

**Senate Education Subcommittee on Career and Technical Education  
October 10, 2017**

Good morning. My name is Kathy Prime and I am the Chief Learning & Talent Development Officer for The High Companies in Lancaster, PA. Thank you for the opportunity to share with the committee how we at the High Companies think about our businesses; our workforce development opportunities; and the partnerships we believe can be strengthened to help our communities; our businesses and educational institutions.

First let me start with some background on High companies:

- Founded 86 years ago in Lancaster, PA. Family owned
- 2 major operating groups: High Industries and High Real Estate Group
- High Industries: Premier fabricator of steel bridges in the United States, innovative provider of structural precast solutions, general contracting company and others
- High Real Estate Group: Currently 2900 apartment units (2000 in PA), 16 hotels, 6M sq. ft. of office and industrial space, currently in construction on over \$200M in real estate investments in PA
- Spent over \$350M in PA in 2016 (goods purchased, wages, taxes paid)
- 2200 coworkers

Through our own company analysis we will need to hire over 1,000 coworkers over the next 5 years to meet our business demand needs. Some from new demand, some from retirements, some from natural turnover. Organization and talent development is our #1 priority.

- Enhancing the skills of our current co-workers through training and leadership development
- Hiring on new coworkers with the desired skills, behaviors and experiences
- Attracting diverse talent to meet our diverse workforce needs. We range from construction workers, welders, project managers and superintendents, CAD designers, engineers, finance professionals to property managers in hotels and apartments
- We care about this not only for our own companies, but more broadly for our communities and the economy. We start from the premise that the single most important thing we collectively can do for our economy is create good jobs and prepare people to succeed in them. Jobs and GDP go hand-in-hand. Good jobs bring financial security and independence, and less reliance on government

Challenges (and hence opportunities) we see and face

- Huge imbalance in supply and demand in skills/education coming out of post-secondary institutions in PA as compared to the demands of business
  - At a national level: Students #1 reason for attending college is to get a good job, yet 50% un/underemployment with recent college graduates and 40% recent college graduates earning less than \$25,000 a year, and skyrocketing student debt

- PA Demand for jobs requiring bachelors+ degrees is 0.5M but the supply from schools is 1.4M almost 3x the demand.
- PA demand for jobs requiring associates degrees is 0.5M but the supply from schools is 0.3M about 40% light
- The system isn't working for many students, and businesses. There is oversupply of many degrees that are in less demand and undersupply of many degrees in high demand.
- As an example: PASSHE schools have declining enrollment (12% drop since 2010) yet Thaddeus Stevens is bursting at the seams and running out of space. They both face similar demographic challenges, but Thaddeus is providing a product that is in demand – one of the best earning/debt ratios in the state and even in the country
- We are making this worse and doing an injustice to many students and families by:
  - Projecting the “more education is better” theme without consideration of the type of education, and not helping them explore careers in an informed, rationale way. We know there is a large variation in earnings potential within 2-year and 4-year degrees and many studies conclude that major or occupation matters more than type of degree (Associated, Bachelors, masters, etc.).
    - Note that the state of PA has a stated goal of “60% of 25-64 year olds will have a post-secondary credential by 2025.” While this is a laudable and simple to understand goal, the big watch-out is that this basically says any credential is a win regardless of what it is.
  - Not aggressively driving post-secondary education to match the demands of the future, is a lost opportunity.
- Poverty: PA is currently at 4.9% unemployment, which many would say means we are at or close to full employment, and yet we have about 1.6M people living in poverty, which disproportionately impacts minority groups. There's a huge disconnect, and many people who could be very positive contributors to our economy and society are being left behind.

### High's investment in workforce development (both for us and for broader society)

Our overarching Goal: We want to help grow the Pie (talent supply) for all. Businesses can continue to divvy up the “supply” pie and compete for the same workers, but in the long-run that's a bad outcome for our region as a whole. If we work together we can grow that Pie, but it must be linked to business demand. We are focused on 3 main areas:

1. Expanding capacity of Career and Technical Education: (here are some examples of our efforts)
  - Helped Thaddeus Stevens expand, providing dollars and space solutions
  - Helped Pennsylvania College of Health Sciences create a new state of the art campus that will enable it to grow from 1350 students in 2015 to 2100+ students, providing dollars, space and time

- Working with High Schools on internships and curriculum advice
2. Investing to educate students, parents, and educators about rational career exploration
    - This summer we launched a 3-day educator externship program. About 45 educators spent 3 days with us over the summer, with in-depth hands-on learning about 25 in-demand careers and a broad view of where the demand will be in the future. This is a unique program in PA, and the feedback has been incredible. We have lots of survey data to share if there is any interest.
    - We participate in various elementary and middle school career days and in classroom presentations talking about the jobs in demand in business today and helping students think more practically and rationally about all the options available to them following high school
    - We participate in summer camps where elementary and middle school students get hands on experience in welding, robotics and other technologies to help spark their interest in possible jobs after school. Maybe jobs and experiences they have never thought of prior
  3. Investing in co-worker development at all levels, from the welder to the senior executives; examples:
    - High Steel Structures is building what we believe will be the best training program in the industry. We are doing this in close partnership with several post-secondary schools
    - We build leadership programs for all high leaders focusing them on their responsibility to teach, coach and grow co-worker skills to meet our current and future business demands

### Opportunities for the PA State Government

- We recommend PA state leadership clearly answer the question: What is the primary mission of federal/state funded post-secondary education?
  1. Education for the sake of education OR
  2. Prepare for rewarding careers that can help the economy, society and sustain a family
- If the answer to above is #2, then we suggest the following ideas for PA leadership specifically targeted at the huge supply/demand imbalance
  - State provide direct incentives and support to state-funded institutions to create programs (both 4-year and 2-year) that are directly in high demand and reduce the barriers to initiating those programs quickly. Make it easy to do so.
  - Pick one struggling PASSHE school, provide support and incentives for that school to build 2-year in-demand programs (career and technical education) and to phase out some of the 4-year programs that are not in demand. This could perhaps be the basis for a repeatable model that could structurally change the supply/demand imbalance in a very positive way. Thaddeus Stevens, or Penn College could possibly be a partner in this.

- Ask every state-funded school to answer the question “How well are your programs aligned with the needs of our job creators and economy?” Create a framework and a few simple metrics to help them evaluate this. Then ask “What specifically are you going to do to ensure that your programs are better aligned with the needs of our job creators and economy?”
- Add several current leaders of major PA businesses and job creators to the PASSHE board of governors so there is strong business representation
- Support above with a direct evaluation of the alignment of all state-funded dollars to workforce demands and specific outcomes, and create a process to continue this on an ongoing basis. I suspect much of the data is already there to start this
- Advocate for improved rational career exploration directed specifically at parents, students and teachers. Find and share best practices broadly across the state. Provide seed funding and leverage existing organizations (WIB, etc) to accelerate adoption of best practices

Thank you for providing the opportunity for me to share the perspective we have as a significant and diverse employer in Pennsylvania. I've kept these remarks focused on addressing the supply/demand imbalance and on opportunities related to PA state-funded programs. Certainly there are other related and important topics we could discuss such as the eliminating the cliff effect, integrated support models to help create sustainable paths out of poverty to living wage jobs, and more. We look forward to our continued dialog and partnership in addressing this important workforce issue. We want to part of the solution and stand ready to participate more in any future conversations and pilot programs that can help us better align the talent supply with the talent demand needs of Pennsylvania businesses.