

**NEW HAMPSHIRE'S WORKFORCE CHALLENGE:  
INNOVATIVE APPROACHES TO ATTRACTING  
AND RETAINING SKILLED WORKERS**

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**FIELD HEARING**

BEFORE THE

**COMMITTEE ON SMALL BUSINESS  
AND ENTREPRENEURSHIP  
UNITED STATES SENATE**

ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

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AUGUST 22, 2017

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**TUESDAY, AUGUST 22, 2017**

UNITED STATES SENATE,  
COMMITTEE ON SMALL BUSINESS  
AND ENTREPRENEURSHIP,  
*Nashua, NH.*

The Committee met, pursuant to notice, at 11:00 a.m., in the Demoulas Room, Rivier University Benoit Education Building, 29 Clement Street, Hon. Jeanne Shaheen presiding.

Present: Senator Shaheen.

**OPENING STATEMENT OF HON. JEANNE SHAHEEN, RANKING  
MEMBER, AND A U.S. SENATOR FROM NEW HAMPSHIRE**

Senator SHAHEEN. The Small Business and Entrepreneurship Committee's field hearing in Nashua on Workforce Development will officially come to order.

I would like to ask Sister Paula Buley, who is the President of Rivier University, if she would like to say a few words and just thank her very much, and thank Rivier, for hosting us this morning.

Sister BULEY. Senator, thank you.

Good morning, everyone, and welcome. Welcome to Rivier University. We are delighted to have you.

Senator, we're also honored to have you. Thank you for your leadership in the areas that mean so much to higher education, the STEM workforce development, small businesses, and, of course, exporting the best of New Hampshire's economy.

Rivier joins you all today as a key participant in workforce development, for that is what we truly do. Through our innovative employment partners, we have students on day 1 consider the careers that they will enter upon at graduation, and our expansive behavioral health programs that are serving the State in a particular way as we consider treatment, prevention, and recovery in substance abuse.

So, Senator, for your energy and for your leadership, thank you; and to all that join us today, you're most welcome.

Senator SHAHEEN. Thank you very much.

[Applause.]

And I do want to echo what Sister Paula has said about the role that Rivier, like all of our colleges and universities in New Hamp-

shire, has played in supporting our business community and trying to address the workforce issues that we have.

Now, before I introduce our official panel, let me just recognize some of the people who are here this morning.

Jim Donchess, who is the Mayor of Nashua, is here. There he is, in the front row. Thank you for joining us for the hearing.

We have the head of the Small Business Administration in New Hampshire, the District Director, Greta Johansson. Nice to have you here, Greta.

And Rich Grogan and Warren Daniel. Rich is the head of the Small Business Development Centers, and Warren is one of the people who works very hard for the SBDCs.

We also have members of my Small Business Advisory Council who work with me on small business issues: Adria Bagshaw in the front row; Peter Antoinette; and Mark Lane. So, thank you all for being here as well.

I should also introduce Zenagui Brahim, who is the head of our Manufacturing Extension Partnership, which does a great job dealing with issues affecting manufacturing businesses.

We also have a number of representatives from the New Hampshire Job Corps who are here. Can I just ask all of you to—thank you all very much for being here.

Let me also recognize members of the Small Business Committee who are here from Washington today. We have Sean Moore, who is the Director of the Minority staff on the Small Business Committee.

And I hesitate to call up Minority staff because the Small Business Committee, despite what you may have heard in other areas, works very closely together in a strong, bipartisan way.

We're pleased to have Tara Schonhoff, who is here from the Majority, sent by Senator Risch, who is my colleague from Idaho who chairs the Small Business Committee, and I'm the ranking member.

We also have Brian Weiss and Kathryn Eden, who is the Clerk of the committee. They are here—raise your hand, Brian and Kathryn—so they can make sure that we conduct everything in the appropriate, official way.

Because this is an official hearing of the Small Business Committee, we will not be allowing questions from the audience. That's the way the rules work in Washington at hearings, so we will be hearing statements from our panelists. Then we will have a roundtable discussion about the issues, and we will allow written testimony from anybody in the audience who would like to submit it.

So with all of that as background, let me again welcome all of you this morning and thank you very much for coming to this discussion that I hope will be profitable as you think about the workforce challenges we face in New Hampshire.

Everywhere I've been as I've traveled the State in the last several years, the number-one concern I hear from our businesses is they can't get the workers that they need, the skilled workers who have the training and the background and the experience and the knowledge, and even in terms of businesses who are willing to train their workers, they're finding it hard to find people. We're fortunate because we have the fourth lowest unemployment rate in

the country, but that's presented its own particular challenges. So this is an issue that I hope we can examine today.

New Hampshire is a small business State. More than half of our private workforce is employed by small businesses, and I'm sure we all know the statistic that's one of my favorites that Greta shares everywhere she goes, and that is two-thirds of the jobs that are created come from small businesses.

But dynamic industries like advanced manufacturing and technology require skills that some of our schools may not yet be prepared to teach. So this is one reason that our workforce training programs need to be flexible. We've got to keep pace with the evolving labor market so that Granite State workers can get the high-skilled, high-wage jobs that are being created today.

I've had the opportunity, as I said, to visit a number of businesses, and two I want to just call out because I found what they were doing very interesting.

Recently I visited Admix, which is a small manufacturer in Londonderry, New Hampshire. They are an ESOP, an employee stock ownership program. They provide employees an ownership interest in the company, and we're going to hear from a company like Admix on the panel today to talk about the benefits of being an ESOP.

But one of the things that I was interested in when I talked to the employees at Admix, they said that even more important than that share in the company was the flexible schedule that they had. They had a schedule that allowed them to take certain Fridays off, and that that was what the employees said was most important to them.

I also had the chance recently to visit Seacoast Harley-Davidson in Northampton. Because they were having trouble getting the skills they needed, they partnered with the Great Bay Community College to create a technician program, a 24-week course in motorcycle maintenance and repair. It was interesting to me that the only other two programs that do similar things in the country are in Florida and Arizona. So it's understandable that we're having trouble getting the trained technicians that we need.

We know that our workforce challenges are complicated and they really require us to work together, the public and private sector at the State, municipal, and Federal level, to address these challenges. We've got to be creative, we've got to be flexible, we've got to look at what works and what doesn't work, and that's again what I'm hoping we can examine a little bit this morning as part of this discussion.

Now let me again thank all of our witnesses who are here this morning. They all have extensive biographies that I am not going to read because I'm hoping that we can spend more time in discussion, but just know that they are all very skilled with lots of experience and good, creative ideas on this topic.

I'm going to start with Val Zanchuk, who is at the far end there. He is the President of Graphicast, Inc., which is a Jaffrey-based manufacturer of precision machined zinc alloy castings. They've been in business since 1978. They are an ESOP company, and employees own about a third of the company.

Now, I'm not, as I said, going to go into all of Val's vast experience in economic development in New Hampshire, but now he serves on the State Workforce Innovation Board, so he has particular insights into some of the State policies that are trying to address workforce.

Next to Val is Tamer Koheil, who is the Center Director at our New Hampshire Job Corps Center. For all of you who know me, you know that I have a special place in my heart for the Job Corps Center because I started working on this over 20 years ago, when I was a governor, and it's taken us a long time, but now it's here and it's doing a great job.

Tamer, we're delighted that you're here this morning.

Before he came to New Hampshire, he was the Center Director at the Shriver Job Corps in Fort Devens, Mass., where they consistently ranked among the top performing Job Corps centers in the country. So we know you're going to bring that expertise to New Hampshire.

Next to Tamer is Phil Przybyszewski, who is currently the Workforce Solutions Project Director at the Community College System of New Hampshire. Before that he was the Project Coordinator who managed and oversaw the implementation of all aspects of the TAACCCT Grant that we received in New Hampshire. It was a \$20 million-plus grant to work with companies and our community college system to try and provide the workers that we need for the future.

Thank you for being here, Phil.

On my right is Emily Hall Warren, who is the Director of Administration at the WS Badger Company, which is a family owned and family friendly business built around healthy living in the workplace. They are a B Corporation, which adds to transparency in the company's social and environmental business practices.

Before Emily went to Badger, she had extensive experience in human resources in training and advancement for Claremont Savings Bank and the Timken Company.

So, thank you for being here.

And finally, Lisa Whitaker probably came the farthest of anybody today. She is the Director of Associate Services at the Omni Mt. Washington Resort and Ski Area, and before that she was the Vice President of Human Resources at Granite Bank in Colebrook, New Hampshire.

We are delighted to have all of you here. I look forward to hearing your thoughts and ideas about what we should be doing in New Hampshire.

I'm going to ask each of you to speak for—I know we told you 5 minutes, but if you can stay a little under that, that will give us more opportunity to talk and be more interesting, I'm sure, as we engage around the ideas that you present.

So let me begin with you, Val.

**STATEMENT OF VAL ZANCHUK, PRESIDENT, GRAPHICAST,  
JAFFREY, NH**

Mr. ZANCHUK. Thank you, Senator. I'll speak as quickly as possible.

