



WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) COMBINED STATE PLAN

for the period of
JULY 1, 2016 *through* JUNE 30, 2020
Effective: July 1, 2016

Tom Wolf
Governor

Section I – Strategic Planning Elements

Governor Wolf’s Strategic Vision for Workforce Development in the Commonwealth of Pennsylvania

Description of state's strategic vision and goals for preparing an educated and skilled workforce (including preparing youth and individuals with barriers to employment) and for meeting the skilled workforce needs of employers, including goals relating to performance accountability measures based on primary indicators of performance described in section 116(b)(2)(A), in order to support economic growth and economic self-sufficiency, and of how the state will assess the overall effectiveness of the workforce investment system.

Describe the strategies the State will implement, including sector strategies and career pathways.

On July 22, 2014, President Obama signed the Workforce Innovation and Opportunity Act (WIOA) providing a framework for Governors and states to make changes to their workforce systems. The federal law sets the parameters for the workforce system which is an integral part of the commonwealth’s ability to serve job seekers and employers. WIOA will enable the commonwealth to align workforce priorities across multiple partners, training providers, employers and others to ensure we are creating a skilled workforce for today and the future.

An effective workforce development system will be built on a foundation of alignment, innovation, employer engagement, accountability structures and improved data. Pennsylvania will look beyond WIOA to set broad goals for a comprehensive workforce development system that increases the number of “jobs that pay,” expands the number of “schools that teach” the skills necessary to succeed in college and careers, and is a model of “government that works.” We will do this by designing and implementing a workforce development system that addresses three core challenges facing the workforce system:

- The workforce system in general, and education and training providers in particular, are not well aligned with the needs of employers who provide jobs that pay.
- Too many workforce programs operate in their own individual silos rather than being integrated into an overall system that allows leveraging multiple funds to better serve employers, job seekers and incumbent workers.
- The workforce system lacks a support structure of training programs and employer peer-learning opportunities, including apprenticeship programs and Industry Partnerships, which enables and encourages more employers to invest in their workers and implement best organizational practices that create more jobs that pay.

Pennsylvania will provide the highest quality of service to job seekers, incumbent workers and employers by addressing these challenges through well-coordinated approaches at the state and local levels. System access will be enhanced through the use of technology and creative partnerships with community organizations and other service providers. While access will be improved for all job seekers and incumbent workers, the provision of services and training will be focused on those most in need and hardest to serve.

Our five broad goals for the commonwealth's workforce development system are:

- Establish career pathways as the primary model for skill, credential and degree attainment and provide all Pennsylvanians, with an emphasis on Pennsylvanians with barriers to employment, an opportunity to obtain a job that pays.
- Expand public-private investment in the state's pipeline of workers and in incumbent workers for targeted industry sectors from entry-level skills to middle skills through Industry Partnerships, WEDnetPA, and other innovative strategies.
- Increase opportunities for all youth to participate in work based learning through summer employment, pre-apprenticeship, apprenticeship, internships and other similar experiences.
- Engage employers through multi-employer workforce partnerships to improve the connection and responsiveness of workforce programs to the demand side of the labor market, increase public-private investment in critical skills, and support the spread of employer practices that create jobs that pay.
- Strengthen data sharing across state agencies and workforce development partners to better understand education and employment outcomes and rely more effectively on data to improve and target our efforts.

A key factor in accomplishing our five broad goals will be to boost interagency cooperation on workforce issues to achieve a team effort to implement this WIOA plan and to amend it if and when necessary. The development of this WIOA State Plan is the starting point for an unprecedented effort in Pennsylvania to transcend the fragmentation of workforce programs. Overcoming silos and promoting program integration are easy goals to talk about but very difficult to achieve. In Pennsylvania today, however, the commitment to achieving these goals – to getting all workforce agencies and programs pulling toward unified goals and better outcomes for job seekers, incumbent workers, employers, and all Pennsylvanians – starts at the very top, with Governor Wolf. State agencies will work together to leverage resources, both federal and other, to achieve Governor Wolf's Strategic Vision.

Goal 1: Establish Career Pathways

It is imperative that the workforce development system provide training for skills that lead to employment in [High Priority Occupations \(HPOs\)](#) or entry-level occupations that lead to HPOs. Career pathways must be diverse with multiple entry and exit points allowing individuals of varying abilities, including low-skilled adults and youth with multiple barriers to employment, to have realistic access to pathways. The commonwealth will look to support career pathways that help adults and youth advance among multiple occupations, advance within an occupation or move to a new occupation that has similar skills to a previous occupation. The strategies outlined below will support the establishment and promotion of career pathways, with an emphasis on providing access to those with substantial barriers to employment.

- 1.1** The commonwealth adopts the WIOA Section 3(7) definition of career pathways as listed in [Appendix I](#).
- 1.2** Local Workforce Development Boards (LWDBs), in partnership with employers, multi-employer workforce partnerships, and secondary and postsecondary education providers, will develop career pathway programs meeting the requirements of WIOA. Career pathway programs will include adult basic education (literacy and numeracy, English-as-Second Language, and high

school equivalency instruction) and will permit participants to enter at any of these levels in addition to entering at the postsecondary level.

