
OLR Bill Analysis

sSB 535

AN ACT ESTABLISHING THE APPRENTICESHIP CONNECTICUT INITIATIVE AND CONCERNING ECONOMIC DEVELOPMENT AND MANUFACTURING BONDS FOR SUBMARINE FACILITY CAPITAL IMPROVEMENTS.

SUMMARY

This bill authorizes up to \$50 million in general obligation (GO) bonds and requires the Department of Labor (DOL) to use the proceeds to fund a new Apprenticeship Connecticut initiative that develops workforce pipeline programs to train qualified entry-level workers for jobs with manufacturers and employers in sectors experiencing workforce shortages. The bill requires the program to include, where practicable, outreach to underserved populations, including youth, to successfully complete the program and support the state's economic development.

The bill requires the DOL commissioner, by January 1, 2019, to issue a request for qualifications (RFQ) to solicit proposals for the program from regional industry partnerships. It establishes the RFQ's required components and, among other things, requires the commissioner to select proposals to achieve a goal of at least 10,000 individuals placed in new jobs over the program's first four years. The bill caps at \$20 million the amount of funds any one partnership may receive in total funding.

The bill requires each regional workforce development board to submit to the General Assembly, before the RFQ's submission deadline, a report indicating its region's most pressing workforce needs and the industry sector or sectors with the greatest needs.

The bill also earmarks \$100 million in existing Manufacturing Assistance Act (MAA) bonds and requires the Department of Economic and Community Development (DECD) to use the proceeds

to provide grants to an eligible submarine production company. It requires the company to use the grants to (1) purchase land, buildings, machinery, or equipment; (2) make site and infrastructure improvements; and (3) pay planning costs.

EFFECTIVE DATE: July 1, 2018

APPRENTICESHIP CONNECTICUT

Regional Industry Partnerships

By January 1, 2019, the bill requires the DOL commissioner to issue an RFQ soliciting proposals from regional industry partnerships for workforce pipeline programs serving the workforce needs of manufacturers and other employers in the region.

Eligible partnerships may include entities, organizations, or institutions that support the partnership's and initiative's goals and must include:

1. entities and organizations with expertise in regional economic and workforce development, including those offering apprenticeship or other workforce training programs;
2. the regional workforce development board for the applicable region; and
3. at least one educational institution (e.g., a vocational-technical school or higher education institution) or employer in the region.

Core Components

The bill requires each proposal to include the core components described below.

Targeted Goal, Training Needs, and Sectors. Each proposal must demonstrate the targeted goal of preparing qualified entry-level workers for careers providing a living wage. It must also identify the region's most pressing workforce needs and the industry sector or sectors with the greatest needs, which were reported by the workforce

development board to the General Assembly.

Recruitment, Screening, and Assessment of Participants. The proposals must include recruitment and outreach efforts and a screening and assessment process for participants. The screening must assess individuals' work readiness, aptitude for the relevant work skills, and other metrics the partnership specifies or DOL recommends. Those determined not to be suited for the program must be redirected to or connected with alternative career resources or services available to state residents that may be better suited to them.

Training Programs. The proposals must include separate training programs, one for participants who are in 11th or 12th grade and another for those who are at least 18-years-old and not currently enrolled in 11th or 12th grade. The training programs must last between 5 and 26 consecutive weeks and be provided by partnership members or with help from other identified parties. They must be periodically developed and revised through ongoing consultation with employers targeted for job placements.

At least one program offered for each age group must be provided through a certified pre-apprenticeship program offered by DOL. Other programs may (1) include a pre-apprenticeship component or (2) award industry-recognized certificates, as proposed by the partnership.

Job Placement. Each proposal must include a mechanism for placing selected participants who successfully complete the training program with an employer identified by the partnership. The selected employer must commit to hiring one or more participants and may offer additional on-the-job training or other in-house training opportunities. The partnership must seek to leverage any such employer training or opportunities, apprenticeship programs, DOL's subsidized training and employment program, and other wage-subsidy programs with such employers, and may seek program funding for retention services.

Duration. The workforce pipeline programs must last at least four

years.

Resources. For each program core component, the partnership must identify the existing resources available to it from the following sources: the regional workforce development board, the U.S. DOL's American Job Center system, the state DOL, employers, apprenticeship or other workforce training programs, state educational institutions, and other public or private sources. If the partnership proposes using program funds for any core component, it must demonstrate for each component that (1) there will be leveraged funding support from existing resources and (2) using program funds for such purposes will not affect the availability of the existing resources.

The bill limits the partnerships' use of program funds as follows:

1. up to 70% for training programs;
2. up to 20% for program support services, including recruitment and outreach, screening and assessment, transportation, stipends, workplace tools or equipment, and preemployment supports; and
3. up to 10% for other purposes, including administrative costs.

The bill also authorizes the partnerships to (1) leverage tuition or financial assistance programs for workforce pipeline programs and to benefit program participants and (2) pursue charitable and employer investments to meet the program's hiring goal and support the retention of program participants.

Selected Proposals

The bill requires the commissioner to review all qualifying RFQ responses and select as many proposals as he deems to be well-planned and submitted by partnerships capable of implementing them. He must select proposals so as to achieve a goal of at least 10,000 individuals placed into new jobs over the program's first four years, one-third of which must be in the 11th or 12th grade and two-thirds of which must be at least 18-years-old and not currently enrolled

in 11th or 12th grade.

Awarded Funds

The commissioner must award funds to the selected partnerships in proportion to the magnitude of their region’s workforce needs, relative to the other regions’ comparable needs. He may also (1) weigh the distribution according to the partnership’s proposed total cost per program participant (that the commissioner deems reasonable) and (2) give preference to a partnership with a lower per participant cost.

The bill caps at \$20 million the amount of funds any one partnership may receive in total funding. It also requires the commissioner to (1) reserve, from any awarded funds, an amount sufficient to support the use of DOL’s certified pre-apprenticeship program and (2) transfer the reserved funds to the appropriate DOL account to be used for such purpose.

ELIGIBLE SUBMARINE PRODUCTION COMPANY

The bill earmarks \$100 million in existing MAA bonds and requires DECD to use the funds to provide grants to a company that:

1. designs, builds, and supports submarines for the U.S. Navy;
2. has a production and engineering facility in Connecticut before July 1, 2018;
3. plans to expand submarine production in response to increased demand from the U.S. Navy; and
4. has a parent company in the aerospace and defense industry.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable
Yea 44 Nay 7 (04/05/2018)