With New Hampshire's low unemployment rate and a growing economy, attracting and retaining skilled employees is probably the first priority of every business in the State.

However, our population demographics are not helping us meet this challenge. School enrollments are steadily declining. A large portion of our workforce will be retiring in the next five to ten years, and skill requirements are growing, with more emphasis on post-secondary education.

Across the State, business, government, and education are working toward a common goal, which is that 65 percent of our workforce will possess a post-secondary education by the year 2025 to meet the demands of the economy. This goal, which we call 65 by 25, is not arbitrary. A study by Georgetown University identified evolving workforce needs for every State based on each State's economy and projected economic growth.

For New Hampshire, we are currently at about 51 percent of our workforce having these skills. Through natural organic growth, we will reach about 58 percent by 2025. To get to the 65 percent level, however, which is essential for continued economic health, we will need to add about 50,000 more people in the State to attain this level of training. And, of course, the question is how are we going to do this?

A starting point for individual companies, I think, is greater engagement, both with their employees and with their communities. Employee engagement, getting our employees to be part of the solution to business problems and challenges, is a break from the traditional command and control management structure. This trend is evident by the adoption of lean manufacturing and other techniques that bring everyone into the process of running the business. Ongoing training and tuition reimbursement plans also help increase skill levels of incumbent employees. These efforts help employees feel more valued and respected, and they are more likely, then, to stay with their employer.

Increasingly, businesses need to get out of their comfort zones and reach out to their local school systems to help the schools understand the career opportunities and needs of businesses. These needs are not only academic skills but also include work habits and workplace expectations. Conversely, businesses need to understand the challenges of the educational system. This helps to establish common ground from which to work together to create graduates who are more aware and better prepared for careers. Internships, extended learning opportunities where students learn skills at a business, and mentoring are among the ways that businesses and schools can collaborate.

The Business and Industry Association of New Hampshire and the New Hampshire Charitable Foundation are collaborating in this area. The BIA has established a workforce development effort focused on bringing businesses and schools together to accelerate the process of these career awareness collaborations. The BIA has collected information from its members who are already working with schools to use as a template for other businesses to model their own engagement.

The BIA-Charitable Foundation partnership is also undertaking a 65 by 25 oversight role, working with all entities in the State fo-

cused on workforce development and post-secondary education. By developing metrics to measure our collective progress towards that goal, and by increasing awareness of each entity's efforts, we hope to ensure we are working most effectively to accomplish our task.

However, we will not reach 65 by 25 just through high school graduation rates. The decreasing school-age population will not provide enough people to meet the demand even if every student knew exactly what career path they planned to travel. We will help ourselves if we can increase in-State enrollment in our colleges and universities, as New Hampshire is one of the highest exporters of students to out-of-State higher education institutions. We will also help if we can retain more graduates within the State. Here business engagement, in the form of internships and sponsored research, is critical to this effort. All of this is part of the 65 by 25 challenge.

A second area of effort is retraining the underemployed for higher skilled jobs. New Hampshire has a large segment of people who have had some post-secondary education but no degrees. These capable people often do not know of the opportunities available in business, or of the educational and training resources already in place in the State to help them make a transition. The Strategic Partnership Initiatives are part of the solution to this challenge and will be discussed in more detail by Phil.

Attracting skilled workers from out of State is the third way of meeting the 65 by 25 goal. As every State is also involved in a similar effort, New Hampshire has a lot of competition for these skilled workers. The particular advantage New Hampshire had in the past is no longer effective, as other states have improved their attractiveness to the skilled workforce. Immigration from other parts of the world can help overcome these issues, as New Hampshire still provides an attractive place to work and live for many educated people coming from other countries.

I have highlighted a few of the many efforts underway in New Hampshire that are addressing the challenge of growing and retaining our skilled workforce. The common goal of 65 by 25 has been a way to focus these efforts.

Thank you.

[The prepared statement of Mr. Zanchuk follows:]

Val Zanchuk, President, Graphicast, Inc., Jaffrey, New Hampshire  
United States Senate Committee on Small Business and Entrepreneurship  
"New Hampshire's Workforce Challenge: Innovative Approaches to Attracting and Retaining Skilled Workers"  
August 22, 2017

With New Hampshire's low unemployment rate and a growing economy, attracting and retaining skilled employees is probably the first priority of every business in the state. Our population demographics are not helping meet this challenge. School enrollments are steadily declining. A large portion of our workforce will be retiring in the next five to ten years. Skill requirements are growing, with more emphasis on post-secondary education.

Across the state, business, government, and education are working toward a common goal – 65% of our workforce will possess a post-secondary education by the year 2025 to meet the demands of the economy. This goal, called "65 by 25", is not arbitrary. A study by Georgetown University identified evolving workforce needs for every state, based on each state's economy and projected economic growth. For New Hampshire, we are currently at about 51% of our workforce having these skills. Through organic growth, we will reach about 58% by 2025. To get to 65%, which is essential for continued economic health, we will need about 50,000 more people to attain this level of training and education. How are we going to do this?

A starting point for individual companies is greater engagement – with their employees and with their communities. Employee engagement, getting our employees to be part of the solution to business problems and challenges, is a break from the traditional command and control management. This trend is evident by the adoption of lean manufacturing and other techniques that bring everyone into the process of running the business. Ongoing training and tuition reimbursement plans help increase skill levels of incumbent employees. These efforts help employees feel more valued and respected. They are more likely to stay with their employer.

Increasingly, businesses need to get out of their comfort zones and reach out to their local school systems to help the schools understand the career opportunities and needs of businesses. These needs are not only academic skills, but also include work habits and workplace expectations. Conversely, businesses need to understand the challenges of the educational system. This helps to establish common ground from which to work together to create graduates more aware and better prepared for careers. Internships, extended learning opportunities where students learn skills at a business, and mentoring are among the ways businesses and schools can collaborate. The Business and Industry Association of New Hampshire and the New Hampshire Charitable Foundation are collaborating in this area. The BIA has established a workforce development effort focused on bringing businesses and schools together to accelerate the process of these career awareness collaborations. The BIA has collected information from its members who are already working with schools to use as a template for other businesses to model their own engagement.

The BIA/NHCF collaboration is also undertaking a 65 by 25-oversight role, working with all entities in the state focused on workforce development and post-secondary education. By developing metrics to measure our collective progress toward the goal, and by increasing awareness of each entity's efforts, we hope to ensure we are working most effectively to accomplish our task.

We will not reach 65 by 25 just through high school graduation rates. The decreasing school age population will not provide enough people to meet the demand, even if every student knew exactly what career path they planned to travel. We will help ourselves if we can increase in-state enrollment in our colleges and universities, as New Hampshire is one of the highest exporters of students to out of state higher education institutions. We will also help if we can retain more graduates within the state. Business engagement, in the form of internships and sponsored research, is critical to this effort. All of this is part of the 65 by 25 challenge.

A second area of effort is retraining the underemployed for higher skilled jobs. New Hampshire has a large segment of people who have had some post-secondary education, but no degree. These capable people often do

not know of the opportunities available in business, or of the educational and training resources already in place, to make a transition. The Strategic Partnership Initiatives are part of the solution to this challenge.

Attracting skilled workers from out of state is the third way of meeting the 65 by 25 goal. As every state is also involved in a similar effort, New Hampshire has a lot of competition for these workers. The particular advantage New Hampshire had in the past is no longer effective, as other states have improved their attractiveness to the skilled workforce. Immigration from other parts of the world can overcome these issues, as New Hampshire still provides an attractive place to work and live for many educated people from other countries.

I have highlighted only a few of the many efforts underway in New Hampshire that are addressing the challenge of growing and retaining our skilled workforce. The common goal of "65 by 25" has been a way to focus these efforts.

Senator SHAHEEN. Thanks very much, Val.  
Tamer.

**STATEMENT OF TAMER KOHEIL, CENTER DIRECTOR, JOB  
CORPS, MANCHESTER, NH**

Mr. KOHEIL. Good morning and thank you, Senator.

Again, my name is Tamer Koheil. I am the Director of the New Hampshire Job Corps located in Manchester, New Hampshire, the center which opened in 2015, designed to serve 300 students at a time.

The center serves students from New England, primarily from New Hampshire. Participants are economically disadvantaged youth between the ages of 16 to 24.

Job Corps is primarily a residential program. Students go through an admissions process prior to enrollment. Once in Job Corps, they live at the center and receive academic, vocational, and social skills training.

The center is open 24 hours a day, 7 days a week. We have dormitories, recreational facilities, and wellness support for our students on our 30-acre campus.

The New Hampshire center is a career and technical training and education center that offers comprehensive hands-on training in nine of New Hampshire's most in-demand fields. Trade programs include Advanced Manufacturing, Electrical, Facilities Maintenance, Security Services, Culinary Arts, Hospitality Services, Medical Administrative Assistant, Clinical Medical Assistant, and Licensed Nursing Assistant. We also offer advanced college training programs in our CAD program, Computer Aided Design, Robotics, Registered Nursing, Hotel and Restaurant Management, Pharmacy Technician, and Cybersecurity. We have partnered with Manchester Community College, Nashua Community College, St. Joseph School of Nursing, and CVS to offer these programs.

