA: So --

12 REPRESENTATIVE NEILSON: That's just insane to
13 me.

14 MR. MARRARA: Requesting a waiver, is not
15 requesting any additional funds. The funds are already
16 there. We just aren't able to --

17 REPRESENTATIVE NEILSON: But a waiver to give kid
18 manners.

19 MR. MARRARA: Sure. So --

20 REPRESENTATIVE NEILSON: That's not acceptable.
21 I mean, I'll sign any kind of waiver for a kid to get the
22 skills to turn a computer, to learn the programming, to go
23 in that manufacturing.

24 MR. MARRARA: I'm not disagreeing with you at
25 all.

1 REPRESENTATIVE NEILSON: But to teach a kid how
2 to focus?

3 MR. MARRARA: Correct. And what I would say --
4 and in my testimony in 1978 the percentage of the workforce
5 that were ages 16 to 24 was 24.5 percent. Today, it's
6 12.5. And why?

7 REPRESENTATIVE NEILSON: So how do we fix that?

8 MR. MARRARA: That's --

9 REPRESENTATIVE NEILSON: That's where your
10 organizations have to come in and say --

11 MR. MARRARA: What I would say --

12 REPRESENTATIVE NEILSON: -- hey, look, we want to
13 give these kids -- because I'm third-generation
14 electrician. My grandfather, my father and my brother and
15 my kid. I mean --

16 MR. MARRARA: And that's what I'm trying to
17 answer is that --

18 REPRESENTATIVE NEILSON: You have to bring those
19 kids into those businesses as youths and partner with the
20 high schools and stuff and --

21 MR. MARRARA: And the reason is because how much
22 more bureaucratic red tape is there now as opposed to 1978?

23 REPRESENTATIVE NEILSON: It's the same working
24 papers. I had them in 1978. I don't want to show my age,
25 but you go to your high school, you get working papers.

1 And I went to the bakery and worked at the bakery down the
2 street, a factory bakery.

3 MR. MARRARA: Right --

4 REPRESENTATIVE NEILSON: Stroehmann Bread where I
5 made brownies. But it's the same thing. As the business
6 community, you need to give them the those opportunities in
7 high school, and currently, you're not. And I would
8 venture to say a great question to ask is how many kids
9 under 18 do you have in these? That's got to be where the
10 some of this stuff comes in. How many kids are you hiring
11 through high schools and partnerships with your three
12 organizations combined? I mean, because you're telling me
13 it's 12 percent. In '78 it was 24.

14 MR. HALPER: It is definitely lower, and to be
15 clear, I completely agree with you. We would not propose a
16 State Government program to teach kids these soft skills.
17 Generally speaking, you can imagine different places where
18 a high school student would acquire these types of skills.
19 Hopefully, it's at home. Hopefully, it's from their
20 teachers. But probably the most effective place is for
21 them to have an opportunity for employment when they're in
22 high school or when they're in college or when they're at
23 that age where those soft skills can be acquired. That's
24 why we support a policy agenda that expands these types of
25 lesser-skilled jobs that are often where younger

1 Pennsylvanians, younger Americans acquire those jobs. We
2 want to make it as easy as possible for that baker down the
3 street or that restaurant -- think about a --

4 REPRESENTATIVE NEILSON: So --

5 MR. MARRARA: -- waiter or a waitress interacting
6 with a --

7 REPRESENTATIVE NEILSON: What suggestion -- I
8 don't want to cut you off, but they limit me on time. He's
9 going to cut me off any second. Is there anything we can
10 do like a tax incentive to hire young kids or anything like
11 that? I mean, are you looking into any programs like that?

12 MR. MARRARA: No, it's more about what we would
13 ask you to not do to make it harder for small businesses to
14 expand --

15 REPRESENTATIVE NEILSON: There you go.

16 MR. MARRARA: -- but I don't want to get too off-
17 topic.

18 REPRESENTATIVE NEILSON: Yes, I'd love to hear
19 about that after the --

20 MR. MARRARA: You got it.

21 REPRESENTATIVE NEILSON: Thank you. Thank you,
22 Chairman.

23 MAJORITY CHAIRMAN COX: Thank you.

24 Our next question is from Representative
25 Mackenzie.

1 REPRESENTATIVE MACKENZIE: Great. Well, thank
2 you, Mr. Chairman. And thank you to the panelists. I've
3 worked with all of you. I know you do a great job on
4 promoting workforce and economic development across the
5 Commonwealth.

6 So I just want to continue on this same topic,
7 and maybe I'll start with Mr. Marrara. He had brought up a
8 couple different programs, the YES program, which I'm very
9 familiar with. They do a great job. What's so Cool about
10 Manufacturing, et cetera. So this is something that I've
11 kind of struggled with for a long time because there is all
12 of this local activity going on that is fantastic, but do
13 you think we want to try to scale those things statewide or
14 do you like the local approach that we're in right now
15 where kind of things crop up organically and you see what
16 works there?

17 MR. MARRARA: And that's a great, great point.
18 In a lot of these programs, the ones that I referenced,
19 receive no State funds. I mean, the YES program gets zero
20 State dollars. I mean, similar that our States are, you
21 know, the experiment of our democracy I think at the local
22 level we have different experiments happening in workforce
23 development that I think that there is some opportunity to
24 scale up. I mean, if we see something working really,
25 really well at the local level and we think that, you know,

1 there might be an opportunity to plug that into a different
2 part of the Commonwealth that's having some of the same
3 issues, but it seems as though, you know, as Chairman Cox
4 was saying and Alex with the first question with some of
5 the surveys and some of the data and reports that are
6 coming back that we're not getting a full picture of
7 exactly what's needed in different parts of the
8 Commonwealth. And you have to then assess what are the
9 best programs in order to tackle those issues?

10 I think that the creation of the command center
11 that the Governor is putting forward is going to help with
12 some of that. The problem, if we get back to the issue of
13 applying for the workforce grant with the U.S. Department
14 of Labor, that command center is great but it doesn't
15 lessen any bureaucracy. All of the same -- mean, we still
16 have the issue of, you know, different programs being
17 spread out amongst six different agencies and, I mean, how
18 many dozens or hundreds of different programs within those?

19 So when it comes to the issue of the waiver, the
20 command center is a great start, but, I mean, if we apply
21 for a Federal waiver and all that we really have is a
22 command center and a streamlined approach or a centralized
23 approach for all of our different layers of bureaucracy,
24 that's not going to get the job done. So I think that by
25 applying for -- if we could consolidate some programs and

1 apply for the waiver, I think that those Federal funds
2 could then be better utilized, and that might be able to
3 then -- we might be able to replicate some of those
4 programs like the YES program, the What's so Cool about
5 Manufacturing program that's in your backyard. I mean,
6 it's worth a shot. I mean, it kind of seems like a no-
7 brainer, but then we get back to that everybody's going to
8 hold onto their slice of the pie and nobody's going to want
9 to give that up.

10 So I think there is an opportunity to replicate
11 some of those programs that are measurable, that do have
12 best practice, and I think that with a waiver, we might be
13 able to actually do that.

14 REPRESENTATIVE MACKENZIE: I don't know if either
15 of the panelists have a thought on that, the localization
16 versus the Statewide approach?

17 MR. HALPER: Yes, I've heard too many examples
18 sort of as you described of locally derived programs being
19 successful, and I think a lot of that is because when
20 you've helped in the creation and you've bought into it,
21 there's ownership and there's, you know, perhaps a better
22 chance for success. So I do think State programs should
23 encourage and allow for local programs to succeed and be
24 supported, but there has to be regular and transparent and
25 objective measures to ensure that any invested dollars are

1 being used efficiently, so kind of a trust but verify at
2 the local level. It should be encouraged, but those
3 successes should be able to be reported to you all so you
4 know you're investing those dollars wisely.

5 MS. OYLER: The only thing I would add -- and I
6 completely agree with both my panelists on everything they
7 said so far, but the only thing I would add, one thing I
8 think the State can do is to provide a best practices sort
9 of sharing mechanism because I would agree that local
10 boards are probably best able to assess their needs and to
11 specifically address those needs. The State has to provide
12 flexibility to do that, and I think it also can assess the
13 success of those programs through targeted performance
14 measures that show how they're working, how they're
15 succeeding, and then share the results statewide so that we
16 can sort of develop a best practices that they can draw
17 from.

18 REPRESENTATIVE MACKENZIE: Great. Thank you.
19 Thank you, Mr. Chairman.

20 MAJORITY CHAIRMAN COX: Thank you.

21 Next, we'll hear the question from Representative
22 Donatucci.

23 REPRESENTATIVE DONATUCCI: Thank you, Mr.
24 Chairman, and thank you, panel, for being here.

25 Okay. So I talk to a lot of young people. I

1 have two grown children. And the first thing I notice is
2 so many people are not working in what they went to school
3 for, which tells me that they're willing to try anything
4 and everything else.

5 I think a big part of the problem is
6 personalization has been lost. You do so many applications
7 online. And if your résumé or that questionnaire does not
8 hit those key buzzwords, they get tossed. It's not like
9 years ago, and I'm like Representative Neilson, a lot
10 older, and we used to, you know, pound the pavement, knock
11 on doors, have an interview, and you know, you maybe didn't
12 have all the qualifications but they said, hey, you know
13 what, there's something about this kid I like or there's
14 something this one, you know, can work with us. That's
15 lost today. And I don't know how you get that back. I
16 mean, there was actually a report one time where like 1,000
17 people tried to go for these jobs that had 100 openings and
18 not one got through. So that's a big problem.