- 1.3** The commonwealth will create a comprehensive career pathway system that combines education, training, counseling, and support services from multiple programs, including secondary and postsecondary career and technical education, adult and literacy education, Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP) Employment and Training, and higher education financial assistance, in addition to core programs of WIOA.
- 1.4** The commonwealth will encourage cross-program funding and programmatic integration of workforce preparation activities to develop soft-skills, adult basic education, and occupational training, supplemented by supportive services, as part of career pathway models to ensure that the critical needs of individuals (including those with basic skills deficiencies) are met, allowing the greatest opportunity for employment success. When appropriate, job seekers will be co-enrolled between two or more core programs to accomplish this goal. In addition, integrated systems must incorporate customer-centric design components, where possible.
- 1.5** The commonwealth will mainstream job seekers with barriers to employment to the maximum extent possible by offering realistic entry points into career pathways and by ensuring necessary supportive services are in place and coordinated across agencies, so that those individuals with the most significant barriers to employment are successful in accessing and navigating career pathways. When appropriate, job seekers will be co-enrolled between core and other partner programs in order to provide the most comprehensive services possible.
- 1.6** The commonwealth will promote and support the creation of pre-apprenticeship and Registered Apprenticeship programs, particularly in non-traditional occupations and for non-traditional populations, as part of relevant career pathway models. The commonwealth will add apprenticeship opportunities to the JobGateway® and Commonwealth Workforce Development Systems (CWDS) and will promote them as job/training options to job seekers.
- 1.7** The commonwealth will continue to refine the High Priority Occupation (HPO) [process](#) and [list](#) to ensure career pathways are aligned to occupations that are in-demand, have higher skill needs and are likely to pay family-sustaining wages. The commonwealth will consult with LWDBs and engaged employers to accomplish this goal. The commonwealth will also support placement of individuals with barriers to employment into quality entry-level jobs that provide the work experience and non-technical skills necessary to lead to employment in HPOs, and we will consult with LWDBs and engaged employers to identify the career pathways for which such quality entry-level jobs can serve as “on ramps.”
- 1.8** The commonwealth will maintain a robust [Eligible Training Provider List](#) (ETPL) to include performance data for all students receiving training in all programs, regardless of the funding source for those students’ training. This will allow for informed customer choice in selecting training programs and training providers. The commonwealth will ensure that there are a sufficient number of training providers serving individuals with barriers to employment on the ETPL.

- 1.9** The commonwealth will establish statewide and regional lists of industry-recognized credentials with a focus on identifying credentials along established career pathways, including badges, micro-credentials and entry level credentials appropriate for individuals with barriers to employment. The lists will include academic credentials as well as credentials demonstrating job readiness and the attainment of “soft skills” through workforce preparation activities. The commonwealth will consult with LWDBs and engaged employers, including through Registered Apprenticeship programs and Industry Partnerships, to ensure that the credential lists reflect skills that are in demand.
- 1.10** The commonwealth will require On-the-Job Training (OJT) and incumbent worker training, whether provided through WIOA core programs or the Industry Partnership program, to be tied to a career pathway.
- 1.11** The commonwealth will enhance career guidance and navigation services to guide individuals, particularly individuals with barriers to employment and education, into programs and services that will provide them with an effective pathway to their career goals. The commonwealth will add information to JobGateway®, CWDS and the workforce development website regarding career pathways and will enhance information provided by the Department of Education around initiatives such as [Students Occupationally and Academically Ready \(SOAR\)](#). SOAR programs lead students into career pathways that align secondary education courses to postsecondary programs to complete a degree or certificate.

Goal 2: Invest in Talent and Skills for Targeted Industries in Strategic Partnership with Employers and Educational Institutions

The commonwealth will use data and work with employers to identify the skills and competencies necessary to attain family-sustaining employment and will offer high quality training to individuals to obtain those skills. Today, it is estimated that just 48 percent of Pennsylvanians have a college credential or industry-recognized certification. By 2025, it is projected that fully 60 percent of good-paying, reliable Pennsylvania jobs will require these credentials. Governor Wolf has established a goal of 60 percent of Pennsylvanians in the labor force will have postsecondary credentials or certificates by 2025 in order to meet expected demand. Concerted efforts will be made to ensure that individuals with barriers to employment are among those obtaining postsecondary credentials and certificates. The governor has also targeted that at least 85,000 individuals per year will be trained through Department of Community and Economic Development (DCED) and Department of Labor & Industry (L&I) training programs. Additional strategies and initiatives to grow the talent pool include:

- 2.1** The commonwealth will establish minimum spending requirements for how much local area funding must be used for training. Spending requirements will be established based on WIOA Title I allocations, excluding administrative funds. Local areas may use a variety of funding sources beyond Title I funds to meet spending requirements to include: other federal funds, such as TANF, Vocational Rehabilitation, National Dislocated Worker grants, and other federal discretionary grants; state funds, such as Industry Partnership funds and state discretionary grants; and local funds, such as county or city training programs, local industry partnership funds used for training and philanthropic funded training programs. In Program Year (PY) 2016, the training benchmark will be calculated as 30 percent of Title I funding; in PY 2017, the training benchmark will be calculated as 40 percent of Title I funding; and in PY 2018 and thereafter, the training benchmark will be calculated as 50

