

EXAMINING WORKFORCE DEVELOPMENT AND JOB CREATION IN SURFACE TRANSPORTATION CON- STRUCTION

(117-48)

REMOTE HEARING

BEFORE THE
SUBCOMMITTEE ON
HIGHWAYS AND TRANSIT
OF THE
COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED SEVENTEENTH CONGRESS

SECOND SESSION

APRIL 27, 2022

Printed for the use of the
Committee on Transportation and Infrastructure



Available online at: [https://www.govinfo.gov/committee/house-transportation?path=/
browsecommittee/chamber/house/committee/transportation](https://www.govinfo.gov/committee/house-transportation?path=/browsecommittee/chamber/house/committee/transportation)

U.S. GOVERNMENT PUBLISHING OFFICE

48-155 PDF

WASHINGTON : 2022

PETER A. DeFAZIO, Oregon, *Chair*

ELEANOR HOLMES NORTON, District of Columbia	SAM GRAVES, Missouri
EDDIE BERNICE JOHNSON, Texas	ERIC A. "RICK" CRAWFORD, Arkansas
RICK LARSEN, Washington	BOB GIBBS, Ohio
GRACE F. NAPOLITANO, California	DANIEL WEBSTER, Florida
STEVE COHEN, Tennessee	THOMAS MASSIE, Kentucky
ALBIO SIRES, New Jersey	SCOTT PERRY, Pennsylvania
JOHN GARAMENDI, California	RODNEY DAVIS, Illinois
HENRY C. "HANK" JOHNSON, JR., Georgia	JOHN KATKO, New York
ANDRE CARSON, Indiana	BRIAN BABIN, Texas
DINA TITUS, Nevada	GARRET GRAVES, Louisiana
SEAN PATRICK MALONEY, New York	DAVID ROUZER, North Carolina
JARED HUFFMAN, California	MIKE BOST, Illinois
JULIA BROWNLEY, California	RANDY K. WEBER, SR., Texas
FREDERICA S. WILSON, Florida	DOUG LAMALFA, California
DONALD M. PAYNE, JR., New Jersey	BRUCE WESTERMAN, Arkansas
ALAN S. LOWENTHAL, California	BRIAN J. MAST, Florida
MARK DeSAULNIER, California	MIKE GALLAGHER, Wisconsin
STEPHEN F. LYNCH, Massachusetts	BRIAN K. FITZPATRICK, Pennsylvania
SALUD O. CARBAJAL, California	JENNIFFER GONZALEZ-COLON, Puerto Rico
ANTHONY G. BROWN, Maryland	TROY BALDERSON, Ohio
TOM MALINOWSKI, New Jersey	PETE STAUBER, Minnesota
GREG STANTON, Arizona	TIM BURCHETT, Tennessee
COLIN Z. ALLRED, Texas	DUSTY JOHNSON, South Dakota
SHARICE DAVIDS, Kansas, <i>Vice Chair</i>	JEFFERSON VAN DREW, New Jersey
JESÚS G. "CHUY" GARCÍA, Illinois	MICHAEL GUEST, Mississippi
ANTONIO DELGADO, New York	TROY E. NEHLS, Texas
CHRIS PAPPAS, New Hampshire	NANCY MACE, South Carolina
CONOR LAMB, Pennsylvania	NICOLE MALLIOTAKIS, New York
SETH MOULTON, Massachusetts	BETH VAN DUYNE, Texas
JAKE AUCHINCLOSS, Massachusetts	CARLOS A. GIMENEZ, Florida
CAROLYN BOURDEAUX, Georgia	MICHELLE STEEL, California
KAIALI'I KAHELE, Hawaii	VACANCY
MARILYN STRICKLAND, Washington	
NIKEMA WILLIAMS, Georgia	
MARIE NEWMAN, Illinois	
TROY A. CARTER, Louisiana	

SUBCOMMITTEE ON HIGHWAYS AND TRANSIT

ELEANOR HOLMES NORTON, District of Columbia, *Chair*

EDDIE BERNICE JOHNSON, Texas	RODNEY DAVIS, Illinois
ALBIO SIRES, New Jersey	ERIC A. "RICK" CRAWFORD, Arkansas
JOHN GARAMENDI, California	BOB GIBBS, Ohio
HENRY C. "HANK" JOHNSON, JR., Georgia	THOMAS MASSIE, Kentucky
SEAN PATRICK MALONEY, New York	SCOTT PERRY, Pennsylvania
JULIA BROWNLEY, California	JOHN KATKO, New York
FREDERICA S. WILSON, Florida	BRIAN BABIN, Texas
ALAN S. LOWENTHAL, California	DAVID ROUZER, North Carolina
MARK DeSAULNIER, California	MIKE BOST, Illinois
STEPHEN F. LYNCH, Massachusetts	DOUG LAMALFA, California
ANTHONY G. BROWN, Maryland	BRUCE WESTERMAN, Arkansas
GREG STANTON, Arizona, <i>Vice Chair</i>	MIKE GALLAGHER, Wisconsin
COLIN Z. ALLRED, Texas	BRIAN K. FITZPATRICK, Pennsylvania
JESÚS G. "CHUY" GARCÍA, Illinois	JENNIFER GONZALEZ-COLON,
ANTONIO DELGADO, New York	Puerto Rico
CHRIS PAPPAS, New Hampshire	TROY BALDERSON, Ohio
CONOR LAMB, Pennsylvania	PETE STAUBER, Minnesota
JAKE AUCHINCLOSS, Massachusetts	TIM BURCHETT, Tennessee
CAROLYN BOURDEAUX, Georgia	DUSTY JOHNSON, South Dakota
MARILYN STRICKLAND, Washington	MICHAEL GUEST, Mississippi
GRACE F. NAPOLITANO, California	TROY E. NEHLS, Texas
JARED HUFFMAN, California	NANCY MACE, South Carolina
SALUD O. CARBAJAL, California	NICOLE MALLIOTAKIS, New York
SHARICE DAVIDS, Kansas	BETH VAN DUYNE, Texas
SETH MOULTON, Massachusetts	CARLOS A. GIMENEZ, Florida
KAI'ALII KAHELE, Hawaii	MICHELLE STEEL, California
NIKEMA WILLIAMS, Georgia	VACANCY
MARIE NEWMAN, Illinois	SAM GRAVES, Missouri (<i>Ex Officio</i>)
STEVE COHEN, Tennessee	
PETER A. DeFAZIO, Oregon (<i>Ex Officio</i>)	

CONTENTS

	Page
Summary of Subject Matter	vii
STATEMENTS OF MEMBERS OF THE COMMITTEE	
Hon. Eleanor Holmes Norton, a Delegate in Congress from the District of Columbia, and Chair, Subcommittee on Highways and Transit, opening statement	1
Prepared statement	2
Hon. Rodney Davis, a Representative in Congress from the State of Illinois, and Ranking Member, Subcommittee on Highways and Transit, opening statement	3
Prepared statement	4
Hon. Peter A. DeFazio, a Representative in Congress from the State of Oregon, and Chair, Committee on Transportation and Infrastructure, opening statement	5
Prepared statement	7
Hon. Sam Graves, a Representative in Congress from the State of Missouri, and Ranking Member, Committee on Transportation and Infrastructure, prepared statement	67
WITNESSES	
Shoshana M. Lew, Executive Director, Colorado Department of Transportation, oral statement	8
Prepared statement	10
Tunya Smith, Director, Office of Civil Rights, North Carolina Department of Transportation, oral statement	14
Prepared statement	15
Brent Booker, Secretary-Treasurer, North America's Building Trades Unions, oral statement	20
Prepared statement	22
Kari J. Karst, President and Chief Executive Officer, BX Civil & Construction, on behalf of the Associated General Contractors of America, oral statement	24
Prepared statement	26
Kelly Kupcak, Executive Director, Oregon Tradeswomen, on behalf of the National Taskforce on Tradeswomen's Issues, oral statement	31
Prepared statement	32
April Rai, President and Chief Executive Officer, Conference of Minority Transportation Officials, oral statement	36
Prepared statement	38
SUBMISSIONS FOR THE RECORD	
Submissions for the Record by Hon. Brian Babin:	
Letter of April 6, 2022, to President Biden and Vice President Harris from Associated Builders and Contractors et al.	52
Letter of February 15, 2022, to President Biden from American Fire Sprinkler Association et al.	53
Letter of April 26, 2022, to Hon. Eleanor Holmes Norton and Hon. Rodney Davis from Kristen Swearingen, Vice President, Legislative and Political Affairs, Associated Builders and Contractors	69
Letter of April 26, 2022, to President Biden from 16 Governors	71
Statement of the American Association of State Highway and Transportation Officials, Submitted for the Record by Hon. Eleanor Holmes Norton	67

APPENDIX

Questions from Hon. Eddie Bernice Johnson to Shoshana M. Lew, Executive Director, Colorado Department of Transportation	73
Questions to Tunya Smith, Director, Office of Civil Rights, North Carolina Department of Transportation, from:	
Hon. Eleanor Holmes Norton	73
Hon. Henry C. "Hank" Johnson, Jr.	77
Hon. Eddie Bernice Johnson	79
Attachment from North Carolina Department of Transportation	81
Questions to Brent Booker, Secretary-Treasurer, North America's Building Trades Unions, from:	
Hon. Peter A. DeFazio	93
Hon. Henry C. "Hank" Johnson, Jr.	94
Hon. Eddie Bernice Johnson	94
Hon. Mark DeSaulnier	95
Hon. Jake Auchincloss	96
Questions to Kari J. Karst, President and Chief Executive Officer, BX Civil & Construction, on behalf of the Associated General Contractors of America, from:	
Hon. Peter A. DeFazio	96
Hon. Henry C. "Hank" Johnson, Jr.	97
Hon. Eddie Bernice Johnson	98
Questions to Kelly Kupcak, Executive Director, Oregon Tradeswomen, on behalf of the National Taskforce on Tradeswomen's Issues, from:	
Hon. Peter A. DeFazio	98
Hon. Henry C. "Hank" Johnson, Jr.	100
Hon. Eddie Bernice Johnson	102
Questions to April Rai, President and Chief Executive Officer, Conference of Minority Transportation Officials, from:	
Hon. Eddie Bernice Johnson	104
Hon. Jake Auchincloss	106



Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Peter A. DeFazio
Chairman

Katherine W. Dedrick, Staff Director

Sam Graves
Ranking Member

Paul J. Sass, Republican Staff Director

APRIL 22, 2022

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Highways and Transit
FROM: Staff, Subcommittee on Highways and Transit
RE: Subcommittee Hearing on “Examining Workforce Development and Job Creation in Surface Transportation Construction”

PURPOSE

The Subcommittee on Highways and Transit will meet on Wednesday, April 27, 2022, at 2:00 p.m. in 2167 Rayburn House Office Building and virtually via Zoom to receive testimony related to the hearing titled “Examining Workforce Development and Job Creation in Surface Transportation Construction.” The purpose of this hearing is for Members of the subcommittee to learn about the current state of the surface transportation construction workforce, how recent investments in American infrastructure will increase the need for a skilled construction workforce, and how current programs and initiatives can provide pathways into the construction sector. The subcommittee will hear from representatives of the Colorado Department of Transportation, the North Carolina Department of Transportation, North America’s Building Trades Unions, the Associated General Contractors of America, the National Taskforce on Tradeswomen’s Issues, and the Conference of Minority Transportation Officials.

BACKGROUND

Last year, Congress enacted H.R. 3684, the Infrastructure Investment and Jobs Act (IIJA, P.L. 117–58), which provides historic levels of investment in modernizing our nation’s roads, bridges, transit, and other transportation infrastructure. The IIJA authorizes more than \$660 billion for the U.S. Department of Transportation (DOT) to invest in our nation’s infrastructure over the next five years.¹ Carrying out projects with this investment is anticipated to require thousands of new positions for skilled craft workers in construction.

Much of the funding provided by the IIJA is federal funding assistance to state and local transportation agencies to invest in state and local transportation projects, subject to federal requirements.² The recipient of funds is responsible for administering the project and the funding, ensuring compliance with all applicable federal requirements, and overseeing the project to completion.³ The contracting agency solicits bids and awards the construction contract, pays contractors for their work, and then seeks reimbursement from DOT for approved project costs.⁴ A surface transportation construction project funded and administered in this manner will be referred to as a “federally-assisted construction project.”

Federally-assisted construction projects are subject to certain federal requirements under titles 23 and 49, United States Code (U.S.C.). Examples of such requirements include statewide and metropolitan planning, environmental reviews,

¹ <https://www.transportation.gov/mission/budget/bipartisan-infrastructure-law-dashboard>.

² See *id.* For a description of the federally assisted, state administered Federal-aid Highway Program, see 23 U.S.C. 145 and *Funding Federal Aid Highways*, FHWA, <https://www.fhwa.dot.gov/policy/olsp/fundingfederalaid/>.

³ *Funding Federal Aid Highways*, FHWA, <https://www.fhwa.dot.gov/policy/olsp/fundingfederalaid/>.

⁴ *Id.*

payment of prevailing wages, compliance with federal or state construction design standards, and competitive bidding.

Pursuant to 23 U.S.C. 113 and 49 U.S.C. 5333, laborers and mechanics employed for construction work on federally-assisted construction projects are to be paid wages at rates not less than those prevailing wages as determined by the Secretary of Labor under the Davis-Bacon Act. The 1931 Davis-Bacon Act (Davis-Bacon Act, P.L. 71-798) requires payment of prevailing wage rates to all laborers and mechanics on federal or federally-assisted construction projects. Overall program responsibilities are administered by the U.S. Department of Labor.⁵ Project specific responsibilities are administered by the contracting agency for the project.⁶

SURFACE TRANSPORTATION CONSTRUCTION WORKFORCE

Workforce Entry

The surface transportation construction workforce encompasses various skilled positions such as heavy equipment operators, flaggers, and pavers. Workers can learn their trade through on-the-job training by performing tasks under the guidance of experienced workers or by participating in an apprenticeship program which combines on-the-job training with classroom learning.⁷ The length of training provided depends on the training pathway and the specialization.⁸ Through additional experience and training, construction workers can advance into high-paying, skilled positions that involve more complex tasks.⁹

Demographics

According to the U.S. Bureau of Labor Statistics (BLS) Current Population Survey, there were approximately 11.3 million workers employed in the construction industry in 2021.¹⁰ Of that total, 87.9 percent identified as white, 32.6 percent identified as Hispanic or Latino, 6.3 percent identified as Black, and 2.1 identified as Asian.¹¹ Additionally, while women make up 47 percent of the total workforce in the U.S., they account for only 11 percent of the construction workforce.¹² According to BLS data, from 2011 to 2021 the percentage of women working in construction increased by 1.8 percent.¹³

WORKFORCE DEVELOPMENT PROGRAMS AT DOT

On-the-Job Training and Supportive Services Program

Federal efforts to address historically underrepresented groups in surface transportation construction began following the enactment of the Federal Aid Highway Act of 1968 (P.L. 90-495), which required State Departments of Transportation (State DOTs) to ensure equal employment opportunities on federally-assisted construction projects as a condition of receiving federal funds. Federal regulations require State DOTs to establish apprenticeship and training programs targeted at moving women, minorities, and disadvantaged persons into journey-level positions on federally-assisted construction contracts.¹⁴ Under the Federal Aid Highway Act of 1970 (P.L. 91-605), Congress authorized the Secretary of Transportation (Secretary) to establish the On-the-Job Training and Supportive Services (OJT/SS) program, which supports state training programs aimed at increasing participation of historically underrepresented individuals in the construction workforce. The OJT/SS program is administered by the Federal Highway Administration (FHWA).¹⁵

The objective of the OJT/SS program is to increase the overall effectiveness of state training programs and to support further efforts to increase the participation of women, minorities, and disadvantaged individuals in the skilled and semi-skilled construction crafts.¹⁶ Each year, FHWA requests a Statement of Work from participating State DOTs that demonstrates the state's construction workforce needs and how their proposed program will help provide a career path to journey-level status for underrepresented groups. Examples of program activities include recruitment,

⁵ <https://www.fhwa.dot.gov/construction/cqit/dbacon.cfm>

⁶ *Id.*

⁷ <https://www.bls.gov/ooh/construction-and-extraction/construction-laborers-and-helpers.htm#tab-4>

⁸ *Id.*

⁹ *Id.*

¹⁰ <https://www.bls.gov/cps/cpsaat18.htm>.

¹¹ *Id.*

¹² *Id.*

¹³ See <https://www.bls.gov/cps/aa2011/cpsaat18.pdf>; <https://www.bls.gov/cps/cpsaat18.htm>.

¹⁴ 23 CFR 230.111.

¹⁵ 23 CFR 230.113.

¹⁶ <https://www.fhwa.dot.gov/civilrights/programs/ojt.cfm>.

skills training, job placement, childcare, career counseling, transportation to work-sites, post-graduation follow-up, and jobsite mentoring, among others.¹⁷ FHWA and State DOTs work together to determine the state's annual training goals, including the total number of training slots or hours, and which transportation projects will include such requirements. State DOTs are also required to submit regular progress reports to FHWA.¹⁸

Funding for the OJT/SS program is authorized by section 140(b) of title 23, United States Code, as a set-aside of FHWA's administrative budget. The program was initially authorized at up to \$5,000,000 per year for fiscal year (FY) 1972 and FY 1973 and was increased to up to \$10,000,000 per year starting in FY 1974.¹⁹ Since then, authorized funding has remained stagnant at no more than \$10,000,000 annually.²⁰ Section 140(b) also authorizes states to develop and administer summer transportation institutes aimed at increasing transportation career awareness among secondary-school students. Of the \$10,000,000 authorization, approximately \$6,000,000 is allocated to states via formula for the OJT/SS programs, while the remainder supports summer transportation institutes and internship programs at DOT.²¹

To build on the success of the OJT/SS program, FHWA recently developed the Highway Construction Workforce Partnership (HCWP) guide aimed at bringing together industry and workforce representatives to identify, recruit, train, and place workers into highway construction jobs. To date, FHWA has awarded \$4 million in grants to 11 recipients to establish and expand HCWP programs.²² For more information about HCWP, please visit FHWA's HCWP website.²³

Section 504(e)—Surface Transportation Workforce Development, Education, and Training

Section 504(e) of title 23, United States Code, authorizes States to use a portion of their core Federal-aid Highway Program formula funds from the National Highway Performance Program (NHPP), the Surface Transportation Block Grant Program (STBG), the Highway Safety Improvement Program (HSIP), and the Congestion Mitigation and Air Quality Improvement (CMAQ) Program to support transportation workforce development, training, and education activities.

Examples of common activities carried out under 504(e) include training programs, academic course study, and support for short-term work details or "rotational" assignments for employee development.²⁴ States may also use these funds for employee training and professional development necessary to support a specific surface transportation capital project, such as a major roadway or bridge construction project.²⁵ These funds may not be used to pay any portion of employee salaries.²⁶

Section 13007 of the IIJA expanded the list of eligible activities under 504(e) to include pre-apprenticeships, apprenticeships, career opportunities for on-the-job training, and activities that address current workforce gaps, such as work on construction projects of state and local transportation agencies. It also allows activities associated with workforce training and employment services, such as targeted outreach and partnerships with industry representatives, economic development organizations, workforce development boards, and labor organizations.

Section 504(f)—Transportation Education and Training Development and Deployment Program

Section 504(f) of title 23, United States Code, as amended by section 13007 of the IIJA, authorizes the Secretary to establish a program to make grants to education institutions or State DOTs to develop and implement new curricula and education programs to train individuals at all levels of the transportation workforce, including in the construction sector.

¹⁷ *Id.*

¹⁸ 86 Fed. Reg. 8827.

¹⁹ P.L. 93-87.

²⁰ 23 U.S.C. 140(b).

²¹ This information was provided to Committee Majority staff by FHWA on March 16, 2022, via email.

²² This information was provided to Committee Majority staff by FHWA on March 18, 2022, verbally.

²³ https://www.fhwa.dot.gov/innovativeprograms/centers/workforce_dev/hcwp/.

²⁴ https://www.fhwa.dot.gov/innovativeprograms/centers/workforce_dev/504e_state_core_programs_guidance_0318.aspx.

²⁵ *Id.*

²⁶ *Id.*

CONTRACTING INITIATIVES

Local hire

Prior to enactment of the IIJA, DOT grant recipients were generally prohibited from utilizing geographic, economic, or other hiring preferences—commonly referred to as “local hire”—on federally-assisted construction projects due to concerns about the adverse impact on competitive bidding.²⁷ In 2013, DOT received an opinion from the Department of Justice’s Office of Legal Counsel clarifying that the Secretary has the discretion to permit grant recipients to utilize local hire requirements as long as they did not unduly limit competition.²⁸ In 2015, DOT launched a pilot program to allow FHWA and Federal Transit Administration (FTA) grantees to utilize local hire contracting requirements on an experimental basis.²⁹ On January 18, 2017, the pilot program was extended for a period of five years ending on March 6, 2022,³⁰ but the extension was subsequently withdrawn later that year.³¹ In May 2021, DOT re-launched local hire pilot programs for both FHWA and FTA grant recipients.³²

Additionally, beginning in 2016 and each year thereafter, the annual appropriations bill funding transportation programs has included a provision authorizing the Secretary to permit grant recipients the ability to utilize local hire requirements on federally-assisted construction projects, subject to certain mandatory certifications.³³

Section 25019 of the IIJA provided permanent statutory authority for recipients or subrecipients of a DOT grant provided under title 23 or title 49, United States Code, to implement a local or other geographical or economic hiring preference relating to the use of labor for construction of a project funded by the grant. Based on this statutory authorization, both FHWA and FTA announced the rescission of their pilot programs stating they were no longer needed.³⁴

WITNESS LIST

- Ms. Shoshana Lew, Executive Director, Colorado Department of Transportation
- Ms. Tunya Smith, Director of the Office of Civil Rights, North Carolina Department of Transportation
- Mr. Brent Booker, Secretary-Treasurer, North America’s Building Trades Unions
- Ms. Kari J. Karst, President, BX Civil & Construction, *on behalf of the Associated General Contractors of America*
- Ms. Kelly Kupcak, Executive Director, Oregon Tradeswomen, *on behalf of the National Taskforce on Tradeswomen’s Issues*
- Ms. April Rai, President and Chief Executive Officer, The Conference of Minority Transportation Officials

²⁷ 87 Fed. Reg. 8081.

²⁸ 80 Fed. Reg. 12257.

²⁹ *Id.*

³⁰ 82 Fed. Reg. 5645.

³¹ 82 Fed. Reg. 46716.

³² *See* 86 Fed. Reg. 27667; 86 Fed. Reg. 27672.

³³ PL 114–113, Sec. 192.

³⁴ *See* 87 Fed. Reg. 8081; 87 Fed. Reg. 7897.

EXAMINING WORKFORCE DEVELOPMENT AND JOB CREATION IN SURFACE TRANSPORTATION CONSTRUCTION

WEDNESDAY, APRIL 27, 2022

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:02 p.m. in room 2167 Rayburn House Office Building and via Zoom, Hon. Eleanor Holmes Norton (Chair of the subcommittee) presiding.

Members present in person: Ms. Norton, Mr. DeFazio, Mr. Lynch, Ms. Williams of Georgia, Mr. Rodney Davis of Illinois, Mr. Crawford, Mr. Massie, Mr. Perry, Dr. Babin, Mr. LaMalfa, Mr. Stauber, and Mr. Johnson of South Dakota.

Members present remotely: Ms. Johnson of Texas, Ms. Brownley, Mr. DeSaulnier, Mr. Stanton, Mr. García of Illinois, Mr. Delgado, Ms. Bourdeaux, Ms. Strickland, Mrs. Napolitano, Mr. Huffman, Mr. Carbajal, Mr. Fitzpatrick, and Mrs. Steel.

Ms. NORTON. The subcommittee will come to order.

I ask unanimous consent that the chair be authorized to declare a recess at any time during today's hearing.

Without objection, so ordered.

I also ask unanimous consent that Members not on the subcommittee be permitted to sit with the subcommittee at today's hearing and ask questions.

Without objection, so ordered.

As a reminder, please keep your microphone muted unless speaking. Should I hear any inadvertent background noise, I will request that the Member please mute their microphone.

To insert a document into the record, please have your staff email it to DocumentsT&I@mail.house.gov.

Welcome to today's hearing on examining workforce development and job creation in surface transportation construction.

I want to thank the panel for being with us today and for your flexibility as we rescheduled this hearing from its original date so that Members could attend the memorial service for our long-time committee colleague, and my friend, Don Young.

Don devoted his life to serving his fellow Alaskans, serving 49 years in the House, including several as chair of this committee. His passion and breadth of experience will be greatly missed by all of us here on this committee.

The Infrastructure Investment and Jobs Act, which was enacted last year, authorized more than \$660 billion for the Nation's roads, bridges, transit, railroads, airports, ports, and other transportation infrastructure. A historic investment of this size will require a diverse, qualified construction workforce to ensure these projects are carried out on time and will be built to last.

The construction trades offer fulfilling and high-paying careers, supporting thousands of workers and their families. Yet too often, barriers such as transportation costs and lack of access to training and other support hinder the ability of women, minorities, and disadvantaged individuals to access jobs in the construction sector. According to the latest industry data from the Bureau of Labor Statistics, women account for just 11 percent of the construction workforce, and African Americans account for only 6.3 percent.

As we will hear today, a key effort in breaking down these barriers has been through the U.S. Department of Transportation's On-the-Job Training and Supportive Services Program. This program supports State training programs that offer recruitment skills, training, job placement, career counseling, and other services to help women, people of color, and others obtain quality careers in the construction industry.

I am especially interested in hearing from Ms. Tunya Smith, director of North Carolina Department of Transportation's Office of Civil Rights, about her department's experience working with the OJT/SS program and what outcomes they have been able to achieve.

In addition to increasing workforce diversity, we must also ensure that Federal dollars for construction projects flow straight through to the community. Last May, I was proud to stand with Secretary Buttigieg in front of DC's own Frederick Douglass Memorial Bridge to announce the reinstatement of DOT's local hiring initiative pilot program, now permitted by the Infrastructure Investment and Jobs Act. Through local hire, we can revitalize local communities and provide meaningful, good-paying jobs in construction to individuals living in low-income areas or areas with high unemployment.

These initiatives are a good start, but Congress must continue to be vigilant to ensure that the historic investments in the Infrastructure Investment and Jobs Act support a diverse workforce that is qualified to meet the demands of 21st-century infrastructure.

Thank you to each of the witnesses for being here today. I look forward to hearing how each of your organizations supports these goals and how Congress can continue to support good jobs in the surface transportation construction industry.

[Ms. Norton's prepared statement follows:]

Prepared Statement of Hon. Eleanor Holmes Norton, a Delegate in Congress from the District of Columbia, and Chair, Subcommittee on Highways and Transit

Welcome to today's hearing on examining workforce development and job creation in surface transportation construction. I want to thank the panel for being with us today and for your flexibility as we rescheduled this hearing from its original date, so that Members could attend the memorial service for our longtime committee col-

league and my friend Don Young. Don devoted his life to serving his fellow Alaskans, serving 49 years in the House, including several as Chair of this committee. His passion and breadth of experience will be greatly missed by all of us here on the committee.

The Infrastructure Investment and Jobs Act, which was enacted last year, authorized more than \$660 billion for our nation's roads, bridges, transit, railroads, airports, ports and other transportation infrastructure. A historic investment of this size will require a diverse, qualified construction workforce to ensure these projects are carried out on time and will be built to last.

The construction trades offer fulfilling and high-paying careers, supporting thousands of workers and their families. Yet too often barriers, such as transportation costs, childcare, or lack of access to training and other support, hinder the ability of women, minorities and disadvantaged individuals to access jobs in the construction sector. According to the latest industry data from the Bureau of Labor Statistics, women account for just 11 percent of the construction workforce, and African Americans account for only 6.3 percent.

As we will hear today, a key effort in breaking down these barriers has been through the U.S. Department of Transportation's On-the-Job Training and Supportive Services program. This program supports state training programs that offer recruitment, skills training, job placement, career counseling and other services to help women, people of color, and others obtain quality careers in the construction industry. I am especially interested in hearing from Ms. Tunya Smith, Director of the North Carolina Department of Transportation's Office of Civil Rights, about her department's experience working with the OJT-SS program and what outcomes they have been able to achieve.

In addition to increasing workforce diversity, we must also ensure that federal dollars for infrastructure projects flow through to the community. Last May, I was proud to stand with Secretary Buttigieg in front of D.C.'s own Frederick Douglass Memorial Bridge to announce the reinstatement of DOT's local hiring initiative pilot program, now permitted by the Infrastructure Investment and Jobs Act. Through local hire, we can revitalize local communities and provide meaningful, good-paying jobs in construction to individuals living in low-income areas or areas with high unemployment.

These initiatives are a good start. But Congress must continue to be vigilant to ensure that the historic investments in the Infrastructure Investment and Jobs Act support a diverse workforce that is qualified to meet the demands of building 21st-century infrastructure.

Thank you to each of our witnesses for being here today. I look forward to hearing how each of your organizations supports these goals, and how Congress can continue to support good jobs in the surface transportation construction.

Ms. NORTON. I now call on my good friend, the ranking member of the subcommittee, Mr. Davis, for an opening statement.

Mr. RODNEY DAVIS OF ILLINOIS. Thank you, Madam Chair. I appreciate the opportunity to be here. I want to welcome all of our witnesses.

And Ms. Smith, I hear that we may—all of us up here may have a mutual friend in your father.

Ms. SMITH. Yes.

Mr. RODNEY DAVIS OF ILLINOIS. Is that the case?

Ms. SMITH. Yes.

Mr. RODNEY DAVIS OF ILLINOIS. Yes? OK. Oh, you are online?

I do want to say, and I do want to recognize you as somebody who has got a chance to grow up and see a lot more of our friend G.K. Butterfield than the rest of us have. And I would love some good stories, so I can harass him a little bit. He shares an office right by mine. And G.K. is somebody that I have gotten to know on the House Administration Committee, and just being able to serve with him has been a friendship that I cherish. And I want you to know how proud we are of him. And we are proud of you for being here, too. We are going to miss him in this House. He is

true. He is a true statesman. And please take care of him when we can't anymore, when he leaves.

But I do want to say I am glad we are talking about workforce issues. I am glad we are talking to our witnesses about recently approved transportation funding.

When it begins to go out, I am expecting there to be a need for more skilled craftspeople. While many challenges exist for constructing our Nation's core infrastructure, ensuring a readily available, skilled-craft workforce is our initial challenge. But it is not the only challenge that we face.

And it is important to remember the context of this hearing and what we are discussing today. Earlier this month, we once again saw sky-high inflation numbers, 8.5 percent. Inflation in March was the highest level in 40 years. The Biden administration's response to the COVID-19 pandemic has exacerbated the Nation's supply chain crisis. Paying people to stay home has only made it harder to find skilled, trained workers. Add that to the soaring gas and diesel prices and construction costs having the largest year-over-year spike since 1970, and a project simply costs more today than it did 5 months ago.

So, as this infrastructure money gets awarded, it is very important that this administration provides recipients with the flexibility needed to ensure that they can be built in the most cost-effective way. One cost-effective way is to fully implement One Federal Decision.

Since its enactment, this administration has dragged its feet in implementing this industry-changing legislation. For too long, worthy infrastructure projects have been needlessly delayed by our permitting system. Time is money, and in a world of skyrocketing inflation, further delay in implementing this law limits the total number of jobs, infrastructure jobs, that the infrastructure money creates.

As the Federal Government begins to allocate funds for infrastructure projects, we must ensure our workforce is available and ready from the start, so that the dollars can stretch further. Building trades and contractors are essential to our Nation's economic growth, and I have long supported policies to support the construction workforce.

I look forward to hearing from all of our witnesses about some of the challenges that exist in matching our workforce to our critical infrastructure needs.

[Mr. Davis' prepared statement follows:]

Prepared Statement of Hon. Rodney Davis, a Representative in Congress from the State of Illinois, and Ranking Member, Subcommittee on Highways and Transit

Thank you, Chair Norton. I want to welcome everyone to today's hearing about the workforce challenges faced by those who build our nation's roads and bridges. I want to thank our witnesses for being here today, and I appreciate the Committee's flexibility to allow for this hybrid hearing.

As recently-approved transportation funding begins to go out, I am expecting there to be a need for more skilled craftspeople. While many challenges exist for constructing our nation's core infrastructure, ensuring a readily available, skilled craft workforce is an initial challenge. But it's not the only challenge, and it's important to remember the context of this hearing and what we are discussing today.

Earlier this month, we once again saw sky-high inflation numbers—8.5 percent. Inflation in March was the highest level in 40 years. The Biden Administration's response to the COVID-19 pandemic has exacerbated the nation's supply chain crisis. Paying people to stay home has only made it harder to find skilled, trained workers. Add that to soaring gas and diesel prices and construction costs having the largest year-over-year spike since 1970, and a project simply costs more today than it did five months ago.

So as this infrastructure money gets awarded, it's important that this Administration provides recipients with the flexibility needed to ensure that they can be built in the most cost-effective way.

One cost-effective way is to fully implement One Federal Decision. Since its enactment, this Administration has dragged its feet in implementing this industry changing legislation. For too long, worthy infrastructure projects have been needlessly delayed by our permitting system. Time is money, and in a world of skyrocketing inflation, further delay in implementing this law limits the total number of jobs infrastructure money creates.

As the federal government begins to allocate funds for infrastructure projects, we must ensure our workforce is available and ready from the start so that dollars can stretch further. Building trades and contractors are essential to our nation's economic growth, and I've long supported policies to support the construction workforce.

I look forward to hearing from our witnesses about some of the challenges that exist in matching our workforce to our critical infrastructure needs.

Mr. RODNEY DAVIS OF ILLINOIS. And again, Madam Chair and all our witnesses, thanks for being here today.

And please, Ms. Smith, I look forward to hearing the stories about your dad that we can use before he leaves at the end of this year.

Thank you, and I yield back.

Ms. NORTON. Thank you very much, Ranking Member Davis. I now recognize the chair of the full committee, Mr. DeFazio.

Mr. DEFazio. Thank you, Madam Chair. Thanks again for this hearing. Thanks to the witnesses for being here today, physically and virtually.

We have tremendous opportunities with the bipartisan infrastructure bill, or the IIJA, or whatever you want to label it. You know, \$400 billion for highway and major projects, bridges, \$107 billion for transit, and \$102 billion for rail. As was noted, this will require tremendous investment in a workforce, a new workforce, and reaching communities that haven't been reached before for all these new positions in the construction trades.

A lot of young people aren't aware of the tremendous opportunities that are out there, and we have got to reach out to them and recruit them into this. It is not people with picks and shovels anymore. Much construction work is very sophisticated, computer-driven equipment, et cetera.

We also need to continue to protect Davis-Bacon prevailing wage. We want people to get a fair wage for their work, and be able to have a good, middle-class lifestyle, which is becoming more and more difficult in this Nation. So, that is really key.

I am pleased to welcome the executive director of Oregon Tradeswomen, Kelly Kupcak, who is testifying on behalf of the National Taskforce on Tradeswomen's Issues.

Oregon, my home State, has been on the forefront of addressing historical underrepresentation of women, minorities, and disadvantaged individuals in the construction trades. Just recently, Metro, the metropolitan planning organization in Portland, and its regional partners adopted the Construction Career Pathways Re-

gional Framework and signed the first-of-its-kind Regional Workforce Equity Agreement. These coordinated efforts will help ensure delivery of infrastructure projects in Portland and provide career opportunities for women and minorities. And I look forward to hearing how Congress can better support these efforts and the administration as we move forward.

And then local transportation agencies will now be able to require that a percentage of the workforce hired to build federally funded transportation projects comes from the local community. This authority, commonly referred to as “local hire,” was previously only authorized through DOT pilot programs. It is now an established, permanent authority.

And I am eager to hear from Director Lew of the Colorado Department of Transportation about their experience working with developers, community colleges, AND local organizations to set and meet local hiring goals on their Central 70 Project. Colorado is just one place where this has been done, reaching out into the surrounding communities, and I look forward with the passage of this bill to others.

Just to comment on a couple of issues raised by the ranking member, we are seeing astronomical gasoline prices. Guess what? We are also seeing astronomical price gouging and profiteering by the oil and gas industry. I would invite the gentleman and others to join me on my windfall profits tax bill. The industry is going to use \$22 billion of, as they call it, excess profits, excess extra profits, to buy back stock, enriching only stockholders and boards of directors and CEOs and executives, while the American people are paying the bill. And oddly enough, that happens to be the amount of money we will collect over the rest of the year from the Federal gas tax, which some are proposing to suspend.

It used to be illegal to buy back your own stock until Ronald Reagan. It is self-enrichment. And they can have record profits on top of the record stock buybacks. Oh, and by the way, they are going to pay record dividends. But oh, yes, that is all the problem of Joe Biden. Joe Biden created this—the oil cartels.

We held a hearing earlier today about shipping, and what is going on there with price gouging, which is driving up the cost of every good that comes to the United States—dramatically. The three largest shipping companies in the world made more money last year than over the last decade, and they are justifying that with COVID, emergencies, and all this. A lot of this is price gouging driven by the largest corporations in the world, who are all enjoying record profits at the expense of the American people.

And I would invite my Republican colleagues and other Democrats to join me. At least let’s take on the oil industry with a windfall profits tax, and go after their price gouging. That would provide tremendous relief to the American people.

[Mr. DeFazio’s prepared statement follows:]

Prepared Statement of Hon. Peter A. DeFazio, a Representative in Congress from the State of Oregon, and Chair, Committee on Transportation and Infrastructure

Thank you, Madam Chair, for holding this important hearing to examine workforce needs and opportunities in the surface transportation construction sector. Thanks to the hard work of this committee, Congress recently enacted the Infrastructure Investment and Jobs Act, a five-year surface transportation reauthorization bill that provides historic levels of funding—\$660 billion over five years—to rebuild and modernize our nation’s transportation infrastructure. This includes over \$400 billion in highway and major projects funding, \$107 billion in transit funding, and \$102 billion for rail.

This significant investment will generate demand for thousands of new positions in the construction trades. As development of transportation projects gets underway, we need to make sure there’s a qualified workforce available to meet construction hiring needs.

The construction sector has long provided high-paying careers to individuals looking for an alternative to a traditional four-year college degree.

Worker protections, such as Davis-Bacon prevailing wage requirements, have been and continue to be critical to prevent wage degradation and ensure laborers are paid fair market value for their work. But the structure needed to ensure workers can succeed in the industry goes beyond baseline protections—it’s essential that new workers entering the industry have access to and receive adequate training and support to gain the experience and skills necessary to move into journey-level positions. And it’s essential that these opportunities are available equitably to all who want to enter the industry.

I’m pleased to welcome the Executive Director of the Oregon Tradeswomen, Kelly Kupcak, who is testifying on behalf of the National Taskforce on Tradeswomen’s Issues. My home state of Oregon has been on the forefront of addressing the historical underrepresentation of women, minorities, and disadvantaged individuals in the construction trades. Just recently METRO, the metropolitan planning organization in Portland, and its regional partners adopted the Construction Career Pathways Regional Framework and signed the first-of-its-kind Regional Workforce Equity Agreement. These coordinated efforts will help ensure delivery of infrastructure projects in the Portland metropolitan region and provide career opportunities for women and minorities in construction. I look forward to hearing how Congress can support these and other efforts to increase diversity in the construction workforce and ensure that employment opportunities are distributed equitably.

We also have work to do to ensure that workers in the communities where projects are built reap the benefits. Thanks to the IIJA, state and local transportation agencies are now able to require that a percentage of the workforce hired to build federally-funded transportation projects comes from the local community. This authority, commonly referred to as “local hire,” was previously only authorized through the U.S. Department of Transportation’s pilot programs.

I’m eager to hear from Director Lew of the Colorado Department of Transportation today about their experience working with developers, community colleges, and local organizations to successfully set and meet local hiring goals on their Central 70 project. Colorado is just one example where projects have been successfully delivered while also providing employment opportunities for the surrounding communities. I look forward to hearing from the rest of our panelists about other ways of leveraging federal investments to generate economic opportunities in the communities where these infrastructure projects are being built.

I thank each of the witnesses assembled here today, and I look forward to this important discussion.

Mr. DEFazio. With that I yield back the balance of my time.

Ms. NORTON. Thank you, Chair DeFazio. I would now like to welcome the witnesses on our panel: Ms. Shoshana Lew, executive director, Colorado Department of Transportation; Ms. Tunya Smith, director of the Office of Civil Rights, North Carolina Department of Transportation; Mr. Brent Booker, secretary-treasurer, North America’s Building Trades Unions; Ms. Kari J. Karst, president, BX Civil & Construction, on behalf of the Associated General Contractors of America; Ms. Kelly Kupcak, executive director, Oregon Tradeswomen, on behalf of the National Taskforce on

Tradeswomen's Issues; and Ms. April Rai, president and chief executive officer, the Conference of Minority Transportation Officials.

Thank you for being here today. I look forward to your testimony.

Without objection, witnesses' full statements will be included in the record.

Since your written statement has been made a part of the record, the subcommittee requests that you limit your oral testimony to 5 minutes.

Ms. Lew, you may proceed.

TESTIMONY OF SHOSHANA M. LEW, EXECUTIVE DIRECTOR, COLORADO DEPARTMENT OF TRANSPORTATION; TUNYA SMITH, DIRECTOR, OFFICE OF CIVIL RIGHTS, NORTH CAROLINA DEPARTMENT OF TRANSPORTATION; BRENT BOOKER, SECRETARY-TREASURER, NORTH AMERICA'S BUILDING TRADES UNIONS; KARI J. KARST, PRESIDENT AND CHIEF EXECUTIVE OFFICER, BX CIVIL & CONSTRUCTION, ON BEHALF OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA; KELLY KUPCAK, EXECUTIVE DIRECTOR, OREGON TRADESWOMEN, ON BEHALF OF THE NATIONAL TASKFORCE ON TRADESWOMEN'S ISSUES; AND APRIL RAI, PRESIDENT AND CHIEF EXECUTIVE OFFICER, CONFERENCE OF MINORITY TRANSPORTATION OFFICIALS

Ms. LEW. Good afternoon and thank you, Madam Chair, members of the subcommittee, and everyone in attendance today. My name is Shoshana Lew, and I am the executive director of the Colorado Department of Transportation. Thank you for inviting me here to testify and discuss CDOT's successful workforce development program as part of the Central 70 Project in Denver.

