

Finance, Revenue and Bonding Committee

JOINT FAVORABLE REPORT

Bill No.: SB-535

AN ACT ESTABLISHING THE APPRENTICESHIP CONNECTICUT INITIATIVE
AND CONCERNING ECONOMIC DEVELOPMENT AND MANUFACTURING

Title: BONDS FOR SUBMARINE FACILITY CAPITAL IMPROVEMENTS.

Vote Date: 4/5/2018

Vote Action: Joint Favorable

PH Date: 4/2/2018

File No.: 631

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SPONSORS OF BILL:

Introduced by:

Finance, Revenue and Bonding Committee

Co-sponsors:

Sen. Catherine A. Osten, 19th Dist.

Rep. Christine Conley, 40th Dist.

REASONS FOR BILL:

In an effort to meet the demands in the training and skills needed in advanced manufacturing this proposal seeks to develop workforce pipeline programs in these fields as well as dedicate economic development and manufacturing bonds for capital improvements to a facility located in the state that is engaged in the design, construction and lifecycle support of submarines for the United States Navy.

RESPONSE FROM ADMINISTRATION/AGENCY:

None

NATURE AND SOURCES OF SUPPORT:

State Senator Cathy Osten, 19th District

The senator offered testimony in favor of this proposal noting that it continues the trend of investing in the state's defense manufacturing jobs. She also pointed out that southeastern Connecticut was the hardest hit region of the state as a result of the great recession. The investments outlined in this legislation will have a tremendous impact in the training and development of the skilled workforce needed to meet the growing demands of Electric Boat

and their 446 suppliers. Sen. Osten stressed that it is imperative to Connecticut's economy that we support Electric Boat's future growth and assist their local supply chain to continue to thrive in our state.

Peter M. Gioia, Connecticut Business and Industry Association

According to Mr. Gioia Connecticut has made great progress over the past several years in recognizing and moving towards its potential to return to a position of national and even global prominence with respect to manufacturing. There is also a clear connection between the quality and quantity of apprenticeship programs and our ability to fill the open manufacturing jobs. SB 535 is one of several bills that would help solve the vexing challenge of closing the gap between employers and job seekers. Several state, regional and local programs and partnerships have, and continue to develop with the mission of increasing Connecticut's manufacturing workforce. CBIA is partnering with many agencies and organizations involved with these programs and partnerships to help facilitate a "scaling-up" such that they can be even more productive and successful. As that work continues, CBIA looks forward to working with the legislature to retool the jobs pipeline and fill these 13,000 career and family-sustaining jobs. Even as this legislation ponders the creation of a new initiative, CBIA urges the committee to be mindful of the critical role that the state's technical high schools, community colleges, and the advanced manufacturing centers play in Connecticut's career pipeline—particularly the youth and underserved populations this bill speaks of. To that CBIA asks that as the bill goes forward, manufacturers be included in the negotiations so that they can help shape and inform the work of the committee.

Glenn Ford, President, Phoenix Manufacturing

Mr. Ford expressed strong support for the bill noting that it works towards solving the root cause which has depleted the state's manufacturing talent pipeline. The proposal clearly supports skill-based manufacturing training necessary for future workers as they enter into the high-tech manufacturing workplaces of today. He also notes that as CT lost focus on replacing folks in advanced manufacturing, the stress of not improving workforce talent will result in losing advanced manufacturing jobs to other states, and as a result, exacerbate the state's fiscal challenges. He believes this legislation is critical in supporting not only manufacturing growth but also sustainability. It requires taking action on this complex issue and Phoenix believes this initiative is the step in the right direction.

Connecticut Center for Advanced Technology, Inc.

CCAT expressed strong support for the model proposed in this bill that establishes the Apprenticeship Connecticut Initiative as a resource that will develop robust accelerated skills-based programming to train pre-screened applicants for entry level jobs in manufacturing. CCAT also believes that this bill clearly supports the imperative manufacturers in CT are facing to develop an entry-level workforce pipeline that provides opportunities for on the job training specific to their needs. CCAT does suggest that the legislation consider eliminating the reference to a Request for Qualifications from the bill (lines 10 and 26). The inclusion of this process may result in unnecessary delays, especially since the proposed legislation clearly states the requirements for approved partnerships and therefore a Request for Proposal will suffice as a mechanism for soliciting qualified applicants.

Connecticut Workforce Development Council

This group expressed support for the proposal which will fund the statewide replication of an evidence-based, demand-driven workforce pipeline model developed by a partnership led by

the Eastern Connecticut workforce board. The Workforce Development Council believes that this proposal contains the following ingredients that are vital to the models success:

- Regional partnership will leverage existing systems.
- Partnerships will respond directly to the needs of sectors with the most pressing workforce needs, preparing jobseekers for jobs that actually exist, and pay good wages.
- The proposal will replicate the model assessment, training and job placement model, which has proven to prepare workers for entry-level jobs.

NATURE AND SOURCES OF OPPOSITION:

Colleen Shaddox, Together We Rise CT

Together We Rise opposes Raised Bill 535, noting that this legislation proposes to enrich a corporation at the expense of Connecticut taxpayers at a time when we are told that the state cannot afford to help to its neediest residents. Ms. Shaddox believes that this proposal deepens Eastern Connecticut's reliance on the defense industry, which already gets far too many of our federal tax dollars and is vulnerable to political whim. She also states that most importantly, the proposal funds mass killing machines that threaten our children and our planet.

Connecticut Association of Smaller Manufacturers

Over the last few years, the Connecticut Association of Smaller Manufacturers has testified on the urgency of developing and expanding the Connecticut manufacturing workforce. And while this proposal is a significant step to grow the number of jobs in Connecticut, this group fears the complexity of this bill is masking a hidden agenda. CASM has the following concerns about this legislation:

- Partnerships are required to have an entity involved in regional economic and/or workforce development, a Regional Workforce Development Board, and a technical school or an industry partner. We know that our technical schools are at capacity for manufacturing training. If the goal is to fill 10,000 jobs over four years, the deck seems heavily stacked toward large corporations.
- Supporting the prior point is the grant of \$100M to a submarine manufacturer. The Federal government pays submarine manufacturers billions of dollars to deliver and service their products and these manufacturers can well afford their own capital spending. During a time of fiscal distress, this is an insult to the Connecticut tax payer. Imagine what we could accomplish if we gave our technical high schools a \$100M grant.
- This bill speaks of making awards based on need. How exactly is need defined? Is it near-term needs of businesses to survive or is it the needs of the under and unemployed? Or, is it the needs of political appointees? Large corporations can produce a large number of jobs that pay a living wage and can be trained in a 5 to 26 week window. The down side is that defense work is fickle and cyclical. These jobs might not last the four-year pipeline. Is there a consequence if a partnership defaults on their agreement?

Reported by: Tom Spinella

Date: April 15, 2018