



Remarks to House Republican Policy Committee Public Hearing on Jobs Creation

Good Morning, I am Nancy Dischinat, Executive Director of the Lehigh Valley Workforce Investment Board, Inc. and pleased that you are holding this informational hearing on jobs creation. I appreciate the opportunity to provide written testimony and am thrilled to be joined by an expert panel of private sector job creators, Patricia Hartwell of B. Braun Medical Inc., Peter Rittenhouse of Nestlé Waters North America and Gary Bender of ABEC, Inc. We appreciate the important policymaking work you do in Harrisburg, especially around workforce development, and we value our local legislative delegation including our hosts Representative Ryan Mackenzie and Representative Justin Simmons. We also thank our largest employer, Lehigh Valley Health Network, for providing a top notch, state-of-the-art venue for this hearing and for creating a work environment that houses 10,000 workers. Now that is job creation.

Two important things about Pennsylvania's complex workforce development system: One, it is locally controlled by county-wide or regional workforce investment boards. Two, the system is driven by private-sector business leaders who chair these local boards and comprise at least 51 percent of their boards' membership which assures that the workforce system across Pennsylvania is employer driven.

Every community in Pennsylvania is associated with a local WIB. Among Pennsylvania's 22 WIBs, nine are single-county, and 13 are regional, or multi-county. While there are basic guidelines set in statute, many aspects of how an individual WIB operates can vary from one WIB to another.

This bottom-up structure enables local boards to serve as the neutral conveners of private employers, local economic development organizations, higher education institutions,

industry partnerships, and other civic organizations within their communities. Their dual end purpose is to ensure that local employers are competitive in the global marketplace with access to a skilled workforce, and citizens can pursue career paths that will provide family-sustaining jobs. As you all know quite well, every region of the state is unique in its labor market, local economy, and workforce needs.

The workforce system in PA is called PA CareerLink®. More than 50,000 individuals visit the CareerLinks® in Pennsylvania each month.

With at least one PA CareerLink® location in almost every county in the commonwealth, Pennsylvania's 67 CareerLink® centers offer the unique capacity to serve as a "one stop" point of contact for the delivery of a large number of workforce and training services to assist residents and businesses, and have a unique ability to mobilize when called upon in a crisis such as a plant closing or company start-up.

Pennsylvania's local WIBs serve as strategic think tanks and innovators, consulting with business, education, labor and community leaders to design solutions to best meet the needs of their communities.

State allocations of federal Workforce Investment Act discretionary funds should be used to support workforce programs, including the costs of maintaining PA CareerLink® centers to serve the commonwealth's citizens and business community. We encourage you to look to the local workforce system as a resource and partner to help build strong communities and serve your constituents.

The following State Policy recommendations have been endorsed by the Pennsylvania Association of Workforce Investment Boards and PA Partners.

For more information go to www.papartners.org .

Local Workforce Investment Boards

Workforce Investment Boards are local entities that operate in regional networks to implement the Workforce Investment Act (WIA) of 1998. The main role of a Workforce Investment Board is to plan, control and oversee federal, state and local funding to workforce development programs in local communities. Boards are also responsible for connecting with economic development entities, bringing economic data into community planning efforts around workforce, and assuring that the local workforce system is closely connected to the private sector. They oversee the one-stop career centers, called PA CareerLinks® in Pennsylvania. Pennsylvania's public workforce system includes 23 local workforce investment areas that are led by 22 local Workforce Investment Boards. The current structure of local areas and Boards has been effective for more than a decade and should be retained.

Local, business-led Workforce Investment Boards are demand-driven, innovative and responsible for the development of policy and programs under the Workforce Investment Act programs and related legislation. The Boards are the objective, neutral and independent conveners of local economic development organizations, higher education institutions, private employers, industry partnerships and other civic organizations. They operate with the dual end purpose of ensuring that local employers are competitive in the global marketplace because they have a skilled workforce and that residents of local areas have access to career paths that lead to family-sustaining jobs.

Recommendations

- Leadership of the Boards must remain in the hands of private-sector members, and their voices should guide the decisions that are made locally, in order to ensure workforce services in training are driven by private sector skills gaps and projected demands which lead to jobs creation.

- Local elected officials and Boards should be provided with maximum flexibility to jointly determine the roles, responsibilities and accountability for each as well as maintain local governance over: selection of Board members , strategic and operational planning, structure of service delivery systems and selection of service providers, and budget and priorities.
- The setting of priorities for public-sector investments like jobs creation initiatives should continue to be vested in the Workforce Investment Boards.

