



2021 THE CONSTRUCTION ASSOCIATION CONVENTION



AGC
THE CONSTRUCTION
ASSOCIATION

Navigating the Changing Workforce Landscape, Policies and Preferences

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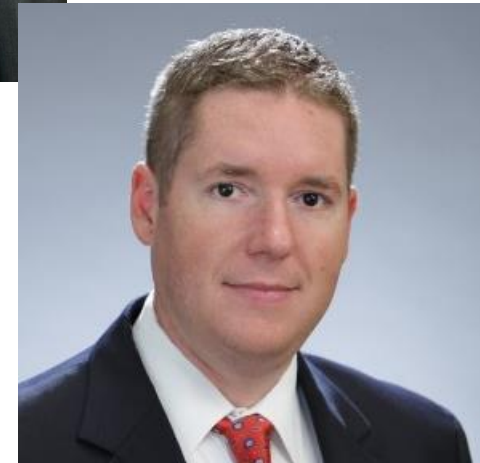
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Participants must:

1. Sign in using attendance sheet in the back of the room.
2. Attend at least 95% of the session.
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Earn CE hours for this Session



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Learning Objectives

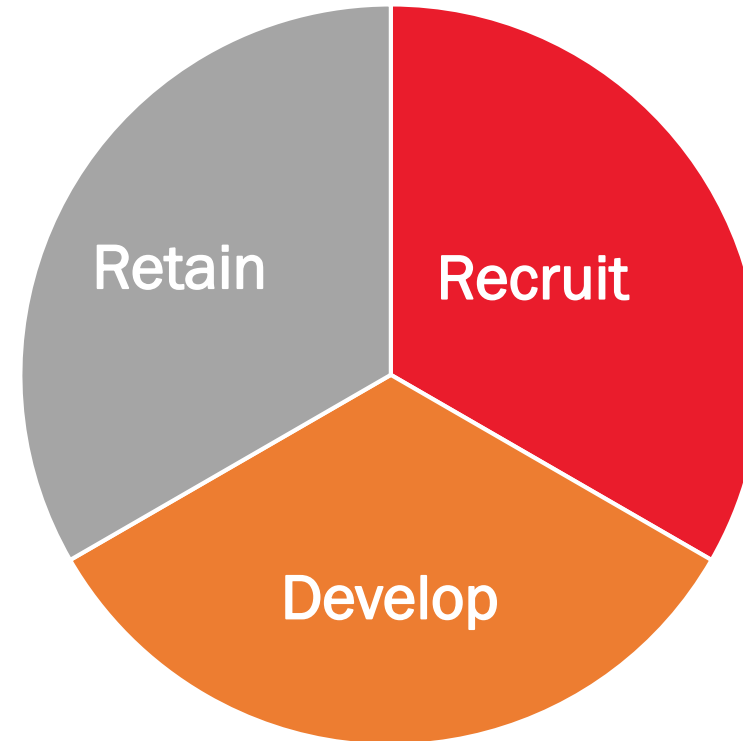
By the end of this session, participants will:

1. Review the most recent labor-related policies implemented by the Biden administration or incorporated into bill language.
 - Infrastructure Investment Act
 - Build Back Better Act
2. Examine the challenges and opportunities the apprenticeship requirements, diversification and preference programs will have on the construction industry.
3. Explore resources to assist in developing solutions to workforce challenges.



Why workforce development?

Those without a strategy for hiring, developing and retaining top talent are going to find it difficult to meet the increasing demand of their organizations.





US Chamber Commercial Construction Index

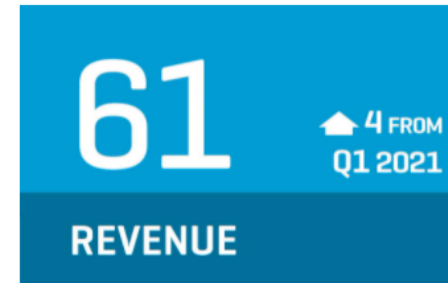
The Commercial Construction Index (CCI) increased three points to 65 in Q2 from 62 in Q1. All three key drivers behind the score improved. Most strikingly, contractors' revenue expectations continued to gain ground, jumping four points to 61, following a similar five-point jump in Q1. However, the overall score is still below the score of 74 in Q1 2020 before the pandemic.