19 Number two -- and this goes with the soft skills
20 -- how do you get the experience if you can't get hired?
21 It's the classic Catch-22. Oh, well, you're not
22 experienced enough. Okay. Well, how do I get the
23 experience if you don't hire me?

24 But then the big -- I call it the bait and switch
25 is you go for a job where they're offering you like 40,000,

1 you do the interview, they want you, and they say, well,
2 you're going to start at 28. Well, if you have student
3 loans and, you know, you've just completed all these
4 courses, you have a problem.

5 So I think I covered everything that I was
6 thinking of. You know, where do we go from there? How do
7 we change this?

8 MR. HALPER: Well, I think you outlined a number
9 of key challenges, all of which should get attention from
10 policymakers. You hit on a really key theme, though, I
11 think at the onset with awareness from students, you know,
12 high school students and even younger, an awareness from
13 their parents and teachers and guidance counselors and that
14 whole support structure on what the marketplace and what
15 the economy will look like by the time they're graduating
16 or a few years after they're graduating. We understand
17 there will always be students who may not seek that data
18 and may not follow that data on a particular career path,
19 but that should at least be an informed decision.

20 We started a website at the PA Chamber,
21 StartTheConversationHere.com, which is intended for
22 students and parents to at least have the data that's
23 available so that you know if your goal is to be employed
24 in the next four to five years in your community, here are
25 what employers are telling us will be the positions that

1 they will have available and here's how you get from A to
2 B. These are the credentials that put you in the best
3 position to apply for these jobs so that if a student at
4 that age has that goal for themselves, they know the most
5 effective path possible to achieve the goal of employment
6 once they're sort of at that age. But I think all the
7 issues you mentioned are critically important.

8 MR. MARRARA: Really quickly, too, that --
9 agreeing with Alex, I think one of the problems stems from
10 the adults quite honestly, and especially the advice that
11 students are getting from parents and, quite honestly, from
12 their high schools. We don't want to think of a student
13 who does not seek a four-year collegiate degree as a
14 failure, but that's the stigma that we've put in our
15 society. Right, wrong, or indifferent, it is what it is.

16 And I was actually at a manufacturing symposium.
17 It's called ManuFest. It's in Montgomery County. And
18 there were two tracks. There was a student track and there
19 was an adult and school employee track. We were talking
20 about manufacturing careers, and I had all the students
21 close their eyes and tell me, I said envision that you're
22 in a manufacturing facility. I'm not going to tell you
23 what kind of manufacturing facility it is. It's up to you.
24 What do you hear? What do you smell? You know, what do
25 you feel? And what they said is it felt cool, that they

1 heard the humming of machines and like humming from
2 computers, that it smelled sterile. I had the parents and
3 educators a half-hour later, did the same exercise with
4 them, and it was dirty, dark, and dangerous. Modern
5 manufacturing is not those things, but those are the folks
6 that are educating our young people and telling them what
7 careers they should take, what they should study.

8 And there are so many great programs available in
9 our CTEs. We need to be able to let our students go and
10 explore some of those, but so many times school
11 administrators are holding those students back from
12 exploring some of those programs because they want the test
13 scores to count for their high school. I mean, come on.
14 That's the problem.

15 It's not necessarily -- I mean, some of these
16 students want these careers, they want to succeed, but
17 they're being told quite honestly that if they go into
18 those fields that they're a failure, and that's just the
19 stigma that we've created.

20 REPRESENTATIVE DONATUCCI: Right. I've always
21 said that not every child is destined to be a scholar.
22 Some of them have magical hands, some of them have such
23 great insight, so thank you. Did you want to say something
24 else? Go ahead.

25 MS. OYLER: I totally agree. I think that

1 exposure to trade skills in high school is critically
2 important. I totally agree with what's been said here.
3 The stigma attached to trade schools and trade skills is
4 something that needs to change. And I wonder to what
5 degree it's sort of -- Carl alluded to this -- that the
6 high schools are measuring rate of students that go to
7 college as opposed to the rate of students that leave and
8 get good-paying jobs. So I think that might be part of it,
9 too.

10 But I would also say that there are some
11 successful programs -- I mean, I would, you know, commend
12 the Governor for his PAsmart program, which actually funds
13 apprenticeships, industrial partnerships, manufacturing
14 partnerships with high schools and education grants for
15 high schools, and that's just the type of program I think
16 we need to expand. Unfortunately, as we've sort of been
17 discussing, those types of programs are not easy to fit
18 into the Federal funding boxes. So PAsmart I believe is
19 all STATE funds. So to the extent that we can expand
20 funding that's available for those programs by getting a
21 waiver to the Federal requirements, I think that would
22 help.

23 REPRESENTATIVE DONATUCCI: Thank you. The only
24 question you didn't answer was how do you find out what
25 those buzzwords are? But thank you.

1 MAJORITY CHAIRMAN COX: Thank you.

2 Our next question comes from Representative
3 Puskaric.

4 REPRESENTATIVE PUSKARIC: Thank you, Mr.
5 Chairman, and thank you to the panel.

6 A question that I've been getting from quite a
7 few of my constituents right now is -- and you had
8 mentioned it earlier -- was the drug testing. With
9 cannabis legalization being something that's debated
10 currently, a lot of the employers in my district are
11 wondering right now basically how they're going to handle
12 that if it were to happen because they're struggling right
13 now with -- quite a few are feeling their tests because of
14 opioids, but a great number are failing because of cannabis
15 specifically.

16 And I just wanted to see if the panel had
17 something to be able to kind of give a best practices or
18 what your thoughts are moving forward if that's something
19 that becomes a reality.

20 MR. MARRARA: We actually did a survey. This was
21 back in, oh, 2012. I mean, it was before we really knew
22 how bad the opioid crisis really was. It was kind of on
23 the beginning of that. It was actually shortly after then-
24 Governor Corbett made the statement about, you know, one of
25 the reasons that unemployment is high is because of the

1 inability to pass a drug test. And we surveyed just in the
2 manufacturing field -- so, I mean, the manufacturing field
3 you have to -- I mean, I would think that there's probably
4 other sectors that are more impacted than others. I
5 wouldn't necessarily think that manufacturing would be one
6 of the highest.

7 Here's the issue with data surrounding that and
8 what we tried to capture. What we are estimating is that
9 one in three new hires were actually impacted by the drug
10 test not because they failed but because they don't show up
11 for the drug test. The major issue is that oftentimes the
12 drug test is a condition of employment, so you finish your
13 interview on Thursday, they say, okay, you need to come
14 back tomorrow, we're going to take your photo ID badge,
15 you're going to do your drug test, and then you're going to
16 start on Monday. They don't come back on Friday. They
17 just disappear. And that's what we were trying to capture
18 in our survey. I mean, when you look, it's only like, you
19 know, 1 and 7 or 1 in 8 that actually failed a drug test,
20 but the problem is those that don't come back.

21 In looking at the legalization of marijuana, one
22 of the issues for employers is the liability. I mean, if
23 there's an accident on -- I mean, a manufacturing facility
24 you've got bladed instruments, very hot temperatures, high-
25 voltage, and some really, really dangerous machines. For

1 as much as manufacturing is not dark, dirty, and dangerous,
2 there are some highly, highly, highly powered tools that
3 these folks use. And if the workforce is not -- so if
4 there's an accident, the first thing that's going to happen
5 is that that employee is going to be drug-tested. And if
6 that drug test is failed, the employer's going to be
7 liable. And it's going to be a real uphill climb for that
8 firm to survive.

9 So as we, you know, talk about the legalization
10 or the expanded legalization of drugs, that is something
11 that we do definitely need to consider. I mean, that could
12 be a whole other hearing for another day, but that is
13 something that we need to definitely consider.

14 MAJORITY CHAIRMAN COX: Thank you. Did anyone
15 else want to comment? Okay.

16 Representative Dush.

17 REPRESENTATIVE DUSH: Thank you, Chairman, and
18 thank you, panel, for your frank discussions. I'm going to
19 be frank as well. Ben Franklin was asked about how do you
20 get people out of poverty, and his reply was "Make people
21 uncomfortable in their poverty." Right now, I have high
22 school teachers who are asking their students what are you
23 going to do when you graduate? Well, I'm going to be on
24 welfare. I'm not uncomfortable on it. It's fine for me.
25 This goes to the core of what your soft-skills discussion

1 had to deal with. These kids are very happy to be buried
2 inside their electronic leashes. They're comfortable.
3 I've been around other countries around this world where
4 they have real abject poverty, not like what we call
5 poverty here. We've kicked the fathers out of the home,
6 and we've become a nation of enablers for these young
7 people, and how do we go about trying to turn that tide?
8 Have you guys heard of anything out there that is actually
9 working towards that end, anything targeting that?

10 MR. HALPER: I think it comes back to the focus
11 in many cases when it comes to Pennsylvania's youth should
12 be awareness and making sure that high school kids, middle
13 school kids, even younger are aware that in many cases in
14 their communities are good-paying jobs and making sure
15 there's a clear understanding of what requirements are
16 necessary to apply for these positions and to put yourself
17 in the best position to get hired.

