

Comments from Gary W. Smith | President and CEO | Chester County Economic Development Council

### Workforce Development and the Role of Industry Partnerships

Pennsylvania's workforce development system, under the direction of the PA Workforce Investment Board (WIB) is responsible for enabling businesses and workers to compete in the worldwide, knowledge-based economy. The workforce system will enhance employer competitiveness and innovation, while preparing Pennsylvanians for new careers in higher-wage jobs, effectively improving the quality of life for our most valuable resource-our citizens.

The board's mission is to ensure that Pennsylvania's entire workforce system, integrating many programs in multiple departments and agencies, meets employers' needs for skilled workers and workers' needs for career and economic advancement.

PA's Industry Partnership program is the state's most direct link to the private sector and is designed to bridge the gap between employers with workforce needs and PA workers looking for employment opportunities. The partnership program is also a direct connection with the state's Career Link and HIRE ONE program for integrating services to our employers.

### Fast Facts about Industry Partnerships in Pennsylvania:

- There have been more than 6,300 businesses involved in nearly 76 Industry Partnerships across Pennsylvania since 2005
- More than 70,000 workers have been trained since the inception of this initiative in 2005.
- Workers who received training through Industry Partnerships saw their wages rise by an average of 6.62 percent within the first year after receiving training.
- 88 percent of businesses in Industry Partnerships reported being very satisfied or satisfied with the program.
- 84 percent of businesses reported Industry Partnerships and training have helped them to significantly increase their productivity.
- Industry leaders have contributed more than \$9 million in private funds and more than \$30 million in-kind contributions to support training and other initiatives identified through these Industry Partnerships.

*Since its inception the budget for the partnerships has gone from \$20M to \$1.6M, even though the success of PA IPs has been recognized across the US as one of PA's outstanding programs.*



In 2011-12,

- Due to budget cuts, there are currently 39 partnerships funded in 7 separate industry clusters.
- As of September 2011, more than 105,000 individuals have been trained through the IP program.
- In fiscal year 2011-12, the general assembly allocated 1.632 million dollars to funding IP training activities – down from \$20M in original funding.
- Pennsylvania’s Industry Partnerships have broad bipartisan support. In 2011, with the leadership of Senator Mike Brubaker and support from both PA legislative chambers the Industry Partnership bill (SB 552) unanimously passed and Governor Corbett signed the bill into law.

Chester County manages 5 of the 39 Industry Partnerships, of which 4 serve a tleast 7 counties in the Southeastern PA region and in some cases 9 counties:

- Southeastern Agriculture Industry Partnership
- BioScience Industry Partnership (in collaboration with PA Bio and LSCA)
- Innovative Technology Action Group (ITAG)
- Chester County Healthcare Industry Partnership, and
- Smart Energy Initiative

Between 2008-2012 alone these five partnerships:

- Served an average of 772 companies each year
- Trained 8,273 employees from 931 companies in the past 4 years
- Provided employer based career initiatives for over 6,000 youth
- 49% of our participating companies come from outside Chester County
- Collaborated with over 175 educational institutions and economic development agencies/Chambers

The 5 partnerships received the following in grant funds:

- Industry Partnership Management Funds - \$1,377,268
  - an average of \$229,545/year or \$57,386/IP/year
- Incumbent Worker Training Funds - \$3,071,578
  - an average of \$767,880 /year or \$153,576/IP/year
- Training cost per person averaged under \$50/person
- ***Companies matched training and IP activities with \$5,517,578 in cash and in-kind services in support of the IPs an obvious indication that the private sector values the work of the Industry Partnerships.***

Reasons companies participate in Industry Partnerships:

- They can fill existing job openings quicker and more efficiently than through traditional methods
- Not for the training funds but for the networking opportunities
- Sharing best practices – you now have competing businesses at the same table discussing solutions to industry challenges
- Curriculum is being influenced by the direct input of employers
- Career information and experiences are being introduced into schools by private sector volunteers in an effort to grow the pipeline of workers for careers of the future
- A strong focus on our “high priority” industries which in turns provides higher wage job opportunities for PA workers which in turn provides higher revenue for the Commonwealth

Chester County:

Chester County has led the state in our leading-edge integration of workforce and economic development efforts by leveraging L&I funds, with DCED funds, with local/national foundations and matched with private sector support and by effectively collaborating with educational institutions and economic development agencies/Chambers.

