

TESTIMONY – DECEMBER 2009 – COMMISSION ON ENHANCING AGENCY OUTCOMES



A partner in **CTWORKS**

HELLO, MY NAME IS THOMAS PHILLIPS, PRESIDENT AND CEO OF CAPITAL WORKFORCE PARTNERS – THE NORTH CENTRAL CONNECTICUT WORKFORCE INVESTMENT BOARD – AND ONE OF FIVE WORKFORCE INVESTMENT BOARDS IN THE STATE.

WE UNDERSTAND THIS COMMISSION IS SEEKING WAYS TO IDENTIFY AND ELIMINATE INEFFICIENCIES, REDUCE OVERLAP OF SERVICES, ELIMINATE REDUNDANCIES AND THEREFORE REDUCE COSTS. THE ROLE OF WORKFORCE BOARDS AIMS TO DO JUST THAT IN THE VERY NATURE OF THEIR PURPOSE AND POSITION AS COLLABORATORS AND CONVENERS. IN FACT, OUR BOARD'S MISSION STATE'S JUST THAT – WE LEVERAGE PUBLIC AND PRIVATE RESOURCES TO PRODUCE SKILLED WORKERS FOR A COMPETITIVE REGIONAL ECONOMY. KEY WORD = LEVERAGE.

CONSEQUENTLY, I'D LIKE TO PRESENT SOME IDEAS FOR THE COMMISSION'S CONSIDERATION ALIGNED WITH SENATOR SLOSSBERG'S GOAL OF "SUPPORTING BUSINESSES, ECONOMIC DEVELOPMENT, HELPING PEOPLE WITH JOB SKILLS, RETRAINING AND EDUCATION."

OUR SUGGESTIONS ARE SIMPLY TWOFOLD:

- 1) **INTERVENTION (\$) VS TREATMENT (\$\$\$\$\$) FOR DISCONNECTED YOUTH AND ADULTS -**
REALLOCATE FUNDING TO EXISTING INTERVENTION AND PREVENTION PROGRAMS FROM THE MUCH LARGER EXPENSE BURDENS OF INCARCERATION AND CORRECTIONS
- 2) **CTWORKS – CONSOLIDATED SYSTEM -** BETTER ALIGN AGENCY SERVICES THAT PROVIDE DUPLICATIVE EDUCATION, TRAINING AND JOB PLACEMENT ASSISTANCE SERVICES TO THE GENERAL PUBLIC AND SPECIAL NEEDS POPULATIONS, I.E. EX-OFFENDERS, INDIVIDUALS WITH DISABILITIES, ETC. TO THE ALREADY CONSOLIDATED AND COLLABORATIVE SYSTEM OF CTWORKS.

INTERVENTION (\$) VS TREATMENT (\$\$\$\$\$).

- SIGNIFICANT *NET BENEFITS* TO THE STATE OVER THE SHORT RUN AND LONG RUN WOULD OCCUR BY ENHANCING THE TALENT DEVELOPMENT PIPELINE THROUGH THE STATE YOUTH EMPLOYMENT PROGRAMMING, ADULT EDUCATION REDESIGN

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AND ONE-STOP CAREER SERVICES -- THE *ALTERNATIVE* COSTS OF 'CONTINUED UNEMPLOYMENT, JUSTICE-SYSTEM AND COURT-INVOLVEMENT; AND FISCAL/SOCIAL COSTS ARE MUCH HIGHER.' TO APPROACH THIS SOLUTION, WE LOOK AT POPULATIONS WITH BARRIERS TO GAINFUL EMPLOYMENT AND SELF-SUFFICIENCY:

