

**CONNECTICUT EMPLOYMENT AND TRAINING COMMISSION**

**2013 ANNUAL PLAN**

**June 2013**

## **Introduction**

The Connecticut Employment and Training Commission (CETC) is Connecticut's State Workforce Investment Board, under Federal law (Workforce Investment Act – WIA) and governing state statutes (CGS 556.31-3h). CETC is the State body with lead responsibility to provide workforce/talent-development policy and planning guidance to Governor Malloy and the General Assembly. CETC is broadly charged to promote strategic coordination of the state's workforce/talent-related investments, strategies, and programs. Donald Shubert (President, Connecticut Construction Industries Association) serves as CETC Chair. CETC members represent Connecticut businesses, key state agencies, regional/local public entities, organized labor, community-based organizations and other key stakeholders. The Office of Workforce Competitiveness (OWC), operating as a quasi-independent office within the Connecticut Department of Labor (CTDOL), provides technical assistance to support CETC's efforts.

This 2013 Annual Plan meets CETC's statutory obligation to submit to the Governor annually in June policy and strategy recommendations to enhance the coordination and effectiveness of workforce/talent-development programs and investments in Connecticut.

## **Background**

In August 2011, Governor Malloy restructured CETC, charging members to play a lead role in proposing policy and strategy to coordinate efforts to build and sustain the world's best-educated, most-skilled, most-productive workforce. Twelve months later, in September 2012, the reorganized CETC produced its 2012 Annual Plan, the culmination of a year's work by the members and leaders of five standing CETC committees and two associated work groups. The plan provided a fact-based review of key conditions and trends in Connecticut's economy and jobs landscape, the adult workforce, the future talent pipeline, and the workforce/talent system. It offered overarching goals to frame workforce/talent policy and strategy. It proposed indicators to assess efforts in reaching those goals and laid out a set of eleven recommendations – proposed policy initiatives, administrative/executive actions and funding priorities – to help achieve the Governor's vision. Those recommendations synthesize the best thinking of CETC's committees and work groups in a blueprint for action in 2013 and beyond.

In the ensuing months CETC has been working to get traction and support for these recommendations and move them towards implementation.

CETC uses four broad categories as a planning framework to organize its thinking about challenges and opportunities: Jobs and the Economy; Connecticut's Current Workforce; Future Talent Pipeline; and Capacity of the Workforce/Talent System. CETC adopted four associated overarching goals to focus strategy and policy recommendations.

### Jobs and the Economy

Connecticut employers operate in a changing environment of intense global competition, government mandates and business complexity. To be successful, they rely on a skilled workforce that adapts to evolving job requirements. There are now, and will be in the future, an array of jobs in Connecticut that require qualified workers. To meet that imperative, CETC adopted:

- **Goal 1 – Business Growth:** *Connecticut businesses – particularly in key sectors – must have access to talent needed to compete, prosper and create new jobs for Connecticut workers.*

#### Connecticut’s Current Workforce

Connecticut’s vitality depends on the ability of its skilled workforce to fill an array of jobs in key industries driving economic growth. However, many in today’s labor market lack the skills employers require, resulting in a mismatch between job demand and worker supply. Demographic trends in our current and projected workforce signal challenges in sustaining the state’s strong economic standing. To address these challenges, CETC adopted:

- **Goal 2 - Current Workforce:** *Connecticut workers must have skills and credentials to advance in jobs and careers that pay well and provide good benefits to support their families.*

#### Future Talent Pipeline

Few factors are more important to the future of Connecticut’s economy than the success of our secondary and post-secondary education systems in preparing our young adults academically and professionally for careers. These young adults must be able to ensure employers a continuous supply of highly skilled workers. To meet this challenge, CETC adopted:

- **Goal 3 - Future Talent:** *Connecticut youth must be ready for career and postsecondary success as contributors to a vibrant and competitive state economy.*

#### Workforce/Talent System Capacity

Connecticut’s workforce/talent system encompasses an array of agencies, programs and investments. CETC is charged is to serve as the center of gravity, bringing these entities together in common purpose, in an integrated system to efficiently and effectively match workers’ career objectives with the talent requirements of employers. To that end, CETC adopted:

- **Goal 4 - System Transformation:** *Connecticut’s workforce/talent system must align and integrate goals, strategies, policies, services and infrastructure to support a world-class workforce and competitive economy, with regularly evaluated performance and results.*

These four broad overarching goals continue to serve as a framework for CETC’s workforce/talent-development strategy and policy efforts going forward in 2013 and into 2014.