Key Drivers of Contractor Confidence



Backlog

The ratio of average current to ideal backlog rose three points to 72. This key driver is the closest of the three to its pre-pandemic score of 76 in Q1 2020.



Revenue

Revenue expectations for the next 12 months increased four points this quarter to 61. This score was 70 in Q1 2020 before the pandemic.



New Business

Contractors' confidence in the ability of the market to provide new business in the next 12 months grew, moving up three points to 62. This score was 76 in Q1 2020 before the pandemic.





US Chamber Commercial Construction Index

88%

of contractors report moderate to high levels of difficulty finding skilled workers

35%

of contractors report turning down work due to skilled labor shortages



AGC & Autodesk 2021 Workforce Survey

- 61% of projects are delayed due to workforce shortages
- 73% of firms expect to add new employees
- 90% of contractors have unfilled craft positions
 - pipefitters, bricklayers, concrete workers, installers and truck drivers
- 62% of contractors have openings for salaried positions
 - project managers and estimators



Workforce Landscape, Policies and Preferences



Bernie Sanders ✓
@BernieSanders

We are not going to build bridges just so our people can live under them. No infrastructure bill without the \$3.5 trillion reconciliation bill.

6:27 PM · Sep 11, 2021 · Twitter for iPhone

5,302 Retweets 299 Quote Tweets 38.6K Likes





AGC's Top Policy Principles for 2021-2022

- Increase investment in and incentives for public and private construction to support pandemic recovery and job growth
- Improve the pipeline for a safe, trained and diverse construction workforce
- Preserve the delicate balance in federal labor policy that permits employees to freely choose to engage in collective bargaining and that allows employers to maintain operations free of unwarranted disruptions
- Ensure that tax and fiscal policies promote entrepreneurialism and long-term economic growth
- Streamline the federal procurement process to save money, increase competition and improve opportunities for small business
- Support regulations, policies, guidance and executive orders that are necessary, cost-effective, and practical



Biden-Harris Priorities

- COVID-19
- Climate
- Racial Equity
- Economy (inequities)
- Healthcare
- Immigration
- America's Global Standing



Infrastructure Investment & Jobs Act (IIJA)

- \$1T infrastructure bill
- Lift productivity and economic growth
- Forecasted to add \$1.4T to the US economy over the next 8 years
- But...where is the workforce for all that highway, bridge and public transit work?

