



June 26, 2023

The Honorable Virginia Foxx
Chair
Committee on Education
and the Workforce
U.S. House of Representatives
Washington DC 20515

The Honorable Bobby Scott
Ranking Member
Committee on Education
and the Workforce
U.S. House of Representatives
Washington DC 20515

Dear Dr. Foxx, Ranking Member Scott, and Members of the Committee on Education and the Workforce:

On behalf of Associated Builders and Contractors, a national trade association with 68 chapters representing more than 22,000 members, we appreciate the committee's focus on the workforce needs of our nation and for holding today's hearing "Competencies Over Degrees: Transitioning to a Skills-Based Economy."

The previous reauthorization of the Workforce Innovation and Opportunity Act (PL 113-128), signed into law on July 22, 2014, created a new statutory definition for "recognized postsecondary credentials" that encompasses the full spectrum of degrees, certifications, and credentials available to students beyond a high school diploma—all currently recognized by the employer community.

Unfortunately, since passage of WIOA in 2014, the federal government has failed to expand opportunities for all recognized postsecondary credentials, despite bipartisan support to do so by Congress. ABC is hopeful that a WIOA reauthorization in the 118th Congress would provide further opportunities for all of America's workers as we face a critical workforce shortage and are determined to provide workforce development solutions for the construction industry.

Modernizing Existing Policy Tools Will Support Workforce Development

ABC supports bipartisan efforts to expand Pell Grants and 529 education savings plans, as doing so would provide critical tools for delivering workforce development opportunities for all Americans. A bipartisan and bicameral group of lawmakers, led by Sen. Amy Klobuchar, D-Minn., Sen. Mike Braun, R-Ind., Rep. Abigail Spanberger, D-Va., and Rep. Rob Wittman, R-Va., introduced the Freedom to Invest in Tomorrow's Workforce Act (H.R. 1477/S. 722) to expand 529 plans for all recognized postsecondary credentials as defined by the Workforce Innovation and Opportunity Act. Additionally, Rep. Bill Johnson, R-Ohio, and Sen. Tim Kaine D-Va., introduced the Jumpstarting Our Businesses by Supporting Students Act, which would expand Pell Grant eligibility to cover high-quality and rigorous short-term job training programs. Both bills would provide additional resources for workers seeking a career in construction and help fund their education and/or apprenticeship opportunities.

The Construction Industry Requires an All-of-the-Above Workforce Development Strategy

ABC believes the federal government should commit to supporting and defending an all-of-the-above approach for skill development where construction workers and employers have the freedom to select workforce development strategies that maximize innovation and achieve world-class safety and productivity gains. These training methodologies include just-in-time task training, competency-based learning, e-learning, work-based learning and industry-recognized and government-registered apprenticeships that will allow for expanded access to industry credentials, work-based learning opportunities, career exploration and post-secondary skills training. These are approaches to educating construction craft professionals that can address the industry's labor shortage and skills gap, but these solutions are difficult to achieve when government limits competition to firms that train their workforce using a specific program or methodology.

An [ABC analysis of BLS data](#) shows that construction companies will need to hire 546,000 to meet demand in 2023. The analysis also revealed that every \$1 billion in extra construction spending generates an average of at least 3,620 construction jobs. With the federal government working to implement the Infrastructure Investment and Jobs Act, CHIPS and Science Act, and Inflation Reduction Act, and the hundreds of billions of dollars in funding for construction provided by these bills, this will only increase worker demand in the industry.

While this should be an opportunity to upskill, educate and grow a productive workforce for construction, we continue to see restrictive labor policies attached to these critical federally funded and federally supported projects. These policies will continue to limit the pipeline of skilled workers eligible to participate in these projects and hinder the construction industry's ability to complete these projects in an effective and efficient timeframe.

