



Testimony Submitted to:

**Joint Legislative Budget Committee
Workforce Development**

Submitted By:

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Thank you for the opportunity to report on the continued success of the Manufacturers Intermediary Apprenticeship Program (MIAP). My name is Martha Ponge and I serve as Director of Apprenticeship for the Manufacturers Association of Central New York (MACNY), an organization representing over 300 employers in 26 counties, as well as a representative of the Manufacturers Alliance of New York (the Alliance), representing six regional manufacturing associations and over 2,000 industrial companies and businesses covering all of New York State. MACNY and the Alliance now represent six regional manufacturing associations and over 1000 industrial companies throughout Upstate New York State. We are committed to promoting innovative, effective career pathways that will increase the number of qualified applicants in advanced manufacturing in our region and statewide. To this end, MACNY and the Alliance are actively engaged in creating registered apprenticeship training programs that will increase the number of mid-skill level technician workers in advanced manufacturing throughout our region and state. MACNY would like to thank you for your support of the Manufacturers Intermediary Apprenticeship Program over the past three years and ask for your continued support today.

This apprenticeship program is becoming the centerpiece of the Manufacturing Alliance's statewide workforce development strategy, designed to address the single biggest challenge facing NYS manufacturing companies.

In addition to launching a successful pilot and establishing four new intermediary partners in the state, MACNY functions both as an Industry and Equity Partner and as a Subject Matter Expert (SME), for the third year, for Jobs For The Future, a partner in a Federal Department of Labor Contract which supports apprenticeship and the creation of technical career pathways for underserved and minority populations. We also serve as an SME and as a regional support for the America's Promise Grant with Monroe Community College. Both efforts support the expansion of registered apprenticeship training in the state and nationally. We are also a collaborator in an innovative apprenticeship accelerator program, created for training entry-level employees in advanced manufacturing. MACNY and The Council of Industry support five Pathways in Technology Early College High School (P-TECH) programs in Syracuse and Auburn. We are strong advocates for robust Career and Technical Education (CTE) pathways for high school students through our affiliation with Partners for Education & Business. In 2019, MACNY in collaboration with the Syracuse City School District will enroll our first Pre-Apprenticeship CTE class, in support of all aspects of employment in advanced manufacturing; a nationally credentialed pathway for students to progress directly from high school to work. We actively participate in the Central New York STEM Hub, part of the Empire State STEM Learning Network and support career awareness activities for middle school and high school students.

The Council of Industry, the Alliance partner in the Hudson Valley is a leader in developing a Regional Workforce Development Strategy for the manufacturing sector. The Council created www.goMakeit.org, a web tool to help young people and educators better understand careers in advance manufacturing. They also formed www.HVMfgJobs.com – a career portal for manufacturing jobs in the region (in less than one year the site has received more than 4,500 applicants and more than 100 jobs have been filled.) The Council of Industry also supports two P-TECH Schools as well as a PRIME (Society of Manufacturing Engineers sponsored) school and they have led a decade long partnership with the region's community colleges to deliver high quality/cost effective incumbent worker training to its members. This partnership is proving very helpful in building the apprentice program.

Workforce Needs Continue

Manufacturing is and will continue to be a vital industry for New York. The 15,400 firms in New York accounted for 434,000 jobs in 2018. It is projected nationally, through 2025, nearly three and a half million manufacturing jobs likely need to be filled, and if we do nothing, 2 million of those jobs could go unfilled. Manufacturing remains one of the highest paying industries in the state. Employees within advanced manufacturing make an average annual compensation of over \$71,423. The current median household income in New York State is \$58,687. Manufacturing also remains one of the largest multipliers within the United States economy. For every dollar spent in manufacturing, \$1.37 is added to the U.S. economy, and every 1 job in a manufacturing facility creates an additional 2.5 jobs in other sectors. While these statistics are extremely positive, and many Americans consider manufacturing among one of the most important domestic industries for maintaining a strong national economy, they rank it low as a career choice for their children. These perceptions, coupled with a negative image of the manufacturing industry among younger generations, a lack of STEM skills among workers, and a gradual decline of technical education programs in public high schools add to the decline in new workers in manufacturing. We are on the forefront of changing the perception and providing a viable pathway for people from all populations to gain access to a career in manufacturing.

Over the past 10 years, workforce development in New York has continued to increase in importance, as the retirements that were put on hold during the recession are now looming large for manufacturers. Most of our member manufacturing companies report the average age of skilled workers at or above the national average of 59 years. The national problem around the perception of manufacturing, and the lack of interest in manufacturing as a career among young people, is very real here in New York. Our manufacturers continue to report difficulties with finding skilled workers and a growing fear of the loss of vital embedded knowledge due to retirement of experienced workers. They have responded enthusiastically to the MIAP by supporting our work as a business community and by registering actual apprentices in our program.

Replacing skilled workers before they retire is critical to retaining the needed skills sets in the workforce. Most of New York's manufacturing workforce is employed by small and medium sized businesses. Alone, these manufacturers do not have the personnel or the resources to sufficiently train either new or incumbent workers. This program primarily targets entry-level incumbent workers to advance them into more skilled positions within the company and allows smaller companies the ability to participate with others to achieve economies of scale.

