

Good morning Education and Workforce Committee Members.

I am Derrick Kualapai, Business Manager of United Association Plumbers & Steamfitters Local Union 342. I am a 25-year member and 18-year officer of the Plumbers and Steamfitters union located in Concord, California. In addition to my primary role as Business Manager at Plumbers and Steamfitters Local Union 342, I also hold positions as Vice-President of the California State Pipe Trades Council, Trustee for the Contra Costa County Building and Construction Trades Council, and Executive Board member of the California State Building and Construction Trades Council. As a result, I am able to see the big picture of skilled labor, the benefits of training programs like ours, and the benefits of our overall contribution to our communities.

Contra Costa County is the 4th wealthiest county in the 5th largest economy in the world. It is no secret that wages in the Bay Area, particularly in the East Bay, are among the highest in the nation. It is not an easy place to make middle-class wages, even with a college education. One might think that having a career in construction would not be an ideal choice, especially living in the Bay Area; however, I am here to tell you otherwise. Joining the unionized construction industry is one of the best choices a person can make when looking for a career and is a great alternative for those who do not have their sights set on college.

One of our biggest kept secrets is **Apprenticeship**. We recruit applicants from local high schools, community colleges, and the general public. We have also implemented direct entry into our apprenticeship program for participants from pre-apprenticeship programs in disenfranchised areas, as well as for our returning military veterans, who are seeking a pathway into the middle class.

Many people do not understand that apprenticeship is essentially free. Our apprentice members earn while they learn. A typical apprenticeship program in California is five years in the form of: 3-hour classes, 2 nights each week. Their schooling is in addition to on-the-job training received while working 40-plus hours a week in the field for a contractor. An entry level apprentice in our union currently begins by making about \$25 hourly wage plus benefits. Each semester, our apprentices advance in the program and get wage increases applicable to a percent of the current journeyman wage rate. Upon completion of the program, the apprentice graduates with a Certificate of Completion from the State of California and continue their career with us as a journeyman. The combination of classroom and on-the-job training provides for a thoroughly skilled and trained workforce to keep jobs running safe and on time; benefiting the contractor, client, and community.

Instead of seeing the many benefits of building trades unions, such as training, safety, and living wages, some people place a negative connotation with organizations like ours due to outdated stereotypes. In the past, building trades councils across the nation inadequately marketed their messages to the public, unfortunately leaving a lasting stigma. Gone are the days of being adversarial with our contractors. In today's world, the best way for us to succeed in the building

trades is to include the contractors and clients in the decision-making processes. By participating in a tripartite, the union, contractor, and client can all be at the same table to discuss the planning, implementation and successful completion of a construction project.

We know that:

- **All unions want and need to see their members make a livable wage that ultimately can be reinvested back into the community.**
- **All contractors want and need skilled and trained employees who add value to the company they own.**
- **All end-users want and need skilled and trained workers who will provide for a safe construction project.**

To fulfill these needs, a symbiotic relationship of mutual appreciation is vital.

Union contractors in the Bay Area are thriving and the key to this success is that contractors and clients see the **value** of hiring skilled and trained employees. There is a phenomenon happening right now even as we speak. There are hundreds of out of state contractors flocking to the west coast to take advantage of our manpower pool. Contractors want to turn a profit and they are doing so because of the skilled and trained workforce that is delivering construction projects on time, under budget, and without incident. In California we have a skilled and trained workforce of over 450,000 union members, including over 60,000 apprentices. These are middleclass families living, working, and reinvesting back into the community.

Clients such as Chevron, Tesla, and Facebook are now included in the planning processes of any construction projects they may have. Clients want a construction project that is safe, built on time, and under budget. To ensure this happens, they get a seat at the table and are a part of the decision-making process in real time. In addition, unions will often help clients achieve their permits for construction by joining in on the process of Planning Commissioner and City Council meetings. This tripartite promotes strong labor-management relationships and puts everyone on the same page to deliver a product that is second to none. These clients continue to hire union contractors knowing the workforce they are paying for is the top of its class across the nation.

By implementing tripartite, educating contractors on the value of skilled and trained workers, and instituting strong apprenticeship programs like the one at my home local in Concord, we are leading the State of California in apprenticeship with the use of the latest innovative technologies and practical hands-on training. I am pleased to announce that through this new way of doing business, we have increased our membership by about 15% over the last year and a half alone with seven new contractors that brought nearly 500 new members, and new market share to our local union. We are expecting continued growth for the foreseeable future.

To accommodate this growth, we have expanded our training with 30,000 additional square feet of training space at our brand new, state of the art training facility. Plumbers and Steamfitters Local Union 342 leads the way in apprenticeship training, with a \$5 million annual training budget. We are successfully training men and women of all ages, races and creeds. We represent the new face of unionized labor.

Thank you for your time and this opportunity to share with you what is happening in labor across the country.