One-Stop Centers

The Workforce Investment Act consolidated programs that have a like mission and vision in providing for a skilled and prepared workforce into one-stop centers, called PA CareerLinks® in Pennsylvania. One-stops serve as an expanded labor exchange between job seekers and employers where job seekers get employment information, find out about career development training opportunities and connect to various programs in their area, and employers can access a qualified workforce along with resources to assist the incumbent and projected new workforce, all contributing to jobs creation.

Recommendations

- Local Workforce Investment Boards must continue to provide policy guidance and fiscal and program oversight to the one-stop centers.
- Efforts should be made to better integrate that federally-funded services with the unemployment compensation system, such as technological advances with the new JobGateway job matching system, making sure that claimants are better able to take advantage of available reemployment services and to promote greater public accountability.

- The infrastructure costs of PA CareerLinks® should be supported to have the capacity to inform all job seekers about high demand occupations, training options and the projected demand.

Education and Training

All workers should be lifelong learners to meet the increasing skill demands of business and industry, as it relates to current and projected job creations within Pennsylvania's targeted industry cluster.

Recommendations

- Workforce development and education (K-12, higher education, career and technical education) must align to address current and projected job openings.
- The Career Pathways model should be integrated into the K-16 educational system. Development of career pathways plans should be encouraged throughout the educational, training, literacy and workforce system with multiple entry and exit points as a strategy for building a workforce able to meet business and industry's job creation demands.
- Options for employer-based training such as on-the-job training and customized training should be encouraged. We applaud the new Keystone Works program that will connect Unemployment Compensation claimants with up to eight weeks of on-the-job training delivered by employers who have job openings, while they continue to collect UC benefits.
- Increase the number of workers with the knowledge and skills essential to keep pace with technology that is driving innovation.

- A four-year college degree should be available in the career path of workers, but many of the jobs today require a career and technical education.
- Training should be accelerated to close the skills gaps and move more workers toward the equivalent of a two-year postsecondary education.
- Regional occupational priorities established by Workforce Investment Boards should give direction to educational institutions that are interested in providing education and training for customers of the workforce development system. Federal and state policy should require postsecondary institutions to consult with local Workforce Investment Boards on strategic planning, equipment purchases and the creation of workforce programs that lead to industry-recognized credentials.
- State higher education policy must continue to support articulation agreements between institutions and the smooth transfer of a student's credits and courses from one institution to the other.

Industry Partnerships

We thank the legislature for supporting Industry Partnerships by providing \$1.613 million in this year's budget. We also thank you for supporting Senator Mike Brubaker's industry partnership legislation signed into law last year which designates funding in the state's budget and requires specific outcomes to help local industries plan, grow, innovate and re-tool their workforces for the future. We look forward to your continued discussions on Senate Bill 1460 to provide a tax credit for businesses that invest in these partnerships.

Industry Partnerships are employer-led initiatives that identify workforce needs within targeted industries or sectors and provides training resources for employers' incumbent workforce to close their skills gaps, all leading to jobs creation.

Recommendations

The Industry Partnership approach has improved the delivery of employer-based training by increasing the focus on strategic workforce planning. Both state and federal funding sources should continue to support this approach, requiring partnerships to work with local Workforce Investment Boards in the establishment and maintenance of workforce development plans.

- More resources should be appropriated in the state budget for incumbent worker training and opportunities to advance the skills of the existing workforce, allowing businesses to be competitive, productive, and profitable to add more jobs.
- Industry Partnerships should be a priority in state and federal funding to advance the skills of their incumbent and emerging workforce.

Youth

Young people are a significant part of our emerging workforce. Their skills, aptitudes and preparation levels will determine Pennsylvania's ability to compete in an increasingly global marketplace.

Recommendations

- Workforce Coordinators should be housed in every high school in Pennsylvania to provide career awareness, training options, Career Pathways and work experience opportunities.
- State policy should provide Pennsylvania youth access to quality educational options that lead to a GED or diploma and postsecondary and/or industry credentials preparing them for a self-sustaining wage occupation.

Integration

The Pennsylvania Association of Workforce Investment Boards has concerns of dramatic changes that the PA Department of Public Welfare (DPW) is planning to the state's Employment, Advancement and Retention Network (EARN) program that stands in the way of integrating the two programs.