A. **HIGH SCHOOL DROPOUTS** – THE AVERAGE DROPOUT IN CT PRODUCES A NET ANNUAL FISCAL COST OF \$2,209 (INCLUDING INCARCERATION COSTS) VS. A HIGH SCHOOL GRADUATE PROVIDES A POSITIVE NET ANNUAL CONTRIBUTION OF \$8,810 AS A RESULT OF HIGHER TAXES PAID AND LOWER RECEIPT OF GOVERNMENT TRANSFERS. THEREFORE, FOR THE AVERAGE INDIVIDUAL WHO FINISHES HIGH SCHOOL AND ENTERS THE WORKFORCE, THERE IS AN ESTIMATED NET FISCAL IMPACT OF \$11,000. GRANTED THAT A SIGNIFICANT SHARE OF THIS FISCAL IMPACT WOULD BE SHARED WITH THE FEDERAL GOVERNMENT. YET, THE STATE COULD BENEFIT CONSIDERABLY EVEN FROM THE FOLLOWING CONSERVATIVE EXAMPLE. WHAT IF THE STATE DECREASED HIGH SCHOOL DROPOUT RATES AND/OR HELPED WITH ENABLING EXISTING DROPOUTS TO ACHIEVE THEIR HIGH SCHOOL DIPLOMA OR GED, RESULTING IN A 10% REDUCTION IN THE NUMBER OF DROPOUTS (OF THE 22,000 DROP OUTS)? ASSUMING THAT THE STATE WOULD REAP 40% OF THE NET FISCAL IMPACT, THIS WOULD SAVE THE STATE ABOUT \$10-MILLION ANNUALLY. OVER THE LONG TERM, EACH OF THE STATE'S HIGH SCHOOL DROPOUTS, OVER THEIR LIFETIMES, IS EXPECTED TO COST \$103,800 MORE IN THE FORM OF TRANSFER BENEFITS AND INSTITUTIONALIZATION COSTS EXCEEDED THE AMOUNT OF TAX PAYMENTS. FACTORING IN LOST POTENTIAL TAX CONTRIBUTIONS FROM STATE INCOME, SALES, AND PROPERTY TAXES WOULD INCREASE THE TOTAL COST TO TAXPAYERS.

- I. ***SUMMER YOUTH EMPLOYMENT IS KEY - A PRIME EXAMPLE OF RECENT EFFORTS BY CAPITAL WORKFORCE PARTNERS TO FOCUS ON THESE SETS OF INVESTMENTS OCCURRED IN MAXIMIZING OUR FEDERAL WIA ARRA***

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FUNDS, WITH A 50/50 SPLIT IN THE \$2.7 WIA YOUTH FUNDS TO IN-SCHOOL YOUTH AND OUT-OF-SCHOOL YOUTH. OUR OUTCOMES IN SERVING OVER 2,000 YOUTH HAVE BEEN A MODEL FOR THE NATION.

- B. EX-OFFENDERS** – SOME HAVE TALKED ABOUT EARLY RELEASE PROGRAMS FOR THOSE IN OUR CORRECTIONS SYSTEM. WHILE THAT SEEMS A COST SAVINGS AT FIRST GLANCE, ASTONISHING RECIDIVISM RATES WOULD PROVE OTHERWISE. THE RECIDIVISM RATE FOR INDIVIDUALS RELEASED BACK INTO THE COMMUNITY IS ABOUT 90% WITHOUT SERVICES, BUT WITH PROPER SUPPORTS AND EMPLOYMENT TRAINING, THAT RATE DROPS TO ABOUT 50%. FURTHER, THE YEARLY COST OF INCARCERATION IN CONNECTICUT IS \$31,436 FOR ADULTS AND TWICE AS HIGH FOR YOUTHS. COSTS FOR YOUTH EMPLOYMENT/TRAINING PROGRAMS RANGE FROM \$1,150 FOR IN-SCHOOL YOUNGER YOUTH AND \$4,000 FOR OUT-OF-SCHOOL OLDER YOUTH (SUMMER YOUTH EMPLOYMENT PROGRAMMING), AND \$2,500 FOR SCHOOL-YEAR EMPLOYMENT PROGRAMMING. THE SAVINGS IS CLEAR.

CTWORKS – CONSOLIDATED SYSTEM

- **COORDINATED SYSTEM OF PARTNERSHIPS** – MULTIPLE NON-PROFIT AND PRIVATE SECTOR WORKFORCE DEVELOPMENT SPECIALISTS TEAM WITH THE DEPARTMENT OF LABOR TO PRODUCE A BUSINESS DEMAND DRIVEN WORKFORCE.
- **MANAGED COMPETITION** - SERVICES SELECTED THROUGH COMPETITIVE BIDDING PROCESSES TO IDENTIFY THE BEST QUALITY SERVICES FOR THE LOWEST COST
- **STEERING MECHANISMS** - WORKFORCE BOARDS, LIKE CAPITAL WORKFORCE PARTNERS ARE VITAL 'STEERING MECHANISMS IDEALLY POSITIONED TO MANAGE AGAINST REDUNDANCY AND DUPLICATION OF FRAGMENTED EFFORTS. IT IS IMPORTANT TO POINT THIS OUT AS BILL CIBES AND OTHER MEMBERS OF THE

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COMMISSION ON ENHANCING AGENCY OUTCOMES ACKNOWLEDGED THE IMPORTANCE OF SUCH STEERING MECHANISMS AT RECENT MEETINGS. WORKFORCE BOARD'S WORK WITH COMMUNITY PROVIDERS, EDUCATIONAL SYSTEMS, STATE AGENCIES AND MOST IMPORTANT THE BUSINESS COMMUNITY AS DAVID OSBORNE POINTS OUT TO ASSURE MAXIMIZATION OF LEVERAGED RESOURCES TO PRIORITY OUTCOMES. LED BY A CONSORTIUM OF CHIEF ELECTED OFFICIALS AND VOLUNTEER REPRESENTATIVES FROM BUSINESS EDUCATION AND LABOR, WORKFORCE BOARDS, BY THEIR VERY NATURE BRING ESSENTIAL INPUT AND COLLABORATION TO THE TABLE. FURTHER WITH THE GUIDANCE OF OWC AND CETC, THAT COLLABORATION IS STRENGTHENED.