All of our instructors have years of experience working in the field that they teach. Our students receive industry recognized credentials and certificates that give them a leg up in the job market and assure employers that our students have the skills they are looking for.

We also accept students with or without high school diplomas.

Based on my more than 10 years of Job Corps experience, I have identified three proven strategies that actually help us prepare our students for the New Hampshire workforce.

The first one is employability and soft skills development. So in addition to academic and vocational skills training, we dedicate significant time and effort helping our students develop their soft skills. Punctuality, being respectful, dressing appropriately, these are all vital components to successful employment. As a residential program, we conduct a number of employability skills development programs after the normal training day. Based on feedback from our business partners in the New Hampshire community, we know how important cultivating these life skills can be.

The second factor is employer involvement. Active employer involvement is essential. We work closely with a number of New Hampshire employers to determine their training and workforce needs. We conduct Workforce Council meetings to have employers

review our curriculum, tour our training sites, meet with students to discuss career goals, and provide input into the certifications and skills needed to be prepared for above entry-level jobs. Many examples that we have, we have employers that currently work with us at the Omni Resorts Mt. Washington, Portsmouth Internal Medicine, Textiles Coated International, and many others.

The third factor is actually work-based learning. A key component of our training is off-center work-based learning, commonly known as internships or work experience. Typically, students spend four to six weeks at a job site to receive on-the-job training. It is our goal to work closely with the employer in order to transform these experiences into full-time employment upon completion of Job Corps. However, we recognize that not all students will be hired after their internship. But it is a tremendous work experience and allows us to get employer feedback on how to strengthen the job readiness skills of our students.

One of the things that we also work on with our employers is having a pre-apprenticeship and apprenticeship program. We just signed an MOU with CVS for an apprenticeship program, and more to come. This is our direction to support the needs of the workforce these days.

Also, I would like to mention that as an entity we are all about supporting small business. We have spent in the past year or so more than \$1 million on various goods to support our mission. All were purchased from local small business vendors.

Our program is for people that want to change their lives, who want to achieve their career and life goals. We give them marketable and highly sought skills so they can do that.

In closing, I would like to extend my thanks to Senator Shaheen and the entire New Hampshire congressional delegation for all their efforts in supporting the mission of the New Hampshire Job Corps. Thank you.

[The prepared statement of Mr. Koheil follows:]

**STATEMENT OF TAMER KOHEIL**

My name is Tamer Koheil, Center Director at the New Hampshire Job Corps Center located in Manchester, NH. The Center, which opened in 2015, is designed to serve 300 students at a time. The Center serves students from New England, primarily from New Hampshire and northern Massachusetts. Participants are economically-disadvantaged youth between the ages of 16 and 24.

Job Corps is primarily a residential program. Students go through an admissions process prior to enrollment. Once in Job Corps, they live at the Center and receive academic, vocational and social skills training. The Center is open 24-hours a day, seven days a week. We have dormitories, recreational facilities and wellness support on our 30-acre campus. All of these services are free of charge to participants.

The New Hampshire Center is a career and technical education program that offers comprehensive hands-on training in nine of New Hampshire's most in-demand fields. Trade programs include Advanced Manufacturing, Electrical, Facilities Maintenance, Security Services, Culinary Arts, Hospitality Services, Medical Administrative Assistant, Clinical Medical Assistant, and Licensed Nursing Assistant. We also offer Advanced College Training programs in Computer Aided Design (CAD), Robotics, Registered Nursing, Hotel and Restaurant Management, Pharmacy Technician, and Cybersecurity. We have partnered with Manchester Community College, Nashua Community College, St. Joseph School of Nursing, and CVS to offer these programs.

All of our instructors have years of experience working in the field that they teach. Our students receive industry recognized credentials and certificates that give them a leg up in the job market and assure employers that our students have the skills they are looking for.

We accept students with or without high school diplomas, and we have several options for those students to earn high school equivalency credentials such as the HiSET (formerly GED) or the Penn Foster Online Diploma. We also offer Driver's Education to our students who do not yet have their licenses.

Based on my more than 10 years of Job Corps experience, I have identified 3 proven strategies that help us prepare our students for the New Hampshire workforce.

*Employability and "Soft Skills" Development:* In addition to academic and vocational skills training, we dedicate significant time and effort helping our students develop their "soft skills." Punctuality, being respectful, dressing appropriately; these are all vital components to successful employment. As a residential program, we conduct a number of employability skills development programs after the normal training day. Based on feedback from our business partners in the New Hampshire community we know how important cultivating these life skills can be.

*Employer Involvement:* Active employer involvement is essential. We work closely with a number of New Hampshire employers to determine their training and workforce needs. We conduct Workforce Council meetings to have employers review our curriculum, tour our training sites, meet with students to discuss career goals and provide input into the certifications and skills needed to be prepared for above entry-level jobs. For example some of the Employers that

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*Work Based Learning:* A key component of our training is off center work-based learning, commonly known as internships or work experiences. Typically, students spend 4-6 weeks at a job site to receive on the job training. It is our goal to work closely with the employer in order to transform these experiences into full-time employment upon completion of Job Corps. We recognize that not all students will be hired after their internship. But, it is a tremendous work experience and allows us to get employer feedback into how to strengthen the job readiness skills of our students. We have been working with multiple employers to strengthen the relationship through pre-apprenticeship and apprenticeship programs. We have signed an MOU with CVS and more to come... this is our direction to support the need of the work force these days.

Also, I would like to mention that as an entity we are all about supporting Small Business. We have spent in the past year or so more than \$1Million dollars on various goods to support our mission, all were purchased from local Small Business vendors.

Our program is for people that want to change their lives, they want to achieve their career and life goals. We give them marketable and highly sought skills so they can do that. In closing I would like to extend my thanks to Senator Shaheen and the entire New Hampshire congressional delegation for all her efforts in supporting the mission of New Hampshire Job Corps and for the opportunity to testify.

Senator SHAHEEN. Thank you, Tamer.  
Phil.  
We're sharing mics this morning.

**STATEMENT OF PHIL PRZYBYSZEWSKI, WORKFORCE SOLUTIONS PROJECT DIRECTOR, COMMUNITY COLLEGE SYSTEM OF NEW HAMPSHIRE, SECTOR PARTNERSHIP INITIATIVE, MANCHESTER, NH**

Mr. PRZYBYSZEWSKI. Hello there. My name is Phil Przybyszewski, and as the Senator did a great job pronouncing my name, I really appreciate that, because most people don't.

Senator SHAHEEN. I practiced.

Mr. PRZYBYSZEWSKI. It says here I work for the Community College System of New Hampshire, which is true, but I'm on loan to the Office of Workforce Opportunity to start a new program called Sector Partnership Initiative, and I'm going to talk about that today, and I appreciate the opportunity to do that, Senator.

As you know, the adoption of a Sector Partnership Initiative or sector strategy in New Hampshire is a requirement of the Workforce Innovation Opportunity Act of 2014. It's not like an option. We'll be doing this because we need to do it to continue getting the appropriate funds we need to support our workforce.

The Office of Workforce Opportunity, which I work for within the Department of Business and Economic Affairs, on behalf of the State Workforce Innovation Board, was charged with implementing this new way of approaching workforce development, and the initiative was funded by a Federal grant—thank you so much—a National Emergency Grant, which included money for staff, and this is the staff right here, as well as training dollars that we use to provide training, support, as well as on-the-job training and reimbursement to companies who bring people into their facilities to get trained.

Really of significance here is the fact that SPI is an industry-driven initiative. Even though I work for the community college, the intent of this program is to enable industry sectors to be able to run with this once we've got it set up and running, and we are well on our way to making that happen.

The process began in 2015, so we've been at this for a little bit over two years. But since that time, a lot of the focus and effort has been devoted to developing sector partnerships in several key industries. A steering committee was established comprised of stakeholders from the industry, State agencies, community-based organizations, education and training providers, the DOL Office of Apprenticeship, and the Governor's Office participated on our steering committee.

A data-driven approach was taken to leverage the resources of the New Hampshire Economic and Market Information Bureau, which are fabulous resources the State has, to select four sectors to work on. The sectors that we selected were manufacturing or advanced manufacturing, depending on how you want to look at it; health care; technology, which we used to call IT but it's really more than just IT—technology covers all the sectors, quite frankly; and hospitality. Each of these sectors is a vibrant contributor to our economy here in New Hampshire.

And keeping to the industry-driven concept, each sector has champions and intermediaries to drive the process in their sectors. As a matter of fact, we have some of those people right here in this room today. So we have a champion for our manufacturing sector here whose name is Val, and I think way in the back we have a champion from our health care sector, one of our champions, Sarah Courier.

Senator SHAHEEN. Raise your hand.

Mr. PRZYBYSZEWSKI. Sarah is way in the back.

