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**Testimony Regarding H.B. 7317
An Act Concerning Urban and Rural Workforce
Development**

**Labor and Public Employees Committee
March 12, 2019**

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Good morning, Senator Kushner, Representative Porter, Senator Miner, Representative Polletta, and distinguished members of the Labor and Public Employees Committee. The Hartford Foundation for Public Giving is grateful for this opportunity to submit **written testimony supporting H.B. 7317, An Act Concerning Urban and Rural Workforce Development.**

The Hartford Foundation for Public Giving is the community foundation for the 29-town Greater Hartford region. As a community foundation, we manage, grow, and distribute approximately \$1 billion in assets to promote equitable opportunity for all residents in our region, particularly in the areas of education, community safety, and community and economic development. For many years we have funded comprehensive supports to help residents overcome barriers to employment and bring economic security to their families. Many of these supports have focused on employment and early career exposure for youth. Our own investments support nonprofits and school districts, though often in partnership with for-profit businesses and other entities.

We support House Bill 7317, which would create a new grant program for minority-owned businesses in distressed municipalities to establish work-based educational programs in collaboration with local boards of education. This bill represents an innovative solution to several problems:

- By definition, distressed municipalities (both urban and rural) face slow economic growth.ⁱ
- Compared with the rest of the state, young people in many distressed municipalities in distressed municipalities are less likely to finish high school, less likely to enter college, and more likely to be unemployed. For example, just 69 percent of Hartford Public Schools students graduate high school, and just 40 percent of seniors enroll in college. Youth unemployment in Hartford is over 30 percent.ⁱⁱ
- Among small businesses, minority-owned businesses are denied loans at almost three times the rate of non-minority owned businesses. On average, minority-owned businesses also receive smaller loans and face

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higher interest rates. Inability to access capital limits businesses' ability to grow and invest in their communities,ⁱⁱⁱ including in the local workforce.

- Employers and industry leaders have reported that many Connecticut residents lack the skills they need to succeed at work. In 2017 surveys by the Connecticut Business and Industry Association, for example, employers in both manufacturing and energy and energy efficiency reported gaps in required skills among potential hires in both soft skills and technical skills and certifications.^{iv,v}

The program outlines in H.B. 7317 would complement existing efforts to expand opportunities for young people while supporting inclusive economic growth.

- Current work-based learning programs serve only a small portion of local students and youth. For many years, the Foundation has supported the Hartford Student Internship Program (HSIP) and summer youth employment in collaboration with public and private partners. These programs represent the partners' primary strategy for providing paid early, work-based learning opportunities for students to develop career and college competences. In the 2018 winter and spring school semesters, HSIP supported work placements for 150 Hartford 11th and 12th graders – just six percent of 11th and 12th graders in Hartford Public Schools. **This bill would provide additional opportunities to help more students experience early exposure to careers.**
- Currently only approximately 25 to 30 percent of employers who provide work placements in our region's summer youth employment program or Hartford's school-year program are for-profit employers, with nonprofits providing the majority of placements.^{vi} By directly supporting small businesses in providing placements for students, this bill would complement existing programs and diversify the placement options available to youth. These placements could expose youth to entrepreneurship and potentially more lucrative career options.
- The grant funding provided in this bill is especially important for minority-owned businesses which often struggle to access capital to invest in workforce development. The Hartford Foundation recently partnered with the Initiative for a Competitive Inner City (ICIC) to support the expansion of second-stage women- and minority-owned businesses, including by facilitating access to capital. Expected outcomes include job creation and small business revenue growth, which together can enhance regional economic growth. While this is a new investment for us, ICIC investments in other cities have shown success in both these areas. We would be happy to share the results of our investment as they emerge.

- Hartford Student Internship Program evaluations include an employer satisfaction survey, with employers reporting that 94% of participating students met expectations. H.B. 7317 could provide minority-owned businesses with immediate access to young local talent who could support their growth.
- Across all our workforce development investments and statewide surveys, employers have emphasized that they are looking to hire people who have "soft skills" as a foundation for building technical skills. H.B. 7317 would expand neighborhood opportunities for youth in distressed municipalities to develop both hard and soft skills.
- Partnership with local boards of education and other entities can help increase the success of work-based education programs. Our Hartford Student Internship Program work represents a partnership with the region's workforce development board, the City of Hartford, Hartford Public Schools, and business associations. Businesses participating in this program may want to consider partnering with workforce development and nonprofit education support programs as well to ensure that youth have the skills and supports they need to succeed.

H.B. 7371 provides an important opportunity to promote the participation of minority-owned small businesses in distressed communities in the workforce development of students in their neighborhoods. We encourage the committee to support its passage and enactment.

Thank you for the opportunity to provide testimony. If you have any questions, please feel free to contact our staff at policy@hfpfg.org or 860-548-1888.

ⁱ Under Connecticut General Statute 32-9p, the distressed municipality designation is based on "high unemployment and poverty, aging housing stock and low or declining rates of growth in job creation, population, and per capita income." DECD also examines per-capita income, high school completion rates, and per capita adjusted equalized net grand lists. Distressed municipalities are the 25 municipalities with the worst weighted scores on these nine measures. *See* Distressed Municipalities. (2017). Department of Economic and Community Development. Retrieved from:

https://portal.ct.gov/DECD/Content/About_DECD/Research-and-Publications/02_Review_Publications/Distressed-Municipalities.

ⁱⁱ National Student Clearinghouse, and Hartford Foundation analysis of data from Connecticut State Department of Education and American Community Survey.

ⁱⁱⁱ Executive Summary – Disparities in Capital Access Between Minority and Non-Minority Businesses. (2010). U.S. Department of Commerce Minority Business Development Agency. Retrieved from: <https://www.mbda.gov/page/executive-summary-disparities-capital-access-between-minority-and-non-minority-businesses>.

^{iv} 2017 Survey of Energy & Energy Efficiency Workforce Needs. (2017). Connecticut Business and Industry Association. Retrieved from: https://www.cbiam.com/wp-content/uploads/2017/06/CT-Energy-Workforce_17.pdf.

^v 2017 Survey of Connecticut Manufacturing Workforce Needs. (2017). Connecticut Business and Industry Association. Retrieved from: https://www.cbia.com/wp-content/uploads/2017/05/Mfg-Workforce_17.pdf.

^{vi} Phone call between Jim Boucher, Chief Strategic Officer at Capital Workforce Partners and Judy McBride, Director of Grants and Partnership Investments at the Hartford Foundation for Public Giving. March 11, 2019.