The Central 70 Project that broke ground in 2018 is Colorado's largest infrastructure project ever undertaken by the State and comes in at a cost of about \$1.2 billion.

When we first started studying the I-70 corridor through the heart of Denver, it was essential that we understood the demographics of the community that we would be working in, so that we could meet their needs, and keep them informed, and make sure that they were part of the project. The Globeville and Elyria/Swansea communities, located adjacent to our most impactful construction activities, are comprised of mostly lower income families, many of whom identify as Hispanic. We also learned that the unemployment rate was 10 times higher in this area than in other parts of the metropolitan area.

While the project made dozens of commitments to meet the various needs of environmental justice communities, one solution we were able to come up with to address the issue of unemployment specifically was our workforce development program.

The economic benefits of the Central 70 Project are both significant and long-lasting, and the project was anticipated to require about 4,000 positions, from skilled-craft workers to administrative support.

In February 2016, CDOT received approval from the Federal Highway Administration to implement a local hiring preference for the Central 70 Project. This approval was granted under a 1-year program called the SEP-14 Program for those familiar with the

Federal Highway Administration statutes. CDOT is one of nine State transportation agencies across the U.S. participating in this program, which allows requirements for contractors to hire a certain percentage of workforce from within specific geographic boundaries.

In the case of Central 70, CDOT focused hiring targets on neighborhoods adjacent to the project corridor. As part of CDOT's contract with the project developer, Kiewit Meridiam Partners, known as KMP, during the estimated 4½-year project, KMP is required to hire 20 percent of its employees full-time from the local community. This program allowed us to hire residents from 13 zip codes that are touched by the project in one way or another.

CDOT is also participating in the U.S. Department of Transportation's official On-the-Job Training Program, or OJT, targeted to move women, minorities, and disadvantaged individuals into journey-level positions to help meet highway construction hiring needs, and address the historical underrepresentation of these groups in highway construction skilled crafts. CDOT's contract with KMP requires 200,000 training-hours to be provided to employees in the skilled crafts.

In June of 2015, the Federal Highway Administration awarded CDOT \$400,000 from its Ladders of Opportunity Initiative OJT pilot program to grant support to these efforts. These funds have now been used to establish a collective impact workforce program called Work Now.

As of February 1st, 2021, only 2½ years into construction, the Central 70 Project exceeded its workforce goal, and had 600 local workers contribute 760,000 hours to the project. As of October 2020, the Central 70 Project's OJT goal of 200,000 hours was surpassed.

The combined partnerships also met a goal to have at least 50 percent of local hires be new to the industry. And the project exceeded that goal, with 75 percent of the hires being new to construction.

Kiewit Meridiam Partners continues to be a strong advocate for OJT and local workforce requirements on the project, as it helps to build more skilled workers that can continue to support and be a part of the construction industry. Indeed, this is extremely helpful, as the construction industry writ large is suffering from a lack of workers as many industries in this discipline are. So, it has helped us not only on this project, but to build out the field.

Overall, the Central 70 Project has been setting a wonderful example for our transportation projects on what it means to make sure all voices could be heard from, all community members could be sitting at the table during decisionmaking, and that the job opportunities that come from major infrastructure investments can truly accrue to the neighborhoods that face the biggest impacts from projects.

I thank you all for the opportunity to share the success of our program. Based on everything we have learned and witnessed through this program and this project, we are confident that OJT and workforce development will continue to strengthen the construction industry and help deliver more successful projects in the future.

Thank you.

[Ms. Lew's prepared statement follows:]

**Prepared Statement of Shoshana M. Lew, Executive Director, Colorado
Department of Transportation**

Good morning, Chairwoman Holmes Norton, Ranking Member Davis, Chairman DeFazio, Ranking Member Graves and to all the members on the committee.

My name is Shoshana Lew, and I am the Executive Director of the Colorado Department of Transportation.

Thank you for inviting me here to address the State of Colorado's CDOT's Central 70 Workforce Development Program.

The interstate system, originally introduced by President Eisenhower in 1956, was designed to provide a high-speed, high-capacity network of highways without stoplights and with exits spread apart. As much as the System has helped the United States economy boom and allowed more opportunity for movement for all, many interstates across the nation were built in the middle of lower-income and, oftentimes, minority neighborhoods. The first segment of Interstate 70 in Denver, built in 1961, was no exception as it was a 2.6-mile stretch that followed the route of 46th Avenue between Jackson Street and the junction of Interstate 25 and cut the Elyria and Swansea neighborhoods in half and disrupted connections in the Globeville neighborhood. The six-lane I-70 viaduct followed quickly thereafter and was completed in 1964, at a cost of \$12.5 million, without public input and no evaluations of the environmental, social and economic impacts that would later be required by National Environmental Policy Act, which passed in 1969.

From the late 1800s, immigrants have called the neighborhoods of Globeville, Elyria and Swansea home. Globeville was originally settled independently around the Globe Smelting and Refining Company, eventually becoming part of Denver in 1902. Elyria and Swansea were likewise founded and annexed separately. Over the years, the neighborhood has evolved and seen Central and Eastern European settlers move on, replaced by new residents with Latin American roots. Sitting at the literal crossroads of Interstates 25 and 70, the nearly 100,000 residents of Globeville, Elyria and Swansea today face the evolving impacts of massive nearby infrastructure projects in Denver, including the Central 70 Project which focuses on reconstructing a 10-mile stretch of I-70 through the heart of Denver. While these projects have started to bring the attention, funding and infrastructure the Globeville, Elyria and Swansea neighborhood has been lacking for years, they also bring new and very real concerns about gentrification, rising taxes and rent, and displaced residents.

The Elyria and Swansea neighborhoods have one of the largest Hispanic populations in Denver. Nearly 84 percent of the residents in Elyria and Swansea and 68 percent in Globeville identify as Hispanic. These neighborhoods also experience unemployment rates that are ten times higher than that of the rest of Denver. Many do not have adequate transportation or childcare that is needed to get to work or go to doctors appointments. As such, the Globeville, Elyria and Swansea neighborhoods are classified as Environmental Justice communities.

When I-70 was built in the early 1960s, the bridge and drainage structures were designed to last 30 years. In preparation for the inevitable upgrades needed, the Colorado Department of Transportation (CDOT) began planning for the Central 70 Project in 2003 with the I-70 East environmental process. By 2008, nine structures on the corridor were classified as either structurally deficient or functionally obsolete and in critical need of repair, rehabilitation or replacement. That same year, CDOT completed the Environmental Impact Statement between I-25 and Tower Road.

The Globeville, Elyria and Swansea community did not agree with the preferred alternative CDOT originally presented for this stretch of roadway and requested that CDOT continue to evaluate a variety of solutions, keeping the community top of mind. In response, CDOT conducted five additional years of neighborhood outreach during which the community and CDOT came to an agreement to lower the highway between Brighton and Colorado boulevards and add a cover park adjacent to Swansea Elementary School.

This 'preferred alternative' was presented in the supplemental Environmental Impact Statement in 2014 and the final Environmental Impact Statement in 2016. Ultimately, federal approval was given to the Project in January 2017, and in August 2018, construction began on CDOT's largest-ever infrastructure project. The \$1.2 billion project includes the total reconstruction of I-70 between I-25 and Chambers

Road, including adding one new Express Lane in each direction, removing the 57-year-old viaduct, removing and replacing several structurally deficient bridges and constructing a 4-acre cover park in the Elyria and Swansea neighborhoods.

Simultaneous construction projects in the Globeville, Elyria and Swansea neighborhoods have a cumulative effect on the community that CDOT takes seriously. In conjunction with data and information received from over 300 public meetings held prior to construction, CDOT made nearly 150 community commitments to be completed over the Project's lifespan.

These commitments include major renovations to and expansion of Swansea Elementary School (located just 100-feet away from I-70), contributions to local affordable housing efforts, and continuous air monitoring for dust during construction. In addition, the Project offered home improvements to nearly 300 homes within a one-block radius of I-70, providing these residences with air conditioning units, attic insulation, interior storm windows and better weatherization.

Taking into consideration the high unemployment rate in the Globeville, Elyria and Swansea neighborhoods and the community stating fears of being forced out of the neighborhood due to higher costs of living, the Central 70 Project also set a goal of hiring 20 percent of the workforce from the 13 zip codes adjacent to the Project.

The economic benefits of the Central 70 Project are both significant and long lasting. The Project anticipated requiring an estimated 4,000 positions—from skilled craft workers to administrative support. In February 2016, CDOT received approval from the Federal Highway Administration to implement a local labor hiring preference for the Central 70 Project. This approval was granted under a one-year program (Special Experimental Project No. 14—Local Labor Hiring Pilot Program) created to encourage state transportation departments to pilot local hiring provisions on projects receiving Federal funding.

CDOT is one of nine state transportation agencies across the United States participating in this program that allows requirements for contractors to hire a certain percentage of workforce from within specific geographic boundaries. In the case of the Central 70 Project, CDOT focused hiring targets on neighborhoods adjacent to the Project corridor. As part of CDOT's contract with the Project Developer, Kiewit Meridiam Partner, during the estimated four and a half-year Project, Kiewit Meridiam Partners is required to hire 20 percent of its employees, full-time, from the local community.

To support successful design, implementation and evaluation of local hiring preferences for Central 70, CDOT solicited proposals in 2015 for a partner to help develop and implement the Central 70 Workforce Development Program. CDOT contracted with the Community College of Denver's Center for Workforce Initiatives in 2016 to advise the Department on an appropriate goal and to prioritize programmatic recommendations. Community College of Denver was able to collect data and insights through:

- 20 targeted neighborhood statistical profiles;
- 15 focus groups with 147 participants;
- 528 unique resident surveys;
- 69 stakeholder interviews; and
- Four employer focus groups and/or interviews with regional contractor organizations.

The insights shared by neighborhood residents, community organizations, education and training partners, civic leaders, and local employers supported the identification of goal recommendations and program action strategies related to the outreach, training and skills development, and supportive resources needed to help residents attain and retain employment on Central 70. Some of the programmatic recommendations identified in the study included:

- Identify and recruit for positions that would attract a broad candidate pool and provide transferable career pathways, such as laborers, equipment operators, commercial drivers, on-the-job trainees, administrative assistants, and accounting clerks.
- Establish a sole workforce convener that would coordinate community intake hubs, standardize assessment and referrals, and track training and placement outcomes.
- Align multiple training programs to create a pipeline system capable of preparing a wide range of students, job seekers, and workers, and ensuring existing or new training is included on the Colorado's Eligible Training Provider List.
- Continue partnering with experienced construction workforce partners, trade associations, and the Colorado Building Trades, to inform and educate community organizations, local residents, and training partners on industry practice and expectations.

- Commit to public and transparent reporting on the local hiring program with periodic collaborative forums that engage all stakeholders in identifying and resolving potential issuers.

A 2012 report issued by the National Skills Coalition cautioned that federal investments that create jobs and federal investments that prepare people for jobs are not always aligned. [1] This can lead to a disconnection between economic development initiatives such as infrastructure expansion and workforce development priorities that build the skills and increase the earning potential of community residents. Through thoughtful collaboration, the approved Local Labor Hiring pilot helped CDOT and its partners bridge workforce and economic community development efforts. The alignment of training and job opportunities that help local residents in low-income neighborhoods to access training, high-quality jobs with connected career pathways, increases not only individual economic mobility but also the number of skilled workers to fulfill future project needs.

CDOT is also participating in the USDOT's official on-the-job training program targeted to move women, minorities, and disadvantaged individuals into journey-level positions to help meet highway construction hiring needs and address the historical underrepresentation of these groups in highway construction skilled crafts. CDOT's contract with Kiewit Meridiam Partners requires 200,000 training hours be provided to employees in the skilled crafts. In June of 2015, Federal Highway Administration awarded CDOT \$400,000 from its Ladders of Opportunity Initiative On-the-Job Training/Supportive Services Pilot Program grant to support these efforts. These funds have been used to establish a collective impact workforce program, WORKNOW.

Through various outreach events and partnerships, CDOT and Community College of Denver were able to catch the attention of a local private foundation, Gary Community Investments. The foundation invested \$1.06 million into the Program, which provided assistance to mitigate barriers to employment, such as affordability of personal protective equipment, transportation and childcare.

To encourage the local community to attend on-the-job training courses, CDOT opened a Neighborhood Training Center on CDOT's right of way in a walkable area in the Elyria and Swansea neighborhoods. Construction Careers Now, a 48-hour basic skills boot camp, started offering courses at the Neighborhood Training Center. The first cohort to graduate at this location were all from the local hire area, indicating that the new location helped with retention among local participants. A Community College of Denver Career Coach also began holding regular office hours at the Neighborhood Training Center, which coincided with the Construction Careers Now boot camp, providing program participants with direct access to coaching services in the late afternoon and evening. Kiewit Infrastructure Co., the Central 70 Project's prime contractor, also assisted in developing two additional entry-level courses designed to connect more job seekers to highly needed industry positions. Additional classes included English as a second language and math skills.

Prior to the groundbreaking of the Central 70 Project in 2018, Kiewit Meridiam Partners hired a Workforce Development Coordinator whose responsibilities include coordinating workforce recruitment, outreach, and hiring, as well as monitoring and reporting on Central 70 workforce efforts. Kiewit Meridiam Partners and WORKNOW have co-hosted several Contractor Meet and Greet sessions at the Neighborhood Training Center to support informal community connections with job seekers interested in working on the Project. Sessions featured project contractors, local unions and registered apprenticeship programs for carpenters, laborers, operating engineers, and electricians.

Kiewit Infrastructure Co. is a signatory to the Union, so the Project's workforce is pipelined via the Carpenters, Operators and Laborers Union. One of Kiewit's main electrical subcontractors is also a signatory to the Unions and works with the electrical Union for their workforce. Kiewit Meridiam Partners continually cites its partnerships with Unions as being one of the key factors to the success of the Workforce Development Program. It was through Kiewit's close partnership with the Unions that they were able to make residents aware of open positions and the Workforce Development Program. Kiewit Meridiam Partners also held a number of hiring fairs that included coaching and personal protective equipment at the event itself as a way to bring in more employees. These hiring fairs were held at the Neighborhood Training Center or other convenient locations within the local communities. In 2019, Kiewit Meridiam Partners began co-hosting "Building an Inclusive Workforce Series" with WORKNOW and developed a "Women in Construction" hands-on workshop in partnership with Kiewit Meridiam Partners' signatory unions.

"Workforce Development is very important to Kiewit, as a contractor," said Jason Proskovec, Kiewit's Central 70 project director. "We're a local contractor, we've been

in Denver and in the community for over 70 years and know that wherever we go it's important to not only help train and develop our construction workforce [since] it's widely known that it's an aging workforce and that we need to develop people to help, not only on this Project, but when we take on more work as well. We need to develop skilled craftsmen and women to build projects such as this one."

Day-long workshops were offered at the Carpenters and Operators training facilities to provide exposure for women and people of color to know which trades they would like to pursue as a career. Other outreach tools such as live streaming on Facebook and YouTube were done to help teach the local community about hiring opportunities from four contractors and three unions. These videos were done through a partnership between WORKNOW and Black Business Initiative and had nearly 200 people tune in.

"To Kiewit Meridiam Partners the benefits are many, a stronger and larger construction workforce base, a more economically sustainable community, and strong partnerships for future projects," said Cathi Buckley, Kiewit Meridiam Partners chief financial officer.

As of February 1, 2021, only two and a half years into construction, the Central 70 Project exceeded its workforce goal and had 600 local workers contribute 760,000 hours to the Project. As of October 2020, the Central 70 Project's on-the-job training goal of 200,000 hours was surpassed. The combined partnerships also had a goal to have at least 50 percent of the local hires be new to the industry and the Project exceeded that goal with 75 percent of the hires being new to construction.

"Even though we have met our on-the-job training goal of 200,000 hours in October 2020, it's still very important to us to continue that momentum to help train these apprentices and make these apprentices be more skilled workers to benefit not only them, but us in the future," said Proskovec. "Being able to take that skill that they learned here and take that to the next job and the next job, even if it isn't for us, it's just more beneficial for the construction industry in general."

The Workforce Program has been a life changing experience for those living adjacent to the Central 70 Project corridor. It has opened up opportunities for advancement, a secure job and a higher paying salary to help residents stay in the Globeville, Elyria and Swansea community. Che Derrera, a Groundsman and Traffic Signal Technician Apprentice for Sturgeon, which is a subcontractor to Kiewit on the Central 70 Project, found a second chance through the WORKNOW program, funded by CDOT and Federal Highway Administration. After enduring several tough years, including serving eight years in prison, and not being able to land a secure job, he found work on the Central 70 Project by attending one of the Workforce Program's hiring fairs where he learned that he can enhance his skills through trainings and have an opportunity to work on a construction project in his community.

In a quote provided to WORKNOW for an article, Derrera stated "I enjoy improving the roadways and landscape along Central 70. This is a positive change for future generations and I'm proud to contribute to that. What I love most about working in construction is the opportunity. There's so much I can learn that can open doors for me anywhere, even within the same company."

Governor Jared Polis was one of the first governors in the country to endorse the bi-partisan infrastructure bill. In 2021 he said, "This important action means jobs and better roads along with a strong initial package to improve air quality and make progress on climate issues." There is significant potential in the Infrastructure Investment and Jobs Act to build a strong transportation workforce and programs like those implemented on CDOT's Central 70 project that can help achieve that goal.

The state of Colorado is committed to building a skilled workforce and continuing to grow a world class economy. Colorado consistently has one of the strongest economies in the country and high employment rates. In January of 2022, the state had one of the lowest unemployment rates at 4.1%, which is the lowest it has been since the pandemic began. Colorado's private sector has fully recovered jobs lost in early 2020. Colorado's job recovery rate is 103.1% which is significantly higher than the national rate of 89.8%. Construction had the strongest job gain of any sector adding around 2,000 jobs in January of 2022.

CDOT's Central 70 Workforce Development Program is an example of how successful hiring locally can be. It not only fuels the local economy, but it gives back to the community in a way that transportation projects have not done in the past. When the Central 70 Project finishes at the end of 2022, the residents hired as a part of the program will continue to reap the benefits of this commitment and have a secure career, should they choose to stay in the construction industry and even if they do not, they can take the skills they have learned through training and coaching and apply that elsewhere. To make this program even more successful, it

would be beneficial for transportation agencies to work out issues on the administrative side, which includes building out a better reporting system to track workforce job positions created as there are many lower-tier subcontractors who have craft workers working on the Central 70 Project that CDOT is unable to track. Hiring locally and providing funds for on-the-job training are commitments that CDOT will continue to pursue for other disproportionately impacted communities in future infrastructure projects.

Ms. NORTON. Thank you very much, Ms. Lew. I recognize Ms. Smith for 5 minutes.

Ms. SMITH. Chair Norton, Chairman DeFazio, Ranking Member Davis, Ranking Member Graves, and members of the subcommittee, thank you for the opportunity to appear today and speak about the importance of the Federal Highway Administration's and the NC Department of Transportation's On-the-Job Training and Supportive Services Programs. Today I will share our recommendations to protect and strengthen the critical workforce development components during this time where we are experiencing a shortage of skilled laborers.

I am Tunya Smith, director of the Office of Civil Rights for the North Carolina Department of Transportation. Thank you for inviting me to testify today on behalf of the State of North Carolina.

According to title 23 of the U.S. Code of Federal Regulations, the Federal Highway Administration mandates that State transportation agencies create and operate on-the-job training programs with our contractors on Federal-aid highway projects.

The NC DOT's workforce development initiative has two major objectives: to provide equal opportunity and access to all people, and to produce a professional highway industry workforce that fulfills employer demands.

We have several projects that cover almost every aspect of workforce development in the highway industry. In addition to targeting women and minorities, disadvantaged populations for OJT program participation in North Carolina include those with disabilities, justice-involved, veterans, and anyone who lives in one of the State's most economically distressed tier 1 counties, including all eight North Carolina Native American Tribes.

Women are underrepresented in the private contractor labor force and all occupations surveyed, according to our most recent "Federal-aid Highway Construction Contractors Annual EEO Workforce Report."

The OJT program continues to be a vital public-private relationship that benefits all parties. The following are some of the OJT programs in North Carolina: highway construction trade academies for adults 18 and older; advanced skills training in a variety of high-demand areas, including training for a commercial driver's license for academy participants and graduates; and career outreach and recruitment programs for middle school all the way through high school.

However, there is still work to be done. The Highway Construction Workforce Partnership through the Federal Highway Administration is one example of a program that requires greater financing. This opportunity will allow us to work even closer with critical stakeholders and partners.

Due to a lack of financing, North Carolina was one of a dozen States that were not awarded Highway Construction Workforce

Partnership grant funds when the previous round of grantees were named. We were also disappointed that the Infrastructure Investment and Jobs Act did not contain new nor direct financing for workforce development. Only four program funds approved by the Fixing America's Surface Transportation, FAST, Act are allowed to be used for workforce development by States under the new IIJA.

The IIJA was enacted with the support of this committee and will go a long way toward ensuring a safe and efficient highway system. However, if we are to maximize the potential of the IIJA commitment, we must invest more in workforce development. We recommend a review of the Workforce Innovation and Opportunity Act and consideration of the reauthorization to determine if there are opportunities for amendments more focused on funding for highway construction and other transportation workforce and training programs.

It is also important that OJT Supportive Services money be made available to train prerelease and incarcerated individuals. Unfortunately, without additional funding and flexibility of our programs, these and other workforce development programs will remain stagnant.

Finally, on behalf of NC DOT Secretary J. Eric Boyette, Deputy Secretary Ebony J. Pittman, the Board of Transportation, and the dedicated employees of the North Carolina Department of Transportation and our many partner organizations, I would like to express my gratitude to the members of the House Transportation and Infrastructure subcommittee for this honor and opportunity to share our experiences and ideas regarding OJT Supportive Services, workforce development, and job creation in the highway construction industry.

Thank you once more. I will gladly answer any inquiries you may have.

[Ms. Smith's prepared statement follows:]

Prepared Statement of Tunya Smith, Director, Office of Civil Rights, North Carolina Department of Transportation

INTRODUCTION

Chair Norton, Chairman DeFazio, Ranking Member Davis, Ranking Member Graves, and Members of the Subcommittee, thank you for the opportunity to appear today and speak on the important topic of FHWA's and NCDOT's On-the-Job Training (OJT) Program and OJT/Supportive Services programs, and our recommendations to both protect and strengthen these critical workforce development components.

I am Tunya Smith, director of the Office of Civil Rights for the North Carolina Department of Transportation. Thank you for inviting me to testify today on behalf of the State of North Carolina I'm honored to be given this opportunity today.

NCDOT has evolved into a multimodal agency committed to supporting the travelers, economy and overall well-being of North Carolina by providing a comprehensive statewide transportation system that encompasses all forms of travel. The agency's vision, mission and goals guide its daily operations to ensure its wide range of projects and services meet the state's growing transportation needs.

The reason I'm here speaking to you today is to advocate for Congress to place greater emphasis and funding on workforce development for the highway and bridge construction and maintenance industry. I see from some of your recent agendas that ferries have been a major topic; you may be happy to know that through special federal-aid highway funding via FHWA, the programs I am about to discuss can work with the training and labor needs for ferry transportation too.

North Carolina (NC) faces a highway construction workforce and skills gap issue. Nationally, there is a growing demand for highway construction, maintenance and administrative workers with a need for higher-level skill sets. As the 9th most populated state and one that is growing rapidly, North Carolina must consider both new build and legacy maintenance needs related to highway, tunnel and bridge construction.

A recent report from the North Carolina Chamber of Commerce and a national transportation research nonprofit known as TRIP revealed North Carolina motorists pay about \$10.3 billion annually in transportation-related expenses as a result of driving on poorly maintained and deteriorating statewide roads and bridges. The report findings show that a strong transportation network supports a strong statewide economy. Nearly 2 million jobs in North Carolina depend directly on the strength of our transportation infrastructure. As North Carolina focuses on ramping up the transportation infrastructure, there is a pending workforce shortage that shows the average age of North Carolina construction trades workers is approximately 50 years old. The impact of the expected labor shortage is amplified by the fact that many potential workers find construction trades unattractive and challenging to enter. Now more than ever, programs that target and prepare non-traditional populations and laborers are needed.

Program Goals and Partnerships

The Federal-aid Highway Act of 1968, Section 22 (a), 23 USC 140 (a), ensures nondiscrimination in Equal Employment Opportunity and On-the-Job on federally funded highway projects.

The NCDOT's workforce development initiatives have two major objectives: provide equal opportunity and access for all people; and produce a professional highway industry workforce that fulfills employer demands. We have a number of projects that cover almost every aspect of workforce development in the highway business. At NCDOT, the On-the-Job Training (OJT) Programs are implemented and administered by a unit within the Office of Civil Rights. The Carolinas Associated General Contractors (CAGC), the American Road Transportation and Builders Association (ARTBA), NC community colleges (including ApprenticeshipNC), Local Education Agencies (LEA) that manage public school systems, and the state workforce development system, NCWorks, which is authorized and funded through the Workforce Investment Act (WIA), are excellent at supporting highway industry workforce development.

On-the-Job Training Program—OJT

State highway agencies are required by the Federal Highway Administration (FHWA) to design and administer "surface transportation and technology training, including skill improvement programs," as specified by the US Code of Federal Regulations Title 23, section 140(b) and Title 23 Section 230. The Federal Highway Administration (FHWA) and the North Carolina Department of Transportation (NCDOT) accomplish this through an On-the-Job Training Program (OJT). Apprenticeships and other 'earn while you learn' training programs are included in the OJT program, which focuses on disadvantaged communities. The primary goals of the OJT Program are to:

- Ensure equal opportunity and access to training and job placement in the highway construction field for minorities, women and disadvantaged individuals; provide a diverse pool of skilled workers for the highway construction sector; and ensure equal opportunity and access to training and job placement in the highway construction field.

Disadvantaged populations in North Carolina are defined as those with disabilities, people who have been engaged in the prison system, veterans, and anyone who lives in one of the state's most economically distressed Tier 1 counties. We're also making a concentrated effort to attract more Native Americans to all of our programs by collaborating with the N.C. Commission of Indian Affairs and the eight (8) NC tribes, all of which are situated in Tier 1 counties.

The North Carolina OJT unit monitors contractor compliance, goal objectives, and trainee completion of approved job classifications for project contracts. Good faith efforts are part of this important contractor-DOT partnership and provide for greater training continuity and trainee and worker job retention. Federally funded contract provisions require contractors to include a specific number of OJT jobs to be included in a workforce based on a contract dollar formula and methodology.

The NC Alternate OJT (A-OJT) Program's flexibility allows contractors to educate personnel on a variety of projects. These initiatives can be supported by the federal government, state government, or the private sector. However, the projects must be in North Carolina, and the training must meet the NCDOT On-the-Job Training

Manual's requirements. All contractors are advised of their annual training target at the start of each calendar year, and they agree with the department to conduct an On-the-Job Training program throughout the year. This contract specifies a set number of annual training slots for each contractor. Last year, nearly 150 people enrolled in the NCDOT's version of the OJT program. The average trainee was 32 years old. Sixty-six percent (n=109) of those surveyed identified as male, while the remaining twenty-four percent (n=35) identified as female. Non-white self-identification was reported by 61 percent of participants. We're working hard with our contractors to boost the numbers, notably among Hispanic females, who make up only 14% of all female trainees. The average age of a trainee in 2021 was 32.

This year, more than 300 new trainees will be enrolled in the contractor OJT programs, with another 150 individuals continuing to work from the previous two years. Nearly 500 OJT participants will be working with prime and other contractors in 75 various task types across North Carolina, in almost every county. One key issue, according to our latest 1392—or Federal-Aid Highway Construction Contractors Annual Equal Employment Opportunity (EEO) Workforce Report—is the shortage of women in the private contractor labor force in all occupations surveyed (except for clerical). In the ranks of 'officials' and 'supervisors,' there is a dearth of women and minorities. The OJT Program continues to be a vital public-private cooperation that is a huge victory.

OJT Supportive Services (OJT/SS) Programs

Additional funding is available for OJT Supportive Services, or OJT/SS, which enhance, complement, and assist the OJT workforce pipeline initiative. OJT/SS is also used to enhance involvement in skilled and semi-skilled crafts by women, minorities, and disadvantaged people. The following are some of the NC OJT/SS initiatives:

Highway Construction Trade Academies

To further enhance the highway industry's workforce development, the NCDOT supports Highway Construction Trades Academies (HCTA) for adult and older youth learners. The academies are great opportunities for those interested in good jobs with good pay and with the desire to be trained in highway/bridge construction/maintenance that could result in a rewarding career in the highway industry. The HCTAs are offered in partnership with community-based non-profits, and community colleges, and provide a mix of classroom instruction and hands-on learning experiences.

Participants can receive OSHA-10, CPR, first aid, and flagger certificates, as well as Commercial Driver Licenses (CDLs), as well as take the Introduction to Earthmoving/Heavy Equipment Operation course. Individual case management assistance, access to employment fairs, and the option to be hired by contractors are also provided to participants. Participants in the academy program are not charged anything. Despite the hurdles posed by the COVID pandemic, a few academies trained nearly 100 people for positions in the highway business last year. By the end of the year, we hope to have a dozen such academies up and operating in critical highway/bridge project areas, with community colleges and community-based non-profits serving as hosts. Meanwhile, in partnership with our Workforce Innovation and Opportunity Act (WIOA)-funded NCWorks and Division of Highways colleagues, we have developed a proactive and innovative strategy to quickly provide qualified entry-level labor by conducting accelerated 'pop-up' academy boot camps.

Advanced Training

Participants who have completed an HCTA or are OJT trainees can obtain further skills training in a variety of high-demand sectors. As a supplement to their more general training, Advanced Training allows learners to earn a variety of certificates. Those include certifications in commercial and truck driver license operation; heavy equipment operation; demolition/hauling, guardrail installation, paving, landscaping and erosion control, installing trenches and piping; traffic maintenance; bridgework; and disaster recovery. The tuition and other costs connected with obtaining these certifications will be covered by OJT/SS funding. Each year, an increasing number of program participants take advantage of this opportunity. However, the COVID pandemic created challenges and required significant outreach and marketing efforts.

Outreach and Career Awareness

Through Construction Career Exposure, Engagement, Education Development, or CEEED events, the North Carolina Department of Transportation is also committed to career outreach and recruitment. These activities help young people better understand transportation and transportation construction jobs. These activities provide

people with the skills they need to identify and start a career that meets their qualifications and desires. The outreach begins as early as middle school and provides a pathway to Highway Academy graduation, as well as advanced training in an OJT program and possible employment in a rewarding career. It is encouraging that some may go on to be entrepreneurs and operators themselves, perhaps as disadvantaged, women, or small business owners. Examples of specific activities include:

- *Highway Construction Career Days (CCD)/Career Expos:* NCDOT partners are encouraged to exhibit how technology and equipment are employed in the highway construction business. A trade show with vendor exhibits is included in each event to provide extra learning opportunities and to explore potential highway construction job possibilities with middle and high school students. Every year, CCDs are hosted throughout the state, with each event attracting hundreds of students.
- *Construction Career Engagement:* The Program promotes opportunities and professional development programs in the highway construction industry through outreach, informational sessions, and job fairs. These activities are used to recruit participants for the HCTAs and educate people about jobs in highway building.

With Federal Highway Administration support under CFR 23 Section 140, NCDOT also operates several National Summer Transportation Institute (NSTI) programs. NSTI programs are week-long summer camps for high school students that combine classroom and experiential learning to help students better understand transportation and related careers. The NCDOT program hosted more than 150 kids at several locations across the state last year to introduce minorities and girls in middle and high school to careers in transportation. Historically Black Colleges and Universities and Minority Serving Institutions make an important contribution to industry workforce development by providing transportation student internships and scholarships.

Supportive Services

We recognize there are obstacles to pursuing a career in highway construction that are beyond an individual's control. We can provide job placement, childcare support, outreach, case management, transportation to training and job locations, post-graduation follow-up, and job-site mentoring through our OJT and Support Services program. To enable people to start a job, NCDOT also will supply participants with basic personal protective equipment, such as steel-toed boots, safety vests, protective eyewear, work gloves, and hard hats.

Program Review and Continuous Improvement

FHWA reporting requires that we develop OJT/SS work statements and submit to FHWA for approval for funding. Quarterly and annual reports are provided to ensure the OJT/SS contractors/providers achieve performance goals and objectives. Support services providers are monitored by our OJT unit and the FHWA division offices.

We are proud of our training and job placement programs and know these workforce development and employment programs directly impact economic development and community development. We are committed to continuous improvement and are currently assessing the economic impact of our programs.

For example, HCTA and Advanced Training operations and money directed to various suppliers, such as payroll, supplies/materials, and equipment purchases and rentals, as well as wages and benefits of program participants/graduates employed/promoted (multiplier effect), are being evaluated. Additionally, peoples' lives and livelihoods are transformed and improved.

Highway Construction Workforce Partnership

We are not alone, as I mentioned previously. A number of partner organizations from the transportation, education and workforce areas collaborate to provide a qualified and technically skilled highway construction workforce. The Highway Construction Workforce Partnership is an excellent example (HCWP).

The HCWP's goal is to bring organizations and others together in state and local working groups to discover, train and place people in highway construction employment. One of the most valuable aspects of the HCWP is the potential to pool existing resources and interests to solve industry labor needs as partners. The Center for Transportation Workforce Development and Technology Deployment of the Federal Highway Administration (FHWA) awarded \$4 million in HCWP grants late last year. However, only 11 of the 21 bids submitted by state DOTs were funded. The challenges and processes of delivering outreach programs for prospective employees,

training and job placement necessitate the commitment and active participation of transportation, education and workforce system partners. However, the HCWP's full potential will not be fulfilled without additional funding.

Over the last two years, the FHWA's Every Day Counts (EDC) Program has chosen Strategic Workforce Development (SWD) as a key initiative. Thirty-two states, including North Carolina, have committed to the SWD in Every Day Counts, but their efforts will be significantly hampered without money. If funds were available, I believe that more states would support the EDC and HCWP.

Resource Limitations

We are doing what we can to improve highway industry workforce development in North Carolina, but frankly we can and need to do more. We were disappointed that more funding for workforce development was not included in the Infrastructure Investment and Jobs Act (IIJA). It appears that any new or existing direct workforce development funds in the IIJA are limited.

The IIJA only allows states to obligate funds from four workforce programs authorized by the earlier Fixing America's Surface Transportation Act (FAST Act). Amendments now include support for pre-apprenticeship and apprenticeship programs as well as career opportunities for on-the-job training. They also expand how these funds can be used. The amendments allow for engagement with workforce development boards provided for under the Workforce Innovation and Opportunity Act (WIOA). They also allow for activities around addressing workforce gaps and developing the surface transportation workforce.

With approval by the FHWA, NCDOT OJT has used Title 23, Section 504(e), for support of workforce development with 100% federal-aid state highway core funds. Under this section, the Secretary shall operate in the Federal Highway Administration a National Highway Institute (in this subsection referred to as the "Institute"). The secretary shall administer the authority to develop and conduct education and training programs relating to highways. However, any such investment in such workforce development is made at the expense of capital investment in road and bridge projects, highway safety, or other programs. We are also increasingly pursuing program/project funding strategies that encourage the leveraging of outside committed resources. Those resources can be in-kind or cash contributions including from other grantors or in co-funding or cost-sharing to help supplement program activities and goals.

The Transportation and Infrastructure Committee provided the leadership needed to enact the IIJA, and it will go a long way in helping state transportation agencies and their partners to provide for a safe and efficient highway system. But a greater investment in workforce development is necessary if we are to realize the full potential of the IIJA investment.

To achieve the best outcomes, we also recommend a review of WIOA in consideration of its reauthorization to determine if there are opportunities for amendments that are focused on funding for highway construction, and other transportation workforce and training programs. This could perhaps be accomplished through funds leveraging with OJT/SS programs.

It is also important for the OJT/SS funds to be allowed for pre-release incarcerated individuals, who are in re-entry mode. The type of workforce development and employment services state DOTs can provide under OJT/SS funding before incarcerated individuals are released will help them be better prepared for full-time jobs soon after release. In North Carolina, some of our Highway Construction Trade Academies have worked closely with local re-entry councils and the graduates have been quickly hired by contractors. It would be an even greater advantage to start working with incarcerated individuals prior to their release from prison.

Unified data collection and sharing amongst state transportation agencies and partner agencies is also a critical missing component of successful OJT program development. The federal government assists states in developing a unified OJT data warehouse, a national performance management dashboard. The federal government also helps build a repository toolkit listing economic impact key performance indicators and key statistics for states and local partners to measure outcomes and economic impacts of training programs.

Perhaps above all, we would ask the committee to continue its work and that funding be increased to support the basic, comprehensive and critical OJT/SS workforce initiatives I have described. Most states operate workforce programs similar to North Carolina's. I can assure you everyone will benefit from additional workforce funding. More importantly, we can take greater advantage of the partnerships and programs already in place. OJT/SS is one of those best-kept secrets, but NCDOT is working hard to get the word about these very beneficial and mutually-rewarding programs.

CONCLUSION

We whole-heartedly agree with Ken Simonson, the Associated General Contractors of America's (AGC) chief economist, that labor shortages in the construction industry remain significant and widespread, and to quote Mr. Simonson, "The best way to encourage continued economic growth, make it easier to rebuild aging infrastructure, and place more young adults into high-paying careers is to address construction workforce shortages."

I appreciate Mr. Simonson's comment. If this initiative is not able to continue and does not receive additional funding, many of the benefits will not be fully realized.

In closing, I'd like to thank the members of the House Transportation and Infrastructure Committee on behalf of NCDOT Secretary J. Eric Boyette, Deputy Secretary Ebony J. Pittman, and the dedicated employees of the North Carolina Department of Transportation and our many partner organizations for this honor and opportunity to share our experiences and ideas concerning OJT/SS, workforce development, and job creation in the highway construction industry.

We are one example and model of how OJT and its accompanying supports services can and should operate and function, as well as the outcomes and returns on investment they can deliver. OJT is undoubtedly a path to our future goals.

Thank you once more. I will gladly answer any inquiries you may have.

Ms. NORTON. Thank you very much for your testimony, Ms. Smith. I now recognize Mr. Booker for 5 minutes.

Mr. BOOKER. Good afternoon, Chair Norton, Ranking Member Davis, Chairman DeFazio, and distinguished members of the subcommittee. My name is Brent Booker, secretary-treasurer of North America's Building Trades Unions. On behalf of the 3 million skilled-craft construction professionals and 14 affiliated national and international unions that we represent across the United States and Canada, thank you for the opportunity to testify before this subcommittee.

Building America's infrastructure is literally what our members do every day. Whether it is roads, bridges, transit, airports, water systems, energy infrastructure, public buildings, schools, or skyscrapers, our dedicated, highly skilled members build critical infrastructure in every corner of our great Nation.

The strength of the construction industry and individual job opportunities are directly tied to the strength of public policy advancing the building of public infrastructure. For years, we advocated for robust infrastructure investment to solidify and expand economic opportunities for workers and business, and tackle tough public infrastructure challenges. The bipartisan Infrastructure Investment and Jobs Act will do just that.

This bill will increase new job opportunities for construction workers, economic development opportunities for communities, new business opportunities for both large corporations and small business, and new training opportunities for those that seek a career in construction.

The construction industry is among the most dangerous industries in the country. Workers perform difficult physical labor, often working around heavy machinery, and are regularly exposed to extreme temperatures, toxic substances, and difficult conditions. To guard against these inherent dangers, uphold public safety, and promote first-rate work, workers must receive the highest quality education and training.

For generations, NABTU-affiliated unions, with our industry partners, have trained the world's safest and most productive construction workforce through our gold standard registered apprenticeship system. These earn-as-you-learn joint labor-management

programs provide apprentices with on-the-job training from highly skilled, journey-level workers and state-of-the-art classroom training. Each year, NABTU and partner contractors invest almost \$2 billion in the NABTU training system, comprised of over 20,000 instructors at 1,600 training centers in almost every U.S. congressional district.

Seventy-five percent of all construction registered apprentices are trained in our system. Since 2017, an average of 75,000 new apprentices have been registered annually. In fact, if our system were a 4-year, degree-granting institution, it would be the largest in the country. But unlike a college degree or even a community college, our programs offer a debt-free path to a fulfilling, lifelong, middle-class career.

A worker who has completed a NABTU-registered apprenticeship program earns an average annual wage of \$60,000, and \$300,000 more over the life of their career, compared to non-registered apprenticeship participants. Workers are guaranteed good wages, healthcare, and retirement benefits during and after their apprenticeship.

NABTU programs also provide upskill training for tens of thousands of journey-level workers each year, so they can continually improve their skill, allowing workers and contractors to remain competitive in a constantly evolving industry and marketplace.

For our contractor partners, the benefits are substantial, as well. By employing a highly skilled apprentice, our contractors see a return of up to \$3 for every dollar invested in worker training.

To allow for direct input, and to consistently meet the current demands of the construction market, each program and training center is jointly administered with an equal number of labor and contractor representatives.

With infrastructure implementation, demand is going to increase. To help meet that demand, NABTU continues expanding our apprenticeship readiness programs, or ARPs, oftentimes called pre-apprenticeship programs. From 15 ARPs a decade ago to nearly 200 ARPs today, NABTU has partnered with community organizations, construction contractors, and project owners to grow the pipeline of talented individuals who seek a construction career, particularly among communities underrepresented in the construction workforce.

We have specifically utilized ARPs to increase retention and recruit more women, communities of color, Native Americans, veterans, and the justice-involved. Since 2016, roughly 80 percent of the ARP graduates were people of color, and 20 percent were women.

With written articulation agreements with registered apprenticeship programs, ARP graduates are placed directly into apprenticeship in the middle class, but we also want to keep them there throughout the duration of their apprenticeship training. With local-hire provisions in the infrastructure law, there is a real opportunity to expand these programs across the country.