Senator SHAHEEN. Thank you.

Mr. PRZYBYSZEWSKI. And every one of our sectors has champions and intermediaries that help drive the process. Since it's going to be industry driven, we need those people. We need those people very much.

There's a process called asset mapping. We went through and looked at each one of these industries and developed a lot of data points and a lot of information, and what I have here are the reports for the four sectors that we tackled, and we are about to embark on a fifth sector called infrastructure, loosely called infrastructure. Because it's such a big thing, we don't know exactly what it's going to end up, but I'm going to tell you about that in a second.

Each of the sectors has very distinct characteristics, as well as challenges, as you might guess, and a lot of them were even discussed earlier. In the case of manufacturing, we have 68,000 employees in the State of New Hampshire spread out over 1,950 industries. That's an average of 35 employees each, small business for sure. Relatively flat growth projected here, but a lot of churn, a lot of movement within the population of the workforce primarily caused by retirements, which again I think was mentioned earlier. Thirty-plus percent of our people working in this sector are over age 55. If you talk to any companies, like I'm sure the Senator has, and they say they're going to be impacted by retirements, you'll hear in the next five to seven years I'm going to lose about 20 percent of my workforce. It's a very significant number.

The good news, strong hourly wages here, and the top needs we find are in CNC machinists, machinist mechanics, and first-line supervision.

In the case of health care, 88,000 workers spread over 2,800 establishments. That's an average of 31 people per establishment. Again, small business for sure. Huge growth rates here, growth rates 10 to 15 percent over the next five years. That's a lot. Good wages at the top, not so good wages at the bottom rung of the positions there. Top needs are nurses, licensed nursing assistants, and medical assistants.

Technology, which we used to call IT, every sector has technology, believe it or not. If you've got a computer, you're using technology. There are 61,000 employees, roughly; growth rates approaching 12 percent over the next five years. Hourly wages are good here, \$37 at the top end, but even the help desk people make a pretty good wage in this particular sector. We see the top needs here as being developers, systems analysts, and user support specialists.

Hospitality, 68,000 employees spread over 4,500 establishments, an average of 15 people per establishment. Seventy percent of the jobs are concentrated on food service and drinking establishments. It's a really young workforce here, 36 percent below the age of 25, so they have different needs there because of that. High turnover caused by lower wages, and it's seasonal, particularly up north. A lot of people may work three or four months a year and then they have to get another job for the summer or the winter. I think some of the top needs here are better defined career pathways. They exist, but they're not recognized by potential employees. And training programs.

I mentioned infrastructure earlier, and we're really in the exploratory stage here, but this could be anything from an airport to a wastewater treatment plant, A to Z practically. So we're doing our asset mapping, like we did over here, and by the end of next week we'll have our first draft of the report, and we'll probably select two or three sub-sectors out of this large sector. Right now if we can get construction, heavy-duty construction, bridge work, broadband, which is very important for us, and energy.

According to the U.S. Small Business Administration, a really high number of businesses are small, so the numbers are just—we validated that for sure. Helping small businesses is really a key for us to be successful in Sector Partnership Initiative, or SPI.

One of the things you need to understand, as SPI we kind of act as an intermediary. I like to call it the connector of the dots, right? So there are lots of companies out there, and there are lots of resources, but sometimes they don't know they exist. So we're trying to connect those people to make sure they take advantage of what's out there.

One of the ways we do this is we have a document that's actually embedded in these reports called a summary of major assets for this particular sector, and what's in here, within these five or six pages, is identification of all the people who are convening something in this sector, something that relates to, in this case, manufacturing. It lists them all out. This is the first place where this has all been done, although I know that the 65 by 25 group is doing something very similar to this. We also identify where can you get training, from high schools to CT centers to two-year colleges to four-year universities to third-party independent providers of training.

We also identify in here the target audiences. So one of the things I like to call the gene pool, we have a fixed gene pool right now, and we've got to make that pool bigger. Otherwise, we're just going to keep grabbing out of the pool. All we're doing is just recycling people. So we're looking at targeted populations like the unemployed, underemployed, veterans, what can we do for veterans here, and women, of course. Technology allows women to do jobs that 10 or 20 years ago they couldn't because the technology wasn't here yet. It's here today, so they can have a better opportunity for career growth.

And also refugees. We're doing a lot of work here identifying people in the country that maybe have a language issue or maybe they have a degree wherever they came from, but they're driving a cab

or working at a low-end job. How do we unleash their potential there?

And also people with disabilities are very important. We think this asset map is valuable, too, to unlock some of the secrets to that.

We try to work with companies because we have a lot of small companies and they don't all have the wherewithal to have internal training programs or an HR department that has a training contingent. Most small companies—Val's company is 18 employees or something thereabouts, and he's the bottle washer, dishwasher, et cetera. He's the guy, right? It's his company. So we try to bring groups together to work collaboratively and then find funding sources to help them. We do a lot of work with NAP because they do a lot of collaborative work just like that and it fits nicely with what we're trying to do.

And—I was going to call you Governor. Sorry about that. And, Senator, when you were governor, the New Hampshire Job Training Fund was formed under your watch, and believe me, we are using that every day of the week. We've done a lot of training programs in lean manufacturing, energy management, first-line supervision, auto repair, ISO 9000 compliance, and CNC boot camps, all through the use of the Job Training Fund.

A key about this is it's not a free-for-all, right? The company has to put some skin in the game. They've got to match. It's a matching grant, so there has to be some investment on that side of the equation.

In collaboration with the Community College System of New Hampshire and the Department of Labor Apprenticeship Office, we strongly support the adoption of registered apprenticeships with our sector partners. We see this as a proven way to attract and retain workers while companies commit to investing in their workforce. Today we have seen most activity in the health care sector, with training of LNAs and MAs, and the manufacturing sector with machining and maintenance technicians.

We also work closely with our education providers. That's all part of the food chain for us. And we're doing a couple of projects right now with local high schools, the Nashua High School right up the street from here. We're helping to rejuvenate their machine tool program. It was kind of in disrepair. We rebuilt the advisory board using our leverage to connections, and now we're locating funding for teacher training for them so that we can get that program back up on its feet.

The Creteau Technical Center in Rochester, where we are helping to develop an in-school training program in composites. If you know where the Creteau School is, it's 100 yards down the road from Great Bay Community College's composites laboratory. So we're trying to work with them to develop a way to get high school students, using Running Start and other programs like that, college credits so that they can get a job right down the street shortly thereafter.

So we're leveraging all those resources, because there's a \$5 million laboratory there. It was paid for by a TAC grant. We're leveraging that in this particular way.

We already mentioned the 65 by 25. That's really the true measure of success for a lot of our work here, developing trainings that will yield some kind of post-secondary certificate or credential. That's critical.

In closing, Senator, we really appreciate your continued support of New Hampshire's economy and well-being, and we look forward to doing that over the years.

[The prepared statement of Mr. Przybyszewski follows:]



**Senate Committee on Small Business and Entrepreneurship**  
**August 22, 2017**  
**Philip J. Przybyszewski, Workforce Solutions Project Director**  
**NH Sector Partnerships Initiative**

Senator Shaheen, thank you for the opportunity to provide an update on the NH Sector Partnerships Initiative (SPI) activities.

As you know, the adoption of a sector partnership strategy by New Hampshire is a requirement of the Workforce Innovation and Opportunity Act (WIOA) of 2014. The Office of Workforce Opportunity, within the Department of Business & Economic Affairs, on behalf of the State Workforce Innovation Board was charged with implementing this new way of approaching workforce development. This initiative was funded by a National Emergency Grant (NEG) which included money for a staff position as well as training dollars for tuition payments and on the job training. Of overriding significance is the fact that SPI is an industry-driven initiative with industry leaders working with their peers and related partners to identify their common workforce needs and develop effective solutions to address those needs. Enclosed is a brief document that provides an overview of SPI. This process began in July 2015.

Since that time a lot of focus and effort has been devoted to developing sector partnerships in several key industry sectors of our state. A steering committee was established comprised of stakeholders from industry, state agencies, community-based organizations, education and training providers, the DOL Office of Apprenticeship and the Governor's office. A data driven approach was taken leveraging the resources at the NH Economic Labor Market Information Bureau to select four key sectors. These sectors are Manufacturing, Health Care, Technology and Hospitality. Each of these sectors is a vibrant contributor to NH's economy. Keeping to the industry-driven concept, each sector has champions and intermediaries to drive the process in the in their sectors. Asset mapping for each sector was completed which resulted in an individual sector report that provided a state of the sector and suggested short and long term strategies to pursue. At this point we are actively exploring a fifth sector which we are currently calling Infrastructure.