### **Landscape: Jobs and the Economy; CT’s Workforce; Talent Pipeline; System Capacity**

Priority challenges and opportunities have not changed appreciably in the ensuing months in the four categories discussed above. Following is a summary of key conditions and trends.

#### Jobs and the Economy

Connecticut’s economy has been flat for several years, suffering from the national Great Recession of 2008. Job growth has been modest.

The State has targeted industry sectors to drive economic growth: aerospace and advanced manufacturing, bioscience/life-sciences, insurance/financial services, and several emerging industries including bio-medical research, digital media and entertainment, sustainable technology, medical device production and high-tech manufacturing. These sectors comprise high value-added businesses that require ready access to a deep and continuous pool of high-skilled, well-

educated, extremely productive talent as their lifeblood of success. Worker productivity in Connecticut must be at the highest levels to maintain competitive advantage.

Middle skills jobs are a critical component of Connecticut's economy, representing nearly 40% of all jobs today and in the foreseeable future, across key industries. They provide good wages and pathways to career advancement for workers who improve their skills. Preparation requirements range from moderate on-the-job training to an associate's degree, in fields as diverse as construction, installation, maintenance and repair, manufacturing, and service and health occupations. Connecticut's economy needs a workforce that can fill these middle skills jobs.

In terms of overall economic competitiveness, Connecticut ranked fifth nationally in 2010. The state ranks second on knowledge jobs, (including average years of education, value-added per production hour in manufacturing, proportion of managerial professional and technical jobs, share of employment in traded service sectors). We are number two in value-added manufacturing, another area that demands highly skilled workers. Since 2007 Connecticut's per capita GDP has ranked fourth nationally, suggesting a highly productive workforce and economy.

Connecticut ranks fifth in the rate of Inc. 500 companies as a proportion of all businesses in the state. This high ranking documents a vital entrepreneurial environment and prospects for business growth and new jobs creation. Entrepreneurial companies will need skilled, creative employees to grow. Manufacturing needs workers with higher skill levels (especially STEM skills) who are also creative problem solvers. Healthcare and Education will demand skilled workers, especially those with strong STEM skills. Connecticut can maintain its competitive edge and critically important high-skill, high-value, good-paying jobs and career opportunities by meeting the talent demands of these key industry sectors.

#### Current Workforce

Demographic trends in Connecticut suggest a looming mismatch between employers' needs for well-educated and skilled employees and a ready pool of requisite talent. As Connecticut's high-skilled aging workers retire at an increasing rate, there is an insufficient pipeline of adequately skilled/educated young replacements. This shortfall will have a profound impact in key industry sectors critical to future state economic growth.

Connecticut has a high rate of individuals who have acquired an associate's (2-year) degree or more, much higher than the national average. That level of academic achievement is the underlying strength of the state's workforce. It is a major reason why Connecticut has been able to retain and attract business, create jobs and support an admirable quality of life for most people.

Blacks and Hispanics comprise a significant and growing portion of Connecticut's workforce. Although they do better in attaining bachelor's (4-year) degrees or higher in comparison to their counterparts nationally, they significantly trail educational levels attained by Whites and Asians in Connecticut. Although minorities have shown gains in recent years, improvement is needed. The most immediate consequence of low levels of educational attainment is the impact on employment. Unemployment in Connecticut tracks closely with race (Black) and ethnicity (Hispanic). The group (Whites) with the highest levels of educational attainment has the lowest level of unemployment. Those with the lowest levels of educational attainment have the highest levels of unemployment. These facts shape the challenges confronting young minorities in Connecticut's urban centers, who will be the core of the state's workforce over the next 10-20 years.

The aging of Connecticut's workforce, and imminent retirements of many holding higher paying middle skill and high skill jobs, will have a negative impact on the per capita income for those of working age. This impact can be mitigated by raising the earning potential – through skill preparation and placement into middle-skill jobs – of minorities (principally Black and Hispanic) who might otherwise earn significantly less than other workers.

The data suggests a serious looming shortfall in critical necessary talent. The state has insufficient numbers of individuals with the credentials to fill anticipated middle-skill openings today and in the foreseeable future, should present trends continue uninterrupted.

#### Future Workforce

We know that the workers likely to replace Connecticut's aging, skilled high-wage earners in the next 10-15 years are the young people who are currently students in college, high school and middle school, or are in their early years participating in the workforce. They are crucial to Connecticut's future economic growth. Given increasing demand for higher skills to qualify for good-paying job/career opportunities in key industry sectors, a high school diploma is no longer a guarantee of career advancement, upward mobility, or financial security. Young people must be better prepared to qualify for the jobs employers must fill to remain competitive.

