



TEXAS CHEMICAL COUNCIL

SENATE EDUCATION COMMITTEE

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Written Testimony
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Madame Chair and Members, thank you for the opportunity to provide testimony today on the need for career and technology education programs in our state to meet our economic and workforce needs.

The Texas Chemical Council represents 74 chemical manufacturers operating more than 200 manufacturing facilities across the state. Since World War II, the chemical industry has been an important economic engine for Texas and is the state's largest industry export with over \$30 Billion in products exported each year. The Texas chemical industry has over \$50 Billion in physical assets in the state, employs over 70,000 Texans directly and provides more than 400,000 indirect industry jobs in the form of suppliers, contractors, and service providers within the industry. Our industry pays more than \$1 Billion in state and local taxes each year and our member companies are often among the largest investors in their local community ad valorem tax-base.

The chemical industry is one of the state's largest employers of engineers, chemists and skilled craftsmen. We have strong concerns about the shortage of qualified skilled workforce to meet the increasing industry demand. This workforce shortage creates costly challenges for both our industry and for the state in that it impacts future capital investment and economic development in Texas. Between 2005 and 2015, the petrochemical industry expects to invest more than \$20 Billion in new facilities, expansions, and capital improvements in Texas. Most of this investment is in the Golden Triangle region of the state, but there is also significant investment going into the Houston Ship Channel, Coastal Bend, and South Texas regions. In 2007, more than 50,000 skilled craft workers were needed to meet industry's construction and turnaround schedules across the US Gulf Coast. In 2008, it is forecast that the number of skilled craftsmen will exceed 60,000. There were more than 10,000 new skilled workforce jobs in Texas in 2007 and the number continues to grow in 2008. In 2009, estimates indicate a demand for 15,000 new skilled workers at Texas petrochemical facilities.

Manufacturers and contractors are scrounging for qualified skilled workers. They are working closely with city and community leaders, regional economic development organizations, and directly with local high schools to recruit potential workforce. Industry is offering skills training to high school graduates right out of school. If skills training were offered in schools, many students would have careers waiting for them as soon as they graduate. However, in addition to training delays, our industry is finding it increasingly difficult to find high school graduates that can pass a required drug test and criminal background check.

Our industry offers great paying jobs. The average salary within the chemical industry is approximately \$75,000. Workers receiving certified skills training can start-out making anywhere from \$15 - \$25 per hour. Experienced skilled workers at our facilities can quickly earn salaries in excess of \$60,000. The demand for qualified welders is so high that newly certified welders are being offered up to \$40 per hour. These non-degreed skilled workers who work within our industry can often earn higher incomes than many first year college graduates.

Please understand that the chemical industry is a high tech industry, and we prize higher education and employ thousands of the brightest engineers, biologists, and chemists across the country. However, the shortage of skilled workforce is becoming such a problem that it is forcing companies to rethink where they should make their investments. If my member companies can't secure the workforce necessary for new facilities, expansions and turn-arounds, our Texas facilities are unable to compete with other states or even countries who have trained workers available. Securing investment dollars can affect the longevity of all jobs at a manufacturing plant as well as tax-base to the state.

It is great that we place a priority on college readiness, but we must be careful not to abandon the large number of students that have no desire to pursue a college career or will not graduate. Our industry feels it is important that our public school system provide education, training, and counseling for non-degreed career opportunities. Additionally, we feel career and technology courses with applied math and science components should provide students with necessary credits required for graduation. We feel this will provide an incentive and alternative to non college bound students and at-risk students to stay in school, stay away from drugs and out of trouble with the law. As we see drop-out rates increase, it is important to recognize the warning signs and provide a more diverse curriculum that meets the interest and achievement potential of all our children, and not only those that do pursue a college degree.

I applaud the Legislature for recognizing the need for career and technology education in our public school system. Our industry stands ready to work with you to address this important problem for now and the future.