18 You know, I do think that if you frame it in a
19 way that is compelling to a high school kid and if not, you
20 know, not necessarily the goal, you know, as Carl talked
21 about, you know, of a four-year degree, not that there's
22 anything -- you know, that should absolutely be encouraged.
23 But if you make the goal, you know, do you want to be
24 living in your parents' basement when you're 25 years old?
25 I think you're going to have a lot of 16-year-olds saying

1 absolutely not. How do I avoid that? Well, here are the
2 positions, here are the types of industries that are likely
3 to be hiring in the next two to three years when you
4 graduate. Here's what you need to do in high school, and
5 here are the credentials you need to earn, you know,
6 postsecondary to apply for these jobs. And then we have to
7 hope that young Pennsylvanians follow that guidance and put
8 themselves in the best position to succeed.

9 MS. OYLER: I would only add to that that I think
10 it's helpful to the extent we can provide opportunities for
11 young people to get into the workplaces through
12 mentorships, through apprenticeships and to see that there
13 is really a career there and there are mentors there to
14 help you understand what you need to do to succeed in that
15 career. I think that also helps.

16 REPRESENTATIVE DUSH: Well, I know in my hometown
17 there's a manufacturing company that they have
18 manufacturing day and they bring young kids in. And
19 they're actually showing these kids what kind of really
20 good-paying jobs there are available. And the problem
21 seems to be that in some cases we have school
22 administrations trying to divert those kids away from it
23 or, on the flipside, we've also got people, as I said, who
24 are more than happy to be enablers. So we've got to try
25 and figure a way to get motivation coming for both ends of

1 the spectrum. Thank you.

2 MAJORITY CHAIRMAN COX: Thank you. And for our
3 last question, Representative Nelson.

4 REPRESENTATIVE NELSON: Thank you, Mr. Chairman.
5 And to the panel, I'm kind of following up on
6 Representative Puskaric's question about the incorporation
7 of drugs. As you were mentioning, maybe the one in three,
8 you know, because someone normally knows if they're going
9 to be drug-tested and they'll opt out. And, you know, in
10 your scenario of the post-injury drug testing is a little
11 bit different in that now people are trying to contain
12 worker's compensation costs and damages, you know, where,
13 let's say, on a construction site or with the trades, there
14 are preventative drug testing before they're able to go on.

15 In the area of workforce development, can you
16 touch on your feeling or belief that either some elements
17 of drug testing or like consequences of being impaired on
18 the job should be included as part of that workforce
19 development? Because I don't think that we would want to
20 prescreen before you go in because, you know, we would lose
21 30 percent. But to incorporate in the curriculum the
22 consequence of being impaired on the job, whether you're a
23 machinist or an ironworker, right now, that isn't happening
24 and workforce development programs. Can you talk on your
25 forward look, you know, across the broader spectrum,

1 please?

2 MS. OYLER: Well, I would agree that that sort of
3 program would be very helpful. Our members, like Carl's
4 members, as he mentioned, do hear about it. They're
5 concerned about it from a hiring standpoint, from a
6 liability standpoint and, like you said, from worker's
7 comp. They're really concerned about it. And I would
8 agree.

9 And to the extent that job-training programs can
10 work hand-in-hand with recovery programs, I don't think
11 that's a bad idea, and I think that probably can be
12 something that is -- I believe the Governor proposed a
13 trial program in his budget along those lines if I remember
14 correctly, but I think that's something we should look at
15 because we do have a large portion of the workforce that's
16 been impacted, and it is affecting hiring.

17 MR. HALPER: I think you're hitting on a key
18 point, and in my previous response to Representative Dush
19 of making students aware of what will be required of them
20 if they want to put themselves in a position of being
21 employed and not living in their parents' basement,
22 absolutely making sure they're aware that many employers do
23 have this condition of employment of a clean drug test.
24 You know, we have gotten the same survey results and the
25 same insight from Pennsylvania employers that failing to

1 pass drug tests or not showing up once an applicant is made
2 aware that there will be a drug test is a significant
3 issue. So that should definitely be emphasized, whether
4 it's at the guidance-counselor level or teacher level.
5 When you're talking about career readiness, part of that is
6 the ability to pass a drug.

7 MAJORITY CHAIRMAN COX: Thank you. Again, I want
8 to thank each of you for taking the time to come in and
9 share the concerns of what you're seeing. I'd ask, as I
10 mentioned to a number of you before, let this be a
11 continuation of a dialogue on how we can better improve
12 things and how we can push the departments and the various
13 boards to be more responsive to the needs we have. Thank
14 you.

15 At this time I'm going to ask our next panel to
16 begin making their way to the table.

17 Okay. On our second panel joining us today we
18 have some of those who are responsible for the training
19 programs that are being utilized in the various regions
20 around the Commonwealth. And we also have a representative
21 of the skilled construction trades. And we're going to
22 hear from these groups today, from representatives from
23 these groups today. We're going to look and ask you some
24 of the same questions, and I'm hoping your testimony will
25 provide some of the same information regarding the issues

1 and gaps that you might be seeing in the workforce
2 development system.

3 Joining us today on my right is Nancy Dischinat,
4 and you are the Executive Director of the Workforce Board
5 Lehigh Valley. Also joining us, Eric Esoda, President and
6 CEO of NEPIRC. I'll let you explain what that acronym
7 stands for. And then Frank Sirianni, who's President of
8 the PA Building and Construction Trades Council.

9 I would like to remind everybody to please limit
10 your remarks if it all possible to five minutes. We've
11 been able to keep on time through this first hour, and I'm
12 optimistic we'll be able to do the same for the remaining
13 hour. Shannon again will provide a signal to you when you
14 have 30 seconds. It will sound a little something like
15 this. All right. And so when you hear that, please begin
16 wrapping up your comments if you would not mind.

17 So we're going to start with Ms. Dischinat. And
18 if you could speak into the microphone, we do have audio
19 both on our system and here in the room. So thank you.

20 MS. DISCHINAT: Thank you. So, good morning, Mr.
21 Chairman, and Members of the Committee. I'm Nancy
22 Dischinat, Executive Director of the Workforce Board Lehigh
23 Valley, the third-largest area in Pennsylvania, and I'm
24 here before you representing not only the Lehigh Valley
25 workforce area but also 21 other workforce Directors

1 involved in the Pennsylvania Workforce Development
2 Association. Some are in the audience today.

3 The Association has provided text on the
4 evolution of workforce boards IN the Federal Workforce and
5 Innovation and Opportunity Act, or WIOA, that directs
6 funding and implements workforce programs and services
7 offered through a community implementation model that
8 reflects local and regional economies called PA CareerLink.
9 It's your workforce system. It has local design and has
10 local accountability of services and local procurement of
11 the services that we provide in all of the counties. We
12 are all in your districts working with your staff, serving
13 your constituents' workforce needs.

14 PA CareerLink has grown from a program to a
15 workforce system serving two main customers, the employer
16 and job seekers, and it's backed by services through the
17 Workforce Act, through the Bureau of Employment and
18 Training, the Workforce Development Partnership, Wagner-
19 Peyser, veterans, unemployment compensation, services
20 through the Office of Vocational Rehabilitation, Department
21 of Health and Services, Pennsylvania Department of
22 Education, from literacy to college and more and more and
23 more.

24 So thank you for supporting a workforce system
25 with a menu of services that customers in each of our

1 communities or your constituents can access through a one-
2 stop location to the extent we can afford it.

3 Above all, we really understand that employers
4 are our first customers without a doubt. Without their
5 jobs, there is no need for a workforce system
6 clearinghouse, is there? Last year alone the Workforce
7 Innovation and Opportunity Act allocation to Pennsylvania
8 was \$156,252,836.04. I just added the four cents. It
9 really isn't. That's a lot of money just for that program.

10 So I've been asked to say what's working in
11 workforce development in Pennsylvania. The fact that
12 Pennsylvania has an unemployment rate of 4.2 percent and
13 the Governor presented a budget focused on Pennsylvania's
14 most valuable resource, and I quote, "the people of
15 Pennsylvania." The fact that we are all having
16 relationships and building partnerships and above all trust
17 with the employer base in our local communities through the
18 alignment of economic development, workforce development,
19 education, and the community, the community stakeholders.

20 What is working? The fact that Pennsylvania has
21 22 private-sector-led workforce boards directing research
22 and directing the resources to meet employer demand for
23 high-priority training, for career pathways, for
24 employability skills, credentialing. They are telling us
25 what the skill gaps are. They are telling us where to

1 train. And the fact that workforce services and research
2 and talent development and training and employer engagement
3 is happening in 67 counties in Pennsylvania in alignment
4 with economic development. If economic development can
5 tell us the direction we're going, we can have a workforce
6 that's trained to go in that direction. We can work with
7 education to say these are the skills and the attitude you
8 have to create an education and bring the community into
9 it. It is a total square. We're a total square.

10 The fact that your constituents have a place to
11 go to remove barriers due to the braiding of resources to
12 help those with the most barriers such as veterans and
13 dislocated workers and explain-offenders and people on
14 public assistance, with disabilities, and the working poor.
15 We have integrated PA CareerLink into a one-stop holistic
16 customer-centered employment and training system in
17 Pennsylvania where employers find workers and people find
18 jobs and training and skills and connect with social
19 services, including career seekers of all ages from all
20 walks of life, including what we refer to as children of
21 the basement, our children who have not found the job that
22 we feel is in line with the amount of money we spent on
23 their education. We ask you to get them out of the
24 basement. We need them in the workforce.

