



June 4, 2019

The Honorable Jason Crow  
Chair, Subcommittee on  
Innovation and Workforce Development  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Troy Balderson  
Ranking Member, Subcommittee on  
Innovation and Workforce Development  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Crow, Ranking Member Balderson and Members of the Subcommittee,

On behalf of Associated Builders and Contractors, a national construction industry trade association with 69 chapters representing more than 21,000 members, I write today regarding the U.S. House Committee on Small Business' Subcommittee on Innovation and Workforce Development hearing, "Mind the 'Skills' Gap: Apprenticeships and Training." ABC commends the subcommittee for calling this hearing to help draw attention to the efforts that are being taken to address America's skills gap.

ABC and the construction industry are fueled by small businesses: according to the most recent census data, businesses employing fewer than 100 employees account for 99 percent of all construction firms. In an industry of 7.5 million construction professionals, 89 percent of ABC member companies earn annual revenues of \$20 million or less. While attracting and retaining a qualified workforce is one of the primary concerns of all ABC members, it is especially challenging for small- and medium-sized ABC members.

The skills gap continues to be a driving force creating the urgent need for workers in the construction industry. In fact, 92% of ABC contractors report some form of skilled labor shortage and only 2% said they are not experiencing a skilled labor shortage, according to a recent ABC [workforce development survey](#). Additionally, more than three quarters (77%) cited busy schedules as the main obstacle to workforce development.

To bring more Americans into skilled construction careers and to help companies find the workers they desperately need, ABC member contractors [invest an estimated \\$1.6 billion per year in workforce development](#) to educate and upskill more than 1 million people annually. Using existing innovative and flexible learning models, ABC members, including small- to mid-size contractors, build a safe, skilled, and productive workforce that will be an essential part in addressing the skills gap and [hiring the additional 440,000 construction workers](#) needed in 2019 alone.

These models include teaching industry-recognized curriculum, such as NCCER, a not-for-profit 501(c)(3) education foundation with more than 1,400 locations across America, which is recognized globally as the gold standard for industry-recognized education modules. Our network also operates ABC member company created programs, ABC chapter programs and partnerships with high schools and community colleges.

As the subcommittee notes, many small businesses lack the necessary resources to combat the skills gap through federal and state programs. As ABC and its chapters continue to develop construction professionals using innovative and flexible apprenticeship models, private industry can only do so much. Changes must be made to the education system to promote apprenticeships in the current education system just as we promote traditional four-year degrees.

ABC asks Congress to consider the following recommendations to expand apprenticeship opportunities and help everyone achieve the American Dream:

- States and school districts should have equal funding for college education and apprenticeships.
- States should measure performance outcomes by students who continue their education at colleges and universities as well as earn-and-learn programs.
- College savings plans should cover Department of Labor-registered and industry-recognized apprenticeship programs. Congress should consider expanding 529 savings plans and financial aid to be eligible for apprenticeship programs. Currently, apprenticeships see none of the \$275 billion from 529 savings plans and receive zero funding from the \$80 billion of federal financial aid.
- Pell grant eligibility should be expanded to include more compact, skills-focused instruction.
- Apprenticeships, both industry-recognized and government-defined, should have equal access to incentives such as tax breaks, tuition assistance and scale wages.

As the Committee on Small Business examines the challenges that are posed by the skills gap and the merits of apprenticeship programs, ABC would urge the committee to do their part to address the skills gap by supporting an all-of-the-above strategy for workforce development.

We thank the subcommittee again for calling this hearing and would welcome the opportunity to host any member of Congress at a facility in their district or state to demonstrate ABC's vast workforce development system.

Sincerely,



Kristen Swearingen  
Vice President of Legislative & Political Affairs

CC: Members of the House Committee on Small Business