So, to continue offering ladders of opportunity for those who wish to climb them, our programs need steady job opportunities where apprentices can learn their skills in the field. Our programs only bring individuals in if there is a job for an apprentice. Continuity

of employment is critical, as an apprentice cannot complete their apprenticeship without employment opportunities over the 3 to 5 years required to complete their program. And it is why the infrastructure bill and public projected funds are essential to training the next generation of construction workers. The magnitude and breadth of this investment will ensure that anyone from any background and any community can access a middle-class construction career.

Thank you for this opportunity to testify, and I look forward to any questions.

[Mr. Booker's prepared statement follows:]

Prepared Statement of Brent Booker, Secretary-Treasurer, North America's Building Trades Unions

Good morning. Chairwoman Norton, Ranking Member Davis, and distinguished members of this subcommittee.

My name is Brent Booker, Secretary-Treasurer of North America's Building Trades Unions (NABTU). On behalf of the three million skilled craft construction professionals and 14 affiliated national and international unions that I am proud to represent across the United States and Canada, I would like to thank you for granting me this opportunity to testify before this subcommittee.

Building America's infrastructure is literally what our members do every day. Whether it is roads and bridges, transit, airports, waterways, power plants and other energy infrastructure, municipal water systems, public buildings, schools or skyscrapers, our dedicated members apply their unique skill sets to building infrastructure in every corner of our great nation.

For many of our members, the strength of both the construction industry and their individual job opportunities are directly tied to the strength of public policy that advances the building of public infrastructure. And NABTU has for years advocated for a big, broad, and bold infrastructure bill that solidifies and expands economic opportunities for workers and business, tackles the tough challenges our public infrastructure faces, and lays out a vision for a brighter future. We strongly believe that the bipartisan Infrastructure Investment and Jobs Act will do that just.

I cannot stress enough the importance of this bill, which is the single greatest investment in our nation's infrastructure in my lifetime. It is truly historic. This investment, along with the strong labor standards in the bill, will allow us as a nation to meet our pressing infrastructure needs and will lay the foundation for sustained economic growth in communities large and small with jobs that pay family sustaining wages and benefits.

And this bill will increase opportunity across the board: for new job opportunities for construction workers; for new economic development opportunities for our communities; for new business opportunities for both large corporations and small business; and for new training opportunities for those that seek a career in construction.

The construction industry is, by its very nature and ranking from the Bureau of Labor Statistics, among the most dangerous industries in the country. Workers perform difficult physical labor, often working on or around heavy machinery, and are regularly exposed to extreme temperatures, toxic substances, and difficult conditions. To guard against these inherent dangers, promote first-rate work and uphold public safety, workers must receive the highest quality education and training. Public infrastructure projects are critical to not only rebuilding and strengthening our communities, but they are critical to ensuring a reliable pipeline of highly skilled workers.

For generations, NABTU affiliated unions, in conjunction with our industry partners, have trained the safest and most productive construction workforce in the world through our registered apprenticeship system. It is the gold standard for construction training, and for workforce training overall. These world class, state-of-the-art "earn as you learn" joint labor-management programs provide apprentices with on-the-job training from highly skilled journey-level workers, as well as state-of-the-art classroom training. The NABTU affiliate training system is comprised of 1,600 training centers and over 20,000 instructors, in almost every Congressional district in the United States, which we and our industry partners privately fund at nearly \$2 billion annually. Seventy-five percent of all construction registered ap-

prentices are trained in NABTU registered apprenticeship programs. Since 2017, an average of 75,000 new apprentices have been registered annually. Before the pandemic began, in 2019 alone, over 80,000 new apprentices began their careers in NABTU programs. In fact, if NABTU's joint labor-management training system were a four-year degree granting institution, it would be the largest in the country. But unlike a four-year degree granting institution, or even a community college, our programs offer a debt-free path to a fulfilling, life-long career.

The noble goal of the National Apprenticeship Act of 1937, commonly referred to as the Fitzgerald Act, is as important now as it was then—to safeguard the welfare of the apprentice. NABTU programs have never wavered from achieving this goal. To achieve this, there are specific standards of a registered apprenticeship program that are critical in worker training. First, there is a standard of hours for related technical instruction, which is the classroom component of apprenticeship training. Second, there is the written agreement between the apprentice and apprenticeship program, which sets forth the parameters of apprenticeship training, as well as items such as graduated wages and benefits that an apprentice will earn while he or she progresses through the program. Third, our programs and written agreements have approval by a third party, namely the U.S. Department of Labor or a state apprenticeship agency. This “three-legged stool” of apprenticeship training provides the necessary security to the individual apprentice who is put on a path to becoming a highly skilled, safe and effective worker in one of fifteen construction trades.

The benefits of NABTU Registered Apprenticeship Programs are substantial. A worker who has completed a NABTU registered apprenticeship program earns an average annual wage of \$60,000, and \$300,000 more over the life of their career compared to non-registered apprenticeship participants. Workers are guaranteed good wages, health care and retirement benefits during and after their apprenticeship. NABTU's registered apprenticeship programs also provide up-skill training for tens of thousands of journey-level workers each year with the goal of continually improving their skills, which allows them, and our contractors, to remain competitive in a constantly evolving industry and marketplace.

For our contractor partners, the benefits are substantial as well. By employing a highly skilled apprentice, our contractors see a return of \$1.30 to \$3.00 for every dollar invested in worker training. A safer workforce means decreased workplace injuries and accidents. And our contractors have direct input into our programs because each program and training center is jointly administered with an equal number of representatives from labor and a specific trade's contractors. This allows our programs to consistently meet the current demands of the construction market.

And with the enactment of the infrastructure bill, demand is going to increase, both in the number of workers needed to rebuild our infrastructure and in having a workforce trained in the latest technologies that are being deployed because of this investment.

To help meet that demand, NABTU has undertaken over the last several years the expansion of our apprenticeship readiness programs (ARPs), which on Capitol Hill are oftentimes called pre-apprenticeship programs. These workforce training programs prepare participants to enter and successfully complete a building trades registered apprenticeship program. From 15 ARPs a decade ago to nearly 200 ARPs today, NABTU has partnered with community organizations, construction contractors, and project owners to grow the pipeline of talented individuals who seek a construction career, particularly among communities historically underrepresented in the construction workforce. We have specifically utilized these programs to recruit more women, communities of color, Native Americans, veterans and the justice involved. This initiative has a dual purpose of both helping diversify our workforce and increasing retention. As our apprenticeship readiness programs have written articulation agreements with one or more of our registered apprenticeship programs, we are able to place ARP graduates directly into apprenticeship and onto the pathway to the middle class. Investing in ARPs is both good for underserved communities, and good for business. With the inclusion of local hire provisions in the infrastructure bill, we have a real opportunity to expand these types of programs to more communities across the country.

But for our system to remain successful, and for NABTU to continue to offer ladders of opportunity for those who wish to climb them, we need job opportunities where apprentices can learn their skills in the field. Our programs simply do not bring individuals in if there is not a job opportunity for an apprentice. In construction, one job leads to another. This continuity of employment is critical as an apprentice cannot complete their apprenticeship without employment opportunities over the three to five years required to complete their program. And this is why the infrastructure bill will be so critical to training opportunities for the next generation

of construction workers. The magnitude and breadth of this investment will ensure that anyone, from any background, and any community, who wishes to have a construction career can find an opportunity to begin it.

Thank you again for this opportunity to testify, and I look forward to your questions.

Ms. NORTON. Thank you, Mr. Booker, for your testimony.

Before our next witness provides testimony, I would like to recognize Representative Johnson to say a few introductory words about Ms. Karst.

Mr. JOHNSON OF SOUTH DAKOTA. Thank you, Madam Chair. And yes, this is a real pleasure for me, and Ms. Karst is a fellow South Dakotan; she is a friend. And I've got to be honest with you, everybody, she is a force of nature. She has done a heck of a job. This BX Civil & Construction company, it has been around 60 years. It has been under her leadership for 30. And she has tremendously expanded its reach, a whole new suite of services that they provide. It has been really impressive growth.

Her leadership has also been impressive, both in South Dakota and at the Federal level. I am not going to read your resume, but she is a former national outstanding chair of a small AGC chapter. She is a former past president of South Dakota AGC.

And I would just note this by way of closing, Madam Chair. We talk a lot about rural development, about keeping rural America strong in this room and throughout Congress. And Dell Rapids is a town of about 4,000. And at the peak of the construction season, Ms. Karst and her team employ about 150 people. And they are doing projects, some really big projects across the region. And to me, if we want to look at how do we grow rural America, how do we grow the workforce in this incredibly important construction industry, we are going to need innovators, we are going to need leadership. And boy, do I have one for you.

Thanks for being here.

Ms. NORTON. Thank you very much, Mr. Johnson. Now I recognize Ms. Karst for 5 minutes.

Ms. KARST. Thank you, Congressman Johnson.

Thank you, Chair Norton, Ranking Member Davis, and members of the subcommittee. Thank you for allowing me to testify on this vitally important topic.

My name, as Dusty said, is Kari Karst. I am the president of BX Civil & Construction in South Dakota, and an active member of the AGC of America.

AGC is the leading association in the construction industry, representing 27,000 firms, union and open-shop contractors, many of which are small businesses. BX Civil & Construction began its history as a subcontractor on the Interstate Highway System performing seeding, fencing, guardrail, and permanent signing for highway projects. I purchased the company in 1992, and became certified as a woman-owned, Disadvantaged Business Enterprise.

We have successfully grown and added capabilities like concrete paving and bridge repair. We now perform as a prime contractor or general contractor, as well as a subcontractor on highway construction and infrastructure projects. Because of our growth, I graduated from the Disadvantaged Business Enterprise program last fall.

In my testimony today, I will discuss current issues facing the construction industry, particularly as it relates to the workforce.

The Infrastructure Investment and Jobs Act provides market opportunities for construction companies like mine and assures sustainable, good-paying jobs for our employees. As unemployment once again hits record lows in my State and other States around me, contractors are having an exceedingly hard time finding workers that we need.

In South Dakota, we collaborate with our South Dakota DOT to utilize grant funding to develop a CDL training program that allows us to use joint marketing to recruit new drivers to our industry and to upskill our existing workforce. We provide the required classroom training and train our members to document and provide skills training for our employees.

The AGC of South Dakota, while small, has three federally registered apprenticeship programs that allow our workers to achieve journey-level certification in carpentry, concrete finishing, and heavy equipment operation. Our South Dakota chapters also focus heavily on attracting the next generation of construction workers through construction career camps, which focus on exposing students to the opportunities in our industry during their middle and high school years.

I am pleased to let you know that South Dakota is not an anomaly. AGC chapters across the country are providing innovative workforce programs to their local members.

Unfortunately, the administration's efforts as it relates to workforce will neither attract nor prepare workers for a long-term career in construction. They attempt to treat symptoms, not causes, of workforce shortages. I ask that Congress and the administration provide flexibility as they implement this law, to help ensure that projects can be completed efficiently and in a timely manner.

Construction companies are reporting shortages and increased prices on manufactured steel, steel and plastic piping, paint, concrete materials, and many other items. Cost increases ranged from 15 percent to doubling or tripling on some items. Construction firms are forced to pass along the rising materials prices in order to remain viable as companies. Lead times for these materials have dramatically increased. As a result, crucial infrastructure projects across the country run the risk of delay.

The inability to predict the availability of and price of materials, and to foresee things like the Russian invasion, spiking oil prices, and soaring inflation are devastating to many contractors. Many contracts do not have price adjustment clauses. These impacts are especially devastating to small DBE construction firms that lack the resources to absorb these unexpected costs.

A recent FHWA guidance memo highlighting that States should focus exclusively on maintenance and repair work on existing roadways is confusing and concerning. In the States where I work, there are a broad range of needs that our DOTs work hard to meet. Maintenance of existing roads and new roads may be a rural community's only opportunity to attract business, and thereby assure its future. More developed cities like Sioux Falls certainly have the need for repair and maintenance, but also have the need for addi-

tional expansion space to accommodate the residential and commercial growth.

Making blanket guidance in favor of repair and maintenance over expansion is restricting our opportunity for growth, and this restriction will directly affect the ability of a disadvantaged firm to grow. Our Nation's interstate system was built and designed over 50 years ago. It is past time that States modernize them to meet the current needs of the populations they serve. And to do so, they need the flexibility to add new capacity.

I want to express our deep concern regarding recent efforts to suspend the Federal gas tax in the name of economic relief. We believe this effort is misguided and could act to undermine the recently enacted infrastructure law.

I thank the subcommittee for the opportunity to testify today. I appreciate your continued efforts to improve our Nation's infrastructure and policies that create good-paying jobs in America.

I look forward to answering your questions.

[Ms. Karst's prepared statement follows:]

Prepared Statement of Kari J. Karst, President and Chief Executive Officer, BX Civil & Construction, on behalf of the Associated General Contractors of America

I. INTRODUCTION

Chair Norton, Ranking Member Davis, and members of the Subcommittee on Highways and Transit (Subcommittee) thank you for inviting me to testify on this vitally important topic. My name is Kari Karst. I am the President and CEO of BX Civil & Construction in South Dakota and an active member of the Associated General Contractors of America (AGC).

AGC is the leading association in the construction industry representing more than 27,000 firms, including America's leading general contractors and specialty-contracting firms, many of which are small businesses. Many of the nation's service providers and suppliers are also associated with AGC through a nationwide network of chapters. AGC contractors are both union and open shop and are engaged in the construction of the nation's commercial buildings, shopping centers, factories, warehouses, highways, bridges, tunnels, airports, waterworks facilities, waste treatment facilities, levees, locks, dams, water conservation projects, defense facilities, multi-family housing projects, and more.

My company, BX Civil & Construction, has been around for 60 years. I will have owned the company for 30 years in April. We began our history as a subcontractor on the interstate highway system performing seeding, fencing, guardrail and permanent signing for highway projects. After I purchased the company in 1992, we became certified as a Woman-Owned Disadvantaged Business Enterprise. Along with my team, we grew the business organically for about 15 years. Since then, our growth has come through expanding our business lines and through acquisition. Our work is now split 50/50 between general contracting (Prime) and subcontracting. Our work-lines have expanded to include light grading, bridge rehabilitation, box culverts, and concrete paving for roads and runways. In the fall of 2021, I graduated from the Disadvantaged Business Enterprise (DBE) program because of our twenty-fold growth. Because of my experiences, I am well-qualified to testify on the benefits and impacts of the Infrastructure Investment and Jobs Act (IIJA).

In my testimony today, I will discuss current issues facing the construction industry, particularly as it relates to the workforce. The IIJA represents the most significant infusion of investment in our infrastructure since the enactment of the Interstate Highway System in the mid-1950's.

II. WORKFORCE ISSUES

The IIJA provides market opportunities for transportation contractors, heavy contractors, building contractors and utility contractors. And most importantly, it demonstrates to our existing and future workforce that there is sustainable work in the

years to come. This historic level of funding in our infrastructure when combined with recovering from a global pandemic, addressing a supply chain crisis, and implementing new federal requirements that were a part of the IIJA will create challenges for those of us tasked with rebuilding our infrastructure.

The construction industry continues to face workforce shortages due to expected craft worker retirements, growth in other sectors, and challenges to recruiting and training new workers into the industry. Meanwhile, construction demand and activity continue to grow.

There will be challenges to finding enough skilled workers to rebuild our nation's infrastructure. The administration's recent attempts to prioritize the selection of projects based on labor preferences and the mandate on project labor agreements through executive order paper over the real problems facing the construction workforce and miss the mark. These policies will neither attract nor prepare workers for a long-term career in construction. They attempt to treat the symptoms—not the root causes—of workforce shortages.

The Current State of Construction Employment

According to federal employment data analyzed by AGC, construction employment remains below pre-pandemic levels in 21 states and D.C. while 29 states now employ more construction workers than in February 2020.¹ Employment has risen in most of the nation over the past year, but contractors are having an increasingly hard time finding all the workers they need as unemployment hits record lows in more states.

Effectively Meeting Local Workforce Needs Through Opportunity

Today, few school districts offer what is known as career and technical education (CTE) programs or provide instruction in construction skills. Construction jobs pay well. In South Dakota, 4 out of the 5 most numerous construction occupations had higher median pay than the median for all employees in the state in 2020².

In fact, decades of education policy have shifted school districts from operating robust vocational educational programs, with many school systems not teaching craft skills at all, and instead shifting towards college preparatory skills. The country continues to face a higher education bias evidenced by inequities in federal workforce and education funding with only 1 in 5 dollars estimated going towards workforce education programs compared to academic college programs³.

Our nation's higher education programs have neither collaborated with industry to identify occupations with openings, nor to prepare students for in-demand jobs. The construction industry and the greater economy have an interest in ensuring that higher education investments are productive and have a responsibility to hold schools accountable for preparing students for career opportunities while spurring innovation.

Making reforms to higher education policy by making high-quality, shorter-term education and training programs eligible for federal Pell Grants would help reverse the skills gap, correct education funding inequities, and provide job training and credentialing opportunities that are in high demand. The bipartisan JOBS Act, or H.R. 2037, is one legislative initiative that could help make a tangible impact on this problem.

Congress must also increase Perkins CTE funding. The Perkins program is the biggest federal funding source to high schools and post-secondary vocational training programs in the country. Despite modest funding increases in recent years, the level and need of funding still has not kept up with inflation and rising demand.

South Dakota Training Program

AGC through its local chapters focus on Workforce Training Programs that impact our local communities. In South Dakota, we have collaborated with our Department of Transportation to utilize grant funding to develop a Commercial Drivers License (CDL) Training Program that allows us to recruit new drivers to our industry and upskill our existing workforce. Through this program we help our members to train and provide the required classroom training for CDL candidates and provide marketing resources to attract candidates to our industry.

The AGC of South Dakota has three Federally Registered Apprenticeship programs that allow our workers to achieve journey level certification in Carpentry, Concrete Finishing & Heavy Equipment Operation.

¹Associated General Contractors of America, www.agc.org, from Bureau of Labor Statistics (BLS), U.S. Department of Labor, www.bls.gov/sae, 3/14/2022

²Bureau of Labor Statistics (BLS)

³Opportunity America <https://opportunityamericaonline.org/>

In addition to dealing with our immediate workforce training needs, our South Dakota Chapters focus heavily on attracting the next generation of construction workers through Construction Career Camps which focus on exposing students to the opportunities in our industry during their middle and high school years. In the last year, we will have exposed over 600 students through our traditional camps all across the state of South Dakota. We also have a special camp called *Pizza, Pop & Power Tools* that focuses on 8th grade girls. These girls are given a hands-on experience in equipment operation, carpentry, welding, finishing concrete and using power tools. When we complete our *Pizza, Pop & Power Tools* camps by the middle of April, we will have impacted close to 300 8th grade girls in South Dakota.

Our innovative Construction Career Academy allows 16- to 18-year-old students to earn and learn during the summer months. The students are matched with one of our member employers who pay them to attend classes and work under supervision on our jobsites. These students can apply their experience to our Youth Apprenticeship Program and eventually move on to one of our Federally Registered Apprenticeship programs.

I am proud of what we do in South Dakota and even more pleased to let you know that this is not an anomaly. AGC chapters across the country understand the importance of our work force and are providing innovative work force programs to their local members.

New Regulatory Challenges to Workforce Development:

A. Government-Mandated Project Labor Agreements

On February 4, 2022, President Biden signed a new Executive Order on Use of Project Labor Agreements (PLA) For Federal Construction Projects. When in effect, this Executive Order (E.O.) will require every prime contractor and subcontractor—with limited exceptions—to engage in negotiation or agree to PLAs on federal construction projects valued at \$35 million or more. As it stands, this executive order does not require PLAs on federal aid transportation projects. However, it does permit U.S. DOT to do so. AGC neither supports nor opposes contractors' *voluntary* use of PLAs on government projects or elsewhere but strongly opposes any government mandate for contractors' use of PLAs.

The use of government-mandated PLAs hurts both union and open-shop contractors. As an open-shop highway contractor, government-mandated PLAs would:

- Likely include union security clauses that require all craft workers to pay either union dues or an equivalent amount of union agency fees, whether or not the workers have any interest in union representation. This may deter workers from applying for, or accepting an assignment on, a PLA project, exacerbating already-challenging labor supply conditions.
- Normally require contractors to make contributions to union-sponsored fringe benefit funds. But an open-shop contractor's regular employees probably won't receive any benefits from those funds because of the plans' time-based vesting and qualification requirements. To continue providing benefits for such employees, the contractor must contribute to both the union benefit funds and the contractor's regular benefit funds. The cost of such double payments can make the contractor's bids uncompetitive.
- Act as a barrier for the hiring of small businesses, including minority- and woman-owned businesses, and the fulfillment of small-business utilization goals. Such businesses are largely open-shop and are among those least able to make the above-described changes that a PLA requires.

For these reasons, among others, government-mandated PLAs would likely exacerbate workforce challenges, not improve them.

B. Local Hire

The IIJA includes a local hire provision that allows geographic or economic preferences for construction labor workforces. Recently, the U.S. Department of Transportation has signaled a desire to impose preferences for projects that include local hire requirements. While the construction industry is committed to recruiting more individuals, particularly from disadvantaged areas and communities, into construction careers, there is evidence that these policies have not had the intended effect in areas where they have been imposed.

In South Dakota, a state with near historic low unemployment numbers, there is even less of a need for these measures. Unfortunately, it is the industry's experience that local hire policies rarely result in long-term construction careers. They fail to attract people to the industry and instead allow local school systems, education policies, and elected officials off the hook for failing to better match curricula to in-demand vocational skills.

Rather than offering across-the-board requirements that do not adequately help attract, educate, and retain a skilled, diverse, and safe construction workforce, Congress and the administration should instead:

- Focus on increasing CTE funding and track the effectiveness of existing workforce programs, especially those with federal funding sources; and
- Support industry-led programs like AGC's Culture of CARE⁴. The Culture of CARE program is focused on making construction workplaces more inclusive and welcoming for all workers.

III. OTHER CHALLENGES IMPACTING CONSTRUCTION

Now that Congress has passed an FY 2022 omnibus spending bill, and the full benefits of IIJA can be realized, we ask that Congress and the administration provide flexibility as they implement this law to help ensure that projects can be completed efficiently and in a timely manner. The following policy concerns have an indirect impact on the workforce as they will have an impact on the project's ability to break ground.

Supply Chain

A recent survey of AGC members, as well as by the American Association of State Highway and Transportation Officials of the state departments of transportation, found that companies and government agencies are reporting both shortages of and increased prices on manufactured steel, steel and plastic piping, paint, concrete materials, and many other items. Cost increases ranged from 15 percent to a doubling or tripling on some items like manufactured steel.

Lead times for procurement and delivery of many of these materials has dramatically increased as well, and prospects for the rest of the year are worse. As a result, crucial infrastructure projects across the country run the risk of delay. Construction firms, in situations where they are able to, will pass along the rising materials prices in order to remain successful. Unfortunately, the lead time in bidding these projects is so long that they are unable to predict the availability and price of some of these materials. In addition, companies are unable to foresee things like a Russian invasion, spiking oil prices, and soaring inflation and therefore, in some instances, are forced to absorb these increases because there is no price escalation clause available to them.

The impacts of this have been especially devastating to small and DBE construction firms that lack the resources to absorb these unexpected costs. While contractors are in the business of managing risk, the events and circumstances of the last two years have led to such unprecedented unpredictability in the supply chain and market that contracting firms of all sizes are at greater risk now than in recent history of business failure.

Consequently, AGC led a coalition letter to the Treasury Department asking that they clarify the use of Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act (ARPA) by state and local governments to mitigate the effects of the supply chain. Allowing the use of these funds would allow them to mitigate the effects of supply chain delays and shortages and the effects they are having on project costs. These unprecedented supply chain shortages and material price increases are clearly initiated as a direct result of the pandemic and we believe that this request falls well within the Congressional intent of this funding.

Maintain Flexibility—Including for New Highway Capacity

AGC greatly appreciates the Subcommittee's work on the surface transportation reauthorization process that led to IIJA becoming the law of the land. As provided by the final bill, flexibility while implementing this law is critical. Historically, the federal-aid highway program has been federally funded and state administered.

AGC believes that the Federal Highway Administration (FHWA) must continue to provide state and local governments with the flexibility to address and prioritize their unique transportation needs as Congress intends. As each area of our country is diverse and unique, so are the transportation needs of each community. When standardized transportation solutions do not work in a community, too often the contractor gets blamed despite often not being involved in the selection or design of a project.

Recently, FHWA released a guidance memo highlighting, among other things, that states should focus exclusively on maintenance and repair work on existing roadways before building more or new roads. This memo has caused confusion with state DOTs due to the mismatch between this guidance and the lack of cor-

⁴ <https://buildculture.org/>

responding requirements for such measures by the IIJA. This policy, which was rejected by Congress in IIJA negotiations, paints a false narrative based upon FHWA's own data⁵, which states that 80% of roadway construction projects already repair existing roads and bridges. Our nation's interstate system was built and designed over 50 years ago, and it is past time that states modernize them to meet the current needs of the cities and populations they serve. Flexibility to add new capacity to meet these changed needs is crucial.

From a construction standpoint, our biggest concern with policy that attempts to limit a state's ability to add highway capacity is the negative economic effect on the roadway construction industry—particularly small and DBE construction firms like mine. Some of these small businesses only construct new roads and bridges, as opposed to performing maintenance and repair contracting. It is imperative that increased federal investment in the nation's infrastructure create jobs and allow businesses of all sizes to flourish.

Facilitate Efficient Project Delivery

AGC believes a great way to maximize the investment in IIJA would be to implement the environmental review and permitting reforms that were mandated in the bill. The complicated operations of these current laws and the intersection of their requirements can delay projects that would improve the overall safety and efficiency of the surface transportation system. By implementing these provisions, we believe the costs associated with delivering projects will be reduced without jeopardizing environmental protections.

Specifically, we ask that the administration implement the provisions that would:

- Codify the One Federal Decision policy;
- Allow for utility relocation in the right of way prior to the National Environmental Policy Act (NEPA) review being completed; and
- Extend the time period for a state to assume the responsibility for small projects, that have little or no environmental impact, from a term of not more than 3 years, to a term of 5 years.

Unspent COVID Relief Funds

We would also ask that Congress clarify that several categories of infrastructure investments—including transportation projects—and disaster relief are eligible for unspent COVID-19 relief dollars, eliminating ambiguity as to whether such projects could receive these funds. The COVID-19 pandemic ripped a gaping hole in the budgets of many state and local governments, making this assistance crucial as the nation's economic recovery continues. Legislation to clarify this eligibility has already passed the U.S. Senate and the House version, which my home state Congressman Dusty Johnson is the lead sponsor of, has yet to be considered for a vote.

Federal Gas Tax Holiday

I would be remiss if I did not express our deep concern regarding recent efforts to “provide economic relief” by suspending the federal gas tax. We believe this effort is extremely misguided and could act to undermine the recently enacted infrastructure law that was negotiated and passed on a bipartisan basis.

While there is no way to know whether suspending the gas tax would lower gas prices or simply provide a tax break to oil companies who determine how that tax is passed on to consumers, it is abundantly clear that when there is a lack of real investment in funding infrastructure improvement projects by states and the federal government, consumers end up pay for it other ways, demonstrated by the 70% increase in toll prices over the last ten years⁶.

When it comes to concerns about being able to sustain my workforce, suspending or reducing the primary funding source for the projects I have built a successful business constructing ranks near the very top of my list of worries.

IV. CONCLUSION

I thank the Subcommittee for the opportunity to testify today. I appreciate its continued efforts to help improve our nation's infrastructure and enact policies that create good paying jobs in America. I look forward to answering any questions you may have.

Ms. NORTON. Thank you, Ms. Karst. I now recognize Ms. Kupcak for 5 minutes.

⁵ <https://www.fhwa.dot.gov/policyinformation/statistics/2019/sf12.cfm>

⁶ <https://truckingresearch.org/wp-content/uploads/2020/01/ATRI-Toll-Exec-Summary.pdf>

Ms. KUPCAK. Thank you, Madam Chair, Ranking Member Davis, Ranking Member Graves, and esteemed subcommittee members for providing me, on behalf of Oregon Tradeswomen and the National Taskforce on Tradeswomen's Issues, with this opportunity to speak to workforce development and job creation in surface transportation construction.

I would also like to give special thanks to Chairman DeFazio, Oregon's own, for his leadership and commitment not only to Oregonians, but to all Americans in having access to good careers, while rebuilding our Nation, and inviting me here today.

And thank you to the committee members for investing in America's infrastructure and our workforce. We believe that the bipartisan Infrastructure Investment and Jobs Act will not only improve our Nation's infrastructure, but, in doing so, change lives for so many.

Here in Oregon, I have the privilege to serve as the executive director of Oregon Tradeswomen, a non-profit headquartered in Portland, Oregon. Since 1989, we have been working to increase the number of women entering and succeeding in the skilled trades in construction, transportation, and other blue-collar professions. We provide pre-apprenticeship training, support services, and work in partnership with industry to ensure that their workforce needs are met with skilled, qualified workers, and we promote the retention and leadership of tradeswomen. Oregon Tradeswomen is a founding member of the National Taskforce on Tradeswomen's Issues, a national coalition working to advance economic opportunities in blue-collar careers for women.

Through this historic investment into our Nation's infrastructure, we have the opportunity not only to expand our Nation's workforce through these career opportunities, but to ensure that our Nation's job seekers, who have long been underrepresented in the skilled trades, could benefit from these investments. Women have been underrepresented not because of lack of interest or lack of talent or ability, but because of outdated myths, misunderstandings, and, sadly still, discrimination, which continue to create occupational segregation, resulting in women largely clustered into low-wage occupations.

Having access to dynamic and good-paying jobs in our infrastructure economy can not only shift what our labor force looks like, but it can impact economic security for women and their families. But without intentional efforts in strong public policy and investment to improve and support access to such publicly funded jobs, women, particularly women of color, are unlikely to benefit from these historic levels of investment.

Poverty rates for women in the United States remain at historically elevated levels. In fact, in our Nation, one in seven households is headed by a woman who is living in poverty. Access to high-wage careers, such as those in the highway construction and transportation sectors, are critical for women's economic advancement, while meeting our Nation's labor shortages.

Public policy, especially the design and delivery of infrastructure investments, impacts tradeswomen and the work we do every day, from the local level to the State and Federal rules. Such policies

can and do enhance women's economic security, support our employers, and enhance economic growth.

Through investing in and providing quality training to women through pre-apprenticeship and registered apprenticeship in these fields—fields that provide good wages, benefits—are also an opportunity for a lifelong career that can and do change people's lives—real people like Lori, a woman who came to our free apprenticeship readiness program at Oregon Tradeswomen, using her last few dollars to take the bus to our training facility to get help and to getting into a skilled-trades career after recently becoming sober. That was over a decade ago, where she has worked hard in the field as a union laborer, and worked her way through a tough job, turning it into a career. She now owns a home, is active in volunteering in her community, is a leader in the industry and her union, and serves as a mentor to other tradeswomen.

Or Leslie, who, after being raised by a single father, struggled to make ends meet with the minimum wages in her small rural town while she was working to provide for her sick dad and disabled brother. She heard about our program, and now she is making a living wage as a union trades worker, and she now can believe in a future that has economic security.

Both of these women and many others benefited directly from the Federal OJT Supportive Services Program. We know that when women have access to high-wage, high-skilled careers, that our Nation will benefit from these returns on investment, removing women and their families out of poverty, into the middle class, where they have economic security for themselves and their families, and can contribute to the local economy.

The Federal Highway Administration's OJT Supportive Services Program provides a mechanism to ensure that quality training is available, support services that will help job seekers get the skills they need to have a lifelong career.

Infrastructure and transportation—

Ms. NORTON [interrupting]. Thank you very much, Ms. Kupcak. Can you summarize? You are past your 5 minutes.

Ms. KUPCAK. Thank you, Madam, and my apologies for going over.

Thank you for allowing us to submit our written recommendations, and thank this committee for creating a bold and broad infrastructure bill that will help our Nation's workers.

[Ms. Kupcak's prepared statement follows:]

Prepared Statement of Kelly Kupcak, Executive Director, Oregon Tradeswomen, on behalf of the National Taskforce on Tradeswomen's Issues

Thank you, Chairman DeFazio, Ranking Member Graves, and esteemed Subcommittee Members for providing Oregon Tradeswomen and the National Taskforce on Tradeswomen's Issues for this opportunity to present our views on workforce development and job creation in surface transportation construction.

Oregon Tradeswomen is a nonprofit headquartered in Portland, Oregon, and since 1989 we have been working to increase the number of women entering and succeeding in the skilled trades in construction, transportation, and other blue-collar professions. We provide pre-apprenticeship training, support services, and work in partnership with industry to ensure retention and leadership of tradeswomen. Oregon Tradeswomen is a founding member of the National Taskforce on

Tradeswomen's Issues, a national coalition uniting the expertise of local, regional, and national organizations, advocates, allies, and individual tradeswomen to support women in achieving access, opportunity, and equity in the skilled construction, transportation, manufacturing, and clean energy industries and other nontraditional occupations. The Taskforce promotes sound public policies and advocacy initiatives at the national, state, and local levels to improve, enforce, fund, and promote best practices towards equity in registered apprenticeship and training, workforce development, career and technical education, nontraditional employment, retention, and respectful jobsite culture.

There is a critical need at this time of historic and significant investment through the Infrastructure Investments Jobs Act of 2021 (IIJA) into our nation's infrastructure, and through that in expanding workforce opportunities and job creation in surface transportation construction. As many Subcommittee members may know, women remain severely underrepresented in the construction and transportation sectors—fields that provide good wages, benefits, and opportunities for a life-long career. Without intentional efforts to improve and support access to such publicly funded jobs, women, particularly women of color, are unlikely to benefit from these historic levels of investment.

Public policy—especially the design and delivery of infrastructure investments—impacts tradeswomen and the work we do every day—from the local level to state and federal rules, regulations, and laws. Such policies will enhance women's economic security, support employers, and enhance economic growth. When tradeswomen have access to high-wage, high-skilled careers, such as those in the skilled trades, the industry, our local communities, and our nation benefit from the investments in an inclusive and skilled workforce.

Infrastructure and transportation represent more than one out of every ten American jobs. This historic investment of infrastructure spending and the potential to help our nation's jobseekers—including those most in need—to secure good paying, quality careers—not just jobs—in the transportation and construction industries is here. With continued labor shortage challenges identified by industry employers, the time to reach untapped jobseekers to become part of a skilled, qualified, and highly trained workforce is upon us. According to the 2020 report, *New Plan to Address Growing Construction Workforce Shortages*, the Associated General Contractors of America (AGC) and Autodesk nationwide survey of industry employers indicated that eighty percent (80%) of construction firms reported they were having a hard time finding workers.¹

With the industry's current workforce aging, and retiring, at a rapid pace and a lack of young workers interested in entering the skilled trades, the impact of construction workforce shortages, according to the survey, is that it takes longer and costs more to build many types of projects. Workforce shortages run the risk of undermining broader economic growth by making private- and public-sector development projects—including infrastructure—more expensive and time-consuming. While the AGC/Autodesk report provides several excellent strategies for addressing a workforce shortage, it neglects to include a key strategy in recruiting women. Between February 2020 and July 2021 more women entered the construction workforce than ever before with an increase of 3.2 percent—the largest increase of any industry during that time.² During this same time, men's participation in the construction industry decreased by 4 percent.

A quarter of a million women work in the construction trades and earn wages and benefits offering economic security. Over the course of her lifetime, a woman working in the skilled trades (for example, as an electrician) can make more than \$1 million more than her counterpart working in a traditionally female-dominated job, such as a childcare worker or service worker.³ Poverty rates for women remain at historically high levels, one in seven, substantially higher than poverty rates for men. Access to high-wage careers is critical for women's economic advancement. Women who obtain high-wage, construction and other skilled trades occupations through quality pre-apprenticeship training, information, and support services, flourish in these careers. However, registered apprenticeship, a primary pathway into high-skilled blue-collar careers, is not serving women.

Nationally, women represent only 4 percent of construction apprentices. Infrastructure jobs also remain highly segregated for Black, Indigenous, and people of

¹ Associated General Contractors of America and Autodesk, *The Workforce Development Plan 2.0: AGC of America's New Plan to Address Growing Construction Workforce Shortages*, 2019

² Center for American Progress, *Infrastructure Bill Must Create Pathways for Women to Enter Construction Trades*, 2021

³ Mathematica study on apprenticeship effectiveness and cost/benefit analysis, *An Effectiveness and Cost-Benefit Analysis of Registered Apprenticeship in 10 States*.

color (BIPOC) as well. BIPOC are underrepresented and concentrated in lower paying, less safe, jobs in the sector. Several programs and localities around the country have proven that these low numbers are not inevitable when policy and programmatic approaches, as outlined herein, are applied. Research has shown that women, and particularly women of color, face discrimination in hiring and long-term employment and experience high rates of sexual and racial/ethnic harassment and gender bias on the job. As a result, they are less likely to be retained on core crews, promoted to field leadership positions or to receive the same on-the-job technical training as men, and they do not complete their apprenticeships at the same rates as their male counterparts.⁴

Oregon Tradeswomen and the National Taskforce on Tradeswomen's Issues strongly support the strategic priorities and equity framework outlined in the recent Memorandum of Understanding between the U.S. Departments of Transportation (DOT) and Labor (DOL). Moreover, we have been very pleased that DOT's recent Notices of Funding Opportunity (NOFOs) have embedded priority considerations around strong labor standards, workforce training programs that bring more underrepresented populations into infrastructure jobs, and changes in hiring policies to hire and retain more underrepresented populations. The Multimodal Project Discretionary Grant Opportunity NOFO⁵ issued March 25, 2022, in particular, calls out the requirements that federally-assisted contractors not discriminate in employment on the bases of sex, race, and ethnicity (among other bases) and take affirmative action to meet the goals of 6.9% of construction-project hours being performed by women and geographic-based goals for hours performed by people of color;⁶ the NOFO requires all winning applicants with projects over \$35 million to work with DOL to promote compliance with non-discrimination and affirmative action obligations.

Through our work at Oregon Tradeswomen, and through the National Taskforce on Tradeswomen's Issues, we have seen firsthand the challenges of tackling the intersectional nature of barriers to economic security, particularly for women of color. Improving gender diversity in such fields has two main components: improving the supply of women by providing quality job training without the burden of debt, gender-equitable workforce development programs, such as registered apprenticeships and pre-apprenticeship training programs, and programs that help expand pathways for women to enter or re-enter non-traditional occupations and skilled trades careers. Such job-training efforts must be coupled with public policy that includes such strategies as creating the demand for women by setting ambitious workforce goals, monitoring progress, and enforcing compliance, and providing technical advice and building capacity among contractors, employers, and other industry stakeholders.

The experience of the state of Oregon and other regions where real progress has been made in increasing gender and racial diversity in nontraditional occupations teaches that generating change requires resources, technical advice, clearly stated goals and expectations, and regular monitoring and enforcement⁷. We recommend that infrastructure and related funds disbursed to states include clear set-asides for workforce development, including for support services such as childcare and transportation stipends, as well as for enforcement and oversight as have seen such in-

⁴Sarah Burd-Sharps, Kristen Lewis, and Maura Kelly, "Building a More Diverse Skilled Workforce in the Highway Trades: Are Oregon's Current Efforts Working?" 2021

⁵87 Fed. Reg. 17108 (March 25, 2022), <https://www.federalregister.gov/documents/2022/03/25/2022-06350/notice-of-funding-opportunity-for-the-department-of-transportations-multimodal-project-discretionary>. This NOFO is a combined solicitation for applications under DOT's National Infrastructure Project Assistance, Nationally Significant Multimodal Freight and Highways Projects, and Rural Surface Transportation grants programs.

⁶See 41 CFR 60-4.2(d) and the "NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL EMPLOYMENT OPPORTUNITY (EXECUTIVE ORDER 11246)" reproduced at Appendix G of OFCCP's Construction Contractors Technical Assistance Guide (TAG), <https://www.dol.gov/sites/dolgov/files/ofccp/Construction/files/ConstructionTAG.pdf>. Federally assisted construction contractors are also required to take 16 minimum steps to promote equity; see "STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION CONTRACT SPECIFICATIONS (EXECUTIVE ORDER 11246)," set out at 41 CFR 60-4.3(a) (and also reproduced at Appendix G of the TAG).

⁷See *Report on the Use of Federal Funds to Increase Diversity and Prepare those Entering the Highway Construction Workforce* (ORS 184.866), Oregon Department of Transportation (2020). <https://www.oregon.gov/odot/About/GR/Highway%20Construction%20Workforce%20Development%20Report.pdf>; and *Untapped Resources, Untapped Labor Pool: Using Federal Highway Funds to Prepare Women for Careers in Construction* by Ariane Hegewisch, Jane Henrici, Elyse Shaw; Thomas Hooper (2014). Boston, MA: Jobs For the Future <https://www.jff.org/resources/untapped-resources-untapped-labor-pool-using-federal-highway-funds-prepare-women>

vestments result in retention of workers, and economic mobility for themselves and their families.