- percent of Title I funding. Additionally, in PY 2016, at least 50 percent of funds utilized to meet the training benchmark must be spent on low income individuals and individuals with other barriers to employment, with the percentage rising to 60 percent in PY 2017 and 70 percent in PY 2018 and thereafter. A formal policy to include a definition of training and the funding sources which can be counted toward training benchmarks will be issued by the commonwealth. The policy will provide a process for local areas to request that additional training types and models count toward meeting the targets. Additionally, the commonwealth will establish a technical assistance group to support local areas and their service providers in meeting the benchmarks and allow for the sharing of best practices. The commonwealth will reassess training benchmarks and training funds targeted to individuals with barriers to employment on an annual basis.
- 2.2** The commonwealth will direct state workforce dollars through the Reemployment Fund and other sources, and will seek federal discretionary grants, to support program innovation to better meet the needs of the hardest to serve populations.
 - 2.3** The commonwealth will promote and develop sector strategies based on labor market information and employer need. This includes supporting the growth and expansion of the Industry Partnership program through increased state investment.
 - 2.4** The commonwealth will expand access for adult workers to skill certifications via incumbent worker training programs such as those provided by Industry Partnerships (IPs) and WEDnetPA. The IP and WEDnetPA programs will be more closely aligned and coordinated to ensure the commonwealth is adequately serving entry-level workers and workers with more advanced training needs to support their upward mobility along career pathways.
 - 2.5** The commonwealth will expand access to online education and training programs that result in industry-recognized credentials.
 - 2.6** The commonwealth will work with employer partnerships, community colleges, secondary schools and LWDBs to establish micro-credentials that demonstrate job readiness, the attainment of “soft skills,” and measurable skill gains aligned to career pathways for individuals with barriers to employment. A component of this effort will include sharing best practices with the intent of scaling the effort statewide. This work will be supported by a Workforce Innovation Fund (WIF) grant received from the U.S. Department of Labor.
 - 2.7** The commonwealth will promote the development of Registered Apprenticeship programs, with a focus on non-traditional industries and occupations through state grant funds. The grant will also support efforts of existing Registered Apprenticeship programs to recruit female and minority apprentices. The Office of Apprenticeship will provide technical assistance to grantees and will promote the creation and growth of apprenticeship programs beyond the grantees.
 - 2.8** The commonwealth will continue to foster relationships between the workforce development and post-secondary and secondary education systems, and public library system to ensure system alignment, programs of study that support job seeker and employer needs, and leveraging of resources to provide students with the best possible

- chance for success. This includes continuing to look for ways to partner with education through competitive grant opportunities.
- 2.9** The commonwealth will provide priority of service to veterans and eligible spouses, recipients of public assistance, other low-income individuals and individuals who are basic skills deficient as mandated by WIOA. Per federal guidance in [Training and Employment Guidance Letter 03-15](#), veterans and eligible spouses who are also recipients of public assistance, low income or basic skills deficient will receive first priority, non-veterans who are recipients of public assistance, low-income or basic skills deficient will receive second priority, veterans and eligible spouses not included in priority groups will receive third priority and all other individuals will receive last priority. Priority means the right to take precedence over non-covered persons in obtaining services. Depending on the type of service or resources being provided, taking precedence means: the covered person receives access to the service or resource earlier in time than the non-covered person; or, if the service or resource is limited, the covered person receives access to the service or resource instead of or before the non-covered person. Providing priority of service also entails affirmative outreach to the priority populations, identifying covered individuals at entry and informing them of their priority status. The commonwealth will also focus efforts on those with barriers to employment, including those with the following barriers as defined in WIOA: displaced homemakers; Indians, Alaskan Natives and Native Hawaiians; individuals with disabilities including youth with disabilities; older individuals; ex-offenders; homeless individuals; youth who are in or have aged out of the foster care system; individuals who are English language learners, individuals with low levels of literacy and individuals facing cultural barriers; eligible migrant and seasonal farmworkers; individuals within two years of exhausting lifetime eligibility under TANF; single parents to include single pregnant women; and long-term unemployed individuals. The commonwealth will seek to obtain grants to assist in serving individuals entitled to priority of service and will additionally make discretionary state funds available to support the serving of these target populations.
- 2.10** “Employment First” will be the policy of all commonwealth executive branch agencies under the jurisdiction of the governor in serving persons with disabilities. This policy reflects the Governor’s goal of making the commonwealth a model state when it comes to creating a climate hospitable to workers with disabilities. The definition of Employment First is that competitive integrated employment is the first consideration and preferred outcome of publicly-funded services for all working-age Pennsylvanians with a disability. Career, training and supportive services will be used, as necessary, to support the placement of individuals with disabilities into competitive integrated employment.
- 2.11** The commonwealth will develop and implement integrated education and training models that provide accelerated learning opportunities for youth and adults lacking a high school credential and/or who are basic skills deficient.

Goal 3: Increase Work-Based Learning Opportunities for Youth

Unemployment rates for older youth and young adults remain substantially higher than those for the population as a whole. For example, although Pennsylvania’s overall unemployment rate has fallen to a seasonally adjusted 5.1 percent (as of October 2015), the rate for 20-24 year-olds stands at 11.1 percent, and at 13.4 percent for 16-19 year-olds. Further, because the likelihood of employment is

highly correlated with educational levels, rates of employment and labor market participation for individuals with secondary credentials or less are substantially lower than for those with postsecondary credentials.

