

**Statement of Traci Tapani on behalf of Wyoming Machine, Stacy, Minnesota
House Committee on Education and the Workforce Subcommittee on Higher
Education and Workforce Development “Closing the Skills Gap: Private sector
solutions for America’s workforce”**

May 9, 2018

Chairman Guthrie, Ranking Member Davis, and distinguished members of the subcommittee, thank you for convening today’s hearing on Closing the Skills Gap: Private sector solutions for America’s workforce.

My name is Traci Tapani and I am the Co-President and Owner of Wyoming Machine, Inc., a precision sheet metal fabrication company located in Stacy, Minnesota. It is an honor for me to be here today to testify before the subcommittee and to share my experience as a private sector employer dealing with workforce development. As the owner of Wyoming Machine, I have 24 years of day to day experience with staffing and workforce development in a manufacturing environment. In addition to my experience in manufacturing, I currently serve as Vice Chair of Minnesota’s Governor’s Workforce Development Board and the board of the Minnesota Chamber of Commerce.

I’m fortunate to be part of a Minnesota community that had the foresight, courage, and leadership to start talking about the skills gap before it was popular to do so. Thanks to the leadership of a local community and technical college President, my community started a manufacturing alliance more than a decade ago and we began the work of addressing the impact the retirement of baby boomers would have on our local businesses and our regional economy. But our early efforts have not insulated my company or others from what is now seen as a skills crisis. It doesn’t matter if you are talking to a business, an industry association, an educator, or someone in state or local government, you are going to hear about workforce shortages, the skills gap, and economic growth challenges because businesses can’t find people with the skills to fill open positions.

Minnesota is home to many people of Scandinavian heritage. We see ourselves as hard working, resourceful, and self-sufficient people. In my own family, we use the Finnish word, *sisu*, to describe our determination to overcome adversity. I have invested countless hours over the years while drawing on my Finnish *sisu* to find a solution to the workforce shortage and the skills gap. I am confident that my effort, along with the efforts of many others, has had a positive impact on my company, my industry, and my community, but workforce challenges and the skills gap still persist.

The skill levels of employees in my company are critical to the success of my business and skills are essential to the earning potential of every employee. In many industries, skills represent the key to success for both the business and the employee. Much has changed since I became the owner of Wyoming Machine and it’s often difficult to remember what our workforce was like when I joined the company in 1994. Back then, people with manufacturing skills were readily available and manufacturing in Minnesota was strong and vibrant. Workers learned skills through a wide variety of activities including work on family farms, military service, high school education, and on-the-job training in a robust manufacturing economy. When our employees needed on-the-job training, it wasn’t basic skills training. It was training focused on productivity improvement and soft skills to help improve communication and collaboration within our company. Training and development was higher level and

intended to expand the leadership and growth potential of the company. But times change and we are no longer in the Golden Age of skills.

Middle-skill jobs, like those at Wyoming Machine, account for 53 percent of United States' labor market, but only 43 percent of the country's workers are trained to the middle-skill level. Over the past two decades, we've implemented training programs to help develop our current and future workforce and address this mismatch.

First, we're working closely with schools in our K-12 system. We open our doors to students and teachers who want to see manufacturing up close and we've helped schools with transportation funding to make these trips possible. We host teachers from local high schools for summer "internships," so teachers can gain first-hand experience in manufacturing and can better align curriculum with the skills we need students to develop. We are partnering with schools as they work to integrate more hands on, skills based experiences into their core curriculum.

In addition to working with our K-12 system, we're working closely with our community and technical colleges. We host virtual classes from Pine Technical & Community College on Interactive Television (ITV) for our current workers who want to upskill. We make it a priority to hire workers from our community, even if they need more training to get up to full productivity. For example, we've experimented with hiring people from low paying jobs in other industries and we use our ITV system to provide skills training to these employees. In one case, we hired someone who had been working at a well-known fast food chain. Her experience in the fast food industry allowed her to develop strong skills for following processes, which is critical in manufacturing. When she was hired, we built on this skill with ITV classes and on-the-job training. Over the past four years this employee has earned a Production Technologies credential, her wages have increased by 53 percent, and she has access to benefits like paid time off and employer sponsored health insurance. As an added benefit to the employee, she has earned college credits and she has an industry-recognized credential.

