



Statement for the Record for Associated Builders and Contractors

Testimony of
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Before the
U.S. Senate Committee on Health, Education, Labor and Pensions

On
“Modernizing Apprenticeships to Expand Opportunities”

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Chairman Alexander, Ranking Member Murray and members of the U.S. Senate Committee on Health, Education, Labor and Pensions, thank you for allowing me to be with you today to discuss the important topic of modernizing apprenticeships to expand opportunities. My name is Mike Holland, and I am the chief operating officer of MAREK Companies.

I am testifying today on behalf of Associated Builders and Contractors, a national construction industry trade association established in 1950 that represents more than 21,000 members. Founded on the merit shop philosophy, ABC and its 70 chapters help members develop people, win work and deliver that work safely, ethically and profitably for the betterment of the communities in which ABC and its members work. ABC and its members are committed to spending over \$1 billion on apprenticeships, earn-and learn opportunities and other programs to educate more than 450,000 construction workers this year.

One of those 21,000 companies is my company, MAREK, which was founded more than 80 years ago, and operates in Texas, Georgia, and Tennessee. As a specialty interior contractor, MAREK offers commercial and residential services from drywall framing, flooring, ceilings and acoustical solutions to innovative professional services related to 3-D modeling, scheduling, and integrated project delivery. MAREK is an industry leader because of our unwavering commitment to safety and our workforce.

I am an example of the rewarding and fulfilling careers the construction industry can provide. After two years of college, I realized that college was not the best path for my future so I dropped out and enrolled as a drywall apprentice. During my three years in the drywall field, I committed myself to learning new skills and advancing my career in construction. I rose through the industry as a project manager, sales manager, branch manager, and was eventually appointed MAREK's chief operating officer in 2015. My motivation and commitment to workforce development stems from my own path, and I want to give all Americans the opportunity to build successful careers in the construction sector.

Today, I hope to paint a picture of what workforce development looks like in the construction industry, and how workers are achieving their dreams through industry-recognized apprenticeship programs. I will offer recommendations and suggestions that will open more opportunities for students, women, minorities, veterans, non-graduates, and people seeking new careers, re-entry into the workforce or a second chance.

MAREK would not be the thriving company it is today without our skilled and dedicated team of craft professionals. We recognize our employees are the foundation on which our success is built, and why we strive to attract and retain the best talent available. A job at MAREK is just the beginning of a long and rewarding career. We treat our employees like the talented experts they are, offering competitive wages and salaries, healthcare benefits, on-the-job training programs and opportunities for career advancement. We take pride in building strength from within.

All of MAREK's workforce development and education is delivered through industry-recognized apprenticeship programs with the primary focus on safety. An industry-recognized apprenticeship program is a structured career development ladder developed by the private construction market. It is a paid position, which costs nothing to taxpayers, and includes classroom instruction along with supervised on-the-job training. Our programs are competency-based, which means that apprentices advance as they master each skill, or become competent. Rather than a specific time requirement for advancement, we require that a worker know and demonstrate their skills – which allows the highest performing employees to advance quicker. It also ensures apprentices who may struggle learning a skill not get left behind. The vast majority of workers in the construction industry are trained in industry-recognized programs.¹

For classroom content, we use select curriculum from NCCER—founded in 1996 as the National Center for Construction Education & Research—which we combine with custom MAREK content. NCCER, which was started by 120 construction CEOs, associations and academics who identified the need for a standardized training and credentialing program, provides portable curriculum that results in an industry-and

¹ https://doleta.gov/oa/data_statistics.cfm; <https://www.bls.gov/iag/tgs/iag23.htm>

nationally-recognized credential. Across sectors, NCCER can and should serve as a model for other industries looking to develop their own standardized apprenticeship programs, which will allow industry leaders to combine resources and develop a standard set of credentials for all positions.

MAREK's education programs are structured to provide the highest value to our workforce and our clients. Once a MAREK employee completes a NCCER module, they can sit for a credential exam. If they pass, they receive a stackable and portable industry-recognized credential. Therefore, if an employee decides to leave our company, they can prove their knowledge and demonstrate their skills with that credential anywhere and at any jobsite in the country. An important issue discussed later in this testimony is the federal government's resistance to accepting industry-recognized credentials, which limits opportunities for millions of workers.

MAREK has developed an education system that we believe provides limitless opportunities for all our workers. For example, once an employee has graduated from one of our apprentice programs and gained experience in the field, they can enter our foreman field leader training program. We have multiple examples of strong candidates who have progressed from entry-level apprentice to entry-level leadership roles within five years. This program is also available to incumbent workers. At MAREK, we believe continuing education should be a lifelong endeavor and that all employees regardless of age should have the opportunity to earn a leadership position.