We recommend a number of specific measures like those described in the March 25, 2022, Multimodal Project NOFO that state DOTs should require of construction contractors for projects funded by IIJA where the total project cost exceeds \$10 million state DOTs should adopt to prioritize equity for women and people of color in the surface-transportation workforce:

1. *Nondiscrimination and affirmative action.* First and foremost, state DOTs should make sure that contractors implement the affirmative action requirements, including the specific numeric goals for minority and female participation and the 16 minimum steps, which apply to federally assisted construction contracts.
2. *Supportive services.* State DOTs should require each project's General Contractor to spend at least one-half of one percent (0.5%) of the overall project budget on supportive services for project workers to maximize opportunities for women and people of color. The supportive services eligible for funding under this requirement should be pre-apprenticeship; childcare; tools; workwear; retention services (including support groups, mentoring, and peer networking); and application fees and other costs of entering registered apprenticeship programs and required pre-employment training.
3. *Respectful worksites.* State DOTs should require each project's General Contractor to adopt workplace anti-harassment policies and to provide effective, on-going respectful-workplace training accompanied by a social campaign designed to create inclusive and diverse work sites for all the employees working on the project.
4. *Transparency.* State DOTs should require each project's General Contractor to report the participation rates for women, minorities, and apprentices working on the project, alongside the applicable goals, to the public on an accessible online site, to Office of Federal Contract Compliance Programs (OFCCP) in DOL, and to the state DOT; and to update those reports twice per month.
5. *Community engagement.*
 - a. State DOTs should convene a meeting of representatives of community-based organizations and the labor unions that will represent workers on each project as the bid solicitation conditions are being developed.
 - b. Once the contract is awarded, state DOTs should require each project's General Contractor to convene meetings with a committee that includes the state DOT, community-based organizations, relevant labor unions, relevant government officials, and the subcontractors on the project at least monthly, beginning at least 90 days before any hiring for the project begins, and to require subcontractors' participation in these meetings in their contracts. The purpose of these community meetings is to review the General Contractor's and subcontractors' implementation of the equity requirements, to provide the committee members with necessary records, and to brainstorm solutions to challenges encountered in implementing the equity requirements. The General Contractor should also be required to provide an OFCCP representative, a representative of the state DOT, and an ombudsperson from the community committee with open access to the work site to monitor conditions, provide support and assistance, and mediate issues.
6. *Robust oversight.* State DOTs should require the General Contractor and subcontractors to consent to twice-monthly compliance reviews by OFCCP and to participate in OFCCP's "Mega Construction Project" program.
7. *Sanctions.* State DOTs should require the General Contractor and subcontractors to agree to the sanctions in addition to those already available under law if the state DOT or OFCCP finds that the General Contractor or subcontractor is not in compliance with these requirements. These additional sanctions include mandatory suspension of progress payments until such time as the contractor comes into compliance; a discretionary civil penalty of up to \$14,502 per violation and \$145,027 per day for failure to comply after the effective date of an administrative order or OFCCP compliance agreement; and compensatory and where warranted under current legal standards, punitive damages if such noncompliance results in monetary harm to an individual or class of individuals because of unlawful discrimination.
8. *Flow-down applicability.* State DOTs should require the General Contractor and the subcontractors working on the project to include these requirements in all their subcontracts.
9. *Administrative expenses.* State DOTs should require that the General Contractor dedicate at least one-half of one percent (.5%) of the overall project budget to the administrative expenses of implementing these requirements.

10. *Apprentice utilization minima.* State DOTs should require that the General Contractor and subcontractors together employ registered apprentices for a minimum of twenty percent (20%) of hours worked on the project, by trade.

To ensure that all parties are aware of these requirements in advance of bidding, the federal Funding Opportunity Notices and state bid solicitations should be required to contain these provisions, and submitters of proposals and bids should be required to state their plans for meeting these requirements.

Because of its oversight role, this Subcommittee has a critical role to play to ensure that workforce development and job creation not only meet industry demand for a skilled workforce but invest in an equity framework for all Americans. To that end, Oregon Tradeswomen and the National Taskforce on Tradeswomen's Issues respectfully ask that this Subcommittee conduct robust oversight of the design and delivery of the infrastructure investments by both the federal and the state DOTs to ensure that they not only meet industry demand for a skilled workforce, but invest in an equity framework for all Americans.

Finally, Oregon Tradeswomen and the National Taskforce on Tradeswomen's Issues encourage this Subcommittee to consider the following, more general strategies for creating equitable job creation:

- Assist State and local government partners as well as private-sector industry to identify, train, employ, reskill, and retain the diverse workforce needed to rebuild and operate American infrastructure.
- Integrate job quality, labor standards and equal employment opportunity standards across all grants related to transportation infrastructure.
- Leverage Federal spending to create better-paying jobs in fair and safe workplaces that include health, retirement, and other essential benefits.
- Create a more diverse infrastructure workforce.
- Engage stakeholders and develop strategic partnerships with organizations that can draw on all of America's strength, talent, and skill, including coalitions that represent women, BIPOC, and other populations facing systemic barriers to employment, to support the design and implementation of proven workforce development strategies that train and support the workers needed for the successful delivery of infrastructure investments.
- Expand Registered Apprenticeship in high growth areas such as electrification, zero-emission transportation systems maintenance, bus, rail, truck operators as well as cyber-security and intelligent transportation systems technology.

When tradeswomen have access to sustainable careers, which includes equitable work hours, workplace policies that support work/family balance, comprehensive on-the-job training and freedom from sexual and racial harassment, the broader industry benefits from this underutilized portion of demographic in the skilled trades workforce. Oregon Tradeswomen and the National Taskforce on Tradeswomen's Issues respectfully urge you to support the recommendations outlined herein to implement strategies to attract, retain, and empower diverse qualified workers to build and maintain our transportation system. By implementing these strategies, we can collectively address industry demands and tap into the talent of our nation's women who can help build our nation's road and bridges while building a more secure economic future for themselves and their families.

Ms. NORTON. Thank you, Ms. Kupcak. Finally, Ms. Rai, you are recognized for 5 minutes.

Ms. RAI. Good afternoon, Chair Norton and members of the subcommittee. Thank you for the invitation to speak to you today. My name is April Rai, and I am the national president and CEO of the Conference of Minority Transportation Officials, also known as COMTO.

COMTO was established in 1971. We just marked our 50-year anniversary of our founding last year and reaffirmed our mission to ensure opportunities and maximum participation in the transportation industry for minorities, veterans, persons with disabilities, and certified minority, women, and Disadvantaged Business Enterprises. We have 35 chapters across North America, 34 in the U.S., and 1 representing Toronto and the surrounding region. Our 3,000 members include individual transportation professionals, transportation agencies, private-sector companies, and educational

institutions, including Historically Black Colleges and Universities. This translates into tens of thousands of COMTO constituents.

We serve as the voice for equity in transportation, providing support to transportation agencies in achieving their ED&I goals, supporting the leadership development of transportation professionals through leadership training, and also, very relevant to today's topic, COMTO provides scholarship and paid internship opportunities across the Nation to attract the next generation of transportation professionals and leadership to this great industry.

Two key initiatives that COMTO has to support the strengthening of a transportation workforce pipeline include our CITY internship program. Through this program, paid internship opportunities are provided to minority students around the country, connecting them to real-world professional and practical experience in the transportation industry. We are currently working to secure funding to expand this program to focus on recruiting for apprenticeship programs and skilled-labor jobs in transportation.

In addition, we have a national scholarship program. We annually award multiple academic scholarships to minority graduate and undergraduate students from across the country. Coupled with the efforts of our 35 chapters, millions of dollars have been awarded to deserving students pursuing careers in STEM and transportation professions.

At COMTO we believe the leadership of a massive industry like transportation, who has the responsibility of being the great connector, should reflect the complex mosaic of those they serve. To that end, we must be intentional about attracting professionals from diverse backgrounds to this industry.

In a recent visit to Morgan State University, one of two HBCU-led universities in the U.S. Department of Transportation's University Transportation Centers, Secretary Buttigieg made a comment that I truly agree with. He said, "As a country, we cannot afford to leave any talent on the table. We have to ensure that transportation is an engine of equity."

To that end, COMTO supports and recommends expansion of local and communities of need hiring preferences that strengthen our communities by helping to create good local jobs, increasing opportunities and greater equity for people of color, women, veterans, and others facing barriers to employment.

We also recommend public and private partnerships that focus on workforce development programs and attracting youth to the transportation industry with paid internships and apprenticeship opportunities.

As Chair Norton stated, the Bipartisan Infrastructure Law will generate historic investments into construction and maintenance of U.S. roads, bridges, waterways, airports, et cetera. But without enough workers, efforts to strengthen roads and public transportation will be set back, and service delivery to communities will be delayed, which we all know will disproportionately impact communities of color.

We believe "jobs" is the operative word in IIJA. Both Congress and the administration will have to be innovative and take aggressive action in the coming months to support programs and initiatives around workforce development, recruitment, and training.

We are hopeful that this will include programs for emerging transportation professionals, STEM and construction curricula, especially in trade high schools, vocational schools, and HBCUs. These programs will include the opportunity, hopefully, for public and private partnerships to advance overall goals and outreach.

Research has shown the many benefits of a diverse and inclusive workforce, including innovation, new perspectives, higher profits, and, ironically, the domino effect of increased abilities to recruiting a diverse talent pool.

I want to conclude by offering the Conference of Minority Transportation Officials as a resource to this subcommittee and its members as you move forward to consider legislative activity to address the needs of the workforce of the future.

Thank you again for the opportunity.

[Ms. Rai's prepared statement follows:]

**Prepared Statement of April Rai, President and Chief Executive Officer,
Conference of Minority Transportation Officials**

Good afternoon, Chairwoman Norton and Members of the Transportation and Infrastructure Subcommittee on Transit and Highways. My name is April Rai, and I am National President and CEO of the Conference of Minority Transportation Officials, also known as COMTO.

COMTO is most appreciative of this opportunity to provide testimony before the Subcommittee on the topic of "Examining Workforce Development and Job Creation in Surface Transportation Construction".

This issue is of vital importance to COMTO, which includes 34 US Chapters and one international chapter, totaling over 3000 members. Members include Individuals, Transportation Agencies, Private Sector Companies, Historically Underutilized Businesses (Small, Minority, Women, Veteran Owned, Disadvantaged), Educational Institutions and Non-Profit organizations. This translates into many tens of thousands of COMTO constituents. We thank Chairwoman Norton for her leadership in conducting this hearing, and if I may, I would like to make you aware of COMTO's own initiatives to affect changes in the face of transportation and to increase minority presence in the industry:

CITY Internship Program

- COMTO's Careers in Transportation for Youth (CITY) Internship Program provides paid internship opportunities for minority students around the country, connecting them to real-world professional and practical experience in the transportation industry. An expanded version of the program will also focus on recruiting for apprenticeship programs.

National Scholarship Program

- COMTO annually awards multiple national academic scholarships, to minority graduate and undergraduate students from across the country. Coupled with the efforts of our 35 chapters, millions of dollars have been awarded to deserving students.

As further information, COMTO was established in 1971—we marked the 50th anniversary of our founding this past year—and reaffirmed our mission to ensure opportunities and maximum participation in the transportation industry for minority individuals, veterans, people with disabilities and certified M/W/DBE businesses through leadership training, professional development, scholarship and internship funding, political advocacy, partnership building and networking opportunities.

COMTO appreciates that Rep. Norton clearly shares our mission and vision for the industry. We believe that the leadership of a massive industry that has the responsibility of being the great connector, transporting all people and goods all the time should reflect the complex mosaic of those they serve. We believe that commitment to inclusion across race, gender, age, religion, identity, and experience moves us forward every day. To that end, we must be intentional about attracting professionals from diverse backgrounds to this industry.

QUICK OVERVIEW OF COMTO'S LEGISLATIVE PRIORITIES

- *Local Hiring Initiatives/Workforce Development*—Local hiring preferences strengthen communities by helping to create good local jobs, increasing opportunities and greater equity for people of color, women, veterans, and others facing barriers to employment. COMTO is pleased to know that rebuilding America through racial and economic equity and incentivizing job creation through local hiring and workforce development/business development initiatives, particularly through infrastructure, is a priority for the Biden Administration.
- *DBE Program Improvements and Efficiencies*—COMTO would like to see closer oversight by DBE officers to avoid fraudulent front companies, through more vigorous training programs for certification and compliance officers, and a stronger, clearer definition of “good faith efforts” with fewer waivers from DBE goals granted to majority-owned firms.
- *Small Disadvantaged Business Size Standards*—COMTO supports action that would conform the U.S. Department of Transportation’s (USDOT) DBE Size Standard with the Small Business Administration Standards (SBA). This is a simple fix to a big problem: in the interest of fairness and consistency and the survival of small minority owned businesses, the USDOT should use the Federal Aviation Administration’s model and use SBA’s size standards when making determinations with regard to small business status.
- *Increase DBE Personal Net Worth (PNW) Ceiling*—Like the DBE/SBE revenue ceiling, current PNW levels discourage DBE growth, wealth building, quash successful graduation rates and limit bonding and insurance opportunities. It is just common sense to set a PNW grounded in reality and adjusted for inflation, in recognition of the challenges small and minority businesses face in the bonding and sureties market.
- *Federal Railroad Administration (FRA) DBE Program*—COMTO supports implementing a DBE program using the FHWA/FTA/FAA model. We advocate for consistency within the USDOT and the establishment of DBE participation goals on projects funded through the FRA and on monies funneled by FRA to state rail agencies—including High Speed Rail projects. An FRA DBE program would provide opportunities for new DBE start-ups, would mean millions of dollars for minority businesses and thousands of jobs for minority communities.

As President/CEO of COMTO, one of my top priorities is workforce development and strengthening the transportation workforce pipeline.

The Bi-Partisan Infrastructure Law (BIL) also known as the Infrastructure Investment and Jobs Act (IIJA)—will generate \$1.2 trillion of investment—including \$550 billion in new spending—into construction, rehabilitation and maintenance of U.S. roads, bridges, waterways, airports, rail and transit systems, and other infrastructure, and will reauthorize surface transportation programs for the next five years. But without enough workers, efforts to strengthen roads and public transportation will be set back and service delivery to communities will be delayed, which, as we all know, will disproportionately impact communities of color.

In a recent New York Times article, entitled “*Skilled Workers Are Scarce, Posing a Challenge for Biden’s Infrastructure Plan*”, COMTO member Dr. Beverly Scott, Vice Chair of the President’s National Infrastructure Advisory Council, is quoted, in response to the issue, “Do we have the work force ready right now to take care of this? Absolutely not!”

We believe that *JOBS* is the operative word in the IIJA. But workforce recruitment and retention have been issues that plagued the transportation construction industry even before the pandemic. The pandemic only made those problems more acute and now threaten the industry’s ability to carry out the goals of the bill. The transportation construction industry has historically not well reflected groups to get the most out of the legislation. Both Congress and the Administration will need to be innovative and take aggressive action in the next few months to make these programs a reality, to give them the teeth to be effective and to establish accountability to measure results.

SEC. 13007 of the BIL does address WORKFORCE DEVELOPMENT, TRAINING, AND EDUCATION as it relates to SURFACE TRANSPORTATION WORKFORCE DEVELOPMENT, TRAINING, AND EDUCATION.

In this section, we understand that Secretary Buttigieg has been tasked with establishing a transportation workforce outreach program for targeted outreach to increase awareness of transportation career opportunities especially for diverse populations. In addition, it authorizes activities to “develop a robust surface transportation workforce with new skills resulting from emerging transportation technologies; and activities to attract new sources of job-creating investment” under a TRANSPORTATION EDUCATION AND TRAINING DEVELOPMENT AND DE-

PLOYMENT PROGRAM. This section also directs the Secretary to establish a program to make grants to educational institutions or State departments of transportation, in partnership with industry and relevant Federal departments and agencies to develop, test, and review new curricula and education programs to train individuals at all levels of the transportation workforce; or to implement the new curricula and education programs to provide for hands-on career opportunities to meet current and future needs. SMART grants applicants that promote a skilled workforce that is inclusive of minority or disadvantaged groups would be given priority. We are hopeful that this will include programs for emerging transportation professionals, STEM and construction curricula, especially in trade high schools, vocational schools and at Historically Black Colleges and Universities (HBCUs). We are also hopeful that these programs will include the opportunity for public and private partnerships to advance program goals.

However, from what we can tell from the language, the program to implement this ambitious training deployment program is woefully underfunded compared to the multitude of tasks and goals assigned to the Secretary.

Importantly, the Biden Administration has made a commitment to smashing the agency silos, and we believe this will be a key factor. We agree that Secretary Buttigieg should continue his efforts to negotiate MOUs and to establish a working group made up of the Secretary of Commerce, the Secretary of Energy, Secretary of Labor, and other federal agency heads. The combined efforts and resources of each of these agencies are necessary to create the workforce needed to fulfill the goals and timelines of transportation infrastructure projects.

The Build Back Better Act (BBBA) would have included \$20 billion to help build that national workforce. The programs included expanding apprenticeships, fostering mentor/protégé relationships and investing in increased enforcement of labor law and civil rights violations to help diversify the workforce: these same concepts should be applied to funds dispersed through the IIJA.

The obstacles that minorities and women have faced persist. Needless to say, despite the change in racial and gender demographics and the expected growth of women and minorities in the workforce, these groups are still underrepresented and underutilized in the transportation construction industry at large. According to career experts Zippia, currently, there are over 808,891 construction workers employed in the United States. However, only 6.2% of all construction workers are women, while 93.8% are men. According to that same source, the most common ethnicity of construction workers is White (58.7%), followed by Hispanic or Latino (24.5%) and Black or African American (10.7%). The United States Bureau of Labor, which also keeps official records specifically on *highway construction*, the numbers are similar: of this total, 2.6 percent were women, 6.2 percent were Black or African-American, 1.6 percent Asian and 31 percent Hispanic or Latino/Latina.

According to information provided by the Transportation Research Board (TRB), “... research suggests women may not feel welcomed or attracted to the transportation industry. A 2015 Center for Transportation Research and Education project noted that, although women are an asset to transportation operation roles, fewer than 2% of the U.S. railroad workforce was comprised of females and fewer than 5% of drivers in the motor carrier industry were women. The industry can find itself mired in old patterns and cultural norms that can result in a lack of inclusivity, making it unable to attract uniquely talented workers from a diverse population that includes women applicants.”

There is a cost associated with efforts to diversify the construction workforce. However, aggressive recruitment, training, and other best practices targeted toward minorities and women have been shown to have significant value and return on investment. Research has shown many benefits of a diverse and inclusive workplace, including innovation, new perspectives, higher profits and ironically, the domino effects of both increased abilities to continue to recruit a diverse talent pool and higher employee retention.

But we realize this takes public and private sectors’ EMPLOYER education, to make the industry understand and embrace the benefits of workforce diversity and development and to education programs that stimulate interest in transportation construction careers. And beyond that, we support incentivizing private sector efforts by giving credit or weight to majority prime contractors who implement local hiring efforts and allocation of resources to the best practices I mentioned above to increase minority and women in the construction trades, and to strengthen a pipeline of workers to better reflect the demographics of the country.

I would like to conclude by offering the Conference of Minority Transportation Officials as a resource to this subcommittee and its Members as you move forward to consider legislative activity to address the needs of the workforce of the future.

With your indulgence, I would like to encourage our membership to submit statements to our National office on this topic, which I will in turn submit to your staff as part of the hearing record. Thank you again for this opportunity and for your time and consideration of these important issues.

Ms. NORTON. Thank you very much, Ms. Rai.

I recognize Chair DeFazio for his 5 minutes.

Mr. DEFAZIO. Thank you, Madam Chair.

Ms. Rai, we are talking about new entrants into the workforce. And in particular, we want to be looking at youth. What is sort of—I mean, I know it varies by region, but your average unemployment rate among young high school, post-high school-age people of color, I think it is quite high, is it not?

Ms. RAI. It is. And I don't have the exact number in front of me, but it is disproportionately high.

Mr. DEFAZIO. Right.

Ms. RAI. So, we need to let them know what is available, and give them opportunities to be exposed to careers in this industry, and make those opportunities paid opportunities through internships and apprenticeship programs, so they can know what the possibilities are.

Mr. DEFAZIO. Right. I was visiting, just anecdotally, LAX with a major new construction project, and they engaged in this sort of effort, given the area around the airport is generally low-income, a lot of minority. And they had tremendous success in recruitment and getting a young workforce who will now probably stay in the workforce. So, I congratulate you on your efforts.

To Ms. Karst, you say here that price increases on manufactured steel, plastic piping, paint, and concrete range from 15 percent to a doubling or tripling on some items like manufactured steel. What accounts for that?

[Pause.]

Mr. DEFAZIO. Your mic, your mic, your mic, your mic.

Ms. KARST. I don't know if I can answer why those materials prices have gone up. I think a lot of it really has to do with what is going on in the world today, the supply chain issues associated with the pandemic. I think my reason for talking about it is that contractors are dealing with this as part of their stress.

Mr. DEFAZIO. Right. And you have a group, I guess, through AGC, that has petitioned the Biden administration to make clear that American Rescue Plan money by State and local governments could be used to help mitigate the cost of supply chain delays and the effect it is having on project costs.

Ms. KARST. Yes. I think what we are asking for is we are asking for you to give us flexibility at the State level to make decisions that make sense for our State.

Mr. DEFAZIO. OK.

Ms. KARST. So, if that happens to do with some of the supply chain issues, absolutely give our States the flexibility. We have good relationships with our State DOTs, and we want to be able to use those relationships to do what is right for the constituency there.

Mr. DEFAZIO. Right. I think the ranking member, though, pointed to that bill as a major cause of inflation. And, of course, you just pointed out that the inflation and the cost of construction materials

has nothing to do with the passage of the Rescue Plan. But now we want to apply Rescue Plan money to help mitigate those impacts. So, I just find some things here a little bit contradictory.

And just one more question for you. You said that—you made a point. It was my position—it still is—that some States are doing a miserable job in maintaining their infrastructure. Once the President visited the day after a bridge collapse in Pittsburgh. Pennsylvania has huge bridge problems, as do many, many States—42,000 bridges on the National Highway System need substantial repair or total replacement.

Some States, perhaps yours, are doing very well on that. But the idea of Fix it First was: Look at that, and deal with it, maintain and rebuild in a resilient way our existing infrastructure—not exactly the way it stands now, could be increased capacity. It certainly would be more resilient to severe weather events and other things that are happening.

And also in major urban areas—you don't have any of those, but to look at innovative solutions to deal with congestion. You aren't going to be building a hell of a lot more highway-miles through our major cities, just—there is no place to put them. And that is what Fix it First was. It was and it is only guidance on the part of the administration.

So, I am a bit puzzled at the objection to this sort of guidance from the administration. You can briefly answer that, because I have to ask another question to the other witnesses.

Ms. KARST. So, you want me to answer that, or—

Mr. DEFAZIO. Well, very quickly.

Ms. KARST. Yes. I mean, I will—again, we are focusing on flexibility. We don't want to have edicts that come down that tell us exactly how to do things, that each community should know exactly what their situation is and whether or not that makes sense for their community.

Really, we believe that our States are actually already fixing it first. Eighty percent of the work is in repair and maintenance of existing infrastructure.

Mr. DEFAZIO. Well, I am about to run out of time, unfortunately, because I did want to ask further questions. But with that, Madam Chair, I would yield back my last 1 second.

Ms. NORTON. Thank you, Chair DeFazio. I now recognize Ranking Member Davis for 5 minutes.

Mr. RODNEY DAVIS OF ILLINOIS. Thank you, Madam Chair. And thank you again to the witnesses.

Ms. KARST, let me start with you. I really appreciate you raising the importance of One Federal Decision. It is an idea that I have been proud to champion, and I remain frustrated, as I said in my opening statement, that this administration is dragging its feet in implementing the commonsense changes to our regulatory process. Can you tell the committee how this policy will help build more roads and more bridges?

Ms. KARST. In my opinion, as you look at different States, the way the States administer money is, many times, to other entities, whether it is the counties or townships and that kind of thing. These counties and townships don't understand the redtape that they have to go through, get very frustrated when they have a

farm-to-road bridge structure that is obsolete and can't be used anymore. And when it takes them 6 years to get that approved, they look to that as the State's problem, when, in reality, it is really decisions that could be corrected through One Federal Decision.

Mr. RODNEY DAVIS OF ILLINOIS. Do you think it should be expanded to other areas?

Ms. KARST. Absolutely, yes. I believe that the efficiencies of One Federal Decision could be used in many places in our infrastructure funding.

Mr. RODNEY DAVIS OF ILLINOIS. Yes. I mean, we are not here saying, you know, build a road to destroy the environment, right? I mean, we just want the regulatory process to have an end date. And I remember sitting in this room a few years ago when we passed a water bill when we figured out that the average Corps of Engineers project took about 15 years to get through the regulatory process. I mean, I think it is wrong. How about you?

Ms. KARST. I absolutely think it is wrong. People are hearing about these needed projects, and they are seeing that it takes too long to get them done.

Mr. RODNEY DAVIS OF ILLINOIS. Well, it does. It certainly does. And that means it keeps our men and women in the building trades from being able to be employed on a jobsite, right?

Ms. KARST. Absolutely.

Mr. RODNEY DAVIS OF ILLINOIS. Well, that leads me to you, Mr. Booker. I appreciated the building trades' past support for the One Federal Decision bill. Would you like to add anything else regarding One Federal Decision, and how its delays in implementation may impact your members' ability to be on the worksite?

Mr. BOOKER. Yes, I mean, as you just mentioned, we have been on the past—on the record supporting your legislation, and thank you for your leadership on that. And we feel, as you feel, that you need predictability. You need predictability throughout the construction process, at the beginning of the permitting process.

We are all for regulation. We are all for doing it the right way. But let's streamline it, do it the way that your legislation has put forward.

And it is not a matter of is it going to adversely affect building trades members versus non-building trades members. If a project is not permitted, it is going to affect anybody who is going to work on that. So, that is why we have advocated with you on behalf of trying to streamline these processes, and we are in support of that, and think that that is the right way to go.

Mr. RODNEY DAVIS OF ILLINOIS. Well, thank you very much. I appreciate the support of that particular provision.

And now we just hope that the administration is able to implement this provision in a way that we had intended it when this was debated numerous times here in this committee.

Ms. Karst, if I could come back to you, your company has, what you said, grown out of the women and disadvantaged business program. Can you speak to AGC's efforts to help companies navigate this transition?

Ms. KARST. To AGC's efforts, really, I have been involved in AGC, really, my entire career in the construction industry. It is really the association that has given me the opportunity to learn

how to run a really good business, and how to grow my business through having mentor relationships with other people in the industry.

AGC does a ton to train its members and our workforce. It is the experiences in AGC that have allowed me to figure out the best way to grow the business and make decisions based on where I was headed, and the way the company was growing, and how it fit within the disadvantaged business program.

I think, as I said at the beginning, I have transitioned from being less of a subcontractor and more of a prime contractor, and it is through the resources and education that AGC gives its members, advocates for on behalf of its members, that has allowed me to grow.

Mr. RODNEY DAVIS OF ILLINOIS. Well, I appreciate hearing that. I had the chance to visit our local Illinois AGC chapter when I was back in Illinois over the last 1½ weeks. So, with that, I really appreciate your responses.

And Madam Chair, I know you are surprised, but I am actually going to yield you back some time.

Ms. NORTON. Thank you. We will see what we can do with it. I recognize myself for 5 minutes.

Ms. Rai, I want to first offer my congratulations on the 50th anniversary of COMTO's founding. That is really an important milestone.

Your testimony notes that, despite changes in the racial and gender demographics of the overall workforce, women and minorities are still underrepresented and underutilized in the transportation construction industry.

Now, Congress has just enacted a landmark infrastructure legislation, a bipartisan legislation, that includes provisions, as noted in your testimony, to invest in the transportation workforce. What can Congress do to prioritize increasing participation of women and minorities in the transportation construction workforce, both in overseeing the implementation of infrastructure law and beyond?

Ms. RAI. Thank you, Chair Norton. I do believe that, with regard to the moneys that are available at the DOT for this work, it is extremely competitive, the moneys that are specifically allocated towards workforce development and capacity building. So, we need to look at appropriating more dollars to this work.

We look to work with State DOTs and also private transportation organizations and construction firms in this work. But to assist in the capacity and the outreach efforts to let folks know what is available, we have to have public and private partnerships.

We are also looking to work with the HBCUs that are part of the UTC program to utilize that as a pipeline to attract the next generation to the transportation industry.

We are also looking to see if we can do better with definitions around what are historically underutilized businesses, hubs, those that are minority-owned, women-owned, and disadvantaged businesses at the Federal level, so that funding can be appropriated in a way that truly benefits the communities that need it the most.

Ms. NORTON. What benefits and impacts are employers seeing when they invest in efforts to diversify their workforce?

Ms. RAI. I think we can all agree that, when we support individuals as professionals, we support families, and families make better communities, better regions, and a stronger Nation. So, it helps us all when we invest money in these professionals and make sure that they have a pathway to leadership and support their professional development within the organization so that leadership can truly reflect those that are served by the transportation industry.

Ms. NORTON. Thank you.

Ms. Smith, I was really excited to read your testimony, which showed that more than 300 new trainees will be enrolled in North Carolina's on-the-job training programs this year. From your perspective, what makes North Carolina's on-the-job training program so successful?

[No response.]

Ms. NORTON. Ms. Smith?

VOICE. Question.

Ms. SMITH. OK. Thank you for that question, Chair Norton.

I believe that North Carolina is very successful in our OJT program and increasing our trainees, because we have the full support of leadership from our Governor to our secretary, and also our highway administration here in North Carolina at our regional offices.

We really put a lot of effort into building collaborations, coalitions, and partnerships, not only with our local stakeholders in our region, our trade associations, but also with our universities, our HBCUs, and our workforce development councils here locally.

We have also revamped our programs to include the building apprenticeship programs that we have not seen before.

One of the newest initiatives that we have is a revamped program. We call it our Reboot Pop-Up Academy. So, looking at individuals that have been historically underemployed or unemployed, and going back to the market to bring them back to a boot camp to do a skills refresh on soft skills, and also offer them supportive services.

We have also tapped into our incarcerated individuals, our women's prisons, and also our Native American Tribes.

So, typically, communities that have not been used as a resource for recruitment, we have really put a lot of effort into looking at all communities to see how we can grow communities. It impacts us for our workforce, and also the economy of North Carolina.

Ms. NORTON. Thank you very much for your testimony, Ms. Smith. It has been very helpful.

I now recognize Mr. Crawford for 5 minutes.

Mr. CRAWFORD. Thank you, Madam Chair. Thank you all for being here today.

Ms. Karst, I want to direct a comment and a question to you. We are all familiar with the runaway inflation that we are experiencing today. Extreme gas prices is one example, food prices are on the rise, and continued supply chain issues. Everything just seems to require more time and money. Can you talk about how this is affecting the construction industry, and how you expect it to impact the ability to implement the projects funded by IIJA?

Ms. KARST. Yes. I am glad you actually said it is time and money, because, really, we are seeing a lot of flexibility on time as

we work with our DOTs, but the reality is that we, in order to be able to do the work that we do, we have to follow a schedule, and we have to have a schedule of multiple projects, especially for a small contractor. I probably run about 50 projects a year, varying in sizes from, say, \$20,000 to \$20 million. So, those types of projects, you need to be able to schedule those out.

And so, when we are seeing—not only are we seeing the cost increases on there, we are also seeing delays on projects because we can't get concrete pipe in time to do the underground work, which has to be done before we can do the final grading work before we can pave a project. So, really, these are just continuous delays. Those delays not only cost us money in terms of the material itself, but they are costing us money in terms of being able to get those projects out.

And then it really just moves that snowball down the road. So, in reality, we end up moving projects from this season into next season, and it ends up impacting our ability to get this work done.

Mr. CRAWFORD. I am going to stay with you on this topic here. Federally assisted construction projects like those funded by IIJA have to meet Federal requirements like Davis-Bacon, for example, and Service Contract Act. And while those regulations may have made sense historically, they were never indexed to inflation, and they are severely outdated today, and they create incredible time lags and financial burdens on federally funded projects.

Just this week, for example, I heard from the Corps of Engineers that a simple tire repair on all-terrain cranes that should cost about \$3,000 to repair was more than double that expense, nearly \$7,000, due to Federal regulations.

In your experience, what kinds of additional costs has the industry experienced due to outdated regulations like these?

Ms. KARST. Really, it is a lot of administrative costs and project costs, additional project costs added to the top that really add no value to the project itself. That is really where we see those types of costs happening. It is extra implementation in terms of office staff to make sure we are meeting all of those requirements. It is extra project management out in the field to make sure that we are doing everything according to the regulations.

Now, don't get me wrong, we want to do things according to the regulations, and we pride ourselves on doing that. We want to provide a quality product to our end customer in a timely manner, and provide good jobs for our employees. And we do that.

Mr. CRAWFORD. In the alternative, what suggestions would you have for something like this to be able to streamline and expedite projects?

Ms. KARST. To be able to streamline and expedite projects, I would provide as much flexibility as you can to State and local governments to be able to know what needs to be done in their particular areas and not have it be handed down to them in rules and regulations that may not make sense in their particular jurisdiction.

Mr. CRAWFORD. Got you. I appreciate you being here today.

I am going to yield back the balance of my time.

Ms. KARST. Thank you.

Ms. NORTON. I thank the gentleman for yielding back. I now recognize Ms. Johnson for 5 minutes.

Ms. JOHNSON OF TEXAS. Thank you very much, Madam Chairman and Ranking Member Davis, for holding this hearing today.

I would also like to thank our outstanding witnesses for testifying before us today.

And before I proceed, I would like to associate myself to your remarks in reference to Mr. Young, a former chair of the committee, and someone that I have worked with on this committee for almost 30 years.

Ms. NORTON. So ordered.

Ms. JOHNSON OF TEXAS. Thank you.

I had constituents in my district asking me about the contracts and when will they be available for infrastructure projects before the bill was even signed into law. And so, like many people, I fully expected this legislation would create thousands of good-paying and long-term jobs.

The Democrats on this committee passed the largest transportation bill in history, with \$550 billion in critical infrastructure funding. This is a huge financial windfall for the construction industry, and it is only fair to ask our contractors, who benefit the most from this funding, to simply hire people in the community, pay a living wage, and offer training to those employees.

I am pleased to hear the testimony from some of the many people who are benefiting from the Infrastructure Investment and Jobs Act and look forward to hearing from our witnesses even more.

I am from a large State with lots of projects needed and a lot of people with jobs. I am sorry that I don't see someone from Texas talking about our progress and what we are doing to enable more people to have opportunities. So, what I would like to do is ask first Ms. Tunya Smith, director of the Office of Civil Rights in North Carolina.

You understand how hard it is for small and minority businesses to succeed, so, it is unfortunate that many States don't make any effort to institute or enforce DBE goals. Do you think that States' DOTs and people in your position have enough strong enforcement mechanisms to ensure businesses are meeting DBE requirements on projects?

And can you discuss your experience with that and what additional tools Congress can provide?

Ms. SMITH. Thank you for asking that question, Representative Johnson, and I am glad to be able to respond to you accordingly.

That is a critical question that we discuss a lot in all civil rights programs in State DOTs, is how to really enforce and enhance our goal-setting programs. One of the major obstacles that we see, State to State, is a lack of DBE goals on professional services contracts. It is something that is done on a State level. The Federal regulations allow us to do it. However, many States just do not have the goals based on State statutes on those professional services contracts. That is one of the strongest things I believe you can do today, is to have that goal-setting program.

But to answer your question, we could use and benefit from greater enforcement at the Federal level to ensure that all of our procurement obstacles are mitigated as best as possible.

Another major thing that could really assist the State DOTs is having a more enhanced and robust data collection system, one that pulls all the information from State DOTs that we can pull from. Oftentimes I am asked, "What are other States doing, and how could we do it better? Have they been successful?" That is a story that we continue to ask. We do peer-to-peer exchanges, but there really is no central repository that is collecting all of this information.

Furthermore, I believe that we could enhance our research and development efforts with the HBCUs to really target the economic impact and also the obstacles that we face with firms being utilized on contracts. It is a much greater issue we cannot always understand as times change. We have different financial struggles and financial capacity issues that we have to help businesses mitigate.

These are just a few things that the Congress can do to help us to reach our goals, to help these small minority businesses.

Ms. JOHNSON OF TEXAS. Well, thank you very much. My time is about out.

But Madam Chair, I would like to submit two questions to the committee for persons to answer later, to Ms. Kari Karst and Ms. Kelly Kupcak.

Thank you, and I yield back.

Ms. NORTON. Thank you. And we will be glad to receive them.

Mr. Perry, you are recognized for 5 minutes.

Mr. PERRY. Thank you, Madam Chair.

Ms. Karst, good afternoon. It is good to see you, good to see another contractor put people to work and doing great things in America. And your testimony highlighted AGC's opposition to Government-mandated project labor agreements and concerns that they would likely exacerbate workforce challenges.

And specifically, I think they raised the concerns that mandated PLAs act as a barrier for hiring small businesses, including WBE and MBE, in the fulfillment of small business utilization goals. Can you expand on your thoughts on PLA, and how it creates barriers to hiring of small businesses and DBEs?

Ms. KARST. So, I am from a small State, work on small projects. project labor agreements are completely foreign to anything that we would do in the State of South Dakota or the State of Nebraska, where I work. We essentially have no union, no effective union presence in our State. We take care of our employees. We do a good job of taking care of our employees. And so, the opportunities for me would change dramatically.

And although I am a small contractor in the whole realm of things, in terms of AGC members, our member's average size, I believe, is about nine employees. I have 150 employees. So, for firms of that size to be able to participate effectively in projects that have those types of agreements is very detrimental, or very difficult for them to do. DOT projects have enough regulations on them as they go that it becomes difficult for smaller contractors to participate on that. But we figured that out on how to do that. Moving this—PLAs, in my opinion, move a whole other level of complexity to the process that, again, excludes smaller contractors for large contractors.

Mr. PERRY. Having been a small contractor myself, I would agree with you.

In your testimony, you also state recently the FHWA released a guidance memo highlighting that States should focus exclusively on maintenance and repair work on existing roadways before building new capacity. You are correctly pointing out that this policy was rejected by Congress in IIJA negotiations and paints a false narrative based on FHWA's own data, which states that 80 percent of roadway construction projects already repair existing roads and bridges.

Unfortunately, the FHWA is trying to impose the chairman's failed priorities by executive fiat—almost word for word, if you want to know. This is a completely unacceptable subversion of congressional intent and the law that must be rejected.

Congress rejected the policy because it misallocates resources and restricts localities and States from making planning decisions to meet their own needs. Can you expand at all upon the negative economic effect on the roadway construction industry, particularly small businesses like yourself and DBE construction firms that will occur if FHWA continues to pursue what I consider a perversion of the congressional intent?

Ms. KARST. Really, it comes down to opportunity and really, again, providing States flexibility to do what is right for them.

As you have said, 80 percent of the work is already in repair and maintenance. In my State I believe the number is more like 91 percent of the work is already repair and maintenance. So, it becomes unnecessary to even have the guidance, and a little bit confusing in the sense that there are projects in small communities and larger communities that I work in that are necessary for expansion, because we do have growth going on. And when we have growth going on—we have the land and the area to expand—being restricted to do those things by even a guidance makes projects more difficult.

Mr. PERRY. I am glad Washington is here to help you.

Finally, PLAs are not the only labor provision that tilt contracts in favor of closed-shop entities at the expense of open-shop minority and women-owned businesses and small businesses. Unfortunately, the DBE prevailing wages also stand in the way of greater small business and DBE participation. Do you think that some reforms are necessary, I guess, to ensure Federal funding is spent efficiently, and the DOT needs are met? Do you think some reforms are necessary?

Ms. KARST. Yes, I think that the Davis-Bacon needs to be updated. It needs to be broadened to include open-shop and union opportunities to give States the opportunity to update their particular wage scales more frequently, and as needed.

To be honest with you, Davis-Bacon in South Dakota is way below what anybody pays. But the rates that are in Davis-Bacon, we can't get them to come up. We can't get them to come up because there is not effective ways for an essentially non-union State to be able to affect those scales. So, it needs updating, and we need to have the flexibility to do what we need to do in our State.

Mr. PERRY. Thank you, Madam Chair. I yield the balance.

Ms. NORTON. Thank you. I now recognize Ms. Brownley for 5 minutes.

Ms. BROWNLEY. Thank you, Madam Chair.

Ms. Kupkac—I hope I am pronouncing your name correctly, I have a feeling I am probably not—first I want to thank you very, very much for your advocacy for women. You are passionate about it, and I appreciate it very much.

I was interested in your testimony, where you stated between February of 2020 and July 2021, more women entered the construction workforce than ever before, with an increase of 3.2 percent. Actually, you say the largest increase of any industry during that time. And during the same timeframe, men's participation in the construction industry actually decreased by 4 percent.

So, the time period that you are referencing is certainly around the height of COVID. I am just very curious to know what drove more women into the workforce during this timeframe.

Ms. KUPCAK. Thank you, Representative Brownley, for your comments and your kind words. Yes, that was actually an AGC/Autodesk report that we referenced in our comments and written testimony.

And what we have found—and also looking at a report from the Institute for Women's Policy Research—certainly many, many women were disproportionately impacted by the pandemic for reasons to need to stay home, to leave the workforce to care for family members who were either sick or children who were not able to be in school, or have childcare.

But we also saw many, many women reaching out to us and other tradeswomen organizations and pre-apprenticeship programs across the country saying, “I have had this opportunity to reflect, and I need to do something different to care for myself and my family, to have an economic security for my future and for my family.”

And I believe that also, one of the challenges that we had during the pandemic of providing training, especially at the beginning, in shifting to offering a hybrid model of remote training and in-person training, we reached more women. We reached more women in rural communities and other areas, where they didn't necessarily have a vocational school nearby, or a community college, or community-based program such as ours. So, we saw more women coming in, and we want to continue that trend, and we want to make sure that the women that come in stay in.

I hope that answers your question.

Ms. BROWNLEY. Yes, it does. Thank you very much. You also, in your testimony, noted that women, and particularly women of color, face discrimination in hiring and long-term employment. And amongst your recommendations was a requirement for contractors to do more to ensure respectful workplaces, worksites.

Do you have kind of a ballpark estimate on how many contractors currently require employees to receive workplace training on diversity and inclusiveness, including education related to ending sexual harassment on the job?

Ms. KUPCAK. Thank you so much for that question. And certainly, there are already Federal guidelines in place around affirm-

ative action and equal employment opportunity and anti-harassment.

I wish I had a number for you, and I wish I could say it is more than a handful that we have here in Portland who have committed to not just stating on paper that they have policies about harassment, but actually are implementing a strong and rigorous and engaging and proactive program such as Green Dot or RISE Up, or other programs that are intentional for our construction sector to mitigate harassment, hazing, and bullying, which are a huge cost to employers, right?

And so, we are lucky here, in the Pacific Northwest. Oregon Tradeswomen runs a program called RISE Up—Respect, Inclusion, Safety, and Equity—that was developed by our sister organization, ANEW, in Seattle, in partnership with the building trades and other industry partners. And we are seeing that that is making a difference in the workforce being retained, and in particular women, women of color, and people of color. But we have so much more work to do in this space.

