

## Essential Building Blocks for Connecticut World-Class Skilled Talent System

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Connecticut has a large and diverse “ecosystem” of workforce entities that has evolved over time. However, key industry sectors vital to state economic growth and household financial security are currently experiencing significant numbers of vacancies in a wide range of jobs. This brief paper suggests three key “building blocks” for a world-class skilled talent system in Connecticut, as a starting point to further discussion on building an agile, responsive system on the foundation in place today.

**Three building blocks** are suggested:

- **Comprehensive Labor Market Analysis**
- **Flexible Workforce Skills Training Fund**
- **Empowered Industry Sector Partnerships**

### **Building Block One: Comprehensive Labor Market Analysis**

Several recent attempts to quantify/estimate the number of current (and anticipated) advanced manufacturing job vacancies in the Metro Hartford/North Central Region ranged from negligible, to 4,000, to more than 10,000. Accurate, timely, regularly updated labor market information at state, metropolitan and regional levels is a critical foundation for effective workforce planning and strategy. Actions needed to develop this building block are:

- Produce a **comprehensive labor market analysis** at state and metropolitan/regional levels in the mold of the *Inflection Point* study recently commissioned by the Allegheny Conference on Community Development.
- Build a **database of workforce information** using innovative data sources to provide better information about: occupations in demand; output/supply of skilled workers produced by skills training programs and higher education; inflow/outflow of skilled workers due to retirement, moving in and out of Connecticut; and key industry trends.
- Use this information to **develop workforce targets** and guide development of responsive short, medium, and long-term strategies.

### **Building Block Two: Flexible Workforce Skills Training Fund**

The ability to direct funds quickly to focus tactically on workforce skills training need is a vital feature of a genuinely world-class skilled talent system. Many of Connecticut’s competitor states deploy a robustly capitalized customized skills training model to help employers fill current vacancies with skilled workers and upskill their current workforce in anticipation of future needs. Required actions on a flexible fund include:

- **Capitalize a flexible workforce skills training fund** to support rapid action to respond to current and anticipated vacancies and new skill sets needed in the economy.
- Ensure flexibility to **fund an array of workforce training elements** including (but not limited to): pre-apprenticeships and apprenticeships; certificate programs, job shadowing; high school dual-track/work-and-learn instruction (half-time in school, half time on the job); associates degrees, and other forms of training, learning, experience.

- Dedicate a **portion of funding to be spent “upstream”**, on early career education and information programs targeting younger students, their parents, faculty and counselors to start preparing the workforce of tomorrow for careers that will be in-demand.
- Make funds available to both **existing and new employers and industries**
- Allocate funding based on demonstrated employer needs and state workforce priorities.

### **Building Block Three: Empowered Industry Sector Partnerships**

- Organized Industry Sector Partnerships (ISP) exist in Connecticut in several key sectors: advanced manufacturing, healthcare, insurance/finance, construction, transportation, information technology, etc.). Conduct a review of Connecticut Industry Sector Partnerships to ensure coverage in key existing and emerging sectors at regional and state scale.
- Industry Sector Partnerships become direct applicants for and recipients of flexible workforce skills training funding. ISPs would identify **specific employer training needs** and apply for funding to address them. ISPs would need to manage relationships with employers and educational providers, and require ongoing **administrative support and technical assistance**, which could be provided by capable existing intermediary entities (including workforce development boards).
- ISPs authorized to set **curriculum standards and credentials** in their respective sectors.
- ISPs empowered to **select qualified, capable training providers**, through RFP or qualified vendor review.
- ISPs would fund training via **performance-based contracting** for individual trainees with the service provider entity.
- Two ways to get into the program: 1) ad-hoc funding allocated on a per worker basis for current or anticipated openings; and, 2) future-need funding allocated based on projected needs assessed through analysis of industry trends, companies recruited, or other research documenting a workforce skills gap.
- Training award period varies depending on level of need, credentials required, employer’s timeframe of need, etc.
- Require training entities to report on outcomes, including successful training completion, job placement, wages, wage progression and employer satisfaction. This would be a performance-driven program, adjustable as warranted by changing conditions.

### **Expected Benefits**

- State and regional needs assessed using state-of-the-art data analysis methods and summaries.
- ISPs and employers encouraged to participate directly and shape workforce skills training as “owners” of the system.
- ISPs and employers empowered to set their own workforce training standards.
- Strengthens ISPs as industry organizations, providing a one-stop shop for employers to address their skilled workforce needs.
- Encourages training provider competition based on effectiveness and outcomes achieved for trainees.
- Flexible enough to be used by employers of any size, in a range of sectors, with particular attention to small-to-medium sized enterprises.

- Not limited to trades and production sectors but across the spectrum of advance manufacturing, healthcare, construction and transportation, insurance and financial services, information technology and emerging sectors yet to be identified.
- Provides a flexible and easy-to-use tool for business recruitment efforts as a key feature of business attraction and retention strategy.

**Remaining Issues to Address**

- Entity overseeing the flexible fund must be industry agnostic and responsive to other state policy priorities (poverty alleviation, second chance community reintegration, veterans employment, etc.).
- Whether a statewide or metropolitan/regional framework would be the appropriate/preferred structure for the overall approach.
- Level of direct employer training contribution, with low match levels to start, rising to no more than 20% of the total cost.
- Mapping the building blocks onto Connecticut’s existing multi-party workforce skills training “ecology” to reduce duplication of effort and maximize the chances of success.
- Ensuring the program can be tailored to different training target groups with different needs and realities, including current high school students, recent high school graduates, college students, returning ex-offenders, currently employed workers desiring upskilling, etc.