Connecticut's PK-12 schools system is the beginning of the state's talent pipeline, essential for producing the educated/skilled workers needed to compete in the global economy. Generally speaking, Connecticut students perform well academically. In the aggregate, our students rank highly against national competition on standard education performance measures. However, our academic achievement gap is the worst in the nation. Too many students in under-performing school districts are not adequately prepared for the demands of the workplace or postsecondary education and training. This has profound implications for the future strength of the state's economy, threatening long-term economic viability.

Between two-thirds and three-quarters of first year students enrolled in Connecticut's community colleges and public universities (most are recent graduates of Connecticut high schools) must complete remedial or developmental instruction before qualifying for credit-bearing courses in pursuit of the post-secondary degrees/credentials they need to compete in the workforce. The need to take these remedial/developmental courses can delay and ultimately prevent students from obtaining the degree or credential they need to succeed in today's labor market.

On-time high school and post-secondary completion rates are too low for Connecticut to be able to develop an emerging workforce of sufficient size and skill to meet employers' needs in the next 10-20 years as aging workers leave the workplace at an increasing rate. These conditions and trends portend worrisome consequences for the viability of the state economy over the next 10-20 years. Effective policies and strategies are needed to ensure that the young people comprising Connecticut's emerging workforce have the requisite education and skills to flourish in productive and rewarding careers and sustain a growing economy with opportunity for all.

#### System Capacity

Each of the State agencies engaged in Connecticut's workforce/talent-development efforts collects data and conducts analysis to support its priorities, investments and programs. Business sector stakeholders conduct research to produce their own analyses. The State's work-

force/talent-development efforts has lacked a center of gravity for strategic intelligence, a mechanism and practice to compile critical data and insight, bring together key sources of information on a regular basis to assess challenges and identify opportunities. This has begun to change, with the Labor Department's Office of Research and CETC Planning and Performance Committee playing key roles in reaching out to and working with various stakeholders and experts who can contribute to the strategic intelligence needed to inform smart policy decisions. It is particularly important for the workforce/talent system to continue efforts to get accurate and timely information from employers. Connecticut will benefit from these ongoing efforts to systematically and methodically gather and analyze critical labor market information, demographic trends, the implications of policy changes, impact of technology, research about best service delivery practices, etc. – to inform policy development and strategic planning.

To respond quickly and efficiently to employers in targeted sectors it will be important for the CTWorks One-Stop Career System to develop the industry-specific expertise of ground-level field staff and in the system's infrastructure to address the particular needs and priorities of employer customers from targeted industries. CTWorks would benefit by having as a core feature of its service delivery model an industry-specific, customized, specialist function to coordinate career-matching efforts responsive to employers' needs and jobseekers' skills and capabilities.

Connecticut would benefit by communicating with and educating the public about the practical realities of jobs and career opportunities critical to economic growth. This is particularly true with respect to our youth – middle school and high school students and young people in college and/or about to enter Connecticut's labor force – their parents, and the educators and counselors who instruct and guide them.

### **Updated Proposed Strategies and Recommendations**

Recommendations adopted in September remain the focus for CETC's efforts going forward.

#### Recommendation 1: Incumbent Worker Training

State-supported incumbent worker training efforts should be consolidated into a single program, overseen by CTDOL, funded at a competitive level. The program should be streamlined, business-friendly and responsive to the needs of targeted sectors, particularly healthcare, manufacturing, energy, and life sciences, including businesses that have not participated recently. Incumbent worker programs should offer basic skills and technical training, lead to industry certifications (including college credit where appropriate), and provide support services such as childcare and transportation as necessary.

#### Recommendation 2: Training Cost and Resources

CETC recommends flexibility to support non-credit training in several pieces of federal legislation pending reauthorization (TANF, WIA). Governor Malloy and Connecticut's Congressional delegation should propose increased funding and expansion of financial aid for non-degree programs leading to industry recognized credentials. Financial support should be increased and expanded to encourage enrollment in post-secondary non-degree technical courses leading to industry-recognized credentials in targeted occupations in priority sectors. The Board of Regents for Higher Education should clarify use of state financial aid funds and track usage.

### Recommendation 3: Leveraging Resources

To coordinate investments that support CETC's goals it is necessary to identify the full array of resources that might be leveraged to underwrite career advancement strategies. OWC should produce a comprehensive inventory of resources that support workforce education and training in Connecticut. CETC's Career Advancement Committee should propose a strategy to gain agreement among community foundations and philanthropic entities to focus investments that support contextualized learning in conjunction with state and federal resources.

