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Testimony

In Support of Senate Bill 444, An Act Concerning Advanced Manufacturing, Training and the Capital Needs of the Submarine Industry
Commerce Committee
March 20, 2018

Senator Frantz, Senator Hartley, Representative Simmons, Representative Yaccarino and distinguished members of the Commerce Committee. Thank you for raising Senate Bill 444, An Act Concerning Advanced Manufacturing, Training and the Capital Needs of the Submarine Industry. Thank you also for the opportunity to testify in support of this bill today.

This bill proposes a comprehensive approach to support the state's submarine industry as well as other manufacturers that contribute significantly to our state's economy. It is also a proposal that would significantly boost workforce development across our state and increase community college opportunities. Therefore, it is an important bill not only for economic growth in southeastern Connecticut, but also for young people in other Connecticut cities such as Bridgeport and New Haven who are looking for quality job training to pursue promising job opportunities in the manufacturing industry.

This bill contains three main parts I will be highlighting today. First, it contains funding within available state appropriations for regional workforce development boards to help connect employers, including Electric Boat, with a new highly trained workforce by enhancing opportunities for training in schools in eastern Connecticut and beyond. Second, it contains a plan to create a hub for innovation at Three Rivers Community College. And third, it contains important measures to ensure that the state is supporting the submarine industry in ways that most benefit our valued businesses including Electric Boat to help them retain the contracts necessary to grow and thrive and fend off out-of-state competition.

Part 1: Energizing Our Workforce Development Pipeline

In learning about the challenges faced by companies such as Electric Boat, it is clear that Connecticut can do more to connect businesses with a highly trained workforce. Electric Boat has announced plans to hire thousands of new employees; but in order to do that, they need a pipeline of skilled workers to fill the job opportunities they are creating. If we want to help Electric Boat continue to successfully fulfill their contracts and generate more business, and we want to encourage other manufacturers to stay in Connecticut or even relocate here, we need to make sure we have a skilled workforce that is trained, educated and ready to work.

Recognizing the need for a trained workforce, the first part of SB 444 aims to direct new energy into our state's successful workforce development pipelines. This bill proposes to work within available state appropriations to allocate grants-in-aid to the Regional Workforce Development Boards for the purpose of funding advanced manufacturing training programs. It would provide \$1 million in fiscal year 2019, \$2 million in fiscal years 2020 and 2021; and \$2.5 million in fiscal years 2022 and 2023. This infusion of funding would go towards a workforce training pipeline including all components of the Eastern Connecticut Manufacturing Pipeline Initiative administered by the Eastern Connecticut Workforce Investment Board (EWIB). The plan also would direct funding to help young people in communities served by other Workforce Investment Boards (WIBs) such as those in the New Haven and Bridgeport areas. This bill would put the attention and investment into these programs so that we can expand the training opportunities for young people and provide a larger skilled workforce for companies including Electric Boat and their local vendors in anticipation of their plans to ramp up work to carry out their new federal contracts.

To better understand how investing in the state's WIBs would benefit young people, businesses as well as the state by boosting future tax revenue, I would like to explain how EWIB has operated. EWIB provides a training pipeline to develop skilled workers for Electric Boat, members of the Eastern Advanced Manufacturing Alliance (EAMA), and other regional employers. The program offers training opportunities including short-term classroom training, online training options, and job search assistance for jobseekers who are unemployed or underemployed. The training is designed to fit the specific hiring needs of EB, EAMA, and other local manufacturers. As the recipient of a USDOL Workforce Innovation Fund grant that has supported the creation of the Eastern CT Manufacturing Pipeline Initiative, EWIB has helped to support a model for a manufacturing pipeline that works and gives our Connecticut manufacturers access to qualified and skilled workforce. Through this pipeline program there have been 513 individuals enrolled in training and more than 800 job placements (some applicants have transferrable skills and were hired immediately after assessment and therefore did not require customized training). Trainees coming out of this 10-week program go right into the workforce and have estimated average wages of a salary of \$30,000-\$50,000 per year. These jobs also provide substantial revenue to the state. In fact, thanks to manufacturing's high employment multiplier, each manufacturing job results in the creation of approximately 1.55 additional jobs throughout the economy. The EWIB pipeline has actually helped to create more than 2,000 jobs to date – resulting in roughly \$60 million in annual wages. These are wages that help our middle-class families provide for their families. In addition to the stability that these jobs provide Connecticut families, these jobs also help increase our state's revenue stream. It is estimated that the 2,000 jobs created directly from the manufacturing pipeline produced roughly \$1.7 million in additional state income tax revenue each year. The good news is that these returns grow and compound over time with economic projections showing that even a 3-year investment in the current pipeline model would produce \$6 million in additional state tax revenue.