Next, for jobs where we see a critical need for additional skills development, we're taking the necessary steps to develop our ability to do some of the needed training in-house. For the past decade, we've had internal capabilities to administer weld tests to standards set by the American Welding Society so that we can identify skill deficiencies among our existing welding staff. Once deficiencies are identified we can take the steps to address the problems. Welding skills are in-demand in our current economy and welding is an essential skill for rebuilding our nations aging infrastructure and ensuring that our military has the safest and most effective equipment possible. Because welding is a Science, Technology, Engineering and Math (STEM) career and welders need to understand basic metallurgy, proper material cleaning and brushing techniques and how different metals, welding gases, gas pressure, and other factors come together to produce welds that meet the technical specifications, we can't do all the training are on our own. New welders hoping to enter the industry must have access to training from qualified instructors with the right curriculum. Without this curriculum they might be able to produce welds that look beautiful on the surface, but they don't meet the important performance requirements needed by industries like construction, defense, and aerospace without the training we're providing in-house.

I know there has been much discussion in Washington of increasing work requirements in federal programs to help businesses find skilled workers, but work requirements are not the same as quality workforce development. There are several places Congress could support the investment Wyoming Machine is making in our workforce and to address the skill gap:

First, I'm investing in my workforce, but I can't do it without the federal government's support through investments in our workforce and education systems. In Fiscal Year 2018, Congress appropriated slight increases for programs under the Workforce Innovation and Opportunity Act and Perkins Career and Technical Education and increased funding for apprenticeship. This is a great first step to address the disinvestment these programs have faced over the past few decades. Since 2001, funding for WIOA has declined by 43 percent, CTE by 34 percent and Adult Education by 21 percent. Congress should invest in federal programs that support a broad pipeline of workers and keep pace with business demand.

Next, our community and technical colleges provide a professional and disciplined approach to teaching manufacturing skills and helping people gain access to living wage jobs that are in high demand in our economy. Our community and technical colleges have engaged and listened to the needs of employers and training programs have been updated to meet current needs. Unfortunately, federal programs that provide financial aid to students haven't kept pace with industry needs and the new programs being offered by community and technical colleges.

As Congress works to address the skill gap, policymakers could start by making short-term, career-oriented postsecondary programs with a track record of success eligible for Pell Grants, as has already been done on a small-scale, experimental basis by the U.S. Department of Education. The quality of short-term programs is essential, and businesses should work with colleges to ensure these programs meet employer needs. In my area, the local community and technical college reports that approximately 65% of students are eligible for Pell Grants. I've seen first-hand how important financial support is to many students taking courses at my local community and technical college. In addition to financial aid, many students couldn't be successful in training programs without wrap around services and supports. Across Minnesota, we're working to remove barriers that are keeping people from moving into higher paying, in demand jobs.

Finally, partnerships between employers, community and technical colleges, and federal resources is the "secret sauce" that continues to move us towards ending the skills gap. I don't know where our community would be today without the partnership that was built between manufacturers, our local community and technical college, and grants from the Department of Labor and the Department of Education. This partnership brought together the resources needed to fuel innovation that resulted in new options for how college courses can be delivered and accessed by people in need of skills training. Convenient access to courses that offer college credit and lead to degrees, certificates, and credentials is a life changing opportunity for incumbent workers, many of whom can't afford to miss a paycheck. In my experience, when low-skilled workers are given the opportunity to improve their job knowledge and skills, it also helps to build their confidence and improves the likelihood they will be successful on the job. Many of the employees who are upskilling at Wyoming Machine are surprised to learn that they can be successful taking college courses. Taking college courses also builds the confidence of new employees, gives them "street cred" with more seasoned employees, and increases the likelihood they will find long term success in the industry.

Just last week, I attended a day long convening to discuss innovative approaches to career readiness. The event brought together many stakeholders in our regional workforce development system and included, local K-12 educators, our community and technical college, local and state legislators, and business leaders. One of the things I heard at the event is that employers are increasingly engaging with the workforce system. At a time when we need to be increasing our involvement, our investment, and encouraging innovation, this is exciting news.

Closing the skills gap is not something we are doing in isolation and like most other small and mid-sized businesses in our economy, it's unlikely that we would get the results we need without the partnerships we have with other businesses, our community and technical colleges, the K-12 educational system, and government agencies at the federal, state, and local level. When private sector employers connect with the existing workforce system, and when the federal government adequately supports this connection, the entire system can be leveraged to move us toward solving the workforce challenges facing so many industries.

I end my comments today with a strong commitment to continuing to do the work needed to close the skills gap so that we can grow our economy. In 1910, during his Citizenship in A Republic speech, Theodore Roosevelt described a man who is willing to get into the arena, who is willing to do the work that needs to be done, even at the risk of failure. In the words of Theodore Roosevelt, I urge you today to "Dare Greatly." We cannot afford to slow the momentum that we currently have in Minnesota and many other states across the nation. If anything, we need to move even faster.