25 There are many challenges certainly in our

1 system. The association has provided your written
2 testimony on a prevailing issue with the Department of
3 Human Resources, and I respectfully request that you read
4 that and perhaps we have further comment on it at some
5 other point, if not today.

6 Another challenge is the strong economy and labor
7 market presents a talent supply challenge for employers in
8 wages and benefits and compensation packages that meet
9 regional labor demand. The new challenge is employee
10 churning. We're moving from job to job all the time
11 because we want to upscale ourselves, and now is an
12 opportunity to do that. I'm not done.

13 Public transportation, childcare, and housing are
14 challenging to us. And you know what, Pennsylvania needs a
15 marketing plan, a full-blown marketing plan on a system
16 that has been developed by the private sector in the State
17 of Pennsylvania, so we need the Governor on the horn saying
18 what's happening in Pennsylvania all the time and that
19 there is a system available for people to go to. I have a
20 few suggestions for improvement: less regulations and more
21 flexibility, improve public transportation and access so
22 that jobseekers can get to services and jobs, more
23 innovative ways and resources to partner with childcare and
24 housing, statewide marketing plan, increased communication
25 and engagement on solutions regarding issues impacting

1 Pennsylvania's workforce and system delivery. The other
2 idea is employers have become the trainer of choice.
3 They're the trainer of choice, on-the-job training, working
4 with the employer to train in manufacturing and other
5 fields.

6 Together with the Pennsylvania Department of
7 Education, let's establish youth CareerLink centers right
8 in our high schools so that we can go in there with
9 employers and talk to them about the future of workforce,
10 the future of jobs, the pipeline, the career and education
11 decisions they need to make, the pathways, employability
12 skills, and financial aid to get to college or get through
13 college or get on to college, a closer working relationship
14 with you, State officials and legislators pertaining to
15 your constituents needing workforce development. And also
16 please maintain local design and local accountability of
17 local workforce systems in Pennsylvania's private-sector-
18 led workforce board.

19 You know what, everybody wants to be and
20 workforce development right now, right? Everybody wants to
21 be the leader of workforce development. It's been here for
22 many years. Pennsylvania has a very established system. I
23 don't think everyone knows about it. And I think at this
24 end I'm not sure we all know about it correctly. So take a
25 look at us again. Thank you.

1 MAJORITY CHAIRMAN COX: Thank you. Next, we'll
2 hear from Eric Esoda, President and CEO --

3 MR. ESODA: Thank you.

4 MAJORITY CHAIRMAN COX: -- of NEPIRC.

5 MR. ESODA: Thank you. I know I should know
6 better than to try to follow my good friend Ms. Dischinat.

7 Good afternoon. My name is Eric Joseph Esoda,
8 and I'm the President and CEO of the Northeastern PA
9 Industrial Resource Center, better known by our acronym
10 NEPIRC, and current Chairman of the Statewide Industrial
11 Resource Center. NEPIRC is one of Pennsylvania's seven
12 industrial resource centers that collectively provide the
13 Commonwealth's small and mid-sized manufacturers with the
14 technical advisement that they need to hold their position
15 as Pennsylvania's second-largest industry and continue to
16 thrive well into the future. We cover an 11-county region
17 of northeastern and the northern tier of Pennsylvania,
18 facilitating manufacturing growth and accelerating their
19 adoption of new technologies and helping them continuously
20 improve their people, their products, and their processes.

21 My testimony has been filed with the Committee.
22 I'm going to abbreviate that for the sake of time.

23 I'd like to begin by addressing why we should
24 care about manufacturing in Pennsylvania and why this
25 Committee and the General Assembly should be concerned

1 about the health of our industrial community. Data just
2 released by the Pittsburgh Regional Alliance, EMSI Data
3 Analytics, and the National Association of Manufacturers
4 revealed the following facts about manufacturing in
5 Pennsylvania. Manufacturing is our third-largest industry
6 in terms of total employment and second-largest industry in
7 terms of total compensation paid to Pennsylvania workers.
8 Pennsylvania manufacturers currently employ over 565,000
9 full-time workers, accounting for nearly 11 percent of
10 total private-sector employment. In 2018 alone the
11 Commonwealth's 14,424 manufacturing firms infused over
12 \$43.8 billion into the Pennsylvania economy in the form of
13 employee compensation alone, thus making it possible for
14 those workers to buy homes, spend more at their local
15 markets, enjoy the local entertainment venues, and further
16 fuel their community economy.

17 The average Pennsylvania manufacturing worker
18 realizes over \$79,000 of annual compensation, which
19 includes not only their base pay but their bonuses, their
20 shift differentials, the benefits that their employer pays
21 for them, and the contribution to their 401(k) or other
22 retirement plan that their employer makes for them. The
23 average 2018 Pennsylvania manufacturing wage is 13.2
24 percent higher than the overall Pennsylvania average wage
25 last year. And manufacturing is Pennsylvania's third-

1 largest industry in terms of gross State product, which
2 stood at \$88.3 billion last year and grows on an average of
3 five percent per year. These statistics verify that
4 manufacturing is critical to Pennsylvania's economy, it's
5 treasury, and the well-being of its citizens and its
6 communities.

7 So let's address now more specifically the
8 subject of today's hearing, the importance of comprehensive
9 solutions and innovative approaches to workforce
10 development in Pennsylvania. As you'd expect, I'll frame
11 my comments in the context of manufacturing, although I'm
12 confident that much of what I'll say is also common across
13 other industry sectors as well.

14 We've heard from our previous speakers that
15 workforce concerns are now the number-one concern of our
16 manufacturers in our business community. I'll jump ahead
17 to some statistics to prove that point. In 2010 an
18 independent market research firm called the Fors Marsh
19 Group surveyed 950 small and midsize manufacturers in
20 Pennsylvania, and at that time back in 2010 26.5 percent,
21 so about a quarter of them, reported that, quote/unquote,
22 "workforce attraction" is among their top three business
23 concerns. In 2014 that same firm went back and surveyed
24 500 small and midsize manufacturers. This time around 40.5
25 percent of them reported workforce attraction was among

1 their top three concerns. Now in 2018, again, four years
2 later, that same firm surveyed using the same tool, 557
3 small and midsized manufacturers in Pennsylvania, this time
4 an astonishing 65.5 percent identified workforce attraction
5 and retention as their primary concern. To put that in
6 perspective, it ranked higher in concern than other
7 business factors like access to capital, global trade,
8 global competition, environmental concerns, and even
9 finding new customers.

10 So addressing the talent pipeline obviously is
11 going to require a comprehensive approach, an approach that
12 addresses manufacturers' short-term needs, as well as their
13 long-term concerns. One of the things that we haven't
14 spoken about yet today, however, is where there is truly a
15 gap in our workforce development and labor and industry
16 policies. I'd like to suggest that that is accelerating
17 manufacturer adoption of new technologies, which we
18 commonly call industry 4.0.

19 Now, larger companies have the budgets and the
20 access to world-class and obviously higher-priced
21 consultants, so they can embrace new technologies, which
22 includes robotics, connected factories, and so forth. The
23 linkage between that and workforce is that the future
24 workforce expects these new technologies. They grew up
25 with them. They grew up playing with them, engaging with

1 them. They now look to new technologies in their cars, and
2 they're making purchase decisions based upon not if there's
3 a warranty or good fuel economy or a reliability ranking of
4 the vehicle but on if it will connect to their mobile
5 device and if it offers free onboard Wi-Fi. We may laugh
6 at that and shrug it off, but the workforce of the future
7 expects these same technologies to be used in the workplace
8 regardless of what industry in which they work.

9 Smaller and midsize firms, however, don't often
10 have the resources to implement these, so they continue to
11 have that legacy opinion that we've heard before of, well,
12 it's dirty, it's dark, it's dangerous. And the reality
13 many of them are modernized but the small and midsize
14 manufacturing firms can still use additional resources to
15 implemented new technologies so that when that future
16 workforce arrives and go for that interview, they're not
17 only worried about if I'm going to pass a drug test, but
18 there also saying, boy, I really hope I do because there's
19 some really cool technologies going on in this
20 manufacturing firm, and that's where I want to work.

21 So, as a policy change, I would suggest that we
22 explore incentives for companies to implemented new
23 technologies so that they can continue to move forward and
24 be our Commonwealth's second-largest provider of jobs.

25 Thank you.

1 MAJORITY CHAIRMAN COX: Thank you. Next, you'll
2 hear from Frank Sirianni, President of the PA Building and
3 Construction Trades Council.

4 MR. SIRIANNI: I'm out of time before I even
5 start.

6 MAJORITY CHAIRMAN COX: You've only lost six out
7 of your five minutes, so --

8 MR. SIRIANNI: Thank you. Thank you, Mr.
9 Chairman, Minority Chairman, Members of the Committee, for
10 allowing me to be here today. My name is Frank Sirianni.
11 I'm the President of the Pennsylvania State Building Trades
12 Council. And our council represents 16 regional councils
13 and 95 local unions that have been involved in the training
14 and education of workers for over 100 years through 79
15 apprenticeship programs throughout the State of
16 Pennsylvania. Out of all the apprentices in Pennsylvania,
17 we train about 85 percent of all the apprentices currently,
18 but that's changing as more programs are being started
19 throughout the Commonwealth. We do that together with
20 labor-management cooperation. We have trust funds. We pay
21 for all the training ourselves.