But I thank you for your question. It is a very important—

Ms. BROWNLEY [interrupting]. I have one last very quick question. So, I have spent a lot of my time in Congress advocating for our Nation's veterans, particularly our women veterans. And I am just wondering if you have a way in which to reach out to women veterans in your community.

Ms. KUPCAK. We absolutely do. We work with our State veterans' affairs department. We have a lot of advocacy underway here in Oregon with our State Apprenticeship and Training Council. In fact, our executive administrator formerly worked for Helmets to Hardhats, Director Lisa Ransom. So, there is a lot of intentionality, and it is an incredible opportunity for returning vets to get into these careers, and particularly for women who have had those similar skills while serving our Nation.

Ms. BROWNLEY. Thank you so much, Madam Chair. I yield back.

Ms. NORTON. Thank you. I recognize Mr. Babin for 5 minutes.

Dr. BABIN. Thank you very much. I appreciate—

[Audio malfunction.]

Dr. BABIN. Testing. Better? OK, sorry. I hope they don't penalize me for that lost time.

Thank you very much. And I thank the witnesses for being here. And I would like to direct this question and statement to Ms. Karst.

Thank you so much for your expertise. As noted in your testimony, a historic level of funding was injected into the transportation and infrastructure sector with the passage of the Infrastructure Investment and Jobs Act, or IIJA.

However, we all know that simply throwing money at a problem doesn't always actually solve that problem. Throwing billions of taxpayer dollars at this industry without solving the supply chain crisis, pandemic recovery issues like fraud and abuse, major workforce shortages, overly burdensome, bureaucratic redtape, and other underlying issues will not actually allow us to see long-term sustainable improvement and investment in our Nation's infrastructure.

I represent a district in southeast Texas near the Houston area, nine counties, with more oil refineries in it than anywhere else in the country. I understand how dire the need for a skilled workforce is.

However, as you mentioned in your testimony—and I thank you for that testimony—when the Biden administration decided to prioritize projects based on labor preferences, they missed the mark. Although who is surprised that they put politics over people? The administration knew full well that they were risking companies' abilities to recruit and maintain a talented and capable workforce with their union-dictated Executive orders.

But like you said, they took something that really needed to be addressed at the very root of that problem, and put a liberal Band-Aid over it, and waited for the applause from people who have no idea what they are talking about.

At a conference last month, Senator Chuck Schumer, majority leader of the Senate, stated in his role as majority leader of the Senate he will fight to ensure that, quote, "every blanking [expletive substitution] Federal dollar only pays for union labor," further emphasizing his support for PLAs everywhere. Mind you, there was explicit language in his original quote that I won't be repeating. I try not to talk like that down where I am from.

But for everyone's awareness, IIJA says nothing about project labor agreements and definitely nothing about every dollar only paying for union labor. These comments are pretty concerning, especially to the 87.4 percent of non-union workers in that construction arena.

I have a letter here from more than 1,000 construction companies and another letter from nearly 20 business groups that all oppose Biden's PLA mandate. They say that PLAs discriminate against firms and workers based on whether or not their workers are union. So, if we could enter those into the record, I would appreciate it.

[The information follows:]

Letter of April 6, 2022, to President Biden and Vice President Harris from Associated Builders and Contractors et al., Submitted for the Record by Hon. Brian Babin

APRIL 6, 2022.

The Honorable JOE BIDEN,
President of the United States,
The White House, 1600 Pennsylvania Ave. NW, Washington DC 20500.
 The Honorable KAMALA HARRIS,
Vice President of the United States,
The White House, 1600 Pennsylvania Ave. NW, Washington DC 20500.

DEAR MR. PRESIDENT AND MADAM VICE PRESIDENT:

ABC and our undersigned state chapters and member companies strongly oppose your administration's efforts to encourage and require controversial government-mandated project labor agreements on federal and federally assisted construction contracts funded by taxpayers.

Associated Builders and Contractors and our members are committed to building taxpayer-funded construction projects with the highest standards of safety and quality and stand ready for the chance to build and maintain America's infrastructure. Federally funded construction is also critical to address the nation's infrastructure needs and has the potential to provide significant opportunities, particularly to

small construction businesses, as they continue to recover from the effects of the COVID-19 pandemic.

While Congress worked to enact a significant bipartisan infrastructure package and begin the process of modernizing our nation's infrastructure, your administration is taking a dangerously partisan approach that would defy congressional intent and effect the allocation of a significant portion of these funds. ABC and our members are concerned this EO could limit the ultimate success of the bipartisan bill and the communities it is meant to benefit.

PLA mandates unfairly discourage competition from quality, qualified nonunion contractors and their employees, who comprise 87.4% of the private U.S. construction industry workforce. PLA mandates also effectively prevent many small, women-, veteran- and minority-owned construction businesses and their workforce from participating in federally funded construction projects. Importantly, we believe that any federal investment in construction, including our nation's infrastructure, must ensure opportunity to all Americans, regardless of labor affiliation.

Executive Order 14063 would direct all federal agencies to require PLAs on federal construction projects exceeding \$35 million in total value to "promote the economy and efficiency in Federal procurement." However, multiple studies of hundreds of taxpayer-funded school construction projects found that PLA mandates increase the cost of construction by 12% to 20% compared to similar non-PLA projects.

In addition, recent government-mandated PLAs on federal and federally assisted projects have resulted in litigation, reduced competition, increased costs, needless delays and poor local hiring outcomes. Simply put, hardworking taxpayers are getting less and paying more when PLAs are encouraged or mandated during the procurement of federal and federally assisted construction projects.

The administration has a unique opportunity to uphold the bipartisan work included in the Infrastructure Investment and Jobs Act (Public Law 117-58) and other legislation that funds critical construction projects throughout the country.

ABC members, along with many other construction employers, provide well-paying jobs and benefits for their employees. ABC and our undersigned state chapters and members support fair and open competition and oppose government-mandated PLAs on federal and federally assisted projects because hardworking taxpayers deserve more efficient and effective policies that will encourage all qualified contractors and their skilled workforce to compete to build long-lasting, quality projects at the best price.

Sincerely,

ASSOCIATED BUILDERS AND CONTRACTORS.

[Editor's note: The 17-page list of ABC State chapter and member company signatories is retained in committee files and available online at <https://www.abc.org/Portals/1/2021%20Files/Government%20Affairs/Legislative/ABC%20and%20Members%20White%20House%20PLA%20EO%20Letter.pdf?ver=2022-04-06-122001-997×tamp=1649262007681>]

Letter of February 15, 2022, to President Biden from American Fire Sprinkler Association et al., Submitted for the Record by Hon. Brian Babin

FEBRUARY 15, 2022.

The Honorable JOSEPH R. BIDEN JR.,
The White House,
1600 Pennsylvania Ave., Washington DC 20500.

DEAR PRESIDENT BIDEN:

The diverse coalition of undersigned associations and organizations representing the interests of tens of thousands of companies and millions of skilled employees in the U.S. construction industry—building the foundation of America's economy—strongly opposes your administration's efforts to encourage and require controversial government-mandated project labor agreements on federal and federally assisted construction contracts funded by taxpayers.

We applaud the administration's leadership to improve and build new roads, bridges, schools, affordable housing and communications, water, energy and transportation systems in urgent need of public and private investment in order to keep America competitive in a global economy. However, Executive Order 14063,¹ which

¹ Executive Order 14063, *Executive Order Executive Order on Use of Project Labor Agreements For Federal Construction Projects*, Signed Feb. 4, 2022.

requires PLAs on federal construction contracts exceeding \$35 million, and other policies encouraging PLAs on federally assisted projects via grant programs administered by federal agencies for state and local governments,² will undermine taxpayer investment in public works projects financed by the Infrastructure Investments and Jobs Act of 2021 and additional bipartisan legislation passed by Congress and signed into law free from language requiring or encouraging the use of PLAs.

The administration's flawed rationale justifying pro-PLA policies³ ignores marketplace realities and broad opposition to government-mandated PLAs within the construction industry. The truth is government-mandated PLAs needlessly increase costs for taxpayers. These jobsite-specific collective bargaining agreements unique to the construction industry unfairly limit competition by some of America's best contractors. Ultimately, they exclude almost 9 out of 10 of the construction industry's workforce from the middle-class jobs and benefits created by government investment in infrastructure, affordable housing and clean energy projects.

When mandated by government agencies, PLAs can supersede and interfere with existing collective bargaining agreements contractors have already negotiated with various unions and prevent firms from using labor from certain unions, which is why some union organizations and contracting groups oppose government-mandated PLAs.⁴

In addition, typical terms within PLAs unfairly discourage competition from quality nonunion contractors and their employees, who comprise 87.4% of the private U.S. construction industry workforce, according to the most recent U.S. Bureau of Labor Statistics data.⁵

For example, a PLA typically requires companies to agree to recognize unions as the representatives of their employees on that job, use the union hiring hall to obtain most or all construction labor, exclusively hire apprentices from union programs, follow union work rules and pay into union benefit and multiemployer pension plans. This forces employers whose workers have freely made the choice not to join a union to pay "double benefits" into their existing employee benefit plans and union plans and places these qualified firms at a significant competitive disadvantage. In addition, research suggests that the few nonunion employees permitted to work on a PLA jobsite lose 34% of wages and benefits unless they pay union dues and/or join a union and meet benefits plan vesting schedules.⁶ In short, these anti-competitive provisions in typical PLAs promote wage theft, eliminate employee choice and make it extremely difficult for many nonunion, and typically small, minority- or women-owned firms to win public works contracts subject to anti-competitive PLAs.

The administration's broad assertion that businesses not affiliated with unions are unable to deliver safe, on-time, on-budget government construction projects while obeying federal labor laws and paying high wages to employees is unfounded. For example, federal government data indicates that, of the approximately 2,000 large-scale federal construction contracts procured from FY 2009 to FY 2021 subject to President Obama's Executive Order 13502 pro-PLA policy,⁷ at least 50% of contracts were awarded to prime contractors not signatory to unions.⁸ In addition, federal agency contracting officers chose to require PLAs on just 12 large-scale federal

²Federal dollars distributed to state and local governments via multiple grant programs administered by the departments of Treasury, Transportation, Agriculture and Interior encourage state and local applicants to mandate PLAs on water, sewer, broadband, offshore wind, energy and infrastructure projects.

³*White House Fact Sheet: President Biden Signs Executive Order to Boost Quality of Federal Construction Projects*, Feb. 3, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/03/fact-sheet-president-biden-signs-executive-order-to-boost-quality-of-federal-construction-projects/>.

⁴*Union Leaders and Contractors Oppose Government-Mandated Project Labor Agreements Too*, March 1, 2021, <https://tinyurl.com/yc727s58>.

⁵See *bls.gov Union Members Summary*, Jan. 20, 2022, <https://www.bls.gov/news.release/union2.nr0.htm>.

⁶McGowan, John R., PHD, CPA, *Government-Mandated Project Labor Agreements Result in Lost and Stolen Wages for Employees and Excessive Costs and Liability Exposure for Employers*, October 2021.

⁷President Obama's Executive Order 13502 encourages federal agencies, on a case-by-case basis, to require PLAs on federal construction projects exceeding \$25 million in total value and permits states and localities to mandate PLAs on federally assisted projects in order to "promote the economy and efficiency in federal procurement." See *FAR Case 2009-005, Use of Project Labor Agreements for Federal Construction Projects*, published April 13, 2020, effective May 13, 2010, and Executive Order 13502, *Use of Project Labor Agreements for Federal Construction Projects*, signed Feb. 6, 2009, (<https://www.govinfo.gov/content/pkg/FR-2009-02-11/pdf/E9-3113.pdf>).

⁸Federal contract award data downloaded from usaspending.gov compared to list of nonunion general contractors, December 2021.

construction contracts out of more than 2,000 opportunities. There were no reports of widespread cost overruns, delays, labor unrest or poor-quality construction on non-PLA projects, indicating that PLA mandates are not needed to ensure economy and efficiency in government contracting.⁹

However, government-mandated PLAs on federal and federally assisted projects¹⁰ during this time period have resulted in reduced competition, increased costs, delays, poor local hiring outcomes and litigation. In addition, multiple studies of hundreds of taxpayer-funded affordable housing¹¹ and school construction projects found that government PLA mandates increase the cost of construction by 12% to 20% compared to similar non-PLA projects already subjected to state prevailing wage regulations.¹²

In short, hardworking taxpayers are getting less and paying more when PLAs are encouraged or mandated by the government on federal and federally assisted construction projects. In addition, PLA requirements will exacerbate the construction industry's skilled labor shortage of nearly 500,000 workers, reduce competition from experienced contractors and undermine the Biden administration's ability to meet its infrastructure, affordable housing and clean energy agenda without strong participation from businesses and construction workers directly harmed by anti-competitive and costly pro-PLA policies.

Our coalition asks you to promote inclusive, win-win policies that welcome all of America's construction industry to compete to rebuild our nation's infrastructure, increase accountability and reduce waste and favoritism in the procurement of federal and federally assisted construction projects. Ensuring fair and open competition on taxpayer-funded construction projects will ultimately result in savings to taxpayers, more opportunities for all qualified small, minority- and women-owned businesses in the construction industry and the completion of more quality infrastructure projects on time and on budget.

Sincerely,

AMERICAN FIRE SPRINKLER ASSOCIATION.
AMERICAN PIPELINE CONTRACTORS ASSOCIATION.
AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION.
ASSOCIATED BUILDERS AND CONTRACTORS.
BUSINESS COALITION FOR FAIR COMPETITION.
CONSTRUCTION INDUSTRY ROUND TABLE.
ELECTRONIC SECURITY ASSOCIATION.
INDEPENDENT ELECTRICAL CONTRACTORS.
NATIONAL ASSOCIATION OF HOME BUILDERS.
NATIONAL BLACK CHAMBER OF COMMERCE.
NATIONAL READY MIXED CONCRETE ASSOCIATION.
NATIONAL STONE, SAND & GRAVEL ASSOCIATION.
NATIONAL UTILITY CONTRACTORS ASSOCIATION.
PLASTICS PIPE INSTITUTE.
POWER AND COMMUNICATION CONTRACTORS ASSOCIATION.
SMALL BUSINESS AND ENTREPRENEURSHIP COUNCIL.

Dr. BABIN. Can you please explain, Ms. Karst, how Government-mandated PLAs are hurting your industry?

Ms. KARST. Again, as I said before, I have no experience on a PLA. I have read about PLAs, I can rely on the knowledge of my

⁹With or without a PLA, all federal projects are subject to federal Davis-Bacon prevailing wage regulations, which typically require union-scale wages for building, heavy and highway projects where PLAs are typically considered.

¹⁰<https://thetruthaboutplas.com/2021/03/10/government-mandated-project-labor-agreement-failures-on-federal-and-federally-assisted-construction-projects/>.

¹¹Ward, Jason M., *The Effects of Project Labor Agreements on the Production of Affordable Housing: Evidence from Proposition HHH*. Santa Monica, CA: RAND Corporation, 2021. https://www.rand.org/pubs/research_reports/RRA1362-1.html.

¹²See multiple studies measuring the impact of PLA mandates on public school construction already subject to state prevailing wage laws in Connecticut, Massachusetts, New Jersey, New York and Ohio by the Beacon Hill Institute (<http://beaconhill.org/labor-economics/>); an October 2010 report by the New Jersey Department of Labor and Workforce Development, *Annual Report to the Governor and Legislature: Use of Project Labor Agreements in Public Works Building Projects in Fiscal Year 2008* (https://www.nj.gov/labor/forms_pdfs/legal/2010/PLAReportOct2010.pdf); and a 2011 study by the National University System Institute for Policy Research, *Measuring the Cost of Project Labor Agreements on School Construction in California* (<http://www.nusinstitute.org/assets/resources/pageResources/Measuring-the-Cost-of-Project-Labor-Agreements-on-School-Construction-in-California.pdf>).

fellow contractors in AGC. And the reality is that what I do as a contractor, and what the 87 percent that you just talked about do, is we provide good jobs for our employees. We pay our employees well, we pay our employees great benefits—in some cases, better benefits than are in the unions.

If our employees were forced to go on a project labor agreement, one of the things that could happen in our area, where there really is no union representation, is they would be forced to pay union dues for union benefits that they would never be able to take part of.

So, as far as—we are—I have a saying in our company—the people come first. And I really believe that, in order to have a good business, I have to treat my people well. I can't survive without treating my people well, and I don't need the Government to tell me how to do that. I know instinctively how to take care of my employees. And if I didn't, I would not have the 150 employees that Congressman Johnson talked to me about.

And so, what I am advocating for is letting us run our businesses the way it is best for the area that we live in.

Dr. BABIN. Absolutely, I could not agree more. And I don't have any further followup questions, so, I will yield that back.

Thank you, Ms. Karst, I appreciate it.

Ms. WILLIAMS OF GEORGIA [presiding]. Mr. García is recognized for 5 minutes.

Mr. GARCÍA OF ILLINOIS. Thank you, Madam Chair and Chair DeFazio, for holding this hearing on workforce development and job creation in the surface transportation industry. This issue is very close to my heart and very important to my district, which is a heavily Latino district in Chicago that has a lot of transportation, construction, and contracting businesses.

The Infrastructure Investment and Jobs Act authorizes \$1.2 trillion to invest in our infrastructure, including \$660 billion for the U.S. Department of Transportation. This level of investment is historic, but we ensure the benefits of this funding flow from States, transit agencies, and prime contractors to Black and Latino businesses and workers.

For too long, minority businesses, especially Black and Latino businesses, have not received an adequate portion of contracts in the transportation, construction, and contracting industries. That discrimination not only shatters the hopes and dreams of many business owners and workers, but ends up leading to disinvestment in these same Latino and Black communities.

There are some really important programs in the IIJA that will help make meaningful progress in giving current and future Black and Latino transportation businesses and workers opportunities for success, including the U.S. Department of Transportation's Disadvantaged Business Enterprise, or DBE, program.

But we have got to do more. Next week, I will introduce comprehensive legislation to improve and strengthen the U.S. Department of Transportation's Disadvantaged Business Enterprise program and the Small Business Administration's 8(a) Business Development program. This legislation will strengthen these programs by increasing the personal net worth caps to account for inflation, conforming to the U.S. Department of Transportation's

DBE size standard with the Small Business Administration standards, and create universal recognition of DBE certifications. That means that DBE certifications will now be recognized across the States, instead of the current patchwork system.

I look forward to working with members of this committee and stakeholders on my legislation addressing these issues.

A question for Ms. Rai.

In your testimony, you highlight some of these issues you would like to see addressed in the DBE program, like the personal net worth cap, or the DOT size standards that my legislation would propose addressing. In your opinion, do you believe this committee should advance and mark up legislation that would accomplish those goals?

Ms. RAI. Thank you so much, Representative García, and for your leadership in this effort.

Yes, COMTO would like to see closer oversight by DBE officers to avoid fraudulent front companies through more vigorous training programs for certification and compliance officers, and a stronger and clear definition of “good faith efforts” with fewer waivers from DBE goals granted to majority-owned firms.

In addition, you spoke about DBE size standards. We do support action that would conform the U.S. DOT’s DBE size standard with the Small Business Administration standards. We believe it is a simple fix to a big problem.

In the interest of fairness and consistency, and the survival of small, minority-owned businesses, we believe that the U.S. DOT should use the Federal Aviation Administration’s model, and use SBA size standards when making determinations with regard to small business status.

Mr. GARCÍA OF ILLINOIS. Thank you very much.

Ms. Kupcak, do you agree that this committee and the U.S. Department of Transportation should work on legislative and regulatory fixes to these issues, including the ones you raised in your testimony?

Ms. KUPCAK. Representative García, thank you so much for your question and for your comments.

Yes, I do believe that the committee and Congress have an opportunity to—without burdening or adding significant administrative burdens to employers—enact policy and strategies that we have seen that have demonstrated, in the real world, outcomes that are not just good for business, but are good for workers.

And I would like to commend Ms. Karst, as president of BX Civil & Construction, that she is committed to the workers that she employs. But I would also say that not every employer believes in or does the right thing. And so, making sure that public investments are high road for workers and for businesses, including DBEs, it is—that is a critical moment for us to shift historic marginalization of those entities, and ensure that all Americans working on publicly funded projects have access to economic security and dignity in their work.

I hope that—

Mr. GARCÍA OF ILLINOIS [interrupting]. Thank you so much.

Ms. KUPCAK [continuing]. Answers your question. Thank you.

Mr. GARCÍA OF ILLINOIS. Thank you.

And I yield back, Madam Chair.

Ms. WILLIAMS OF GEORGIA. Mr. LaMalfa is recognized for 5 minutes.

Mr. LAMALFA. Thank you. I appreciate the opportunity here. Let me ask Ms. Karst about—with the—I don't know how much has been covered today, but the local hire issue, OK, means a great deal to people in the districts, especially—we have disaster issues that happen on certain jobs that post-disaster would be very helpful to have local input and local work on that, and construction projects, all manner of things. And Government sometimes claims, hey, it is going to make an effort to strengthen and utilize local hire.

But what is your take on these preferences, this emphasis on local hire? What does that really mean as far as the work of getting the contracting done, the contractors being able to do their job, and using their own corps versus, as much as possible, of a local hire?

Ms. KARST. Again, I am going to fall back to the same word, “flexibility.” The reality is that my employees are local employees that have jobs with me.

My jobs aren't always local. And so, I may have to displace my workers if I am on a job that is somewhere else.

And in reality—I will just give you a quick, real example. The unemployment in South Dakota in my area is about 2.6 percent. My biggest project is 3 hours away, in Norfolk, Nebraska. The unemployment is about 2.1 percent. There are no workers for me to hire locally there. We are trying to, because we need workers, so, we would hire locally. We have a huge advertising campaign to go there. But I think what we need to do is provide the flexibility to do what makes a construction project——

Mr. LAMALFA [interrupting]. What is your experience with the flexibility on saying, hey, there is low unemployment in these areas. Is there some kind of factor that kicks in, some kind of trigger or what have you, that would say local goals are being met, we don't need to do that, and still fulfill the spirit of it? Do you find that is being written into any of these?

Ms. KARST. At least we need that flexibility.

Mr. LAMALFA. You need it. But do you find that that occurs currently, whether it might be——

Ms. KARST. I——

Mr. LAMALFA [continuing]. Provisions?

Ms. KARST. So, this is—the example that I have of local hire is I work also—we have quite a few reservations in South Dakota, and so, there are local hire-type arrangements with the Tribes. And we do hire people locally, and those are usually based on quotas. And what we find, it works fine as long as it is a percentage of my crew that I can keep my crew safe while they are out there working.

So, for example, if I am going to bring a crew of 20 people out there, I can't have 20 new people out there, because I can't assure the safety and the safeness of the work that needs to happen out there. So, as long as I have the flexibility to supplement my existing forces, who I know is trained on how to do the work, I can deal with the local hire.

But the other thing that I will tell you, that there is—a little bit of a fallacy about the local hire, from my experience, is will they stay with us? Will they stay in the industry? And that is what we have found in 30 years of working on the reservations. We go out there, we provide good jobs, we find good employees, we find some good employees, and we want them to stay with us, and to find careers in our industry, and we haven't had very much luck with that.

Mr. LAMALFA. OK. So, do you find it might make certain contractors avoid bidding on certain projects if they find that those constraints seem too narrow?

Ms. KARST. Absolutely. There are people that won't bid on jobs because of that.

Mr. LAMALFA. OK. What do you find—a lot of discussion in committee here today about supply, not just to local hires, but we are hearing a lot about minority hire, and gender hire, or even, in some cases, disability hire, disabled veterans and such. And so, each certain—depending on the project, they have to have a percentage of all those things on a project.

And what I hear about anecdotally at home is that, like, well, they have to go out and find somebody and, even in some cases, make up a shell corporation fitting one of these—a shell company, a shell contractor, subcontractor, to get this done. How much problem do you find it is trying to fulfill some of these numbers in some cases?

Ms. KARST. I can't tell you that I have a lot of experience working on contracts that have given me certain numbers.

I can tell you that what we do is we need every employee we can get. As a female in the industry who started 30 years ago, the cause of trying to find female trades workers is huge. I mean, the numbers that the chairman talked about being 10 percent of women in the industry really become much less when you start getting to the trades. When you start getting to skilled trades in the construction industry, the numbers that I see are more like 3 or 4 percent.

Mr. LAMALFA. So, where is the fault in that? Is it the contractor? Is it somewhere in the education process?

I mean, if you are trying to force feed in there, and you don't have the people that are up for it, where is the fix?

Ms. KARST. I think what AGC would advocate for is more funding to CTE programs, and forcing those types of programs to—

Ms. WILLIAMS OF GEORGIA [interrupting]. The gentleman's time has expired.

Ms. KARST [continuing]. Emails, that kind of thing.

Mr. LAMALFA. Thank you.

I yield back.

Ms. WILLIAMS OF GEORGIA. I recognize myself for 5 minutes.

Ms. Smith, your testimony highlights a key issue. Not only are women and minorities underrepresented in the construction workforce at large, but when you consider industry positions ranked "official" and "supervisor," there is an even greater disparity. How can Congress support State efforts to move women and minorities into higher ranking positions within the industry?

Ms. SMITH. Thank you for that question, Representative, and I would like to address that.

One of the challenges first I want to mention is how women and minorities, especially women who are minorities, are identified at the Federal level. I think that needs addressing. Usually you have non-minority versus minority, and then gender. So, I do think that supporting programs designated for women of color in particular would be very, very beneficial to the entire industry.

How do we get women and minorities to a higher level? Because they are underrepresented. One of the things that our agency is doing is looking at creating partnership and collaborations with non-traditional partners, working with collaboration agreements with our community colleges, with our university systems, our HBCUs, but also creating incubator-type programs to really enhance the transportation industry, working with our local companies who need these skilled laborers to help train the workforce.

Something that is innovative that North Carolina did was actually our internal State agency began to work with our OJT program itself to train individuals for recruitment back to the agency, and also back into the industry. Those are just one of many things that we can do to support the upskilling of these workers.

Ms. WILLIAMS OF GEORGIA. Thank you, Ms. Smith.

Ms. Kupcak, how have barriers to career advancement in the construction industry impacted tradeswomen and other underrepresented groups?

Ms. KUPCAK. Thank you, Representative, for your question. It is an important one.

Certainly, getting into the construction trades is important, and I believe that does begin with career education early on, even into middle school and high school. And myself and my colleagues across the country who run community organizations such as Oregon Tradeswomen, we do a lot of that work.

But another barrier is the industry's continued sort of macho attitude and toxic jobsite culture that drives good tradeswomen and people of color to leave the industry when those kinds of behaviors are allowed to become part of our workplace. And the efforts underway and referenced in the memorandum of agreement between the U.S. Department of Transportation and Department of Labor earlier this year referencing the need for additional equity measures and anti-harassment measures is certainly key in retaining qualified, skilled, and diverse workers.

I hope that answers your question.

Ms. WILLIAMS OF GEORGIA. Thank you. Under the competitive bidding laws, federally assisted construction contracts are generally required to be awarded to the lowest cost bidder. Prevailing wage requirements ensure that federally assisted projects are not awarded to unscrupulous contractors who underbid the competition with low wages or poor benefits for workers.

Mr. Booker, can you discuss the impact to construction workers if prevailing wage requirements are not in place?

And do prevailing wage requirements only benefit union members?

Mr. BOOKER. Prevailing wage requirements benefit all workers. And in the communities where the wages are higher, it lifts the

wages for—whether or not you are a union worker or not a union worker. That is what the Government—what the mark is.

And like Kari testified earlier, the wage rates, the prevailing wage in her home State, are far below of what is going on out there, and what people are being paid. So, the prevailing wage boosts the economy. It boosts the worker. We are talking—how do you fight inflation? How do you do that?

Cutting wages is not the way to do that. Making sure that people have a job, a job with dignity, a job with a healthcare benefit, a job with a pension, that is how you counter these things. And making sure that you value and you treasure the people who are applying their skills day in and day out, that is who we represent, and that is what we do day in and day out.

Ms. WILLIAMS OF GEORGIA. Thank you.

Director Lew, as you know, the IIJA provided new authority for States and cities to implement contracting requirements that address local needs on federally assisted infrastructure projects. Why is it necessary for States and cities to have these types of flexibilities in setting the terms of their construction contracts?

Ms. LEW. Thanks for the question, and I think, looking at the issue I addressed in my testimony, it is really important that, when we think about building infrastructure projects, we think about those as fitting into a context that is part of a community, right?

We all talk about infrastructure spending in terms of big numbers and big job numbers. What that means is that every dollar we put in supports somebody's employment. And if we are trying to make sure that there is equity in the way that that is distributed, having these mechanisms to sort of put the jobs in the places that are also bearing the impact of the projects is really important.

I think there is also—

Ms. WILLIAMS OF GEORGIA [interrupting]. Unfortunately, Director Lew, my time has expired, but I would love to get this full answer so that we can have it on the record.

Ms. LEW. Absolutely, happy to submit a longer answer for the record.

Ms. WILLIAMS OF GEORGIA. Thank you so much.

Mr. Fitzpatrick is now recognized for 5 minutes.

Mr. FITZPATRICK. Thank you, Madam Chairwoman.

Mr. Booker, good to see you, sir. Thanks for joining us today. In your opening statement you had mentioned registered apprenticeship programs. I, along with many of our huge supporters of building trades, I am a big believer in these programs, and I believe they can help us have that skilled workforce that we need to be competitive in the future. And it is critical that the next generation of workers be as specialized as the current ones.

You had mentioned that your registered apprenticeship programs offer a debt-free career path. So, I have, really, a three-part question.

First, could you tell us what costs are covered, and which costs aren't?

Second, are apprentices themselves responsible for any costs associated with the program?

And then lastly, do you receive any Federal money for your registered programs?

Mr. BOOKER. Thank you for the question, Congressman Fitzpatrick, and thank you for your support on these previous issues.

So, to answer your question, if I get them right, on debt-free I did testify earlier that registered apprenticeship is debt-free. Our system allows for an apprentice to go to school while he works. It is an earn-as-you-learn program. So, as you enter the program, you are getting classroom training nights and on weekends. You are getting your hours to graduate through the apprenticeship program. That is no out-of-pocket costs for you. You are actually getting paid at a scaled rate based on what the prevailing wage is, what the collectively bargained rate is, and you are not paying any money out of pocket.

As far as the individual cost to the apprentice, there is no schooling cost. You may have to pay transportation costs, you may have to pay, if there are requirements for the job you are at for a particular type of clothing or PPE that isn't covered by the employer, there is potential for out-of-pocket costs there. But as far as the schooling and the education, there is no cost for that.

And when it comes to Federal assistance, we don't have any. We have negotiated through our collective bargaining agreements for decades a system in which our members partnered with our contractors. And rather than put those wages on their check, they have deferred those moneys, or they put those moneys into these training contributions. And those training contributions have added up, as I testified, to over \$2 billion annually that we spend on training.

So, the individual apprentice doesn't spend any money, the Federal Government doesn't spend any money. That is a relationship, a collective bargaining relationship that we, as the unions, worked with collectively with our contractor partners to put training as a priority to make sure that we have the world's best, safest, and skilled workforce.

Mr. FITZPATRICK. Thank you, Mr. Booker, for answering that on the record, because we want that on the record as we are pushing hard to advance apprenticeship programs. It is critical to rebuilding the nuts and bolts of America, particularly following on the heels of the bipartisan infrastructure bill. And there is no better way to deal with our labor and workforce shortages than invest heavily in these apprenticeship programs.

Madam Chair, I yield back.

Ms. WILLIAMS OF GEORGIA. Mrs. Steel is now recognized for 5 minutes.

[No response.]

Ms. WILLIAMS OF GEORGIA. Mr. Stauber is now recognized for 5 minutes.

Mr. STAUBER. Thank you, Madam Chair. Thank you all for being here today.

Whenever we talk about investments in our infrastructure, we should be talking about the real infrastructure that ordinary Americans rely on: roads, bridges, broadband, ports, airports, and the like. These same infrastructure investments are the very ones that employ my neighbors and our hard-working union men and women.

Almost every day I hear from employers and unions back home about their desperate need for a skilled workforce. Without a properly trained and prepared workforce pipeline, our trades industry will continue to see a reduction of qualified talent for decades to come.

This is why I am very proud of the fact that I was able to join several colleagues and introduce and pass through the House the National Apprenticeship Act on a bipartisan basis. I am eager to see that bill pass the Senate and get signed into law, so that we can keep staffing up our halls and get labor organized on our projects.

I was also proud to have introduced an amendment in the Natural Resources Committee to strengthen and support PLAs, which enjoyed unanimous support from Republicans.

Mr. Booker, can you please speak a little bit about the importance of registered apprenticeships to the workforce pipeline and future infrastructure projects and investments?

Mr. BOOKER. Yes, thank you for the question. Registered apprenticeship is the foundation of our unions, and it is, quite frankly, the foundation of our country. When you talk about the investment that we are going to have in the next 10 years, and the acts of this Congress to put real money behind this, you have got to have that workforce. You have got to have that workforce in order to do that.

We believe, and we know that our system is like no other. And the training that we do, whether it is a 3-, 4-, or 5-year program, to give the people the skill sets, to apply those skill sets as they are building the Nation's infrastructure so that upon completion of their apprenticeship, 3, 4, 5 years of completion, they are a journeyman, they are a journey person. They are able to apply those skills for the rest of their life and be firmly entrenched in the middle class.

Mr. STAUBER. And the apprenticeship program—we talked about cost, which is little to none, but the experience you get is second to none.

Can you also please speak about how permitting delays and frivolous lawsuits kill skilled jobs and prevent good union men and women from getting the job done on time and on budget?

Mr. BOOKER. Yes. And the permitting in this country has gotten to the point where we have lost predictability. And anybody, whether you are a contractor, an owner, a developer, a craftworker, you want to know what happens on Monday. You want to know you are going to be able to go to work, you are going to be able to perform your craft, you are going to be able to get paid.

If you don't have the permits in place, and if you are going through this arduous process, it is lengthening the process to get the actual project built. And, as we have talked about, materials and cost of how—that they have increased over the years. If you were expecting to build a project starting in 2018, and 4 years later you still haven't built that project, the material costs alone have increased. So, it is creating a backlog of problems, and it is creating a problem.

And again, it is not just a union versus non-union problem. Any project that is not permitted is preventing people from going to work.

Mr. STAUBER. Right. Can we talk briefly about the NEPA process?

Are you encouraging a change in the NEPA process? And I will give you an example. We have a mine in northern Minnesota that has been in its 19th year of permitting that had a PLA or what have you, and through frivolous lawsuits, et cetera. Are you working to support a change in the NEPA regulations and laws to reduce the redundancy and the frivolous lawsuits?

Mr. BOOKER. We have supported previous legislation in this body and at the Senate where you are looking to streamline the process. I believe in a permitting process. I believe that you have to go through the process to make sure. But you shouldn't have to go through the same process six times to get the same project the permit that it needs.

So, if we have the ability to have Federal agencies, State agencies, local agencies look at the same time for what is needed, so then once you have—that decision is made, you have a window, lawsuits are done, cleared, and out of the way, then we are able to go to work. So, we are supportive of that.

Mr. STAUBER. The certainty is really important.

And I will say you brought up timely projects. In northern Minnesota, we don't have a 12-month season. We have 8, 9, and sometimes we are lucky and get 10 months in. And so, the NEPA changes and these policies need to be changed to allow those folks in the Northern States to be able to get these projects done, because sometimes just a frivolous lawsuit or a delay will take a whole other year, a whole other construction year, which is going to delay the project even more so.

I appreciate all the comments here, and I just appreciate having you answer these questions.

Thank you and, Madam Chair, I yield back.

Ms. WILLIAMS OF GEORGIA. Mrs. Steel is recognized for 5 minutes.

[No response.]

Ms. WILLIAMS OF GEORGIA. That concludes our hearing.

I would like to thank each of the witnesses for your testimony today. Your comments have been informative and very helpful, especially for me.

I ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing.

I also ask unanimous consent that the record remain open for 15 days for any additional comments and information submitted by Members or witnesses to be included in the record of today's hearing.

Without objection—

Mr. RODNEY DAVIS OF ILLINOIS [interrupting]. I object. Just kidding.

[Laughter.]

Ms. WILLIAMS OF GEORGIA [continuing]. So ordered.

This subcommittee stands adjourned.

[Whereupon, at 3:58 p.m., the subcommittee was adjourned.]

SUBMISSIONS FOR THE RECORD

Prepared Statement of Hon. Sam Graves, a Representative in Congress from the State of Missouri, and Ranking Member, Committee on Transportation and Infrastructure

Thank you, Chair Norton, and thank you to our witnesses for being here today. I appreciate the flexibility the Committee provided all members by postponing this hearing and allowing everyone to observe the passing of our former Chairman, Don Young.

And I appreciate the flexibility shown by the Committee to allow witnesses to testify in person or via Zoom.

And while I appreciate the flexibility the Committee continues to show members and witnesses, it would be nice if this Administration also showed a little flexibility to the communities we all represent.

Their one-size-fits-all workforce policies simply will not fit the local needs of every community throughout the country.

I anticipate a robust discussion today about efforts to ensure that our country has a readily available, professional, skilled-craft workforce—in sufficient numbers—that can deliver transportation projects across the country on time and on budget.

Communities must have the flexibility to make choices and decisions based on their local needs.

But the Biden Administration isn't providing flexibility, and continues to push policies that favors certain workers over others without regard to state, local, and other market conditions.

We're already anticipating the need for more construction workers, yet this Administration is adding more onerous requirements that will only further delay investments and erode the value of this infrastructure investment, on top of increased costs from runaway inflation.

Government policies must remain flexible, ensuring that all communities have the ability to locate skilled craftsmen and craftswomen that can meet their local project needs.

Thank you, Chair Norton. I yield back.

Statement of the American Association of State Highway and Transportation Officials, Submitted for the Record by Hon. Eleanor Holmes Norton

INTRODUCTION

The American Association of State Highway and Transportation Officials (AASHTO) appreciates the opportunity to submit this Statement for the Record to the Subcommittee on Highways and Transit. As the association that represents the transportation departments of all 50 States, Washington, DC, and Puerto Rico, AASHTO provides the perspective of the nation's state departments of transportation (state DOTs) on a wide range of transportation policy matters. AASHTO is pleased to provide our perspectives as part of the hearing titled "Examining Workforce Development and Job Creation in Surface Transportation Construction".

AASHTO is grateful for the work of this Subcommittee and the full Committee on Transportation and Infrastructure for your work to pass the Infrastructure Investment and Jobs Act (IIJA) last year. The IIJA was a truly monumental piece of legislation that will address many of this nation's transportation infrastructure investment needs. AASHTO appreciates the increased federal funding in the IIJA for all modes of surface transportation and are working with the U.S. Department of Transportation on the implementation of this important legislation.

However, this increase in federal funding, and the commensurate increase in state funding for transportation infrastructure, brings with it an increased challenge related to workforce development and workforce retention.

State DOTs are increasingly utilizing strategic workforce management to predict, prepare for and manage workforce needs. Congress is a key partner in addressing these challenges and AASHTO appreciates the ongoing work in this area by this Subcommittee and Congress.

STATE DOTs AND WORKFORCE DEVELOPMENT

State DOTs need proven and effective workforce development and workforce retention strategies to manage complex workforce management issues. State DOTs strive to have the capacity to respond to a changing work environment due to the COVID-19 pandemic and the increased use of technology to plan, implement and deliver the transportation system this country relies upon today and into the future. This means State DOTs need to remain innovative and nimble to respond to a myriad of workforce and workplace challenges.

Strategic workforce management, the systematic approach used to predict, prepare for, and manage workforce needs, is an urgent and critical issue for state DOTs. DOTs across the nation have increasingly expressed concerns about aligning the needs and priorities of the DOT with those of its workforce to place the agency in the best position for ongoing success. As technology and innovation advance, and public expectations and demands for more service delivery rise, agencies will need to reimagine their workforce. DOT constituents are increasingly demanding transparency, accountability, increased personalized communication, and on-demand service delivery.

The new technologies associated with this work require different skillsets and competencies than those of traditional DOT employees. Also, as the new generation entering the workforce seeks agility and innovation, and brings a service-delivery mindset, state DOTs need to adjust to the culture of the new workforce to recruit and retain these employees. Restructuring, increased diversity and inclusion, greater employee buy-in and collaboration, and organizational culture change may be required for DOTs to succeed in the future.

Workforce talent management is experiencing increased workforce movement as well as talent shortages. As a large portion of the DOT workforce is comprised of baby boomers, their impending retirement could result in significant knowledge loss. These retirements will also result in employees being promoted more quickly and, therefore, entering new positions with less experience and skills. In addition, fewer people are entering the transportation industry as a career, and the new skillsets needed increase recruitment and retention challenges.

State DOTs are using innovative approaches to address workforce management issues. For example, seven state DOTs are currently partnering with the Center for Employment Opportunities (CEO) to provide employment to formerly incarcerated individuals. CEO crews support the state DOTs with litter abatement, vegetation management and landscaping, bridge and structure maintenance, and snow removal.

CEO's partnership with the California Department of Transportation (Caltrans) began in 2011 and CEO now has nearly 30 crews across the state. CEO provides reliable, high-quality service throughout California, managing litter abatement along highways in 8 counties. These crews provide immediate employment to over 2,000 of California's returning citizens.

CEO's partnership with the Colorado Department of Transportation (CDOT) began in May 2017 to help address a labor shortage that prevented CDOT from keeping up with necessary bridge maintenance. CEO and CDOT now operate 4 crews around the Denver and Colorado Springs metro areas.

AASHTO STRATEGIC PLAN

AASHTO's recently developed Strategic Plan (Plan) includes a goal and objective to "Build Transportation Workforce Capabilities". To implement this goal and objective, the Plan includes a strategy to proactively shape the future of the transportation workforce, provide the resources to fill skill gaps, build capacity and plan for the future. This strategy includes several elements, including:

- Develop the next generation of leaders and workforce
- Provide the resources to meet evolving business needs
- Create a workplace culture of innovation and continuous improvement
- Support attracting and retaining talent
- Expand capacity-building products and services
- Provide Knowledge Management resources

- Pursue funding for workforce development efforts
- Increase diversity, equity and inclusion

AASHTO SUBCOMMITTEE ON TRANSPORTATION WORKFORCE MANAGEMENT

To assist the state DOTs with workforce management challenges, AASHTO is also developing the new Subcommittee on Transportation Workforce Management within our Committee on Knowledge Management. This Subcommittee will provide proven, effective strategies to navigate workforce management issues and become a community of practice for state DOTs on strategic workforce management. The Subcommittee will address activities that enable comprehensive and intentional strategic workforce management, such as assessing workforce and workplace diversity, equity, and inclusion, and assessing the capabilities and effectiveness of current the workforce and identifying competency gaps.

