Statement of Michael Tamasi on behalf of AccuRounds, Avon, Mass

House Committee on Small Business, Subcommittee on Innovation, Entrepreneurship, and Workforce Development

"Growing Jobs through Infrastructure Investment"

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I. Introduction

Thank you to the Small Business Committee for the opportunity to speak today.

My name is Michael Tamasi. I am the President and CEO of <u>AccuRounds</u>, a mid-sized contract manufacturer located in Avon, Massachusetts. AccuRounds is dedicated to being the leading solution for custom precision machined components. Our components are used in numerous industries including medical, aerospace, semiconductor, robotics, and emerging technologies. We make parts that are assembled into actuators which control the wings on airplanes for Boeing, as well as shafts for Amazon that drive their robots used in warehouses. Our higher purpose right now is making parts used in machines that manufacture vaccines. That work has tripled in the past 12 months.

At AccuRounds, our core values – Gratitude, Excellence, Team First, Initiative and Trust – guide us to always base decisions on what's right for team members and customers, provide a quality product, and deliver a superior level of service. It is these core values, along with our outstanding benefits – including health, dental, and life insurance; paid time off; 401k plan; tuition reimbursement; involvement in the AccuRounds Lifelong Learning University (ALLU), and our people-centric approach to business relationships that makes AccuRounds an employer of choice. We have 74 team members, with several open positions, and believe that the highest quality manufacturing requires the highest quality employee. Our ideal employee is someone who has critical thinking skills and understands problem solving; someone who wants to continuously improve and wants to be a part of a winning team.

I am a second-generation family-business owner, the son of an Italian immigrant who came to America with nothing, then built a successful business from the ground up. I have been involved in the workforce space for over thirty years, and aggressively contributing to workforce development for the past twenty. I currently serve as co-chair of the Massachusetts Advanced Manufacturing Collaborative and as Chair of Business Leaders United. I am also a part of the National Skills Coalition and Business Leaders United Manufacturing Industry Recovery Panel, which will share recommendations with the Biden Administration to ensure an inclusive economic recovery from COVID-19. Previously, I sat on the Massachusetts STEM Advisory Council and served for five years on the New England Advisory Council for the Federal Reserve Bank of Boston, including as Chair in 2018. Ensuring that Massachusetts and the manufacturing industry has strong workforce development is extremely important to me, my team, and my community.

II. Outline problem: shortage of skilled workers

Despite AccuRounds commitment to our workers and workforce development initiatives, the skills gap remains a serious concern. Throughout my career I have experienced and heard from other business leaders who experience the same problem – we face a shortage of skilled workers. Before the pandemic, we were struggling to hire skilled workers. We always have job openings, not only for growth but also due to older employees aging out of the workforce. As our workplace becomes even more reliant on advancing technology, we also face a need to upskill workers with

digital skills to advance in the workplace. Across our industry, 35% of workers need additional digital skills to be successful in jobs of the 21st century.

Despite AccuRounds' work never being busier or more essential, the COVID-19 pandemic has only exacerbated our ability to hire and train skilled workers who can work with us and fulfill our Core Purpose, to be the Defining Standard for Advanced Manufacturing. We are turning away work due to the lack of talent.

We need investments in infrastructure, manufacturing and clean energy. These investments would only intensify this challenge for AccuRounds, making the role of public investment in and policy that supports workforce development a critical part of any infrastructure investment.

III. How AccuRounds has addressed the problem – sector partnerships, vocational school partnerships

AccuRounds and our team members have taken many actions to address this problem. Most notably, in 2011, we were involved with the launch of the Massachusetts Advanced Manufacturing Collaborative, a sector partnership that convenes public and private stakeholders to develop and implement the Massachusetts' manufacturing plan and to foster growth and innovation in Massachusetts manufacturing. The goal of this collaborative was to make known the incredible advanced manufacturing community in Massachusetts, as well as create and expand pipelines for talent development. Through this sector partnership, we can hear the needs of the small businesses across the state, shore up public funding that makes our work possible, and develop programs so that businesses have access to the talent they need, and workers have access to a good job and a strong, stable career.