22 When an apprentice is hired or gets into the
23 program, they're automatically hired by a company, they
24 have a job immediately, they have health care and they're
25 paying into their pension, so they become self-sufficient

1 at a very early part of their career. And it's beneficial
2 to them. The wages are extremely high compared to a lot of
3 other wages in other industries. It may start out at about
4 \$60,000 a year as a first-year apprentice in the operating
5 engineers out at Local 66. Some of them may only be about
6 \$25, \$30 an hour to start. I think that in one sense is
7 something that draws people to an industry is what they're
8 getting paid an hour. And you have to realize that they
9 start at 50 percent of the actual wage, so they know that
10 over a period of time they're going to be getting increases
11 every six months or every year depending on what the
12 program is.

13 But there were so many things mentioned here
14 today, and I commend the Committee on this hearing. And
15 it's so important to our economy and to manufacturing and
16 all the other industries. I agreed a lot with the Chamber
17 today, so I want everybody to know that. There may be a
18 couple things I didn't agree with like the waivers. I
19 don't know about waivers. You know, you have to look at
20 how they are presented because waivers mean somebody's
21 getting a different condition than someone else because not
22 everybody gets the same waiver a lot of times, so we have
23 to look at that.

24 I commend the Workforce Development Board that's
25 put together. And Representative Mackenzie is on that

1 board. He's been very active in that committee. It's a
2 good committee, and we have people from all over working on
3 that.

4 The big issue has been brought up here several
5 times, and it's awareness, job awareness. That is the big
6 issue. All the children even when I grew up, which was a
7 long time ago, we were pushed to go to college. I went to
8 high school in State College, so where do you go, you go to
9 Penn State. That's what you do. Well, I was one of the
10 guys that would walk up and the dog ate my report, so, you
11 know, where did I go? I went a different direction and
12 ended up being a journeyman glazer. If you walk into the
13 cafeteria area and you look up and you see all that glass,
14 that's what I did for a living. I worked up 33 stories in
15 the weather like outside today when it's been near zero and
16 also when it's been 95 degrees with a piece of glass that's
17 probably as big as one of those windows behind you.

18 So how do you draw people to those kind of jobs?
19 It's difficult. But the pamphlet I gave you has a lot of
20 the statistics of our organization. It was put together by
21 the Capital Area Labor-Management Group. It was a study
22 done on our apprenticeship programs. I'm very proud of
23 them. They do a great job. We spend over \$250 million a
24 year in education and training of our members in the
25 construction industry. We also provide the best workforce

1 for our contractors that we can. When we sit down to
2 interview apprentices, the joint team, the contractor and
3 the unions sit down and they interview together, and then
4 they review those applications.

5 We have to jump a lot of obstacles to get people
6 into our apprenticeship programs. We have to advertise so
7 many days in advance. We have to pull out a particular
8 group of organizations. So it's a challenge for us to get
9 people, but we do it. It takes a lot of work. It takes a
10 lot of cooperation between labor and management.

11 And, any questions, I'll be happy to answer.
12 I'll yield. Thank you.

13 MAJORITY CHAIRMAN COX: Thank you.

14 And I do want to point out for the benefit of the
15 Members and others, a lot of the testimony of these
16 individuals has been condensed to five minutes. There's a
17 lot more more information that's found in the materials
18 they brought, so I would encourage the Members and those in
19 the public who would like to grab the materials and take a
20 look at them. There's a lot of great information in there
21 that perhaps delves into more depth.

22 I'd like to start off with a question, and I
23 think perhaps more focused for Ms. Dischinat. The
24 availability and accessibility of these types of programs,
25 in speaking with my own local Workforce Investment Board --

1 and I called them in for a -- I've spoken with them
2 periodically, but I called them in for a more recent update
3 over the last couple of weeks. And one of the things that
4 I feel like is occurring at least within our Workforce
5 Investment Board is possibly symptomatic and evidenced
6 elsewhere, but our small businesses, I feel like the small
7 business owners may feel somewhat of a disconnect from the
8 Workforce Investment Board.

9 And when I speak to the smaller businesses, what
10 I'm hearing is, you know, even if they were invited to
11 serve on the Workforce Investment Board or participate,
12 because of the very nature of a small business, they can't
13 step away from their business, you know, to drive a half
14 hour, spend an hour or two and then, you know, they're
15 operating a business. And so the challenges of just
16 getting somebody like that to the table is often
17 problematic. But I have found our Workforce Investment
18 Board is utilizing input from some of those smaller
19 employers.

20 But one of the things we did here this morning
21 was that the awareness of a lot of these workforce
22 development programs, whether it be a local initiative or
23 statewide thing, I've appointed local employers to various
24 programs as a State Rep. I'm trying to do what you
25 recommended even before you recommended it, and that is to

1 be a liaison to my local employers, knowing that my
2 constituents benefit from knowing about those things.

3 Is there something that you're seeing within
4 Lehigh Valley that is particularly useful or is an area you
5 feel you can improve on? Where can we go with that to
6 better serve our small business community which we're
7 hearing on a few different levels is kind of being left
8 out?

9 MS. DISCHINAT: Thank you. And Lehigh Valley
10 certainly is a large community of small employers. Between
11 one and nine employees -- actually, now, we're getting a
12 lot of warehouses in, but what we did was literally hired
13 the Chamber of Commerce to serve as our intermediary, so
14 they are on the forward front position in the Lehigh Valley
15 because they have over 5,000 members. And all of them are
16 small members. So they are the intermediaries going out
17 into the field to get the information from the employers,
18 not only just going one by one, but a lot of those small
19 employers will get together with the Small Business
20 Development Center Committee from the Chamber, so they'll
21 come to maybe our quarterly meetings or semimonthly
22 meetings, and that's where we go to them and get the
23 information from them and take it back to the ones and to
24 the board back in.

25 And with that what has happened by doing that is,

1 for example, you're talking but the kids in school and how
2 do we get the employer into the school to make sure our
3 children understand where the skills are and what the jobs
4 are. We came up with a whole booklet of employers willing
5 to go into the classrooms and talk to the kids. So every
6 time the Chamber is out there talking to them about
7 services the Chamber offers, it's also workforce
8 development services and the services we have, and then
9 they sign them up for this book and we go into the school
10 districts and they talk to the kids.

11 And not only that, the employers that are doing
12 that, we started going in and we send someone into do a
13 career pathway of that employer. So now we have this whole
14 -- hundreds of employer career pathways that we give to the
15 school districts, and the teachers are using them and now
16 so are the employers using them as a recruitment tool. So
17 it kind of all works together.

18 But the Chamber of Commerce without a doubt, our
19 local Chamber of Commerce is fantastic with us. We are
20 with them every single day.

21 MAJORITY CHAIRMAN COX: Okay. And like --

22 MS. DISCHINAT: Let them be your vehicle --

23 MAJORITY CHAIRMAN COX: Okay.

24 MS. DISCHINAT: -- you know, because you can't --
25 they're fixing a car --

1 MAJORITY CHAIRMAN COX: Yes, why reinvent the
2 wheel, certainly.

3 And just a follow-up question, you're the local
4 Workforce Investment Board for Lehigh Valley, so I'm
5 assuming you put together a report that was then submitted
6 to the State?

7 MS. DISCHINAT: Yes.

8 MAJORITY CHAIRMAN COX: Okay. Was the
9 information you just described connecting the Chamber, was
10 that sort of information included in your report that was
11 submitted?

12 MS. DISCHINAT: We asked for three things. Well,
13 I had four.

14 MAJORITY CHAIRMAN COX: Okay.

15 MS. DISCHINAT: So I think I did talk about the
16 Chamber.

17 MAJORITY CHAIRMAN COX: Okay.

18 MS. DISCHINAT: So it is a matter of --

19 MAJORITY CHAIRMAN COX: I'm hopeful that other
20 Chambers like yours are going to send us their ideas, and
21 we're going to find --

22 MS. DISCHINAT: I hope so, too.

23 MAJORITY CHAIRMAN COX: -- how we can connect all
24 these dots. Thank you.

25 MS. DISCHINAT: The biggest asset. They're the

1 ones making the decisions on hiring people.

2 MAJORITY CHAIRMAN COX: Right, right.

3 MS. DISCHINAT: They're the ones giving us the
4 ideas of what skill sets they need. It has to come from
5 them, not from us.

6 MAJORITY CHAIRMAN COX: Fantastic.

7 Representative Harkins, you have a question?

8 DEMOCRATIC CHAIRMAN HARKINS: Yes, thank you.

9 More a comment and maybe a question for Mr. Sirianni.

10 Thank you all for your testimony. I know we had
11 worked before on some of the things when I was involved
12 with the caucus involving technical and trades. I'm sorry.
13 In our area up in Erie, though, we recently had an issue
14 with the apprenticeship programs where the school district
15 didn't even understand the concept. And I attended the
16 school board meeting last week, and there were four or five
17 people that approached me because I had the background on
18 it and explained it to them. Now since I've gotten the
19 Superintendent to agree to go with me to see some of the
20 programs that are offered in the region. But how can we in
21 your opinion break down that barrier and let people see
22 what's available?

