



**Senate Committee on Small Business and Entrepreneurship
August 22, 2017
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NH Sector Partnerships Initiative**

Senator Shaheen, thank you for the opportunity to provide an update on the NH Sector Partnerships Initiative (SPI) activities.

As you know, the adoption of a sector partnership strategy by New Hampshire is a requirement of the Workforce Innovation and Opportunity Act (WIOA) of 2014. The Office of Workforce Opportunity, within the Department of Business & Economic Affairs, on behalf of the State Workforce Innovation Board was charged with implementing this new way of approaching workforce development. This initiative was funded by a National Emergency Grant (NEG) which included money for a staff position as well as training dollars for tuition payments and on the job training. Of overriding significance is the fact that SPI is an industry-driven initiative with industry leaders working with their peers and related partners to identify their common workforce needs and develop effective solutions to address those needs. Enclosed is a brief document that provides an overview of SPI. This process began in July 2015.

Since that time a lot of focus and effort has been devoted to developing sector partnerships in several key industry sectors of our state. A steering committee was established comprised of stakeholders from industry, state agencies, community-based organizations, education and training providers, the DOL Office of Apprenticeship and the Governor's office. A data driven approach was taken leveraging the resources at the NH Economic Labor Market Information Bureau to select four key sectors. These sectors are Manufacturing, Health Care, Technology and Hospitality. Each of these sectors is a vibrant contributor to NH's economy. Keeping to the industry-driven concept, each sector has champions and intermediaries to drive the process in the in their sectors. Asset mapping for each sector was completed which resulted in an individual sector report that provided a state of the sector and suggested short and long term strategies to pursue. At this point we are actively exploring a fifth sector which we are currently calling Infrastructure.

Each of the sectors chosen have very distinct characteristics & challenges:

- **Manufacturing**
 - 67,800 employees spread over 1,950 business (average = 35 employees)
 - Relatively flat projected grow
 - High churn rate, caused by retirements, 30+% over age 55
 - Strong hourly wage
 - Top needs: CNC machinists, machinery mechanics, first line supervision
- **Health Care**
 - 88,000 employees spread over 2,800 establishments (average = 31 employees)
 - Growth projections 10% to 15% over the next five years
 - Good wage rates at the top but quickly drop
 - Top needs: Registered Nurses, LNA, MA

- Technology
 - 61,000 employees
 - Grow rates approaching 12% over the next five years
 - High hourly wage in the range of \$37.00
 - Top needs: developers, systems analysts, user support specialists
- Hospitality
 - 68,000 employees spread over 4,500 establishments (average = 15 employees)
 - 70% of jobs are concentrated in food services and drinking establishments
 - Younger workforce with 36% below age of 25
 - High turnover caused by lower wages and seasonality nature
 - Top needs: better defined career pathways, training
- Infrastructure (exploratory stage)
 - Significant sector with several large sub-sectors
 - Asset mapping to be completed by August 30th
 - Will select two or three sub-sectors to focus our efforts on
 - Construction – Broadband - Energy

According to the U.S. Small Business Administration 95% of New Hampshire's businesses fit into their definition of a small business. Helping small businesses is essential to SPI's success.

- SPI acts as an intermediary (“the connector of the dots”) to assist companies in identifying services, training options and funding sources for technical training. This is accomplished in part by reviewing the Summary of Major Assets provided in each of the sector reports with stakeholders.
- SPI lends itself to collaboration with multiple companies pooling ideas and sharing the costs of solutions.
- We try to bring groups of companies together to apply for a NH Job Training Fund grant as a collaborative. We've done this in several training instances including:
 - Lean manufacturing
 - Energy management
 - First line supervision
 - Auto repair
 - ISO 9001:2015
 - CNC Bootcamp
- In collaboration with the CCSNH and the DOL Office of Apprenticeship, SPI is strongly supporting the adoption of registered apprenticeships with our sector partners. We see this as a proven way to attract and retain workers while companies commit to investing in their workforce. To-date we have seen the most activity in the Health Care Sector with training for LNAs, MAs, and in the Manufacturing Sector with machining and maintenance technicians.
- SPI is also working closely with our education partners to provide guidance and support for high schools. Two current initiatives include:
 - Nashua HS Machine Tool Program which we are helping to rejuvenate by rebuilding their advisory board and located funding for teacher training.
 - The Creteau Technical Center in Rochester where we are helping to develop an in-school training program in composites in conjunction with Great Bay Community College by leveraging SPI connections and possible funding avenues.

- One of the key measurements of success is the NH 65 by 25 Project. Developing industry trainings that yield some type of post-secondary certificate or industry recognized credential is critical. We know that the effective worker of tomorrow will need more than a high school diploma to be successful.

We appreciate your continued support of New Hampshire's economic well-being.

Respectfully submitted,

Philip J. Przybyszewski
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