

**TESTIMONY OF DAN PENSKI**  
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**INTERNATIONAL UNION OF PAINTERS AND ALLIED TRADES**  
**HOUSE VETERANS AFFAIRS COMMITTEE- ECONOMIC**  
**OPPORTUNITY SUBCOMMITTEE**  
**THURSDAY SEPTEMBER 28<sup>TH</sup> 2017**

Chairman Arrington and Ranking Member Rep. O'Rourke, thank you for the chance to share our perspective on the many great opportunities for veterans in the construction and building trades. I am grateful to be with you today at the Economic Opportunity Subcommittee of the House Veterans Affairs Committee to discuss a timely and important topic. My name is Dan Penski. I serve as Special Assistant to the General President of the International Union of Painters and Allied Trades, Mr. Kenneth Rigmaiden. He sends his apologies, as he was unable to sit before you today.

Founded in 1887, the International Union of Painters and Allied Trades (IUPAT) represents men and women in the United States and Canada who work in the Finishing Trades. Our members are the highly skilled men and women who painted the Capitol Dome and installed the glass exterior of Apple's new headquarters. We do the gritty work of blasting failing lead paint off bridges and water tanks and re-coating those structures with modern finishes that will extend their useful life. Our members also do highly skilled new construction, installing glass exteriors that take advantage of modern materials that make possible the most energy efficient structures ever built. And, they apply the finishing touches, paint, wall coverings and flooring of all types, that make interior spaces both beautiful and pleasant places to work and live.

In our industry our work is termed as the Finishing Trades – Industrial & Commercial Painting, Drywall Finishing, Glazing & Glass Work, Sign & Display and Floor Covering Installation, and many more successful careers in the construction industry. Leaders in our organization work to make sure our signatory contractor-employers have the skilled workforce that they need to continue building and maintaining our communities and infrastructure.

To maintain a leading edge in our industry, we utilize our Finishing Trades Institute (FTI) which is the education fund associated with the International Union of Painters and Allied Trades and the Finishing Contractors Association, the association of signatory employers. The FTI's core purpose is to develop and expand a qualified and competitive workforce for the finishing trades industries and oversee the apprenticeship-training program where those who wish to enter our trades learn their craft. The FTI not only provides the necessary skills to do the job right the first time but also provides the training to do it safely.

I could not speak about the IUPAT FTI without discussing our apprentices. Apprenticeship programs provide an affordable education that does not leave its participants with one penny of debt. To the contrary, our apprenticeship programs are linked to jobs in the private construction industry that earn a living wage while learning the skills that will create a lifetime of opportunity. Some folks might not want to go to college so they look for a job outside of the normal college-to-job pipeline. We see jobs in the trades as an Option A rather than Option B career paths that pays family-sustaining wages without what could be a four-year financial slump.

As practitioners of the construction trades, we must consider that the future of our industry is rooted in core skills but assisted by technology; our apprenticeship programs are already working to stay ahead of the technology curve by providing state of the art training facilities are more.

Pathways to apprenticeship programs are critical to building the workforce of the future, especially at a time when many in the industry are using terms such as "Labor Shortage". If the U.S. Government is serious about creating jobs in the private sector, then it must provide training that leads to high-wage jobs such as those in the trades by its using purchasing power to drive apprenticeship utilization.

Furthermore, a portion of the General President's work portfolio is to carry out outreach to Veterans, whether that be nine volunteers from IUPAT District Council 57 painting recreation and common areas at a homeless shelter in the Pittsburgh area that houses support services for homeless veterans or educating vets on the job opportunities in the trades. I spend my time assisting the General President by working to see that Veterans consistently have across the board access to private industry jobs in the finishing trades, creating a cycle of sustainability and respect for the service members transitioning back into our society as productive citizens and drivers of our economy.

## **Overview of IUPAT and the North American Building Trades Apprenticeship Model**

The IUPAT offers transitioning Vets our Painters and Allied Trades Veterans Program. Also known as PAT-VP, this program aims to assist transitioning veterans from military service to civilian careers in the finishing trades industry. Those Vets have been trained by the best and proudly served our country. Now, the IUPAT stands ready to advance their skills by offering a new career in the Finishing Trades through apprenticeship learning and on the job training.

The IUPAT operates 107 multi-craft training centers throughout the United States and Canada. IUPAT, however, is not unique. Our sister unions in North America's Building Trades Unions (NABTU) also operate similar programs for the craft workers they represent. NABTU unions and their contractor partners operate more than 1,600 training centers in the United States.