Through this partnership, we have established four regions throughout the State, each working with community and technical colleges, hosting and organizing tours and site visits for those interested in a career in manufacturing, and creating programs with vocational technical high schools in the area, particularly through STEM programs and giving exploratory tours to freshman students. This has resulted in increased awareness around advanced manufacturing.

At AccuRounds, vocational schools are our best pipeline to talent and have expanded our capacity to focus on recruiting and advancing women, people of color and people with disabilities into our workforce. This focus on diversity, equity and inclusion means AccuRounds has a stronger workforce and members of our community have improved access to good jobs. We had up to 5 high schoolers (seniors and juniors) a year join our co-op program, and we are able to offer this program to students across gender and ability. Right now, we have a female student working with our co-op program from a nearby technical school and we will hire her for a full-time role once she graduates in June. Several machinists who graduated from nearby technical schools are now on our management team. One team member, from the black community in Brockton, MA, a gateway city, started as a co-op just over 10 years ago. Last year, he purchased his first home. I was thrilled we provided him an opportunity which he took advantage of, progressing thru our CNC Machinist training programs, and now enjoying a home with his family of four. Another success story is a female co-op graduate who joined our team as a CNC Machinist trainee, gained several technical skills, then took supervisory and management training. She has been promoted several times, now serving in a Production Coordinator role with several direct reports. Her parents wanted her to go to college, but she wanted to learn a trade. College is not for everyone, but learning is lifelong. There are many paths to a successful career, and this is one example of a great success story that is continuing today.

This voc-tech partnership has been essential in promoting our industry not as dark, dirty, and dangerous – but as safe, smart, and sustainable - and for investing in workforce development to serve the greater good of the community. This would not have been possible without public investment. Small and medium sized businesses like AccuRounds cannot afford to develop these

essential programs on our own, nor can we solely pay for the partnerships. The Advanced Manufacturing Collaborative (AMC) was started with state funds in 2011 and has been followed up with Advanced Manufacturing training grants, which continue to be essential to ensure that Massachusetts manufacturers can be responsive to the changing workplace and technological needs. Last year, the State launched the Center for Advanced Manufacturing, and added staff, to take the work of the AMC and further advance the impact for the jobs and technology of tomorrow. For example, when COVID-19 hurt our community, the sector partnership we founded, AMC, formed the MA Manufacturing Emergency Response Team – M-ERT. The Commonwealth of Massachusetts provided grants which allowed M-ERT to support Massachusetts manufacturers in pivoting their operations to produce needed materials in response to the COVID-19 pandemic.

This was essential work. It led to the creation of millions of PPE materials, including over 3 million N-95 masks, 5 million face shields, and 9 million isolation gowns. Merrow Manufacturing, founded in 1838, is a 7th generation company located in Fall River, MA that designs and builds technical soft goods. They never produced a medical gown prior to 2020. With the assistance of M-ERT, they are now the #1 medical gown manufacturer in the United States. Without public funding for this partnership, Merrow and the dozens of other companies that were provided technical and legal assistance, would never have pivoted. These companies kept our world-renowned medical community and up and running during these unprecedented times.

This is also work that is only possible because of sustained and continuous public investment. AccuRounds and our partners contribute to some of the costs of supporting these partnerships and we also invest time and resources in finding public investment to scale what we are able to contribute as an individual company. For example, in 2020, the Commonwealth of Massachusetts received at \$3.2M grant by the Department of Defense to develop a uniform curriculum on how to train manufacturing technicians in jobs aligned with the emerging technologies of six of the Manufacturing USA Institutes. This project, named MassBridge and being led by the Massachusetts Technology Collaborative, a quasi-public organization, may ultimately serve as a model for other states on training. As an advisory board member for MassBridge, I firmly believe that these types of government investments will bridge today's worker to the technologies of the future.

The Massachusetts Manufacturing Innovation Initiative (M2I2) is another government commitment to provide capital cost shares for projects and discovery centers located within the Commonwealth. M2I2 is part of the State's ongoing commitment to the Manufacturing USA program put forth by the federal government. Involving small business in this effort will facilitate advancements in technology and training.