23 MR. SIRIANNI: I would extend an open invitation
24 to the Committee to tour any and all of our apprenticeship
25 programs throughout the State. That's probably one in your

1 backyard like you have. They're in Philly, they're in
2 Harrisburg. And I know that with just a phone call you
3 could get in to visit any of them, and we would be honored
4 to have you show up and tour our facilities. Some
5 legislators have already in the past. We've had different
6 Labor Committees and the Senate and Education Committees
7 come to our facilities to look at them. That was an
8 interesting issue for an educational facility to not want
9 to have trained and educated people and apprenticeship
10 programs as a preference on their projects, and the board
11 voted to keep that policy, and I think that was a wise move
12 forward for that board. And I think that your input really
13 helped that, and I think that was a good thing for the area
14 school district and for the community.

15 DEMOCRATIC CHAIRMAN HARKINS: It was embarrassing
16 to be there and hear these educated people talk as though
17 they understood, and at the end of the meeting talking to
18 three or four of them and they honestly admitted that they
19 didn't know what it was about so --

20 MR. SIRIANNI: One thing we find, you know, with
21 our programs -- and I'm very proud of them, and you
22 probably noticed that -- but when our members or
23 apprentices come out of the program, they have no debt.
24 It's paid for by us. We pay for it. Many of them get a
25 college associate's degree or near that. You know, we're

1 seeing a lot of different people charging for training and
2 getting grants at the same time. To me, you know, that
3 kind of slows the process down for a worker getting to the
4 point where they're going to be employed.

5 I would recommend that there's some kind of
6 tracking device as to, you know, how many of these people
7 get jobs after that entity gets a grant. And that's a
8 fairly easy thing to do because everybody becomes part of
9 the registry on unemployment or on worker's comp, so all
10 you have to do is check that person. When they apply for
11 an apprenticeship, registration from the State, they give
12 their Social Security number, so their Social Security
13 number could be tracked, and you could track that person to
14 see where they go, how much they make, and whether that was
15 a successful program or not.

16 And I think the success of the programs are
17 important, to, you know, the final outcomes to find out
18 where the money is best being used and best being -- so,
19 again, thank you for your interest in this. It's very
20 important to our future as construction workers. We have
21 130,000 members. You know, it's important to us.

22 DEMOCRATIC CHAIRMAN HARKINS: Thank you to all
23 three of you for your testimony.

24 MS. DISCHINAT: I have a comment.

25 DEMOCRATIC CHAIRMAN HARKINS: Yes.

1 MS. DISCHINAT: Union apprenticeship programs are
2 second to none. They're very structured, very good, an
3 excellent direction for some people. But I think what's
4 happened in Pennsylvania through our Governor is we've kind
5 of opened that apprenticeship door to employers to do
6 apprenticeship programs on the job and to modify the
7 standard apprenticeship program from the bureau of
8 apprenticeship and training, so we're beginning to see that
9 it's a very tough sell many times to people, to individuals
10 and to employers, so it's how we're phrasing it to people
11 and how we are engaging them in it. We know if there's a
12 strict, structured, this is the direction Harry and Mary
13 want to go, we send them to a union apprenticeship program.
14 That is a direction for them. But if they're not sure and
15 they're not getting it all and they just want to learn on
16 the job, there's other opportunities.

17 I think the word apprenticeship is taking on a
18 new tone in the State of Pennsylvania because the
19 Governor's opened the door to have employers do it and lots
20 of other people, so --

21 DEMOCRATIC CHAIRMAN HARKINS: That's a point well
22 taken.

23 MS. DISCHINAT: -- it's another way. It's
24 another way.

25 DEMOCRATIC CHAIRMAN HARKINS: Yes, and I spoke

1 with some of the media people up in my region that asked if
2 they could go along with us to see what's offered and
3 somehow they could break down the barrier and relay to the
4 public what's available. Very good point, though. Thank
5 you.

6 MAJORITY CHAIRMAN COX: Thank you.

7 Representative Nelson, you have a question?

8 REPRESENTATIVE NELSON: Thank you, Mr. Chairman.

9 And thank you, you know, Board, for your
10 testimony today.

11 Because workforce development is definitely, you
12 know, a buzzword amongst the budget and government, and our
13 endorsement of buzzwords usually creates some sort of
14 financial incentives or government dollars going towards
15 it. You know, from the employer and the trade side,
16 existing conduits already are in place for workforce
17 developments and PA CareerLinks, and there's already
18 pathways for dollars to get there. But it seems like the
19 small employers that the Chairman spoke about, the trades
20 and even the nonunion construction that are -- how did
21 they, in a non-administratively burden way, benefit from
22 those incentives? Because I'm concerned that I do see an
23 increase in trade schools. I hear talk of even a charter
24 trade school coming online after -- you know, so I'm a
25 strong believer that the dollar should really get to the

1 district or the people who are going to be working. How do
2 some of these entities that are not connected with an
3 existing conduit benefit in a -- you know, how do you see
4 us helping the small employers and the trades and nonunion
5 construction trades actually getting it done?

6 MR. SIRIANNI: Do you want to answer that?

7 MR. ESODA: No, you --

8 MR. SIRIANNI: That's a good question. First and
9 foremost, there are a lot of nonunion construction
10 apprenticeship programs, not nearly as many -- well,
11 actually, there's more of them than there are of us. But
12 the fact of the matter is each program should be followed
13 and tracked to find out if they're working or if they're
14 not working and how they have to change to make them work.
15 It's only good for the employee and the employer. The
16 employer wants skilled people, and their program should
17 provide that. If they're not providing that, if they're
18 just using apprenticeship programs for low-wage workers,
19 then it's a failure because people that don't graduate from
20 the program, they go somewhere else, and then there's a
21 problem.

22 I think that, you know, there are good programs
23 across the board, and there are some programs that need
24 revamped. And as far as manufacturing goes, that's a tough
25 one because so much manufacturing left Pennsylvania for

1 years and now it's coming back, so now you have to try to
2 satisfy that need. You have to look at the age group that
3 was involved in that when that transformation came. They
4 went to work every day so their kids could go to college,
5 and they went to work every day and then lost their job in
6 manufacturing because a plant closed down. So now you have
7 this stigma that hangs over it.

8 And there's good manufacturing now, I mean, a lot
9 of good manufacturing. So, said earlier by the Chamber, we
10 need education to parents, we need education to students
11 and to teachers to let people know those jobs are good-
12 paying jobs and they're out there. If we don't break that,
13 we're going to end up having this conversation for a lot of
14 years.

15 MR. ESODA: As a follow-on, I think if your
16 question was how do companies access all the resources
17 throughout their -- because there are many resources that
18 are out there, and our manufacturers access them as
19 aggressively as they can as a way to reduce their at least
20 initial hiring and startup costs for a new employee. And
21 so they'll look to WEDnet, which is a great program that
22 provides some guaranteed free training for incumbent
23 workers. Our local Workforce Investment Board offers a
24 program that your first six months, if you hire out of a
25 particular class, you would get a six-month, 50 percent

1 refund of their wages. And there's also some Federal
2 programs that will pay the same if you hire out of the
3 veteran community.

4 What they really need in my opinion is someone to
5 help them navigate through all of those because, as we had
6 heard before, some of the red tape does become a barrier.
7 And a manufacturer that needs to get the product out the
8 door will quickly throw his or her hands up and say, you
9 know, this is going to be a little bit of a challenge for
10 me to fill out a lot of these forms and to qualify for a
11 lot of these programs.

12 Over time I feel that organizations have either
13 become employee-focused or employer-focused, and it's just
14 a matter of who they focus on, they focus on the workforce
15 or they focus on the employers that are in need of that
16 workforce. And slowly over time we've seen those
17 organizations become much, much closer together. But if a
18 liaison is to exist within that little world, then we need
19 to make sure that it's an organization and organizations
20 that are connected to the employers that can sit with them
21 and say let us be your liaison to all the programs that are
22 out there. We can navigate this paperwork for you. We
23 probably already have access to a lot of the information
24 that you need to put on these forms anyway in terms of the
25 type of individual that you paid, what their wages are,

1 what their benefits are, and so forth, so we have access to
2 that by virtue of our relationship with you. Let us pursue
3 those for you so you can get the best access to the
4 programs that are out there and let's talk about individual
5 training accounts or ITAs for these individuals through the
6 Workforce Investment Board and get this person on the right
7 path, but do it in the context of what's right for your
8 company.

9 MAJORITY CHAIRMAN COX: Thank you.

10 Representative Keefer?

11 REPRESENTATIVE KEEFER: Thank you, Mr. Chairman.

12 Thank you, panelists.

13 A question I have for all of you actually is I
14 agree with you on the issue that what we have done is a
15 disservice I think to students for quite a generation of
16 every student has to go to college. And a lot of that is
17 driven by the school assessment and school scoring, right?
18 They get so many points for the number of kids going to
19 higher education or however that's worked into their
20 equations, and so that drives a lot of it. So the
21 counselors or the educators are not pushing students into
22 or promoting the career and tech skills. Have any of you
23 in any of your capacities met with the Department of
24 Education to try to realign any of that scoring or
25 evaluations on the school -- that's a huge gap that's

1 there, and there are just different skill sets for every
2 individual. It's not this one-size-fits-all, which drives
3 me crazy.

4 MR. SIRIANNI: The Department of Education is
5 working with the Workforce Development Board and the
6 Secretary that attends the meetings, and there has been a
7 lot of conversation on the Youth Committee as to how to
8 connect those dots and fill in the voids through that. But
9 the awareness issue is a big one.