Each of the sectors chosen have very distinct characteristics & challenges:

- **Manufacturing**
  - 67,800 employees spread over 1,950 business (average = 35 employees)
  - Relatively flat projected grow
  - High churn rate, caused by retirements, 30+% over age 55
  - Strong hourly wage
  - Top needs: CNC machinists, machinery mechanics, first line supervision
- **Health Care**
  - 88,000 employees spread over 2,800 establishments (average = 31 employees)
  - Growth projections 10% to 15% over the next five years
  - Good wage rates at the top but quickly drop
  - Top needs: Registered Nurses, LNA, MA

- Technology
  - 61,000 employees
  - Grow rates approaching 12% over the next five years
  - High hourly wage in the range of \$37.00
  - Top needs: developers, systems analysts, user support specialists
- Hospitality
  - 68,000 employees spread over 4,500 establishments (average = 15 employees)
  - 70% of jobs are concentrated in food services and drinking establishments
  - Younger workforce with 36% below age of 25
  - High turnover caused by lower wages and seasonality nature
  - Top needs: better defined career pathways, training
- Infrastructure (exploratory stage)
  - Significant sector with several large sub-sectors
  - Asset mapping to be completed by August 30<sup>th</sup>
  - Will select two or three sub-sectors to focus our efforts on
  - Construction – Broadband - Energy

According the U.S. Small Business Administration 95% of New Hampshire’s businesses fit into their definition of a small business. Helping small businesses is essential to SPI’s success.

- SPI acts as an intermediary (“the connector of the dots”) to assist companies in identify services, training options and funding sources for technical training. This is accomplished in part by reviewing the Summary of Major Assets provided in each of the sector reports with stakeholders.
- SPI lends itself to collaboration with multiple companies pooling ideas and sharing the costs of solutions.
- We try to bring groups of companies together to apply for a NH Job Training Fund grant as a collaborative. We’ve done this in several training instances including:
  - Lean manufacturing
  - Energy management
  - First line supervision
  - Auto repair
  - ISO 9001:2015
  - CNC Bootcamp
- In collaboration with the CCSNH and the DOL Office of Apprenticeship, SPI is strongly supporting the adoption of registered apprenticeships with our sector partners. We see this as a proven way to attract and retain workers while companies commit to investing in their workforce. To-date we have seen the most activity in the Health Care Sector with training for LNAs, MAs, and in the Manufacturing Sector with machining and maintenance technicians.
- SPI is also working closely with our education partners to provide guidance and support for high schools. Two current initiatives include:
  - Nashua HS Machine Tool Program which we are helping to rejuvenate by rebuilding their advisory board and located funding for teacher training.
  - The Creteau Technical Center in Rochester where we are helping to develop an in-school training program in composites in conjunction with Great Bay Community College by leveraging SPI connections and possible funding avenues.

- One of the key measurements of success is the NH 65 by 25 Project. Developing industry trainings that yield some type of post-secondary certificate or industry recognized credential is critical. We know that the effective worker of tomorrow will need more than a high school diploma to be successful.

We appreciate your continued support of New Hampshire's economic well-being.

Respectfully submitted,

Philip J. Przybyszewski  
Workforce Solutions Project Director  
NH Sector Partnerships Initiative

Senator SHAHEEN. Thanks very much. Can you just tell us, if somebody wanted to get a hold of the reports that you showed, are those available online?

Mr. PRZYBYSZEWSKI. They are. They are available online at NewHampshireWorks.org. All of our research is online. So instead of doing hard copies, if you want to know something about sector, go to NewHampshireWorks.org. If you want some more direct information, just see me after, give me your card, and I'll be happy to spend some time with you.

Senator SHAHEEN. That's great.

Mr. PRZYBYSZEWSKI. Thank you.

Senator SHAHEEN. Emily.

**STATEMENT OF EMILY HALL WARREN, DIRECTOR OF  
ADMINISTRATION, BADGER BALM, GILSUM, NH**

Ms. WARREN. Thank you for this opportunity.

Senator SHAHEEN. Can I ask you to speak into the mic?

If you can't hear in the back, if you'd just raise your hand, we'll try and get the mic closer.

Ms. WARREN. Can you hear? Get in closer, okay.

Thank you for this opportunity to talk about some of our business practices. I work for the Badger Balm company. We're located in Gilsum, New Hampshire. We are manufacturers of organic body care products. We have about 100 employees on our staff. Something that we do a little bit differently is that we're a B corp., which means that we are incorporated as a benefit corp., and we also undergo a rigorous certification process every two years to ensure that we are living up to our commitment to honor a triple bottom line. That's caring for the people of our company and our community, caring for the planet, and also paying attention to our profit, which is important to do everything else.

Because of our focus on community and people, we have an embarrassment of riches. I'm honored to say that we're an Employer of Choice in the region. We do almost no recruiting. Our employees come to us and they want to stay with us. I really think that this is because of our approach to business in that we want to be a force for good in the world, and we want to be a force for good for our employees.

Because of this, we put a lot of time and energy and resources into treating people, our employees, as a whole person, trying to support their families, trying to support their personal lives, their work/life balance. Examples of that include a commitment to a living wage. We have a Babies at Work program where new parents can bring their babies in until they're six months old or crawling, whichever comes first. We have a near-site child care center once the babies have aged out of the Babies at Work program. We have paid primary care leave for new moms and dads, and paid secondary caregiver leave for new moms and dads. Just in the last couple of weeks we've made a commitment to having paid FMLA leave for everyone else to care for their aging family or for themselves or for another family member.

So when I talk about all the benefits we have at Badger, I think that people sometimes think that we're a bunch of crazy hippies up in Gilsum and that normal companies can't do this. But there's a

lot of things that we do that I strongly believe other companies can adopt and that they can do with very little cost and that will lead towards happier, healthier businesses and happier, healthier employees.

The number-one thing you can do to support families in the workplace is to offer a flexible workplace schedule for moms and dads so that they can leave if their kids are sick, or they can go to a baseball game. There's no cost to that. It might be a little bit harder to do scheduling-wise, but it makes a huge difference in the lives of people.

Every company can make a choice to run their business transparently, to talk to their employees about what they're doing in their business. Every company can encourage employees to bring their whole selves to work and create a supportive community for them.

Another example of a program that we have that is very easy to implement and has a very structured cost so that you can budget for it is we have a wellness fund. So we say to employees we know that you have costs to be healthy that are not covered by our health insurance, and we'd be happy to pay a certain amount of money per year towards running shoes or for a fitness center, and we just budget that in a line item for every employee, a limited cost, very predictable and very easy to do, and it makes a huge difference. People feel like they're being cared for.

So, I guess what I want to say is that Badger is always looking for new ways to care for its employees and the community, and when it comes to attracting and retaining employees I think the most important thing that businesses can do is make sure that everyone has a voice and a role and feels like they're part of the organizational process. Val talked about employee engagement, and that's exactly what I'm talking about.

Engagement is key to building and retaining a motivated workforce, so Badger is happy to serve as a resource. We are happy to talk about this to anyone and everyone who will listen. So please come and see me afterwards if you'd like to.

[The prepared statement of Ms. Warren follows:]

## **W.S. Badger Company, Inc.**

P.O. Box 58 · 768 Route 10 · Gilsum, NH 03448

*Healing Products · Healthy Business · Make a Difference*

### **New Hampshire's Workforce Challenge: Innovative Approaches to Attracting and Retaining Skilled Workers**

Emily Hall Warren  
Director of Administration  
W.S. Badger Company

Dear Senate Committee Members,

On behalf of the W.S. Badger Company, thank you for this opportunity to share the innovative approaches we have found to be successful in helping us to retain an engaged and committed workforce.

Badger has been producing organic balms and personal care products since 1995. We are a small, family-owned and family-run, mission-driven manufacturer with 100 employees, and we actively strive to create a supportive and family-friendly workplace where all employees are treated as valuable members of our community. We value transparency and engagement, respect personal and family health, and enable employees to enjoy balanced lives.

This caring approach enables us to attract and retain a diverse and highly-skilled workforce. And as a result, we are honored to be an employer of choice in the region with virtually no recruiting costs.

In a recent employee engagement survey conducted by The Employee Engagement Group, one hundred percent of employees surveyed at Badger felt that their manager respected their work/life balance, eighty-two percent reported feeling highly engaged, and over fifty percent plan to stay at Badger for more than five years.

We achieve this high level of satisfaction and engagement by offering robust and innovative programs, including babies-at-work, subsidized, near-site child care, a paid half-hour lunch, \$800 in wellness funds annually, and onsite yoga and reflexology classes. Staff also enjoy paid vacation time, volunteer hours and holidays, 40 hours of paid health time for self or a family member, two weeks paid FMLA, five weeks of paid parental leave for the primary caregiver, and two weeks of paid leave for a secondary caregiver. We even provide a free, organic lunch, serving a fresh, healthy meal to all employees each workday.

Since 2007, our Babies-at-Work program has enabled employees to bring their new babies to work until they reach six months of age or begin to crawl. To date, fifteen babies have participated in the program.



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These programs may seem unachievable for other businesses. However, several are relatively easy to implement, cost little to nothing, and can have a significant impact on employee recruitment, retention, and engagement. For example, offering a flexible work schedule, operating transparently, providing a babies-at-work program, engaging employees and treating them as individuals, and offering an annual wellness fund.

