



**Eastern
Pennsylvania
Chapter**

**JOBS POLICY HEARING
Representative Toohil
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**Written Testimony
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Associated Builders and Contractors is a national trade association representing more than 23,000 member companies across the country. The Association is broken up into 75 local chapters, and I am here from the Eastern Pennsylvania Chapter, representing more than 500 companies. On behalf of the members of the Eastern Pennsylvania Chapter we thank you for this opportunity to present testimony on the regulatory hurdles faced by Pennsylvania Contractors in developing a trained workforce.

Construction jobs today require highly skilled workers. One of the most effective ways to gain the necessary skills and education is through registered apprenticeship training. The Commonwealth of Pennsylvania has close to two thousand approved programs across approximately eight hundred apprentice-able occupations. Every registered apprenticeship program requires two essential components: on-the-job training and related class experience. In other words apprentices go to work and go to school. The national registered apprenticeship system has been in existence since 1937, when the Fitzgerald Act was passed. Pennsylvania enacted its own law in 1961, giving the Commonwealth jurisdiction over the registration and maintenance of programs.

Apprenticeship programs are cost effective for both the apprentice and the sponsoring company. Apprentices enter their trade and are paid a training wage in line with wages earned for any worker who has not yet gained a high level of skill in which they are studying. A training agreement is signed between the apprenticeship sponsor (the company) and the apprentice. The company agrees to train the apprentice with both on-the-job experience as well as bear the cost for a course of study, usually four years in length and a minimum of 144 hours each year. At the end of the program, the apprentice graduates with a journeyman's card issued by the US Department of Labor and the State Apprenticeship Council, which is the most sought after credential for a craftsmen in the building trades. Apprentices are given incremental salary increases along the way to move them closer and closer to the journey level wage.

When apprentices graduate a program they leave as highly skilled, well paid craft-workers with no student loans or other debt to pay off, and indeed have been earning good wages for a number of years.

Using the electrical trade as an example, according to the Federal Occupational Outlook Handbook, job prospects are good for this occupational area, with an expected 12% growth over the next decade and numerous job openings due to retirement and other forms of attrition. Job prospects in other trade areas are similar. Best of all, these jobs all report a prospect for a good salary, generally between \$40,000 to \$80,000 depending on location and experience.

Given that the entire building industry cluster is still listed as a high priority occupational area by the Pennsylvania Center for Workforce Information and Analysis, it is important that we nurture new prospects and create more pathways to these jobs.

The Pennsylvania Apprenticeship and Training Council

As I indicated above, the State passed its own apprenticeship law in 1961, however Pennsylvania did not allocate any resources to oversee the registered apprenticeship system in the state.

The sole involvement in apprenticeship was a State Apprenticeship Council that reviewed and approved (or disapproved) apprenticeship programs. The oversight for programs continued (and continues today) to be performed by the US Department of Labor Office of Apprenticeship and Training.

The state council however continues to regulate the ratio of apprentice to journey level worker to this day. Throughout the past eight years the State Apprenticeship Council has been dominated by the trade unions, and under Pennsylvania's current statute, the unions are exempted from any ratio oversight.

“The standard Pennsylvania Apprenticeship and Training Council ratio for Non-Joint programs shall be one apprentice employed for the first, second, third and fourth journeymen regularly employed; two apprentices for the fifth, sixth, seventh, eighth and ninth journeymen regularly employed; three apprentices for the tenth, eleventh, twelfth, thirteenth and fourteenth journeymen regularly employed, and so on in units of five journeymen regularly employed.” (PA Regulations Governing Apprenticeship and Training Programs)

This means that although a company may have one apprentice regardless of the size of the company, they may not add to those ranks based on the need to hire and train new employees until they have five more journey level workers for each apprentice they wish to train.

This is the most restrictive ratio arrangement in the country.

Attached with this testimony is a year 2000 analysis of other states apprentice to journey level worker ratios. Even back in 2000 the only states with a ratio as strict as Pennsylvania was Rhode Island and California. Since that time the federal government stepped in on California and decertified California's law, and in 2008 the Federal Bureau published new regulations for the Registered Apprenticeship System.

In 1999 Colorado amended its apprenticeship regulations, and here is some of the language they use:

“The general assembly finds that the construction industry has grown substantially in Colorado and that finding qualified electricians to meet the increased demand has become difficult. The shortage of electricians results from not enough apprentice electricians being trained to meet the increased demand from the construction industry and from a reduction in the number of electricians because of retirement.”

In Colorado they now allow ONE journey level electrician to supervise THREE apprentices.

Aside from restrictive ratios, the Pennsylvania Apprenticeship and Training Council continues to register only those programs which are perceived to not compete with Building Trade Union interests. ABC Eastern Pennsylvania Chapter has been blocked from registering a Painting, Laborers and Electronic Systems Technician Programs, despite the fact that they were approved by the United States Department of Labor.

The New Regulations

Those new regulations, published in 2008, sought to update and improve the national system by incorporating new apprenticeship delivery methods, the use of interim credentialing, the use of electronic media, reciprocity between states, a system to certify pre-apprenticeship programs and other changes. The new regulations also require that all programs make changes to the manner in which ratios are set. States who had their own laws were given a two year period in which to make changes to their law and come in to compliance with the new regulations.

Pennsylvania was given \$100,000 by the US Department of Labor to assist in the cost to come in to compliance with the new regulations. The PA Department of Labor and Industry over the past 2 ½ years has put forth no proposal to come in to compliance with the new federal regulations. The US DOL granted an 11th hour extension to Pennsylvania, despite language in the federal register that would appear to forbid it.

All of this political game playing serves to further drain new talent out of Pennsylvania, drive up costs and block companies from growing and apprentices from being trained. With the Building Trades still predicted to be an area of continued job growth it is imperative that we fix this broken apprenticeship system.

The Solution

1. The US DOL continues to employ Apprenticeship and Training Representatives (ATR) in Pennsylvania who work to establish new programs, and service existing ones. They have always done the heavy lifting with regard to the Registered Apprenticeship System. The PA Department of Labor and Industry could simply withdraw the request that was made at the end of 2010 for an extension, and simply let the State law sunset. No apprentices or apprentice programs would be adversely affected. Only a provision in the Pennsylvania Prevailing Wage Act would require amending to allow for all programs in the federal system (a requirement of the new regulations anyway regarding reciprocity).
2. Get behind the passage of a comprehensive apprenticeship bill (or executive order) and allocate the resources to operate an apprenticeship bureau with properly trained civil service staff. Senate Bill 1295, introduced by Senator Folmer from the last session would accomplish this.

Thank you for the opportunity to present this important testimony.