Indeed, nearly two-thirds of all registered apprentices in the United States work in the construction industry. Among construction apprentices, roughly 75% are enrolled in union-sponsored apprenticeship programs. Every year, building trades union members and their signatory contractors direct over \$1 billion in private investments towards this educational system. When wages and benefits paid to apprentices are factored in, the annual investment exceeds \$11 billion.<sup>i</sup> To put this investment in perspective, if the Building Trades training system, which includes both apprentice-level and journeyman-level training, were a degree-granting college or university, it would be the largest degree-granting college or university in the United States — over 5 times larger than Arizona State University.<sup>ii</sup>

### **Helmets to Hardhats:**

Helmets to Hardhats is a national, nonprofit program that connects National Guard, Reserve, retired and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry. The program is designed to help military service members successfully transition back into civilian life by offering them the means to secure a quality career in the construction industry.

Most career opportunities offered by the program are connected to federally approved apprenticeship training programs. Such training is provided by the trade organizations themselves at no cost to the veteran. No prior experience is needed; in fact, most successful

placements start with virtually no experience in their chosen field. All participating trade organizations conduct three to five-year earn-while-you-learn apprenticeship training programs that teach service members everything they need to know to become a construction industry professional with a specialization in a particular craft. And, because these apprenticeship programs are regulated and approved at both federal and state levels, veterans can utilize their Montgomery G.I. Bill benefits to supplement their income while they are learning valuable skills and on the job training.

In 2007, Helmets to Hardhats supplemented its existing program with a disabled American veteran program known as the “Wounded Warrior” program, which serves to connect disabled veterans with employment opportunities in the construction industry and the careers that support construction.

Even through the economic slump in the construction industry, Helmets to Hardhats has placed 25,000 veterans into registered apprenticeship programs over the last 10 years. In 2016, the IUPAT alone brought in 144 veterans from the Helmets to Hardhats program. The IUPAT has made a decision to be more proactive and 3 years ago started our own pre-transition, pre-apprenticeship program to train, place and get employment for transitioning service members.

### **Painters and Allied Trades Veteran Program:**

The IUPAT Veterans Program has initially focused on the industrial paint trade and glazing trade and is actively working towards providing this program to the other trades the IUPAT represents. These trades include commercial and residential painters, industrial/bridge painters, drywall finishers, wall coverers, glaziers, glass workers, floor coverers, trade show workers and sign craft workers.

The IUPAT works together with military base educational centers to provide career guidance on the PAT-VP program. The IUPAT attends regular job fairs and utilizes the existing on and off base networks to recruit new participants. Our objective is to cast as large a net as necessary to meet the need for skilled industrial applications that are being called for by the FCA contractors and the industry.

Potential applicants are screened through a one-on-one consultation. These consultations review the applicants' *Armed Services Vocational Aptitude Battery (ASVAB)* which measures a range of aptitudes in verbal, math, technical and spatial domains as well as initiate meaningful discussion regarding the applicant's experiences in the military and his or her post-military career ambitions, including where he or she would like to live and work. These consultations are designed to select the applicants that have the desire and aptitude to successfully complete the PAT-VP program and have the opportunity to sustain a long and successful career in the finishing trades industry. These one-on-one consultations are critical to the PAT-VPs ability to ensure the effective use of resources and to be able to work successfully to place participants into apprenticeship programs and employment upon graduation.

Once in the program, transitioning military men and women receive an accelerated three-week immersion program that combines classroom and hands-on learning. PAT –VP curriculum consists of 120 hours of classroom and hands-on training to prepare to return military personnel with the basic knowledge, skills, and abilities to perform craft specific work as an Industrial Applicator or Glazier. In the industrial coatings track, students will learn to apply their theoretical knowledge and skills to the corrosion protection of steel and concrete on complex industrial/marine structures through coursework in health and safety, surface preparation and coating materials properties, and application. In the glazing track, students will learn to apply their theoretical knowledge and skills to the fabrication and installation of glass doors, windows and building envelope.

