

**CT Department of Labor (CTDOL) Appropriations Committee Work Session
Questions
March 2, 2026**

Senator Cathy Osten, Rep Toni Walker, Rep Tammy Nuccio In an Excel document, list of any items included in your agency's OE line item in the proposed budget adjustments.

- See 1st attachment-FY27 GF Other Expenses Projections)

Senator Cathy Osten & Rep Tammy Nuccio

- Please bring all summer youth employment data as well as the formula funding for the WDBs to the work session. Also want to discuss CYEP funding system.
- (See 2nd attachment - CYEP Proposal and History doc. & see 3rd attachment - Project Outcomes SFY 25 for distribution)
 - In FY 2025 CTDOL submitted a CYEP legislative proposal [HB 6956: AN ACT CONCERNING YOUTH EMPLOYMENT AND TRAINING FUNDS](#) that had not been agreed upon by the 5 WDBs with the understanding that CTDOL would propose it in the 2027 session.
 - The attached Connecticut Youth Employment Program (CYEP) proposal provides Proposed Revised CYEP (31-3mm) Formula
 - The attached Project Outcomes SFY 25 for distribution spreadsheet provides a description of the program, how we measure it, and the fund utilization with some other references.

Representative Toni Walker

How is summer youth employment formula determined?

- (See 2nd attachment - CYEP Proposal and History doc)
- It is contained within CGS 31-3mm and was based on, and left as such, a sampling of free and reduced lunch populations in the 5 urban areas of each designated workforce development regions – Bridgeport, Hartford, New Haven, New London, and Waterbury. The formula has not been reviewed since inception. The calculation remains as dictated in CGS 31-3mm.

CYEP 31-3mm History:

Through engagement with the WDBs and research on the statute, it was determined the statute was the resulting effort of a few factors:

For many years, summer youth employment was supported by a dedicated federal funding stream under the Job Training Partnership Act (JTPA). That structure guaranteed states specific allocations for summer jobs for young people.

In 1998, Congress replaced JTPA with the Workforce Investment Act (WIA), eliminating the separate federal summer set-aside. Summer employment became just one allowable activity within a consolidated year-round youth formula grant. As a result, beginning in 1999, there was no longer federally protected funding dedicated solely to summer youth employment.

Connecticut responded by strengthening its own state commitment through CGS §31-3mm, establishing and funding the Connecticut Youth Employment Program within the Connecticut Department of Labor. In effect, the state stepped in to preserve access to summer employment opportunities that had previously been guaranteed by federal law.

Today, under the Workforce Innovation and Opportunity Act (WIOA), there remains no dedicated federal summer funding stream. Connecticut's continued investment in youth employment reflects a policy choice to maintain opportunities for young people that are no longer structurally protected at the federal level.

In 2007 there were various bills supporting youth employment that may have in part influenced the outcome that led to 31-3mm's creation such as H.B. 6153 to increase funding for summer youth programs, H.B. 6846 an act concerning youth employment, or S.B. 755 funds for Bridgeport's summer youth program, where the version of 31-3mm we see today first appeared in SB 1500.

31-3mm currently has this formula embedded in statute:

YOUTH EMPLOYMENT AND TRAINING FUNDS

Within available appropriations, the act requires the Labor Department to establish a program to distribute youth employment and training funds to the state's five regional workforce development boards.

The act sets the following allocation formula:

1. Capitol Workforce Partners – 32.5%
2. The Workforce Alliance – 22.5%
3. Northwest Regional Workforce Investment Board (NRWIB), Inc. – 22.5%
4. The Workplace, Inc. – 12.5% and
5. Eastern Connecticut Workforce Investment Board – 10%.

EFFECTIVE DATE: July 1, 2007

It is our understanding that the formula above was from a sampling of major cities Free and Reduced Lunch rates available from 2006. This above also includes an administrative error that inadvertently “swapped” the NRWIB allocation and the Workplace’s allocation. This error was readily recognized by both WDB CEOs in recent conversations.

Senator Joan Hartley

What is CT anticipating with the advancement of A.I. in the employment sector? What can CT anticipate with A.I. so the state can be prepared? What can CT do to get in front of this? How is CTDOL preparing for this?

