

February 19, 2020

Re: SUPPORT of Connecticut Department of Labor Budget Allocation.

To: Appropriations Committee

The Hon. Catherine Osten, Co-Chair, The Hon. Toni Walker, Co-Chair, The Hon. Joan Hartley, Vice Chair, The Hon. Lucy Dathan, Vice Chair, The Hon. Anthony Nolan, The Hon. Craig Miner, Ranking Member, The Hon. Mike France, Ranking Member.

Today I am here in support of the Connecticut Department of Labor's budget proposal for the FY 2022 – FY 2023 Biennial Budget. My name is Joe Carbone, and I am President CEO of The WorkPlace, Southwestern Connecticut's Regional Workforce Development Board. Contracted by the state of Connecticut, The WorkPlace oversees operations of the American Job Centers in the southwest Connecticut region. Additionally, we provide 20+ targeted programs and employment services designed to support job seekers and employers on a regional and statewide basis.

Recently issued labor market reports are a stark reminder of the economic challenges ahead. The data makes clear that the recession caused by the COVID-19 pandemic will lay heaviest on the backs of the poorest among us. According to U.S. DOL, two in five jobless Americans – or more than 4 million people- are now classified as long-term unemployed, defined as being out of work for 6 months or more. In Connecticut we witnessed a wave of new unemployment claims which averaged 5,408 per week in December 2020, higher by (30.4%) from the average weekly level in December 2019.

Job losses since the start of the pandemic have overwhelming come from leisure and hospitality, healthcare, and the social assistance sectors. In Connecticut there are over 200,000 individuals collecting unemployment benefits with 65% of claims from individuals who made less than \$35,000 in the prior year. Additionally, claimants are disproportionately female, African American, Latino, and younger than we saw during the great recession.

The number of workers moving through benefit programs towards a cliff where they will exhaust all financial support continues to grow. Between October and December, the number of Connecticut claimants to receive Extended Benefits, the final tier of benefits, increased by 67%.

One of the primary responsibilities of my organization is to administer employment programs that support the long-term unemployed. The first is operating Platform to Employment (P2E) on a state-wide basis. P2E is a five-week preparatory program for job seekers which includes skills assessments, career readiness workshops, employee assistance programs and more. This approach is essential to address the distinct professional and personal stresses many dislocated workers experience after prolonged unemployment.

Many become depressed and lose confidence; their savings are exhausted to cover living expenses, and some face foreclosure or homelessness. To help address these barriers, P2E provides workshops on stress and self-care, managing change, and developing personal resiliency.

We are grateful for the past support of P2E and pleased to share outstanding results. The average annual wage for P2E graduates this past program year was \$48,422 which computes to an average \$23.29 per hour. P2E participants came from 93 towns across the state and from all employment disciplines. Participants represented all levels of educational achievement from high school degrees to master's degree and higher. In total, we served over 300 individuals and over 80% of participants that began a P2E work experience were successfully moved to private sector payrolls.

While P2E is open to individuals of all ages, during this past program year, 79% of participants were over age 55. This is a dramatic increase since 2014 when 42% of participants were over 55 years old. P2E has become an essential investment to keeping our mature workers engaged in the labor force.

Based on the strength of P2E, we customized the program to support special populations including Returning Citizens and Veterans. Platform to Employment Re-Entry is a statewide program which has reduced unemployment and recidivism rates among the re-entry population. This past program year we served 142 individuals with 72% finding employment. This includes four cohorts conducted after the outbreak of the COVID-19 pandemic.

We start every year with an ambitious agenda to better serve customers and improve access to supports for those experiencing barriers to success. Despite the severity of the COVID-19 pandemic and the very short timeframe for preparation, we adapted and, in the end, achieved phenomenal results. Our programs have transitioned to online delivery and are producing results that are comparable to the prior year.

Platform to Employment is a successful investment by the state in the workforce. Workers are returned to payrolls, begin paying taxes and contributing to their communities. With an average salary at placement of nearly \$50,000 the state recoups its investment in short order. The current funding level in the line-item "Opportunities for Long Term Unemployed" was determined before the pandemic caused over 200,000 residents to begin filing weekly claims for unemployment benefits.

The Department of Labor has done an exceptional job processing over 500,000 claims for benefits. They transitioned from 2500 claims a week to hundreds of thousands nearly overnight. Their teamwork and compassion for the people impacted by the pandemic was extraordinary. Indeed, their actions are a model for making things right in response to a crisis.

I urge you to recognize the long-term unemployed who often feel forgotten and please consider a budget increase to support the growing number seeking assistance.

Regards,

Joseph Carbone
President & CEO