

**FIELD HEARING IN NEWPORTVILLE, PA:
WORKFORCE DEVELOPMENT: CLOSING THE
SKILLS GAP**

HEARING
BEFORE THE
COMMITTEE ON SMALL BUSINESS
UNITED STATES
HOUSE OF REPRESENTATIVES
ONE HUNDRED FIFTEENTH CONGRESS
SECOND SESSION

HEARING HELD
FEBRUARY 26, 2018



Small Business Committee Document Number 115-057
Available via the GPO Website: www.fdsys.gov

U.S. GOVERNMENT PUBLISHING OFFICE

28-677

WASHINGTON : 2018

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None.	
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None.	

WORKFORCE DEVELOPMENT: CLOSING THE SKILLS GAP

MONDAY, FEBRUARY 26, 2018

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,

Washington, DC.

The Committee met, pursuant to call, at 11:34 a.m., at the Boilermakers Local Lodge No. 13, 2300 New Falls Road, Newportville, PA, 19056, Hon. Brian Fitzpatrick presiding.

Members present: Representatives Fitzpatrick and Evans.

Mr. FITZPATRICK. I thank everyone for coming, and good morning. I call this hearing to order. Thank you for joining at today's Committee on Small Business field hearing in Bucks County, Pennsylvania.

Currently, the United States economy is improving, with relatively low unemployment and increased job creation. Yet in this time of economic prosperity, many small businesses and numerous industries are struggling to find qualified workers. This lack of qualified applicants is commonly referred to as the skills gap.

During times of economic growth, small businesses struggle to compete with large corporations in attracting qualified candidates. Similarly, as baby boomers retire, certain industries are finding fewer workers entering the industry, making it difficult to maintain a steady labor force and resulting in unfilled jobs. Manufacturing is arguably the industry most affected by the skills gap.

How does the skills gap affect us in Pennsylvania? There are nearly one million small businesses that exist in our state. Those businesses employ almost 50 percent of our workers. An additional 10 percent of the state's workforce is employed by one of the roughly 15,000 manufacturing firms operating here. If left unaddressed, the skills gap could not only impact these businesses and workers, but it may also lead to significant economic spillovers throughout the state in general.

Addressing this issue demands our attention now. Today's hearing will allow us to hear from a panel of expert witnesses on how the skills gap is currently affecting our state here in Pennsylvania. We will also learn about areas for potential improvement within our existing workforce development programs. I look forward to a hearing from each of our witness today and having a productive conversation on this issue, and I would also like to take a moment to thank my friend and colleague, and Philadelphia Eagles fan, Dwight Evans, for serving as our Ranking Member today. He is a true friend, a true partner, not only on the Small Business Committee, but in Congress, and very, very beloved not just in his dis-

strict, but in mine here in Bucks County as well. I have enjoyed working with him on the Small Business Committee and appreciate his dedication to the people of Pennsylvania. He is doing a fabulous job.

Mr. FITZPATRICK. And with that, I yield time to my friend, Mr. Evans.

Mr. EVANS. Thank you, Mr. Chairman, and I also appreciate this opportunity of being here with you. Bucks County is one of my favorite places, so—not that it is that far away anyway.

Thank you, Mr. Chairman, for holding this hearing. Licensing is a process which the state requires workers to meet basic standards at the local level—local and state level before they are able to perform a job. While the origin of this limit had noble goals of protecting the safety and well-being of residents, we can think of instances where the requirements have proven burdensome, bear little resemblance to the function they were.

Nevertheless, occupational licensing persists and has become ever the more burdensome across the Nation. Since the 1950s, the number of licensed workers has jumped from just five percent of the workforce to nearly 30 percent today. Nearly one in four workers, yet not every occupation regulates consistently across the states.

Fewer than 60 occupations are regulated in all 50 states, showing substantial differences in which occupations states chose to regulate, making the situation worse for workers, many of whom are thriving for small business owners, are the fees required, training costs, time spent, studying, and testing.

While the requirements serve a fundamental purpose, they are also a barrier to our financial—an occupation, especially low income and immigration workers.

Today's hearing will give us the opportunity to hear more about the genesis of professional licensing and the evolution. Though this issue is one for the states to take up, it is nevertheless important for all of us to bring it up to the forefront because it has effects and can bring guidelines into federal law.

Licensing requirements have exploded to a new field, some that marry regulations and others that raise the question of whether there is too much licensing. States have brought powers to regulate their workers and have a duty to protect their residents. Requiring certain professions to meet strict licensing rules only makes sense in that regard. However, we must look at the implications of being licensed as entrepreneurs and consumers.

In the interest of time, I would like to ask unanimous consent that the entire statement be included in the record, and I look forward to hearing from them. I would like to yield back the balance of my time.

Thank you, Mr. Chairman.

Mr. FITZPATRICK. Thank you, Mr. Evans, and I would like to take a moment to explain the timing lights for you. You will each have 5 minutes to deliver your testimony. The light will start out as green and when you have 1 minute remaining, the light will turn yellow, and finally at the end of your 5 minutes, it will turn red.

Our first witness is Mr. Patrick Eiding. Mr. Eiding is the president of the Philadelphia Council AFL-CIO, elected in January of 2002. Mr. Eiding is currently serving his fifth term as president of the council, representing over 100 local unions. In addition to his responsibilities with the Philadelphia Council, Mr. Eiding serves as secretary/treasurer of the Philadelphia Building Trades Council on the General Board of the National AFL-CIO, and is a member of numerous boards and commissions in the Philadelphia area. Mr. Eiding's expertise stems from over 2 decades of service as a business manager and financial secretary of the Insulators and Asbestos Workers Local 14, a local union for which he has been a member since 1963. Thank you for joining us today, Mr. Eiding.

Our next witness is Ms. Susan Herring. Ms. Herring currently serves as the interim executive director at Bucks County Community College's Center for Workforce Development. As an interim executive director, Ms. Herring manages a wide variety of training programs, including those offered at the college's Advanced Manufacturing Training Center. Prior to her current position, Ms. Herring spent over 10 years with the New Jersey Chamber of Commerce Foundation. There she served in various roles, including program manager, director, and executive director of workforce programs. Thank you, Mrs. Herring, for being here with us today as well.

And our final witness is Mr. Alex Halper. Mr. Halper is the Pennsylvania Chamber of Business and Industry's director of government affairs. In this position, Mr. Halper focuses on issues such as labor and employment policy, education, and workforce development. In addition to his work with the Chamber, Mr. Halper serves the Pennsylvania Minimum Wage Advisory Board, the Pennsylvania Workers' Compensation Advisory Council, and the governing board of the Pennsylvania Compensation Ratings Bureau. And again, Mr. Halper, thank you for joining us as well today.

And with that, Mr. Eiding, you are recognized for 5 minutes to deliver your statement.

STATEMENTS OF PATRICK EIDING, PRESIDENT, PHILADELPHIA COUNCIL AFL-CIO, PHILADELPHIA, PA; SUSAN HERRING, INTERIM EXECUTIVE DIRECTOR, CENTER FOR WORKFORCE DEVELOPMENT, BUCKS COUNTY COMMUNITY COLLEGE, NEWTOWN, PA; AND ALEX HALPER, DIRECTOR OF GOVERNMENT AFFAIRS, PENNSYLVANIA CHAMBER OF BUSINESS AND INDUSTRY, HARRISBURG, PA

STATEMENT OF PATRICK EIDING

Mr. EIDING. Thank you. Good morning, and I thank you for the opportunity to discuss workforce development.

As was noted, my name is Pat Eiding and I am the president of the Philadelphia Council AFL-CIO, representing over 150,000 working families.

I am proud to say that I have been on the board of the Philadelphia Works Incorporated since 2002 and I am currently on the Executive Committee. I also have the pleasure of serving on the board of the Pennsylvania Workforce Development. I am the only labor person, by the way, who was ever been on the National Association

of Workforce Board, which normally is put together of all corporate people because that is what workforce is generally about. They are the people that hire the people, but being a labor person on that board has been, first of all, an honor and, I think, an opportunity to mesh the two areas that are very important as far as putting people to work.

So what NAWB's responsibility and our main role in D.C. is about lobbying for money for workforce, and of course, for jobs.

Since the focus of this hearing—excuse me while I get rid of these. Since the focus of this hearing is on workforce development, I must begin by requesting that you and your colleagues in both chambers continue to fund the Workforce Innovation and Opportunities Act, WIOA. I also would ask that you maintain the conditions for Pell grants that allow for the ability to benefit without the need of having a high school diploma before you use a Pell grant. For example, short programs in community colleges and also training programs, programs such as Pell for skill development in short term programs. Also, I would ask that we maintain a focus on registered apprentice programs. Additionally, we will need more money for adults for infrastructure job training.

