



Testimony on HB 6350, CT Department of Labor Budget  
February 20, 2103

Provided by Tom Phillips, President and CEO, Capital Workforce Partners  
on behalf of the Connecticut Workforce Development Council

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Good evening. My name is Tom Phillips and I am President and CEO of Capital Workforce Partners, the North Central Workforce Investment Board. I am here tonight on behalf of the Connecticut Workforce Development Council (CWDC). The CWDC, comprised of the state's five Workforce Investment Boards (WIBs), leads a coordinated statewide workforce development system which strives to meet the current and future needs of the state's businesses by building a competitive workforce through education, training and job readiness opportunities.

Connecticut's Workforce Investment Boards (WIBs) have a track record of performance and innovation in serving the people and the businesses of the state. We are the state's best resource to:

- Address the job readiness and training needs of the long term and newly unemployed;
- Help employers match their job openings today and in the future to qualified candidates; and,
- Connect youth to career pathways and work experiences that will sustain our state's competitiveness.

In an effort to support a skilled workforce, we implement programs serving youth, unemployed adults, and dislocated and incumbent workers in collaboration with the CT Department of Labor (CTDOL). By putting people to work, the workforce system helps to create new taxpayers, increases consumers who buy goods and services stimulating our local economies and reduces costs to publicly funded safety net services. For this reason we were both pleased and concerned by the Governor's proposal for investments and cuts to the CTDOL budget.

The mission of the CTDOL is to protect and promote the interests of Connecticut's workers and assist workers and employers to be competitive in the global economy. Investments called for in the Jobs First Employment Services Program which serves over 12,000 time limited TANF adults and the Youth Employment Program which serves approximately 5,000 youth will help to do just that. We urge your support of these programs as proposed in the Governor's budget.

Unfortunately, the elimination of the Incumbent Worker Training program line item and the streamlining and cutting of the Jobs Funnel Program will have the opposite effect leaving employers without the skilled workers they need in areas such as construction, manufacturing and healthcare.

The Connecticut Department of Labor estimates that 48% of our state's labor market consists of middle-skilled jobs, including such occupations as nurses, automotive mechanics, general maintenance and repair workers, and carpenters; however, only 40% of our state's workers are likely to have the necessary training for these jobs. And in the future with the demographic changes this situation will worsen. Middle-skill jobs are those that require more than a high school diploma but less than a bachelor's degree.

Incumbent worker training (IWT) is one important method to filling in this training gap. IWT is designed to upgrade skills of existing middle-skill workers or to advance low-skill workers into middle-skill jobs. Ensuring opportunities are created through the IWT to enhance middle-skill occupations is particularly important because these are well paying opportunities that support economic self-sufficiency. Demand for middle-skill workers will remain strong – by 2018 42% of all jobs will be middle-skill compared to 36% high-skill and 21% low-skill.

IWT is a collaborative training, education, and skills development program among employers and the local workforce development system for those in need of basic and/or technical skill development. This program not only increases the skills of existing workers resulting in increased wages and promotional opportunities but also opens up job opportunities for new hires. As part of the program, employers are expected to report an increase in skill level, demonstrate movement for employees through career pathways, and document measured savings and increased productivity. The WIBs are well positioned to deliver these services locally through their relationships with chambers of commerce and business associations.

In fiscal year 2011-2012, the state allocated \$450,000 in the IWT line item administered by the CTDOL and implemented by the five WIBs. These resources provided training to over 2000 employees with 98 employers. The state funds are usually fully obligated within six months due to the heavy demand from employers. Employers are investing in the program by providing hundreds of hours of release time for their employees and by matching funds. In 2011-2012, employers invested \$1,152,835 in incumbent worker training—more than doubling the state's investment!

***The elimination of this program is counter to the state's desire to help individuals and businesses stay competitive, especially with our neighboring states of Massachusetts and Rhode Island which invest \$19.9 million and \$1.7 million respectively in incumbent worker training.***

We are also deeply concerned by the proposal to streamline the Jobs Funnel Program with 3 other programs operated by the CTDOL into the new Employment Services line item and the cut by \$200,000. The statewide Jobs Funnel programs have been critical to ensuring that residents of the CT's cities in particular have the skills needed to fill job opportunities in the construction and green energy fields. As the state proposes increased construction activity, along with the Governor's Energy Plan, job opportunities will follow for current and future workers. Jobs Funnel Programs make sure the labor force is ready to take advantage of these opportunities.

The Jobs Funnel is a coordinated system of outreach and recruitment, assessment, case management, pre-employment preparation, job training and retention services for individuals seeking employment. Since 1999, Jobs Funnel Programs have been uniting community groups to combine their strengths toward the creation of a strong service delivery system for the construction and related trades. The Funnel has helped thousands of individuals learn the skills required to embark on their career journey. For example in Fiscal Year 2011-2012, the North Central Connecticut and Waterbury Job Funnels provided services to over 450 individuals with 212 getting jobs in the construction industry and another 32 in non-construction jobs.

We support program alignment and the efficient use of resources. However, we do not believe the proposed streamlining will achieve these goals but rather cuts vital resources to programs which lead to good jobs. ***We believe the Jobs Funnel program should remain as a separate line item at the current \$425,000 funding level.***

I urge you to reconsider the cuts and streamlining in the CTDOL budget. It is critical that we move forward in building the economic competitiveness of our businesses and workers. These cuts will slow that progress.

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On behalf of the CT Workforce Development Council, contact William Villano, Director of the Workforce Alliance at 203-624-4030 or [wvillano@workforcealliance.biz](mailto:wvillano@workforcealliance.biz)