For the last 20 years, local workforce investment boards (WIBs) have served as fiscal agents and systems of record to deliver employment and training programs funded through the Departments of Public Welfare and Labor & Industry. Recently, DPW has stated its intent to sever its long-standing partnership with the local workforce system by issuing a statewide Request for Proposal (RFP) for services sometime this fall to take effect July 1, 2013.

We believe that such a move runs counter to state and national goals to further integrate the two workforce systems. Currently, there is opportunity to share services between the two systems. While about half of the EARN centers are not co-located with PA CareerLink® centers, it makes sense to seek to co-locate more of these centers where feasible, share services, and eliminate unnecessary duplication of effort.

Recommendations

- The EARN program is part of the workforce system, so customers will know the job and labor market data, projected job openings, high demand occupations, skills needed, and emerging industries, thereby increasing Pennsylvania's labor pool.
- Integrate EARN customers into the PA CareerLink® system which includes Career Resource Rooms, job search materials, workshop sessions, and a database of employment opportunities including every job within the Commonwealth Workforce Development System.

- Staff and resources involved in business services and job development from different funding sources could work together as teams.
- The EARN program should not be a separate system.

In these times of fiscal constraint, when there is a great need to increase efficiency and eliminate duplicative programs, we must move towards more integration of services of rather than creating a new bureaucracy. *[Attachment 1]*

We ask that you contact Governor Corbett, Welfare Secretary Alexander and Labor & Industry Secretary Hearshway and request that DPW retain the local public workforce system as the fiscal agents and system of record for EARN services. Furthermore, we urge that the Departments of Public Welfare and Labor & Industry work with the local WIBs toward integration, rather than away from integration by issuing a Request for Proposal. A separate system for delivering the EARN program is duplicative.

In closing, Pennsylvania's Workforce Investment Boards support jobs creation through local control and decision making on employment and training needs, through PA CareerLinks® that provide a labor exchange between job seekers and employers, through education and training that provides a trained and skilled workforce, through Industry Partnerships that upgrade skills of the incumbent workforce, through career planning and career pathways, through career awareness and embedding workforce coordinators within education and through the integration and alignment of workforce programs across state agencies. All geared at reinventing and re-tooling Pennsylvania's workforce for jobs in the private sector.

White Paper

Response to PA Department of Public Welfare's Plans for EARN ("welfare to work") Programs

► Background

For the last 20 years, local workforce investment boards (WIBs) have partnered with the PA Department of Public Welfare (DPW) in the delivery of "welfare-to-work" employment programs to welfare clients in the commonwealth. At the time, Pennsylvania was one of the first states to use the local workforce system for the delivery of these programs and was considered to be a trailblazer. Local WIBs have served as the fiscal agent and the system of record to deliver employment and training programs under both the workforce investment and TANF systems.

At the start of this partnership, DPW contracted directly with local WIBs to provide these services. **This contracting system did not work.** Payments were not being made by DPW in a timely fashion and had become so late, in fact, that a Memorandum of Understanding (MOU) was eventually established between DPW and the PA Department of Labor & Industry (L&I) for L&I to take over the issuing of payments to the local WIBs. The current MOU allows funds to be paid by L&I in the same manner as other federal workforce funding through online access. Local WIBs have still been accountable to DPW for program performance and reporting requirements while receiving their payments through L&I.

Following a meeting held with DPW Secretary Alexander on September 1, 2011, the PA Association of Workforce Investment Boards (PA WIBs) formed a "Welfare Task Force" of eight individuals (four WIB directors, four EARN program managers) that met with representatives of DPW twice on January 31 and February 15. As a result of these discussions, DPW made some programmatic changes, reducing the existing 900 pages of state guidelines to about 12 pages. These changes were welcomed by the workforce system.

► Proposed Contracting Changes

Recommendation: We urge the delay of the new performance-based contracting system for at least six months to allow time to work out all the details so that a seamless, quality program can be implemented.

On April 19th, DPW called a meeting with the WIBs and announced its intention for the first time to eliminate the MOU with L&I and instead go to a completely new contracting system directly with DPW that is performance-based to take effect in just 45 days on July 1. Instead of using the successful online financial CWDS system, paper invoices would be submitted to DPW for reimbursement under the normal 45-day state contracting process. The system would, essentially, revert to that of the 1990s – the very same system that was problematic because of late payments. Contracts are being completely restructured and will be performance-based.