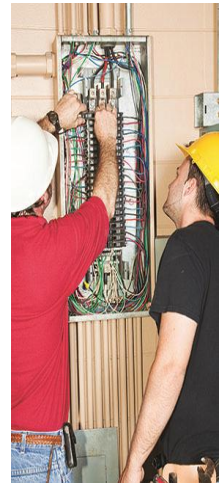


INDUSTRY PARTNERSHIPS



FY 2012-2013

Pennsylvania Annual Report

**BRINGING INDUSTRY TOGETHER
AROUND A COMMON PURPOSE**

Industry Partnerships

ANNUAL REPORT FY 2012-2013

When Pennsylvania created its Industry Partnership (IP) program in 2005, commonwealth officials knew there was a vocal employer community seeking better ways to train their workers for their specific needs. They also knew there were incumbent workers needing just that slight edge to move ahead in their careers. But no one knew the program would ultimately serve as a national model for bringing the employer and training communities together. This is due to the strong commitment of the employer and education communities, the general assembly and the administration. Governor Corbett signed Act 67 of 2011, statutorily enacting the program.

HOW IT WORKS

Pennsylvania analysts use data to focus on the industry groups, or clusters, which are the most prevalent and that include well-paying, competitive jobs across the state. Next, Pennsylvania analysts identify occupations with higher wages and career advancement opportunities within those targeted industry clusters. Those occupations are called high-priority occupations (HPOs).

An industry partnership is a multi-employer collaborative effort that brings together management and labor around the common purpose of improving the competitiveness of a cluster of companies or organizations producing similar products or services and sharing similar supply chains, critical human resource needs, infrastructure requirements, business services, and/or retention/recruitment challenges.

IPs must be in a targeted industry cluster and must agree to train workers in HPOs.

The PA Department of Labor and Industry (L&I) receives IP budget and training proposals from eligible entities. After a thorough review of proposed outcomes, L&I awards IP grantees funds to pursue their proposal. IPs pool additional employer and community funds and use those combined resources to increase employer involvement, educate youth about career opportunities, upgrade worker skills, move workers up a career ladder, and increase knowledge for the betterment of the entire industry. L&I provides technical assistance and guidance throughout the program year.

IPs submit annual reports to L&I that capture actual training and cost data, overall impact to workers, employers and system change, and effectiveness of the partnership overall, as well as any challenges and accomplishments the partnership wishes to highlight. Annual report data is used to measure statewide program impact and the sharing of best practices among industries.

