



Higher Education and Employment Advancement Committee

SB 868 An Act Targeting State Financial Aid to Support Technical Training

Amy Miller, Program & Public Policy Director, Connecticut Women's Education and Legal Fund

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My name is Amy Miller and I am the Program & Public Policy Director of the Connecticut Women's Education and Legal Fund (CWEALF). CWEALF is a statewide non-profit organization dedicated to empowering women, girls and their families to achieve equal opportunities in their personal and professional lives. For decades we have advocated for strategies to increase access for girls and women to post-secondary education opportunities that pay a living wage. Today, I am here on behalf of the Campaign for a Working Connecticut.

The Campaign's mission is to promote the state's economic competitiveness through the development of sustainable, effective workforce solutions to increase workers' skills and advance families to self-sufficiency. The Campaign is a unique and diverse state-wide coalition, which includes over fifty members consisting of education and training providers, workforce investment boards, advocates, unions and chambers of commerce.

The Campaign urges your support of SB 868 An Act Targeting State Financial Aid to Support Technical Training.

SB 868 would allow eligible individuals to receive state financial aid and apply it toward non-degree courses and/or certificate programs at community colleges which lead to an industry recognized credential. This bill addresses a gap in the current funding available to those who are taking their first step onto career pathways.

There is a tremendous need for people with skills and knowledge which can be acquired through these programs. In a survey of Connecticut employers, 82% of those surveyed said they have difficulty finding qualified middle-skill workers in their industry, with the greatest challenges in skilled professionals/technicians and skilled machinists and other manufacturesⁱ. Middle-skill jobs are positions that require more education or training than a high school diploma but generally less than a four-year degree. Middle-skill jobs in managerial, professional and technical positions have replaced labor jobs as the backbone of many important industriesⁱⁱ. In 2009, about 41% of all Connecticut jobs were classified as middle-skill, but only 37% of the state's workers likely had the credentials to fill them.

And this isn't just a momentary situation. 245,000 openings in the "middle-skill" job market are projected for the state by 2016. While the openings signal new opportunities for Connecticut's workforce to help the state exit the recession, the growing concern is that there will not be an adequate number of skilled Connecticut workers to fill these positions.

To illustrate the kind of jobs I'm talking about, they include phlebotomists, nursing assistants and home health aides, emergency medical technicians, machinists, dental assistants and welders. These are local, hands-on jobs, meaning they are unlikely to be outsourced to other countries. Many of these are also good-paying--paying at or above individual median annual earnings for the state. They are also jobs reflective of the new economy, such as careers in advanced manufacturing and clean energy.

Currently individuals seeking non-degree technical training cannot receive financial aid even if they would otherwise qualify. While the cost of receiving a certificate or taking non-degree courses is often cheaper than enrolling in degree coursework, it is still a significant investment. For example, a one-year manufacturing certificate program costs \$7,050 at Asnuntuck Community College.

Over the next decade - due to retirement and projected education attainment - the proportion of low-skilled workers in Connecticut's workforce is likely to increase at the same time that the percentage of middle-skill workers is projected to decline. This means the gap will only become deeper if something is not done about it. As a result we are likely to see grave shortages in critical occupations, significantly limiting CT's potential for economic competitiveness.

With Connecticut maintaining high unemployment in the state, 8.6% but as high as 10.7% in Waterbury, the recession is precisely the right time to develop a strong middle-skill workforce. Economic downtime in Connecticut should be used to invest in training such as proposed in SB 868. Access to these training opportunities can assist many unemployed or underemployed individuals in getting training to meet the demands of middle skill jobs. And the costs outweigh the benefits. For example, to receive a phlebotomy certificate, the cost is approximately \$1,400. The person can then earn an average of \$33,000 annually in Connecticut (CT Department of Labor, 2011 data). These are short-term programs (4 months) that have a high demand increasing the likelihood of the person quickly making a return on investment by contributing to the local economy.

Connecticut must ensure that its workforce has the necessary education and training to meet not just current but future labor demands. When we talk of "future labor demands," policymakers tend to go straight to K-12 or high school to college conversations. Though these are important discussions, we need to take a hard look at the data on "who is CT's workforce of the future." It turns out – based on population tables – that about two-thirds of the workforce of 2020 is already in the workforce today--long past the traditional high-school to college pipeline.

While we support the underlying concept of the bill, we would like to suggest some changes to the language. For instance, given the Governor's proposed cut to the state financial aid budget, we suggest that instead of requiring one million be directed toward the scholarships that instead we allow for up to \$500,000 per year to be used toward these certificates. Additionally we would like to expand the list of industry-recognized certificates or credentials to include transportation and energy in addition to health care and manufacturing. Attached to my testimony is additional sample language we believe would strengthen the current proposed bill.

If we are to realize CT's full economic potential, educational access must reflect the demands of a 21st-century economy and the realities of the 21st-century workforce. A four-year degree is not the only ticket to a stable economic future in Connecticut. SB 868's emphasis on training programs and community colleges recognizes the importance of a range of training opportunities.

Connecticut's economic success ultimately will depend on its ability to consistently produce a highly skilled workforce with the prerequisite basic and technical skills needed for the 21st century economy. The state must invest in training, education, and skills development programs for those in need of technical skill development. Without these skills, many individuals will be unable to meet the growing technological needs of their employers in the knowledge economy.

ⁱ Connecticut Workforce Development Council. , & Campaign for a Working Connecticut (n.d.). *The importance of today's incumbent worker training for Connecticut's competitive future*. Retrieved from http://www.campaignct.org/assets/uploaded/IWT-factsheet_334927.pdf

ⁱⁱ Atkinson, R. D., & Andes, S. (2010). The 2010 state new economy index. Retrieved from <http://www.itif.org/files/2010-state-new-economy-index.pdf>