IV. How AccuRounds has addressed the problem – incumbent worker training

In addition to industry partnerships, AccuRounds supports and invests heavily in on-the-job learning. It is rare that a technician comes to us with a perfect understanding of all the equipment we use and parts we make. So, on the job training is essential for our business, and for our workers to succeed and advance in their career. With different manufacturers of CNC Machines to learn, upskilling is a constant for team members that show the interest, desire and capacity. A new team member can spend several months in training, followed by several hours every week. This extensive time is a drain on our experienced team members, but necessary for us to be successful in the long-term.

This on-the-job training has been particularly important around digital skills, especially during the pandemic. With technology constantly evolving, we know that we need to be able to turn at a dime to meet manufacturing needs. And we know that will continue to grow with a significant investment in infrastructure, leading to more demand on our company. At AccuRounds, we use quality management systems, programming systems, an enterprise resource planning system, and other computer systems and software platforms that are essential for our workers to be able to use

effectively to complete their daily jobs. For example, with our Machine Monitoring System, a technician can pull up to any of our 24 connected machines and see the machine's activity – productivity, efficiency, utilization and more. But the data and information the system produces can be overwhelming unless you are well versed in the digital skills, such as data analysis, needed to complete the task. Small businesses need to learn tech, and need workers to learn tech. That means assessing where people's skills are, identify where you need them to be, and then get people's skills there through investments in on-the-job training.

V. How Congress can help

With these proven solutions, there are many ways Congress can continue to be a partner for small and mid-size businesses, ensure that the success of AccuRounds is replicated across the country, and help us rise to the challenges we still face. Supply chain resiliency is vital to the future of Advanced Manufacturing, and more importantly to our National security. Semiconductors, battery technology, biomanufacturing are just a few of the many industries that need a strong ecosystem from innovation through production. We cannot afford to be at the peril of another country when it comes to our economy and products that we need to remain safe and survive.

Advanced manufacturing businesses like AccuRounds need you to invest aggressively and effectively in the skills that industries demand, and workers need to be competitive in a global marketplace. Right now, the U.S. invests less in workforce and active labor market policies than every other industrialized nation except for Mexico, and we would need to invest \$80 billion more annually just to reach the median of other industrialized countries. Companies like AccuRounds are working hard to make the investment in our workers, and we can best leverage and scale investments like ours when matched with robust public investment. The proposed American Jobs Plan has an investment in \$100 billion for workforce – this is a critical step, and we will need this Congress to maintain robust investments in workforce development as a foundation of any infrastructure and job creation package. Further, any proposed investment in infrastructure must include an investment in sector-based training and comprehensive supports for workers, including in skills training, so that workers have access to the skills they need to fill these infrastructure jobs.

In addition to new funding, Congress should ensure existing funding supports industry or sector partnerships, like the Advanced Manufacturing Collaborative and the regional consortiums that drive job specific training. Ensuring public support for partnerships that bring together small and mid-size companies, community and technical colleges, and the public workforce system would make a huge impact in our community. These sector partnerships help ensure that community and business need is being met. They can create programs that change student's lives, that support STEM careers, and that bolster American products and industries. Any investment in workforce as a response to the current crisis should include investment in these vital industry partnerships, as these partnerships are critical to our ability to support the infrastructure we already have established.

To be the most effective to AccuRounds, these investments in skills training should also support costs of providing incumbent worker training and of helping our workers develop digital skills. We are just getting used to the adoption of 3D printing, robotics, automation, machine monitoring and big data. Next for advanced manufacturers is Artificial Intelligence, Augmented Reality and Virtual Reality. These technologies are on the doorstep of our industry right now. AccuRounds supports extensive training for our incumbent workers, and with public investments in these strategies we could better support shifts – like those we saw during the Covid pandemic or those required to address technological changes in our workplace – that mean our workers need different skills.

Finally, better aligning postsecondary policy with industry demand and worker need would revolutionize our capacity to upskill and reskill our workers. If Congress expanded financial aid to

anyone seeking skills training, students in high-quality, short-term training programs, not just those seeking traditional college degrees, AccuRounds could offer career progression for even more workers than we do today. Allowing students to access and complete high quality, short term credentialing programs with federal financial aid can often be a first step in someone's education journey. These programs can be a foot in the door into the manufacturing industry. And, they are easier on older adults returning to school who are balancing other obligations. Supporting these programs would allow more people to access short term training programs and get started in a manufacturing career.

Thank you to the committee for your time. I look forward to the hearing and am happy to answer any questions at that time.