



TESTIMONY OF

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REGARDING

On-the-Job Training (OJT) and OJT Supportive Services Programs

BEFORE THE

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INTRODUCTION

Chair Norton, Chairman DeFazio, Ranking Member Davis, Ranking Member Graves, and Members of the Subcommittee, thank you for the opportunity to appear today and speak on the important topic of FHWA's and NCDOT's On-the-Job Training (OJT) Program and OJT/Supportive Services programs, and our recommendations to both protect and strengthen these critical workforce development components.

I am Tunya Smith, director of the Office of Civil Rights for the North Carolina Department of Transportation. Thank you for inviting me to testify today on behalf of the State of North Carolina I'm honored to be given this opportunity today.

NCDOT has evolved into a multimodal agency committed to supporting the travelers, economy and overall well-being of North Carolina by providing a comprehensive statewide transportation system that encompasses all forms of travel. The agency's vision, mission and goals guide its daily operations to ensure its wide range of projects and services meet the state's growing transportation needs.

The reason I'm here speaking to you today is to advocate for Congress to place greater emphasis and funding on workforce development for the highway and bridge construction and maintenance industry. I see from some of your recent agendas that ferries have been a major topic; you may be happy to know that through special federal-aid highway funding via FHWA, the programs I am about to discuss can work with the training and labor needs for ferry transportation too.

North Carolina (NC) faces a highway construction workforce and skills gap issue. Nationally, there is a growing demand for highway construction, maintenance and administrative workers with a need for higher-level skill sets. As the 9th most populated state and one that is growing rapidly, North Carolina must consider both new build and legacy maintenance needs related to highway, tunnel and bridge construction.

A recent report from the North Carolina Chamber of Commerce and a national transportation research nonprofit known as TRIP revealed North Carolina motorists pay about \$10.3 billion annually in transportation-related expenses as a result of driving on poorly maintained and deteriorating statewide roads and bridges. The report findings show that a strong transportation network supports a strong statewide economy. Nearly 2 million jobs in North Carolina depend directly on the strength of our transportation infrastructure. As North Carolina focuses on ramping up the transportation infrastructure, there is a pending workforce shortage that shows the average age of North Carolina construction trades workers is approximately 50 years old. The impact of the expected labor shortage is amplified by the fact that many potential workers find construction trades unattractive and challenging to enter. Now more than ever, programs that target and prepare non-traditional populations and laborers are needed.

Program Goals and Partnerships

The Federal-aid Highway Act of 1968, Section 22 (a), 23 USC 140 (a), ensures nondiscrimination in Equal Employment Opportunity and On-the-Job on federally funded highway projects.

The NCDOT's workforce development initiatives have two major objectives: provide equal opportunity and access for all people; and produce a professional highway industry workforce that fulfills employer demands. We have a number of projects that cover almost every aspect of workforce development in the highway business. At NCDOT, the On-the-Job Training (OJT) Programs are implemented and administered by a unit within the Office of Civil Rights. The Carolinas Associated General Contractors (CAGC), the American Road Transportation and Builders Association (ARTBA), NC community colleges (including ApprenticeshipNC), Local Education Agencies (LEA) that manage public school systems, and the state workforce development system, NCWorks, which is authorized and funded through the Workforce Investment Act (WIA), are excellent at supporting highway industry workforce development.

On-the-Job Training Program - OJT

State highway agencies are required by the Federal Highway Administration (FHWA) to design and administer "surface transportation and technology training, including skill improvement programs," as specified by the US Code of Federal Regulations Title 23, section 140(b) and Title 23 Section 230. The Federal Highway Administration (FHWA) and the North Carolina Department of Transportation (NCDOT) accomplish this through an On-the-Job Training Program (OJT). Apprenticeships and other 'earn while you learn' training programs are included in the OJT program, which focuses on disadvantaged communities. The primary goals of the OJT Program are to:

- Ensure equal opportunity and access to training and job placement in the highway construction field for minorities, women and disadvantaged individuals; provide a diverse

pool of skilled workers for the highway construction sector; and ensure equal opportunity and access to training and job placement in the highway construction field.