Chester County’s 5 successful high priority industry partnerships resulted in providing:

1. Incumbent worker training for employers - leveraging grant dollars in a way that results in low cost per participant, negotiating cost reductions with area education partners and match contributions by employers. This includes skills gap analysis to provide targeted training needs.
2. Business resource allocations to employers through:
  - a. SEEDCo small business lending and international business support
  - b. Helping to establish and support value-add Agriculture business opportunities for local farmers – Chester County Cheese Artisans
  - c. Tax Credit support for emerging growth companies (life sciences, IT and energy start-ups) through our i2n program and other business resources
  - d. Business Associations and Chamber Resources
3. Linkages to all resources, including federal and state funding, with our emerging growth companies (life sciences, IT and energy tech start-ups):
  - a. linking employment opportunities for those displaced from the bioscience industry with new emerging growth companies
  - b. linking interns from area educational institutions with start-ups and
  - c. establishing the first two tech “Innovation Centers” in Chester County with the support of two private sector developers
4. Providing hands-on career development opportunities through:

- a. Onsite employer career exploration experiences like Healthcare and Agriculture Showcases hosted by the region's employers
  - b. Job Shadowing and internships opportunities
  - c. Annuals tech conferences to encourage K-12 opportunities for students to pursue STEM courses of study like:
    - i. Analytical Graphics' Galaxy Explorers program for elementary students
    - ii. ITAG's Techies Day for High School students in collaboration with CCIU
    - iii. ITAG's Tech Trek linking area employers with college students to better define the hiring expectations of employers, and
    - iv. ITAG's Girls Exploring Tomorrow's Technology – an initiative supported by 70 volunteers giving hands-on tech experiences to girls in Grades 6-12 in an effort to increase the number of females going into tech positions.
  - d. Linkages with all education partners to offer non-traditional career exploration opportunities with business and industry
5. Employment solutions through HIRE ONE providing strategic rebranding of qualified individuals capitalizing on transferrable skills. With 16,000 people in Chester County and 144,000 in SEPA unemployed, there needs to be an overhaul of all existing systems – both public and private.
- Only 3% success rate of existing online tools such as Monster and Career Builder
  - Less than that through our CareerLink system
  - Referrals still main link for job seekers

As a result of the Industry Partnerships all working on employment challenges, Chester County established a program called HIRE ONE to begin to address the failure of the existing systems to link employer needs with job seekers.

HIRE ONE in its first year:

- a. Established an “Industry Partnership-like” effort, with representation from all 5 high priority industries, to address the employment needs of the “high Priority” industries. Partnership made up of 40 organizations who are contributing to identifying new, effective methods of linking employers with job seekers.
- b. Established a campaign among employers to become “Champions” by committing to hire at least one person in a year. After the first year, 65 employers hired over 2,000 new workers.
- c. Identified a gap in service to mid-level dislocated workers – a new demographic of unemployed workers – and established a system to re-brand these workers to transition to jobs in new industries. Services were provided to over 1,000 job seekers. These workers were not being served by Career Link and often did not qualify for company outplacement services. Example, in SEPA the BioScience community has been hit hard with mergers, acquisitions, and transitioning business opportunities – many of the effected workers found themselves unemployed for the first time in 15-20 years.

Direct Services provided:

- 1) Rebranding through effective resumes and CV
  - 2) Targeted searching through Social Media tools and
  - 3) One-on-one coaching
- d. Identify a system for linking skill shortages with short-term training opportunities to transfer existing job seekers into positions that are currently experiencing problems in filling certain jobs like new bioscience, IT, and advanced manufacturing positions.