One of my biggest concerns is the level of proficiency in math and reading our students are graduating with. In some cases, even graduates of CTE schools, which are the best in Philadelphia, are at a sixth or seventh grade level for both reading and math. We need to increase education funding for these programs to better prepare these students for graduation.

The building trades, especially the building trades in Philadelphia and surrounding areas, have the best training—some of the best training programs in the country, but our kids can't qualify for the apprentice program. This is also a problem at the Philadelphia Shipyard, where they have an apprentice program. At seventh grade math and reading as a young person, a young person would not be able to keep up with the training needed to become a journey person.

Finally, we need more engagement and commitment from employers, both large and small, so that we can perform the special training needed for their employees, such as internships and apprenticeships. Where we have meaningful collaboration, jobs are made for—lifetime sustaining jobs are created. The collaboration is so important.

Areas of concern, I would include re-entry persons, veterans, and we certainly could use some help to fund our very successful Helmets to Hardhats, which is for veterans coming out and looking for jobs.

I want to step off of my written text for a little bit to kind of emphasize a couple of points. One of them is the employer engagement. I know through the years in Philadelphia, and we are starting to see great engagement by the Manufacturers Council, some other areas that are starting to pay a little bit more attention to workforce. One of the hurdles we have had for many years is folks are looking at workforce development like it is our grandfather's unemployment line. That is not the case anymore. I know in Philadelphia we have an executive director that is every engaged on how we sit down with employers, potential customers to workforce to

try to see what we can do to not only suggest that they use more folks from our workforce to applicants, but also how we can engage those applicants to be more ready for the particular companies, especially in the manufacturing area where in various meetings we have had with manufacturers, some of the biggest concerns are what we have termed soft skills. That is a broad scope, but folks who you will recognize the need if they go to work to be to work on time and work every day, be able to work with other people. Those kinds of things are not coming out of our education system, and I don't know if it is because the world has changed as far as parental guidance or some guidance. I know money is a big reason. We don't have the guidance counselors and what have you in school.

More recently, we have—I have met with the Philadelphia School District to talk about how we can get into the school system before kids graduate. If they—and listen, kids can't afford to go to college. Many kids can't afford to go to college, but they don't know about the other pathways. And if we can cull that energy from kids who are thinking about—whether it be the trades or working at the shipyard or working at the helicopter plant up in northeast Philly, that we could do something to make sure we massage their mass skills and their meeting skills.

In the days of vocational schools, those things as far as academics were the things that were guided the most, whatever was going to be needed in that field, that pathway. So I think that is an area where we have to really concern ourselves with, because what we wind up with if we don't, many young folks from the age of 18 to 28 that are scrambling for a job, and they may very well be high school graduates, but not able to pass a test for either the shipyard or the apprentice programs. And that is something we have to fix if we are ever going to get not only those folks to work, but the employees that the companies need when they want to come into our area.

Thank you very much.

Mr. FITZPATRICK. Thank you, Mr. Eiding.

Ms. Herring, you are now recognized for 5 minutes.

STATEMENT OF SUSAN HERRING

Ms. HERRING. Thank you. Good morning, Representative Fitzpatrick, Representative Evans. Thank you for the invitation to provide testimony on this very important topic.

The Center for Workforce Development at Bucks County Community College works with local businesses to provide customized training to build the skill level of their current employees. Our offerings include a large range of topics, including industrial safety, computer applications, Lean Six Sigma, and leadership academies, to name just a few. These programs help local businesses thrive by providing a highly skilled workforce. We train approximately 2,800 incumbent workers a year, and partner with over 50 companies, with 80 percent estimated to be small businesses. Our clients have access to WEDnetPA funding through the state, as well as Incumbent Worker Training funding through the Bucks County Workforce Development Board. Both are excellent programs that give preferential treatment to small businesses, and bring significant

value to our business partners. We also work closely with businesses to help mitigate the shortage of skilled workers in manufacturing.

As retirements loom large, more well-trained entry level employees will be necessary to feed to manufacturing businesses to keep them thriving in our local economy. Bucks County expects to see nearly 3,000 new jobs in advanced manufacturing in the next 10 years. Because of this, the college, in collaboration with the County of Bucks and local manufacturing companies, developed and launched the Metalwork Training Program in 2014. Due to the success of this program and in response to employer demand, the college launched the Industrial Maintenance Training Program in October 2016. Both programs provide opportunities for students to earn industry-recognized credentials, and both programs put a great deal of emphasis on employability skills training and placement into good-paying jobs. Today, we have trained approximately 170 un- and under-employed students and have a job placement rate of over 92 percent. The average starting wages are between \$15 and \$18 per hour, plus benefits, with the opportunity to earn \$40 to \$50,000 per year within the first couple of years. Once employed, students have the opportunity to continue their training by entering OJT positions, apprenticeship programs and/or continuing their education at Bucks.

Manufacturing is alive and well in Bucks County and the demand for skilled workers is higher than ever. In fact, our recent Metalwork cohort graduated 11 students, and our partner companies had 33 job openings, providing for a competitive job market favoring skilled job seekers.

Bucks is serving the business community by building the workforce pipeline and connecting a new generation to the high-priority occupations in manufacturing. Approximately 28 percent of our students are under the age of 24, 50 percent under 30, and our average age is 32.

We are continuing our efforts to close the skills gaps by expanding our 12-week Metalwork Training Program to serve the Upper Bucks population of job seekers and manufacturing businesses. The pilot cohort begins on February 26, today, and we are applying to the county for CDBG funding to support future training.

As with all workforce development programs, our programs' success begins and ends with the symbiotic relationship we have built with the manufacturing community. Our business partnership has grown from an original 20 manufacturers to over 70, spanning Bucks and surrounding counties. The college is very thankful for the federal programs that have provided funding to train individuals who most likely would not have been able to afford the classes. The training programs are strongly supported by the County of Bucks, through past CDBG funding, and by the Workforce Development Board through Individual Training Account funding and currently, a U.S. Department of Labor grant.

Our students come to us facing barriers to employment, and many of them are dealing with personal challenges that have limited their ability to find financial stability, such as addiction, homelessness, incarceration, single parenthood, and disability. The college's pre-apprenticeship programs have truly been life-trans-

forming opportunities for these individuals. Supportive family and friends attend our graduation ceremonies, and it is humbling to receive their heartfelt thanks for giving their loved ones a chance to be a part of something that will forever change their lives. Continued funding of Bucks County Community College's pre-apprenticeship training programs is critical to sustaining our work that has brought successful outcomes to so many of our residents, while at the same time closing a skills gap that is essential for the continued success of our small manufacturing businesses in the region.

Thank you very much.

Mr. FITZPATRICK. Thank you, Mrs. Herring.

Mr. Halper, you are recognized for 5 minutes.

STATEMENT OF ALEX HALPER

Mr. HALPER. All right. Thank you very much, Congressman Fitzpatrick, Congressman Evans. I really appreciate the opportunity to be here today. I have submitted my full testimony for the record, so I will just do a brief overview. Congressman, you have already handled the Eagles shout-out, so I will skip over that. But it really is a pleasure to be here, and I think it has been helpful for me to hear the testimony from my fellow panelists here, and I think the make up of the panel really by itself demonstrates how we can all kind of work together to address this very real and serious challenge of addressing the skills gap, and it will require a very concerted and coordinated effort between the labor community, the education community, employers, policymakers. So it is a real pleasure to be here.

A lot of the points that I would emphasize, I think, have already been described today, and are really becoming just part of the general conversation. We do have a very significant skills gap. We hear from employers all over Pennsylvania—and I guess just by way of introduction, I am with the Pennsylvania Chamber of Business and Industry. We are the statewide Chamber of Commerce. We have over 9,000 employer members all over Pennsylvania, and this issue, probably more than any, is a common thread among employers in Pennsylvania really regardless of industry or region or size, one of the most significant challenges they have. It is what we hear anecdotally from employers, but also something that is a very common feedback on surveys that we conduct among our business members. We conduct an annual economic survey and workforce challenges are always among the most serious ones that we hear from with respect to what—the kinds of challenges employers face.

We also conducted a more—sort of a deeper dive survey of Pennsylvania employers last year, trying to get a little more background into workforce development, and unfortunately the responses were not surprising. Over half responded that it is either very or extremely difficult to recruit qualified candidates with appropriate skills training or education to fill the workforce needs of their company. Most believe the problem has gotten worse, and even more daunting, the vast majority believe the problem is only going to get worse. I think only 2 percent of respondents believe that it is going to become easier to recruit candidates, so there is not much optimism unfortunately within the business community to—for the sit-

uation to improve. So again, those responses were not really surprising.