MACNY's MIAP program has documented results in three regions of the state and we respectfully request continued funding to sustain and expand the NYS Manufacturers Intermediary Apprenticeship Program into four additional regions of the State: Capital District, Southern Tier of Western New York, and New York City and Long Island Regions.

Apprenticeship programs have been shown to be most successful when designed by employers based upon their own needs. The NYSMIAP and its business-lead approach, is targeted at raising the skill levels of incumbent manufacturing workers and creating distinctive career pathways, while filling a crucial need within the industry. Our program in CNY currently has over 30 companies actively participating in establishing apprenticeships. We have 120 apprentices at 15 different companies, and we project at least 50 new apprentices this calendar year. Our Alliance partners in Rochester have 40 apprentices in just over 6 months and our partners in the Hudson Valley have similar numbers to date, with over 15 companies already participating. Both intermediary partners are on target to far exceed their goal of 30 new apprentices in each region this year. We have seen firsthand how this program has benefited both the employer and the employee as it has significantly improved retention rates. To date, ninety nine percent of all apprentices remain in their programs.

Modern apprenticeship has two basic elements. The first, On-the-Job Training (OJT), consists of a "master," or "journey-level," craft person capable and willing to share their experience with a "novice," or "apprentice," in a hands-on manner. The second, Related Instruction (RI), consists of learning more theoretical or knowledge-based aspects of a craft. In our pilot program we identified the five traditional occupational groups of CNC Machinist, Electronics Technician, Maintenance Mechanic, Toolmaker and Welder as high demand areas to begin training. We have since added two additional trades – Quality Assurance Auditor (QAA) and Electro-Mechanical Technician, because of local employer requests. The Alliance Partners have since added over 15 additional trades. We also helped to establish 3 completely new trades in advanced manufacturing and worked with partnering agencies to create 7 new IT trades to support our manufacturers. With ToolingU and our SUNY Community College partners we are moving to identify all of the related instruction that will be needed for the apprentices and managing class schedules to align with apprentice work schedules.

In the original pilot, MACNY worked with NYSDOL and obtained approval to function as a single "program sponsor" acting on behalf of small and medium sized manufacturers. This has proven to dramatically reduce the administrative burden and greatly streamlined apprenticeship registration. This program also allows NYSDOL to have a single point of contact for multiple employers, reducing their administrative

burden as well. Employers in CNY responded positively, as have employers in Rochester, Hudson Valley, Capital Region, and Southern Tier and we want to make this available in New York City and Long Island to support the entire community of manufacturers across the state.

The labor market data continues to show the need for a greater supply of skilled workers throughout the State; and advanced manufacturers have shown a strong interest in developing registered apprenticeship programs as a practical method of meeting this need and building a strong pipeline of future workers. Employers have responded very well to shouldering the major portion of the OJT responsibilities along with contributing to the related instruction costs.

MACNY realizes the strong demand for more apprenticeship programs statewide and is prepared to expand the New York State Manufacturers Intermediary Apprenticeship Program New York City and Long Island Regions in the next budget year. The MIAP program was last year funded at \$750,000 for Central New York, Hudson Valley, Rochester, Capital District, and Southern Tier of Buffalo. As a result of these positive results from MIAP, MACNY would like to expand the program into New York City and the Long Island Regions. Those 2 new regions, alone, are home to more than 3,500 manufacturing companies. We have been approached by manufacturers in these two regions asking to participate in MIAP. To sustain our current program and expand MIAP across New York State, we respectfully request a total of \$1,250,000 in funding to accomplish this goal.

NYS DOL continues to be very supportive of our approach and we have been working with them to address the implementation details. Our manufacturers know us and trust us and we have the ability to bring hundreds of additional small and medium sized businesses to the table and dramatically increase the number of registered apprenticeship programs statewide.

MACNY and its Alliance Partners continue believe that this effort must be industry led to succeed. Because of our unique relationship as a “business intermediary” we enjoy many advantages. We can focus exclusively on manufacturers while other groups often must respond to multiple constituencies, and we can aggregate demand with hundreds of small and medium sized manufactures. We can advocate for “demand driven curricula” aligned with industry need on a statewide basis. We can advocate for related instruction schedules that can accommodate shift work and don’t require multiple trips to campuses. And lastly, we are aligned with multiple national organizations supporting “industry recognized credentials.”

In conclusion, our companies are facing the retirement of the baby boomer generation and could lose between 25% and 40% of their workforce in the next 5-10 years. This shortage of skilled workers will not only cripple our existing manufacturers but will make New York unable to attract new business unless we find ways to get more young people, job changers, women, and veterans into the manufacturing workforce through registered apprenticeship training opportunities. We must continue this effort.

We have already accomplished much over the past few years and expect to continue executing at a very high level. We ask your support to bring this successful program with proven results to more regions within New York State. What we have learned and accomplished can be replicated throughout the State to rebuild and revitalize their workforce as well.

The Alliance is committed to act now and act boldly to galvanize resources and expertise for New York to realize its full potential in the national and global economy. We extend our hand in partnership to accomplish this vitally important work.

Thank you.

Martha Ponge

On behalf of Randy Wolken, President and CEO, MACNY and the Manufacturers Alliance