## Workforce Policy Issues:

1. **Industry Partnerships** are the current direct link to employers for support of workforce development. With the success of the state's Industry Partnership program and its national recognition, the state should increase the funding to partnerships to at least the \$6M being supported by Senator Brubaker and others, and look to increase funding proportional to its successful outcomes. Funding should have the flexibility to include support for Partnership management and locally identified program needs like pipeline development. Private sector match will continue.
2. PA needs innovative, technology solutions to capturing unemployment information that reflects the realities of the current unemployed – not just a revised database that mimics Monster or CareerBuilder. If banks and retailers can track purchases down to individuals, our employment system should be able to do the same.
3. L&I through WIA needs to allow for local flexibility to adjust One-Stops to better meet the needs of the local employers and job seekers – Pittsburgh, Erie, Lehigh and SEPA do not all have the same needs. If existing CareerLinks only serve a small percentage of the unemployed population, the system needs to supplement with private sector opportunities while overhauling ineffective One-Stops. Educate existing CareerLink staff in the real needs of the business community, or outsource its operations to organizations that have direct background/experience in industry.
4. With limited grant funding, provide support for programs that are driven by real data and don't duplicate existing successful operations.
5. All workforce programs should be driven by the needs of the employers. All too often, program decisions under WIB/WIA efforts are decided by providers and not the local employers.
6. Integrate available resources across L&I, DCED, PDE and others and reduce duplication of services.
7. State decisions should be balanced and not just shift all available resources to one new industry issue like Marcellus Shale and/or Manufacturing. In the past 5 years, we've seen limited funds shift from year to year to one or two issues. PA needs to balance those decisions with support for existing high priority industries like Bio and IT with support for growth opportunities like energy and emerging growth companies.
8. Finally, statistics show job growth is coming from start-ups, especially in the technology areas. PA needs to have a strategic approach to growing opportunities for emerging growth companies. This includes developing a support system that encourages and draws the interest of the investment community to PA. With a real targeted, strategic approach to growing our technology industries, and designing all future support for growing the pipeline of workers in STEM, PA could become more competitive and attractive to the business community and all-related infrastructure to support the tech industries – bioscience, IT/communications, energy and manufacturing.



**CHESTER COUNTY**  
WORKFORCE INVESTMENT BOARD  
*Advancing Chester County's Workforce*

CCEDC/CCWIB

Industry Partnership Results  
2011-12



**Chester County**  
**Economic**  
**Development**  
**Council**

	Healthcare	ITAG	SEI	Agriculture	BIO	Hire One	Totals
<b>Participants</b>							
# of Employers	42	116	116	136	65	70	545
# of Educational & Training Institutions	12	14	8	9	49	8	100
# of Other (Econ Dev/Unions/Chambers)	10	9	10	5	25	17	76
<b>Training</b>							
# of Employees Trained	401	162	171	233	374	N/A	1,341
# of Companies w/ Employees Trained (undup)	24	23	32	135	9	N/A	223
<b>Youth Programs</b>							
# of Youth Participants	65	802	380	291	200	N/A	1,738
# of Parent Participants	5	102	12	2	0	N/A	121
# of Educator Participants	2	29	4	3	25	N/A	63
# of Employer Participants	2	35	28	7	1	N/A	73
# of Schools Participating	5	83	7	3	3	N/A	101
<b>Other</b>							
# of Dislocated Workers Trained/Served	0	2	4	0	250	1,033	1,289
Volunteers	106	285	80	48	103	121	743
Total individual participants	577	1353	647	574	927	1154	5,232
<b>Grant Funds</b>							
Grant Funds	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 20,000	\$ 130,718	\$ 270,718
Training Funds	\$ 110,625	\$ 151,550	\$ 136,093	\$ 90,625	\$ 54,375	N/A	\$ 543,268
Total Grant	\$ 140,625	\$ 181,550	\$ 166,093	\$ 120,625	\$ 74,375	\$ 130,718	\$ 813,986
<b>Match Funds</b>							
Cash match	\$ 30,230	\$ 69,244	\$ 61,478	\$ 57,406	\$ 18,080	N/A	\$ 236,438
Other match	\$ 243,220	\$ 284,505	\$ 573,592	\$ 111,071	\$ 178,190	N/A	\$ 1,390,578
Total match	\$ 273,450	\$ 353,749	\$ 635,070	\$ 168,477	\$ 196,270	N/A	\$ 1,627,016



# Workforce and Economic Development - a Public-Private Partnership

## Innovative Technology Action Group (ITAG)



ITAG's mission is to promote Information Technology, Communications, and Technological Processes, to all companies and individuals in Southeastern Pennsylvania as a means to become more effective in an increasingly sophisticated global marketplace. [www.itagpa.org](http://www.itagpa.org)

In 2011-2012, ITAG:

- Trained 125 individuals from 23 companies;
- Raised \$119,014 of in-kind and cash match with the help of 285 volunteers;
- Reached out to 802 students with support from 56 companies and 83 education partners;
- Received the Technology/Innovation Hero Award for its career awareness events: Girls Exploring Tomorrow's Technology (GETT), TechTrek and TechiesDay;
- Was recognized as an Educational Improvement Organization (EIO) and became eligible for Educational Improvement Tax Credits (EITC) donations.