As a business, we are proud of what we have been able to achieve. We hope by lending our voice, sharing our best practices, and serving as a leader and role model within the business community, that we can help other organizations successfully meet the challenge of hiring and retaining qualified employees in a tight labor force market.

Respectfully yours,

Emily Hall Warren  
Director of Administration  
W.S. Badger Company, Inc.



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[badgerbalm.com](http://badgerbalm.com)

Senator SHAHEEN. Thanks very much, Emily.  
Lisa.

And again, if you can't hear, raise your hand.

**STATEMENT OF LISA WHITAKER, DIRECTOR OF ASSOCIATE SERVICES, OMNI MT. WASHINGTON RESORT, BRETTON WOODS, NH**

Ms. WHITAKER. Good morning. Can everybody hear me? Thank you.

This past February, the Omni Mt. Washington Resort began a partnership with the Job Corps Center in Manchester, New Hampshire. Students and staff of the New Hampshire Job Corps were invited to the Omni Mt. Washington for a tour where they were able to prepare their own lunch and enjoy smoothies alongside our team of culinary professionals. After their enthusiastic visit, which we now plan to make an annual event, the New Hampshire Job Corps invited a representative from the Omni Mt. Washington to attend their job fair and tour their facility. These tours served reciprocal benefits, introducing the students to the many hospitality and culinary opportunities available to them at the Mt. Washington, while showing the Mt. Washington the Job Corps' quality program and potential talent available to supplement our workforce.

As a result, the Bretton Woods Culinary Academy came to fruition, which consists of a three-year apprenticeship in which up to 10 participants will be accepted each year. In partnership with White Mountains Community College, participants will also earn a culinary arts associate's degree after successfully completing the program.

The students participating in this program will be residing in Bretton Woods while working for the resort and attending college. In addition, some of their classes will be hands-on while working for the hotel.

We currently have three Job Corps students in our culinary program and another working in our food and beverage department. We have found these students to have good work ethics, great attitudes, and a desire to learn. They are engaged, and they are excelling.

So we're located in southern Coos County. The Omni Mt. Washington draws employees from southern Coos County, as well as northern Grafton and Carrol Counties. It's a very small population within commuting distance, so recruitment and staffing of up to 1,200 employees during peak periods of business is very difficult for us. Partnerships, like our new relationship with the New Hampshire Job Corps, is vital.

New Hampshire is also experiencing an aging population, as has been mentioned earlier, due in part to our younger generation leaving for areas with more opportunities. New Hampshire Job Corps provides opportunities to New Hampshire youth who may not have otherwise had them, and helps them to turn their lives around, providing them with the potential to have careers while retaining them for the New Hampshire workforce.

The Omni Mt. Washington is a proactive employer. We are always improving our training programs to train and retain employees and help them to learn to become professionals in the hospi-

tality industry, an industry which is crucial to the northern New Hampshire economy. We're also working with educational facilities at the college and high school levels to hire youth and provide them with career opportunities in New Hampshire.

So our new relationship with the New Hampshire Job Corps has been a successful supplement to our workforce, and we look forward to a continued and growing partnership with them.

Thank you.

[The prepared statement of Ms. Whitaker follows:]

This past February, the Omni Mount Washington Resort began a partnership with Job Corps Center in Manchester, NH.

Students and staff of the NH Job Corps were invited to the Omni Mount Washington for a tour where they were able to prepare their own lunch and enjoy smoothies alongside our team of culinary professionals. After their enthusiastic visit, which we now plan to make into an annual event, the NH Job Corps invited a representative from the Omni Mount Washington to attend their Job Fair and tour their facility. These tours served reciprocal benefits, introducing the students to the many hospitality and culinary opportunities available to them at the Mount Washington, while showing the Mount Washington the Job Corps' quality program and potential talent available to supplement our workforce.

As a result, the Bretton Woods Culinary Academy came to fruition, which consists of a 3-year apprenticeship in which up to 10 participants will be accepted each year. In partnership with White Mountains Community College, participants will also earn a culinary arts associate's degree after successfully completing the program.

The students participating in this program will be residing in Bretton Woods while working for the resort and attending college. In addition, some of their classes will be hands-on while working for the hotel.

We currently have three Job Corps students in our Culinary program and another working in our Food & Beverage department. We have found these students to have good work ethics, great attitudes, and a desire to learn. They are engaged and excelling.

Located in southern Coös County, the Omni Mount Washington draws employees from Coös County, as well as northern Grafton and Carrol Counties. With such a small population within commuting distance, recruitment and staffing up to 1200 employees during peak periods of business is difficult. Partnerships, like our new relationship with the NH Job Corps, is vital.

New Hampshire is also experiencing an aging population, due in part to our younger generation leaving for areas with more opportunities. NH Job Corps provides opportunities to New Hampshire youth who may not have otherwise had them, and helps to turn their lives around providing them with the potential to have careers while retaining them for the NH workforce.

The Omni Mount Washington Resort is a proactive employer. We are always improving our training programs to train and retain employees and help them to learn to become professionals in the hospitality industry, an industry which is crucial to the northern New Hampshire economy. We're also working with educational facilities at the college and high school levels to hire youth and provide them with career opportunities in New Hampshire.

Our new relationship with the NH Job Corps has been a successful supplement to our workforce and we look forward to a continued and growing partnership.

Senator SHAHEEN. Thank you, Lisa.

And thank you all very much for some very interesting and challenging thoughts about what's happening in the workforce.

I want to start with an issue that most of you mentioned, and that is that we're losing so many of our young people. They're leaving the State. They're going out of State for college and other things, and then they're not coming back.

Several of you addressed ways that you're trying to attract people here, but are there policies that we should be thinking about at the State level that would help make New Hampshire more attractive to younger workers? Are there things that we should be putting in place to try and keep people here?

I will direct that or open it up to all of you.

Val.

Mr. ZANCHUK. I think there are several issues there. Certainly a financial issue is one of them. In-State tuition is not necessarily all that attractive, so many of our students get better deals from other states. They should be getting their best deal from New Hampshire. That's a State issue probably more than a Federal issue, but it certainly is one of the things that makes it difficult for many students to stay in-State.

The other thing I think is the lack of awareness of career and career opportunities. So I think, again, at the State level we need to be reaching out to kids all the way down to maybe middle school or even below to begin to introduce them to careers. If the students know that there are opportunities in the State, they are more likely to stay. If there's an internship or an extended learning opportunity or some sort of mentorship available, then those students recognize that there is something here, and that can go through starting in middle school up through their high school years and then continuing into college. So they end up with a relationship with a business or businesses or industry in New Hampshire and know that there's an opportunity here.

A lot of these things are being addressed and approached right now on the State level. I don't know if there's a Federal opportunity there, but certainly on the State level we are trying to reach down lower and lower into the grades to develop career pathway information so that students know early on if I'm interested in this, then this is the path I can take, these are the things I need to learn to do. And if we can stimulate some interest in a career early, then the student has less uncertainty as they work through school and they begin to understand what they need to do to get to where they want to go.

Senator SHAHEEN. You know, I've also visited some advanced manufacturers who have talked about not just the need to reach out to students but to their parents, that many parents still think about manufacturing in the way that it was when I grew up and my father was in the shoe business. The shoe factory looked very different in those days than advanced manufacturing looks today.

So what we need to do is to help parents recognize the career potential in those businesses, that everybody may not need a four-year degree in order to take some of those jobs.

Mr. PRZYBYSZEWSKI. I think the other thing that's important is when parents think about the dirty, dark, and dangerous days of

the grandfather who lost a finger, et cetera, it's not like that. You can eat off the floor in most of these companies.

The other people who have to be educated is the guidance counselors in our school systems to understand that there are opportunities, fabulous opportunities out there that don't mean you have to go away to college somewhere, maybe community college, and maybe a certificate program.

We've got jobs begging for people that don't require four-year degrees and that are well-paying jobs. So they're out there. Believe me, they are.

Now I sound like Donald Trump, "Believe me, they are."

[Laughter.]

Senator SHAHEEN. Emily, you wanted to add something.

Ms. WARREN. I do. You're talking about students choosing to stay in New Hampshire for college, but then once they graduate from college it's a different demographic. You're looking at young families. When I think about young families and their needs, things that I think about that can be impacted on a State and Federal level include quality child care availability—

Senator SHAHEEN. Absolutely.

Ms. WARREN [continuing]. Quality school systems for young children, and then another issue that is on the Federal level is paid FMLA. So parents who are caring for young children, parents who are caring for their aging parents, and making it affordable and flexible and enjoyable to stay in the workforce.

Senator SHAHEEN. For sure. Unfortunately, I think our Federal tax credit for child care has increased only one time since the 1970s, and clearly it's not keeping pace with the cost of child care.

As I think maybe you pointed out, Val, we also have too many students who, because of their student loans, can't afford to take the job that maybe they want to take because they can't pay off their student loans. That's a huge role for the Federal Government and a place where we can partner with states.