We also asked a series of questions, and this gets to a point that I think Mr. Eiding mentioned. We asked employers well what are you doing to address your own workforce challenges in terms of participating in apprenticeship programs or internal training, internships, and we took those responses and sort of cross referenced them with employers who were experiencing their own workforce challenges. And I guess this should be—shouldn't have been surprising, but we found a very clear correlation between employers who are very active in workforce and job training programs, spending the money, making the commitment, working with the education community, and those employers that are experiencing less difficulty addressing their workforce needs. So for employers to think that engaging in workforce and working with educators or school districts, we are trying to get past the point of employers feeling like that is community service or that is—it is philanthropic to lend your expertise to education. It is in your own best interest—I mean, that is important, too. That should be a motivator, but as an employer, it is within—it is in your best interest to engage in these activities, and that is the message that we are really trying to emphasize with employers in Pennsylvania. At the end of the day—and we need partners with organized labor, with policymakers, with educators, but the employer community has to sort of lead the charge.

The one point—and Mr. Eiding kind of mentioned this as well, the one sort of caveat to that, employers, whether they are active or not or would like to be, are extremely frustrated, for lack of a better word, with this soft skills deficit they see. A lot of employers say look, I am willing to make the investment in job training and devoting hours to working with school districts or community colleges so that the pipeline between what the business community needs and what the education community is putting out there, trying to align those. They are willing to make that commitment. Where they feel they are not qualified or don't have the ability is teaching showing up on time, taking direction from a manager, working with others to achieve goals, communicating effectively. A lot of employers say I can't teach that. That needed to be taught years ago. That is why we consider it a significant workforce development issue to encourage youth employment.

I know this is something Congressman Evans, for much of your career, have helped in Philadelphia, summer jobs for kids. I think when you look at workforce development, that cannot be overlooked. These are skills that individuals often learn at those summer jobs or those part-time jobs. So if we can encourage and help facilitate that type of employment for perhaps sort of lesser-skilled jobs that are often filled by younger Pennsylvanians, that is an important part of this equation.

So again, thank you for the invitation, for the latitude with my timing, and I am happy to answer any questions.

Mr. FITZPATRICK. Thank you, Mr. Halper.

I want to start by thanking you all for being here. Just so you know how this whole process works, your testimony gets entered

into the Congressional record. It is something that Dwight and I bring back to our Committee.

It is really important, because I want this issue in particular, when it comes to economic growth, I don't think there is anything we can address immediately that would be more important than this. There is roughly 6.1 million or so unfilled jobs in this country. Most analysts tell us that the cause of that is essentially two main reasons. Number one is a skills gap, which we are discussing today. Number two, in many of these jobs inability to pass a drug test linked to the drug epidemic that we are facing is also a big factor.

So we have questions specific to your testimony, but I want to start by just throwing out to the three of you, from a 30,000 foot level, clearly you are working in this area day in and day out. You are eating, sleeping, and breathing this stuff. That is what Dwight and I want to glean from you is from a federal legislative perspective, from a federal policy perspective, whether it be on the Small Business Committee or any other committees, when we go back—today after this hearing we are going back down to D.C. What is it, as far as federal legislation and federal policy, that we can do that will have a significant impact to help us move the ball forward to close the skills gap?

Mr. Eiding, you mentioned several things regarding Pell grants and education, and is there sort of a to-do list right off the top here that we can take back with us and start working on?

Mr. EIDING. Well—and I think I alluded to it in my words that the main thing that I would beg for right now is that we make sure that your colleagues and the colleagues in the Senate realize the importance of this and the importance of funding it, because right now, we are at a gap where my associates on NAWB, the National Association of Workforce Board, are starting to see some negative approaches to training. And you know, the Pell situation has been something that is misunderstood for a long time, because it primarily—Pell is for grants for people going to college, but there are a lot of opportunities for training that can be done through the community colleges and through training programs by using that grant, and being able to be that flexible with that grant. I think it is open now, but there is some discussion about closing that back down until it only applies to the folks with the high school education, for example, and that certainly would limit things.

I mean, there has been a terrible, terrible gap in our opportunities for folks who don't have a high school education or college education, because so many jobs went away, but with manufacturing starting to rise again, and I am a believer that it is going to with what we have here as far as energy and natural gas and those things. Folks are going to want to come to places like Philadelphia and Pennsylvania to put their company, but they have this lack of available workforce.

And so the two things that we, you know, at least where I am coming from, is the schools—funding the schools, and I know this goes through the states and what have you. The schools have to be funded so we can start programs that will work there.

I think in your—for your take back to Washington, the funding is so important. Listen to what is happening in the areas where folks are doing things. And I also alluded collaboration. On this

workforce board, every year we have a forum down in Washington and we give prizes for folks that are doing good work around the country. I will tell you that every time we have gone through a prize that has been effective in their areas, it has been through collaboration. You know, not the least being Exxon in Texas and many companies like local hospitals where they invest some money into, you know, customized training. Areas where there are military installations, you know, we have a tremendous need, you know. Back when me and dirt were formed, when you went into the service you usually had a job and then you left the job to go into the service, you came back to the job. Most of these young folks that are going into the service today didn't even have a job to start with, so when they come back, you know, besides all the difficulties they have already had—and certainly the wars are a terrible, terrible traumatic situation to begin with, and not have a place to go to work. And so in areas that I have seen some great work is areas where folks are coming out of the service into the civilian world and there are opportunities right there. You know, hopefully there are opportunities for them back home also, but at least this is—you know, it is like a jumpstart.

Funding these things, you know, Helmets to Hardhats, you know, primarily is being funded by the unions that fund their own apprentice trainings, but Helmets to Hardhats is just what it says. It is taking folks out of the service and giving them a job in the trades.

So funding for these things is very important, and I think what happens, we get caught in that abyss down there where there are so many things that need to be funded, but to come together. I mean if, in fact, the government and the President are going to start doing something with our infrastructure, we are going to have to train some people, and for every aspect of that. You know, the trades can step forward but we have to have people who can go in. I mean, when you think about a young person being forced into a trade with a seventh grade reading and math, even if we force them all the way up the line of 5 years, when they get out on the working world, it is not the union that pushes them to work or keeps the worker, it is the employer. And there is no employer that is in business—not in business to make money and he is not going to keep anybody who is not able to keep up with everybody.

So what we do is we push folks to failure instead of in their junior years and maybe even in their sophomore years, getting ready for these pathways because let's face it. More and more folks are not going to be able to go to college. So funding—I just keep repeating it to you. Funding, funding to your colleagues. Don't let them push this aside, you know. The WIOA is an acronym that sounds really neat, but what is behind it is funding for training. So that is the best message I give you at this point.

Mr. FITZPATRICK. Thanks, Pat. Ms. Herring?

Ms. HERRING. Yes, I have to agree with Mr. Eiding. A lot of our funding for our training has come through WIOA through federal workforce funding, and what we are finding with our small businesses, most of the manufacturing companies that we work with would be, I believe, considered small businesses here in our region. And not only are they facing the skills gap with their skilled work-

ers getting ready to retire, but trying to get new people in who are really coming in at a very entry level place. They have to have—they have to put the skilled worker with the entry level worker and continue that training when that person starts at the company. So it is a lot of resources from the company that they are putting into skilling up the next generation of workers. It hasn't been a natural progression where the workforce just kept turning over, because for several generations, maybe two, people didn't go into manufacturing. So they are really caught in a hard place and as long as we can continue training these entry level workers without hitting our small manufacturers' pocketbooks, let's say, I think that will continue the flow of entry level workers into those businesses.

So I do think it is really important to continue that funding.

Mr. FITZPATRICK. Thank you, Ms. Herring. Mr. Halper?

Mr. HALPER. Well I think there are a few areas, and in terms of funding for workforce development programs—and I think there is a renewed focus in Harrisburg on really getting a handle around the programs that already exist. There are a number of different departments and agencies in state government that fund workforce development programs, and a lot of them are doing very tremendous work. But there is some redundancy, there is some duplication, and at the same time—and I don't think funding levels and looking at how existing funding is being invested have to be mutually exclusive, but we want to be sure that programs and funding are being utilized as efficiently and as effectively as possible, and that departments and agencies don't kind of stay in their silos.

So I know there is renewed focus on coordination at the state level, and hopefully that is something that continues to be a focus at the federal level, and the points made about even beyond the existing challenges and skills gap, hopefully there is additional funding and—for infrastructure and this challenge, both bad and some of the demographic realities with our current workforce, this is going to become exponentially more difficult in the years ahead.

So that, I think, to the earlier point about youth employment and how that can help facilitate the so-called soft skills that improve employability and career readiness as kids get into high school and post high school and post secondary education, this is obviously very broad, but just job creation in general. And especially for our smaller businesses, policies at the federal level that are conducive to job creation at that level I think in the long run is probably the most important thing we can do.