Apprenticeship Expansion Requires Meaningful Reforms

Registered apprenticeships are an important tool for providing our workforce with the skills needed but require true modernization to bring them in line with today's industry. ABC members continue to face numerous impediments to the government-registered apprenticeship system that have impaired the ability of our workers to successfully pursue workforce development opportunities that meet the practical needs of the construction industry and discourage the widespread adoption of government-registered apprenticeship programs across the construction industry. While in his opening statement Ranking Member Scott touted his recently introduced National Apprenticeship Act of 2023, ABC remains concerned that the bill fails to truly modernize the registered apprenticeship system and further entrenches its rigid structure into law.

In 2017, ABC member Michael Bennett testified before the House Education and the Workforce Committee to highlight some of these key issues. These recommendations remain just as relevant six years later, and ABC would urge the committee to consider these vital concerns:

- Current apprenticeship programs are state-licensing-driven and not necessarily business and industry-need driven, which often results in valuable time used to provide workers with skills that may not be valuable or even relevant to their jobs and current employers.
- Government-registered apprenticeship program time requirements are rigid and often do not allow for individuals to excel and progress if they are exemplary students. It is vital that

programs be competency-based, rather than time-based, allowing those who quickly master a skill set to develop quicker than those who may require more time.

- Requirements for on-the-job hours and artificial ratios of journey level to apprentice workers do not always align with the scope of work on a project and often do not represent the best practices based on the safety and health of the workforce. Restrictive apprenticeship ratios discourage small-business participation in government-registered apprenticeship programs and serve as a barrier to getting more apprentices experience on a jobsite as they build their career in construction.
- Enrollment numbers are limited due to high costs and excessive administrative burdens on employers.
- Multiple states have registered apprenticeships programs for the same job that teach a variety of different tasks within each program and provide no consistency. In today's mobile environment, it is very common for craft workers to work in multiple states in a single year, but that flexibility can often be restricted due to these inconsistencies. Reciprocity among all states could expand opportunities for craft professionals and reduce red tape burdens on business and government.
- Some states have limited the ability of merit shop contractors or associations to get approval for a registered apprenticeship program. For example, in California and Washington, government entities overseeing the approval of apprenticeship programs rely on a senseless "needs test" which allows them to deny the approval of a new registered apprenticeship program if a similar program is already offered in the marketplace. This protectionism is contributing to the industry's skilled workforce shortage, especially where existing programs are at capacity.

Further, recent analysis of DOL data by ABC found that it would take 12 years for all federal and state construction industry government-registered apprenticeship programs to educate the more than half a million workers the construction industry needs to hire in 2023. ABC estimates that the construction industry's federal and state registered apprenticeship system yielded just 45,000 completers of four-to-five-year programs, and just 250,000 apprentices were enrolled in all construction industry registered apprenticeship programs in 2022.

To deliver on the historic public investment in infrastructure and clean energy projects across America and provide the workforce needed for these critical projects, Congress should be doing all it can to make government-registered apprenticeship programs easy for the industry to utilize and inclusive of all future craft professionals.

ABC Leads in Construction Craft, Safety and Leadership Education

ABC chapters and members use industry-tested and -recognized craft training programs and registered apprenticeship models to deliver construction education through 800 ABC education programs. These include innovative, flexible, earn-while-you-learn models and industry-recognized apprenticeships in more than 50 professions—plus more than 300 U.S. Department of Labor-registered apprenticeship programs across 20 different occupations. In 2021, ABC and its members invested \$1.6 billion to educate and upskill approximately 1.3 million course attendees in craft, leadership and safety education to advance their careers in commercial and industrial construction.

Ensuring the qualifications, health, and safety of the construction workforce in the workplace will continue to be a top priority as ABC members build America's hospitals, schools, manufacturing facilities, roads, bridges and power plants, but more must be done to help educate tomorrow's construction craft professionals.

A national workforce development plan is a generational opportunity to change the paradigm of how our nation builds the construction workforce and promotes construction as a rewarding career path in our schools and communities.

ABC appreciates the opportunity to provide feedback on the important policies behind workforce development programs in the construction industry and looks forward to continuing to work with the committee on these efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "K Swearingen". The signature is written in a cursive, flowing style.

Kristen Swearingen
Vice President, Legislative & Political Affairs