Mr. PRZYBYSZEWSKI. I think one of the things just to add that we find in our analysis is that affordable housing is a big issue, particularly up north, but even in Portsmouth. If you live in Maine and drive across the bridge to go to work, we need to find a way to get more affordable housing for our people. And if you're a millennial and you don't have internet service, forget it, I'm not going to work here. They live on their phones.

So we need to figure out, make sure broadband is all over the State, where it needs to be.

Senator SHAHEEN. And then I know it's an issue in the North Country.

Ms. WARREN. Yes, very much so. And I've heard of other states as well who have, say for recent college grads, if they stay in the State, they would get some kind of loan reimbursement, tuition loan reimbursement or help with housing if they decided to stay in the State.

Senator SHAHEEN. I think both of those are really creative ideas. The challenge has been resources, of course. So we need to think about how we can provide incentives for the kinds of things that you talked about, Emily, that don't necessarily cost money but help attract people to the jobs.

I want to ask you, Phil, a little bit about broadband, because it is one of the things that I find the most frustrating in work that I've done in New Hampshire. I've been working on broadband since I was governor 20 years ago, and we still have the same pockets in so much of the State where you can't get high-speed internet. And what does that mean? I mean, maybe all of you can address what that means for your effort to attract workers for your employees as they're thinking about where they want to go.

Mr. PRZYBYSZEWSKI. I think that for a younger person—I mean, I'm an old dude, but I still do a lot on my phone. But they do everything on their phone. They live and breathe on the phone. I've had people tell me, quote, "I will not take a job in New Hampshire unless there's internet coverage where I'm going to work and live." It's just pervasive. I mean, we have to deal with that somehow. It's real, and it's an issue.

Senator SHAHEEN. Any other comments on that?

[No response.]

The other thing I would say is—I know Lisa knows this, but for people in the North Country, there are areas of northern New Hampshire that not only don't have access to high-speed broadband, they don't have access to cell coverage. And it's something, again, that we've worked very hard on in my office but still remains a challenge. We need to think about what we can do primarily at the Federal level to provide some incentives for the private sector to get in and provide service. At some point we may need to think about what we did back in the 1930s with rural electrification where we have to step in and really pay for that last mile for broadband to get to some of our homes and communities in the State.

Women in the workforce, you addressed that a little bit, Phil, in talking about that being a place where we could get some additional workers.

Emily, you talked about what Badger has done to keep women in the workforce. How important is what you talked about in getting women to stay in the workforce after they have children?

Ms. WARREN. I think you can't really quantify how important it is. Women are over half of our workers, right? It should be this way. We're still oftentimes carrying a lot of the burden for caring for our children, at least in the early years. With our Babies at Work program, for example, we found women are excited to come back to work. They can bring their child back to work with them. It encourages children's health because of the opportunity to breastfeed. It encourages mom's health because they have a community who is surrounding them, recognizing that they have just had a momentous change in their family. And they're more engaged because they're not wondering, oh my goodness, what's happening to my little, fragile newborn while I'm not with them. So I think it makes a huge difference.

Senator SHAHEEN. Val, one of the areas that it's often been challenging to get women to participate in is the STEM jobs, engineering and some of the non-traditional roles for women. Has that been an issue that you've seen, and have you tried to address that in any way?

Mr. ZANCHUK. Well, in our business we've had some women working on the floor, on the factory floor. That's been sort of an in-and-out type of situation for us, although we do have women working for us. They're all beyond child-bearing age and they have a pretty stable existence.

In my work with the Pre-Engineering Council, we've had a lot of effort on Technology Days and Women in Engineering programs and whatever, and it is certainly getting better. But I think the last numbers I saw were something like 20 percent of engineering involvement is women. They make up half the population. Why isn't it 50 percent women? And we have a shortage of engineers in certain areas, and here's all this talent and potential not being utilized.

But I think still, within a lot of these industries, there's a lot of bias against women being there. It may not be overt, but it's certainly in many cases very subtle and hidden, and it's very difficult for women to have a career in these areas. Besides their life pressures of having children and whatever, there are a lot of people who I think just don't want women in the workforce, and that's unfortunate. It's getting better, but it's a difficult process to get beyond, and I think there are a lot of things that happen to discourage girls from going into STEM fields right from the beginning. Even their teachers and their parents saying things to them and influence them to get away from that—no, you don't want to go there, you want to go here—so that's what they hear.

Luckily, what we're finding with a lot of the pre-engineering programs, because we're bringing them down to kindergarten now with State legislation, our support of pre-engineering goes K through 12, there is an opportunity to introduce technology to these young girls early on where it becomes a natural part of their operation.

Here in Nashua, in the middle schools, all three middle schools have the same pre-engineering program, and it's part of their curriculum. It's not a special project. It's not something they elect to be in. It's part of their curriculum. The girls go through it just like the boys do. It's a natural part of training. What's happened is their interest in pre-engineering and STEM, it goes into the high school.

Now the high school is getting overwhelmed with all of these students coming out of middle school wanting to get involved with pre-engineering and manufacturing. Phil and I have been over trying to get the manufacturing program reinstated, but we know that the pre-engineering faculty is having to be increased to meet that demand.

So the earlier we get them, the more natural it is to be inquisitive and mechanical and a tinkerer, then the women will not think it's a strange existence and they'll be there. We're getting there, we're getting there.

Senator SHAHEEN. Tamer, what are you seeing among the students who come into Job Corps? Do people self-segregate?

Mr. KOHEIL. We try not to do that, but most of them, they come for hospitality and culinary arts, medical. However, we currently have one student in facility maintenance, we had one in electrical, and we had one in advanced manufacturing. So Job Corps con-

tinues to promote women in non-traditional trades. That's what we're trying to do. But most of them come to Job Corps with their mind set on either medical or hospitality.

Senator SHAHEEN. Phil, you talked about one of the areas where there is potential for workers in New Hampshire, among our immigrant population. I know that one of the real challenges we've had this summer with the hospitality industry, as the number of visas have been shrunk, has been getting in some of the workers that we need in the industry.

I don't know if that's been an issue that you've seen, Lisa, but maybe you could speak to what that has meant as you struggle to find people for this season.

Ms. WHITAKER. It is. It has been difficult. We had a call with one of our agencies just yesterday and learned that it may be decreased even more with the next round. We, of course, are always recruiting for U.S. citizens to work for us, but we can't fill all of our jobs.

For example, right now we have about 950 people employed. We have about 75 job openings right now, current openings. So it's always a chore. It's always difficult to fill those positions, so we do need to supplement, bringing in J-1 visas or H2Bs. We actually have H2Bs coming in this Friday.

So it is essential to us to be able to provide the service and keep our business running to have these workers come in, and having those programs cut is making it very difficult.

Senator SHAHEEN. Phil, do you want to comment?

Mr. PRZYBYSZEWSKI. One of the things we've uncovered in our work—it started out in health care but ended up being more than that—is that there are roughly 3,000 immigrants and refugees in the Nashua, Manchester, and Concord strip, and we found a company that is applying for a grant, and we're supporting their application for that to unlock opportunities for them, and it really impacts all of our sectors because they have a lot of good skills, they're underemployed today. They might have a language issue that we can fix with English as a second language classes. They have normally fabulous work ethic, maybe even better than our own people do because they're hungry to succeed.

So we're trying to tap into that, to get to that gene pool thing again, to enlarge that pool somehow. So we're seeking out agencies and organizations that work with—Easter Seals has a good program. Asyntria has a good program. That's the connecting-the-dots part. We're trying to figure out where they are, how can we help, and how we can connect them with the right folks and sectors.

Senator SHAHEEN. Great.

I know we're about out of time, but I want to address one final issue before we close, because it has been such a huge challenge in New Hampshire, and that is the heroin and opioid crisis that we have faced and how that has affected the workforce, because another concern that I've heard as I've traveled around the State has been it's been hard to get workers because we find so many people who have been using drugs or have taken opioids that have led to addiction and substance use disorders.

Can I ask if that's anything that's come up among your workforce, or is it something that you've heard from people?

And it leads us to the second half of that, which is how do we continue to address this crisis in a way that helps people with substance use disorders and gets them back into the workforce to become productive citizens?

I don't know if anybody has addressed this.

Mr. ZANCHUK. Well, as a 26-person operation, we've had some issues with employees having abuse problems, but I think even if we get past this crisis, we're going to have a population that has some sort of history of abuse, and I think as employers we're going to have to come to grips with the fact that many of our employees are going to have some sort of history that maybe in the past we felt we could avoid, but we're going to have to learn how to deal with it.

How do you deal with someone that's been an alcoholic or has been a substance abuser, someone that spent some time in county jail or something like that? I mean, these people had an issue. They have, many times, overcome it, but they're left with this trail. With the unemployment rate so low and all of us struggling for workers, I think we're going to have to understand how we're going to deal with this population that's coming through. We can't ignore them.

I'm sure in the hospitality industry it's a common issue, and how do you deal with it is going to be a question. It's a change in philosophy and thought about how in the future, as employers, we're going to deal with this. We have to worry about safety on the floor and all these other sorts of things, but we also recognize that a lot of people are going to be good workers, they just have had an issue in the past that we have to somehow understand and be sensitive to and not just reject them.

