

Senate Majority Policy Committee Hearing

Addressing the Rural Workforce Challenges - Population Decline, Labor and Housing Shortage

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Dr. Michael Reed, president of Pennsylvania College of Technology, focused his remarks on our well-aligned academic programming that creates immediate pathways for our graduates to fill open positions, to start their own businesses, and to hit the ground running for companies that need their skills.

In Workforce Development at Penn College, our work is focused on providing training for companies and their incumbent workforce. Our training services, which cover many business sectors—clean energy, manufacturing, health care—are sought out by companies that know upskilling their current workforce is necessary to compete in a global economy, where change is the only constant.

Growing Pennsylvania will only occur when businesses, educators, economic developers, and stakeholders work together and focus on incremental improvements. Employers grow our economy. We must respond to their needs, which Penn College does by providing a pipeline of graduates in degrees that align with employer needs and offering lifelong training opportunities for incumbent workers, which we do in Workforce Development.

We—education, economic development, government—must do our part to support employers efficiently by removing barriers. Many issues impede growth, including uncertainty, continued supply-chain constraints, finances and the constant threat of an impending recession, lingering pandemic impacts, and limited access to a skilled workforce. Just as there are multiple contributing factors creating the issues faced by employers, there is no single method that can solve the workforce dilemma.

What is causing the workforce problem? Baby boomers continue to retire from the workforce at a rapid clip, especially since the pandemic began. The fertility rate in America has been below the replacement level of 2.1 births per woman for each of the last 51 years. This will be a long-lasting issue, as it was below that replacement rate this year; future workers won't enter the workforce for another 16-20 years. The population decline isn't only happening in Pennsylvania; it is happening across the U.S. and the world.

Fewer people are attending college. There are almost 2 million fewer Americans working today compared with February 2020. According to the U.S. Chamber of Commerce, this month, the labor force participation rate is 62.6%, which is down from where it was in February 2020 during the pandemic. All of these factors contribute to our current labor predicament. It is more important than ever to invest in education and training that aligns with the needs of employers as one solution. An employer that invests in training its workforce creates a happier and more productive worker. Happier and more productive workers lead to better retention, which will be critical for employers.

I'll focus on the incumbent worker training piece as part of the solution and the role Pennsylvania College of Technology plays in this critical area. Lack of access to and funding for training negatively impacts the ability of companies to grow and ensure that the Commonwealth remains competitive. Sometimes their inability to participate in training is a direct result of the shortages they face, making it

difficult to send their employees to training. To compensate for the ongoing worker shortage, employers must invest in upskilling their workforce to ensure that their employees are keeping up with the rapid pace of change.

While routine, repetitive, low-skill work is being replaced by robotics and automation, new, higher-value work is taking its place. Automation creates many new career opportunities, but most of them require education and training. To program, operate, and maintain this advanced equipment and machinery takes a much higher skill level.

Whether a high school student chooses the path of a degree or certificate or goes straight to work, they cannot escape the need to learn continuously throughout their career. The Workforce Development Office at Penn College has a long history of partnering with companies to train incumbent workers. Our goal is to tackle the workforce issue from a lifelong learning perspective. Many of our client companies employ our graduates. These graduates know they can contact staff on our campus to target a specific training need for their current employees. We send Penn College faculty and staff onsite to train employees, we invite them to campus, we deliver remote training, and we customize programs specific to a company's needs.

How do we accomplish this? Our current focus is on apprenticeship training. We sponsor seven apprenticeship programs registered with the Pennsylvania Department of Labor & Industry, with more under development. We complete paperwork and set prompts for the companies that participate in our apprenticeship training to make the process easier. We are the only entity in Pennsylvania awarded a U.S. Department of Labor Scaling Apprenticeship grant, known as MIDAS, which is expected to support training for more than 3,200 apprentices over five years in advanced manufacturing occupations like CNC, mechatronics, industrial manufacturing technician, robotics and automation maintenance technician, and plastics process technician. Our blend of delivering technical instruction with the companies' documented hands-on training ensures a consistently trained workforce for participating companies.

Other areas of focus for Workforce Development include the Clean Energy Center at Penn College, which is a nationally recognized U.S. Department of Energy legacy center, providing training and technical assistance to home energy professionals, commercial building operators, government, utility companies, and other industry partners in the building performance field. We opened our new office in Latrobe during the pandemic, and another office is opening in Harrisburg this month.

Penn College also serves as the statewide facilitator of WEDnetPA, a program helping companies cover a portion of the cost of worker training. This investment in Pennsylvania's workforce accounted for \$11 million last year. Some 640 companies benefited from this support, and the grant trained more than 20,500 employees. WEDnet is part of the PA First line item in the Pennsylvania Budget.

We have a proven track record of addressing the workforce challenges confronting Pennsylvania's companies. Our skilled, job-ready graduates immediately begin contributing when they are hired, while our workforce development efforts help companies solve their skills-gap issues through apprenticeship and other customized training programs. With your ongoing support and continued advocacy for Pennsylvania College of Technology, we will continue our mission to provide education and training programs that fuel the growth in the Pennsylvania economy—now, and in the future.