- **LEVERAGE** – WORKFORCE BOARDS PROVIDE LEVERAGED, ADDITIONAL FUNDING FROM THE PRIVATE SECTOR, FOUNDATIONS, STATE AND LOCAL GOVERNMENTS, SIGNIFICANTLY ADDING TO THE NUMBER OF PEOPLE ABLE TO BE SERVED FOR TRAINING AND EMPLOYMENT OUTCOMES. FOR EXAMPLE, LEVERAGED FUNDING NEARLY DOUBLED THE NUMBER OF YOUTHS WE WERE ABLE SERVE IN THIS PAST SUMMER'S AMERICAN RECOVERY AND REINVESTMENT ACT FUNDED SUMMER YOUTH EMPLOYMENT PROGRAM (905 OF THE 2,005 SERVED).
- **ACCOUNTABILITY AND TRANSPARENCY** – BEGINNING SEVERAL YEARS AGO, WE MEASURE ALL OUR OUTCOMES USING THE RESULTS-BASED ACCOUNTABILITY MODEL ADOPTED BY THE STATE; OUR VOLUNTEER BOARD AND THE COMMITTEES THEY SERVE ON PROVIDE OUR STAFF AND INITIATIVES WITH OUTSIDE STRATEGIC DIRECTION AS WELL AS CHECKS AND BALANCES, AND OUR FEDERAL WIA PERFORMANCE REQUIREMENTS KEEP US ON TRACK. CAPITAL WORKFORCE PARTNERS HAS ALSO TAKEN MEASUREMENT A STEP FURTHER BY AUTHORIZING THE REGION'S "HUMAN CAPITAL INDICATORS" – AS PUBLISHED IN THE HARTFORD COURANT NEW TEAM ANNUALLY TO MATCH PERFORMANCE TO TRUE PROGRESS AND CHALLENGES IN THE COMMUNITY.
- **CONSUMER DRIVEN** – TODAY'S WORKFORCE NEEDS ARE DIFFERENT THEN EVER BEFORE. WE NOW HAVE A MYRIAD OF ONLINE TRAINING OPTIONS AND A

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BROADER SERVICE DELIVERY SYSTEM TO MEET THE NEEDS OF A MORE DIVERSE DISLOCATED WORKER AND OTHER CLIENT BASE.

- **RETURN ON INVESTMENT (ROI)** OUR RETURN ON INVESTMENT IS DIFFICULT TO MEASURE, HOWEVER, MOST OF THE BOARD'S INITIATIVES FUNNEL WAGES BACK INTO THE COMMUNITY THAT TRANSLATE INTO INCREASED PURCHASES OF GOODS AND SERVICES. OUR TRAINING IN SUCH AREAS AS HEALTHCARE AND WEATHERIZATION PROVIDE BUSINESSES WITH THE WORKFORCE THEY NEED. AND EACH AND EVERY JOB SEEKER'S SUCCESS STORY BETTER THE LIVES OF THOSE IN OUR COMMUNITIES.

ALTOGETHER THESE STRATEGIES ARE PRIORITIZED TO ENSURE BOTH LONG AND SHORT TERM PROGRESS, IN AN EFFICIENT, COORDINATED AND COLLABORATIVE MANNER. IN RECENT YEARS WE ARE SEEING EVIDENCE OF THE CONFIDENCE IN THIS SYSTEM TO DELIVER POSITIVE OUTCOMES LIKE SEEN WITH THE FEDERAL WORKFORCE INVESTMENT ACT AMERICAN RECOVERY AND REINVESTMENT ACT PROGRAMS THAT HAVE TRANSLATED INTO THOUSANDS OF IMMEDIATE JOBS AND JOB TRAINING OPPORTUNITIES FOR CONNECTICUT RESIDENTS. THE CTWORKS SYSTEM WAS IMMEDIATELY ABLE TO RESPOND TO GET THESE FUNDS ON THE STREET TO INDIVIDUALS IN NEED. AT THE SAME TIME, THE RECENT RECESSION, AND A FAILURE TO CONTINUE TO PRIORITIZE THESE STRATEGIES WILL HAVE SIGNIFICANT COST IMPLICATIONS TO THE STATE.