Disadvantaged populations in North Carolina are defined as those with disabilities, people who have been engaged in the prison system, veterans, and anyone who lives in one of the state's most economically distressed Tier 1 counties. We're also making a concentrated effort to attract more Native Americans to all of our programs by collaborating with the N.C. Commission of Indian Affairs and the eight (8) NC tribes, all of which are situated in Tier 1 counties.

The North Carolina OJT unit monitors contractor compliance, goal objectives, and trainee completion of approved job classifications for project contracts. Good faith efforts are part of this important contractor-DOT partnership and provide for greater training continuity and trainee and worker job retention. Federally funded contract provisions require contractors to include a specific number of OJT jobs to be included in a workforce based on a contract dollar formula and methodology.

The NC Alternate OJT (A-OJT) Program's flexibility allows contractors to educate personnel on a variety of projects. These initiatives can be supported by the federal government, state government, or the private sector. However, the projects must be in North Carolina, and the training must meet the NCDOT On-the-Job Training Manual's requirements. All contractors are advised of their annual training target at the start of each calendar year, and they agree with the department to conduct an On-the-Job Training program throughout the year. This contract specifies a set number of annual training slots for each contractor. Last year, nearly 150 people enrolled in the NCDOT's version of the OJT program. The average trainee was 32 years old.

Sixty-six percent (n=109) of those surveyed identified as male, while the remaining twenty-four percent (n=35) identified as female. Non-white self-identification was reported by 61 percent of participants. We're working hard with our contractors to boost the numbers, notably among Hispanic females, who make up only 14% of all female trainees. The average age of a trainee in 2021 was 32.

This year, more than 300 new trainees will be enrolled in the contractor OJT programs, with another 150 individuals continuing to work from the previous two years. Nearly 500 OJT participants will be working with prime and other contractors in 75 various task types across North Carolina, in almost every county. One key issue, according to our latest 1392 – or Federal-Aid Highway Construction Contractors Annual Equal Employment Opportunity (EEO) Workforce Report – is the shortage of women in the private contractor labor force in all occupations surveyed (except for clerical). In the ranks of 'officials' and 'supervisors,' there is a dearth of women and minorities. The OJT Program continues to be a vital public-private cooperation that is a huge victory.

OJT Supportive Services (OJT/SS) Programs

Additional funding is available for OJT Supportive Services, or OJT/SS, which enhance, complement, and assist the OJT workforce pipeline initiative. OJT/SS is also used to enhance involvement in skilled and semi-skilled crafts by women, minorities, and disadvantaged people.

The following are some of the NC OJT/SS initiatives:

Highway Construction Trade Academies

To further enhance the highway industry's workforce development, the NCDOT supports Highway Construction Trades Academies (HCTA) for adult and older youth learners. The academies are great opportunities for those interested in good jobs with good pay and with the desire to be trained in highway/bridge construction/maintenance that could result in a rewarding career in the highway industry. The HCTAs are offered in partnership with community-based non-profits, and community colleges, and provide a mix of classroom instruction and hands-on learning experiences.

Participants can receive OSHA-10, CPR, first aid, and flagger certificates, as well as Commercial Driver Licenses (CDLs), as well as take the Introduction to Earthmoving/Heavy Equipment Operation course. Individual case management assistance, access to employment fairs, and the option to be hired by contractors are also provided to participants. Participants in the academy program are not charged anything. Despite the hurdles posed by the COVID pandemic, a few academies trained nearly 100 people for positions in the highway business last year. By the end of the year, we hope to have a dozen such academies up and operating in critical highway/bridge project areas, with community colleges and community-based non-profits serving as hosts. Meanwhile, in partnership with our Workforce Innovation and Opportunity Act (WIOA)-funded NCWorks and Division of Highways colleagues, we have developed a proactive and innovative strategy to quickly provide qualified entry-level labor by conducting accelerated 'pop-up' academy boot camps.

Advanced Training

Participants who have completed an HCTA or are OJT trainees can obtain further skills training in a variety of high-demand sectors. As a supplement to their more general training, Advanced Training allows learners to earn a variety of certificates. Those include certifications in commercial and truck driver license operation; heavy equipment operation; demolition/hauling, guardrail installation, paving, landscaping and erosion control, installing trenches and piping; traffic maintenance; bridgework; and disaster recovery. The tuition and other costs connected with obtaining these certifications will be covered by OJT/SS funding. Each year, an increasing number of program participants take advantage of this opportunity. However, the COVID pandemic created challenges and required significant outreach and marketing efforts.