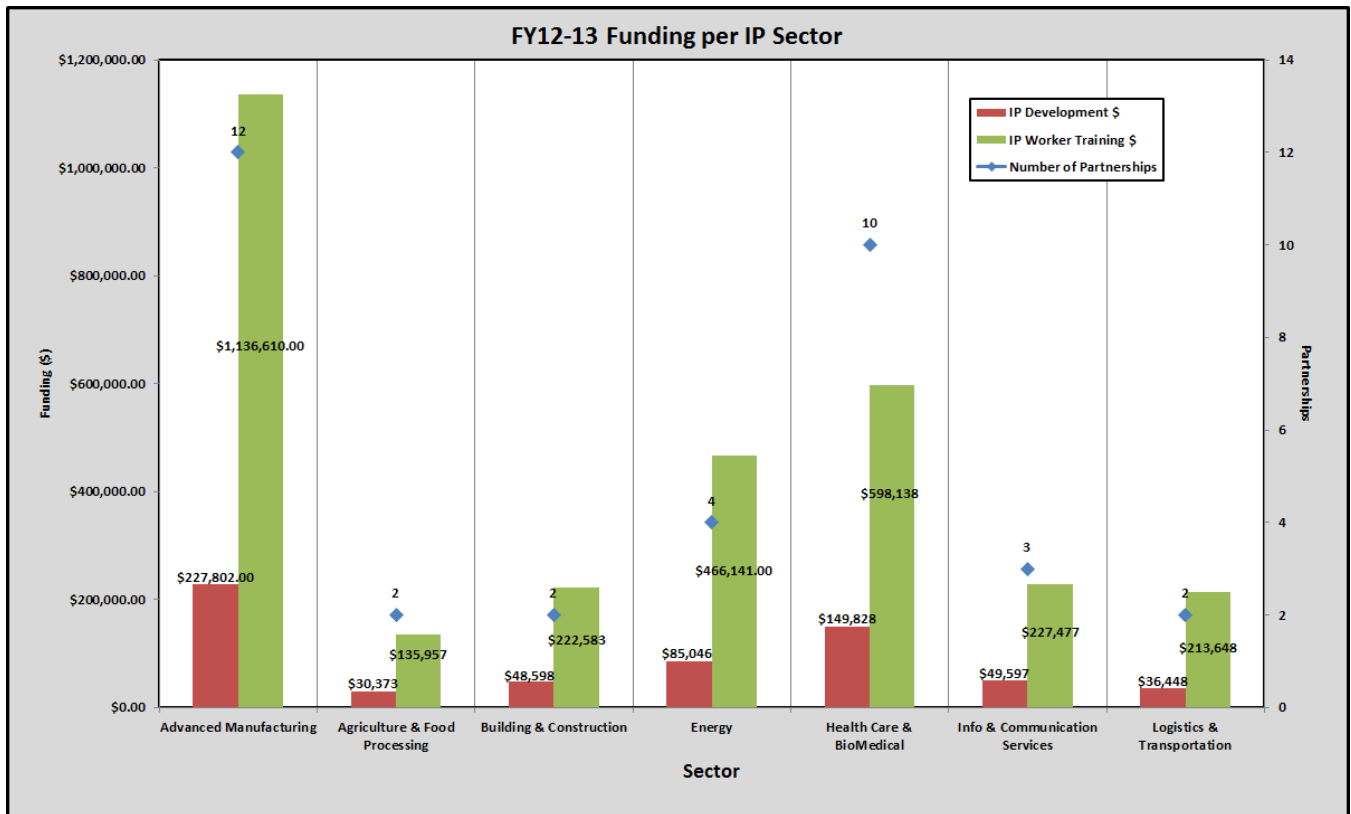
IP Clusters, 2012-13

- Advanced Manufacturing
- Agriculture
- Building & Construction
- Energy
- Health Care
- Information & Communication
- Logistics & Transportation

PERFORMANCE IN 2012-13

Industry Partnership (FY) 2012-13 award selections were made as part of a continuation year of those receiving funding in FY 2011-12. Of the 39 Partnerships awarded in FY2011-12, 35 were awarded continued funding in seven different industry clusters that covered all areas of the commonwealth.

Grant awards totaled \$3.62 million for FY2012-13, with the commonwealth funding at \$1.563 million through a line item in the state budget. Funding was used to train more than 7,932 incumbent workers from over 1,109 Pennsylvania companies. The graph below outlines FY2012-13 funding by IP cluster.