I would also point out—and this is something that I applaud the House of Representatives for passing, I think, last year, reauthorization of the Perkins Act. It was, I think, a great demonstration of bipartisanship. It passed the U.S. House unanimously and is pending in the U.S. Senate, and we are very hopeful that your colleagues in the Senate will take up that legislation and pass it. But that was very positive legislation from our perspective. It hit on some key themes of providing discretion at the local level. So many of these workforce challenges are really community-based. There might be similarities community to community and state by state, but what you are really looking for is local employers working with local partners in education, in the labor community, and policy-makers and others, and we need policies at the federal and the

state level to help ensure that those—that there is discretion and latitude at the local level to carry out those programs that best sort of fit the needs of the community. So I would applaud the U.S. House for passing that bill, and we are hopeful it will ultimately be sent to the President.

Mr. FITZPATRICK. Thank you, Mr. Halper, and I recognize my colleague, Mr. Evans, for questioning for 5 minutes.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. Halper, I want to go back—and this question will go down to everyone on the panel—the soft skills issue that you raised. And obviously, there is a real mismatch with the number of opportunity of jobs and matching up, and we now are at a point where—is that something that the community colleges, voc-ed schools can provide, or is that just things that should happen at home? So I am trying to understand, you know, get to that objective. So is that something the community colleges, the voc-ed, or is that just something that needs to be found from home?

Mr. HALPER. I think it is an all-of-the-above type answer, and it is very difficult. Obviously we also have a problem with the hard skills, and we have challenges with students not meeting math and reading, not up to standard on those levels. Those are—and there will always be disagreement over how you measure, but there is at least a—sort of a tangible way to measure attainment of those kinds of skills. Are you at—reading at grade level, are you doing math at grade level?

Soft skills are much trickier. How do you measure it? How do you ensure accountability? We would—we advocate for policies—education policies that just work those types of training into everyday curriculum. But you are absolutely right. It is critically important, and probably most important that those skills are learned at the home.

So it really is, more than anything, a partnership between home life, education to make sure that, you know, sort of learning how to learn and giving kids those just behavior attributes that when they go into a workplace, they are able to communicate and work with others and take direction, and show up. But that is where we really focus on summer jobs and unemployment.

It is really tragic. Unemployment among young Americans, and young Pennsylvanians especially, and that is, you know, under 18 who are looking for jobs but can't find them. They are at all-time highs. And it is especially problematic in Philadelphia, Pittsburgh, and other urban centers. And again, you know, thinking back to some of your efforts with Philadelphia Summer Jobs, Philadelphia Youth Network, I mean, there are a lot of advocates for trying to connect young Philadelphians and young Pennsylvanians with jobs in the summertime, and that is important for many reasons. But I think it is most important because those are the jobs where you learn if you don't show up on time and you don't show up on time consistently, there are consequences. You have to be able to take direction from an employer in order to stay on that job.

So that is—so it is not—you know, it is a difficult question because there is no clear answer. It really requires everyone kind of working together to make sure at graduation time and before that, kids are ready to take on those jobs.

Mr. EVANS. Does anyone along the panel have any response to the question I just asked?

Ms. HERRING. I do.

Mr. EVANS. Sure.

Ms. HERRING. So that is a huge issue, the whole what we used to call work ethic—

Mr. EVANS. Right.

Ms. HERRING. —issue. The schools can do maybe a better job of instilling work ethic by encouraging students to show up for school every day and on time, and some of the schools that I have worked—collaborated with over my career have allowed up to 19 days absences during a school year. That is not teaching a young person how to show up every day and be on time, and how important that is.

In our programs, we built in that work ethic or employability skills component because when we talk to our employer partners, and it doesn't matter what meeting we are in with our manufacturing partners, we start talking about the hard skills and the conversation always devolves into the soft skills. "All I need is somebody who can show up every day on time, able to work with others, and get the job done." So we built into our 12-week training program a very strict attendance policy. We only allow our students to be absent 2 days, and if they are absent, they have to contact the instructor and let them know that they are going to be gone, and they have to have a good excuse. And if they are missing more than 3 days, we dismiss them from the program. They know going into our program that this is a huge component. There is—we are not able to advocate on our students' behalf if they can't show us that they can show up every day on time. And that has been very, very effective and why our job placement rate is so high.

At the same time, we are looking to do more work with our high school students as Mr. Halper was talking about work experiences, and we have applied for a strategic innovation grant that is going to be a manufacturing pathways program for high school students. It will be about 90 hours of basic manufacturing classroom training, and then a 90-hour job internship, paid internship program. And hopefully we get that grant, but if we do, we will be working very closely with our employers to say to them, 'have high expectations for these students who are coming in for internships.' You can't just say oh, it is just a kid, let's let them—you know, they weren't able to get here one day—we will let them slide. We have to have high expectations for our young people or they are not going to learn those work ethic traits that are so very, very important in the workplace.

Thank you.

Mr. EVANS. Pat, do you have any—

Mr. EIDING. Yeah, I would like to touch on it a little bit.

It—as was said, it is a little hard to put your hand on how, where, and when. Obviously there are a lot of folks that are growing up that have single parents. They are working. There is a lot of time lost there. But it has to start with the schools. I mean, we have created some programs to try to overcome some of that. The Work Ready Program in Philadelphia putting kids to work in the summertime is a fantastic program, and I will tell you that, you

know, I would hope that folks—we have been fortunate to do at least three kids, sometimes a little bit more in our small offices, since it started. Work Ready is a great program, and Congressman Evans may remember a young lady who worked with me by the name of Janet Rider—

Mr. EVANS. Um-hum.

Mr. EIDING. —who her background for years was in the school system, and the first young folks that we had come to work for us with the Work Ready Program, she took the first young lady back into another room to talk to her because she was dressed for a party. And what she said very clearly was there are no bellies or butts in the working world, you know, until you go home and get dressed properly, don't come back.

So that is what we try to do, get folks that know how to answer a phone, know how to dress for these jobs. But if we do 7,000, you think about it, that is just a mere—compared to how many kids are coming out of school. And the school systems in Philadelphia are basically driving kids where they can to college. I think a lot of school systems, they forgot about other pathways. Maybe because that is because of the way this country went and lost so many jobs, but kids can't all go to college today. There has to be more attention to other pathways, and part of that I think has to be getting them—these kids—at the very least, a touch on number one, finances. Let's say—I keep going back to dirt, but when I was in grade school I was in a parochial school. Beneficial Bank came around to all the kids to teach us how to put money in the bank. It might have been \$2 by the end of the year, but it was an education. Those kinds of things. There should be some time afforded in public education for what world these folks are going into, and basics, you know, how you dress, how you speak, those kinds of things in the work world. When we get into conversations about building trades apprentices, which in Philadelphia is—you know, unfortunately in Philadelphia when you speak union, everybody thinks it is building trades. They forget about the other 100 that we have in our organization. But one of the things that we come up with is how do we help these kids get into that class, into those schools? And then we can work with them.

For example, my small local of 500 active employee workers, members, give out 200-plus applications, and they are lucky at the end of the day that they get less than 100 back. There is a reason for that. People are intimidated. People are—have a drug problem. There are reasons. The whole idea of getting folks into a career, life sustaining career, they have to start in the schools, and somehow or another—and I know that is not your venue here, but that comes together with it, and it goes right to the soft skills. I mean, you know, I was fortunate enough to have a tough Irish mom that we didn't have a lot of fancy clothes, but they were clean and my hair was combed, and I knew how to say Mr. and Mrs. Smith to the people down the street. And those things are lacking a little bit, but also in the school. You got it in the school a little bit. It was subtle maybe, but there was mention too about, you know, when you would get into the upper grades. We are going to go to work and this is a little different and that is a little different.

So there is a tremendous amount of work that has to be done on that, because our roundtable in the northeast area for manufacturers, that is what everybody came back to. Of course, my suggestion to them, being a labor person, well why don't you join us with the Philadelphia Episcopal Academies who deal with kids, Philadelphia Works that deals with kids. Why don't you come with us and help get those kids ready, and do it—you know, here I am again with that word collaborative, but it is an area that is very serious and employers need—just take the construction world. If you have a two person job and it is a job where somebody is in the air so you need two persons, and somebody don't show, that job is without a job today. And you know, that is an extreme example, but it happens in the industrial world also, you know. Manufacturers have a certain amount of things they have to get done. When people don't show up or they show up late, it breaks that continuity. So that training somewhere in the school system, if we can't get it at home and the school system, well then maybe the school systems—we got to get more connected with the parents.

Mr. EVANS. I guess one thing I want to say, and Mr. Halper, when you raised that issue, last week Goldman Sachs has something called 10,000 Small Business, and the issue I heard at the roundtable was the number one issue was the workforce, as well relating to soft skills. And the reason I ask that question is I don't think we have figured out a way how to make that happen. That is my issue about schools, community colleges, and home. Because obviously, how do people learn things at home? Usually they learn from modeling the behavior. That usually is how they learn, from modeling behavior. So you know, with this huge gap—we have a gap—is how to mesh that up. I don't disagree with all the things you have said. I don't know if the Chairman feels the same way. It is probably the issue more so than tax policy, regulation, because I hear more than anything about workforce. That is the issue that I hear in terms of not having the—because your ability to grow is your ability to have workers who know exactly what they are doing.