10 REPRESENTATIVE KEEFER: Yes. Specifically I
11 would say though -- and I agree; I think they're doing a
12 lot of different things and, you know, our response to a
13 lot of this is throw more money at it, let's, you know, put
14 more money into the career and tech, which I don't
15 necessarily disagree with, but sometimes I think realigning
16 those funding. And I think that scoring, have any of you
17 addressed the scoring or assessments, evaluations of the
18 schools based on, you know, their career choices?

19 MS. DISCHINAT: What we've done is we serve on
20 every single school district's [inaudible] so that's a
21 starting point because that's the [inaudible]. So we serve
22 on that to make sure workforce development issues are
23 embedded into that because they're -- and everything we do
24 we align with the career and technical education standards
25 to make sure they can use it so then we present it to

1 schools, they can use it. And we try to be the resource
2 for them for all the things they have to do aside from
3 teach the children.

4 Something just happened and we're just like
5 stunned that it happened. We created an employer -- with
6 our Chamber of Commerce an employer employability skills
7 curriculum. You know how hard it is to get something
8 changed in a school district or embedded. It's very
9 difficult. So we've been working with our Allentown School
10 District, and we have this whole employability skills
11 curriculum. We had done it through a grant from the
12 Governor's office and we gave it to every single school
13 district in the Lehigh Valley. Here it is, written by
14 employers with us about what they require as far as the
15 soft skills [inaudible], not only that, the lesson plans we
16 wrote with them so that the teachers can just take them and
17 use them. So we have lots of school districts using
18 different models of it, you know [inaudible] an entire
19 curriculum into a school district, but we have [inaudible].
20 They actually [inaudible]. That's unbelievable. That's
21 integration of workforce development into education. We
22 drive our educators [inaudible] but we also realize that we
23 can't expect them to do everything. We have to give them
24 the product if they're going to use it, so much that we're
25 working with the colleges to say maybe we need to look at

1 what a teacher needs to learn to be a teacher.

2 And maybe some of that has to change, do you know
3 what I mean, because you can't have a ratio of 500-to-1
4 guidance counselors and expect them all to come out to be
5 manufacturers or to go into an apprenticeship program or to
6 understand where the jobs are, what are the skills, what
7 are the education requirements. We have to be there in
8 workforce development to work with them, which is one
9 reason why we need to be in the school districts. We need
10 to make sure that pipeline is coming out.

11 Representative Mackenzie works with us all the
12 time. He's been in the school districts time and time
13 again with us to say here's what we need to do. We go into
14 the classrooms and teach. We go in there and help them.
15 We have employers that marry up with the school district to
16 kind of do it. I think it's our role to do that. So
17 there's a lot happening, and if you ever want a report on
18 what's happening across Pennsylvania school districts
19 [inaudible].

20 MR. ESODA: As Nancy was suggesting, I believe
21 that the IRCs as a whole have been more effective in
22 dealing with the individual school at the individual-school
23 level, and they will engage. I'm not saying that the need
24 for test scores, the need for college placement is not a
25 motivator for many schools that are out there. And as

1 someone that has someone in high school, I can tell you
2 that they certainly are a motivator in our particular
3 school district.

4 That having been said, there is receptivity to
5 meeting with organizations and talk to them about some of
6 the programs we've heard here today, the Your Employability
7 Skills program, the What's so Cool about Manufacturing
8 program, the Explore New Manufacturing program. They do
9 adopt those programs when they have room for them in their
10 budgets and when there is a faculty member who is willing
11 to adopt them. And the educator in the workplace programs
12 do help make that conversion to a faculty member that maybe
13 was kind of on the fence, not really sure if he or she
14 wanted to champion that program.

15 When you get out into the manufacturing
16 environment and learn about some of the great jobs that are
17 out there, they do become somewhat of an advocate for the
18 program. They champion it within their schools, and the
19 next thing you know you have over 200 schools participating
20 in a video contest about What's Cool about Manufacturing
21 statewide and from over 50 counties, as well as their
22 adoption of the YES program and other programs as well.

23 So we haven't seen that the need for test scoring
24 or placements or what have you is a barrier. We know
25 anecdotally that it is, but so far no one has said to us,

1 well, I'm not going to champion this program just because
2 it's a detraction from another goal that our school has.

3 MAJORITY CHAIRMAN COX: Thank you.

4 Representative Dush?

5 REPRESENTATIVE DUSH: Thank you, Mr. Chairman.

6 Nancy, you had mentioned about the unemployment
7 rate. I think that's a U-3 index. I've been trying to
8 find it, but for Pennsylvania, do you know what the U-6 is
9 for people who have dropped off the rolls? And the point
10 I'm trying to actually get to is the number may not be as
11 important as are you seeing people who have dropped off the
12 rolls and were subsequently off the U-3? Are you starting
13 to see those folks coming back?

14 MS. DISCHINAT: Absolutely. There are 16,412
15 people unemployed in the Lehigh Valley, and we know
16 [inaudible]. And that's our role, to make sure we know
17 where they're at, who they are, how we can get to them,
18 what services we can provide for them. We have very long
19 -- not very long. We have a large group of individuals
20 that look like you -- they look like us. That's who's
21 unemployed because they had good jobs and they lost those
22 jobs, and now all of a sudden they're sitting in our big
23 auditorium talking to each other and trying to find out
24 what their next step is because they don't want to go back
25 to work not earning the salaries they left. So it's a

1 struggle for them. It's a struggle for them and the
2 benefits they left. So that's a very large group of
3 unemployed population in the Lehigh Valley.

4 Certainly, the people that are collecting
5 welfare, you know, we had fought hard to get the welfare
6 department moved into our workforce system so that we could
7 see them every day and lock the doors, and before they get
8 the check, they have to walk through the workforce system.
9 So we're trying to do everything we can to make sure that
10 we're decreasing the number of people collecting welfare
11 payments, do you know what I mean? So there's lots of
12 things like that going on.

13 REPRESENTATIVE DUSH: I do exactly know what you
14 mean, and I'm actually -- that cohort that was part of
15 those who dropped off but then there's also those straight
16 out of high school never bothered to even try getting into
17 work, so obviously with the way you've got it set up,
18 you're getting eyes on even that cohort of people that --

19 MS. DISCHINAT: Absolutely. Absolutely. They
20 don't fit into any program. They just fit into the
21 workforce system, and that's the beauty of Pennsylvania
22 having one. Everyone's welcome. Your children are
23 welcome. We'll help them find a job, too.

24 REPRESENTATIVE DUSH: That's excellent.

25 MS. DISCHINAT: [inaudible] someone that's needy.

1 There's a new definition of needy.

2 REPRESENTATIVE DUSH: And if I may, Chairman?
3 Frank, you had mentioned about the training and keeping
4 track of the dollars. And you and I both know we're both
5 on the same page on this. You forgot to mention something
6 I think is very important with your program is that you're
7 actually paying these people rather than taking money.
8 You're actually paying people to be on these programs.

9 MR. SIRIANNI: That's right. They have a job and
10 they're getting paid every week and they have no debt when
11 they're done, so --

12 REPRESENTATIVE DUSH: And that's one of the best
13 returns on the dollar. Thank you.

14 MAJORITY CHAIRMAN COX: Thank you. And we'll end
15 with Representative Mackenzie.

16 REPRESENTATIVE MACKENZIE: Thank you, Mr.
17 Chairman. And I know we only have a couple minutes left,
18 so I'll try to breeze through everything. First thing I
19 would like to do if you'll allow me is just to highlight
20 legislation that I just introduced today, Career Bound.
21 It's something that has been introduced the past three
22 sessions, and it passes through the House and then it
23 always becomes a budget issue because it has tax credits
24 tied to it. So we took out the tax credit portion at the
25 behest of the Governor's office. But it does hit on

1 exactly what this panel -- Mr. Sirianni mentioned it a
2 number of times. Other panelists have mentioned it in the
3 first session is about career awareness. So we do have
4 something that we're looking to put forward to address that
5 issue and raise awareness amongst our middle school and
6 high school students, so I know you've committed to taking
7 that up, so hopefully we'll get to that soon.

8 I do want to just say thank you to Mr. Esoda for
9 your work at the IRCs. You guys do a great job, so thank
10 you. And I do have questions for the other two panelists
11 very quickly.

12 So, Ms. Dischinat, thank you for everything you
13 do in the Lehigh Valley, incredible job, and I think it was
14 showcased here nicely today. And the rest of the State
15 gets to hear from you directly about the great work you do.
16 So on that connection, you've connected a lot of the dots,
17 which I think a lot of other workforce boards can do a
18 better job of. So, specifically with the Chamber, what is
19 the financial relationship? Because having them as the
20 intermediary makes a lot of sense, so how did you do that
21 or what resources do you use to do that?

22 MS. DISCHINAT: I literally hired --

23 MAJORITY CHAIRMAN COX: Ms. Dischinat, could you
24 use the microphone for the benefit of our online listeners?

25 MS. DISCHINAT: All right. Sorry.

1 MAJORITY CHAIRMAN COX: No problem.

2 MS. DISCHINAT: Literally hired Michelle, so I
3 hired one of their staff people. They work part-time for
4 me, and they work or time for the Chamber of Commerce.

5 REPRESENTATIVE MACKENZIE: And so just so that
6 other individuals and other workforce boards can know and
7 take that back to theirs, what dollars specifically are you
8 using? Because there are so many restrictions around
9 workforce dollars, so which workforce dollars are you able
10 to use for that?