Recognizing the employment challenges faced by older youth and young adults, particularly those without postsecondary credentials, Congress and the Obama Administration prioritized WIOA employment, education and training services for 16-24 year-old out-of-school youth (OSY), establishing an expenditure floor of 75 percent, reducing the burdens of income determination, and extending automatic eligibility for services to a range of high-risk populations.

Appreciating the importance of preparing all Pennsylvanians for active and productive citizenship, the Wolf Administration will lead and support efforts by the commonwealth's local boards to expand services to these high-risk young people. In particular, consistent with provisions of the statute and the Notice of Proposed Rulemaking, the commonwealth will place a strong emphasis on ensuring that eligible OSY have access to a full range of services across core programs, as appropriate. To ensure a strong and continuing focus on youth employment within each local workforce area, the commonwealth will also require local areas to have youth standing committees. In addition, the commonwealth will work closely with each LWDB to negotiate levels of performance that reflect the needs and challenges of the new service population. In this way, local areas will not be penalized for enrolling high-need and difficult to serve individuals who are the focus of WIOA youth activities.

The commonwealth will further support local efforts by ensuring that state agencies overseeing local and regional programs that focus on high-risk young people, including those who are in foster care and/or juvenile justice systems, are homeless, are involved in the public mental health system, or are pregnant or parenting, work together to build coordinated approaches that support local areas' efforts to enroll and retain these young people. Furthermore, the commonwealth will support training activities that help to equip PA CareerLink® staff with the information and skills they need to meet the needs of eligible youth.

WIOA also places a new emphasis on providing eligible youth with high-quality work experience, requiring that at least 20 percent of youth funding be dedicated to this activity. This requirement is consistent with a growing body of research which demonstrates that young people who have access to jobs in their teens tend to graduate from high school, earn secondary and postsecondary credentials and earn at higher levels than their peers who do not work. However, research also shows that young people in low-income families have much more limited access to employment than their more affluent peers. Therefore, the WIOA work experience requirement represents a powerful tool to help lower-income youth, particularly those with barriers to employment, to gain invaluable and potentially life-changing experience in work places. In support of this priority, the commonwealth will work closely with LWDBs to encourage employers to provide access to high-quality work experiences for eligible youth, including internships, workplace learning, transitional jobs, pre-apprenticeships, and summer jobs, with particular emphasis on OSY. These opportunities will be targeted to OSY as required by WIOA. Additional efforts will be made around career exploration strategies to provide students and their parents' access to key information in making decisions about secondary and postsecondary education options and employment goals.

Specific initiatives to support opportunities for youth are as follows:

- 3.1** Recognizing the new priority on OSY, the commonwealth will identify models and effective practices, including for recruitment, flexible enrollment (e.g. self-attestation, co-enrollment, career pathways and retention) to help local area staff successfully meet the needs of those individuals.
- 3.2** The commonwealth will support the development of transitional jobs, social enterprises and other work experience strategies to help OSY with limited work histories to develop the skills needed for workplace success.
- 3.3** The commonwealth has established a Youth Committee as a standing committee of the State Workforce Development Board, comprised of individuals with expertise in youth workforce and education issues, which will advise on statewide youth policy and programs and provide technical assistance to LWDBs and their youth standing committees.
- 3.4** To ensure that OSY have access to career pathways, the commonwealth will work with local boards to identify on-ramps, access points, and supports which enable participants to enter and successfully complete training and enter employment.
- 3.5** The commonwealth will work with the U.S. Departments of Labor and Education, and also with local boards, to ensure that statistical models and negotiated performance levels are established and calibrated so that they accurately reflect the profiles of out-of-school youth being served within the commonwealth and in each local area.
- 3.6** The commonwealth will leverage existing low-literacy tools and models for OSY who are basic skills deficient and far from proficiency in reading and math.
- 3.7** The commonwealth may use a portion of the governor's set-aside funds to identify and replicate proven models for high-risk OSY, including models that incorporate demand-driven strategies and Industry Partnerships and other multi-employer workforce partnerships.
- 3.8** The commonwealth will encourage the co-enrollment of high-risk OSY, ages 18 to 24, as both WIOA Adult and WIOA Youth participants to allow for the leveraging of funds and provision of necessary services. Where appropriate, co-enrollment in Title II adult basic education services, EARN, TANF and other partner programs will also be encouraged. The commonwealth will offer technical assistance and effective-practice sessions to ensure the co-enrollment of OSY in WIOA Adult and WIOA Youth programs and to promote their co-enrollment in partner programs. The commonwealth will also continue to encourage the use of Individual Training Accounts (ITAs) for 18 to 24 year old youth, potentially combined with, either sequentially or concurrently, work-based learning opportunities. TANF, SNAP and other partner programs will refer clients for ITAs, as appropriate.
- 3.9** In recognition of the focus of federal funds on OSY, the commonwealth will leverage state resources to increase summer employment opportunities for in-school youth. The commonwealth invested nearly \$1.1 million to allow the Learn and Earn program in Allegheny County to pilot STEM initiatives in the fields of Video Game Production, Digital Manufacturing, Website Production and Agile Robotics. An additional \$2.3 million was provided to Philadelphia to enhance its WorkReady Philadelphia Summer Employment

programs and serve an additional 529 youth. The expansion is aligned with President Barack Obama's My Brother's Keeper initiative and Philadelphia's My Brother's Keeper Challenge.