So I yield back the balance of my time, Mr. Chairman.

Mr. FITZPATRICK. Thank you, Mr. Evans, and I recognize myself for 5 minutes for questioning.

I just want to throw two ideas to the panel for discussion. Number one is the issue of stigma and pressure for kids to go to 4-year universities. You know, we can argue about what the source of that, but I think the coolest thing we can do to our kids is to pressure them to go to a 4-year university, graduate with mountains of debt with bleak job prospects on the outside. That is a very difficult way to start one's life. And how do we—I am curious to get your input on how we can break that and start offering this dual track or dual option to students starting in middle school or possibly high school to let them know this alternative track that they can go down.

I was down at the sheet metal workers facility in Philadelphia. These apprenticeship programs are starting at 18 years old. I guess they are 5-year programs. They are making great money in the program. They are getting college credit for the apprenticeship. They are graduating with college credit with no college debt, and

tremendous salary opportunities. And I don't think a lot of kids even know that. I really don't. I don't think we are educating our kids in high school. To the contrary, many of our high schools, their metric of success is gauged on placement in 4-year colleges and universities. So right off the bat we are incentivizing—and I don't know what the source of this is. We should find out, but these guidance offices in a lot of our high schools are incentivized to counsel students to do that. So that is my first question I want to throw out to you is how we can go about breaking that stigma that exists.

And second is I mentioned before how the six million plus unfilled jobs in this country, workforce training and skills gap is one big cause. The second big cause is addiction, substance abuse and addiction. How big of an impact are you seeing in the work that you do every day? We all know the devastating human impact that it has, but here we are talking about also there is an economic impact as well.

Mr. Eiding?

Mr. EIDING. Okay. That is a good array of one question. Let me say that the education process has forever and a day for I don't know how many years now pushed kids to college, and here is the other thing we found out. We had a roundtable the other day in Philadelphia the mayor put together. We had a lot of folks who run schools, not the least being Swenson School in Philadelphia, and they are saying—what they are saying is that when they try to talk to kids about other pathways, they are not hitting home. And what some of them have found out, the parents are part of the problem. When they would have parents together and mention trades, they don't want to hear about it.

So similar to the soft skills, I think this is a bigger issue as we talk about it. I guess that is the good thing. We get together to talk about it, find out what is going on. You know, kids have no knowledge of it. At one time in the public education system, there was a pathway that was obvious and—but I think the other thing that is unfair, and I brought this up the other day, there were many jobs. You could—in Philadelphia, you know, the neighborhood I grew up in Kensington, you could either walk or take the 60 trolley car and go to a job without even dropping out of school, those kind of—not that we are looking for that, but folks didn't even think about they were going to be able to go to college because it wasn't there.

So there has to be a better dialogue education with parents and with the teachers to drive these kids in a softer direction so they know about stuff, and as we just talked about, they not only get credits for college, there are four or five you get an associate degree with Rowan and other colleges that are partnered with the apprentice programs. So if parents that are nervous about their kids not going to college, if they know about that maybe, if there is some way we can get that information out to people, because it is just as hard—now that I am finding out for folks in high school and the teachers in high school to direct kids in other pathways. I mean, they are starting to do some of that with the CTE schools, classes, and I think that is going to get better, but for years we left it go and, you know, I know of many growing up—many folks who went into the public school system went to Dobbins and other places

where vocational school was the way they were going to go and they made a living, went into businesses. Many the plumber that is in business today in Philadelphia—or was in business, maybe their son is now—they went through those schools. So there is a lot of that, you know, the idea of a degree is something that we caused, you know, because I wanted my kids to have more than I did. You wanted yours—everybody did that, and so we drove the message that way. You have to go to school. You have to go to school. You know, I went into the Army, you know. That was pretty good school, but my brother forever and a day boxed my years because he wanted me to be the one coming out of a family of five kids that would go to college. So you know, there are different degrees of it, but I think the education system totally got into pushing towards college.

The other thing that you talked about, think about what I just said about 200 applications given out and less than 100 coming back. Some of that has to be because every program has a drug test. Almost every industry anymore has some sort of a drug test. You can't work by the rivers without having a drug test. Anything in transportation, refineries, any of that, you have to have a drug test to work there. I mean, it is one of the stumbling blocks that we have getting reentry folks to work, because of where they can and can't work. But the problem you are talking about is so, so extensive.

We were fortunate enough in the Philadelphia building trades back when we had a lot of refineries and the transportation law went into effect, the gentleman who ran the Garfield refinery basically said to us one test and they are done for life. So we looked at that and said wow, you know, many, many thousands of our workers, that is where they make their living. How can you be done for life? We put together—and I will tell you—I won't take credit, but many of the leaders on the labor side put this together with folks in the refineries to put together a testing program, but along with it an allied assistance program, which basically said we can help those folks who have a problem, because back then it might have been more beer than it was opioids, you know. It could have very well been. I am not sure. But we put a program together that helped people to get back into life and be back in the flow of life. And you are seeing more and more of that now because so many folks are overdosing, but it has a tremendous effect on our world out there. And not only the entry part, but folks who are already working. It is the scariest thing in the world to be 200 feet in the air with somebody who is spaced out, and I don't care if that is on Old Granddad or if it is on opioids. It is a scary thing. Same thing happens with somebody working on a machine with you.

So it has a tremendous effect on what is going on, and it has a tremendous effect with our kids. And listen, I think the cure to that, besides helping people, is get more people to work, because I think people want to work. They don't want to sell drugs. That is my—maybe I will die with that thought, but that is what I think, and so the drugs do have a big part of it.

But the other part of it, forcing kids to think about college, I think—and you know, I have had the opportunity to talk to Lincoln freshmen, other freshmen through Philadelphia Academies, and

they don't know about what is out there in other worlds, and so we go to work on it.

Mr. FITZPATRICK. Thanks, Pat. Ms. Herring?

Ms. HERRING. Definitely something we have to work on.

The career tracks that are talked about in the high schools and middle schools today for the most part, especially here in Bucks County, we are all talking 4-year college degrees. Even if they start at Bucks, the hope is that their students will matriculate into a 4-year college degree. So I think that is something that has to change in our society. We have to do some kind of a public awareness campaign to make sure that parents understand there really are good jobs in that middle skills range. About 65 percent of all our jobs require education beyond high school, but it is not an either 'no-college' or 'college' situation, which I think a lot of parents, that is the way they think. Either their child isn't going to college and is not going to have an opportunity for a good career, or they are going to go get their 4-year college degree. And there are so many family-sustaining jobs that only require a certificate program, an associate's degree, or some kind of industry-recognized credential that there are so many career paths for individuals who really don't want to go to college. How many start college and then don't finish? Frankly, I see a lot of those students. A lot of those people who started at a 4-year college and decided that just wasn't where their head was at come into my programs, do very successful in those programs, come out earning a family-sustaining wage and the opportunity for really a lifelong career where they can continue building and training and moving their career along.

The drug testing; we do drug testing before we allow anybody into our 12-week training programs. Many times we will have maybe—and we do it as a cohort, so we bring everybody in for the drug testing—we might have 15 or 16 individuals scheduled to come in for the drug testing. Maybe nine will show up. It is because they are self-selecting out before they even come to the testing because they know they are not going to pass. So we are missing a great deal of individuals because they know they are not going to pass a drug test. Unfortunately, the way to—as Mr. Eiding was saying, the way to really help individuals stay clean and help recovering addicts is to get them good employment where they feel like they are earning a decent living and having the skills to really be contributing to society. So we need to find a way to connect these skills programs and good jobs with the community that is suffering so much with the addiction.

Obviously, there are no easy answers, but we do have a lot of individuals who come into our training programs who are recovering addicts and they have some time with the criminal justice system because of that, and thankfully our employers are very tolerant of individuals who have some kind of incarceration in their background and are able to look past that. But of course, they are not going to look past failing a drug test, and that is what we tell our students. And believe it or not, I have to remind everybody that marijuana is still illegal, because they seem to think they can smoke marijuana on the weekend, come for the drug test, and it is going to be okay. And that is not the case either, so there is a lot we can do in that realm.

Mr. FITZPATRICK. Thanks, Ms. Herring.

Ms. HERRING. Thank you.