In addition to helping our large manufacturers, like Electric Boat, this pipeline model also helps suppliers across Connecticut. These suppliers will now have increased access to a sufficient amount of qualified workers. With this increased investment, these suppliers, who are often small family businesses, will have the ability to continue to support Connecticut's manufacturing needs – both big and small.

Continuing the expansion of the WIB pipeline is possible with additional grants-in-aid. EWIB has already started to expand its no-cost training to address the hiring needs of members of the Eastern Advanced Manufacturing Alliance (EAMA) – which includes 69 area manufacturers, with training also being offered to individuals state-wide, with a special focus in the New Haven Area. The additional support will create even more opportunities so we can guarantee companies a trained workforce to meet their needs. It will also create

more opportunities for our students and young people. In eastern Connecticut, for example, EWIB works to deliver training through Three Rivers Community College and Quinebaug Valley Community College. By further energizing WIBs across the state such as EWIB we can create even more opportunities locally for these students. We can also strengthen WIBs in other parts of the state. Not only does this help students, but partnering with EWIB as well as WIBs in other urban areas is an important step in providing employers with the workforce they need to be successful.

Part 2: Injecting New Life into a Community College

The second part of the bill asks the president of Connecticut State Colleges and Universities to work with Three Rivers Community College to transfer a currently unused 1,000+ square foot laboratory space to the Eastern Connecticut Workforce Investment Board so that it can be converted into a training hub for the plastics manufacturing industry. This proposal would allow the Three Rivers Community College campus to become a new epicenter for manufacturing training by taking an unused space and transforming it into exactly the type of training facility businesses big and small are looking for.

Like all areas of government, our community colleges are facing significant challenges. By creating a new opportunity located at Three Rivers, and partnering the school with the successful WIB programs, we can turn a once vacant part of the campus into a vibrant center of activity and opportunity without adding any new financial burdens onto the school.

We have seen the state's EWIB program effectively pursue a similar model in Westerly. The Westerly Education Center is a collection of Rhode Island based schools owned by the state that is used by EWIB as a vendor. In Westerly, Electric Boat played an integral part in the Center's design and therefore the center is well equipped to provide the specific trade-training needed for a career with a manufacturer like EB. We have also seen the EWIB program work with Quinebaug Community College's advanced manufacturing center to provide training which we foresee increasing. By adopting a similar model in the development of a plastics manufacturing training center at Three Rivers Community College, the EWIB program will have a new center within Connecticut to train students not only for EB's needs, but also for other manufacturers in the plastics industry specifically including the 69 members of EAMA This will help make sure increased opportunities for Connecticut students are available in state and close to home.

Part 3: Determining How to Best Help Employers in the Submarine Industry and Beyond

The final component of this bill is aimed directly at determining how our state can assist employers such as Electric Boat above and beyond the workforce training pipeline. This legislation would require the Department of Economic and Community Development to conduct a comprehensive review of the capital needs of businesses engaged in the manufacturing of submarines. These reports, which will be required to be completed in each of the next four years including the current fiscal year, must also provide recommendations to the legislature for how we can best meet the needs or provide relief to these businesses for their capital needs. Simply directing funding to a company without understanding what their needs are may not always be the best way to assist Connecticut employers or the most cost effective way to build our economy. Rather, this proposal takes on a different approach to help Connecticut employers by first fully considering all the potential needs and obstacles faced by a business. For example, when submarine manufacturers bid on projects, the cost of the capital infrastructure is already included in their bids and therefore they must already have a plan in place to manage these costs before they are awarded a contract. So, while state funding for these projects may not be an immediate need, a manufacturer may face other challenges the state can more directly assist with, such as by

providing tax credits or addressing regulatory challenges. This portion of the bill would authorize the Department of Economic and Community Development to take on an active role in identifying the best ways our state can help manufacturers.

In closing, I want to emphasize that manufacturing is critical to Connecticut's economic recovery and stability, and anything that we can do to help support this industry will benefit our entire state. By investing in manufacturing through this three pronged approach we can identify the specific needs of Connecticut employers and grow a skilled workforce to match those needs. The WIB pipeline model has shown that it works, with a 90 percent placement rate among trainees and a higher employee retention rate – this is a smart investment for the state of Connecticut.

I urge the committee to support this legislation as it will have a high return on investment, help our manufacturers stay and grow in Connecticut, and help our Connecticut families become financially stable with good-paying jobs.

Sincerely,

A handwritten signature in black ink that reads "Heather Somers". The signature is written in a cursive, flowing style.

Heather Somers
State Senator-18th District (CT)