### Recommendation 4: Credentialing

Connecticut should adopt nationally recognized, industry-validated credentials/certifications as the foundation for curriculum content across the spectrum of workforce, education and training programs to validate program completion. OWC - in conjunction with CSDE, the Board of Regents for Higher Education, UConn and the Connecticut Workforce Development Council – should coordinate development of proposed standards, alignment of curricula and program content across systems (workforce/talent system, K-12, higher education, adult education), with action steps to implement necessary changes. Proposals should be provided to CETC by December 2013, with CETC's recommendations to the Governor, State Board of Education and Board of Regents by January 2014.

### Recommendation 5: Contextualized Learning

Support for implementation of contextualized learning programs for low-skill adults should be increased, including maximizing use of WIA Title II funds, considering effective strategies such as the State of Washington's I-BEST Opportunity Fund. CETC's Career Advancement Committee, with technical assistance and support from OWC, the Board of Regents and CSDE, should review the impact of these programs and offer recommendations about future funding. The review should be submitted for CETC by September 2013, with CETC's recommendations to the Governor due by December 2013.

### Recommendation 6: Youth Career Pathways

Connecticut should ensure that all students, beginning in 5th grade, participate in a structured career readiness process as a core requirement for a high school diploma. Career readiness efforts should be a grade-appropriate progression from middle school through high school completion. CETC's Youth Employment Committee (with technical assistance from OWC) should propose guidelines for CETC's review by December 2013. CETC should make its recommendations to the Governor and Education Commissioner by January 2014.

### Recommendation 7: STEM Skills Coordination

In September CETC proposed establishing a STEM Skills Committee, comprising key stakeholders, to coordinate STEM-related policy and strategy. Subsequent collaboration on STEM-related priorities by the Commissioners of Labor, Economic and Community Development, and Education, and revival of the Connecticut P-20 Council, diminish the need for CETC to act directly.

### Recommendation 8: Apprenticeship

The Connecticut Office of Apprenticeship Training and Connecticut State Apprenticeship Council should develop strategy to expand the apprenticeship model to selected occupations in targeted industry sectors, including manufacturing, allied health and energy.

#### Recommendation 9: Industry Expertise

CTDOL and the Workforce Investment Boards should collaborate to develop a strategy to infuse expertise from key industry sectors into the CTWorks One-Stop Career System, to improve outcomes for employers seeking to fill job vacancies and jobseekers pursuing career advancement. Federal, state, business and philanthropic resources should be pursued to support this effort.

#### Recommendation 10: Careers Communications Campaign

CETC should establish a multi-stakeholder Career Communications Work Group to coordinate a public information campaign on career opportunities in key sectors. Participants should include communication directors from (at a minimum) the Departments of Labor, Economic and Community Development, Education, Energy and Environmental Protection, Board of Regents for Higher Education, UConn, Connecticut Workforce Development Council, Chambers of Commerce and industry associations. A communications plan should be developed for CETC review in December 2013.

#### Recommendation 11: Strategic Intelligence on Data

CETC should establish an inter-agency Data Work Group within its Planning and Performance Committee to coordinate timely review of education, workforce and economic data, informing CETC about current conditions, forecasts and trends. Participants should include directors of research from (at a minimum) the Departments of Labor, Economic and Community Development, Education, Energy and Environmental Protection, Board of Regents for Higher Education, UConn, Connecticut Workforce Development Council, Chambers of Commerce and industry associations. The Departments of Correction, Public Health, and Transportation should also be engaged. The work group should develop a quarterly brief highlighting key conditions and trends impacting workforce/talent policy and strategy, beginning September 2013.

### **Next Steps**

The preceding recommendations lay the vision, framework and foundation for CETC's efforts for the balance of 2013 and into 2014. CETC will collaborate with Governor Malloy, Lieutenant Governor Wyman, the General Assembly, Connecticut businesses, State agencies, workforce investment boards, service providers, educators, funders and other stakeholders to develop and sustain Connecticut's well-educated, highly-skilled, productive and prosperous workforce.

CETC will monitor progress and provide a status update on efforts to win support for implementation of these recommendations in our January 2014 Annual Report.

Information about CETC structure, by-laws, members, meetings, committees and work groups, reports and plans, is available at: [www.ctdol.state.ct.us/OWC/CETC/CETC.htm](http://www.ctdol.state.ct.us/OWC/CETC/CETC.htm).

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