CONCLUSION

State DOTs face many unique and complex workforce issues and challenges. The different workforce and workplace demands inherent in DOTs requires strategies and approaches specific to the nature of their work. But through collaboration with one another and industry partners, along with the sharing of ideas, best practices resources and knowledge, state DOTs can lead the way in finding innovative solutions to the problems of today and creating the opportunities of tomorrow.

Letter of April 26, 2022, to Hon. Eleanor Holmes Norton and Hon. Rodney Davis from Kristen Swearingen, Vice President, Legislative and Political Affairs, Associated Builders and Contractors, Submitted for the Record by Hon. Brian Babin

APRIL 26, 2022.

The Honorable ELEANOR HOLMES NORTON,
Chair,
House Committee on Transportation and Infrastructure, Subcommittee on Highways and Transit.

The Honorable RODNEY DAVIS,
Ranking Member,
House Committee on Transportation Infrastructure, Subcommittee on Highways and Transit.

DEAR CHAIR NORTON AND RANKING MEMBER DAVIS:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 69 chapters representing more than 21,000 members, I write to comment on the U.S. House Committee on Transportation and Infrastructure Subcommittee on Highways and Transit hearing titled, "Examining Workforce Development and Job Creation in Surface Transportation Construction."

According to the subcommittee's description, "The purpose of this hearing is for Members of the subcommittee to learn about the current state of the surface transportation construction workforce, how recent investments in American infrastructure will increase the need for a skilled construction workforce, and how current programs and initiatives can provide pathways into the construction sector." ABC is happy to offer feedback to the subcommittee on how members can ensure that jobs and opportunities from the recently passed Infrastructure Investments and Jobs Act can provide pathways into the construction sector for all Americans.

SNAPSHOT OF THE CONSTRUCTION INDUSTRY LABOR MARKET:

Construction is poised to power America's recovery and economic engine, as the industry offers competitive wages and many opportunities to both begin and advance in an industry that builds the places where we live, work, play, worship, learn and heal.

The construction industry added 19,000 jobs on net in March, according to ABC analysis of data released by the U.S. Bureau of Labor Statistics. After 23 months of recovery, construction employment has at last exceeded pre-pandemic levels. On a year-over-year basis, industry employment has expanded by 220,000 jobs, an increase of 3.0%. However, the construction industry continues to face many workforce development challenges going forward, particularly the need for qualified, skilled

craft professionals, as the industry faces a shortage of 650,000 workers in 2022, according to ABC's workforce shortage model.

With the implementation of the Infrastructure Investment and Jobs Act and the American Rescue Plan, the federal government will pump hundreds of billions in new spending into our nation's most critical infrastructure, and qualified craft professionals are essential to efficiently modernize roads, bridges, energy production and other projects across the country. However, to fully take advantage of the investments in infrastructure, Congress should note that more regulations and less worker freedom will make it harder to fill any potential job created.

To help meet this demand, ABC member contractors use flexible, competency-based and market-driven education methodologies to build a construction workforce that is safe, skilled and productive. This all-of-the-above approach to workforce development has produced a network of ABC chapters and affiliates across the country that offer more than 800 apprenticeship, craft, safety and management education programs—including more than 300 government-registered apprenticeship programs across 20 different occupations—to build the people who build America.

ABC urges the subcommittee to consider ways in which they can promote an all-of-the-above workforce development strategy—and not limit the benefits of federal legislation from reaching the vast majority of construction workers due to their labor affiliation.

PROJECT LABOR AGREEMENTS:

Of interest to the subcommittee, ABC believes that several discriminatory policies being pursued by the Biden administration will prevent many opportunities for the entire construction industry, particularly small businesses, to benefit from infrastructure investments.

On Feb. 4, President Joe Biden signed Executive Order 14063 requiring federal construction contracts greater than \$35 million to be subjected to project labor agreements. This executive order will exacerbate the construction industry's skilled workforce shortage and needlessly increase construction costs and reduce opportunities for local contractors and skilled tradespeople.

Government-mandated PLAs increase the cost of construction by 12% to 20%, reduce competition by excluding 87.4% of the construction industry workforce and steal up to 34% of wages from the few nonunion workers allowed to work on a PLA jobsite.

By tying federal infrastructure investments to government-mandated project labor agreements, the Biden administration will discriminate against the majority of our nation's small, women-, veteran- and minority-owned businesses and workers that choose to operate on a merit shop basis. In an industry of more than 7 million, a way to ensure that does not happen is through the subcommittee's intention of helping small businesses.

ABC urges the committee to consider ways to ensure that construction firms of all labor affiliation can compete for taxpayer-funded construction projects to rebuild their own communities. All contracts funded by the federal government should be awarded through a fair and competitive bidding process that allows all qualified contractors to compete on a level playing field based on merit, experience, quality and safety. To deliver the highest quality projects at the best cost to taxpayers, it is critical that any federal investment in infrastructure includes the entire construction industry.

In a pair of recent letters sent to the White House by House and Senate lawmakers, many in Congress wrote that they believe the most cost-effective way to rebuild infrastructure is to promote open competition. On April 26, 16 Republican governors sent a letter President Biden opposing policies promoting government-mandated project labor agreements on taxpayer-funded construction projects. On April 6, more than 1,200 ABC member and chapter signatures voiced strong opposition in a letter to President Biden's PLA EO.

These letters also lay out concerns with other federal agency policies promoting PLAs on federally assisted construction projects, which would affect the allocation of funds under the \$1.2 trillion bipartisan infrastructure package, as well as other laws providing funds for state and local governments to improve its infrastructure.

Further, ABC urges members of the subcommittee to support the Fair and Open Competition Act, H.R. 1284, which would prevent federal agencies and recipients of federal assistance from requiring contractors to sign controversial project labor agreements as a condition of winning a federal or federally assisted construction contract. This bill would ensure that taxpayer-funded construction contracts are awarded through fair and open competition—guaranteeing the best value for hard-working taxpayers while prohibiting a rigged federal procurement process.

CONCLUSION:

ABC encourages the subcommittee to promote inclusive, win-win policies that welcome all of America's construction industry to compete to rebuild our nation's crumbling infrastructure, increase accountability and competition and reduce waste and favoritism in the procurement of public works projects.

ABC and its members are committed to building taxpayer-funded projects with the highest standards of safety and quality. ABC members stand ready for the opportunity to build and maintain America's infrastructure to the benefit of the communities that it will serve. ABC appreciates the opportunity to comment on the committee's important work to improve our nation's infrastructure.

Sincerely,

KRISTEN SWEARINGEN,
Vice President, Legislative and Political Affairs,
Associated Builders and Contractors.

**Letter of April 26, 2022, to President Biden from 16 Governors, Submitted
for the Record by Hon. Brian Babin**

APRIL 26, 2022.

President JOSEPH R. BIDEN JR.,
The White House,
1600 Pennsylvania Ave NW, Washington, DC 20500.

DEAR MR. PRESIDENT,

As governors, we support policies that ensure robust competition for taxpayer-funded construction projects that welcome all of America's construction industry to compete to rebuild our nation's infrastructure on an even playing field. We aim to provide value to taxpayers as we partner with the federal government to deliver roads, bridges, communications, water, energy, and transportation systems safely, on time, and on budget, but we cannot deliver the best results with onerous and unnecessary constraints.

We oppose Executive Order 14063 requiring controversial government-mandated project labor agreements (PLAs) on federal and federally assisted construction contracts funded by taxpayers exceeding \$35 million. In addition, we oppose other federal policies promoting PLAs on federally assisted projects via federal agency guidance and grant programs that state and local governments can utilize to help fund critical infrastructure projects.

When mandated by government agencies, PLAs can interfere with existing union collective bargaining agreements and needlessly discourage competition from quality nonunion contractors and their employees who comprise 87.4% of the private U.S. construction industry workforce according to the U.S. Bureau of Labor Statistics. Reducing competition from some of the best union and nonunion construction firms and workers will exacerbate the construction industry's skilled labor shortage, delay projects, and increase construction costs by estimates of 12% to 20% per project, which will result in fewer infrastructure improvements, less construction industry job creation, and higher taxes.

We call on you to be equitable in your treatment of America's construction workers whether union or nonunion. In short, the aforementioned policies will undermine taxpayer investment in billions of dollars of forthcoming public works projects financed by the Infrastructure Investments and Jobs Act of 2021 and additional bipartisan legislation passed by Congress, all of which was signed into law free from language requiring or encouraging the use of PLAs.

Three months ago, sixteen governors wrote to you seeking a flexible partnership in implementing public works projects. The federal government cannot do this job itself and requires the states to lead on the execution of infrastructure initiatives. As a partner in this endeavor, we ask again: please pull back from introducing partisan policies into infrastructure. Taxpayers cannot afford such wasteful and exclusionary policies.

We ask that the Office of Management and Budget—along with respective federal agencies charged with implementation, grant programs, draft regulations, and guidance related to legislation funding infrastructure projects—afford states and localities maximum regulatory flexibility free from anti-competitive and costly pro-PLA policies. Doing so will deliver more value to taxpayers and create opportunities for all—including small, minority-owned, and women-owned—businesses and workers in the construction industry to compete to build America.

Sincerely,

GOVERNOR ASA HUTCHINSON, STATE OF ARKANSAS.
 GOVERNOR BILL LEE, STATE OF TENNESSEE.
 GOVERNOR RON DESANTIS, STATE OF FLORIDA.
 GOVERNOR BRIAN KEMP, STATE OF GEORGIA.
 GOVERNOR KIM REYNOLDS, STATE OF IOWA.
 GOVERNOR TATE REEVES, STATE OF MISSISSIPPI.
 GOVERNOR MIKE PARSON, STATE OF MISSOURI.
 GOVERNOR PETE RICKETTS, STATE OF NEBRASKA.
 GOVERNOR CHRIS SUNUNU, STATE OF NEW HAMPSHIRE.
 GOVERNOR DOUG BURGUM, STATE OF NORTH DAKOTA.
 GOVERNOR KEVIN STITT, STATE OF OKLAHOMA.
 GOVERNOR HENRY MCMASTER, STATE OF SOUTH CAROLINA.
 GOVERNOR KRISTI NOEM, STATE OF SOUTH DAKOTA.
 GOVERNOR GREG ABBOTT, STATE OF TEXAS.
 GOVERNOR SPENCER COX, STATE OF UTAH.
 GOVERNOR MARK GORDON, STATE OF WYOMING.

cc: Mitch Landrieu, Senior Advisor and Infrastructure Implementation Coordinator,
 The White House, 1600 Pennsylvania Ave NW, Washington, DC 20500.
 Shalanda Young, Director, Office of Management and Budget, Executive Office
 of the President, 725 17th St NW, Washington, DC 20503.

APPENDIX

QUESTIONS FROM HON. EDDIE BERNICE JOHNSON TO SHOSHANA M. LEW, EXECUTIVE
DIRECTOR, COLORADO DEPARTMENT OF TRANSPORTATION

Question 1. Director Lew, you have developed an exciting and comprehensive approach to local hiring and training that greatly benefits both the community and project contractor.

1.a. Do you think other states could accomplish this same goal?

ANSWER. It is possible for other states to accomplish this same goal by developing strategic partnerships and clear and realistic goals. Part of what made CDOT's Workforce Development Program successful was enlisting the help of the Community College of Denver to conduct thorough research to better understand the demographics of the community and what their needs and barriers to opportunities are. There were various organizations in the Denver metro area who were working on bringing on-the-job training opportunities to local hires and instead of creating our own program and potentially taking away from their services, we partnered with these agencies who, in turn, provided significant investments and resources to help make the Workforce Development Program successful. It will be imperative for states to find other agencies who are working on similar goals and join forces to further help with recruiting and training opportunities.

States will also need to create their own goals to meet the needs of their community. It is important for State Department of Transportations to host focus groups with local contractors to establish a realistic goal that project contractors can accomplish. Creating too lofty of a goal will set a project up for pushback from the contractor and could ultimately set them up for failure. Taking information from the focus groups as well as community research is critical in establishing goals that will best meet the needs of the state and the communities they are working in.

1.b. What are some of the impediments to expanding a program like this to other states?

ANSWER. Impediments could include the lack of buy-in from the private sector. Not all contractors are on board with the amount of effort it takes to establish a high functioning on-the-job training and local hiring program and associated reporting that goes with trying to ensure they are hitting their goals. If there is a lack of funding or other forms of investments from local agencies, it may be difficult for states to set up similar programs. CDOT greatly benefitted not only from the Federal Highway Administration's Ladders of Opportunities grant to help get the program up and running, but also from other organizations working toward similar goals who invested upwards of a million dollars to help make this program successful. It also takes significant staff support and expertise in partnering with other agencies to ensure this program meets its goal and remains successful.

QUESTION FROM HON. ELEANOR HOLMES NORTON TO TUNYA SMITH, DIRECTOR,
OFFICE OF CIVIL RIGHTS, NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

Question 1. In your testimony you noted that a greater investment in workforce development is needed to realize the full potential of the bipartisan infrastructure law.

Can you elaborate on the current funding levels your state receives through the On-the-Job Training program and what you would be able to accomplish if more funding was provided?

ANSWER. As I mentioned in my written and oral testimony, there is a need for greater funding and flexibility in some program areas. COVID posed challenges to the economy and many of our North Carolina training initiatives. The On-the-Job Training (OJT) and OJT/Supportive Services (SS) programs are more important than ever to our efforts at workforce development. This was true even before the Infrastructure Investment and Jobs Act (IIJA) funded projects began. Developing

human capital infrastructure is more complex and almost as expensive as building physical infrastructure, and the two are linked in this area. OJT/SS programs' 'high impact' labor training is distinct from technical and engineering operations.

The Federal Highway Administration (FHWA) only receives about \$10 million and uses the funding from its administrative budget to fund OJT and Supportive Services, National Summer Transportation Institute (NSTI), and the summer internship program for diverse students (STIPDG). This leaves approximately \$6 million to be spread across workforce development programs for more than 50 state DOTs OJT/SS programs. Another \$2.5 million is available for the National Summer Transportation Institute (NSTI) but must be spread out over about 48 university and college programs nationwide. To help support our needed programs in North Carolina, we have long been using 504(e) funds—the usage of which for 'workforce development' (mostly apprenticeships) has recently been expanded to all states under Infrastructure Investment and Jobs Act (IIJA). However, as presented in our written testimony, any investment in education or training is made at the expense of capital investment in road and bridge projects, highway safety or the Congestion Mitigation and Air Quality (CMAQ) programs. Many states cannot afford to do this, and all states could use additional funding.

It's important to understand the funding for OJT programs has not increased since 1974, as The Honorable Eddie Bernice Johnson pointed out in her testimony. Meanwhile, inflation and the rapid growth of North Carolina and many other states have raised the price of not only construction but also workforce development.

The most recent North Carolina OJT/SS financing offers all of the supportive services in an effort for our (and other DOT agencies) to supplement and support OJT labor pipeline initiatives with private contractors and our own Division of Highways. Despite our limited OJT funds, NCDOT and other DOTs across the country seek to make highway construction workforce development a priority in transportation. However, FHWA can divide the OJT/SS and NSTI funding granted to a state DOT between the two programs at the discretion of the DOT, thus reducing the OJT/SS pot of money.

As part of the yearly OJT Statement of Work (SOW), the FHWA is asked for funds for Supportive Services. The annual statement of work is a detailed plan that includes supportive services activities, activity budgets, and annual program goals, as well as an expected budget allocation for each.

All OJT funds are used to help women, minorities and disadvantaged individuals engaged in NCDOT OJT-sponsored training activities, and participants in the Alternate OJT Program with private contractors. Many of these folks have significant, sometimes multiple, obstacles that require significant resources to overcome.

The following activities and resources are eligible for supportive service funds:

1. Activities in Education and Training
2. Workplace or training-related supplies
3. Workplace or training-related transportation
4. Workplace or training-related childcare
5. Allowances/stipends connected to employment or training (as approved by FHWA).

One additional supportive service expense that should be considered as allowable is the provision of temporary or emergency accommodation for OJT program participants.

NC DOT OJT/SS TRAINING AND EDUCATION PROGRAMS:

Highway Construction Trade Academies (HCTA)

Academies are established by the NCDOT OJT unit at host sites throughout the state. The curriculum for each academy follows the FHWA approved base curriculum; additional specific detailed curriculum is added by NCDOT based on contractor inputs. These currently include exposure to heavy equipment operation and asphalt paving. To conduct a quality and comprehensive regular HCTA for 4–6 weeks, at 4 cohorts a year, the average cost is about \$100,000 a year per site. This does not even include the need to have the option to include training allowances or work-based learning stipends for participants (and/or new graduates) in this budget. We will need many more academies to develop our transportation workforce, given the significant labor shortages in North Carolina and the United States. There are approximately 100,000 job openings in North Carolina alone. This could impact our road crews who would not be able to respond to storm damage, such as clearing and brining roads, as well as repair and building of highways.

The current academy model is a Community-Based Highway Construction Trades Academy (CBHCTA). We will be adding some targeted North Carolina community colleges to this mix by the end of this year. NCDOT also plans to add both Special-

ized Highway Construction Trades Academy (PHCTA), and Advanced Highway Skill Training versions in the coming months.

Each is described below:

Community-Based Highway Construction Trades Academy (CBHCTA): The Community-Based Highway Construction Academy (CBHCTA) is for adult students who are at least 18 years old, belong to a minority ethnic group, are a woman, and/or are economically disadvantaged. The HCTA provides an overview of the industry, as well as hands-on experience with heavy machinery. Case management, hiring fairs, and guided pathways to employment with prime contractors are provided to participants. Advanced Highway Construction Training and supportive services are also available to completers.

Specialized Highway Construction Academies (SHCTA): Specialized Highway Construction Academies (SHCTA) are for adult students who are 18 years old who are a part of the target recruitment population. Examples include minority college students, women and veterans interested in professional service careers related to highway construction.

We also again ask that consideration be given to allowing the use of these Federal-aid highway construction OJT funds with currently incarcerated individuals. This pre-release concept trades academy would potentially be in partnership with the North Carolina Department of Public Safety and Corrections and with individuals who are in re-entry mode. This academy may also attempt to provide inmates eligible for work release an opportunity to be trained and employed with a partnering contractor during the 12 months before release. The purpose is to decrease recidivism through skills development and steady employment before release. As a Specialized Academy, these might cost upwards of \$150,000 a year due to the need for additional services and activities.

Another version of our Academy-model would be at the public high school level through a coordinated series of activities from 9th thru 12th grade. We need additional funds to be able to work with the Local Education Agencies (LEAs) and their Career and Technical Education (CTE) programs across the state in adding such courses and pathway programs. This 'grow your own' approach would be especially helpful in more economically impoverished rural and urban communities. It could also help dampen the 'brain drain' of youth and talent from these areas as they will be less likely to move somewhere else for good and steady employment and career opportunities.

Advanced Highway Skill Training (AdT)

Advanced highway skill training focuses on advanced and more technical skills, often leading to some kind of credential. Participants who have attended an HCTA—or are OJT trainees—can receive additional skill training in one of our critical need areas. As with the academy models, these training budgets need to have the option to include training allowances or work-based learning stipends when needed as well. Advanced Highway Skill Training will not be in an academy (except perhaps for CDL training with its huge labor demand), but a partnership with contractors and certified training providers to assist with upskilling OJT trainees and other workers.

Areas of training focus are:

- Commercial Driver's License (CDL)
- Demolition/Hauling
- Guardrail
- Asphalt/Paving
- Landscaping/Erosion
- Trenches/Piping, Traffic Maintenance, Bridgework
- Disaster Recovery

We plan to add electric vehicle charging stations and bridge work including rebar to this mix in the near future. This will be another additional development and provision expense.

It is important to note that a CDL training program leading to that credential can cost upwards of \$4000 for each student. There is a serious nationwide shortage of truck drivers (both Class A and B) needed for the highway industry.

Lastly, OJT program serves as a placement service for DBEs as there exists a strong nexus between the OJT and DBE program.

Construction Career Days (CCD)

These events create a critical link between classroom and workplace by giving middle and high school students the opportunity to explore careers in highway construction and various careers in the transportation industry. NCDOT needs to be able to spend more funds on solely holding or sponsoring these events, plus on the

marketing and outreach and materials required for them. It is also important as evidenced by this continued epidemic to be able to afford a virtual and artificial intelligence-based platform through which to conduct needs assessments and, career fairs and actual hiring events for both older youth and adults. NC utilizes albeit older transportation-based simulators to showcase construction Heavy Equipment Operation trades and we find the use of simulators a great tool to excite, bring awareness and recruit and train talent. These simulators are costly, and states like ours could benefit from the purchase of simulator which can range from \$25,000–\$30,000 each, not including maintenance.

Highway Construction Workforce Partnership Grant Funding

The amount that NCDOT receives from the FHWA On-the-Job Training Support Services Program (OJT/SS) is helpful, but the OJT/SS funding is not enough to address North Carolina transportation workforce needs. The question of what NC would do if more funding were provided is perhaps best answered in our proposal to FHWA for a Highway Construction Workforce Partnership (HCWP) grant. Our experience with the FHWA HCWP grant program also provides important insight into the need for additional funding for highway workforce development nationwide.

The FHWA HCWP is identical in its goals as the agency's OJT/SS program, although an important emphasis for HCWP is the broad based private/public partnership for workforce development. In fact, the HCWP Notice of Funding Opportunity required a letter of commitment from a State Chapter contractor organization (generally an affiliate of the Associated General Contractors of America AGC) and/or the American Road and Transportation Builders Association (ARTBA). [The NC application included this letter plus similar from six other partners such as the NC Community College System and WIOA entity.]

Over a year and a half ago, FHWA's Center for Transportation Workforce Development and Technology Deployment managed a 2nd funding cycle with a \$4 million Highway Construction Workforce Partnership (HCWP) grant program, but the funding could only support 11 of the 21 proposals. NC was not one of those funded; we had requested \$200,000 for a comprehensive 2-year project. This program supports collaborative efforts among key highway industry, state DOTs, and public workforce system organizations, notably, State, and local Workforce Development Boards. The challenges and processes of providing outreach programs for prospective workers, training, and job placement requires the commitment and active engagement of all these organizations and other sector partners, but without funding, the potential of the HCWP concept will not be realized.

With the \$200,000 FHWA HCWP grant, North Carolina would have trained and placed an additional 225 individuals into highway construction jobs with strong representation of women, minorities, and disadvantaged individuals. That's less than \$1,000 per person of Federal investment to train and place individuals into rewarding careers that will help highway contractors have the workforce they need to deliver highway projects in a more timely and efficient manner. Workforce funding is good for the workers, employers, and as a return on investment for all highway and bridge/tunnel users.

In support of this response to Chair Norton's question, about what the N.C. Department of Transportation and its partners (as well as other states and their partners) could do with additional financing, we have attached our agency's grant proposal to FHWA. Pages 4–10, explains the scope of work in more detail.

Additionally, the FHWA Every Day Counts Program (EDC) designated HCWP as a focus program under Strategic Workforce Development. Thirty-two states have committed to pilot an HCWP in Every Day Counts, but without funding (\$20K–\$100K each—including here in NC), those capacity building efforts are and will be severely compromised as well.

Recording and Reporting

Finally, there is a real need for advanced technology solutions for OJT data collection and reporting. This includes participant, programmatic, and fiscal tracking information such as conducting/providing post-graduation tracking of participants for retention (180 days), advancement, Federal reporting, and administrative purposes. FHWA is increasingly and correctly asking for more analytics to assess OJT/SS program performance, and state DOTs such as NCDOT are needing to invest much more in MIS databases and reporting systems.

Congress has made a significant investment in highway infrastructure with the IIJA, but without a workforce sufficient to deliver on that promise that investment will be inefficient and less effective. There needs to be a commitment to improving the workforce necessary to deliver highway projects through a skilled workforce as well.

I want to again thank the Subcommittee for the opportunity to testify at its April 27 hearing and to provide answers to the chair's question here.

The North Carolina Department of Transportation is committed to working with industry and other key partners to provide our citizens with access to good jobs in the highway industry. We appreciate the subcommittee's interest in that goal as well. If you have additional questions or we can provide additional information, please let us know.

QUESTIONS FROM HON. HENRY C. "HANK" JOHNSON, JR. TO TUNYA SMITH, DIRECTOR, OFFICE OF CIVIL RIGHTS, NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

Question 1. Government contracts through the Department of Transportation's (DOT) Disadvantaged Business Enterprise (DBE) program is essential to the growth of women and minority-owned businesses in the transportation sector. Unfortunately, both covert and overt discrimination have created systemic barriers that prevent many of these vital businesses from participating in federal highway and transit programs. That is why I am working to introduce a bill that removes some of those barriers for the purpose of determining a DBE's eligibility.

1.a. Can you explain the Disadvantaged Business Enterprise (DBE) program and how they are generally effective?

ANSWER. Thank you for asking these key follow-up questions. The Disadvantaged Business Enterprise Program (DBE) is a legislatively mandated USDOT program that applies to federal-aid highway dollars expended on federally assisted contracts issued by USDOT recipients such as state transportation agencies.

Congress established the DBE program in 1982 to:

- Ensure nondiscrimination in the award and administration of DOT-assisted contracts
- Help remove barriers to the participation of DBEs in DOT-assisted contracts
- Assist the development of firms that can compete successfully in the marketplace outside of the DBE program

To be certified as a DBE, a firm must be a small business owned and controlled by socially and economically disadvantaged individuals. Certifiers make the determinations based upon on-site visits, personal interviews, reviews of licenses, stock ownership, equipment, bonding capacity, work completed, resume of principal owners and financial capacity.

To be regarded as economically disadvantaged, an individual must have a personal net worth that does not exceed \$1.32 million. To be seen as a small business, a firm must meet SBA size criteria AND must not have average annual gross receipts, over the previous 5 years, in excess of the DBE size limit (< \$28.48 million). Size limits for the airport concessions DBE program are higher (< \$56.42 million).

The DBE program ensures disadvantaged businesses have the opportunity to do business with the N.C. Department of Transportation. The DBE program is generally effective but could be improved by addressing the recommendations below.

1.b. How can we improve these programs?

ANSWER. Please see list of NCDOT Recommendations:

Certifications/ Eligibility

Despite NC efforts to increase spending amongst diverse businesses, our Diversity Spend for FY20 was 9.41%. Our Diversity Spend for FY 21 was 8.43%. From FY 20 to FY 21, NCDOT spent \$1 Billion in revenue. This was due to COVID 19. There were less projects during this time. As we are coming out of the pandemic, more funds are being released and more opportunities are being made available. The Office of Civil Rights is working with our Division of Highways to recruit small and minority firms.

- The DBE application process is burdensome and creates a barrier to participation. A condensed version is needed. The paperwork alone is 16 pages not including all the gathering of verification documents and site visit requirements. For smaller projects, DBE may not reap the benefit of this long and sometimes costly burden-need to obtain tax documents, printing etc.
- State-level certification for small, women and minority owned businesses is less complicated and this steers firms away from federal certification. However supportive services and enforcement is less at state level than federal level. Utilization is also not realized at federal level.
- Lack of access to high-speed broadband and internet connectivity creates a barrier to eligibility as most documents are obtained on-line and applicated processed online.
- There is no designation for Minority Women. Currently Women Business Enterprise (WBE) is reserved for non-minority women. The DBE designation is for

women and minorities. Minority women are defaulted to a minority owned business. When in fact they face challenges as both women and minority. Therefore, a separate designation should be created for Minority Women. Non-minority women receive a disproportionate amount of DBE dollars as compared to their representation in NC's DBE Directory. For 2021, non-minority women made up 31% of all DBEs in North Carolina, however, they received 65% of all dollars going to DBEs.

- Congress should prohibit any additional requirements to contracting such as prequalification. NAICS codes are assigned at the time of certification at the state level. However, some states add additional "prequalification" requirements (additional work codes). The need to be prequalified as a subcontractor represents additional and unnecessary barriers to project delivery. Many do not understand this requirement and feel it is complicated and redundant as they were already assigned NAICS codes when they were certified.
- Congress should prohibit states from having excessive insurance/ bonding practices for risk management. There should be a sliding scale requirement relative to the risk and project size. Laws should prohibit these excessive requirements e.g., \$1 million bonding requirement on a \$100k project.
- DBEs often experience the inability to qualify for traditional funding which forces them to use alternative funding (high interest loans, factoring, bad terms). We need to have a Small Business Administration program that assists with these funding/loan challenges. Firms should not have to use their personal savings, home, or retirement to qualify. This will also help risk mitigation with non-traditional lenders such as Community Financial Development Institutions (CDFIs).
- The personal net worth (PNW) limit of \$1.32 million and the gross receipts limit should be increased to allow the firms to grow. Many state programs do not use PNW as a qualifier for eligibility.
- State DOTs could benefit from DBE supportive services funding directed toward the development of a prisoner reentry program. Additional funding specifically designed for reentry/ workforce development is critical to economic development and the underserved communities we serve. Many incarcerated individuals are denied entry into traditional labor market and entrepreneurship is another critical path.

Enhancement to Utilization

IIJA money will be distributed fast and without proper enforcement, small and disadvantaged businesses will be left out.

- Congress could improve or pass legislation allowing states that operate a mentor/protege program to offer mentors an incentive to participate in these programs. Some DOTs, such as Illinois DOT, offer a reduction on a project's DBE goals as an incentive for prime contractors to mentor DBE protégés.
- When the market restricts some states allow primes to keep working and are not enforcing Good Faith Efforts. This has resulted in small businesses not getting any work and going out of business.
- USDOT requires selection criteria include small businesses, disadvantaged businesses and new entrants. This should be required and enforced at the state level.
- There should be more enforcement and mandates on having DBE Liaison Officer at the table when selection criteria are developed.
- USDOT could mandate incentives to the prime contractors for meeting and exceeding DBE goals.
- Congress could strengthen legislation on requiring goal setting at the state level. Some states currently only set DBE goals on the construction portion of projects, and they should be setting goals on professional services such as architectural and engineering services. USDOT expressly allows for DBE goals on A&E Services projects.
- Despite state efforts and lack of enforcement capabilities from state Civil Rights Divisions, states like NC fail to achieve parity. As recently evidenced in our spend numbers we only achieved an 8.43% goal achievement
- The Airport Concession DBE Program (ACDBE) is similar to the DBE program in that it is a Department of Transportation (DOT) program designed to level the playing field for small businesses who wish to participate in contracting opportunities at airports. It is difficult for DBEs to be successful due to unlimited or long lease lives. A tax incentive for prime concessionaires to use small businesses would make this overly competitive environment more small business friendly.

- More robust data tracking and reporting is needed at the federal level to assist state DOTs. Often states are unaware of and unfamiliar with the successes and lessons learned from other state DOTs. Having a central repository and clearing house could assist to program development and technical assistance.
- Currently if a DBE wants to be recognized as a DBE in more than one state, there is excessive administrative work that must be completed. It would be advantageous to the DBE and the UCP if all states would recognize the home state certification.
- USDOT could assist states create a regional incubator/ mentor protégé with transportation partners to increase small, women and minority-owned businesses participation, provide a blueprint and technical assistance for State DOTs. These incubators could include an innovative approach by utilizing artificial intelligence to assess DBE capabilities and future training needs. Some of the benefits include resources centered around active project to ensure quality and deliverables met, firms receive on-site technical assistance to mitigate impediments and essentially grow their business, economic development and growth for transportation industry, building talent pipeline regionally and nationally. NCDOT is in the process of creating an incubator with the newly announced Toyota Battery Plant project. These incubators not only assist firms with funding but provide guidance/business assistance and business planning. The recipients would be required to pay it forward and help other firms in the future. This will also provide office space for DBEs like a “We Work” model.
- As written in CFR 49 part 26, DBE goal setting only applies to projects for the Federal Highway Administration, Federal Transit Administration and the Federal Aviation Administration. Other modes of transportation (most notably rail projects) receive substantial Federal funding and should also have DBE participation goals.
- There is a federal Brooks act that requires that the U.S. Federal Government select engineering and architecture firms based upon their competency, qualifications and experience rather than by price, however states have created mini Brooks act that circumvent federal policy. There is no precedent for these cases. The states’ procurement methods are generally more restrictive.

Program Development

- With the development of Electrical Vehicle charging stations, there should be a federal requirement to consider how this massive initiative can benefit small and minority owned businesses. For example, if minority landowners had the opportunity to lease their land for the purpose of housing the stations, this would provide a revenue stream for the landowner.
- In addition to Disparity Studies, Congress should provide funding for states to conduct an Economic Impact Study to examine the economic benefits of contracting and workforce development programs.
- The guidelines for using Supportive Services funds which is apportioned from the FHWA are overly restrictive and can only be used to assist DBEs who are performing highway-related construction work. DBEs engaged in other activities related to transportation do not benefit from these funds.
- Congress could provide financial assistance specifically designated for American Indian/Native American (funding allocation). Tribes missed a lot of the prior emergency funding.
- The DBE Supportive Services and the OTJ training units should work in conjunction to address workforce training solutions by identifying gaps in skills and using OJT funds to support that training.

I want to again thank the Subcommittee for the opportunity to testify at its April 27 hearing and to provide answers to the question here. The North Carolina Department of Transportation is committed to working with industry and other key partners to provide our citizens with access to good jobs in the highway industry. We appreciate the Subcommittee’s interest in that goal as well. If you have additional questions or we can provide additional information, please let us know.

QUESTION FROM HON. EDDIE BERNICE JOHNSON TO TUNYA SMITH, DIRECTOR, OFFICE OF CIVIL RIGHTS, NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

Question 1. Ms. Smith, we haven’t increased funding for On-The-Job training programs since 1974.

Would you and others working in your field benefit from increased funding for this program?

ANSWER. Thank you for asking this important question. Over the decades, the OJT program has become a fundamental part of NCDOT’s Office of Civil Rights and

other states' similar programs. An increase of funding will give us all the opportunity to do the following:

- Help hundreds more minorities, women, and disadvantaged people around the state/s increase their skill and abilities in the highway construction field.
- Provide support to women, minorities, and disadvantaged individuals by removing barriers that prevent their retention within training and then with the prime contractor or state highway workforce.
- Offer many more 'Highway Construction Trade Academies' including needed specialty versions around the country, including the procurement of simulators
- Provide opportunities for advanced training in the field including credentials and commensurate career-building skills and wage increases.
- Increase high school students' knowledge of the highway industry through increased construction career days, career fairs, Career Technical Education (CTE), and career expos—both in-person or virtual and blended.
- Provide (more) opportunities for paid or work-based learning experiences thru training allowances or stipends for participants.
- Develop or procure new technology to obtain more accurate reporting and monitoring.
- Work even better with prime contractors to increase their participation in the OJT/SS opportunities; and if made an allowable expense.
- Link state correctional systems with DOTs in pre-release programs for incarcerated individuals in collaboration with prime contractors, worksites, and OJT/SS opportunities.

With the enactment of the Infrastructure Investment and Jobs Act (IIJA), the Congress has made a significant commitment to improving the Nation's deteriorating infrastructure. For some years now, highway contractors have tried to do the best they can to delivery projects in a timely and efficient manner, but the shortage of skilled workers has compromised their efforts. While the additional Infrastructure Investment and Jobs Act (IIJA) funding is certainly needed, the results on the investment is challenged by an already difficult workforce issue that will only become more challenged as employers try to recruit and train new workers to deliver the IIJA funded projects.

The FHWA OJT/SS program is certainly a benefit, but with only \$6 million to be distributed annually to 50 states and some US territories, and without any funding increases in decades, highway contractors face serious workforce shortages that will only become more challenging with the IIJA investment. At the same time, there are underutilized and virtually untapped sources of labor—such as pre-release populations—that could be reached by OJT/SS programs if that Federal highway funding restriction could be lifted or waived for our training models.

One additional initiative that should be re-funded and offered nation-wide again is the FHWA's Highway Construction Workforce Partnership (HCWP). This is identical in its goals as state DOT agencies' On-the-Job Training program OJT/SS program, although an important emphasis for HCWP is the broad based private/public partnership for workforce development. HCWP receives no annual funding. \$4 million for the HCWP grant program was made available to the states this past year using years of OJT/SS Program accumulated carryover funds.

In a debriefing from FHWA, we learned that of the \$4 million available, they could fund only 11 of the 21 state DOT applications. North Carolina—and 9 other applicant states—did not receive an FHWA HCWP grant simply because there was not sufficient funding to support the 21 state DOT proposals for the HCWP program. And though it is difficult to speak for all states, the other 29 states could probably benefit from such partnership and capacity-building funds as well. [We have attached a copy of the North Carolina HCWP proposal to FHWA which is only 16 pages in length. The Scope of Work is shown on pages 4–10.]

As mentioned in our written testimony as well, FHWA has also identified workforce development to be one of seven programs to be part of the 20–21 Every Day Counts (EDC–6) Program. FHWA together with state DOTs provides an emphasis on these programs through workshops, materials development, demonstration projects and technical support to their own Divisions, state DOTs, local agencies, and private sector partners. The highway community can implement those EDC programs that will benefit their work in the highway program. Program implementation is managed with the State DOTs working with state and local partner groups in their states.

Thirty-three state DOTs selected this as one of the EDC–6 programs for their state; NC was one of them but, again, there were no funds available. [For EDC–6 purposes, HCWP is titled the Strategic Workforce Development (SWD) initiative.] The HCWP/SWD states are in various stages of implementation, and all HCWP/SWD states will need funding at some point, and sooner than later. There are at

least 33 states that want to move forward with a robust workforce development program through HCWP, but do not have funding. It is also safe to say that if funding were available additional states would have committed to HCWP and/or EDC-6.

These experiences of OJT/SS, HCWP, and EDC-6 SWD are evidence that additional funding for workforce development is needed now and for the future. The Congress has just made a significant commitment to improving the Nation's highway infrastructure. There needs to be a commitment to improving the quality and quantity of workforce necessary to deliver highway projects through a skilled and diverse labor force as well.

I want to again thank the Subcommittee for the opportunity to testify at its April 27 hearing and to provide answers to the questions here. The North Carolina Department of Transportation is committed to working with industry and other key partners to provide our citizens with access to good jobs in the highway industry. We appreciate the Subcommittee's interest in that goal as well. If you have additional questions or we can provide additional information, please let us know.

ATTACHMENT[†]

NCDOT ON-THE-JOB TRAINING PROGRAM
HIGHWAY CONSTRUCTION WORKFORCE PARTNERSHIP GRANT APPLICATION
NC DOT—OFFICE OF CIVIL RIGHTS
FEBRUARY 2021

NCDOT HCWP GRANT APPLICATION: SUPPLEMENTAL NARRATIVE

A. Statement of Problem

The growing national demand for highway construction, maintenance and administrative workers presents a need for higher-level skill sets. To attract, train, retain, and advance workers in the contractors' labor force, new resources, training opportunities and pipeline strategies are needed. Reflective of the national industry trends, North Carolina (NC) faces a highway construction workforce and skills gap issue. North Carolina, also known as the "Good Roads" State, contains 80,000 miles of roadway, over 13,500 bridges, and makes up one of the nation's largest highway systems. As the 9th most populated state, with rapid growth, NC must consider both new build and legacy maintenance needs related to highway and bridge construction.

A recent report from the NC Chamber and TRIP, a national transportation research nonprofit, revealed North Carolina motorists pay about \$10.3 billion annually in transportation-related expenses that result from driving on poorly maintained and deteriorating statewide roads and bridges. The report provides evidence that a strong transportation network supports a strong statewide economy, with 1.9 million jobs in North Carolina directly dependent on our transportation infrastructure. As North Carolina focuses on ramping up transportation infrastructure, a pending workforce shortage emerges as the average age of NC construction trades workers nears 50 years old. The impact of the anticipated workforce shortage is exacerbated as many potential workers consider construction trades both uninspiring and difficult to enter.

To properly address workforce deficiencies in North Carolina's highway construction industry key players such as CAGC¹, NC WIOA/WDB², NC Economic Development, NC Community Colleges, and NCSU's LTAP³, need to be at the table with NCDOT. This integrated approach will also help to ensure sustainability and institutionalization in the future. The inaugural Working Group (WG) has identified that North Carolina has experienced a misalignment of workforce development efforts resulting in inefficient labor supply and pipeline disconnect. An important element being left out of workforce discussions and programing is the k-20 and out-of-school youth/adult training pathway, as well as partnership collaborations.

The WG members and other collaborators identified these issues and agreed that this HCWP project would help address them. This partnership and coordinating grant for our proposed statewide and multi-entity/level approach will close these HCW gaps—from recruitment, to training, to placement/employment, and then retention and advancement.

[†] Editor's note: The original grant application has been reformatted for inclusion in this publication. References to page numbers in NCDOT's preceding responses apply to the original grant application and do not apply to this reformatted version.

¹ Carolinas AGC (Association of General Contractors)

² Workforce Innovation and Opportunity Act/Workforce Development Boards

³ Local Technical Assistance Program

B. Amount Requested and Proposed Project Duration

For Fiscal Years 2021–2022, the NCDOT requests a total \$200,000 for this proposal. [\$100,000 for project coordinator; \$50,000 for needs assessment; \$25,000 for curricula development; \$10,000 for marketing; and \$15,000 for independent evaluation—also see Cost Proposal.]

C. Needs Assessment:

North Carolina faces many of the same highway construction workforce challenges that other states do—a lack of skilled candidates, disjointed workforce development (WD) providers/programs, scattered marketing/recruitment, low employment retention rates, and worker transportation, daycare, and other barrier, issues. According to the FHWA/EDC–6, there is a projected workforce shortage of 60%—or 500,000 skilled highway construction jobs—nationally over the next decade. The North Carolina Department of Transportation’s (NCDOT) Innovation Council (STIC) has even adopted Strategic Workforce Development to prepare NC with the needed skilled labor force. While the economic situation in many rural and poor counties/communities complicate State efforts, the needs of residents in such distressed Tier 1 counties, along with other disadvantaged and non-traditional populations, can be supported through this grant. Performing a thorough 3-way needs assessment will be a key first step to help identify the untapped labor force, occupations, numbers, skill sets, and course needs that our NC firms require and can be made available.