The IUPAT has collaborated with the Finishing Contractors Association (FCA), the Labor Management Cooperation Initiative (LMCI), and the Finishing Trades Institute to create the PAT-VP program. The PAT-VP program is funded by the IUPAT and the FCA and is managed by the FTI. The FCA is the employer partner of the IUPAT and works with its employer members to find work opportunities for the participants of the PAT-VP program. The LMCI is a jointly administered industry advancement fund that seeks to grow the market share of the union construction companies that provides the PAT-VP program with vital industry information and the administrative structure for the PAT-VP program.

PAT-VP has held pre-transition training programs at Joint Base Lewis-McChord (JBLM), The first graduating class graduated from their apprenticeship and are now journey worker industrial

painters in August of 2017. We successfully placed, into an apprenticeship program and placed them at work for a signatory employer. We had 100% placement rate and we have had 100% retention rate from that first class. Overall, our placement rate is around 90%, and our retention rate is 80%. Average wages for first-year apprentices departing our program at JBLM are \$18/hour plus health care and contributions to a defined benefit pension plan. After showing additional competency by completing each semester of the apprenticeship program, the apprentices earn an increase in pay.

The IUPAT is dedicated to providing service men and women the training necessary to be successful in a rewarding, lifetime career in construction.

### **How IUPAT Apprentices use the 9/11 GI Bill:**

Benefits for On-the-Job and apprenticeship training are available for Veterans under the various VA educational assistance programs, including the Post-9/11 GI Bill. These programs allow Veterans to learn a trade or skill through training on the job rather than by attending a formal program of classroom-based instruction yielding a degree or certificate. A Veteran generally enters into a training contract for a specific period with an employer, and at the end of the training period, the Veteran gains job certification or journeyman status.

The utilization of the Post 9/11 GI Bill benefits vary greatly from apprentice to apprentice from how they enter the apprenticeship program, to which of the crafts we represent they are working in and where they are living. This flexibility is a good thing, it enables the veteran to use the benefits in a way most useful to their individual situation.

Largely we encourage veterans who enter our apprenticeship program not to use their GI benefits if they do not have to. Our apprenticeship program is fully funded by joint contributions from members and their employers; therefore, the veterans our programs serve do not need to use their benefit to pay for educational purposes. If a veteran in our program is interested in going on to become a construction contractor, to transfer the credits he or she has earned in the apprenticeship program into a Associates Degree or otherwise take classes to better themselves outside of our training, we encourage them to use their GI benefits in this manner.

Of the apprentices across the country who use their GI bill benefits, do so to offset housing costs or make up the difference in pay. However, because of the tiered pay scale of apprentices, the

further they get in the program the less likely they are to need to use their GI benefits. The apprentices who enter our program leaving the military below E-5 in most areas of the country do not use their GI benefits, in most areas of the country their pay as a first-year apprentice is equivalent to their pay in the military. Those who leave the military at E-6 or above tend to use it for roughly half of the apprenticeship program.

The IUPAT's apprenticeship program prides itself on being able to provide the highest quality training in the industry partnered with livable wages and benefits that enable our apprentices to build careers that will support a family. The Post 9/11 GI Bill has been very helpful to offset the apprentices MHA and set the apprentice up to transfer the skills learned in the service, in the apprenticeship program and on the job training into the career of his or her choice.

### **Policy Recommendations:**

The joint labor-management structure of our apprenticeship programs described above also ensures that the training provided is directly connected to market needs. Construction contractors must constantly adapt to changing technologies in an ultra-competitive marketplace. Because those doing the hiring run joint apprenticeship programs, the training offered is exactly what needed to compete and win.

Available slots in jointly funded apprenticeship programs are subject to market restraints. Because market participants fund these programs, class slots are only created when there are employers willing to hire those enrolled in the classes. This market-oriented approach ensures that our programs are designed to fill the jobs of today, tomorrow and 5 years from now.

The U.S. Government is the largest purchaser of construction. In 2016, the US Government spent \$22,515,000,000 on federally funded construction.<sup>iii</sup> The Bureau of Economic Analysis estimates 18 jobs are created for every million dollars of construction.<sup>iv</sup> This means that using a normal ratio of three journeymen to each apprentice, each million dollars of federal spending creates a need for three apprentices.

In short, construction spending not only creates jobs; it creates educational opportunities that lead to good, middle-class careers. It does this at no additional cost because apprenticeship programs are funded privately. By building and re-building our nation's infrastructure our military bases, we can also build the labor force of the future.