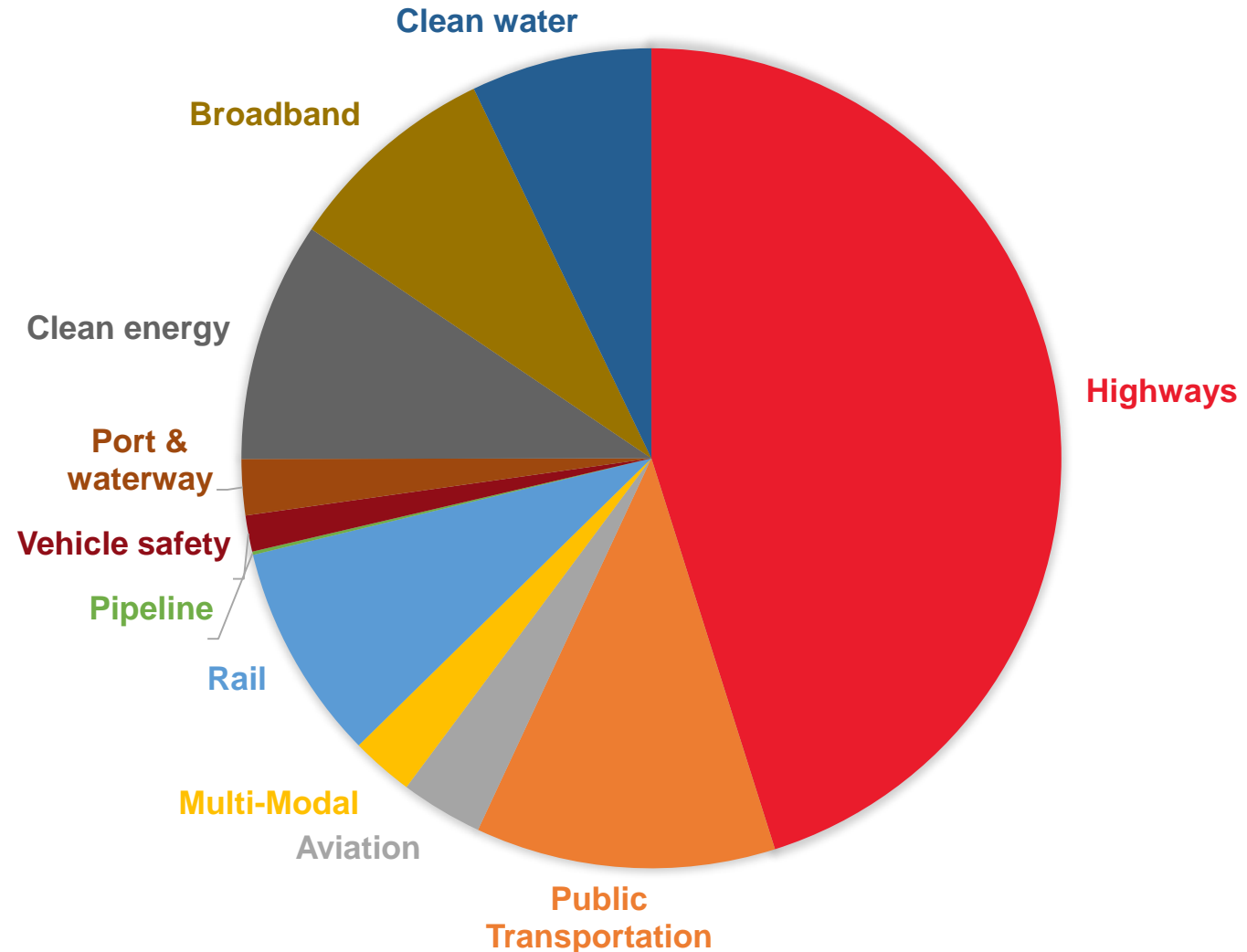


Addresses: Increase investment in and incentives for public and private construction to support pandemic recovery and job growth



IIJA - Spending

- \$620B reauthorizations
 - \$311B for road and bridge programs (30% increase)
- \$550B in new spending
 - \$110B for roads and bridges
 - \$66B for freight and passenger rail
 - \$39B for public transit
 - \$25B for airports



IIJA – Workforce Goals & Provisions



- Allows states and local agencies to implement hiring preferences
 - Each state develops a voluntary plan to provide for workforce needs of the state to deliver transportation and public infrastructure
 - Coordinate with educational institutions, organized labor and workforce boards
 - Identify current and future human capital needs to recruit and retain workers
- Instructs US DOT to provide a workforce diversity report relating to pre-apprenticeship, barriers to employment and other topics
 - Formal connection of pre-apprenticeship to Registered Apprenticeship
 - Address barriers to employment for ex-offenders, disabled and underrepresented populations
- Directs US DOT to develop a model plan for agencies to address employment diversity
- Instructs US DOT to conduct research on workforce needs and spend \$25M on a PSA



Build Back Better Agenda

An ambitious \$3.5T agenda to create jobs, cut taxes and lower costs for working families

- Lower costs
 - Child-care
 - Higher education
 - Prescription drugs
 - Healthcare
 - Housing
- Cut taxes
 - Families with children
 - Workers without children
- Create jobs
 - Workforce training
 - Clean energy jobs
 - Investments in teachers & schools

Addresses: Improve the pipeline for a safe, trained and diverse construction workforce

Build Back Better Act - \$3.5T



House Ways & Means Committee

- Universal 12-week paid family and medical leave for all
- Medicare provide dental, hearing & vision coverage

Energy & Commerce Committee

- Expand access to health care coverage
- Lower prescription drug prices
- Address public health infrastructure (construction & modernization)



Build Back Better Act - \$3.5T

Education & Labor Committee

- Universal 3-K and 4-K
- Tuition-free community college
- Repair & modernization of public schools
- Expand job training programs
- Child nutrition programs