Mr. HALPER. I would certainly agree with you, Congressman, and my fellow panelists that you have hit on two of probably the most challenging issues that we face. In terms of addressing the stigma and how we educate parents and students that there are alternative career paths, it is very tough. It is similar to the whole soft skills issue in that it is a question of what gets measured and what shows kind of tangible success. So a high school can, you know, fairly easily measure how many kids are going on to a 4-year college, and there may be a perception of a prestige factor to try to get that number up. I don't know if you ever really get—move away from that. So I think all you can do is—or the primary way to start shifting the mentality is education and awareness, and putting the focus on what types of jobs and careers are these kids getting into after their post-secondary education. The challenge, of course, is that kids go off of high school—it is very difficult to measure how many kids from your high school, you know, are in family-sustaining jobs 10 or 15 years out. But if you can help coordinate a line of communication between the employer community in a region and the education community, and you have employers—and this does exist in pockets around Pennsylvania, and I would hope around the country, where employers are able to tell school districts, you know, here in the next 5 to 10 years are the job openings that we expect to have in our industry. Here are the salaries, and hopefully the salaries, you know, if what we are hearing is true, hopefully that will grab some people's attention, and sort of here is your path from how you get from A to B if you want your kid—or if you are talking to the student, if you want to have a good job after college, you want to make 50, 60, \$70,000, you don't want to move back in with your parents—not that there is anything wrong with that, but you know, if you are trying to grab the attention of a kid, you know, that is a good sales pitch. Here is a path to do that. Success is not, you know, which 4-year college did you get into. Success—whether you are looking at college—4-year college or associate's degree or a trade school, success is a good job at the end of the day. To the extent that you can coordinate with education so that parents and students know what jobs are going to be out there and how much they are going to make I think slowly but surely maybe that mentality starts evolving.

I know the new—Pennsylvania's new plan for complying with the Every Student Succeeds Act, ESSA, under U.S. Department of Education, includes a requirement for high schools to demonstrate that their students are attaining a certain level of career readiness. And of course, kind of the devil is in the details and these types of policies are only as good as the accountability and the follow up. But it was encouraging to see that schools are required to make sure their kids are aware of what careers are out there and how to put themselves in a position to get those jobs. I think it is incumbent upon the Congress and others at Department of Education to make sure that the states are adhering to these plans that they have laid out. A lot of them are—you know, look fantastic on paper, and I have no doubt that there is a real commitment to follow

through on them, but there needs to be that constant follow up and accountability to make sure that that happens.

I am not sure there is much I can add in terms of the drug issues within the workforce. I mean, we have heard both anecdotally and our survey results that it is a real and a serious problem. We have heard the same anecdotes of, you know, an open house for job openings and 50 people show up. At the beginning, they are told by the way, there is going to be a drug test and half or three-fourths, I have heard anecdotally, of the applicants leave at an announcement that there will be a drug test.

So it is a serious problem. We also in Pennsylvania have a very serious—you know, incumbent workers, but in terms of when a worker—when an individual gets injured on the job, we have a very high rate of opioid use among injured workers that is sort of tied into this because it is tragic and many of these employees, once they go down that path, may never get back to that same job or may never get back onto a career path. So I am not sure I have great answers for how to address that in terms of from a workforce development perspective, but I think that as long as there is kind of awareness on it, we should all be doing our part to—just to make sure everyone is aware that there are some very real consequences to these types of life decisions.

Mr. FITZPATRICK. Thank you, Mr. Halper. Yeah, two other issues that were also touched upon by Mr. Eiding, transportation and criminal justice reform I think are also two big pieces of the puzzle. I have met a ton of people in our community here who want to work who don't have a way to get to work. That also needs to be part of the discussion. Obviously this is a different environment than in an urban environment where public transportation may be more readily available. It poses a little bit more of a challenge in the suburbs as far as getting people access to mass transit and public transportation.

And on criminal justice reform, well over 80 percent of people who are currently inmates will be released at some point, and we need to think about that. What are we doing in the prison system to prepare these people to become contributing members of society while they are serving?

Mr. Evans, do you have any further questions, or—

Mr. EVANS. No further questions, Mr. Chairman.

Mr. FITZPATRICK. Does the panel want to comment on either of those two issues?

Mr. HALPER. I guess I would only add on in terms of transportation that, you know, in Pennsylvania we were very active partners, along with the organized labor community, on Act 89. This was comprehensive transportation legislation a few years ago. I think it was a great example of how an infrastructure—a large scale by Pennsylvania's standards—but how a large scale infrastructure package can move through on a fairly bipartisan basis and get enacted into law. It was a combination of, you know, the PA Chamber endorsed a tax increase, which is something that someone in my position does not say very often, but in that case we thought it was appropriate. It was a user fee that is directed specifically to those intended purposes. It was combined with other reforms that helped projects, you know, move more quickly and

helped, you know, make more bang for the buck in terms of those dollars.

So hopefully at the federal level, as I know, and maybe this isn't under the jurisdiction of the Small Business Committee, but as you are all grappling with a potential infrastructure package and during this session, you know, I would love to think you could look to Pennsylvania as an example of how you can get something done.

Ms. HERRING. Yeah, I would like to comment on the transportation issue, because it is all wrapped up with each other. We have people coming out of our prison systems who don't have a valid driver's license because they don't have access to it because they were arrested for DUIs and they have no way of getting to work. So there is no—and without public transportation in our county, there is no solution for them. They need to be able to get back on the horse, get back to work, and start earning some money so that they don't fall back into their old ways and maybe get back into selling drugs or doing other things that they were doing that got them in trouble in the first place. And we do find that the transportation issue is huge among students that we are looking at to bring into our programs, because that is one of our requirements. Thank you.

Mr. EIDING. So again, it is a subject matter that comes in different levels and degrees, and I relate to the passage of the transportation bill we did in Pennsylvania. A fellow by the name of Rob Wonderling, who is an associate, I think, of the Chamber who I remember walking into some of the offices in Harrisburg with the labor and the head of the Chamber about an issue that is not special interest, and they just kind of sat back and said wow. I think there is going to be more of that, quite honestly. I really think there could be.

Another example, more directly the extension of the SEPTA lines into King of Prussia. There is a lot of yang and yo and yang and yo. I look at it from Philadelphia, how many of our folks who need jobs could get to those jobs? There are a lot of jobs there and they are not great jobs maybe, but they are family-sustaining jobs. If people can get there, they could do those jobs.

Another example is Philadelphia schools again. I have been beating up on them. I guess they will be coming after me, but there's no driver's ed. So even the folks who want to go into a trade, you know, the Philadelphia Building Trades is a minimum five counties, and then you go into New Jersey, many of them go up to Harrisburg, some to the State of Delaware. And you know, as I describe to people, and they say why is it so important to have a driver's license and vehicle? Well if you are working on a Comcast job and your employer comes down and says look, I need you in Royersford, Pennsylvania tomorrow, that is where you got to be. There are not too many buses that you can get to Royersford from, you know, some place in Philadelphia.

So transportation is a big issue. We try to find on our Philadelphia Works, we are trying to see where we—in some jobs that are location to location that maybe we can get funding for transportation. Again, back to—the funding is so important that we get, you know, you folks that keep it going, because these are areas where we could do that.

I know one of our—one of the things we are working on now is going to employers like SEPTA and others, you know, UPS, and find out what we can do kind of pre-school their possible employer so we can talk to them, put some money in to talk to them about soft skills, talk to them about, you know, you get a job here, you got to be there every day, that kind of thing. Do some—even go as far as pre-drug testing, you know, and I know the young lady from SEPTA said well we do that already, and what we said well is we know that, but we want to help you. We want to send the folks that are even more ready. And so we had this dialogue, and quite honestly, there is going to be another follow up meeting so the HR folks there see some value to Philadelphia Works being able to help with that.

And those kinds of monies that we get, if we put our mind and thoughts into it, there are a lot of folks we can help. Some of it certainly is customized training if we have collaboration, but how to get the people to work is a big deal. I mean, if the jobs are not right in the city of Philadelphia, it is pretty tough for somebody to get to work if they don't have the wherewithal, so it really has a big part. There are so many pieces to it, you know, and I think it applies to stuff at all levels of employees—employers, rather, and I think the biggest challenge we have with certainly the bigger employers, because they already have their HR system. They don't want to break it down to workforce investment, but the middle size and small employers I think have a great advantage there for them if we could keep this workforce training flowing to really be able to build up the workforce, and maybe entice other people to come into our area to build their companies.

Mr. FITZPATRICK. Thank you, Mr. Eiding.

Mr. Evans, did you have anything further?

Mr. EVANS. No, thank you.

Mr. FITZPATRICK. Okay. I want to thank the panel for your time today, and I want to let you know what you are doing today is a very, very big public service because everything that you share with us gets entered into the Congressional record. And we also—Dwight and I take this back to our Committee to help us develop policy in all these areas, because I think it is—the good part about these collaborative discussions and hearing from all three of you, which are all three big pieces to the puzzle, is we understand how interconnected so many of these pieces are. Criminal justice reform, the issues of addiction, the issues of transportation, the issues of education, talking about driver's ed., right, I mean, not many people realize that, and that is important. It is important for us to know and to think about as we sort of craft solutions.