- 3.10** The commonwealth will expand opportunities for youth to acquire post-high school skills and credentials needed for high wage jobs through increased access to career and technical education programs and work-based learning experiences. The Departments of Education and Labor & Industry will work cooperatively to explore and develop appropriate connections between WIOA youth activities and Perkins postsecondary and state-funded programming.
- 3.11** The Department of Education (PDE) will make additional funds available to support the transformation and modernization of career and technical education (CTE) and align CTE with the career pathways recognized by the commonwealth.
- 3.12** The Office of Vocational Rehabilitation (OVR) will continue to support initiatives serving transition-age youth with disabilities, such as: the Early Reach initiative designed to reach youth with disabilities earlier in their secondary school enrollment and make them aware of OVR services and how they can leverage general and special education programming to assist in transitioning from secondary education to employment and postsecondary education; the Access College – Employment Success grant awarded to D.R.E.A.M. Partnership to create college-based certificate programs for young adults with intellectual disabilities; Project SEARCH, a work-readiness program for secondary school youth providing on-the-job work experience through rotational internships; the Promoting Academic Success (PAS) program, a one-credit college course for students with disabilities to help them see if postsecondary education is an appropriate goal; and the Summer Academy, a three-week intensive training on the Penn State University campus for students who are blind or visually impaired who plan to attend college. Additionally, OVR will collaborate with employers to provide opportunities to students and youth with disabilities for career exploration that would lead to competitive, integrated employment. Students and youth with disabilities will also be given opportunities to complete work-based learning experiences to develop “soft skills” and work-related skills and experience.
- 3.13** The commonwealth will use the Office of Apprenticeship to promote apprenticeship and pre-apprenticeship opportunities to youth.
- 3.14** The commonwealth will support LWDB collaboration with YouthBuild, JobCorps, and AmeriCorps sites and will require inclusion of those partnerships in local plans.

Goal 4: Engage Employers to Strengthen the Connection of Education and Training and the Economy, Increase Investment in Critical Skills and Increase Jobs that Pay

Employers must be partners in the education and workforce system, not just end-users. It is critical for employers to be at the table to offer insights into current and future skill and occupational needs and provide feedback on proposed and implemented career pathways, sector strategies and training programs. It is also imperative that the workforce development system engage the right employers – those offering jobs with reasonable wages, benefits, full-time stable employment, ongoing training and advancement opportunities, paid sick days, family leave and medical leave, and predictable schedules to balance family needs. Low-quality jobs have high turnover rates and limited opportunity for

advancement, bringing into question the return on investment of limited WIOA resources. In addition, by engaging employers that provide good jobs by the standards of their sector, the commonwealth can support formal training, and formal and informal peer learning, that grow these companies and increase the number of other employers that adopt good human resource practices.

It is also critical that the commonwealth support employers who want to come together to address their training and human resource challenges in a more efficient, multi-employer way. The fragmentation of employers when it comes to workforce issues – recruitment, training, curricula, credentialing, career pathways – makes it more difficult for workforce services to align their programs with the common needs of employers. Pennsylvania is already ahead of other states in strengthening the voice of groups of employers in workforce development through its national leadership in building Industry Partnerships as well as its extensive investment in multi-employer apprenticeships. The commonwealth will build on its past experiences in order to improve employer engagement with the workforce system.

The commonwealth will measure employer engagement through the yet to be defined federal measure and will also consider additional state specific measures, such as market penetration (the number of employers actively using the public workforce system) or the number and total employment of employers engaged with active Industry Partnerships, apprenticeship programs, or other multi-employer workforce partnerships.

- 4.1** The commonwealth will critically consider job quality in engaging employers and will require LWDBs to prioritize funds to be used for business services activities, on-the-job training and incumbent worker training to those employers offering high quality jobs or jobs that are likely to lead to high-quality jobs. The commonwealth will seek to include model criteria for considering job quality in the standardized On-the-Job Training (OJT) contract described in paragraph 4.9 below. The commonwealth will also use these criteria to target Industry Partnerships and similar state-funded workforce partnerships to employers that offer high-quality jobs or jobs that are likely to lead to high-quality jobs.
- 4.2** The commonwealth will seek to identify sustainable public and private funding, in addition to the annual state appropriation, for high-quality industry-driven sectoral workforce intermediaries, including Industry Partnerships and apprenticeship programs, to lock in on a permanent basis a strong connection between education and training programs and the demand side of the labor market.
- 4.3** The commonwealth will implement a program of capacity building, peer learning, and evaluation to support Industry Partnerships, apprenticeship programs, and other multi-employer workforce intermediaries in delivering greater value to: employers; job seekers; incumbent workers and new hires, including young people and rehired dislocated workers; adults and youth participating in work-based learning at the companies and/or hired by the companies; and to their industry and regional economies. The commonwealth will consider establishing a formal certification program for Industry Partnerships.
- 4.4** The commonwealth will specifically require LWDBs to provide funding to Industry Partnerships and other multi-employer workforce intermediaries that serve employers with common skill needs in their local workforce areas.