Outreach and Career Awareness

Through Construction Career Exposure, Engagement, Education Development, or CEEED events, the North Carolina Department of Transportation is also committed to career outreach and recruitment. These activities help young people better understand transportation and transportation construction jobs. These activities provide people with the skills they need to identify and start a career that meets their qualifications and desires. The outreach begins as early as middle school and provides a pathway to Highway Academy graduation, as well as advanced training in an OJT program and possible employment in a rewarding career. It is encouraging that some may go on to be entrepreneurs and operators themselves, perhaps as disadvantaged, women, or small business owners. Examples of specific activities include:

- **Highway Construction Career Days (CCD)/Career Expos:** NCDOT partners are encouraged to exhibit how technology and equipment are employed in the highway construction business. A trade show with vendor exhibits is included in each event to provide extra learning opportunities and to explore potential highway construction job possibilities with middle and high school students. Every year, CCDs are hosted throughout the state, with each event attracting hundreds of students.

- **Construction Career Engagement:** The Program promotes opportunities and professional development programs in the highway construction industry through outreach, informational sessions, and job fairs. These activities are used to recruit participants for the HCTAs and educate people about jobs in highway building.

With Federal Highway Administration support under CFR 23 Section 140, NCDOT also operates several National Summer Transportation Institute (NSTI) programs. NSTI programs are week-long summer camps for high school students that combine classroom and experiential learning to help students better understand transportation and related careers. The NCDOT program hosted more than 150 kids at several locations across the state last year to introduce minorities and girls in middle and high school to careers in transportation. Historically Black Colleges and Universities and Minority Serving Institutions make an important contribution to industry workforce development by providing transportation student internships and scholarships.

Supportive Services

We recognize there are obstacles to pursuing a career in highway construction that are beyond an individual's control. We can provide job placement, childcare support, outreach, case management, transportation to training and job locations, post-graduation follow-up, and job-site mentoring through our OJT and Support Services program. To enable people to start a job, NCDOT also will supply participants with basic personal protective equipment, such as steel-toed boots, safety vests, protective eyewear, work gloves, and hard hats.

Program Review and Continuous Improvement

FHWA reporting requires that we develop OJT/SS work statements and submit to FHWA for approval for funding. Quarterly and annual reports are provided to ensure the OJT/SS contractors/providers achieve performance goals and objectives. Support services providers are monitored by our OJT unit and the FHWA division offices.

We are proud of our training and job placement programs and know these workforce development and employment programs directly impact economic development and community development. We are committed to continuous improvement and are currently assessing the economic impact of our programs.

For example, HCTA and Advanced Training operations and money directed to various suppliers, such as payroll, supplies/materials, and equipment purchases and rentals, as well as wages and

benefits of program participants/graduates employed/promoted (multiplier effect), are being evaluated. Additionally, peoples' lives and livelihoods are transformed and improved.

Highway Construction Workforce Partnership

We are not alone, as I mentioned previously. A number of partner organizations from the transportation, education and workforce areas collaborate to provide a qualified and technically skilled highway construction workforce. The Highway Construction Workforce Partnership is an excellent example (HCWP).

The HCWP's goal is to bring organizations and others together in state and local working groups to discover, train and place people in highway construction employment. One of the most valuable aspects of the HCWP is the potential to pool existing resources and interests to solve industry labor needs as partners. The Center for Transportation Workforce Development and Technology Deployment of the Federal Highway Administration (FHWA) awarded \$4 million in HCWP grants late last year. However, only 11 of the 21 bids submitted by state DOTs were funded. The challenges and processes of delivering outreach programs for prospective employees, training and job placement necessitate the commitment and active participation of transportation, education and workforce system partners. However, the HCWP's full potential will not be fulfilled without additional funding.

Over the last two years, the FHWA's Every Day Counts (EDC) Program has chosen Strategic Workforce Development (SWD) as a key initiative. Thirty-two states, including North Carolina, have committed to the SWD in Every Day Counts, but their efforts will be significantly

hampered without money. If funds were available, I believe that more states would support the EDC and HCWP.

