



Pennsylvania Manufacturers' Association

December 5, 2013

**Testimony presented to the House Labor and Industry Committee in support of
House Bill 1725 (Mackenzie) and House Bill 1878 (Evankovich)**

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Good morning Chairman Scavello, Chairman Keller, and the members of the House Labor and Industry Committee. My name is David N. Taylor and I am the Executive Director of the Pennsylvania Manufacturers' Association. We are the statewide nonprofit trade organization that represents the people who make things here in our commonwealth; generating over \$72 billion annually in state gross product, employing 575,000 hardworking Pennsylvanians on the plant floor, and supporting supply, distribution, and retail networks that sustain millions of additional Pennsylvania jobs. Manufacturing is the lifeblood of our commonwealth's economic well-being.

With that said, manufacturers are facing an alarming problem; our workforce is aging and retiring and there is a shortage of skilled hands to succeed them. Already, there are over 8,000 jobs on the production line that remain unfilled because of a lack of available talent. Couple our current shortage with the fact that some companies have more than half of their current workforce within just a few years of retirement and we could consider this workforce gap problem a workforce gap crisis.

The two pieces of legislation in front of you today approach the issue from two complimentary angles. House Bill 1725, sponsored by Representative Ryan Mackenzie, provides for a bottom-to-top approach in partnering our schools with area employers to engage our young learners in the opportunities that exist in manufacturing. House Bill 1878, sponsored by Representative Eli Evankovich, embraces a top-to-bottom approach that will help current manufacturing employers and their incumbent workforce. Both bills address critical voids in our current workforce and our

hope is that when they work synchronously that we may better address the skill needs of Pennsylvania's manufacturing sector.

The strongest asset of these two important pieces of legislation is that they empower and engage the employers of our commonwealth. They incentivize the employers to reach out to new and developing talent by showcasing, educating, and providing hands-on experience for our high school students while providing opportunities to enhance training for current employees to upgrade their skills and keep up with best practices. This is exactly the cycle that we must cultivate to address our skilled workforce shortage.

There is currently a negative image that unfairly stigmatizes manufacturing as a career choice. In our schools, we measure success by the number and percentage of those who matriculate to a four-year baccalaureate-granting institution. Many school counselors, advisors, and parents view manufacturing in their mind's eye as dirty, hot, and strenuous manual labor and do often not encourage the pursuit of this career choice. However, modern manufacturing is advanced, collaborative, empowering, safe, and rewarding. The immediate earning potential for a machinist, sheet metal certificate worker, or welder remains much higher than that of many four-year degrees. The only way to change this stigma is to directly involve the school in the programs offered by local manufacturers. This is exactly why House Bill 1725 is so important.

Better known as CareerLink, House Bill 1725 would pilot a program that partners local businesses with the area school districts. By showcasing the opportunities that exist in the current workplace, schools, students, and parents will begin to clear away the outdated image of manufacturing. From the businesses' perspective, a tax incentive becomes necessary because that business must invest time and resources in talent that is one, two, or often three years removed from recruitment and hiring. While this is a worthwhile investment in establishing a better workforce development cycle, manufacturers especially need those skilled employees now. This is why Representative Evankovich's House Bill 1878 is so critical.

House Bill 1878, referred to as PA WInS, moves away from broad industry clusters and focuses on specific training needs so that the graduate can fully integrate into a new position with minimal additional preparation. While some who are new to the manufacturing sector will benefit from this program, it is the current employees who will be better able to gain new skills, hone these skills in a

familiar and realistic environment, and then fully reintegrate those skills back into their industry - advancing their knowledge and earning potential. All the while, employers are better able to identify, target, and train based on the immediate needs that they must fill to remain successful. By utilizing the framework and oversight which is already in existence via the regional Workforce Investment Boards, local businesses would be more likely to share common interests and have similar training needs. Only by investing in qualified program setup costs, equipment purchases, and program tuition will a business then be eligible for the tax credits associated with the program.

It is essential that we change the conversation on job training and workforce development. We must create and nurture a cycle where manufacturers are able to recruit new talent into the manufacturing workforce while continually upgrading the talents of those already working there. Working together, House Bill 1725 and House Bill 1878 will get this chain reaction started, on behalf of Pennsylvania's manufacturing employers, I thank the committee for allowing me to testify in support of these bills today.

I will do my best to answer your questions.