Implications for Construction

- Perkins grants: funds secondary and postsecondary career and technical education **\$4B**
- Free community college: 2 years for eligible students
- WIOA Allocations: adult basic education and employment & training services for dislocated workers, adult, youth and ex-offenders **\$47B**
- Apprenticeship: create or expand registered apprenticeship, youth apprenticeship and pre-apprenticeship **\$5B**
- Community college & industry sector grants: to meet opportunities in high-skill, high-wage or in-demand industry sectors **\$12B**
- Rebuild America's schools: address health, safety, educational equity, enrollment diversity, environmental sustainability and climate resilience **\$81B**
- 'Grow Your Own' programs: address teacher shortages in high-need subjects **\$197M**
- Retention & completion: grants for completion of higher education **\$9B**
- Pell grant increase: undergraduate grants for low-income students



Funding the Efforts

Recruit

- Perkins
- WIOA
- Apprenticeship
- Sector strategies

Develop

- Perkins
- Community College
- WIOA
- Apprenticeship
- Sector strategies
- Pell grants

Retain

- WIOA
- Apprenticeship
- Sector strategies

Workforce Innovation & Opportunity Act (WIOA)



WIOA is landmark legislation that is designed to strengthen and improve our nation's public workforce system and help get Americans, including youth and those with significant barriers to employment, into high-quality jobs and careers and help employers hire and retain skilled workers.

- Unemployed/underemployed adults
- Dislocated workers
- In-school/Out-of-school youth
- Ex-offenders

Workforce Innovation & Opportunity Act (WIOA)



- Promotes registered apprenticeship and industry credentials (e.g. NCCER)
- Reimbursement for employer-driven, work-based training
 - On-the-job training
 - Customized training
 - Incumbent training
- Aligned with economic planning – state, local and regional
- Registered Apprenticeship programs qualify as eligible training providers and can receive ITA vouchers to train workers
- Apprenticeship completion certificates are recognized as postsecondary credentials



Apprenticeship Reforms

- Federal **registered apprenticeship** mandates
 - For infrastructure, energy and military construction
 - Requiring participation in a registered apprenticeship program for each skilled craft employed on any construction or maintenance project.
 - 20% of total project workforce
- State/municipal requirements for skilled and trained workforce and apprentices already in place
 - Goals...
 - Bidder discount...
 - Training contributions...
 - Preference...
 - Apprentice-to-journeyman ratio...
 - Utilization requirement/preferences...



Expanding Apprenticeship

- National Apprenticeship Act of 2021
 - Invests \$3.5B over 5 years
 - Expanding opportunities and access to **registered**, youth and pre-apprenticeship
 - Increase diversity in the occupations and individuals participating
 - Establish/expand educational alignment with national apprenticeship system

Registered vs. Industry-recognized



	Registered apprenticeship	Industry-recognized
Paid work	Incremental wage schedule based on experience and skill	Paid, but increases not required
On-the-job training	Minimum 2000 hours or one year	None
Classroom instruction	Minimum of 144 hours/year	Defined by industry
Mentoring/supervision	1:1 ratio recommended	No set ratio
Credential	DOL or state agency	Industry-recognized

Apprenticeship Primer



	Pre-apprenticeship	Youth apprenticeship	Registered apprenticeship
<i>Minimum age</i>		16	18
<i>High school diploma or GED</i>			✓
<i>Valid driver's license</i>			✓
<i>Pass drug testing</i>		✓	✓
<i>Completes required apprenticeship coursework</i>	✓		✓
<i>Paid on-the-job training</i>		✓	✓



Solutions - Recruiting

- Construction is Essential recruiting campaign
- Targeted outreach (K-12, gender, race, un/underemployed, ex-offenders, Veteran, etc.)
- Sector strategies (industry, education & workforce boards)
- Leverage public and private funding sources
- Unified labor-management efforts





Sector strategies

- Bring together multiple employers within an industry to collaborate with colleges, schools, labor, workforce agencies, community organizations and other community stakeholders
- Align training with the skills needed for that industry to grow and compete.
- Help facilitate the advancement of workers at all skill levels, including the least-skilled.



Solutions – Developing Talent

- Registered, pre and youth apprenticeship
- Youth Build
- Job Corps
- Sector strategies (industry, education & workforce boards)
- Leverage public and private funding sources



Solutions – Retaining Talent

- Culture of Care (Commit, Attract, Retain, Empower)
- Company culture & engagement
- Compensation and non-monetary rewards





Learn More:

- National Construction Industry Workforce Summit
 - Wednesday, Oct 13th
 - St. Louis, MO
- Construction HR & Training Professionals Conference
 - Thursday & Friday, Oct 14-15th
 - St. Louis, MO

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