

SHEET METAL AND AIR CONDITIONING CONTRACTORS' NATIONAL ASSOCIATION

May 9, 2023

U.S. House of Representatives Washington, DC 20515

Dear Representative:

The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA) is supported by more than 3,500 construction firms engaged in industrial, commercial, residential, architectural and specialty sheet metal and air conditioning construction throughout the United States. On behalf of our membership, I express our strongest support for H.R. 2851, The National Apprenticeship Act of 2023. This exceptionally important initiative is sponsored by Representative Bobby Scott (D-VA) and cosponsored by Representatives Brian Fitzpatrick (R-PA), Don Bacon (R-NE), and Don Norcross (D-NJ), all distinguished registered apprenticeship advocates. In addition, thirty bipartisan cosponsors have already joined the bill, split evenly by party affiliation. This timely registered apprenticeship enhancement legislation addresses the growing national skilled labor crisis created by insufficient commitment to registered apprenticeship training investment across too much of the construction industry for far too long. Last Congress, the House passed the National Apprenticeship Act of 2021 with a bipartisan vote of 247-173. The House also included a revised version of that legislation in the House-passed America COMPETES Act.

The bill would create nearly one million new Registered Apprenticeship, youth apprenticeship, and preapprenticeship opportunities over the next five years by investing more than \$3.8 billion over five years. These resources will help scale up apprenticeship opportunities, streamline access to apprenticeships for both workers and employers, and expand apprenticeships into new and in-demand industry sectors and occupations. According to the Department of Labor (DOL), 93 percent of apprentices who complete a Registered Apprenticeship are employed upon completion, earning an average starting wage of above \$77,000 annually. Businesses also earn \$1.44 back for every dollar invested in their Registered Apprenticeship program. Despite these benefits, the Registered Apprenticeship system is significantly underfunded. The U.S. spends only about 0.1 percent of gross domestic product (GDP) on workforce training and employment programs, while peer industrialized nations spend roughly six times as much as a share of their GDP. The proposal's historic investments in workforce training would not only benefit workers and their families, but also save American taxpayers an estimated \$10.6 billion in increased tax revenues from higher worker pay and productivity and decreased spending on public-assistance programs and unemployment insurance. It is an unquestioned fact that apprenticeships yield a highly skilled workforce, with competitive pay and allows participants to establish career sustaining employment and job security for the foreseeable future.

We strongly agree with the bill's language and the intent of Representatives Scott and Fitzpatrick in sponsoring and reintroducing the **National Apprenticeship Act** and give it our highest rating for support. This vitally important legislation is needed now to respond to a quickly expanding list of federal infrastructure, energy, CHIPS and Science and military construction projects now being bid or underway. A major barrier to expanding registered apprenticeships in high growth job sectors outside of the skilled trades, is employers' lack of familiarity with, or interest in, the process to set up and manage registered apprenticeship programs. In addition, there has been a persistent aversion to investing in job training in any formal manner outside the organized construction employer sector.



CAPITOL HILL OFFICE: 305 4TH STREET NE • WASHINGTON DC 20002 PHONE: 202 547 8202 • FAX: 202 547 8810 • WEB: www.smacna.org/advocacy

The National Apprenticeship Act of 2023:

- Authorizes \$400 million for fiscal year (FY) 2025, increasing by \$100 million annually to \$800 million for FY 2029;
- Codifies and streamlines standards for registered apprenticeships, youth apprenticeship and preapprenticeship programs, including requirements for apprenticeship agreements and program registration to ensure consistency in quality standards and worker protections;
- Codifies existing regulations and practices to ensure that all individuals have an equal opportunity to participate in programs under the national apprenticeship system, and to increase diversity in the occupations offered and the individuals participating in programs, especially in high-skill, high-wage, and in-demand industry sectors and occupations;
- Codifies DOL's Office of Apprenticeship;
- Codifies the roles and responsibilities of the State Apprenticeship Agencies (SAAs); and
- Strengthens the connections between the Department of Education and DOL through an interagency agreement to support the creation and expansion of youth apprenticeships, college consortiums, and data sharing agreements.

The vast majority of the industry leading SMACNA – SMART 148 Joint Apprenticeship Training Centers (JATCs) in the United States were established in the early 1900s, and all have been in continuous operation since their establishment. Our JATCs have a proven track record of excellence and quality graduates sustained over more than 100 years of preparing sheet metal workers to meet the demands of a changing economy. The great stability of our programs ensures that a registered apprentice knows with certainty that his or her JATC will not become defunct before graduation. Cutting corners and allowing lax standards and enforcement for registered apprenticeship or tolerating any so-called "sham apprenticeship programs" has never worked for developers, owners, contractors or construction workers seeking a career in a vital occupational field.

SMACNA's membership includes thousands of firms, all with substantial registered apprenticeship sponsorship investment specializing in public work projects involving energy saving performance contracting, facility energy management and residential, commercial, public, and industrial energy system service, construction, and efficient retrofits. Based upon our extensive and long-term involvement in the registered apprenticeship programs nationwide, we strongly support The National Apprenticeship Act of 2023 and ask for your co-sponsorship of H.R. 2851.

Sincerely,

Stanley E. Kolbe, Jr.

Stanley E. Kolliefr.

Executive Director, Government and Political Affairs

SMACNA - Capitol Hill Office