The US Bureau of Labor Statistics estimates that increases in spending on heavy/civil construction projects will result in above average job growth. Specific to NC, it was projected that between 2016 and 2026, Federal infrastructure spending would increase at the State and other levels—resulting in a 12 percent increase in workforce opportunities related to the highway construction industry. Currently, NCDOT is spending about \$9 billion annually on active highway construction, and over the next 30 years will need a skilled workforce to complete 750 highway construction projects estimated to infuse \$123 billion dollars into the State economy (“NCDOT2040 Statewide Transportation Plan Modal Needs Report”⁴).

Findings from the 2021 CAGC Construction Hiring and Business Outlook Survey include 75% of hiring contractors having a hard time filling positions, plus expecting a 10% growth in 2021. Another 65% reported hiring shortages/concerns, and 61% say that inexperienced skilled labor present challenges to the safety and health of workers. A direct report given to the WG by ARTBA indicates the current North Carolina workforce lacks the capacity to meet the job demands of the state highway modality maintenance, improvement and building project schedule.

In 2018, the US Census Bureau County Business Patterns data report provided the most recent highway employment (by county and even zip code) trends. But the labor market numbers, skills gaps and occupational projections needed solely for the highway construction sector in NC are not available. Also, a separate analysis of horizontal/transit construction sector gaps, and responsive training programs (v. vertical trades and skills) is needed. In order to avoid assumptions based on national, combined, or out-of-date data, an assessment of NC’s HWC employment outcomes, and employment projections by occupation/classification and need would be beneficial to strategic planning efforts. Non-traditional populations can then help make up the gaps.

North Carolina currently lacks a HCW sector partnership initiative. An industry-led collaborative to facilitate workforce pipeline activities and supportive services—that increases the representation of minorities, women and disadvantaged persons in the highway construction sector—is needed to benefit all partners, drive training efforts, and create a clear and related pathway program. Pilots with some community colleges, some Local Education Agencies/public schools, some regional/local Workforce Boards, and some contractors will be scalable models once found to be successful for replication to others inside and outside of NC. For the NC Strategic HCWP project, the continuance of COVID and its effects on the overall economy including the public sector (WG partner funding and Federal/state highway spending) are seen as being the biggest external risks associated with the successes of the initiative.

D. Scope of Work:

1. Establish HCWP Working Group

The core group (and additional partners listed below) was brought together during six weeks of concentrated outreach and communication by the NCDOT’s OJT/SS De-

⁴ https://www.ncdot.gov/initiatives-policies/Transportation/plan/Documents/2040_ModalNeedsReport.pdf

partment to pull the genesis of the Working Group and application SOW together rather quickly. The NC's Strategic HCWP Working Group (WG) will be formally established once the grant award is announced. The engagement of relevant stakeholders will continue to leverage knowledge and resources.

Inaugural NC WG Membership:
<ul style="list-style-type: none"> • NCDOT (OJT/SS; Business Opportunity and WD; HBCU/NTSI; and EDC-6 Initiative) • FHWA Division Office • Carolinas AGC (CAGC) • United Minority Contractors of NC (UMCNC) • NCWorks Commission (State WDBNC Department of Commerce/ Economic Development Partnership of NC (EDPNC) and Division of Workforce Solutions (DWS)—State Departments of ED and WD) • NC Community Colleges (NCCCS) including State Apprenticeship Program • NC State University's Institute for Transportation Research and Education (ITRE)/LTAP
Other current collaborators:
NC Department of Public Instruction (DPI) Career Technical Education (CTE), Local Education Agencies (LEA), and NC Association of WDB Directors.
Future plans call for the inclusion of:
NC Rural Center, NC Veteran's Council, Fort Bragg TAP (f/d/b/a ACAP), NC Chamber (of Commerce), NC Business Committee for Education (NCBCE), Tribal organizations, and other community-based organizations involved in the recruitment, training, and employment of highway construction workers.

NC trade groups such as the CAGC and UMCNC will lead the initiative to explain the needs of the highway construction industry at ground level—job numbers (current and future), classifications/positions, and required skills. Our contracted researcher will also consult other data sources plus do a mapping of available programs and community work force sources. Then, our existing public sector training/education/placement programs—such as WIOA structure/partners and NC Community Colleges—will be tailored to meet those needs and/or new programs or partnerships will be formed. Defining a lead role for industry in our WG will help align all of our partners towards more meaningful outcomes, bringing greater focus and accountability to our collaboration. The NC WIOA/WDB and Community College systems already have experience with this for other sectors, such as healthcare, and have designed a process called 'NextGen' (not to be confused with youth initiatives) which rightfully puts industry and employers in the driver's seat for 'sector partnerships', which the HCWP is for the highway construction industry.

One major innovation for NC—per the 'Playbook'—will be to develop and launch Highway Construction Trade Academies via some of our network of 58 community colleges serving all 100 counties, many of them economically distressed and rural Tier 1. One model site that is ready, willing, and able to pilot this concept is a community college located in a very distressed county. This particular campus already hosts some NCDOT heavy equipment simulators in its Continuing Education department plus they are a virtual NCCER⁵ sponsor. [In addition, their county high school is also interested in either hosting a pilot Highway Construction Trades Academy (HCTA) or creating a Highway Construction (HC) Career Pathway program. Both programs could then perhaps be linked via NC's Career & College Promise for dual enrollment.]

In addition, non-profit and community-based organizations all over NC have been or will be involved in hosting some training centers. These include CAAs (Community Action Agencies), CDCs (Community Development Corps.), EDCs (Economic Development Corps.) and entities such as OIC (Opportunities Industrialization Center). Initial WG discussions have also considered opening such Academies with two of NC's tribes: The Cherokee, in far west mountains, and the Lumbee, in far down east NC. Other specialty academy ideas involve All-Female (perhaps Re-Entry), Spanish-Immersion, and (other) Re-Entry models. Some consideration has also been given to perhaps High School-based Academies as part of their Career Tech programs, or an HWC career pathway for interested LEAs at a minimum. Plans also include two virtual programs (primarily due to lingering COVID restrictions/im-

⁵ National Center for Construction Education and Research

pacts): 1. Use of the on-line NCCER course platform; and 2. Use of a virtual ‘career fair’ platform to be used with middle and high schoolers (as well as adults) in lieu of traditional in-person Construction Career Days (and actual hiring events) held physically around the State (at least until COVID abates).

A second major innovation discussed for this project would be the addition of formal Pre-/Apprenticeship components. NC is behind in connecting the HC industry with such key skilled craft WD programs, now operated under the umbrella of the NC Community College System. This would most easily fit with and complement existing OJT programs with trainees and contractors. Another related creative idea would be to implement what our contractors call ‘co-op’, NC OJT calls ‘paid training’, and community colleges now call ‘work-based learning’. We envision a training allowance paid out of NC OJT/SS funds for Academy completers to work FT for 4–6 weeks with a contractor—especially DBEs, MBEs and SBEs. Pay would be at least \$10 an hour and based on their position classification rate. The hosts would be offered first dibs on hiring, and hopefully with this real on-the-job practical experience under their tool belts, participants would be more easily hired elsewhere as well—maybe even into the OJT program with a prime. This would help fill a labor supply continuum gap in NC.

2. Distribution of Working Group/Partner Responsibilities

As indicated in the Letters of Commitment (LOC), in addition to staff participation on the WG, the following lists the roles and responsibilities of the initial representative organizations:

NCDOT—Overall coordination and administration of the grant and subsequent programs via OJT/SS Unit, Office of Civil Rights and FT Project Coordinator including regular reporting, performance management, and TA via FHWA; direct connection (co-champions) to NCDOT EDC–6 Strategic Workforce Development initiative; connections to regional Highway division staff; use of equipment for ‘skills rodeos’; local staff participation in career day events; job placement assistance; @ Key Contacts

CAGC/ARTBA, and UMCNC—Direct connection to and representation of highway contractors (from large primes to SBEs/DBEs/MBEs) for labor market and gap data, curricula development assistance, presentations, project site tours, ‘skills rodeos’, career/job fair participation, OJT assignments, ‘coop’ slots, apprenticeships, and employment; plus reporting and data; @ Key Contacts. [NOTE: UMCNC POC is Brenda Pollard, ED, bpollard@umcnc.org, 919 817–8626; also see LOC. Additional CAGC POC is Victor Barbour, Director, NC Gov’t Relations & Highway-Heavy Division, vbarbour@carolinasagc.org, 919 906–3807. The local ARTBA chapter is CAGC.]

NCWorks Commission/WDBs/Youth Councils—Project marketing/outreach, participant recruitment, assessment, advising, enrollment, soft skills and job getting instruction/preparation, job placement assistance, data collection/reporting, (explore ‘dual enrollment’); @ Key Contacts. [NOTE: The NCDOL is not the state workforce or economic development agency in this state.]

NC DOC/EDPNC—Assistance with labor market analyses, additional connection to employer and economic development representatives statewide; @ Key Contacts

NCCCS—Project/program marketing/outreach, participant recruitment, assessment, advising, Highway Construction Trade Academy/Con Ed curricula development, enrollment, soft skills, and job getting instruction/preparation, skills instruction, pre-/apprenticeship components, job placement assistance, data collection/reporting. [NOTE: Community College ConEd POC is Karen Tikkanen, Director, Training, tikkanenk@nccommunitycolleges.edu, 336 266–0006; and Apprenticeship is Kathryn Castelloes, Director, castelloesk@nccommunitycolleges.edu, 919 368–4280; also see LOCs]

ITRE/LTAP—Assistance with research, graduate students, HWC courses and credentials, connections with local government and rural transportation departments. [NOTE: POC is James Martin, Assoc. Dir., ITRE/Dir., LTAP, jbm@ncsu.edu, 919 412–0713; also see LOC]

FHWA Division Office—Technical assistance, management interactions, monitoring, WG meeting participation, regular evaluation and review of grant activities including those contracted. [NOTE: POC is Lynise DeVance, Civil Rights Program Manager, lynise.devance@dot.gov, 919 747–7010]

3. HCWP Program Plan Development

Our HCWP program plan and workforce strategies will improve the contractor talent pipelines statewide, help to skill and re-skill the workforce, develop/expand pre-/apprenticeships, and other credentials, and engage even more with high schools down the road. The following represents in goals/objectives and tasks/activities how

the NC Strategic HCWP WG has so far scoped out and outlined its program plan to align all pipeline programs and stages:

Overall Main Goal & Key Objectives

Goal: Employment for participants from the programs within three months of graduation.

Objective 1 ...	Form official NC Strategic HCWP Working Group; hire Project Coordinator
Objective 2 ...	Contract with researcher; Conduct needs assessment (for projected construction workforce needs over next 2 years to identify specific fields/crafts)
Objective 3 ...	Perform coordinated, joint outreach, recruitment, screening for veterans, minorities, women, and other targeted non-traditional groups
Objective 4 ...	Develop and provide skills training via community colleges and formal pre-/apprenticeship, to increase highway construction skill level of minorities, women, and other disadvantaged individuals
Objective 5 ...	Ensure 100% employment within 6 months of graduation
Objective 6 ...	Provide supplemental supportive services to program participants during trainings and continued employment on Federal-aid highway construction jobs
Objective 7 ...	Provide post-graduation tracking of participants for retention (180 days), advancement, Federal reporting, and administrative purposes

Planned Tasks/Activities

- Develop a contractor-led/informed NC Strategic Highway Construction Workforce Partnership Initiative, Working Group, and umbrella goals
- Re-determine specific workforce needs via new updated labor force needs study
- Develop formal partner relationships, consortium structure, MOU/MOAs, and trainings
- Align and connect outreach, recruitment, and training/education to employment and funding
- Help OCR/DOT more formally connect with WIOA, Voc Rehab, DSS, VA, etc.
- Launch planned activities/ programs and pilots; with continuous evaluation
- Innovate around community college involvement, NCCER virtual component, training allowance inclusion, connection to formal apprenticeship program, etc.
- Develop a statewide performance data collection system and shared metrics

The main vehicle for this program plan will be the Highway Construction Trades Academies (HCTA)—for adult students who are at least 18 years old. The purpose of the proposal HCTA will be to train and develop a highly skilled highway construction workforce via the community colleges plus their add-on pre-/apprenticeship components. Working with our contractor trade groups, and large primes themselves, together with NC OJT/SS SMEs and PC, community colleges in the State will develop a scalable model for highway construction worker training.

The WG further plans to leverage existing programs (such as NC's current 4- and 8- week community-based non-profit hosted HCT Academies) and re-purpose them to meet Community College Con Ed course for highway construction needs and criteria. Additional resources can come from other WG service providers such as CAGC, ITRE/LTAP, other funding sources (such as WIOA), and even other industries. For instance, the NC WG will also create its pilot Community College HC training programs by using pieces of its much more common vertical construction industry training curricula. [The current 4-week NC OJT/SS CBO HCTA model is more of a readiness course and needs to be segued out, or an additional 4–6 week paid, real-world work experience attached to it, and/or considered a pre-apprenticeship.]

Participants will graduate from all training with industry-recognized construction (micro) credentials. This (additional) training will cover a wide range of skills needed by the highway transportation industry, including dump truck CDL, heavy equipment operation, striping, flagging, surveying, rigging, and signaling, scaffolding, rod tying, pipe laying and forklift operations. These upgrade skills trainings are/will be offered by several types of entities: heavy equipment distributors, contractors, community colleges, LTAP, and other approved on-call Advanced Training providers around the State. Perhaps it can be designed to be modular or competency-based in nature including basic math, written and interpersonal skills, and the OSHA Safety Certificates.

Other Professional Development sessions will teach even more advanced skills, such as team building, critical thinking, and conflict resolution. All courses/pro-

grams will culminate through connecting completers/graduates to participating highway construction firms for job interviews and placement/employment. Some graduates may even be able to work towards opening their own contracting firm, with supports and training via NC DOT's BOWD, local EDCs, UMCNC, and NCSU's ITRE/LTAP business and professional development courses and TA. Again, a critical Pre-/Apprenticeship component will also be added to the current NC OJT program via the Community Colleges (USDOL funded State Apprenticeship Expansion Grant).

4. Program Activity Linked to Workforce Development and Jobs

By having contractors lead the WG effort, Community Colleges host HCTAs, and adopting a recognized Pre-apprenticeship and Apprenticeship program, NC will better link WD practices with actual contractors and construction jobs. A more uniform approach to training, including community college apprenticeship connection, will also help trainees to visualize a construction career ladder. NC hopes to rekindle interest in the heavy highway construction industry—from middle schools onward—by professionalizing the unskilled trades through industry-recognized training. Trainees will work through CAGC and UMCNC members and NCCCS to receive recognized pre-apprenticeship and apprenticeship certification, among other micro-credentials. The CAGC/UMCNC, NCDOT, NCCCS, and Division of Workforce Solutions will work with partnering contractors to employ/place successful graduates of the programs in hopes of setting them on a career path in the heavy highway construction industry leading to full-time, gainful employment. Statewide recognition of these new standardized training programs will also help completers transition into the existing job market more easily. This will have the added benefit of NC highway/bridge projects being built and maintained more safely, efficiently, and cost-effectively by home-grown talent.

Staff and consultants will meet with participants and training providers periodically to identify and resolve issues that may arise. NC OJT/SS field consultants will meet with program partners and/or individual trainees to provide them with any support needed while in training, or first weeks on jobs. These supportive services may include safety gear and PPE purchase, tutoring, counseling services, childcare, transportation, housing, and financial assistance for any other personal issues that may negatively affect trainee success. [Supportive services funding is need based case-by-case and discretionary, and does not exceed 1 year per trainee (30 days is the longest we currently pay for day care and housing).] This project will also increase the number of Advanced Training providers, courses, and opportunities for both HCTA completers and OJT trainees. Periodic check-ins with participants/workers will help promote up-skilling and maybe even peer-to-peer mentoring, in addition to retention.

While nothing beats on-the-job training, the WG members believe that trainees/participants can gain critical knowledge in the classroom, on-line, and via hands-on training in simulated work experiences prior to employment. What almost all contractors say they need most are workers who have the basic job and life skills to succeed in the real work world. These include 'soft' employability skills, basic math, oral and written communication skills, and OSHA 10-hour safety and health training. If potential workers are moved into technical construction training before they have those foundational skills, they can fail to get or stay on jobs. To this end, all curricula will be built with these necessary building blocks in mind.

Inaugural WG members also believe that many highway construction skills are transferable across various construction modes, whether it be vertical building or horizontal highway/bridge construction. So, training workers for non-highway projects will add good carpenters, electricians, masons, etc. to the future pool of available highway workers, and benefit the heavy highway construction sector as well. Furthermore, following the industry-led Needs Assessment, other partners in education and training will mold their offerings directly to those occupations, skill levels, and job needs contractors have identified. While, as indicated elsewhere, there are some existing basic training programs that provide at least some of those skills—such as offered by OJT/SS, CAGC, ITRE, etc.—totally new ones need to be built as well. Also, training resources, though somewhat scattered and disconnected, are available, but the key partners and potential participants are not always aware of them. This grant will allow us to create and meld together an effective coordination and communication plan for external outreach through a shared marketing message. By building close relationships with the primes and DBEs, and everyone in between, through our pilot Working Group, and then designing/offering training programs to meet their immediate needs, this NC Strategic HWCP will be more successful and mutually rewarding.

5. *Plans for Outreach, Recruitment, and Sharing Results*

Like many other states, NC faces overarching challenges to getting sufficient applicants for highway construction jobs: 1. Poor understanding of the true opportunities and nature of jobs/demands in the ‘field’; 2. A perception by youth/parents and adults that a college degree is always preferable to any (highway) construction or other trades career; and 3. Poor marketing and outreach approaches by the industry and WD/education partners to date. Initial NC Working Group partner conversations have identified a gap between the perception of highway construction careers and the reality. Therefore, it is important to communicate that highway construction involves many cutting-edge technologies and hi-tech skills, plus high pay.

The push for college attendance by many parents and school systems has also presented a challenge, though the economic realities of COVID have ameliorated this somewhat. But through the NC Strategic HCWP work with LEAs (school systems), NCWorks Career Centers, and community colleges, counselors will begin to communicate that highway construction is a viable career option for many—including Veterans. The addition of a Pre-/Apprenticeship will be advertised as the “other” ‘college degree’ along with new community college-based Highway Construction Trade Academies (supported in part by NCDOT OJT/SS funding). In addition, FHWA and CAGC developed outreach materials, packaged messaging, and the social media hashtag—#RoadsToYourFuture—will be adopted, adapted, and used by all partners to better communicate our collective efforts and value-add to the general public and industry stakeholders.

6. *Contractors: Competitive Selection and Service Provision*

There are several methods that will be used for the competitive procurement of consultants, such as Professional Services, Purchasing, Research, etc. Solicitation of competitive bids include RFLOIs (formal/informal), RFPs, and Federal Grant applications. There are some nuances to each process; however, competitive typically means formally posting advertisements publicly for a minimum period of time, with selection criterion and requirements for submission of a response, plus other required provisions. Following posting, a selection process is used to determine which firm(s) will be awarded the contract. The selection process includes a team who scores/evaluates each submission, plus perhaps an interview, and the recommendation for contract award must be based on the selection criterion posted in the advertisement, and that all other requirements for submission are met. Consultants contracted for this grant will include work on the Needs Assessment; Marketing; and Formal Independent Program Evaluation.

7. *Evaluation and Monitoring Plan*

The fiscal monitoring will be done via the detailed budget prepared for this grant and through a report that NCDOT Business & Finance will produce quarterly. The grant required Quarterly Report submittal will also provide fiscal as well as programmatic/performance information. NC DOT will also hold contractors, if applicable, accountable for performance and achieving specific, measurable outcomes, including providing: a statement of work including outcomes; monthly or quarterly reports containing sufficient statistical data and narrative content to enable evaluation of both progress and problems; access to contractor records and the right to audit; a non-collusion certification; a requirement that contractors provide all information necessary to support progress payments if such are provided for in the contract; a clause for contractor termination; and nondiscrimination provisions required by Title VI of the Civil Rights Act of 1964 as set forth in FHWA Form PR-1273, and a statement of nondiscrimination in employment because of race, color, religion, age, national origin or sex. (The WG also proposes a formal independent evaluation of the program/s.)

8. *Expected Duration of the Project*

This HCWP project would be a two (2) year a new pilot program—complete with Working Group and targeted Needs Assessment—that will leverage, modify, and build upon some existing partner WD activity with new and/or increased involvement of the NCDOT. The two (2) new innovations for year one (1) are for NCDOT to implement a community colleges Highway Construction Trade Academy (HCTA) model, plus the addition of the Pre-/Apprenticeship components. This would all be based on the results of the comprehensive Needs Assessment. In year two (2), a stronger connection to the State’s high school CTE programs—official career pathway and/or actual school-based HCTA—would also be a new initiative. The addition of a post-HCTA/pre-hire or OJT placement paid training allowance period would be another innovation under this grant activity.

9. Schedule for Completion of Tasks

There are two major, complex, and over-arching deliverables for this 2-year project. The first deliverable consists of a formal statewide HC industry and education gap assessment—for both near- and long-term contractor workforce needs. The second group of key deliverables will be the multiple training curricula and delivery models tailored to meet the contractors' workforce needs. This schedule assumes a late June 2021 grant award.

Implementation Calendar

July 2021	<ul style="list-style-type: none"> • Official grant 'kick-off' • Initiate hire of the overall Program Coordinator (PC) • Strategic tasks and roles will be delineated (MOUs/MOAs)
August–September 2021	<ul style="list-style-type: none"> • Contract researcher to conduct various surveys <ul style="list-style-type: none"> –Contractor workforce training needs –Community /Project workforce survey –Education & training providers inventory
October–November 2021	<ul style="list-style-type: none"> • Collection, analysis and report out of surveys and other data • Explore Pre-/Apprenticeship aspect to OJT with community colleges • Sub-task: A new training allowance and paid work-based learning/co-op experience for community-based HCTA completers (4–6 weeks) considered for implementation
December 2021	<ul style="list-style-type: none"> • Presentation of initial survey findings and begin working on a final Workforce/Development Needs Assessment Report • Sub-task: Begin forging more formal connections with NCWorks/WIOA partners • Submit 2Q report
January 2022	<ul style="list-style-type: none"> • Final report including recommendations due by researcher • WG and contracted consultant co-develop an outreach, PR, marketing, and recruitment message and shared strategy for both prospective participants, contractors, and public
February–April 2022	<ul style="list-style-type: none"> • Finalize development of training curricula and programs • Begin recruitment, also newly targeting veterans • Submit 3Q report
May 2022	<ul style="list-style-type: none"> • NC Community Colleges begin pilot 'Academy model' training to initial program participants including pre-/apprenticeship aspect (*A Federal grant application process will be used to 'procure' these services from the CCs via NCDOT's OJT/SS funds.)
June–July 2022	<ul style="list-style-type: none"> • Graduate first cohort of Community College-based Academy • Submit 4Q and 1st annual performance reports
August 2022	<ul style="list-style-type: none"> • Placement and employment activities for 1st cohort completers • Plan for fall career events for middle and high schools
Sept–October 2022	<ul style="list-style-type: none"> • Assess and evaluate pilot CC-based HCTA programs and results • Submit 1Q report
Nov–December 2022	<ul style="list-style-type: none"> • Launch 2nd cohort, Community College- and/or Special Population HCTAs • Submit 2Q report • Mid-term independent evaluation results due
Jan–Feb 2023	<ul style="list-style-type: none"> • Graduate and place/employ 2nd cohort of participants
March 2023	<ul style="list-style-type: none"> • Submit 3Q report

April–May 2023	<ul style="list-style-type: none"> • Conduct robust and comprehensive joint Construction Career Day
June 2023	<ul style="list-style-type: none"> • Submit 4Q and final Annual (Two-Year) Reports to FHWA • Final external evaluation of overall program due

E. Performance Measures

NCDOT's OJT Department already has a plan and system in place for recording and reporting its programmatic outcomes to FHWA on a quarterly basis, including a description of the activity and accomplishments made, challenges or difficulties experienced/addressed, and activity/program plans for the next quarter. As applicable, quarterly reports for this grant will include the number of individuals—especially women, minorities, and disadvantaged:

1. who entered into a highway construction skill development/training program(s),
2. successfully completing the program(s) and/or achieving an applicable credential(s),
3. placed in highway construction jobs and/or advanced incumbent workers, and
4. work retained after 180 days.

To this list, the WG would like to add the following: Number of program participants attaining a credential; Average wages; and Number of participants in pre-/apprenticeship programs. In addition, Costs and any Budget Revisions will be included as will qualitative metrics such as survey results, exit interviews, and worker tracking, but not limited to this data. Working Group members and other partners are committing to continual cycles of collaboration, training and placing/employing workers, and program/s evaluation.

Measurable Performance Evidence Oversight Plan

Objective 1: Conduct Needs Assessment

Metrics: A) Jobs/skills Assessment; B) Training skills Assessment outreach plan

Deliverables: Recruitment plan, Outreach materials, and Assessment tools.

Evaluation: The information collected will help NCDOT and WG to determine which geographic areas and trades would benefit the most from HCTAs and Pre-/Apprenticeship training and job placement at the targeted NC highway projects.

Responsible for information collection: NC Project Coordinator/Researcher

Objective 2: Perform outreach, recruitment, placement, and case management

Metrics: A) Recruitment activities; B) Number of applicants; C) # of placements.

Deliverables: Recruitment plan, Outreach materials, and Assessment tools.

Evaluation: The information collected will demonstrate the recruitment and marketing strategies used and determine efficiency and effectiveness. Number of qualified applicants will show demand for the program. Evaluation of applications and assessments can determine if the training collaborative collected the proper information on each participant.

Responsible for information collection: NCWDBs; NCCCS; NCDOTOJT; CAGC Contractors

Objective 3: Provide Education & Training

Metrics: A) Number of enrollments; B) Number of graduates.

Deliverables: Attendance records, Periodic progress reports, Class evaluations, Graduation/Completion certificates

Evaluation: The PC will use attendance records supplied by other partners to track the number of enrolled participants. Weekly progress reports will track participant's success rates. Class evaluations will provide student feedback on course effectiveness. The PC will use this information to assist with program planning.

Responsible for information collection: NCCCS; NCWDBs; NC OJT; CAGC/Contractors

Objective 4: Ensure 100% employment within 6 months of graduation

Metrics: A) Number of placements; B) Average wage at placement; C) Trade/employment data

Deliverables: Copies of employment offer letters, emails, or timesheets

Measurable Performance Evidence Oversight Plan—Continued

Evaluation: Timesheets will prove employment in the industry.

Responsible for information collection: NCWDBs; NCCS; CAGC/Contractors; NC OJT

Objective 5: Provide employment supplemental services to program participants

Metrics: A) Number of trainees needing assistance

Deliverables: Proof of employment, job needs assessment, receipts

Evaluation: Employment records will demonstrate actual employment. Needs assessments will demonstrate potential barriers the trainee faces. Receipts for purchases will show that financial assistance was provided to trainee.

Responsible for information collection: NCOJT/Consultants; NCWDBs; NCCCS

Objective 6: Provide post-graduation tracking of participants for Federal reporting and administrative purposes

Metrics: A) Number Employed; B) Number in OJT; C) Number in Advanced Training (AdT); and D) Pre-/Apprenticeship status report

Deliverables: Demonstrated progress as the trainee works through initial employment/OJT, AdT, and/or Pre-/Apprenticeship program

Evaluation: Quarterly reports will demonstrate the participants are full-time and utilizing their newly acquired skills.

Responsible for information collection: NCWDBs; NCCCS; NCOJT/Consultants; CAGC Contractors

All Objectives: Responsible for analysis/report to FHWA: NC Project Coordinator

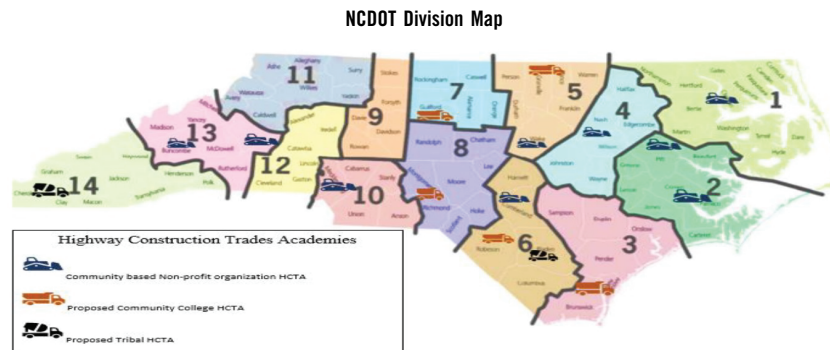
F. Geographic Location, Target Groups, and Emphasis Areas

NCDOT is divided into 14 highway divisions in three (3) regions. Factors considered when selecting the location of an NC highway construction trades academy are and will be:

Active contract award in a county (region); Average project completion rate; Number of open projects; Tier rating of the county (region); Urban development factors/community develop initiatives; and Natural disasters impacting regional transportation needs.

A formula is then used to calculate the number of Academy participants that have the potential to become employed in the location. Academies will also be placed in higher Tier (2 and 3) communities to address workforce issues or problems affecting qualified opportunity zones—usually pockets in more urban areas. The map below shows current and proposed HCTA sites.

Project Map



Target populations include women, minorities, and other disadvantaged groups. NCDOT defines disadvantaged populations as: Veterans; Homeless/Displaced; Unemployed; Justice challenged; Documented disability; and any Resident of a Tier 1 NC County. It is also expected that this project will launch the new community college-based HCTA and then OJT/Pre-apprenticeship program for job placement in collaboration with two NC tribal organizations and a Re-Entry model through NC

Department of Public Safety/Corrections. The planned Needs Assessment will identify additional recruitment areas and other potential targeted demographic groups.

While NC OJT/SS always targets non-traditional and under-represented populations, evidence from 2020 NCDOT OJT data indicates a need to recruit more minority females to all programs. In 2020, participants in all OJT activities were approximately 33% Black, 31% Hispanic, 30% White, and 6% Other; 76% Male, 24% Female; Average Age 32; and 20% Tier 1 County Residents. While difficult to project, the WG believes that a total of 225 such participants will complete their program/s and be employed over this 2-year grant performance period.

G. Final Deliverables

NCDOT and the current WG members would like to share successes, program models, and best practices with others. To demonstrate outcomes, the WG already plans to present a break-out session during the annual statewide NCWorks Partnership Conference and explore the creation of an entity and/or membership conference or structured regional (Southeastern) peer exchange vehicle for national/State DOT OJT colleagues.

Annual/Final Reports

The NCDOT SHCWP Project Coordinator will be responsible for preparing an annual report upon the completion of each program year. The reports will include: Comprehensive account of program accomplishments; The number of individuals affected; Identified issues and implemented resolutions; Other items that impacted program performance and outcomes; Status of goal achievement; Recommendations for program improvements; and Quantitative and qualitative performance results and budget status detailing expenditures, and explanation of deviations. There will also be an Annual Budget Review and Program Plan submitted at the mid-point of the 2-year performance period.

The second final detailed program report will be submitted to FHWA within 60 days after completion of the grant-funded project in accordance with the guidelines. In addition to updating the first-year report for 12 additional months, this final report will also include a section on lessons learned. NCDOT will also provide a summary of goals and measurements in the final report and will state whether the 2-year program met the established goals. Finally, there will be a separate evaluation completed by an independent external party of the entire 2-year program.

Other Final Deliverables

Additional final products and deliverables may include, but not be limited to: Needs assessment; Program SOPs; Program outlines/descriptions; Case studies; Curricula and class materials; Websites; Applications and/or software; Recruitment materials, flyers, and brochures; Pictures/videos; and/or other reports including the formal final evaluation.

FHWA seeks the scalability of this and other programs. To that end, the NCDOT/WG will include in the final report a description of how the project can apply or scale to others along with recommendations. The final project deliverables will improve the state of the practice for workforce development within the highway construction industry in NC and hopefully other parts of the US.

H. Cost Proposal

Budget Proposal and Financial Requirements

NCDOT requests \$200,000 in total FHWA grant funding to meet all objectives. There are also estimated in-kind/matching contributions from various partners for each task. Please find the budget summary and narrative for these objectives below (related to 424 and 424A forms). [NOTE: The cost of training and supportive services at the 5 community college HCTAs will be covered by OJT/SS funds at \$100K per. Funds will also be coupled with the Apprenticeship State Expansion Grant the NCCCS received from USDOL to expand registered apprenticeship to pay for the tuition, books, and fees—\$3,000 per apprentice as long as there are funds available, and it is an approved program.]

Task/Expense 1: Employ/Supervise/House FT Project Coordinator (Two Years)

Project Coord.	NCDOT Budget Summary		
ITEMS	FUNDING REQUESTS	IN-KIND	TOTAL COST
Personnel	\$100,000.00	\$19,000.00*	\$119,000.00
Totals:	\$100,000	\$19,000	\$119,000

Personnel: \$100,000 (Grant); \$11,000 Supervision/Hosting by OJT Management, \$8,000 WG Partner Meetings (In-kind funds) NCHCWP Project Coordinator: The PC will administer the overall program, which includes an outreach plan review, recruitment efforts, community college HCTA pilots, program application review, federal reporting, and other program support, as needed. ***Supervision/Occupancy (In-kind):** NCDOT's estimated in-kind is \$11,000 for management supervisory time and travel, office space and equipment/supplies (state funds) for 2 years. See Section C. B. Applicant on 424A. Partner members (public/private) contributing \$8,000 worth of WG meeting time. See C. State and D. Other on 424A.

Task/Expense 2: Conduct Needs Assessment (Year 1)

Needs Assessment	NCDOT Budget Summary		
ITEMS	FUNDING REQUESTS	IN-KIND	TOTAL COSTS
Contractual Research	\$50,000.00	\$10,000.00*	\$60,000.00
Totals:	\$50,000	\$10,000	\$60,000

Contractual: \$50,000 (Grant); Coordination and Assistance: \$10,000 (In-kind WG Members) As indicated above as well, NCDOT will contract a researcher to conduct a formal statewide "Needs Assessment". This process will determine local employment interests, contractors' workforce needs/gaps, and an environmental scan of existing or to-be-developed training and employment opportunities and potential participants. ***Personnel (In-kind):** NCDOT (\$2500) and other partner staff (CAGC/members) will work with the consultant to identify focus areas and help provide select data for the 'Needs Assessment' for a total \$10,000 in-kind public/private match. See Section C. 424A.

Task/Expense 3: Develop/Launch Shared Marketing Message/Collateral

Marketing	NCDOT Budget Summary		
ITEMS	FUNDING REQUESTS	IN-KIND	TOTAL COSTS
Materials Development	\$10,000.00	\$2,500.00*	\$12,500.00
Totals:	\$10,000	\$2,500	\$12,500

Contractual: \$10,000 (Grant); Coordination and Assistance: \$2,500 (In-kind WG Members) As described in D.5, the PC will work with a consultant and *all WG members to develop and launch an outreach and marketing program for both potential program participants and contractor employers as well. This will also be usable with the general public and parents.

Task/Expense 4: HCTA-based Skills Trainings, and Pre-/Apprenticeship Component

Skills Trainings	NCDOT Budget Summary		
ITEMS	FUNDING REQUESTS	IN-KIND	TOTAL COSTS
Course Development	\$25,000.00	\$10,000.00*	\$35,000
Apprentice Registration		\$5,000.00**	\$5,000
Totals:	\$25,000	\$15,000	\$40,000

Curricula/Training Development: \$25,000 (Grant); Coordination and Assistance: \$15,000 (In-kind WG Members). Curricula and lesson plans to provide training based on results of the workforce Needs Assessment. *Additional In-Kind contributions will be from having OJT (\$3,000) and WG members/contractors consulting with NCCCS ConEd course development staff to create the curriculum training based on the Needs Assessment for total \$10,000. **A community college consultant will work with NCDOT/OJT to register the pre-apprentices and apprentices \$5,000. See Section C. columns on 424A.

Task/Expense 5: Develop and Conduct Evaluation of Program Results

Skills Trainings	NCDOT Budget Summary		
ITEMS	FUNDING REQUESTS	IN-KIND	TOTAL COSTS
Program Evaluation	\$15,000.00	\$2,500.00*	\$17,500.00
Totals:	\$15,000	\$2,500	\$17,500

Contractual Program Evaluation: \$15,000 (Grant); Coordination and Assistance: \$2,500 (In-kind WG) Independent researcher will conduct a formal program evaluation with *in-kind assistance from various WG members including individual contractors. See Section C. 424A.

QUESTIONS FROM HON. PETER A. DEFazio TO BRENT BOOKER, SECRETARY-TREASURER, NORTH AMERICA'S BUILDING TRADES UNIONS

Question 1. The IIJA's historic funding levels are estimated by the Economic Policy Institute (EPI) to support over 772,000 jobs annually. The large boost in infrastructure investment under the IIJA will create thousands of new positions in the transportation construction sector over the next five years.

Mr. Booker, how will the building trades unions meet the need for skilled construction workers as more infrastructure projects get underway and hiring demands increase?

ANSWER. Mr. Chairman, we will meet the need for skilled construction workers the same way we have always met that need: by responding to market demand. Our affiliates, together with our contractor partners, operate 1,600 Registered Apprenticeship training centers in the United States that produce highly-skilled journey-level workers. The apprentices enrolled in those programs "learn while you earn" and also constitute part of our skilled workforce. In addition, our affiliates operate referral programs to provide our contractor partners with the skilled workers needed. Working with our contractor partners and project owners, our affiliates also continue to recruit workers for their Registered Apprenticeship programs by investing in Apprenticeship Readiness Programs to bring in more women, communities of color, veterans, and the justice involved. Our recruitment and referral efforts are predicated on the demand of the construction market, and what our contractors, as far as number of workers, need to complete a project.

Question 2. In her written testimony Ms. Karst states that, "government-mandated PLAs hurt both union and open-shop contractors."

What impact do PLAs have on the building trades unions' members?

ANSWER. Mr. Chairman, the benefit of a PLA to workers is tremendous, whether they are members of building trades unions or not, as both union and non-union contractors bid on PLAs. A PLA creates a uniform and stable system of labor relations for a project. A PLA standardizes the terms and conditions of employment for

everyone who works on the project, establishes various forums for communication and coordination, and prevents work stoppages with no-strike, no-lockout, and speedy dispute-resolution provisions. Furthermore, PLAs help create well-paying jobs and expand job opportunities for disadvantaged and marginalized communities. And PLAs often include provisions on apprenticeship and apprenticeship readiness programs that enable workers to “earn while they learn” and put them on the path to becoming highly skilled, six-figure earning construction workers. Apprenticeship readiness requirements in PLAs have helped thousands of women, people of color and veterans access career pathways in the construction industry. Furthermore, PLAs ensure pay equity, as the uniform terms apply to women and men alike on the job. A PLA ensures that a journey-level plumber, for example, earns the same wage irrespective of their gender, race, age, ethnicity, etc.

Project owners also recognize the benefits of PLAs, which is why they have been used on private sector and public construction projects for almost 100 years. PLAs help meet deadlines by providing a steady supply of highly skilled labor, helping to ensure that large-scale projects are completed on time, with the highest degree of quality, and in a cost-effective manner. PLAs produce substantial direct and indirect cost savings, provide job stability, and promote productivity and greater efficiency. In fact, due to the use of a PLA, the Navy’s multi-year effort to build a Second Explosive Handling Wharf at Naval Base Kitsap-Bangor in Washington state came in approximately \$250 million under budget.

As far as the issue of government-mandated PLAs, within the context of the Infrastructure Investment and Jobs Act, there is unfortunately quite a bit of misinformation out there. Opponents of PLAs have tried to give the impression that the Biden Administration’s Executive Order on PLAs is mandating their use on all the projects funded under the law. That is false. The Executive Order only applies to direct federal procurement, not federally assisted construction like that covered by the Infrastructure Investment and Jobs Act. The federal assistance provided under the infrastructure law, whether through formula funding, discretionary grants, loans, etc., is not subject to the Executive Order. Federal agencies can encourage PLAs use on such projects, but PLA use on such projects is not mandated under the Executive Order.

QUESTION FROM HON. HENRY C. “HANK” JOHNSON, JR. TO BRENT BOOKER,
SECRETARY-TREASURER, NORTH AMERICA’S BUILDING TRADES UNIONS

Question 1. Too often, federal funding has experienced peaks and valleys depending on the party in power. The IIJA provides a historic level of funding for infrastructure, but agencies need consistent support to meet the enormous demands of maintaining our roads, bridges and sewers. Funding from IIJA will last years but not forever.

How can we maximize workforce training and job creation to be immune from the variable funding going forward? Or at least ensure that the skills are transferable.

ANSWER. Congressman Johnson, the best way to maximize workforce training and job creation, and to ensure skills are transferable, is to maximize the Registered Apprenticeship system. The building trades’ Registered Apprenticeship system is comprised of 1,600 joint labor-management training centers across the United States, in practically every single Congressional district. Our programs are not dependent on federal funding to operate and continually train both apprentices and provide up-skill training to journey-level workers. This allows us to respond to the demands of the construction market without being captive to the fluctuations in federal funding levels. However, that it not to say that core formula programs do not need a stable and long-term funding mechanism, because they absolutely do, and we hope Congress will provide that in the very near future.

As far as the transferability of skills, once again, the best way to maximize that is to maximize the Registered Apprenticeship system. Our members’ skills are transferable because our programs train for the breadth of a career in a craft. A member could be working on a transit or aviation project, and go from that project to an energy project, or a commercial construction project, or a port project. The benefits of the Registered Apprenticeship system ensure that workers are properly trained so that their skills are not only transferrable, but portable as well.

QUESTIONS FROM HON. EDDIE BERNICE JOHNSON TO BRENT BOOKER, SECRETARY-TREASURER, NORTH AMERICA’S BUILDING TRADES UNIONS

Question 1. Mr. Booker, the training program you described sounds excellent. What is the process for getting into the program?