11 MS. DISCHINAT: Right. I'm using WIOA dollars.

12 REPRESENTATIVE MACKENZIE: Okay.

13 MS. DISCHINAT: Yes, absolutely.

14 REPRESENTATIVE MACKENZIE: Great. Okay.

15 MS. DISCHINAT: It's a staff position --

16 REPRESENTATIVE MACKENZIE: Yes.

17 MS. DISCHINAT: -- so we're kind of -- I'm trying
18 to do that a lot with a lot of positions like we're working
19 with our planning commission because they're so data-
20 driven. We're going to share a staff person with our
21 planning commission. They have the Federal data, we have
22 the State data, so how can we, you know, make this a better
23 system by, you know, integrating with the partners. You
24 know, all of us are -- we have like 83 community-based
25 organizations, and they all have bricks and mortar. How

1 can we get rid of that and say let's look at another way to
2 do business?

3 REPRESENTATIVE MACKENZIE: That's fantastic, so,
4 I mean, I think that connection needs to be made for all
5 workforce boards, so hopefully we can have that as a best
6 practice that we can communicate to other workforce boards
7 how they can do that.

8 You mentioned 339 plans.

9 MS. DISCHINAT: Yes.

10 REPRESENTATIVE MACKENZIE: What's your take?
11 I've heard kind of differing opinions on the effectiveness
12 or usefulness of the current 339 structure in State law.
13 Do you think it works as it is intended --

14 MS. DISCHINAT: I think --

15 REPRESENTATIVE MACKENZIE: -- if you have the
16 right input?

17 MS. DISCHINAT: -- at least it's a structure.

18 REPRESENTATIVE MACKENZIE: Okay.

19 MS. DISCHINAT: And what it's done is because we
20 just bullied our way in -- and I don't mean that negatively
21 at all with education. But we did. Do you know what I'm
22 saying? Because we're always in a school district and
23 trying to help them out and do something. Our whole youth
24 director is very engaged in all our school districts, so we
25 volunteered to be on their 339 plan to do some homework for

1 them. And anyone that's going to do homework for school
2 districts certainly is an asset, so we became an asset.
3 They didn't even know we were that much of an asset, but we
4 are a big asset.

5 So whether the Department of Ed is going to
6 really follow them, we don't know, but, you know, it's
7 working for us. It's working for the school district that
8 they're now coming to our Business Education Partnership
9 meetings. They're talking more to us about workforce
10 development. They're going to have job fairs at the school
11 districts. We have them at our workforce centers. So it's
12 making conversation happen and is making us do things with
13 the school districts.

14 We have CareerLinking academies where we go in
15 and work with the kids in some of the poorer districts to
16 kind of show them some ways to be science, technology, and
17 engineering majors, do you know what I mean, what they can
18 be because we talk all the time about manufacturing and
19 construction and all these things, but it's very difficult
20 when you're in a workforce system. Not everyone wants to
21 be what you want them to be. So we always have to keep
22 that in mind that everyone wants to be what they want to
23 be. We can show them the way of where work is going to be,
24 but a lot of the children in school, we don't even know
25 what those jobs are going to be yet, so we have to make

1 sure they're smart and they're educated and they have the
2 intellectual ability to think and do critical thinking and
3 to do mathematics so that they can do manufacturing in a
4 different way because it's going to look different. And
5 the same thing with the apprenticeship programs. That's a
6 skill, so we need to be smarter.

7 REPRESENTATIVE MACKENZIE: Great. So on that
8 point I think it seems like you've done an effective job of
9 utilizing the 339 plans?

10 MS. DISCHINAT: Yes.

11 REPRESENTATIVE MACKENZIE: I've heard a lot of
12 discussion, good and bad, about the current structure and
13 even talked to the Secretary of Education about it, so we
14 can talk and follow up afterwards, but it might be a good
15 thing for you to be in touch with the Secretary of
16 Education to talk to them about how you're actually making
17 it work effectively and maybe if there are items to be
18 changed for the State, how they would fit into the model
19 that you've already created.

20 The second thing I'll follow up on -- and we
21 don't need to discuss today but I know it's a big issue --
22 is the proposed realignment of DHS dollars for the EARN
23 program and TANF funding that goes to EARN. I know that's
24 a big --

25 MS. DISCHINAT: Right.

1 REPRESENTATIVE MACKENZIE: -- part of your budget
2 and --

3 MS. DISCHINAT: It's huge.

4 REPRESENTATIVE MACKENZIE: -- workforce budgets
5 across the State, so I do think the Committee definitely
6 needs to take that up as an issue with the Administration.

7 So I'll end there for you. I did want to touch
8 on -- Mr. Sirianni brought up a couple things, so I have
9 two specific questions for you. First is we heard from the
10 Manufacturers Resource Center about the lack of capacity
11 for the demand for skilled trades. Do you feel that the
12 capacity you have at your current apprentice programs
13 across the State is meeting the demand that you see or do
14 you need a physical expansion of more slots available?

15 MR. SIRIANNI: That's an interesting question
16 because that's been a topic of discussion for quite some
17 time. And the construction industry -- I'm sorry. So we
18 know that the construction industry goes up and down. And
19 2008, '09, and '10 were terrible for construction, so there
20 was a glut of construction workers. During that time,
21 apprenticeship registrations were down as well. Even with
22 our ratios of apprentices to journey people right now,
23 we're not at full capacity. And most of the people who had
24 apprenticeship programs are not to full capacity. So we
25 keep taking people in as we need them. We've been able to

1 supply all our contractors, which is around 2,500 to 2,800
2 contractors throughout the Commonwealth. We've been able
3 to supply them very well

4 And, you know, we have big projects like the
5 Cracker plant out in Beaver County where they're going to
6 need 2,000 apprentices on that job and close to 6,000
7 workers, so we get a call on a project like that and we
8 supply the people for it. We allocate people through our
9 apprenticeship programs. We are involved in a pre-
10 apprenticeship program out there with the local community
11 and school district.

12 So I think we're on the right course, as we are
13 and everybody is watching the market, watching the building
14 as it increases throughout the Commonwealth. But so far
15 it's been adequate. And we do have an aging workforce in
16 construction, as most of the other industries have, so
17 we're continuously trying to bring more people in. We do
18 10 job fairs. We have apprenticeship awareness day here in
19 the capital, and we do advertise to all the groups
20 throughout all the communities when we have openings. But,
21 as I said, I don't think any of us are at full capacity
22 right now.

23 REPRESENTATIVE MACKENZIE: Okay. Great. Final
24 question I have is related to workforce and the wages that
25 are paid in the workforce. Something I've heard about is a

1 challenge specifically in your industry, in the
2 construction industry around the misclassification of
3 workers and illegal employment as well under cutting wages.
4 Can you just speak to those two challenges that your
5 industry faces and how that plays in?

6 MR. SIRIANNI: Well, misclassification of a
7 worker really hurts the public entity more than anyone such
8 as the school boards, the Department of General Services.
9 It undermines the worker's comp fund. It undermines the
10 unemployment fund because people are classified in a
11 different position than they're actually working in. And
12 once that happens, their pay scale is lower, so they're
13 paying less taxes to the State. They would be classified
14 as a different person on a prevailing-wage project, which
15 may be a different rate. None of those benefits go back to
16 those entities. They just go to the person that
17 misclassified them, which is a lot of times the person who
18 hired them. That is a problem. Some of it's been
19 corrected on public projects, but it's still fairly rampant
20 in the private sector throughout the Commonwealth.

21 Undocumented workers have been addressed in the
22 State under the Worker Misclassification Act. A big part
23 of that was addressing that, too. I don't know, you know,
24 how we correct that as a problem in Pennsylvania. I don't
25 think it's as big of a problem in Pennsylvania as in some

1 of the Southern States or our border States because there's
2 more policing through the Department of Labor and Industry
3 on, you know, what your classification is, are you eligible
4 to be on this project. Some of the misclassification has
5 been in, you know, some of the apprenticeship programs
6 where they will have a person work in a different category
7 outside their apprenticeship definition, and that becomes
8 problematic, too. So, you know, I know there's been some
9 talk about expanding that. I would be more than happy to
10 sit down with anybody on the Committee and talk about that.

11 REPRESENTATIVE MACKENZIE: Okay. Great. Well,
12 thank you, Mr. Chairman, and it sounds like we --

13 MR. SIRIANNI: Thank you.

14 REPRESENTATIVE MACKENZIE: -- have a lot of work
15 ahead of us on all those different topics. But thanks
16 again for the terrific panelists today.

17 MAJORITY CHAIRMAN COX: Thank you. And I want to
18 thank everyone again for attending, the panelists as well
19 as the Members, and I say to you what I said to the first
20 panel. Please let this be the beginning of a conversation,
21 and my door is always open. I know a lot of our Members
22 here as well are looking to hear from you as we tackle some
23 of these tough issues.

24 MS. DISCHINAT: We'll take you up on that, thank
25 you, sir.

1 MAJORITY CHAIRMAN COX: Thank you. This meeting
2 is adjourned.

3

4

(The hearing concluded at 1:02 p.m.)

1 I hereby certify that the foregoing proceedings
2 are a true and accurate transcription produced from audio
3 on the said proceedings and that this is a correct
4 transcript of the same.

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