- 4.5** The commonwealth will set new standards for providing products and services to employers through enhanced agency coordination in providing business services and expanded partnerships with economic development providers, local chambers of commerce and other associations serving the needs of employers. State agencies may act as intermediaries for organizing outreach to employers on a wider geographical basis than local regions. WIOA Regional Plans will be required to include strategies for collaborating with economic development and employer partners.
- 4.6** The commonwealth will continue to encourage employers to participate in Business-Education Partnerships. These partnerships connect schools, employers, and youth-serving community organizations with students and OSY to provide career-related experiences and exposure opportunities for youth and young adults through “soft skills” development, internships, workplace shadowing, and career mentoring. When possible, Business-Education Partnerships will recruit business representatives from Industry Partnerships, apprenticeship programs, or multi-employer groups that identify common workforce needs of businesses that provide jobs that pay. Industry Partnerships will also be leveraged to provide educator in the workplace opportunities for teachers and other educational system professionals.
- 4.7** The commonwealth will build new and strengthen existing partnerships with employers to increase work-based learning experiences such as internships and apprenticeships that provide job seekers with the skills and credentials necessary to secure and advance in employment with family-sustaining wages. The commonwealth will encourage employers that receive state funds from economic development and other programs to utilize the public workforce development system and will give priority to employers providing high-quality jobs or jobs that are likely to lead to high-quality jobs.
- 4.8** The commonwealth will rely on partnerships of employers to validate the credentials developed as part of state and regional lists of recognized credentials, career pathways, and other statewide efforts.
- 4.9** The commonwealth will streamline and standardize On-the-Job Training (OJT) contracts to provide greater consistency across LWDBs for employers hiring in multiple areas.
- 4.10** The Office of Vocational Rehabilitation will continue to provide leadership for accessibility standards, disability talent recruitment, on-boarding expertise and disability etiquette training for employers.
- 4.11** The commonwealth has recently partnered with the PA Chamber of Business and Industry (Chamber) which administers a workforce development survey sent to Pennsylvania employers. The commonwealth will foster this relationship in order to gain new and enhanced insights into workforce challenges and needs of Chamber members. As a complement to this Chamber partnership, the commonwealth will develop a dedicated survey unit focused on soliciting targeted employer input on a wide and diverse range of workforce issues as well as gauging the labor market from the employer perspective. Survey results will be used for strategic planning, measuring impact, and discovering opportunities.

- 4.12** Governor's Office and agency executives will regularly meet with business leaders around the state through efforts like the Jobs that Pay Tour to solicit feedback and ideas from employers.

Goal 5: Strengthen Data Sharing and More Effectively Use Data

Investments in workforce development programs will be made based on data and return-on-investment analysis. Use of rich data will allow for continuous improvement of programs. The sharing of program information, to include common measures and other outcome data, will allow for more informed customer choice in considering programs. The governor, in consultation with the state Workforce Development Board (WDB), will establish additional performance measures which will allow for assessment of the system to drive improvement and outcomes. The commonwealth will also work with federal agencies and local boards to ensure that negotiated performance levels reflect the populations being served, particularly with regard to OSY and other high-risk youth and adults with barriers to employment. The WDB will develop a dashboard to track progress and success on State Plan goals and implementation.

- 5.1** The commonwealth will expand upon Workforce Data Quality Initiative (WDQI) efforts to add additional state agencies and data sets to the database, with particular focus on PDE longitudinal educational data and agencies such as the Department of Transportation, Department of Corrections and Department of Revenue, who can assist in validation of data.
- 5.2** The commonwealth will make efforts to use WDQI as the common performance measurement reporting tool across all core programs.
- 5.3** The commonwealth will embark on a comprehensive upgrade of the Commonwealth Workforce Development System (CWDS) and JobGateway® to provide for better job seeker and employer experiences and allow staff greater case management and performance accountability functionality within and across core programs. To the degree possible, the commonwealth will also look at ways to integrate CWDS with the case management systems of other partner programs.
- 5.4** The commonwealth will regularly conduct formal evaluations of the state's workforce development system, including the system's effectiveness in meeting employer skill needs and increasing the educational attainment, employment and earnings of program participants.
- 5.5** The commonwealth will evaluate available data including how it is presented and released, to ensure that job seekers, employers and workforce development professionals have the information necessary to make informed decisions.
- 5.6** The commonwealth will seek to find ways to identify supply/demand gaps to further inform workforce policies.
- 5.7** The commonwealth will collaborate with the State WDB to develop a dashboard to track progress on the implementation of the WIOA State Plan and achievement of the plan's goals. This dashboard will aim to focus attention on the plan's big-picture, long term goals. Some measures under consideration for inclusion in the dashboard are the share of the

working-age population with postsecondary credentials or certificates, employer investment in skills, and the overall Pennsylvania labor turnover rate. The first is a priority of Governor Wolf and a measure on which Pennsylvania historically ranks poorly (between 43rd and 49th in the last dozen years). The last two measures would measure the effectiveness of the state's WIOA plan at identifying and spreading best practices that help employers increase the number of jobs that pay.