ANSWER. Congresswoman Johnson, the process is fairly straightforward. A prospective construction apprentice does need to have some basic math skills to, for ex-

ample, allow them to read blueprints. Other than that, they need to show up and be ready and willing to learn and work, and sign an apprenticeship agreement. In order for an apprenticeship position to become available and for our training centers to open their doors, we work with our contractor partners to determine their workforce needs, and train accordingly. We also work with community-based organizations around the country to establish well-defined pathways for their constituents into Apprenticeship Readiness Programs and ultimately into building trades Registered Apprenticeships.

Question 2. Mr. Booker, Ms. Karst stated that Project Labor Agreements hurt union employees. Would you disagree with that?

ANSWER. Congresswoman Johnson, I wholeheartedly disagree with that. The benefits to workers that are ensured by a PLA are numerous, and as someone who has negotiated PLAs, I can tell you that labor will not agree to provisions that hurt workers, period. It is hard to imagine how PLAs' assurance of uniform and stable labor relations that establish pay equity and fairness hurt workers.

Question 3. Mr. Booker, there is a lack of skilled transportation construction workers for many projects today. What else could contractors and other transportation companies be doing to develop, train, and retain a skilled transportation workforce?

ANSWER. Congresswoman Johnson, in our experience, the best way to develop and train a skilled workforce is through the Registered Apprenticeship system. In our experience, the best way to retain a skilled workforce is to treat workers with the dignity and respect that they deserve by paying them good wages, with good benefits such as healthcare and retirement, so that they can provide for themselves and their families and make them want to show up and take pride in their work. It has been argued that the United States has a skills gap, but we would argue that we in fact have a pay gap, where too many are not willing to compensate workers to the extent that the job they are trying to fill is an attractive career option.

QUESTIONS FROM HON. MARK DESAULNIER TO BRENT BOOKER, SECRETARY-TREASURER, NORTH AMERICA'S BUILDING TRADES UNIONS

Question 1. As you know, the country has already begun a transition away from fossil fuels in response to the climate crisis and the transition will only accelerate. While prioritizing that transition, however, we must ensure that we provide support to those workers who are at risk of being displaced and provide them with opportunities for meaningful work that offers the same standard of living. I have authored legislation aimed at tackling this challenging problem with a multifaceted approach, but the whole transition will require a lot of planning and support.

How are the Building Trades planning and preparing for this eventuality and what can Congress do to assist your efforts?

ANSWER. Congressman DeSaulnier, because the building trades' Registered Apprenticeship programs train for the breadth of a career in an individual craft, our members are prepared to build every type of energy project, and at this moment we are particularly focused on offshore wind, which holds tremendous promise not just for renewable energy, but for job creation with good wages and benefits, and could open doors of opportunity to many of those who have been left out.

I would say that the single greatest thing that the Congress could do to ensure building trades members view the transition as a lateral move rather than a step down is to ensure that any and all types of federal assistance, whether it is through grants, loans, or tax credits, which provide funding for renewable and cleaner energy projects, have strong labor standards. The type of standards that we see throughout surface transportation programs for instance, like strong Davis-Bacon prevailing wage and Buy America provisions, must be included in cleaner energy projects. Furthermore, Congress can ensure that projects that receive federal assistance utilize registered apprentices, which will guarantee proper training opportunities to ensure that a new generation of highly skilled construction workers is trained on all projects, including cleaner energy projects.

Question 2. The Infrastructure Investment and Jobs Act made historic investments in electric vehicle charging stations. In order to see the full value of these investments, however, we must ensure that we have the workforce trained to do the work.

What efforts are currently underway to support the unionized workforce to be able to step in and install EV chargers at the rate that will be needed?

ANSWER. Congressman DeSaulnier, because we train for the breadth of a career, building trades members are already prepared to build this infrastructure. Our affiliates and their contractor partners are already training on this technology. The

level at which we can build EV charging projects will be determined by how successful our contractor partners are in winning bids to build that infrastructure. With our training programs, I am confident that our members will be the ones building EV charging stations.

QUESTIONS FROM HON. JAKE AUCHINCLOSS TO BRENT BOOKER, SECRETARY-TREASURER, NORTH AMERICA'S BUILDING TRADES UNIONS

Question 1. This [<https://www.hbs.edu/managing-the-future-of-work/Documents/research/hiddenworkers09032021.pdf>] Harvard report highlights the disparity between individuals eager to find full-time employment but are often overlooked by employers when they do not meet specific hiring criteria.

- 1.a. In your testimony, you mention apprenticeship training programs that allow individuals to get paid while they gain the on-the-job experience necessary to secure a full-time position. Can you explain the pay and benefits apprentices receive during their training?

ANSWER. Congressman Auchincloss, first and foremost, apprentices do not pay tuition for their world-class training. Second, apprentices typically receive a percentage of journey-level pay depending upon their level in the Registered Apprenticeship program. For example, an apprentice in their final year of training may receive 90% of journey-level pay, while a starting apprenticeship may receive 50% or 60% of journey-level pay. There is no standard formula, but what is uniform is that apprentices enrolled in our Registered Apprenticeship programs receive a graduated pay scale so that prospective apprentices know from day one what they will be paid and when they will see pay increases. It is transparent, allowing someone who is looking to enter the construction trades to make an informed decision on whether or not to enter the program. As we have seen an average of 75,000 new apprentices per year for the last five years, we are confident that more and more individuals view the construction trades as a good career option.

- 1.b. How can apprenticeship programs connect hidden workers with meaningful employment?

ANSWER. Congressman Auchincloss, our Apprenticeship Readiness Programs have articulation agreements with one or more of our Registered Apprenticeship programs. This allows for those who go through Apprenticeship Readiness to transition to Registered Apprenticeship more easily. As I stated in my testimony, we utilize Apprenticeship Readiness to bring in more women, communities of color, the justice involved and veterans into our programs. These can also be utilized by hidden workers, who may be trying to find a career path that offers them more stable employment and who aren't quite sure which career path may be best suited for them. As far as our Registered Apprenticeship programs, I can confidently say that those who are looking for a stable, secure pathway to a long-term, middle-class career can join one of our programs, and receive good wages and benefits from day one. And since our unions, in conjunction with our contractors, fund these programs privately, someone wishing to enter into the construction trades can do so with the confidence that they will not be burdened with debt.

QUESTIONS FROM HON. PETER A. DEFazio TO KARI J. KARST, PRESIDENT AND CHIEF EXECUTIVE OFFICER, BX CIVIL & CONSTRUCTION, ON BEHALF OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

Question 1. Ms. Karst, your written testimony states that "recently, the U.S. Department of Transportation has signaled a desire to impose preferences for projects that include local hire requirements." However, the statutory authority provided by the IIJA clearly stipulates that a project's sponsor may utilize local labor hiring preferences if they want to, but there's no preference or requirement for their use.

Do you oppose state and local governments having the flexibility to require contractors to ensure that a portion of their workforce on a construction project be hired from the community where the project is being built? Why or why not?

ANSWER. We share the goal of seeing more people—particularly from disadvantaged areas—enter the middle class via high paid construction careers. Our members are desperate to hire workers and would love to hire local employees where they do business. On a construction site, our number one job is to maintain safety. So these requirements must have flexibility to not only ensure that their current workforce, union or non-union, is not displaced but also ensure that the safety of all workers is not jeopardized because these hires lack the proper training and experience.

Unfortunately, too many communities have defunded their career and technical education programs and as a result there are often too few local workers with any

interest in construction careers or basic skills that would make them qualified to hire.

Local hire programs let communities off the hook for failing to provide sufficient career and technical education options to meet employer needs. As a result, we have seen some local hire programs, where 80 percent of people hired from local communities that are hired choose to leave the job before the project is even finished. Local hire programs solve a symptom and not a problem.

QUESTIONS FROM HON. HENRY C. “HANK” JOHNSON, JR. TO KARI J. KARST, PRESIDENT AND CHIEF EXECUTIVE OFFICER, BX CIVIL & CONSTRUCTION, ON BEHALF OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

Question 1. Black Americans continue to struggle with unemployment at unacceptable levels—currently [<https://fred.stlouisfed.org/series/LNS14000006>], it's at 6.2 percent. Although that's an improvement from an obscene 16.6% unemployment in May 2021, we can all agree there is always room for improvement.

1.a. What have been the largest factors in preventing Black Americans from joining the construction workforce?

ANSWER. Attracting a more diverse workforce continues to be a priority for the construction industry. The Culture of CARE is an initiative created in partnership between the Associated General Contractors of America (AGC) and the AGC of Washington to advance the construction industry as the industry of choice for diverse and talented workers by building inclusive work environments in construction firms nationwide.

To foster an environment that will attract a more diverse workforce, AGC of America is asking construction industry leaders to make a public commitment to building diverse and inclusive workplaces by taking the Culture of CARE pledge. The Culture of CARE pledge has four pillars:

- Commit to hire and pay based on skill and experience, regardless of ability, age, ethnicity, gender identity, nationality, race, religion, sex or sexual orientation;
- Attract prospective employees, suppliers and subcontractors by creating inclusive workplaces that are free from harassment, hazing and bullying;
- Retain high-performing employees by identifying and removing barriers to advancement; and
- Empower every individual to promote a culture of diversity and inclusion

Culture of CARE helps companies be more proactive and intentional about creating a culture where every employee feels valued, safe, and welcomed by providing resources to address common diversity- and inclusion-related challenges in the construction industry. Resources include sample HR policies, toolbox talks on mental health and suicide prevention, racism, sexism, and creating a Culture of CARE; and a company assessment to help companies establish benchmarks and measure progress related to diversity and inclusion efforts.

To date, more than 700 companies have taken the Culture of CARE pledge, including AGC of America and 35 AGC chapters, other national industry associations, and unions.

1.b. How can job creation and workforce development programs elevate Black Americans and those of color, who even now face unequal opportunities in the workforce?

ANSWER. Attracting a more diverse workforce continues to be a priority for the construction industry. AGC fully embraces diversity within its membership. People of diverse backgrounds, opinions, perspectives, experiences, and ideas bring creativity and vitality that maximizes member engagement at all levels of the association. Fostering an environment that is welcoming and inclusive to all individuals is essential to achieving our mission and places our members in a position to contribute to the industry's future success.

In addition to the Culture of Care program, designed to make sure construction firms and project sites are more welcome and inclusive, AGC of America also launched a nationwide digital advertising campaign to recruit more people—especially more diverse individuals—into the profession.

Question 2. For decades, Georgia has suffered from a systemic lack of infrastructure investment. There are 374 bridges and more than 2,260 miles of highway in poor condition in GA, including Houston Mill Road over S Fork Peachtree Creek which has been found to be structurally deficient. In fact, Georgia received a grade of C— from the American Society of Civil Engineers on its infrastructure report card. That's abominable.

If funding is continued to be provided for American infrastructure, like it has been in IIJA, do you feel we can overcome the worker shortages and create the A+ infrastructure that our great nation deserves?

ANSWER. The Infrastructure Investment and Jobs Act represents the most historic investment in the future of our industry since the creation of the interstate highway system. And most importantly, it demonstrates to our existing and future workforce that there is sustainable work in the years to come.

The construction industry continues to face workforce shortages due to expected craft worker retirements, growth in other sectors, and challenges to recruiting and training new workers into the industry. Meanwhile, construction demand and activity continue to grow.

Prioritizing the selection of projects based on labor preferences and the mandate on project labor agreements through executive order paper over the real problems facing the construction workforce and miss the mark. These policies will neither attract nor prepare workers for a long-term career in construction. They attempt to treat the symptoms—not the root causes—of workforce shortages.

Making reforms to higher education policy by making high-quality, shorter-term education and training programs eligible for federal Pell Grants would help reverse the skills gap, correct education funding inequities, and provide job training and credentialing opportunities that are in high demand. The bipartisan JOBS Act, or H.R. 2037, is one legislative initiative that could help make a tangible impact on this problem.

QUESTION FROM HON. EDDIE BERNICE JOHNSON TO KARI J. KARST, PRESIDENT AND CHIEF EXECUTIVE OFFICER, BX CIVIL & CONSTRUCTION, ON BEHALF OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

Question 1. Ms. Karst, Mr. Booker testified that his organization has trained over 80,000 transportation workers.

Can you go into more detail about what specifically the Associated General Contractors of America are doing to develop and train new transportation workers?

ANSWER. Through our network of 89 state and local chapters, AGC of America supports workforce training programs. Here in South Dakota, our AGC chapter has three Federally Registered Apprenticeship programs that allow our workers to achieve journey level certification in Carpentry, Concrete Finishing & Heavy Equipment Operation.

Our South Dakota Chapters also focus heavily on attracting the next generation of construction workers through Construction Career Camps which focus on exposing students to the opportunities in our industry during their middle and high school years. In the last year, we will have exposed over 600 students through our traditional camps all across the state of South Dakota. We also have a special camp called Pizza, Pop & Power Tools that focuses on 8th grade girls. These girls are given a hands-on experience in equipment operation, carpentry, welding, finishing concrete and using power tools. When we complete our Pizza, Pop & Power Tools camps by the middle of April, we will have impacted close to 300 8th grade girls in South Dakota.

Our innovative Construction Career Academy allows 16- to 18-year-old students to earn and learn during the summer months. The students are matched with one of our member employers who pay them to attend classes and work under supervision on our jobsites. These students can apply their experience to our Youth Apprenticeship Program and eventually move on to one of our Federally Registered Apprenticeship programs.

QUESTION FROM HON. PETER A. DEFazio TO KELLY KUPCAK, EXECUTIVE DIRECTOR, OREGON TRADESWOMEN, ON BEHALF OF THE NATIONAL TASKFORCE ON TRADESWOMEN'S ISSUES

Question 1. The IIJA's historic funding levels are estimated by the Economic Policy Institute (EPI) to support over 772,000 jobs annually. The large boost in infrastructure investment under the IIJA will create thousands of new positions in the transportation construction sector over the next five years.

Ms. Kupcak, what can Congress do to ensure women and minority workers have equal access to these opportunities?

ANSWER. Thank you, Chair DeFazio for your question. The experience of the state of Oregon and other regions where real progress has been made in increasing gender and racial diversity in nontraditional occupations teaches that generating change requires resources, technical advice, clearly stated goals and expectations,

and regular monitoring and enforcement¹. Oregon Tradeswomen and the National Taskforce on Tradeswomen Issues recommend that infrastructure and related funds disbursed to states include clear set-asides for workforce development, including for support services such as childcare and transportation stipends, as well as for enforcement and oversight as have seen such investments result in retention of workers, and economic mobility for themselves and their families.

Through our work at Oregon Tradeswomen, and through the National Taskforce on Tradeswomen's Issues, we have seen firsthand the challenges of tackling the intersectional nature of barriers to economic security, particularly for women of color. Improving gender diversity in such fields has two main components: improving the supply of women by providing quality job training without the burden of debt, gender-equitable workforce development programs, such as registered apprenticeships and pre-apprenticeship training programs, and programs that help expand pathways for women to enter or re-enter non-traditional occupations and skilled trades careers. Such job-training efforts must be coupled with public policy that includes such strategies as creating the demand for women by setting ambitious workforce goals, monitoring progress, and enforcing compliance, and providing technical advice and building capacity among contractors, employers, and other industry stakeholders.

Because of its oversight role, this Subcommittee has a critical role to play to ensure that workforce development and job creation not only meet industry demand for a skilled workforce but invest in an equity framework for all Americans. To that end, Oregon Tradeswomen and the National Taskforce on Tradeswomen's Issues respectfully ask that this Subcommittee conduct robust oversight of the design and delivery of the infrastructure investments by both the federal and the state DOTs to ensure that they not only meet industry demand for a skilled workforce but invest in an equity framework for all Americans.

We recommend a number of specific measures like those described in the March 25, 2022, Multimodal Project NOFO that state DOTs should require of construction contractors for projects funded by IIJA where the total project cost exceeds \$10 million state DOTs should adopt to prioritize equity for women and people of color in the surface-transportation workforce:

1. *Nondiscrimination and affirmative action.* First and foremost, state DOTs should make sure that contractors implement the affirmative action requirements, including the specific numeric goals for minority and female participation and the 16 minimum steps, which apply to federally assisted construction contracts.
2. *Supportive services.* State DOTs should require each project's General Contractor to spend at least one-half of one percent (0.5%) of the overall project budget on supportive services for project workers to maximize opportunities for women and people of color. The supportive services eligible for funding under this requirement should be pre-apprenticeship; childcare; tools; workwear; retention services (including support groups, mentoring, and peer networking); and application fees and other costs of entering registered apprenticeship programs and required pre-employment training.
3. *Respectful worksites.* State DOTs should require each project's General Contractor to adopt workplace anti-harassment policies and to provide effective, on-going respectful-workplace training accompanied by a social campaign designed to create inclusive and diverse work sites for all the employees working on the project.
4. *Transparency.* State DOTs should require each project's General Contractor to report the participation rates for women, minorities, and apprentices working on the project, alongside the applicable goals, to the public on an accessible online site, to Office of Federal Contract Compliance Programs (OFCCP) in DOL, and to the state DOT; and to update those reports twice per month.
5. *Community engagement.* (a) State DOTs should convene a meeting of representatives of community-based organizations and the labor unions that will represent workers on each project as the bid solicitation conditions are being developed; and (b) Once the contract is awarded, state DOTs should require each project's General Contractor to convene meetings with a committee that

¹ See *Report on the Use of Federal Funds to Increase Diversity and Prepare those Entering the Highway Construction Workforce* (ORS 184.866), Oregon Department of Transportation (2020). <https://www.oregon.gov/odot/About/GR/Highway%20Construction%20Workforce%20Development%20Report.pdf>; and *Untapped Resources, Untapped Labor Pool: Using Federal Highway Funds to Prepare Women for Careers in Construction* by Ariane Hegewisch, Jane Henrici, Elyse Shaw; Thomas Hooper (2014). Boston, MA: Jobs For the Future <https://www.jff.org/resources/untapped-resources-untapped-labor-pool-using-federal-highway-funds-prepare-women>

includes the state DOT, community-based organizations, relevant labor unions, relevant government officials, and the subcontractors on the project at least monthly, beginning at least 90 days before any hiring for the project begins, and to require subcontractors' participation in these meetings in their contracts. The purpose of these community meetings is to review the General Contractor's and subcontractors' implementation of the equity requirements, to provide the committee members with necessary records, and to brainstorm solutions to challenges encountered in implementing the equity requirements. The General Contractor should also be required to provide an OFCCP representative, a representative of the state DOT, and an ombudsperson from the community committee with direct access to the work site to monitor conditions, provide support and assistance, and mediate issues.

6. *Robust oversight.* State DOTs should require the General Contractor and subcontractors to consent to twice-monthly compliance reviews by OFCCP and to participate in OFCCP's "Mega Construction Project" program.
7. *Sanctions.* State DOTs should require the General Contractor and subcontractors to agree to the sanctions in addition to those already available under law if the state DOT or OFCCP finds that the General Contractor or subcontractor is not in compliance with these requirements. These additional sanctions include mandatory suspension of progress payments until such time as the contractor comes into compliance; a discretionary civil penalty of up to \$14,502 per violation and \$145,027 per day for failure to comply after the effective date of an administrative order or OFCCP compliance agreement; and compensatory and where warranted under current legal standards, punitive damages if such noncompliance results in monetary harm to an individual or class of individuals because of unlawful discrimination.
8. *Flow-down applicability.* State DOTs should require the General Contractor and the subcontractors working on the project to include these requirements in all their subcontracts.
9. *Administrative expenses.* State DOTs should require that the General Contractor dedicate at least one-half of one percent (.5%) of the overall project budget to the administrative expenses of implementing these requirements.
10. *Apprentice utilization minima.* State DOTs should require that the General Contractor and subcontractors together employ registered apprentices for a minimum of twenty percent (20%) of hours worked on the project, by trade.

QUESTION FROM HON. HENRY C. "HANK" JOHNSON, JR. TO KELLY KUPCAK, EXECUTIVE DIRECTOR, OREGON TRADESWOMEN, ON BEHALF OF THE NATIONAL TASKFORCE ON TRADESWOMEN'S ISSUES

Question 1. As of January 2022 [<https://www.shrm.org/resourcesandtools/hr-topics/behavioral-competencies/global-and-cultural-effectiveness/pages/over-1-million-fewer-women-in-labor-force.aspx#:~:text=Millions%20of%20women%20left%20the,this%20trend%20isn't%20new.>], 1.8 million fewer women are employed since February 2020. Poverty, childcare, and a lack of paid leave directly impact an individual's ability to participate in the work force—especially our nation's women. If you can't afford gas to get to a job site, you can't work. If you can't find someone to watch your kids while you are away, you can't work. If you can't take time off when a need arises, you can't work.

How can we ensure that workforce development programs don't just create jobs but careers—with quality pay and benefits that allow women to fully engage in the labor market?

ANSWER. Thank you, Congressman Johnson, for your question. In the work we do at Oregon Tradeswomen, as well as our sister tradeswomen organizations across the country, in advocating for access, equity, and opportunity in blue-collar careers is a tangible, cost-effective, and proven anti-poverty strategy for women. The women we serve are in fact, largely very low-income, often with significant barriers to employment, and through the pre-apprenticeship training model we implement, which includes support services such as childcare, transportation assistance, housing stabilization and other services, are how we help move women go to work in careers that move them and their families from poverty to prosperity.

For example, in Oregon Tradeswomen's 192-hour pre-apprenticeship training program, which is certified by Oregon Bureau of Labor and Industries Apprenticeship and Training Division, our placement rate averages at 87 percent, with the last two cohorts being 100 percent industry placement, with average starting wage of \$22.81 an hour—significantly higher than Oregon's minimum wage. That wage increases regularly, when women complete our program and move up and complete their registered apprenticeship programs, and when programs with quality standards, such

as union programs and employers, those wages include critical benefits such as healthcare and a pension. Through our retention services program, we work closely with tradeswomen after industry placement to ensure that they complete their 2, 3, 4, or 5-year registered apprenticeship programs where they continue to achieve additional skills training and guaranteed wage increases.

We know that it is critical to ensure that women in Oregon and across our country are able to care for themselves and their families, and that having access to high-wage, high-skilled employment opportunities as those in the transportation and construction industries, as women are the ones who continues to struggle most to meet basic needs. In their 2021 report, *Overlooked & Undercounted: Struggling to Make Ends Meet in Oregon*, authors Annie Kucklick & Lisa Manzer of the Center for Women's Welfare at the University of Washington School of Social Work remind us of just how economically fragile many households in Oregon are—where Oregon Tradeswomen is working to change that through helping women move into high-wage, skilled blue-collar careers.

As an example, in East Multnomah County, where Oregon Tradeswomen is headquartered, 35% of households experience income inadequacy, noting that in Oregon, 49% of Black households, and 41% of Latinx households lack sufficient income and struggle to meet their basic needs. The data for women is even more stark. Households headed by women have higher rates of income insufficiency when compared to households headed by men, and further, households with children are at a greater risk of not meeting their basic needs, accounting for close to half of households with inadequate income. Part of these equation is due to the higher costs associated with children, such as childcare, where Oregon is third in the nation for highest costs.

Lastly, I am compelled to share how significant the income inadequacy for women across Oregon is impacting our ability to care for our families. Households headed by women are disproportionately below the Self-Sufficiency Standard and their concentration in low-wage occupations with high pandemic unemployment rates places this group at risk of further economic marginalization. The combination of being a woman, a single mother, and a person of color results in the highest levels of income inadequacy. These rates are particularly high for single mothers of color: 92% of Black and 65% of Latina lack adequate income—compared to 55% of white single mothers. Please let that sink in—92% of Black single mothers and 65% of Latina single mothers lack adequate income to care for their families. We know this is unacceptable, untenable, and must change for us to truly make equity more than a value, but a living way in which we make change.

Programs like ours at Oregon Tradeswomen and other pre-apprenticeship training programs across Oregon, work deeply with both our Workforce Investment Boards and BOLI Apprenticeship and Training Division, as they bring critical leverage and coordination, and support our programs with technical assistance to ensure jobseekers have the supports they need, including the critical wrap around support services as outlined in the recommendations put to this committee by the National Taskforce on Tradeswomen Issues. At Oregon Tradeswomen, and in the Taskforce, we have seen first-hand how critical it is to serve jobseekers in a holistic way that not only includes quality job-training and education, but support services to ensure any barriers to full employment and successful careers are addressed, and retention services which keep them in those high-wage careers.

Quality pre-apprenticeship training programs, such as those that meet robust industry standards, and as outlined by the U.S. Department of Labor in the Training and Employment Notice 13–12, published in November 2012 which includes clear guidelines for supporting jobseekers, and specifically those historically marginalized and underrepresented in high-wage careers, such as women, people of color, for supporting long-term career pathways, not simply a short-term job.

The key strategies included in the guidance for developing and executing a quality pre-apprenticeship training framework are outlined in TEN 13–12, and were gleaned from national data and evidence-based outcomes from such programs as those administered by North American's Building Trades Unions partners delivering the Multi-Craft Core Curriculum, Oregon Tradeswomen, ANEW, Chicago Women in Trades, Building Pathways Boston, Mississippi Women in Construction, Vermont Works for Women, Women in Nontraditional Employment Roles (WINTER), Nontraditional Employment for Women (NEW-NYC) and others—many of which have been or currently are U.S. Department of Labor WANTO (Women in Apprenticeship and Nontraditional Occupations) grantees.

These strategies include:

- Approved/industry informed quality training and curriculum that is aligned with employer skills needs and registered apprenticeship requirements
- Employability and employment readiness training ("soft skills")

- Career exploration, coaching, placement services and retention services post industry placement
- Long-term services and industry partnerships which prioritize under-served populations and jobseekers
- Access to appropriate *support services* (such as transportation, childcare, housing stabilization, etc.) and wrap-around services both during enrollment in pre-apprenticeship training, post placement, and early-term registered apprenticeship
- Strong linkages to registered apprenticeship, including committed leveraged resources, deep engagement and significant percentage of referrals accepted through facilitated entry or articulation
- Meaningful industry hands-on experience which does not displace apprentices or employees
- Industry recognized credential that is portable and stackable

These strategies are also highlighted in the 2018 U.S. Department of Labor report, *“Pre-Apprenticeship: Pathways for Women into High-wage Careers A Guide for Community-Based Organizations and Workforce Providers”* and focus on pre-apprenticeship as a best practice model designed to prepare individuals to enter and succeed in a Registered Apprenticeship program. A pre-apprenticeship program, by definition, has a documented partnership with at least one Registered Apprenticeship program.

Quality pre-apprenticeship programs are a starting point toward a successful career path for under-represented jobseekers such as women and people of color, as well as individuals with disabilities, formerly incarcerated persons, and others who may not be aware of this approach to obtain good jobs with opportunities for advancement. The pre-apprenticeships model for skilled trades, including transportation, construction, and manufacturing have proven outcomes in helping unemployed, under-employed, and low-skilled, low-wage earners enter and succeed in highly skilled, high-wage careers—a fundamental anti-poverty strategy for our nation’s workforce. These careers provide quality benefits and high, family-sustaining rates of pay—and we have seen, as have our colleagues as demonstrated by WANTO grantees, that the model of quality pre-apprenticeship does in fact lead to much more than a job, but a lifelong career.

QUESTION FROM HON. EDDIE BERNICE JOHNSON TO KELLY KUPCAK, EXECUTIVE DIRECTOR, OREGON TRADESWOMEN, ON BEHALF OF THE NATIONAL TASKFORCE ON TRADESWOMEN’S ISSUES

Question 1. Ms. Kupcak, I’m pleased that there are organizations like yours advocating for women in the transportation industry.

Could you discuss what more you think contractors could do to make the industry more appealing to women? Also, what could Congress do to help you accomplish your mission?

ANSWER. Thank you, Congresswoman Johnson, for your questions. As many Subcommittee members may know, women remain severely underrepresented in the construction and transportation sectors—fields that provide good wages, benefits, and opportunities for a life-long career. Without intentional efforts to improve and support access to such publicly funded jobs, women, particularly women of color, are unlikely to benefit from these historic levels of investment. Beyond sound public policy, advocates and practitioners like Oregon Tradeswomen, our sister tradeswomen organizations, and industry allies know that industry employers are key to creating workplaces that are welcoming to all workers, including women, and through quality workplaces—ones that prioritize health, safety, and respectful workplaces—a key to worker retention.

With continued labor shortage challenges identified by industry employers, the time to reach untapped jobseekers to become part of a skilled, qualified, and highly trained workforce is upon us. According to the 2020 report, *“New Plan to Address Growing Construction Workforce Shortages”*, the Associated General Contractors of America (AGC) and Autodesk nationwide survey of industry employers indicated that eighty percent (80%) of construction firms reported they were having a challenging time finding workers.² With the industry’s current workforce aging, and retiring, at a rapid pace and a lack of young workers interested in entering the skilled trades, the impact of construction workforce shortages, according to the survey, is that it takes longer and costs more to build many types of projects. Workforce shortages run the risk of undermining broader economic growth by making private- and

² Associated General Contractors of America and Autodesk, *“The Workforce Development Plan 2.0: AGC of America’s New Plan to Address Growing Construction Workforce Shortages,”* 2019

public-sector development projects—including infrastructure—more expensive and time-consuming.

However, there is significant research which has shown that women, and particularly women of color, face discrimination in hiring and long-term employment and experience high rates of sexual and racial/ethnic harassment and gender bias on the job. As a result, they are less likely to be retained on core crews, promoted to field leadership positions or to receive the same on-the-job technical training as men, and they do not complete their apprenticeships at the same rates as their male counterparts.³

Oregon Tradeswomen and the National Taskforce on Tradeswomen's Issues strongly support the strategic priorities and equity framework outlined in the recent Memorandum of Understanding between the U.S. Departments of Transportation and Labor, as well as inclusion of priority considerations around strong labor standards, workforce training programs that bring more underrepresented populations into infrastructure jobs, and changes in hiring policies to hire and retain more underrepresented populations.

When tradeswomen have access to sustainable careers, which includes equitable work hours, workplace policies that support work/family balance, comprehensive on-the-job training and freedom from sexual and racial harassment, the broader industry benefits from this underutilized portion of demographic in the skilled trades workforce.

We would also encourage contractors to do the following, simple, cost-effective, and proven activities that support recruitment and retention of women in the industry:

- conduct a marketing campaign aimed at women featuring successful women tradesworkers—this not only can increase the number of women being recruited into the industry but starts to “normalize” jobsites with representation from all workers—not just men.
- Provide clean, sanitary, and locked toilets.
- Provide a private, clean, sanitary space for breastfeeding women and a place to safely store breastmilk.
- Provide adequate break periods for pumping.
- Make standard practice to accommodate for women's care responsibilities.
- Engage in a respectful worksite training program and approach jobsite harassment, hazing, and bullying not as a “women's issue,” but a health and safety issue for the industry
- Have and use a robust zero tolerance policy for jobsite harassment
- Ensure on-the-job-training and mentoring are part of your leadership development and training program
- Help women become qualified for leadership positions and then put them there

In addition, we suggest the following:

- Provide the aforementioned strategies as informational posters, pamphlets, or make available on the U.S. DOL and U.S. DOT website, including on the page pertaining to FHWA OJT-Support Services page
- Convene round tables of contractors who have significant success in incorporating female tradesworkers into their workforce together with contractors who are still underutilized for women to have them learn from the best practices of successful contractors.

Congress can continue to make changes to help women enter and succeed in skilled transportation and highway construction careers through implementing the policy recommendations that have been outlined by the National Taskforce on Tradeswomen Issues that have been previously provided and are reiterated below:

1. *Nondiscrimination and affirmative action.* First and foremost, state DOTs should make sure that contractors implement the affirmative action requirements, including the specific numeric goals for minority and female participation and the 16 minimum steps, which apply to federally assisted construction contracts.
2. *Supportive services.* State DOTs should require each project's General Contractor to spend at least one-half of one percent (0.5%) of the overall project budget on supportive services for project workers to maximize opportunities for women and people of color. The supportive services eligible for funding under this requirement should be pre-apprenticeship; childcare; tools; workwear; retention services (including support groups, mentoring, and peer networking);

³Sarah Burd-Sharps, Kristen Lewis, and Maura Kelly, “Building a More Diverse Skilled Workforce in the Highway Trades: Are Oregon's Current Efforts Working?” 2021

and application fees and other costs of entering registered apprenticeship programs and required pre-employment training.

3. *Respectful worksites.* State DOTs should require each project's General Contractor to adopt workplace anti-harassment policies and to provide effective, on-going respectful-workplace training accompanied by a social campaign designed to create inclusive and diverse work sites for all the employees working on the project.
4. *Transparency.* State DOTs should require each project's General Contractor to report the participation rates for women, minorities, and apprentices working on the project, alongside the applicable goals, to the public on an accessible online site, to Office of Federal Contract Compliance Programs (OFCCP) in DOL, and to the state DOT; and to update those reports twice per month.
5. *Community engagement.* (a) State DOTs should convene a meeting of representatives of community-based organizations and the labor unions that will represent workers on each project as the bid solicitation conditions are being developed; and (b) Once the contract is awarded, state DOTs should require each project's General Contractor to convene meetings with a committee that includes the state DOT, community-based organizations, relevant labor unions, relevant government officials, and the subcontractors on the project at least monthly, beginning at least 90 days before any hiring for the project begins, and to require subcontractors' participation in these meetings in their contracts. The purpose of these community meetings is to review the General Contractor's and subcontractors' implementation of the equity requirements, to provide the committee members with necessary records, and to brainstorm solutions to challenges encountered in implementing the equity requirements. The General Contractor should also be required to provide an OFCCP representative, a representative of the state DOT, and an ombudsperson from the community committee with direct access to the work site to monitor conditions, provide support and assistance, and mediate issues.
6. *Robust oversight.* State DOTs should require the General Contractor and subcontractors to consent to twice-monthly compliance reviews by OFCCP and to participate in OFCCP's "Mega Construction Project" program.
7. *Sanctions.* State DOTs should require the General Contractor and subcontractors to agree to the sanctions in addition to those already available under law if the state DOT or OFCCP finds that the General Contractor or subcontractor is not in compliance with these requirements. These additional sanctions include mandatory suspension of progress payments until such time as the contractor comes into compliance; a discretionary civil penalty of up to \$14,502 per violation and \$145,027 per day for failure to comply after the effective date of an administrative order or OFCCP compliance agreement; and compensatory and where warranted under current legal standards, punitive damages if such noncompliance results in monetary harm to an individual or class of individuals because of unlawful discrimination.
8. *Flow-down applicability.* State DOTs should require the General Contractor and the subcontractors working on the project to include these requirements in all their subcontracts.
9. *Administrative expenses.* State DOTs should require that the General Contractor dedicate at least one-half of one percent (.5%) of the overall project budget to the administrative expenses of implementing these requirements.
10. *Apprentice utilization minima.* State DOTs should require that the General Contractor and subcontractors together employ registered apprentices for a minimum of twenty percent (20%) of hours worked on the project, by trade.

Oregon Tradeswomen and the National Taskforce on Tradeswomen's Issues respectfully urge you to support the recommendations outlined herein to implement strategies to attract, retain, and empower diverse qualified workers to build and maintain our transportation system. By implementing these strategies, we can collectively address industry demands and tap into the talent of our nation's women who can help build our nation's road and bridges while building a more secure economic future for themselves and their families.

QUESTION FROM HON. EDDIE BERNICE JOHNSON TO APRIL RAI, PRESIDENT AND CHIEF EXECUTIVE OFFICER, CONFERENCE OF MINORITY TRANSPORTATION OFFICIALS

Question 1. Ms. Rai, it's been my honor to work with COMTO and its members over the years. As you well know, contractors and some State DOT's bemoan even the idea of DBE goals. But the truth is that these large companies add DBE subcontractors to their proposals, and once they secure the contract, they either ignore

them or give them a miniscule amount of work compared to the whole contract. This is what DBE's face every day.

Can you go into further detail on how we can address this unscrupulous behavior?

ANSWER. Congresswoman Johnson, first of all, COMTO is most grateful for your strong support and shared vision of inclusion of minorities in transportation over the years. As you well know, part of COMTO's mission is to ensure opportunities and maximum participation in the transportation industry for minority businesses. We appreciate your question which gives us the opportunity to address the issues that currently plague the DBE program. In fact, our list of legislative priorities includes recommendations to improve efficiency and accountability in its administration.

A good percentage of our membership does include of minority-owned, DBE-certified businesses and there are documented legal cases regarding unscrupulous behavior by companies participating in or with the DBE program.

On USDOT funded state transportation projects, agencies set goals that require a prime contractor to meet a certain percentage of participation from DBE-certified firms. These goals may vary by jurisdiction, depending on the number of DBEs in a specific trade or NAICS code that are available in the agency's portfolio.

Many firms have experienced the exact scenario you have described. Majority-owned primes will ostensibly include a DBE subcontractor in their bid submission, but once the award is made, they will "shop" that DBE's price to other subcontractors in order to save money on the job, claiming that they did make a "good faith effort" to meet the goal.

Some agencies do require the prime contractor to sign a letter of intent with their DBE subs, which describes the DBE work scope, how much to be paid for performance and the price submitted to prime. Although 49 CFR 26.53 requires written confirmation from each DBE listed as participating in USDOT-assisted contracts for which a DBE goal has been established, that commitment or "intent" is not binding. Enforcement is inconsistent from state to state and agency to agency. We believe that the DBE review officers of each agency should be equipped with the tools and the authority (teeth) to enforce compliance with the goals and compel bad players to fulfill their commitment to their DBE partners through training, education, and tighter accountability.

For example, the City of Atlanta's Office of Contract Compliance (OCC) is a stellar model of how DBE utilization can be monitored. For every contract where DBE participation is claimed, the OCC requires that the prime contract awardee provide a monthly status report on DBE utilization. The report requires the prime contractor to list all subcontracted DBE firms for the awarded contract, percentages agreed upon per the service agreement, and the utilized DBE dollar and percentage amount to date per DBE firm.

This report requires DBE owner signatures, and it is reviewed monthly. If the percentages are not in line with the original contract, the prime contractor must schedule a meeting with the compliance officer to explain the gap and the anticipated path forward to address the situation. We believe a requirement to implement formal agency programs that monitor work (dollars/percentage/by trade) committed to a DBE every month would have a significant impact.

Our COMTO DBEs have also been victimized when unscrupulous businesses attempt to exploit the program through fraud and/or deception. DBE fraud is when a prime contractor utilizes what is recognized labeled a "front" company or a "pass through" company. In front company fraud, a non-DBE firm creates a DBE company to "front" bid on projects, while all of the work and profits go to the non-DBE contractor. In the pass-through company fraud, a legitimate DBE acts as the prime but passes the majority of the work to a non-DBE firm while invoicing for the non-DBE's work.

This behavior tarnishes the reputations of legitimate DBEs and places qualified DBE in a dubious light. Importantly, it is counterproductive, even destructive, to the true intent of the DBE program.

Once again, the best so solution is for the agency receiving the USDOT funding to have adequate enforcement focused on fully and thoroughly vetting entities participating in the DBE program and establishing severe penalties for DBE fraud and attempted fraud. Agency officials overseeing the program must verify that the DBE is performing a "commercially useful function."

QUESTIONS FROM HON. JAKE AUCHINCLOSS TO APRIL RAI, PRESIDENT AND CHIEF
EXECUTIVE OFFICER, CONFERENCE OF MINORITY TRANSPORTATION OFFICIALS

Question 1. COMTO specializes in closing the employment gap for many types of hidden workers—veterans, immigrants, and the formerly incarcerated—with a nuanced insight into these individuals’ needs, as well as credibility with the workers and other groups, including government agencies. What barriers have you and your team encountered in connecting your members with work?

ANSWER. Congressman Auchincloss, thank you for your questions and also thank you for your service to your country. COMTO counts many veterans and veteran-owned businesses among our membership.

Another component of COMTO’s mission is to ensure opportunities and maximum participation in the transportation industry of minorities and communities of color, through advocacy, information sharing, training, education, and professional development. The transportation industry is a reflection of our society, but we want to see that representation fairly and fully inclusive, from the C-Suite to the front-line labor force.

However, transportation is presented with the same barriers as other industries in connecting veterans, minorities, and other underrepresented populations as other industries. Unconscious bias leads to underestimating the qualifications of certain job candidates leading to fewer being contacted for interviews. Several studies have been conducted to prove these unconscious cultural and racial biases.

And once onboarded, many minority employees face the misperception from colleagues that they were hired not because of the experience and qualifications, but simply because of their race, gender, or military service.

For our member firms, one of the biggest obstacles is that they are not viewed as a qualified professional service firm, contractor, or developer, etc. We are considered “DBEs” and not much more. This subcategory comes with a lot of baggage. We are considered less capable, that we do not have capital, that we will cost the prime, that we do not know how to contract, that we are overall subpar.

The DBE program was established in an effort to level the playing field so that historically underutilized and disadvantaged firms can get foot hold in both traditional and non-traditional industry niches, thereby obtaining experience, establishing a reputation for quality work and promoting economic growth in the minority community. Without the DBE program and the participation goals, there would be little to no business supporting DBEs. As we like to say, “If they don’t have to, they won’t.”

Question 2. What can Congress do to improve the relationship between organizations like yours to strengthen this workforce pipeline?

ANSWER. In an environment where employers are unable to find enough qualified workers to fill position, the challenge is in filling the skills gap and the opportunity gap. In the public transportation space, where the majority of the users are minorities, potential workers are unaware or unable to access opportunities. And once they do access the opportunities there may be a short of skills to do the job. I believe that the stakeholders of workers, educators, supportive community members and professional associations have the answer and need Congress’ ear and support in producing solutions.

COMTO appreciates the hard work done by the Transportation and Infrastructure Committee and its Member Subcommittees on the Infrastructure Investment and Jobs Act (IIJA). As I said in my testimony, we believe that *JOBS* is the operative word in the IIJA. But workforce recruitment and retention have been issues that plagued the transportation construction industry even before the pandemic. The pandemic only made those problems more acute and now threaten the industry’s ability to carry out the goals of the bill. The transportation construction industry has historically not well reflected groups to get the most out of the legislation. Both Congress and the Administration will need to be innovative and take aggressive action in the next few months to make these programs a reality, to give them the teeth to be effective and to establish accountability to measure results.