

STATE OF CONNECTICUT

OFFICE FOR WORKFORCE COMPETITIVENESS

October 5, 2009

The Honorable John A. Kissel
Co-Chair, Legislative Program Review and
Investigations Committee
State Capitol, Room 506
Hartford, CT 06106

The Honorable Mary M. Mushinsky
Co-Chair, Legislative Program Review and
Investigations Committee
State Capitol, Room 506
Hartford, CT 06106

Dear Senator Kissel and Representative Mushinsky :

I am writing in response to two reports that will be the topic of the Legislative Program Review and Investigations Committee's public hearing scheduled for October 6, 2009. While OWC will not be providing formal testimony at that time, we wish to acknowledge and applaud the exceptional work of the Program Review Committee's staff for their comprehensive overview of two critically important, interrelated and often misunderstood policy topics; topics that this office has long believed to be essential to the sustainability of Connecticut's quality of life.

We view the two reports, *Postsecondary Education and Employment* and *Connecticut's Economic Competitiveness in Selected Areas* as complimentary and reinforcing volumes that bring focus to the critical and complex challenges affecting Connecticut's competitive position in the 21st century global marketplace. Taken together, we found the reports to be insightful, comprehensive, and certainly consistent with the views, ideas and recommendations that have come out of this office for almost a decade. We can add little more to the discussion beyond what our reports and proposals have already laid out.

Our assessment of Connecticut's competitive challenges over the next twenty years has been consistent for the past nine years. Simply stated:

On the one hand:

- Because of geography and regional markets, the cost of production in CT is higher than most other states and that will always be the case;
- Connecticut's competitive edge has always been in its value-added productivity – making more, faster, better and at less cost;
- Higher productivity is created through invention and innovation (Yankee Ingenuity) – from the cotton gin to the assembly line to the transistor to the microchip, the application of technology provides the competitive edge that compensates for high costs of production and transforms a labor-based economy into a tech-based economy;
- Tech-based economies must stay in the race when it comes to technological advancements and innovation; state-of-the-art research and development is fundamental with academic institutions and in industry working in partnership to stay ahead of the pack;
- Tech-based economies are fueled by the growth and interplay of small companies that are agile and responsive to a fast-moving tech-driven marketplace and adapt the new innovations and inventions into commercial products and new enterprises; they are the real producers of jobs that pay a wage equal to the cost of living;
- Greater advancement and adaption of technology requires the availability of talent with increasingly higher skills and competencies – which means stronger STEM and reading achievement levels in our future workers; our students;
- Tech-based economies must be supported by public policy and incentives that create an environment that nurtures creativity, innovation and risk-taking; growing 21st century talent applies equally to government policymakers and business leaders who are aware of the integral and fragile connections between generating 21st century talent and supporting a competitive economy in a global marketplace.

On the other hand:

- Because of geography and regional markets, the cost of consumption in CT is higher than most other states and that will always be the case;
- Connecticut's population growth has been negligible over the past decade;
- Connecticut is one of the oldest states in the nation with respect to median age of its population;
- Connecticut has more households without school-age children than households with school-age children;

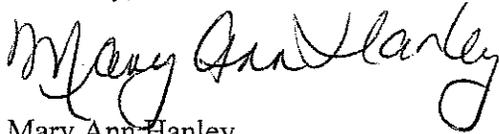
- In order to afford a home and raise a family in CT, some post-secondary education and training is a must in order to secure the necessary income;
- The largest proportion of our future workforce entrants over the next 20 years will be coming out of our urban centers;
- Connecticut's educational achievement gap is the widest in the nation, student mastery of science and math is well below international standards and non-credit remedial programs put a serious drain on our talent pipeline after high school;
- Connecticut is still a net exporter of college students (often our best and brightest) and graduation rates are disturbing at best, especially in our urban centers -- where our future workforce lives;
- Broad based public policy supporting a tech-based economy has been haphazard and inconsistent and never at the level of commitment required to spark scalable innovation in any given area of promise (stem cell research comes the closest but it is confined to only two Connecticut institutions -- moreover, the research funding in the stem cell area took the wind out of any commitment to new efforts like nanotechnology -- which is the future of manufacturing; which was and still could be the backbone of Connecticut's economy);
- Government structure (executive and legislative) is based on a 1950s model -- built vertically, in discreet silos (departments and committees). This model impedes the ability to identify and aggregate programmatic assets laterally -- across agencies -- or to engage in any integrative approach to making investments. Growing skilled talent and building an environment supportive of innovation, twin necessities for competing in a 21st century marketplace, are not independent issues. Yet multiple departments and independent legislative committees are organized around pieces of the issue. (The initial decision of the Program Review Committee to authorize two separate reports on issues that are in fact two sides of the same mountain, illustrates this -- that fact that staff appeared to have worked together in developing the reports is exemplary);
- The structure and schedule of the education system is worse -- the "school year" continues to revolve around the 18th century cycles of planting and harvesting and the daily operation resembles the 19th century industrial model -- moving product (students) from station to station (even using a bell like on the shop floors of old).

These findings and observations are all supported by data and have been documented and submitted to the legislature and Governor; the full list of publications and reports is included as an appendix to the **Postsecondary Education and Employment** report. It is important to note that in the course of raising these issues and concerns, we have also consistently cautioned that there is no one to blame for where we now find ourselves. These issues are a function of demographic, economic and technological changes that are moving the entire globe into another age; the information age. We are literally all in this together. We are, however, all to blame if, knowing the challenges, we fail to adjust. Not just adapt; but to adjust.

I have to tell you that there is a heavy sense of irony when looking at our office's capacity today juxtaposed to the findings in the two reports you are about to consider. But the affirmation of our work reflected in the findings was at the same time reassuring. We are hopeful that the complex and inter-related issues around growing 21st century talent and stimulating a tech-based economy will get the serious and sustained attention and consideration that is required. These are not matters for discussion at one meeting, one hearing, one legislative session or even one biennial budget cycle. The solutions are not off-the-shelf; they require study and analysis that lead to transformative policies and informed investments. Most importantly, they require the political will to stay with the mission over the long haul. Those states that adjust will succeed; those who simply adapt will be risking nothing less than the quality of life of their citizens.

As always, we stand ready to help move this important agenda forward with you in any way you see helpful.

Sincerely,

A handwritten signature in cursive script that reads "Mary Ann Hanley". The signature is written in dark ink and is positioned above the typed name.

Mary Ann Hanley
Office for Workforce Competitiveness