The work of local workforce development boards will support and further the governor's five goals for the workforce development system. In recognition that many system innovations originate at a local level, the commonwealth made available state discretionary funds, through a Strategic Innovation Grant opportunity, providing broad latitude for LWDBs to propose creative and innovative strategies to support the five goals outlined in the Combined State Plan.

Appendix XIV – Sector Strategies and Workforce Intermediaries

The commonwealth will use sector strategies as its major means of linking workforce development and economic development. The U.S. Department of Labor (USDOL) defines Sector Strategies as *industry-focused approaches to workforce and economic development that improve access to good jobs and increase job quality in ways that strengthen an industry's workforce*. USDOL is actively promoting sector strategies as “a proven framework” that WIOA incorporates into state and regional planning requirements. This new federal emphasis on sector-based workforce development strategies signals an important opportunity for Pennsylvania.

Since shortly after the implementation of the 1998 Workforce Investment Act, Pennsylvania has been a leader in making sector-based approaches integral to its design and delivery of workforce services for employers and workers. Over the past decade, more than 100,000 Pennsylvanians have participated in training programs sponsored by Pennsylvania's employer-driven Industry Partnerships. This record of success has led to bipartisan support in Harrisburg and in 2011 state legislators unanimously voted to put the commonwealth's Industry Partnership program into statute. Pennsylvania has also implemented sector strategies through multi-employer apprenticeship programs, which are strongest in the construction industry. However, Pennsylvania also has longstanding and innovative manufacturing apprenticeship programs that touch multiple employers. Some of these are legally single-employer apprenticeships in which classroom education and other apprenticeship elements are coordinated for multiple employers by an industry association or non-profit intermediary.

Given the potential of robust Industry Partnerships and other multi-employer workforce intermediaries to solve coordination problems in the labor market and improve outcomes for employers, workers, and regional economies, Pennsylvania aims under WIOA to go well beyond its sectoral initiatives to date. Pennsylvania also plans a flexible and non-bureaucratic approach to supporting sector strategies and sectoral workforce partnerships. Thus, while Pennsylvania's largest-scale recent sector initiative has been the state's Industry Partnership program, the state does not see this program as another new workforce silo but rather as a flexible program that should be responsive to the shifting workforce needs of groups of employers in each sector. The program has been managed flexibly to date, with a variety of entities – industry associations, economic development organizations, non-profit organizations, LWDBs and labor-management organizations – managing partnerships in different sectors and regions of the state. Looking forward, the state plans a performance-based approach to strengthen effective multi-employer workforce partnerships that demonstrate the ability to improve workforce outcomes for all stakeholders in their sector.

Pennsylvania also seeks to strengthen the role of sectoral partnerships as coordinating entities on the full range of workforce issues, not just incumbent worker training. Industry Partnerships were funded initially to deliver incumbent worker training because that was where employers saw the biggest gaps. In practice, however, Pennsylvania's Industry Partnerships have also addressed common workforce challenges related to entry-level workers, the recruitment of low-income and other targeted groups, and even, on occasion, the reemployment of dislocated workers. Apprenticeship programs, the oldest and best funded sectoral workforce partnerships in Pennsylvania (reliant mostly on private funds), are often thought of primarily as training new workers. However, they also serve a wide range of coordinating functions for their employers: incumbent worker training, supervisory training, sophisticated safety training and, in some cases, pre-apprenticeship programs for in-school and out-of-school youth, sometimes with community based partners. Some education and training programs operated by schools

and academic institutions also deserve support because they meet the criteria for effective sectoral workforce partnerships: they have deep engagement of employers in a sector (e.g. York College's engineering programs serving local manufacturers) that keeps curriculum current, expands work-based learning (e.g., internships and summer jobs), leads to industry certification as well as academic credit and results in careers for young people and great employees for Pennsylvania's high-wage companies. Going forward, Pennsylvania will invest in sectoral workforce intermediaries that:

- Can serve as general-purpose employer-engagement partners for programs dealing with all workforce groups, including high-school and out-of-school youth, college students, dislocated and other unemployed workers, veterans, low-income workers, TANF recipients, persons with disabilities, and ex-offenders re-entering the workforce, as well as incumbent workers who are not included in any of these categories.
- Are well- and sustainably funded by a mix of private and public funds.
- Are effectively run, with a large and demonstrable impact on outcomes for employers, for individuals receiving services, and for all Pennsylvanians because they increase productivity, competitiveness, and the number of jobs that pay.