The Committee should consider ways to incentives or encourage the use of apprentices on all federal construction spending, as we know that this is the best way to increase apprenticeship slots and therefore increase access to these programs, this, in turn, will increase the number of Veterans building career paths in the construction industry. The requirement or encouragement for contractors to hire apprentices does not increase the cost of the project at all, in fact, it decreases the labor costs associated with the project.

### **Appropriations Policy included in National Defense Authorization Act of 2018**

Our IUPAT Washington State District Council and the Washington State United Association of Plumbers, Pipefitters, Welders and Service Technicians have been working with Congressman Adam Smith and Congressman Derek Kilmer to add language into the Fiscal Year 2018 House NDAA Committee Report that clarifies language of Section 2805 Ike Skelton National Defense Authorization Act of 2011, thereby encouraging the utilization of veteran construction apprenticeship programs.

Section 2805 of the Ike Skelton National Defense Authorization Act for the fiscal year 2011 (Public Law 111–383) expressed the sense of Congress regarding the establishment of a “Veterans to Work” pilot program to provide an opportunity for apprentices who are also veterans, to work on military construction projects. We ask that Congress approve the Committee Report language in the FY2018 NDAA which further defines Section 2805 by providing that “state certified and Federally recognized apprenticeship training programs can help with a military service member’s transition to a civilian career. Therefore, the committee encourages the Secretary of Defense and the Secretaries of the military departments to seek opportunities to increase the utilization of veterans’ apprenticeship programs on military construction projects.”

We support the inclusion of this language as it further encourages the Secretaries of the military to seek out those opportunities to utilize veteran’s apprenticeship programs on military construction projects.

### **Base Access for apprenticeship program/pre-transition programs**

Despite our consistent efforts to provide Vets with the skills to obtain a good job, it is can be a tough task for our trainers and programs to access military bases. There are several bases where



the leading officer has seen the benefit our program can provide to transitioning Veterans. One of those military bases where access has been granted is the Joint Base Lewis-McChord in Washington State.

With the support of JBLM staffers, we started “Intro to Construction Trades Apprenticeships”, using Helmets to Hardhats as the vehicle through which service members would enter the trades Apprenticeships. We are now permanently at JBLM housed each week on Tuesday at Stone Education Center. We stay as long as the Service Members need to find the answers to their questions on transitioning into whichever Apprenticeship that interests them. It works when we all work to make the opportunity available to veterans.

Base access to not only transitioning service members is critical to the success of our programs and many others. At some bases, the Department of the Army has included in its transitional briefing of service members prior to their separation of service, the ability for apprenticeship programs to present the opportunities they provide. We encourage this committee and Congress to promote the continued use of outside presentation and transitional briefings and education of counselors on base, to make sure service members know well before separation about the value of apprenticeship and living wage careers in the construction industry. Pre-transition training programs, like PAT-VP, are the most effective way of ensuring employment upon separation from service.

## **Conclusion**

The needs of tomorrow’s workforce require us to adopt proven programs. The IUPAT is working with our employers, industry partners and members to ensure that our training meets the needs of the market place; the delivery of that training meets the needs of the apprentice and journey worker. With apprenticeship programs driving skills training, we can meet the fill the current and any future workforce needs. The US Government’s procurement process can help accelerate the number of apprenticeship slots available and in doing so can continue to drive the apprenticeship system to continue to be driven by market and technological changes happening in the industries and workforce they serve.

Chairman Arrington, Ranking Member O’Rourke and distinguished committee members, I look forward to answering your questions and continuing this discussion, which is critical for our economic competitiveness, the future of our workforce and the quality of the communities we live and work.

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<sup>i</sup> Owens, T. (2015). NABTU. Retrieved from [http://www.bctd.org/Newsroom/Blogs/Presidents-Message/November-2015- %281%29/It-s- National-Apprenticeship- Week-And- Nobody-Does.aspx](http://www.bctd.org/Newsroom/Blogs/Presidents-Message/November-2015-%281%29/It-s-National-Apprenticeship-Week-And-Nobody-Does.aspx)

<sup>ii</sup> Owens, T. (2015).

<sup>iii</sup> *Consus.gov*. (2017). Retrieved from [https://www.census.gov/construction/c30/historical\\_data.html](https://www.census.gov/construction/c30/historical_data.html)

<sup>iv</sup> BEA. (2017, 3 27). *www.bea.gov*. Retrieved from <https://www.bea.gov/regional/rims/rimsii/illustrativetables.aspx>