## Smart Energy Initiative (SEI)



SEI's mission is to support sustainable, economic growth for the new energy industry in the region by focusing on awareness and education, workforce development and advisory services. [www.smartenergypa.org](http://www.smartenergypa.org)

In 2011-2012, SEI:

- Received \$338,445 in training requests from local companies;
- Trained 191 individuals from 34 companies;
- Designed and launched a new website as a resource for both consumers and member companies;
- Reached out to 380 students in collaboration with other IPs, supported by 28 companies.

## Chester County Health Care Partnership (CCHCP)



CCHCP's mission is to advocate for the advancement of the health care industry through training, outreach and other strategies. CCHCP is strategically aligned with the priorities identified by PA Center for Health Careers. [www.chestercountyhealthcare.org](http://www.chestercountyhealthcare.org)

In 2011-2012, CCHCP:

- Trained 391 individuals from 20 companies;
- Raised \$38,848 in-kind and cash match with the help of 106 volunteers;
- Reached out to 527 youth supported by 35 companies and 11 education partners;
- With support from a CCRES grant, organized health care career showcases at Paoli Hospital and Ware Presbyterian Village impacting 65 high school students, 5 parents, and 2 educators.

## Southeastern PA Agriculture Partnership



The Southeastern PA Agriculture Partnership aims to build the capacity of farmers and their supply chain partners to meet the growing demand for local, fresh foods in the region through investment in training and workforce development. [www.cceconomicdevelopment.com](http://www.cceconomicdevelopment.com)

In 2011-2012, the Agriculture Partnership:

- Trained 199 individuals from 114 companies;
- Raised \$131,492 of in-kind and cash match with the help of 48 volunteers;
- Launched an Ag career video geared toward middle school students;
- With support from a CCRES grant, coordinated Ag career showcases for high school students, providing them with insight into Aquaculture and Dairy Farming.

## BioScience Industry Partnership (BSP)



Led by Life Science Career Alliance and in collaboration with CCEDC, CCWIB and Pennsylvania Bio, the BSP seeks to develop and grow the Southeastern Pennsylvania (SEPA) region's workforce in biopharmaceuticals, medical devices, diagnostics, and related businesses by creating a collaborative environment that draws on the collective resources of industry, academia, government, and other supporting organizations. [www.biosciencepa.org](http://www.biosciencepa.org)

In 2011-2012, BSP:

- Had 130 companies participate in at least one event;
- Trained 250 individuals from 9 companies;
- Raised \$45,590 of in-kind and cash match to date;
- Created a job seeker program to assist displaced workers in transition from bioscience-related fields;
- Designed and launched a new website as a resource to member companies.

## Hire One

Initiated in 2010, Hire One's mission is to identify and facilitate effective linkages among the job seekers and companies hiring in Chester County and the region and to develop and conduct a marketing campaign that supports the Hire One Initiative. [www.hireonecc.com](http://www.hireonecc.com)

In 2011-2012, Hire One:

- Had 65 Company Champions hire over 2,000 individuals;
- Shared over 1,000 job postings with 44 individuals connecting to thousands of job seekers;
- Gained survey feedback from 2,085 job seekers in order to assist in tailoring services for this population;
- Referred 26 Hire One Champion Companies to the services of PA CareerLink and Seedcopa.

## Ideas x Innovation Network (i2n)



The i2n is a powerful initiative that is aligning and rallying the area's best resources to support growing life-science, bio-technology, energy, and information technology companies. [www.i2npa.org](http://www.i2npa.org)

In 2011-2012, the Ideas x Innovation Network (i2n), in collaboration with its 30 Board Members:

- Merged the Chester County KIZ (CCKIZ) and the Delaware County KIZ (DCKIZ);
- Served more than 60 companies;
- Enabled 15 companies to receive a total of \$1,371,865 in KIZ tax credits;
- Reported 38 new jobs created, 56 patents applied for or approved, and more than \$26 million in funding leveraged by companies;
- Prepared to launch two "Innovation Centers" in Chester County.

For more information about these programs, visit [www.cceconomicdevelopment.com](http://www.cceconomicdevelopment.com), or contact the CCEDC at 610.458.5700.