- **What is CT anticipating with the advancement of A.I. in the employment sector?** There is substantial uncertainty about the future effects of A.I. on the economy and labor markets. There are a wide range of projections with regard to the impact of A.I. on the labor market from “Artificial intelligence will likely be the most important technology we have ever developed” and have huge economics impacts to the idea that A.I. is more “business as usual”. As the Bureau of Labor Statistics notes, job displacement due to technological change typically takes longer than technologists expect. According to Goldman Sachs “A recent survey of nearly 6,000 executives in the U.S., Europe, and Australia found that despite 70% of firms actively using AI, about 80% reported no impact on employment or productivity.” Some have attributed the recent slowdown in hiring and some layoffs to AI, but most disagree. There is evidence that employers over-hired during the severe labor shortage of a couple of years ago because they wanted to keep talent close at hand and are now shedding their excess workers. The increased difficulty new entrants into the labor market are having finding employment is more likely due to the general economic slowdown and uncertainties regarding the direction of national policies (tariffs, immigration, government shutdowns, and disagreements over Federal Reserve policy) than AI. There was one study that showed that occupations exposed to AI were seeing a greater hiring slowdown than

others, but these occupations might also be disproportionately affected by the overall uncertainty in the economy.

- **What can CT anticipate with A.I. so the state can be prepared?** AI is more likely to augment current jobs than completely replace them. Connecticut can anticipate that AI will increase productivity in certain occupations and therefore slowing growth. Arts, design, media, and communication occupations are expected to be particularly susceptible to productivity effects from generative AI. On the other hand, AI is projected to increase employment in software publishers and computing infrastructure providers, data processing, web hosting, and related services due to the strong and growing demand for IT products and services, such as software, cybersecurity, cloud computing, and AI-based systems. More broadly, AI is likely to be part of the day-to-day work in occupations in nearly all industries including health care, finance and insurance, and manufacturing. One study suggests that increased use of AI will make some jobs easier to do making these careers (and wages) accessible to more potential workers. Others suggest AI will largely replace whole categories of jobs. More likely, AI will be more like Microsoft Excel – a widely-used tool that makes many jobs easier, reduces labor demand in some occupations, and creates new opportunities in others.
- **What can CT do to get in front of this?** Connecticut has already made a start. The AI Academy at Charter Oak has made basic AI training available to Connecticut citizens. Just as at one time workers who had used adding machines and calculators in jobs for years had to be trained to use spreadsheets such as Excel, many of today's workers will need training to use AI as their jobs evolve. We also must keep up our investment in the assistance we provide to workers who are displaced for any reason, including due to AI through our robust network of American Job Centers (AJCs) and the services CTDOL and our partners provide.
- **How is CTDOL preparing for this?** One area that has already been impacted by AI is job search. Thanks to AI, job applicants can apply to dozens, perhaps hundreds, of jobs in a short time. This means employers are receiving many applications for each posting and often use AI tools to screen the applications. This process leaves job seekers frustrated – who send out multiple applications and hear no response, while employers are receiving more applications than they can reasonably respond to. CTDOL's

response is to provide job search assistance that includes advice on networking which can cut through some of this process. In addition, we host in-person recruiting events where employers and jobseekers can meet face-to-face without the AI intermediary. With regard to AI specifically, CTDOL has an AI working group that is studying potential uses of AI without our agency. Our AJC staff want to be prepared to help their customers as they navigate a job search and career landscape that is being affected by AI. CTDOL also has representatives on the statewide AI working group convened by the Department of Administrative Services, Bureau of Information Technology Solutions (DAS/BITS).

Senator Joan Hartley

Is there something that delineates WDB geographic boundaries and can you discuss “pop-ups”?

- WDBs and their regions are established within Workforce Innovation and Opportunity Act (WIOA) legislative language, which provides that the Governor, in consultation with the state board, designates and approves those designations and subsequent designations. The state board in CT is the Governor’s Workforce Council (GWC) which is co-chaired by CT’s Chief Workforce Officer at the Office of Workforce Strategy (OWS). While WDBs focus their WIOA funded programming to the residents within their region, no WDB is precluded from serving residents from outside of their region, as WIOA does not include residency as an eligibility requirement.
- The WDBs are the recipients of a multitude of federal, state, and private funding sources and programming. Some state funding sources, such as those contained within the CTDOL budget, allow for service delivery statewide, such as the Military to Machinist and the Veterans Platform to Employment program. Both of these programs are created with Connecticut General Statutes - (CGS 31-11ss and 31-11tt). Specific language within those statutes is as follows, “(d) The workforce development board for the southwest workforce development region of the state shall operate the pilot program within its workforce development region. The board may offer the program in other workforce development regions in the state, in conjunction with the appropriate regional workforce development board.”

Concerns about servicing clients and competing boards in same location, duplication.

- (see 4th attachment - Map of Connecticut’s Workforce Development Board (WDB) Areas).

