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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 more than 300 employers throughout 26 counties. I also represent the Manufacturers Alliance of New York (the Alliance), which includes six other regional manufacturing associations and more than 2,000 industrial companies and businesses statewide. MACNY and the Manufacturers Alliance are committed to promoting innovative, effective career pathways that will increase the number of qualified applicants in advanced manufacturing in our region and statewide. We 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 four years and ask for your continued support today. Unfortunately, the Governor's proposed budget eliminated the funding for our highly effective program.

MIAP is targeted at raising the skill levels of both incumbent and entry level manufacturing workers while filling a crucial staffing need within the industry. The successful pilot of the apprenticeship program in Central New York in 2016 created a statewide need to expand and support registered apprenticeships in high demand sectors. The Manufacturers Alliance of New York has affiliated partners located in seven regions of the state (Central NY, Capital Region, Hudson Valley, Rochester, Southern Tier, Western New York, and Long Island). As of this year, each affiliate had a dedicated apprenticeship subject matter expert to support businesses regionally. Each partner is, or

is in the process of, becoming a group sponsor on behalf of manufacturers in their region. Further, our expansion into Long Island in 2019 has provided us with the opportunity to support an additional 3,500 manufacturers with a predicted 10,000 open positions integral to the state's economy.

In 2019, the Enacted State budget provided \$750,000 in funding for the MIAP program. This appropriation provided assistance to Central New York, Hudson Valley, Rochester, Capital District, Western NY and initial outreach on Long Island. As a result of these positive results from MIAP, MACNY would like to further expand the program into the New York City and expand further onto Long Island. To sustain our current program, and expand MIAP, we respectfully request a total of \$1,000,000 in funding to accomplish this goal.

Modern Apprenticeship

Modern apprenticeship has two basic elements - On-the-Job Training and Related Instruction. In the pilot program, we identified seven traditional occupational groups of CNC Machinist, Electronics Technician, Maintenance Mechanic, Toolmaker, Welder, Electro-Mechanical Technician and Quality Assurance Auditor as high demand areas to begin training. The Alliance Partners have since added over 20 additional trades. We helped companies to establish three completely new trades in advanced manufacturing in 2018 and three new trades in areas of continuous improvement engineering and non-destructive testing are currently under development. We also worked with partnering agencies to create seven new IT trades to support our manufacturers. MIAP has begun to identify cluster industries to better support all NYS businesses. We are currently identifying career pathways and supporting the creation of registered apprenticeships in The Film Industry, The Dairy Industry, The Food and Beverage Industry, The Computer Gaming Industry, The Energy Sector, The Childcare Industry, and most recently apprenticeships that support persons with disabilities; aligning with the Governor's Employment First policy.

It is also important to note that the newly awarded Youth Apprenticeship funding supplements a \$250,000 allocation from the Assemblyman Bill Magnarelli to pilot a pre apprenticeship program with the Syracuse City School District. We have already begun to fill the pipeline with dozens of pre-apprentices; equipped with stackable credentials and prepared to go directly from high school into careers in manufacturing. Our pilot program will follow students from 9th grade through graduation and employment with an affiliated apprenticeship program.

Workforce Needs Continue

- Manufacturing is and will continue to be a vital industry for New York. 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.
- Nationally, the Manufacturing Institute and Deloitte continued their Skills Gap studies (1) that found:
 - *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.*
 - *An estimated 2.7 million jobs are likely to be needed as a result of retirements of the existing workforce while 700,000 jobs are likely to be created due to natural business growth.*
 - *In addition to retirements and economic expansion, other factors contribute to the shortage of skilled workforce, including loss of embedded knowledge due to movement of experienced workers, a negative image of the manufacturing industry among younger generations, lack of STEM skills among workers, and a gradual decline of technical education programs in public high schools.*
 - *The Public Perception of Manufacturing series conducted by The Manufacturing Institute and Deloitte consistently reveals that while 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.*

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 56 years. The national problem with the perception of manufacturing, and the lack of interest in manufacturing as a career among young people, is also very real issue here in New York. Our manufacturers continue to

report difficulties with finding skilled workers and they have responded enthusiastically to 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 several regions of the state, and we respectfully request continued funding to sustain and continue to expand MIAP into additional regions: The Southern Tier of Western New York, and the New York City and Long Island Regions.

Apprenticeship programs have proven to be most successful when designed by employers based upon their own needs. MIAP, 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 more than 50 companies actively participating in establishing apprenticeships with approximately 150 apprentices being trained and/or supported by our program. Our Alliance partner in the Hudson Valley has more than 100 apprentices and pre-apprentices enrolled in the program, and our Alliance partner in Rochester has similar numbers to date. In addition, our Alliance Partner in Albany has dozens of registered apprentices and pre-apprentices with the plan to enroll more apprentices this year.

The Council of Industry 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 advanced manufacturing. They also formed www.HVMfgJobs.com – a career portal for manufacturing jobs in the region (in less than one year the site had already received more than 4,500 applicants and filed more than 100 jobs.)

Our Partners

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 proved to dramatically reduce the administrative burden on CNY manufacturers and greatly streamline apprenticeship program registration. This program also allows NYSDOL to have a single point of contact for multiple employers, reducing

their administrative burden, as well. The program has allowed small and medium sized manufacturers to offer registered apprenticeship programs through MACNY and eliminate the need for each manufacturer to go through the registration process.

MACNY continues to leverage federal funding and align the apprenticeship program with other apprenticeship efforts in New York State. In addition to the national work with Jobs for the Future and with Monroe Community College, we are also working with both American Apprenticeship Initiative grants awarded in New York. We collaborate with a broad range of partners including NYSDOL, SUNY and its community colleges, Empire State Development and the New York Manufacturing Extension Partnership (NY MEP), local Workforce Investment Boards, the Workforce Development Institute (WDI), the Business Council of New York State; combining resources and further expanding registered apprenticeship opportunities statewide.

NYS DOL continues to be very supportive of our approach, as we continue to work with them to address implementation details. Our manufacturers know us and trust us and are confident we can bring hundreds of additional small and medium sized businesses to the table, dramatically increasing the number of registered apprenticeship programs statewide.

MACNY and its Alliance Partners 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, many of our manufacturing 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 could not only cripple our existing manufacturers but 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 ask for your support of \$1 million to bring this successful program with proven results to more regions within New York State. MACNY and the Alliance are 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 & CEO, MACNY,
The Manufacturers Alliance