Ms. WARREN. I would really echo what Val is saying. This is something that we're thinking a lot about at Badger and have been in the last two months or so, because whether it's someone in your community who has a substance abuse disorder or it's their family members or their friends or they're affected by it, we don't know anyone who isn't affected by this crisis right now.

Thinking about businesses' role in society and role in our community, the place that we've come to is to say we need to be providing support for our employees and helping them through the flexibility that we offer in the workplace, but also through education. So we're working with two organizations in the State of New Hampshire. One is a new organization. It's called Be An Opportunity, or BAO Communications, education about how you can be a recovery coach to people, and we're going to be providing that training to all of our managers. And then also Hope for New Hampshire Recovery offers a workplace initiative program where I can provide a phone number to anyone in our company who comes to me and says this has been going on with my family, this has been going on with my friend, and they will do—I think they call it assertive linkage to a recovery center in the State.

I agree, this is about not shutting down people's opportunities. It's about how do we manage and help people to keep those opportunities so that they can get well, versus being ostracized. We feel pretty passionately about that.

Senator SHAHEEN. That's very well said from both of you.

One of the things the Comprehensive Addiction and Recovery Act legislation did at the Federal level was to try to look at some of the forms that are typical that employees fill out when they're applying for a job, or that workers fill out when they're applying for a job, and think about where there are changes that need to be made to that so that it doesn't automatically disqualify you if you had a problem at some point in your life with substance use.

So I do think, as you point out, this is very important for employers to think about because the happier the workforce is, the less concerned they are about their families, about their own personal situation, the more productive they're going to be, and the better the workplace is going to be. So it's something that is really important for all of us to be thinking about.

As I said, we promised we would try and end by noon. I want to again thank all of you for testifying. You've given us a lot to think about and very thoughtful responses to the real challenges that we're facing, and ideas for how to address those and how to keep New Hampshire's economy robust and give people opportunities.

My father always said to me that the best thing you can do for somebody is give them a good job, and I believe that wholeheartedly, and thinking about ways in which we can increase opportunities for people in New Hampshire is really important.

So thank you all very much for what you're doing on a day-to-day basis, and especially for being here.

Let me just close out officially the hearing and let you know that the testimony today will be part of the official transcript of the Small Business and Entrepreneurship Committee. It will be shared in Washington. And as we think about legislation that we should be looking at to address some of these challenges, it will be very helpful as we think about that legislation.

I also want to again point out that we have written testimony that can be submitted. In two weeks anybody can submit written testimony within a two-week period, and we will include that as part of the record of this hearing as well.

Let me also just point out, since Phil brought his show-and-tell reports, I wanted to point out that we have a resource guide that's available I think on the table outside, if you would like it, that is put out by the Small Business Committee, and it's helping New Hampshire small businesses. It's the resources that are available to small businesses in the State as you're looking at the challenges that you face.

So again, thank you all very much for being here. Thank you to the panelists especially for the great ideas and for the work that you do.

I would now like to officially close this hearing.

[Applause.]

[Whereupon, at 12:08 p.m., the hearing was adjourned.]

## **APPENDIX MATERIAL SUBMITTED**

**NEMO Equipment, Inc.**

September 1, 2017

**Zach Williams**  
Special Assistant for Projects and Policy  
Office of U.S. Senator Jeanne Shaheen  
2 Wall Street, 2<sup>nd</sup> Floor  
Manchester, NH 03101

Dear Zach,

Thank you for inviting representatives from NEMO Equipment, Inc. to the U.S. Senate Small Business and Entrepreneurship Committee Hearing related to New Hampshire's Workforce Challenge: Innovative Approaches to Attracting and Retaining Skilled Workers. I found the witnesses' testimonies intriguing, particularly those from the businesses represented (Graphicast, Badger Balm, and Omni Mt. Washington Resort). We would like to add to the testimony provided by the witnesses during the hearing.

NEMO Equipment, Inc. is a small, privately-owned outdoor equipment company with 22 employees located in Dover, NH. We moved from Nashua to Dover in late 2011, in part, to be closer to the seacoast, where our staff of outdoor enthusiasts could more easily access the ocean and surfing, without adversely affecting our access to the mountains. As an outdoor gear brand, our employees live an outdoor lifestyle and embrace outdoor recreational opportunities. Accessibility to outdoor recreational infrastructure including public lands, parks, trails for running and biking, as well as our beloved White Mountains and coastline, is a significant factor for attracting and retaining our talented workforce of engineers, designers, product managers, and sales, marketing, finance, and operations professionals. We believe a strong outdoor recreational infrastructure improves the quality of life in a community or region, and a high quality of life attracts residents, businesses, and the workers employed by those businesses.

According to a July 2017 report by the Outdoor Industry Association, in New Hampshire, outdoor recreation generates \$8.7 billion in annual consumer spending, 79,000 direct NH jobs, \$2.7 billion in salaries and wages, and \$528 million in state and local tax revenue. The report states, "Communities across New Hampshire recognize that outdoor recreation supports health, contributes to a high quality of life and – perhaps most importantly – attracts and sustains employers and families. Investing in outdoor infrastructure attracts employers and active workforces, ensuring those communities thrive economically and socially."

We believe that investment in well-designed parks and trails and public lands enhances a region's quality of life and aids communities and businesses in attracting and retaining skilled workers. Dover has a strong track record of this type of investment, with its commitment to recreation documented in its Recreation Master Plan, and manifested in its many parks and trails. Our employees regularly utilize the Dover Community Trail, Henry Law Park, and Garrison Hill Park for recreation and outdoor enjoyment, as do employees from other local business such as Liberty Mutual and Measured Progress.

Since the company was founded in 2002, our mission at NEMO has been to use our brains and creativity to inspire a respect for our planet and a love of adventure. Though NEMO is a small company, we have an outsized presence in the outdoor industry and are on a strong growth trajectory, due in large part to an authenticity of purpose and culture that cannot be manufactured or reverse engineered. This authenticity has allowed us to attract top talent and retain them; these employees are drawn to an environment where they are empowered to create and participate in a meaningful way.

One important aspect of genuinely living our purpose and making decisions based on our values is that our programs allow employees to get outside, experience adventure, and work to protect our planet—three elements of our purpose intrinsic to NEMO.



- The NEMO *Go Far Program* actively encourages employees to get outside and use our gear. NEMO pays a daily stipend to employees using NEMO gear domestically or internationally, and only asks that employees share a recap of their adventures and some photographs upon their return. This popular benefit simultaneously rewards employees for being part of the team, and keeps our team intimately familiar with the experience of camping out and exploring wild places. This intimacy with the outdoors continually distinguishes NEMO as a designer of some of the most innovative gear for outside adventures.
- NEMO's commitment to protecting the people and places that make adventure possible means that we actively encourage employees to get involved in conservation efforts and activities that minimize our impact on the planet. NEMO's *Go Help Program* provides each employee with 16 hours of paid time annually to engage in community service and/or volunteer work. Additionally, many of our employees are personally motivated to give back, and we allow them an outlet for their energies through organized sponsorships of organizations such as the Southeast Land Trust, The Conservation Alliance, and the Society for Protection of New Hampshire Forests. We have a self-organized working group that shares local events, helping us stay educated and involved in efforts that help to protect our planet.
- Outdoor gear is sometimes a big investment, so we make sure our employees have the gear they need to embark on adventures. Employees can purchase NEMO gear including tents, sleeping bags, sleeping pads, camp furniture, and portable camp showers at cost for personal use, family and friends. They have access to try and test samples and prototypes of NEMO gear at any time.

Other approaches we have taken to ensure that we can attract and retain our staff include:

- An open paid time off policy that encourages our employees to take the time they need to take vacation, develop interests, recover from injury or illness, and spend time with friends and family.
- A dog-friendly office in which all well-behaved dogs are welcome.
- Celebrating the births of babies into the NEMO family with many congratulations and by purchasing top-of-the-line child carrier backpacks to help the family get out and enjoy being active together.
- Encouraging our team to bond and enjoy outdoor adventures through a variety of NEMO-sponsored and paid adventures throughout the year, including an annual ski day; annual hiking/camping trip; team-building ropes course; and ad hoc canyoneering, mountain biking, ice climbing, fishing, surfing and hunting trips throughout the year. We also provided access to free ski lift tickets at Jay Peak for the 2016/2017 season.

Thank you for the opportunity to share a little about our culture, our practices, and our beliefs. We are hopeful that these examples may inspire and assist other businesses in their efforts to meet the challenges of attracting and retaining a qualified workforce in today's business climate. We are fortunate to live and work in a state with such a diversity of natural assets for outdoor recreation, and in a community that values and invests in outdoor recreation. We will continue to promote and leverage these assets to attract and retain our workforce as we grow our business.

Respectfully,

Brent Merriam  
Vice President/Outdoor  
NEMO Equipment, Inc.