- A Map of CTs Workforce Development Areas is attached. We currently have 5 operated by 5 Workforce Development Boards. We also have a listing by town if preferred [here](#). The reference to “pop up” was unclear; however, it could have been a confusion with American Job Centers (AJC). The WDBs are required to operate at least one comprehensive American Job Center which is a partnership with DOL and other state agencies under WIOA, but the WDBs can also create Affiliate AJCs that have fewer partners collocated. Those smaller AJCs can seem to “pop up” in a variety of locations but there is an administrative process in creating them. Specifically, each WDB is responsible for their own decision making and administrative process for determining where an AJC would be located within their designated region. Typically, it would include a proposal to board members at meeting for consideration and may be pursued for a variety of reasons, such as increased rent, outgrowing a specific space, etc. I would note, WDBs from other regions would not establish, and have not established, an AJC within another region of which I am aware. In order to call it an AJC, they would have to support the infrastructure with their own WIOA funds, which I think would be a tough sell to their WDB members. There is a possibility that for the non-WIOA programs for which they are statutorily able to provide in other WDB regions; they have moved into a location within the other region. This does not constitute an AJC aka “pop up”.

Representative Lucy Dathan

Please bring an update on key findings for CTDOL Audit Report for 21/22 – i.e. reporting issues, unresolved complaints, disaster recovery plan.

CTDOL has reviewed our agencies latest audit finding. This review was limited to the FY21-22 audit which was released on July 2024, and reviewed thoroughly.

CTDOL has implemented the recommendations with no fiscal impact. Below is an explanation of what CTDOL has changed to meet audit expectations.

- The Agency has successfully sought repeal of sections that called for regulations that are outdated or unnecessary.
- The Payroll Unit has strengthened internal controls over the review and approval of timesheets and has resumed holiday time audits.
- We have strengthened internal controls by ensuring proper segregation of duties over the collection, recording, and depositing of revenues. The CTDOL audit findings did not include a fiscal impact.
- We have implemented internal controls for asset management that ensure compliance with state property control requirements and reliable reporting.

- The agency has successfully sought the repeal of unnecessary or repetitive reporting requirements.
- CTDOL has implemented a Governance, Risk and Compliance (GRC) program to promote a risk-aware culture and inform decision making. A key component in CTDOL applications including Cloud based solutions.” BITS hired a dedicated GRC Program employee, in-kind to CTDOL. This person is the agency’s information security office (AISO) and is providing actionable items identified in the 2025 risk assessment conducted for ReEmployCT. Second, in the case of an infrastructure Disaster Recovery (RA) effort, CTDOL would contact the DAS - BITS organization. DAS - BITS will follow its Infrastructure Continuity Program (ICP) Plan to bring CTDOL for the unemployment insurance program in June 2025, outlining the scenario(s) and action plan for each day of the disaster. CTDOL will run this tabletop exercise, different scenario, again in June 2026. Further, a full DR ReEmployCT technical and business plan will start in March 2026, which is expected to be executed for a full week in CY2027. (Funding source yet to be identified)
- The department continues to work with each Board to ensure that all documents are posted.
- In 2025, the legislature approved the funding for the hiring of additional wage and hour investigators which in time will help address the backlog.

Representative Lucy Dathan

Concerned that CTDOL technical reduction plans will increase UI delays. Please bring to work session highlighting how CTDOL federal reduction plan outlined in your testimony will affect process moving forward. The federal reduction plan referenced in CTDOL testimony is 1) Delaying user experience enhancements to technology platforms, 2) Deferring ReEmployCT technology upgrades and data migrations; and 3) Pulling back and consolidating technology, software, and subscription spending.

- The CTDOL technical reduction plan will not increase UI delays. Rather, CTDOL implemented this agencywide technical reduction plan due to the reductions in federal funding. In other words, the federal reduction plan would be a consequence of what may occur if CTDOL does not receive the needed state funds to replace the federal unemployment federal funding reductions. Given the reduction in federal funding, we appreciate and support Governor Ned Lamont’s proposed Budget Adjustments for SFY 2027 and Secretary Wojcik’s designation of an additional \$2 million for UI staffing and \$500,000 for UI technology beginning in SFY 2027. This builds on

Connecticut’s contribution to state funding starting in FY 2023 to support UI administration.

Representative Tim Ackert

OE line item of \$2.57 million in Budget Adjustments for SFY 2027 OFA Conservation & Development [Budget sheets](#) and your testimony don’t match, there is a \$900,000 discrepancy. Please bring explanation to work session.

The \$900,000 difference reflects the adjustments noted below.