Recruitment

As the members of this committee know, America is facing an enormous workforce shortage. There are currently six million open jobs in the United States and 500,000 of those are in the construction industry. At MAREK, we are taking proactive steps to give Americans terrific opportunities in the construction industry by partnering with high schools and nonprofit community organizations to educate students about the lucrative and rewarding careers in the skilled trades.

We have also partnered with Texas A&M University to better target underrepresented populations to grow and diversify our workforce. In addition, we have committed

significant resources to bringing women into our industry. While there is a stigma that construction is a man's job, nothing could be farther from the truth. We have a "Women at MAREK" initiative and offer peer advisors for our female employees. We want to create a welcoming environment for all our employees.

Partnering with community groups and nonprofits, such as the United Way, has helped us to hire individuals experiencing hardships. These partnerships are critical to helping disadvantaged Americans and rely on two-way communication. The United Way contacts us when they believe they have an individual that would be a great fit for our company and we reach out to them when there are roles to be filled. If our employees are struggling with sections of a test to obtain credentials, we partner with adult education centers to ensure they have the attention they deserve.

How We Can Expand Apprenticeship Opportunities

Our apprenticeship programs are constantly modernizing to provide the best possible development opportunities to our workforce. Roughly 10 years ago, we made the decision to train some of our workforce with Department of Labor-registered apprenticeship programs, and committed significant company resources to ensure we were in full compliance. We made this decision because we wanted to bid on federal construction projects, and to win those contracts, it is practically required that you use DOL-registered apprenticeships.

After six years, we ultimately decided to de-register and instead exclusively utilize our in-house development program. We found the DOL's hours requirements inflexible and somewhat arbitrary because the instruction is based on time in the classroom, not on the jobsite. And when DOL requires apprentices to sit in the classroom after they have already demonstrated their knowledge on the jobsite, it hinders their growth and prevents them from advancing onto the next skill. Without compromising our unwavering focus on safety, our program is more flexible and allows someone to master skills and progress at their desired speed.

In our experience, apprentices and instructors experienced burnout with the DOL-registered program's extensive after-hours classroom requirements because it was not

flexible enough to accommodate business fluctuations, which led to both some apprentices dropping out and instructors choosing not to participate as mentors.

The purpose of sharing this story is not to criticize DOL-registered programs, and especially not graduates, but to demonstrate the difficulties that many companies face in administering these programs. I hope that the lessons I share can spur change to create more apprenticeship opportunities for more people.

While MAREK had the resources to register a DOL program, de-register it, and return to our successful industry-recognized training method, unfortunately, most small- and medium-sized businesses do not have that luxury. The reporting requirements are often duplicative and stretched our smaller branches to their administrative capacity. As a company, we had to divert resources away from education and training and put them towards paperwork, which ultimately hurt our workers and their families. DOL's assistance often felt like requirements rather than recommendations.

DOL's rigid apprenticeship programs are one of the reasons why most of the construction industry chooses to train their workforce through the industry-recognized model. As I mentioned, this model allows employees the flexibility to progress at their own speed and obtain nationally-recognized, portable and stackable credentials.

Unfortunately, the federal government does not recognize this successful model when procuring their construction projects. Because of Davis-Bacon requirements, only apprentices in DOL-registered programs can be considered "apprentices" under the law's job classifications. When you are a DOL-registered apprentice, you can be paid a wage relative to your experience. On the other hand, if you are an industry-recognized apprentice working on a federal project, the government mandates that you are paid the same wage as your more experienced, more skilled peers.

As an example, this would be equivalent to allowing construction workers in one state to be paid wages based on experience and education, but all workers in a different state to be paid the same, regardless of skill level. This unfair advantage and preference to DOL-registered apprenticeships dramatically reduces the amount of people that can be trained in our industry and limits opportunities for all.

According to the recently published DOL task force report on expanding apprenticeship opportunities, an apprenticeship is an arrangement that includes a paid-work component and an educational or instructional component, wherein an individual obtains workplace relevant knowledge and skills. The apprentices at MAREK and in other industry-recognized programs are paid, receive on-the-job training and classroom instruction, and earn a stackable, portable credential. If a company is forced to pay that apprentice the same as his or her more experienced peers, then that company may not be able to afford to bid on a federal project. This decision is passed down the chain and ends up hurting the apprentice the most, as they will have less on-the-job experience, mentoring by company leaders or the wage for a day's hard work.

I urge members of this committee to work together to open more apprenticeship opportunities. Without arguing the merits of Davis-Bacon, there are simple reforms that would allow apprentices in industry-recognized programs to have the same opportunities that those in DOL-registered programs have. The system should be equal and fair to all.

Chairman Alexander, Ranking Member Murray and members of the Committee: thank you once again for inviting me to participate in today's hearing. I look forward to working together to expand apprenticeship programs and give all Americans the opportunity to build successful careers.