

Executive Nomination Testimony of Labor Commissioner Sharon Palmer February 11, 2015

Good Morning/Afternoon,

Co-Chairs: Sen. Bob Duff; Rep. Claire Janowski

Ranking Members: Sen. Robert Kane; Rep. Cecilia Buck-Taylor

My name is Sharon Palmer, and I am the Commissioner of the Labor Department.

I first testified before this committee in 2013, when I had been on the job for all of 4 months. I was a veritable “newbie” at that time, and I spoke about the expectations that I envisioned for the agency. Today, I am honored to be reappointed by Governor Malloy, and pleased to report back – as a veteran of over 2 years – that my expectations have been fully realized, and that the important work of this agency continues to be done. I would like to share some of the highlights of my tenure with you today.

As you undoubtedly know, the current state of the budget poses some challenges to the delivery of our services. However, the majority (85%) of the Department’s budget is federally funded. As the agency has done in the past, new and innovative programs have been developed to provide essential services. **Unemployment Insurance** continues to be the lifeline for many residents who are out of work

through no fault of their own. Although the staggering volume of claims of 3 years ago has subsided, UI remains the primary source of financial support for over 60,000 people who file claims each week. The 2 Unemployment Call Centers were able to successfully process ~900,000 phone calls from the public in the past year; and over \$700 Million Dollars was paid in regular (State) UI benefits.

As you also may know, with the increase in unemployment filing in recent years, there was likewise a proportionate **increase in fraudulent filings** of UI claims for benefits. The agency has emphatically ramped up efforts to combat fraud by:

- creating a special unit within the Chief State's Attorney's Office to prosecute egregious cases of UI fraud;
- pursuing wage garnishments and intercepting federal and state income tax refunds; and by
- conducting surveillance to restore the integrity of the UI system.

Last year, the agency established over \$27 Million dollars in fraudulently filed UI benefits.

Simultaneously, the agency is vigorously combating cheating in the bidding process by attempting to level the playing field free from **misclassifying employees** as independent contractors in such fields as construction and healthcare.

I am also very proud of **STEP UP (Subsidized Training and Employment Program)**, and **STEP UP for VETS**, two initiatives which offer subsidized wage and manufacturing training opportunities to Connecticut businesses looking to grow their companies. Recent legislation [P.A. 14-38 § 3(e)] has provided additional opportunities for eligible Small Businesses or Manufacturers to apply for **Apprenticeship Training** for a STEP UP grant to subsidize on-the-job training for eligible “pre-apprentice” applicants. The Step Up Initiative has helped nearly 700 small businesses create nearly 3,000 jobs since its inception in 2012.

In collaboration with the Community Technical Colleges, DECD and the Departments of Education and Higher Education, the CTDOL has dedicated itself to the ongoing process of **career development**. Whether a person is seeking a new job, looking for a better position, or thinking about making a career change, our job services are available to anyone visiting an *American Job Center*. The majority of our services are offered at no cost, including recruitment events, job fairs and labor market statistics, programs for employer tax credits, incentive programs and recruitment assistance. My personal goal is to break down the silos of government, and provide a coordinated approach to innovation and growth.

Specifically, the state's Workforce Investment Board – housed in the Labor Department and known as the **CETC [CT Employment and Training Commission]** – continues to work with the **5 Regional Workforce Investment Boards** to promote business growth, strengthen the skills/credentials of the existing workforce and develop future talent to meet the needs of the CT economy. Toward that end, CETC brings together a cross-section of partners from the business sector, government, non-profit industries and other stakeholders to address the workforce challenges that currently face CT employers, workers and families.

The Labor Department is actively involved in developing an educated and prepared **STEM Workforce** which cultivates the talent needed in the high growth industries requiring **Science, Technology, Engineering and Math**. The Department is coordinating efforts with Higher Education to impact the STEM pipeline for the future.

The CTDOL also expended ~\$700,000 Dollars in **Incumbent Worker Training** funds for the purpose of entering 88 contracts with CT employers affecting over 2,000 employees. The CTDOL has also worked with employers to provide training programs in the **Manufacturing, Allied Health, and Green Technology** sectors.

CT's **Summer Youth Employment Program** served over 3,000 young people in 2014. Over \$4½ Million Dollars was expended to providing our youth with job services – this averages to ~\$1,555 per youth served. The overwhelming demand for programs of this nature is highlighted by the fact that over 4,000 eligible applicants were wait-listed this past year, meaning that 57% of all eligible applicants were turned away from services in 2014.

Finally, under the auspices of CETC, the CTDOL has designated funding for the **Jobs First Employment Services [JFES]** to implement an I-Best [Integrated Basic Education and Skills Training] pilot program that provides vocational skills training simultaneously with adult basic education. This initiative made available nearly 500 training slots for both pilot years.

Thus, as you can see, the Labor Department is a multi-faceted agency committed to assisting employers and workers to become competitive in an ever-changing global economy. Make no mistake about it, many challenges lie ahead for this agency. There is still much work to do in the areas of employment, education and training. However, with your help, I am excited and willing to meet these challenges head-on.

Thank you; and I'm happy to answer any questions you may have...