To accomplish these goals, Pennsylvania will:

- **Expand state and LWDB support for Industry Partnerships, multi-employer apprenticeships, and other sectoral workforce intermediaries.** Pennsylvania state appropriations for Industry Partnerships went from \$20 million in fiscal year 2008-09 to less than \$2 million since fiscal year 2011-12. State discretionary and American Recovery and Reinvestment Act (ARRA) funds were used to further augment support for IPs through 2011 and 2012. Starting in 2016, Pennsylvania may use some of its WIOA state discretionary dollars for IPs, multi-employer apprenticeships, and other multi-employer workforce intermediaries.
- **Seek sustainable public-private support for workforce intermediaries.** Building powerful effective Industry Partnerships and other sectoral workforce intermediaries requires supplementing annual state appropriations with funding sources that are not dependent on the state budget process. The commonwealth will explore several possible sources.
- **Leverage local, federal and philanthropic funds for workforce development, including sector strategies, career pathways and innovative youth programs.** Pennsylvania's governor has a long history of civic engagement in which he learned the importance of building partnerships and leveraging resources from many funding sources to get a project completed or the job done right. Pennsylvania's workforce system also has more experience than that of any other state in the past decade in leveraging philanthropic funds (e.g., from the National Fund for Workforce Solutions) to ensure that low-income and other priority populations, as well as employers, benefit from sectoral partnerships. Pennsylvania will pursue partnerships and funding from nonprofit foundations, local governments, and the federal government to make state tax dollars stretch further. To kick-start philanthropic interest in the reinvigoration of workforce partnerships, Pennsylvania will organize a "Governor's Convening with Philanthropy" in 2016 and make workforce development a core component of this event.

- **Seek funding for workforce partnerships from multiple agencies.** To date, Pennsylvania’s Industry Partnership and apprenticeship programs connect to state government through the Department of Labor & Industry. As the USDOL definition of sector strategies makes explicit, however, sectoral approaches make sense for economic development as well as workforce development. Sector strategies are also an effective way to serve a variety of constituencies who are primarily under the purview of other state agencies: young people (Department of Education), TANF and SNAP recipients (Department of Human Services), employers (Department of Community and Economic Development), farmers and agricultural workers (Department of Agriculture), ex-offenders (Department of Corrections), and older individuals (Department of Aging). The fact that effective sector strategies require cooperation across many agencies is further reflected in Pennsylvania’s Industry Partnership statute. Pennsylvania will encourage funding of sector partnerships by multiple agencies.
- **In partnership with sectoral intermediaries and LWDBs, develop and implement a comprehensive sector partnership performance management and continuous improvement system.** Beginning in 2005-06, Pennsylvania developed a multi-pronged performance management system for Industry Partnerships that included required annual reports from Industry Partnerships, tracking of wage and placement outcomes from individuals trained with Industry Partnership dollars, and a program of training and capacity building for Industry Partnerships. The latter included the “PA Sector Academy,” sector-specific peer learning opportunities, and, in the case of health care and manufacturing, compilation of Industry Partnership best-practice toolkits. While cutbacks in Industry Partnership funding have slowed its development, Pennsylvania will reinvigorate this performance management system, with appropriate fine-tuning to include apprenticeships and multi-employer, sector-specific pipeline programs for youth.

This accountability system should be a tool that provides an ongoing feedback loop to sector partnerships and their coordinators and supports peer learning and practitioner-state dialogue about “what are we trying to do?” and “is it working?” This system should also be used to help more sector partnerships undertake higher-order initiatives with high net benefits for employers, workers and job seekers, and the state. Such initiatives may include spreading best practices, developing industrywide credential and career pathway systems, creating industry-specific job matching systems that help dislocated workers with industry-specific skills (e.g., precision machining and industrial maintenance in manufacturing) find reemployment, or managing programs that help people from targeted groups access careers that pay and obtain the skills and attitudes needed to succeed in well-managed companies.

Components of an enhanced sector partnership performance management system could include:

- Sector partnership standards that spell out explicitly the full range of activities in which a high-performance multi-employer workforce partnership can engage. For example, Pennsylvania’s Notice of Grant Availability for the 2015-16 Industry Partnership program did this.
- A revitalized program of capacity-building and peer learning for Industry Partnership coordinators and interested employer members, with varied offerings for new

coordinators, those with some experience (e.g., PA Sector Academy), and experienced practitioners (e.g., self-directed peer learning with technical assistance from national experts).

- An explicit and public proposal-scoring system for Industry Partnership proposals that allows the state to encourage high priority activities with a high return.
- A modified Industry Partnership Annual Report that balances the goal of making the report short and easy to complete quickly with the goal of making it a more powerful tool for supporting Industry Partnerships to take on initiatives with greater potential to improve outcomes for both employers and workers/job seekers.
- Collection of quantitative performance data from partnerships, with quick-turnaround access to data for the partnerships, including how they compare with their peers.
- Competitive grants to multiple Industry Partnerships in a specific cluster (e.g., advanced manufacturing, health care, logistics and transportation) that agree jointly to develop and use sector-specific benchmarking tools that track the impacts of strategic workforce investments on employer outcomes. (Outcomes might include turnover in long-term care, scrap rates and uptime in manufacturing, and on-time delivery in logistics and transportation.) These tools would be another way to encourage sector partnerships to tackle higher-order organizational improvement issues with a potential to increase the return on investment.
- Develop a certification process for Sector Partnerships. Businesses often use organizational certifications, such as ISO standards, as tools for improving organizational performance. Workforce intermediaries could similarly benefit from a certification process. Certification might be particularly valuable to improve partnership governance, e.g., by making partnerships more employer-driven and less staff-dependent. Certifying partnerships would also open up the possibility of using certification as the basis for eligibility for partnerships to qualify for additional or continued state funding.