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March 26, 2021

Re: **Governor's Budget Recommendations.**

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.

My name is Joe Carbone, and I am President CEO of The WorkPlace, Southwestern Connecticut's Regional Workforce Development Board. The WorkPlace oversees operations of the American Job Centers in the southwest Connecticut region of the state and provides 20+ targeted programs and employment services designed to support job seekers and employers including Platform to Employment and Platform to Employment Re-Entry Program that we administer on a state-wide 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 lays heaviest on the backs of the poorest among us. According to U.S. DOL, in February, 13.3 million persons reported that they did not work at all or worked fewer hours in the prior month due to the pandemic. Currently 42% of unemployed workers are now classified as long-term unemployed, defined as being out of work for 6 months or more.

In Connecticut we continue to witness waves of new unemployment claims. According to the Connecticut Department of Labor, in the year prior to the pandemic, the state averaged 40,000 weekly filers compared to approximately 210,000 weekly filers now. From the recent labor report, Connecticut lost jobs for 3 consecutive months and has only recovered 57% of the 292,400 jobs lost last spring due to COVID-19.

Job losses since the start of the pandemic have overwhelmingly come from leisure and hospitality, healthcare, and the social assistance sectors. These are the most vulnerable workers 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 during the great recession.

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.

Platform to Employment is one of the most successful workforce programs in the country. I wish to express my appreciation to the Governor and the General Assembly for supporting P2E during the past seven years. I'm grateful to the many legislators who have attended our orientation and graduation ceremonies.

Long-term unemployment impacts people in many ways. Some become depressed and lose confidence; people frequently exhaust their savings, 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. 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 employer payrolls.

While P2E is open to individuals of all ages, during this past program year, 79% of participants were over 55. This is a dramatic increase since 2014 when 42% of participants were over 55 years. P2E has become a successful investment in keeping our mature workers engaged in the labor force and is another example of creating greater returns through workforce development. With an average salary at placement of nearly \$50,000 the state recoups its investment through income taxes in short order.

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.

The chart below demonstrates the increased need for services addressing long-term unemployment since the COVID-19 pandemic began.

## Unemployment Then & Now

	2020 – 2021 Budget	2021 – 2022 Proposed Budget	Variance
<b>P2E Funding Level</b>	\$3,105,000	\$3,105,000 proposed	\$0
	July 2019	Current	Variance
<b>CT Unemployment Rate</b>	3.5%	8.5%	+5%
<b>CT U-6* Unemployment Rate</b>	7.9%	14.1%	+6.2%
<b>CT Labor Force</b>	1,915,900	1,712,900	-203,000
<b>Avg Weekly Initial Claims</b>	2,563	8,184	+5,621
<b>Weekly Continued UI Claims</b>	37,544 for regular unemployment benefits	176,058 for regular and extended benefits. With PUA program this number exceeds 200,000.	+162,456

Source: CT DOL

\*U-6 Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force



I urge you to recognize the escalating impacts of long-term unemployment and consider increasing the budget for P2E in the line item "Opportunities for Long-Term Unemployed" to \$6.2 million. At current funding levels we serve 400 people a year. With existing infrastructure in place, a \$3.1 million increase will enable us to serve 500 more for a total of 900.

The WorkPlace is recognized locally, state-wide, and nationally as a forward-thinking organization that can deliver results. With your continued support we look forward to helping more families recover.

Regards,

A handwritten signature in black ink, appearing to read "Joseph Carbone", with a long, sweeping horizontal line extending to the right.

Joseph Carbone  
President & CEO