Resource Limitations

We are doing what we can to improve highway industry workforce development in North Carolina, but frankly we can and need to do more. We were disappointed that more funding for workforce development was not included in the Infrastructure Investment and Jobs Act (IIJA). It appears that any new or existing direct workforce development funds in the IIJA are limited.

The IIJA only allows states to obligate funds from four workforce programs authorized by the earlier Fixing America's Surface Transportation Act (FAST Act). Amendments now include support for pre-apprenticeship and apprenticeship programs as well as career opportunities for on-the-job training. They also expand how these funds can be used. The amendments allow for engagement with workforce development boards provided for under the Workforce Innovation and Opportunity Act (WIOA). They also allow for activities around addressing workforce gaps and developing the surface transportation workforce.

With approval by the FHWA, NCDOT OJT has used Title 23, Section 504(e), for support of workforce development with 100% federal-aid state highway core funds. Under this section, the Secretary shall operate in the Federal Highway Administration a National Highway Institute (in this subsection referred to as the "Institute"). The secretary shall administer the authority to develop and conduct education and training programs relating to highways. However, any such investment in such workforce development is made at the expense of capital investment in road

and bridge projects, highway safety, or other programs. We are also increasingly pursuing program/project funding strategies that encourage the leveraging of outside committed resources. Those resources can be in-kind or cash contributions including from other grantors or in co-funding or cost-sharing to help supplement program activities and goals.

The Transportation and Infrastructure Committee provided the leadership needed to enact the IIJA, and it will go a long way in helping state transportation agencies and their partners to provide for a safe and efficient highway system. But a greater investment in workforce development is necessary if we are to realize the full potential of the IIJA investment.

To achieve the best outcomes, we also recommend a review of WIOA in consideration of its reauthorization to determine if there are opportunities for amendments that are focused on funding for highway construction, and other transportation workforce and training programs. This could perhaps be accomplished through funds leveraging with OJT/SS programs.

It is also important for the OJT/SS funds to be allowed for pre-release incarcerated individuals, who are in re-entry mode. The type of workforce development and employment services state DOTs can provide under OJT/SS funding before incarcerated individuals are released will help them be better prepared for full-time jobs soon after release. In North Carolina, some of our Highway Construction Trade Academies have worked closely with local re-entry councils and the graduates have been quickly hired by contractors. It would be an even greater advantage to start working with incarcerated individuals prior to their release from prison.

Unified data collection and sharing amongst state transportation agencies and partner agencies is also a critical missing component of successful OJT program development. The federal government assists states in developing a unified OJT data warehouse, a national performance management dashboard. The federal government also helps build a repository toolkit listing economic impact key performance indicators and key statistics for states and local partners to measure outcomes and economic impacts of training programs.

Perhaps above all, we would ask the committee to continue its work and that funding be increased to support the basic, comprehensive and critical OJT/SS workforce initiatives I have described. Most states operate workforce programs similar to North Carolina's. I can assure you everyone will benefit from additional workforce funding. More importantly, we can take greater advantage of the partnerships and programs already in place. OJT/SS is one of those best-kept secrets, but NCDOT is working hard to get the word about these very beneficial and mutually-rewarding programs.

CONCLUSION

We whole-heartedly agree with Ken Simonson, the Associated General Contractors of America's (AGC) chief economist, that labor shortages in the construction industry remain significant and widespread, and to quote Mr. Simonson, "The best way to encourage continued economic growth, make it easier to rebuild aging infrastructure, and place more young adults into high-paying careers is to address construction workforce shortages."

I appreciate Mr. Simonson's comment. If this initiative is not able to continue and does not receive additional funding, many of the benefits will not be fully realized.

In closing, I'd like to thank the members of the House Transportation and Infrastructure Committee on behalf of NCDOT Secretary J. Eric Boyette, Deputy Secretary Ebony J. Pittman, and the dedicated employees of the North Carolina Department of Transportation and our many partner organizations for this honor and opportunity to share our experiences and ideas concerning OJT/SS, workforce development, and job creation in the highway construction industry.

We are one example and model of how OJT and its accompanying supports services can and should operate and function, as well as the outcomes and returns on investment they can deliver. OJT is undoubtedly a path to our future goals.

Thank you once more. I will gladly answer any inquiries you may have.