I want to encourage all three of you to maintain the lines of communication with us. As you see areas of opportunity where myself and Mr. Evans can generate a legislative fix or a policy change, that can help us advance the ball as far as getting a lot of these jobs filled. You are doing a tremendous service, and I also want to thank Martin Williams of the Boilermakers. Sir, thank you for opening your facility to us. You have been a great partner as well.

We are going to close the hearing, and I also want to thank my colleague, Mr. Evans, for joining us today. My hometown of Levittown, thanks for coming here today, and I ask unanimous consent

that members may have 5 legislative days to submit statements and supporting materials for the record. Without objection, so ordered.

This hearing is adjourned. Thank you all for being here today.
[Whereupon, at 12:49 p.m., the Committee was adjourned.]

APPENDIX

TESTIMONY OF PHILADELPHIA COUNCIL AFL-CIO PRESIDENT PATRICK J. EIDING TO THE HOUSE COMMITTEE ON SMALL BUSINESS 2/26/2018

Good Morning and thank you for the opportunity to discuss Workforce Development.

My name is Pat Eiding and I am the President of the Philadelphia Council AFL-CIO—representing 150,000 working people.

I am proud to say that I have been on the board of Philadelphia Works Inc. (PWI) since 2002 and am currently on the Executive Committee. I also have the pleasure of serving on the board of the Pennsylvania Workforce Development Board and as the only labor person on the board of National Association of Workforce Board (NAWB). NAWB's main role in D.C. is to lobby for jobs and the money to fund Workforce Boards across the Country.

Since the focus of this hearing is on Workforce Development, I must begin by requesting that you and your colleagues in both chambers continue to fund the Workforce Innovation and Opportunities Act (WIOA), I also would ask that you maintain the conditions for Pell grants that allow for the ability to benefit without the need to have a high school diploma before you use a Pell grant. (ie: community college and other training programs)

Programs: Programs that are Pell for skill development in short term programs. Also, I would ask that we maintain the focus on Registered Apprentice Programs. Additionally, we will need more money for Adults For infrastructure jobs training.

One of my biggest concerns is the level of proficiency in math and readings our students are graduating with. In some cases, even graduates of CTE schools are at a sixth or seventh grade level for both reading and math. We need to increase education funding for these programs to better prepare these students for graduation.

The Building Trades have some of the best training programs in the Country, but our kids can't qualify for the Apprentice Program. This is also a problem at the Shipyard Apprentice Program.

At seventh grade math and reading a young person would not be able to keep up with the training needed to become a journey person.

Finally, we need more engagement and commitment from employers both large and small so that we can perform the special training needed to be their employees such as internships and apprenticeships. Where we have meaningful collaboration, we create life-sustaining jobs.

Areas of concern should include re-entry persons and veterans: Helping to fund the very successful Helmets to Hardhats program is a good example.

Thank you for this opportunity and I offer any help I can be to foster economic development.



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**Center for Workforce Development @ Bucks County Community College:
Closing the Skills Gap
Statement for House Small Business Committee Field Hearing
Presented by
Susan Herring, Interim Executive Director, Center for Workforce Development
February 26, 2018**

Good morning, Representative Fitzpatrick, Representative Evans, and audience members. Thank you for the invitation to provide testimony on this very important topic.

The Center for Workforce Development at Bucks County Community College (Bucks) works with local businesses to provide customized training to build the skill level of their current employees. Our offerings include a large range of topics designed to assist the individual company in meeting their specific needs. Topics include

industrial safety, computer applications, Lean Six Sigma, executive coaching and leadership academies, to name just a few. These programs help local businesses thrive by providing a highly skilled workforce. We train approximately 2,800 incumbent workers a year, and partner with over 50 companies, with 80% estimated to be small businesses. Our clients have access to WEDnetPA* funding through the state, as well as incumbent Worker raining funding through the Bucks County Workforce Development Board. Both are excellent programs that give preferential treatment to small businesses, and bring significant value to our business partners.

*WEDnetPA is a grant program created by the Department of Community & Economic Development, (DCED) and made available through the Workforce and Economic Development Network of Pennsylvania. This program provides funding for qualified employers to train new and existing employees, and allows companies to stay competitive while keeping employee skills current and relevant. Bucks is one of 27 partners across the state of Pennsylvania awarding between 35 - 50 companies in Bucks County funding between \$250,000 - \$400,000. Last year (FY 16-17) Bucks awarded 33 contracts, of which 26 were small businesses.

The Center for Workforce Development also works closely with businesses to help mitigate the shortage of skilled workers in manufacturing. Working in partnership with the County of Bucks, the Bucks County Workforce Development Board and PA CareerLink™, the college has developed and implemented pre-apprenticeship programs designed to upskill and retrain un- and underemployed individuals to learn new skills to fill the ever growing gap for well trained entry level employees for manufacturing jobs. As retirements loom large for businesses, more well-trained entry level employees will be necessary to feed to manufacturing businesses to keep them thriving in our local economy.

Bucks County expects to see nearly 3,000 new jobs in advanced manufacturing in the next 10 years. This, coupled with impending retirements of baby-boomers, make it vitally important to provide accessible means for entry into the industry sector. Most of our manufacturing partners are small businesses. We use federal funding that flows through the BC Workforce Development Board and County of Bucks to train entry-level workers and feed them into these companies.

The College, in collaboration with the County of Bucks and local manufacturing companies developed and launched the Metalwork Training Program in 2014. The Program prepares students with the skills to fill entry-level machining positions for manufacturers in the region. As a result of the success of this program, and in response to employer demand, the college launched the Industrial Maintenance Training Program in October 2017. This program prepares students for entry-level jobs as electro-mechanical technicians in the industrial maintenance field. Both programs provide opportunities for students to earn industry-recognized credentials including OSHA 10, Forklift Safety, and NIMS, and both programs put a great deal of emphasis on employability skills training and placement into good-paying jobs. The Metalwork training takes

place in Bristol, and the Industrial Maintenance program trains out of the BC Public Safety Center in Doylestown.

Over the past three years, we have trained approximately 170 un- and under-employed students in industrial skills and have a job placement rate of over 92%. The average starting wages are between \$15 - \$18/per hour, plus benefits, with the opportunity to earn \$40 - \$50,000 per year within the first couple of years of employment. This high success rate is due to our robust candidate vetting and testing process, the ongoing dedication of excellent industry experts as our instructors, employability skills training, and the efforts of a dedicated job developer. Once employed, students have the opportunity to continue their training by entering OJT positions, apprenticeship programs and/or continuing their education at Bucks.

Manufacturing is alive and well in Bucks County and the demand for skilled workers is higher than ever. In fact, our recent Metalwork cohort graduated 11 students, and our partner manufacturing companies had 33 job openings, providing for a competitive job market favoring skilled job seekers. Bucks is serving the business community by building the workforce pipeline and connecting a new generation to the high-priority occupations in manufacturing. Approximately 28% of our students are under the age of 24, 50% under 30, and our average age is 32.

The Center for Workforce Development is continuing its efforts to close the skills gaps in manufacturing by expanding its 12-week Metalwork Training Program to serve the Upper Bucks population of job seekers and manufacturing businesses. Through a collaboration with the Upper Bucks County Technical School, the Upper Bucks Chamber of Commerce, and the Quakertown Area Planning Committee, we are on track to begin our first cohort in Upper Bucks on February 26, 2018. The college is applying to the County for CDBG funding to support our efforts beyond this pilot cohort.

In addition, the college is collaborating with the Bucks County Workforce Development Board to apply for the state's Strategic Innovation Grant to provide a Manufacturing Career Pathways Program to in-school and out-of-school youth between the ages of 18 and 24. The demand in manufacturing is due, in large part, to the aging of the skilled workforce coupled with the fact that for generations, there has been little interest in promoting this field as a viable career option. It is imperative that high school students and their parents learn more about these opportunities to help them make smart choices for their futures and build the workforce pipeline. The College will leverage the success of its industry programming into working with our local high schools to begin educating in-school youth and recent graduates between the ages of 18 and 24 on the benefits of a career in manufacturing. Our framework will be similar to our manufacturing programs but geared more towards students that are still unsure and looking to gain exposure to the industry. The Manufacturing Career Pathways Program will be a coursework introduction to manufacturing partnered with an internship. This will give students a foundational understanding of manufacturing while introducing them to career options in the

field. Students would begin with classes at the Lower or Upper Bucks Campus. Once they have successfully completed the coursework they would then transition into an internship with one of our pilot companies. The Manufacturing Career Pathways program will provide a new opportunity for targeted youth to enter the Manufacturing sector.

As with all workforce development programs, our programs' success begins and ends with the symbiotic relationship we have built with the manufacturing business community. Our business partners participate in several ways. They assist with developing and refining the curriculum, vetting training candidates, offering company tours, and hiring our graduates. Our business partnership has grown from an original 20 manufacturers, to over 70, spanning Bucks and surrounding counties. Media articles, industry partnerships, and word of mouth have contributed to the rapid increase.