	<u>Original</u>	<u>Reduction</u>	<u>Revised (New SID)</u>
CT State Building TTI	2,000,000.00	(400,000.00)	1,600,000.00
Workforce			
Clearinghouse	250,000.00	(50,000.00)	200,000.00
Workplace	1,000,000.00	(200,000.00)	800,000.00
Capital Workforce	220,000.00	(44,000.00)	176,000.00
Total	3,470,000.00	(694,000.00)	2,776,000.00

Representative Geraldo Reyes

Please bring to work session a breakdown of region that is seeing a higher load of UI wait times, is there a way to rotate CTDOL staff to address this?

- As Labor Commissioner Bartolomeo explained, there is no definitive way to tell where someone is calling from because a customer can call CTDOL’s (203), (860) and (800) numbers and it all goes into the same queue. Additionally, there really wouldn’t be a need to shift calls because the call back availability is assigned in the order they come in and based on what the customer selects. Every Comprehensive AJC has dedicated desktop PCs for providing UI Claimants access to the Consumer Contact Center (CCC). This allows for UI service access to our urban centers, where the unemployment rates tend to be higher than other areas.

Representative Pat Dillon

Please bring to work session documentation of reason for elimination/cut of \$500,000 and five positions related to the Apprenticeship Program Oversight and Integrity Council and how CTDOL sees the role of Apprenticeships moving forward.

Apprenticeship Integrity & Oversight Council

- CTDOL first found out about the Council during the April 22, 2025, Appropriations Committee meeting during which the Appropriations

Committee version of the Budget was presented, it was a surprise to CTDOL, Commissioner was informed that the Council was created due to a misunderstanding, and it would not move forward. However, the final Biennial Budget provided total funding of \$500,000 and 5 positions for FY 27 only, with 3 positions and \$300,000 for an Integrity Council and 2 positions and \$200,000 for the Oversight Apprenticeship Program. To further clarify, the CTDOL Office of Apprenticeship Training, through its regular operations, provides oversight for all Registered Apprentices and their employer sponsors; and also recently launched a Registered Apprenticeship component within the eLicense system with the CT Department of Consumer Protection. This technology solution expands the oversight and compliance and reporting capabilities.

Provide Funding for Apprenticeship Program Oversight and Integrity Council

Personal Services	-	-	-	500,000	-	500,000
Total - General Fund	-	-	-	500,000	-	500,000
Positions - General Fund	-	-	-	5	-	5

Background

Registered apprenticeship programs combine on-the-job training with related classroom instruction and are administered by the Office of Apprenticeship Training (OAT). These programs are operated by private industry - employer or labor/management sponsors that pay all training costs. Employers and apprentices are responsible for, on a monthly basis, logging on the job training hours and competencies. These records must be maintained for a period of five years from the date of the making of the record or the personnel action involved, whichever occurs later. Registered apprenticeship programs range from one to six or more years in length.

The OAT provides technical assistance, monitoring, and consulting services to potential employer sponsors. Upon completion of the program, the OAT provides an industry recognized portable credential that certifies completion of the program, distinguishes the apprentice as master of their crafts, and makes the apprentice eligible to take any occupational licensing exams.

Legislative

Provide total funding of \$500,000 and 5 positions for FY 27 only, with 3 positions and \$300,000 for an Integrity Council and 2 positions and \$200,000 for the Oversight Apprenticeship Program.

- There is currently no enacting legislation. Labor Commissioner Bartolomeo requested removing this item in the SFY 2027 Midterm Budget.

How does CTDOL see the role of apprenticeships moving forward.

- The Registered Apprenticeship Training Program connects employers to registered apprentices, who can receive on-the-job training and classroom instruction, master a trade, and earn while they learn. Thousands of businesses across Connecticut have participated in the program, helping them increase their workforce recruitment and proficiency. Depending on the trade, registered apprenticeship programs may last anywhere between one and four years. Upon completion, registered apprentices receive an industry recognized, portable credential that certifies completion of the program, distinguishes the apprentice as a master of their craft, and makes

the apprentice eligible to take any state occupational licensing exams. Currently, there are more than 7,000 registered apprentices working for approximately 1,800 employers within more than 50 industries in Connecticut. Registered apprenticeships are a great way for employers to train and build their workforce, and for workers to receive on-the-job training and master a trade that will benefit them throughout their careers. Over the past several years, employers in industries including childcare, education, health, and cosmetology have participated in apprenticeships to train their next generation workforce. Thanks to support from Governor Lamont, Connecticut's Registered Apprenticeship program continues to expand and help employers meet their hiring needs. As demand for highly skilled workers increases, pre-apprenticeship and registered apprenticeship strategies have proven very successful in meeting both employer and industry need in training, acquiring, and retaining employees.

(2/27/2026)