The College is very thankful for the federal programs that have provided funding to train individuals who most likely would not have been able to afford the classes. The training programs are strongly supported by the County of Bucks, through past CDBG funding, and by the Bucks County Workforce Development Board through individual Training Account funding (ITAs) and currently, a US Department of Labor, Workforce Innovation Fund (WIF) Grant. The WIF grant will support training through September 2018, and the college is actively pursuing other funding sources that will enable us to continue to serve job seekers and our manufacturing partners.

In addition, in 2017 the college in partnership with Bucks County Workforce Development Board, was awarded the PA Tech Grant that will allow the college to upgrade existing manufacturing equipment in order to build capacity at our Advanced Manufacturing Training Center in Bristol.

Our students come to us facing barriers to employment, and many of them are dealing with personal challenges that have limited their ability to find financial stability, such as addiction, homelessness, incarceration, single parenthood, and disability. The College's pre-apprenticeship programs have truly been life-transforming opportunities for these individuals. Supportive family and friends attend our graduation ceremonies, and it is humbling to receive their heartfelt thanks for giving their loved ones a chance to be a part of something that will forever change their lives.

Continued funding of Bucks County Community College's pre-apprenticeship training programs is critical to sustaining our work that has brought successful outcomes to so many of our residents, while at the same time closing a skills gap that is essential for the continued success of our small manufacturing businesses in the region.

Thank you for the opportunity to testify at this morning's hearing. I would be happy to answer any questions.

Respectfully submitted,

Susan C. Herring

Interim Executive Director, Center for Workforce Development



Testimony

Submitted on behalf of the
Pennsylvania Chamber of Business and Industry

Public Hearing on Workforce Development: Closing the Skills Gap

Before the:
U.S. House of Representatives Small Business Committee

Presented by:

Alex Halper
Director, Government Affairs

Newportville, PA
February 26, 2018

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Chairman Chabot, Ranking Member Velazquez, Congressman Fitzpatrick and other members of the Small Business Committee. My name is Alex Halper and I am Director of Government Affairs for the Pennsylvania Chamber of Business and Industry. The PA Chamber is the largest, broad-based business advocacy association in Pennsylvania. We represent employers of all sizes, crossing all industry sectors throughout the Commonwealth. Thank you for the opportunity to testify today regarding workforce development and closing the skills gap.

Pennsylvania employers face competition from businesses in other states and, increasingly, around the world. While the Commonwealth has tremendous assets—abundant natural resources, key geographic advantages, excellent higher education institutions, etc—being successful in today’s global economy depends on Pennsylvania developing and harnessing the talent, skills and capacities of its citizens. Students must be prepared for careers or further education and workers must be able to adapt and continually acquire the training and skills required in the modern workplace. Unfortunately, feedback from PA chamber members and employers around the Commonwealth has made it clear we are falling short of these goals.

The PA Chamber conducts an annual survey of employers, both PA Chamber members and non-members, focusing on the Commonwealth’s economic climate. The most recent survey of 654 Pennsylvania employers was conducted in August 2017 and several questions focused on issues related to workforce. When asked to rate the quality of the workforce in Pennsylvania to meet the business community’s demand for skilled or trained workers, a plurality of respondents answered just “Fair” (41 percent) and far more chose the worst response of “Poor” (16 percent) than those who responded “Excellent” (just five percent). When asked for the most common problems experienced when interviewing and considering job applicants and provided 13 answers from which to choose, the two most popular responses by far were “Lack of soft skills” (35 percent) and “Lack of hard skills” (34 percent). Examples of “soft skills” were enumerated as work ethic, communication skills, punctuality, dependability and team work; and “hard skills” were described as training, education and certifications.

About a year earlier in 2016, the PA Chamber conducted a survey specifically focusing on Pennsylvania employers’ experiences and expectations concerning the workforce. 428 Pennsylvania employers—PA Chamber members and non-members—were contacted in early April 2016 and their responses painted a daunting picture.

A combined 52 percent of respondents described it as very or extremely difficult to recruit qualified candidates, with the appropriate skills, training and/or education to fill the workforce needs of their company. Most believed finding qualified applicants had gotten more difficult over the last five years (61 percent) and most also believe it will become more difficult over the next five years (57 percent). Only two percent of respondents believe it will get easier.

Feedback from this survey is consistent with anecdotal insight from employers and much of the public discussion on the skills gap and career readiness for those entering the workforce: inadequate “soft skills” is a significant challenge and just as common among job applicants, if not more prominent, than those lacking “hard skills”—i.e. specific training or credentials. Employers across all industry sectors describe difficulty recruiting applicants that exhibit sufficient ability to think logically, work collaboratively with others, behave properly, effectively communicate, etc.

While these questions in the survey helped quantify the extent of the workforce challenges employers are facing and captured the sentiment of Pennsylvania’s business community, the results were not surprising: they were consistent with similar national surveys and individual insight PA Chamber personnel hear from our members all over the Commonwealth. Responses to and analysis of the next series of questions, however, were somewhat more enlightening and, we hope, instructive for how the business community can and should lead efforts to address the skills gap.

Survey participants were asked about internal activities and investments in workforce development and job training—including internships, apprenticeship programs, internal training, mentoring and partnering with local high schools and trade schools. We then compared these responses with an earlier question that simply asked employers the extent to which they were experiencing workforce challenges. The analysis showed a clear correlation between employers who invest resources and time to workforce development programs and activities and those who are more successful addressing their own workforce needs. In other words, employers should not consider devoting time and resources to addressing workforce challenges as simply community service, but as a key piece of their company strategy to accommodating their own internal workforce needs.

This is the message the PA Chamber has attempted to deliver to our members and spread to employers throughout the Commonwealth: the business community must take the lead in workforce development and addressing the skills gap. We can support smart public policy and encourage educational institutions and members of the public to be close, constructive partners—but ultimately it is incumbent on Pennsylvania employers to make the commitment and do the work necessary to ensure they have a qualified workforce today and in the future.

The one caveat is the aforementioned deficit of “soft skills” among those entering the workforce. Anecdotally, we hear from employers who are committed to or interested in establishing or expanding job training programs but are frustrated by a dearth of potential participants they view as possessing prerequisite communication skills or behavioral attributes to qualify. Employers may be willing to invest more in workforce development but may not have the inclination, or think they have the ability, to teach these basics. Accordingly, attention to soft skills development must remain a priority even as policymakers focus on specific job training and making tangible progress on facilitating career readiness.

Public schools should be encouraged and provided strategies to better incorporate soft skills development into existing curriculum. Also critically important is facilitating youth employment. The prerequisite skills and work ethic sought by employers—reporting on time, reliability, following instructions, etc.—are attributes often acquired and honed as youth working part-time and during the summer. Unfortunately, youth unemployment remains a serious problem throughout Pennsylvania and the country. According to the U.S. Department of Labor Bureau of Labor Statistics, youth unemployment in January 2018 was an unacceptably high rate of 13 percent; and specifically African American youth unemployment was over 24 percent. Public policy should encourage and allow employers to create new and maintain existing part-time, lesser-skilled jobs that are often filled by the 16-19 year old demographic.

The PA Chamber also supports smart public policy that complements and encourages employer efforts related to workforce development and job training. We urge lawmakers to keep in mind the following principals and suggestions when considering legislation:

- Regularly and thoroughly review existing workforce development programs to make sure programs are achieving intended objectives at an acceptable cost. Reviews should be publicized, include a cost-benefit analysis and strive to reduce fragmentation and provide more efficient delivery of services.
- Focus locally and engage the business community to best determine current and long-term community workforce needs, tailor local programs accordingly and create nimble systems that can react in a timely way to market demands.
- Expand and improve educational options in the technical fields and others that require some level of post-secondary education to help job-seekers meet the requirements for employers in the economy of today and in the future. And help eliminate bias against vocational education.
- Encourage institutions of higher education to offer courses that align with workforce needs, such as online programs, that are structured to best facilitate participation from non-traditional students.
- Help promote public-private partnerships and private sector educational and training programs, such as apprenticeships and other innovative approaches to providing workplace experience and skill attainment opportunities.

One bill pending in Congress that is consistent with these principals is H.R. 2353, the Strengthening Career and Technical Education for the 21st Century Act, which was introduced by Pennsylvania's own, Rep. Glenn Thompson, and passed the House by voice vote last year. This bill would reauthorize Carl D. Perkins Career and Technical Education Act of 2006 and achieve key objectives of aligning CTE programs to the needs of local labor markets; support collaboration between educational institutions and employers; increase student participation in work-based learning opportunities; and promote the use of industry recognized credentials and

other recognized postsecondary credentials. We thank the House for passing this bill and urge you to work with your Senate colleagues to send this legislation to the President.

Thanks again for the opportunity to testify. I'm happy to answer any questions.