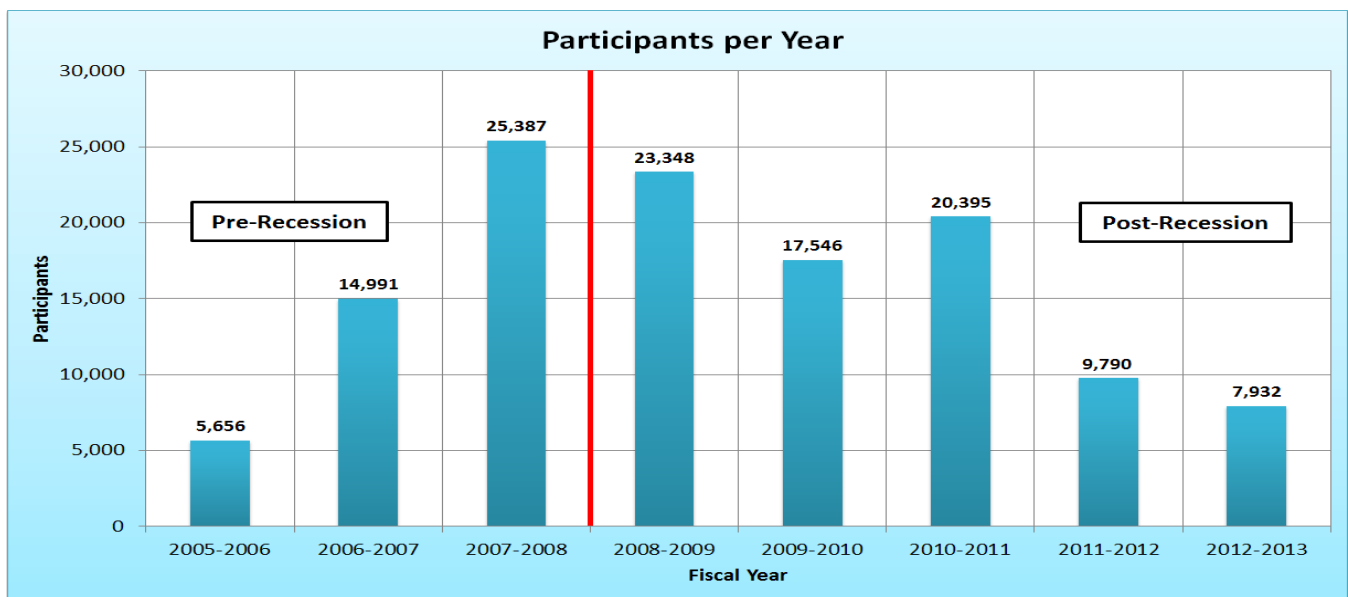


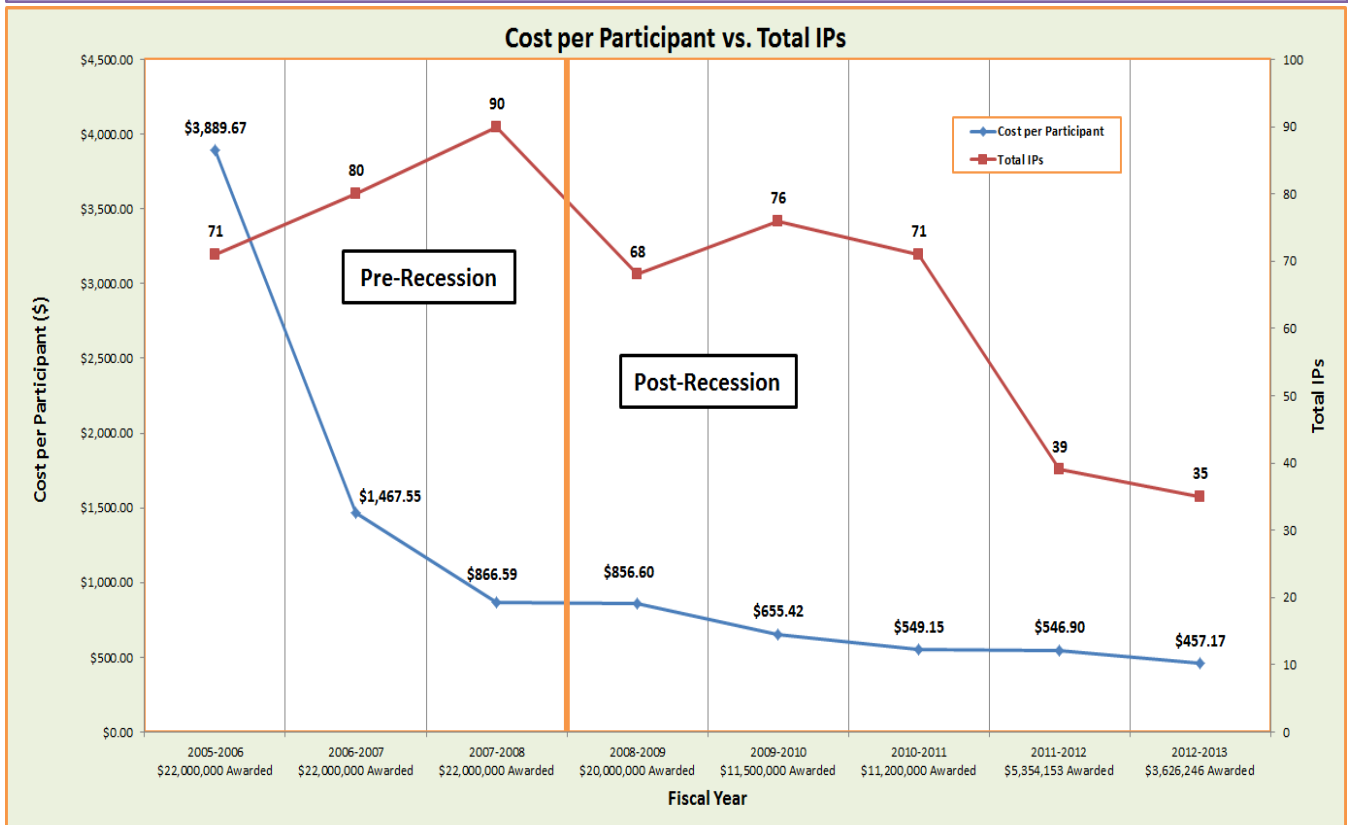
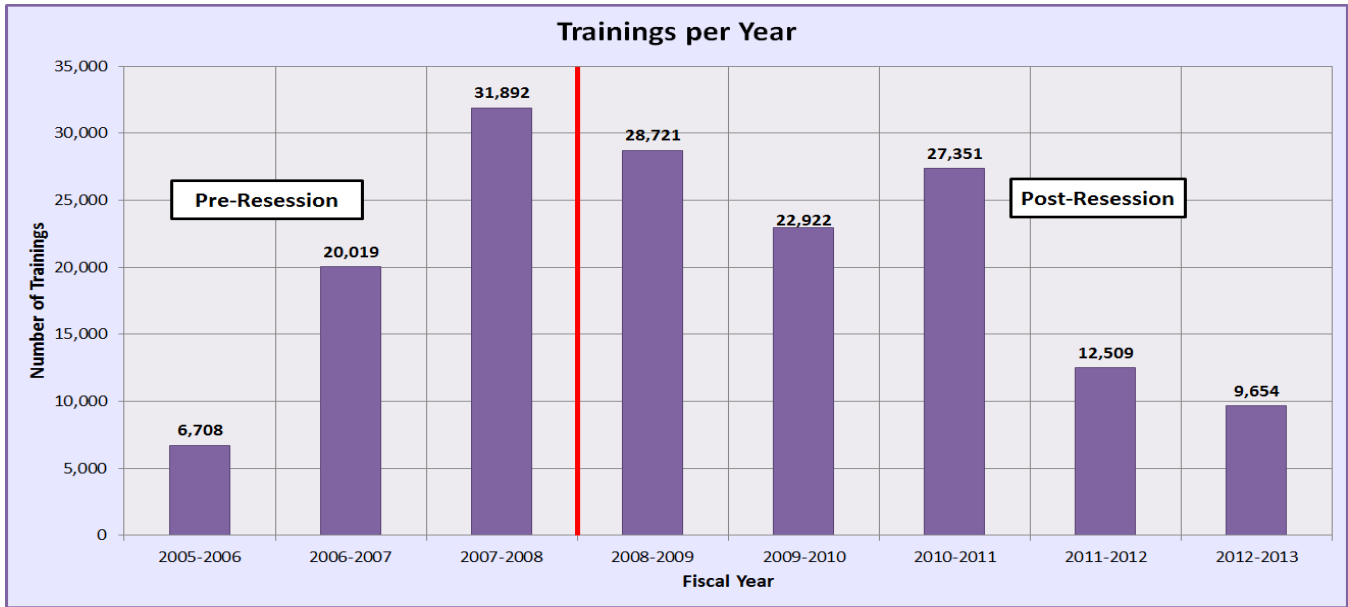
In addition to funds received from the commonwealth, each IP is required to provide private sector matching funds for training. Matching funds are required at a \$1-to-\$1 ratio of which a minimum of 25 percent must be cash. Allocation of the matching funds must be industry-driven and designated to support partnership programming, organizational development and training activities designed to improve the overall sustainability of the partnership. This includes training new hires, as well as incumbent worker training activities and career activities, when commonwealth funds are not available to do so. Sources of non-cash matching funds include in-kind contributions from employers such as paid release time for workers to participate in training, contributions of training space, equipment and training personnel, and consulting services. Additionally, partnerships leverage resources from other public/private workforce development programs, foundations, PA CareerLink® and economic development programs, such as WEDnetPA. Leveraged funds have

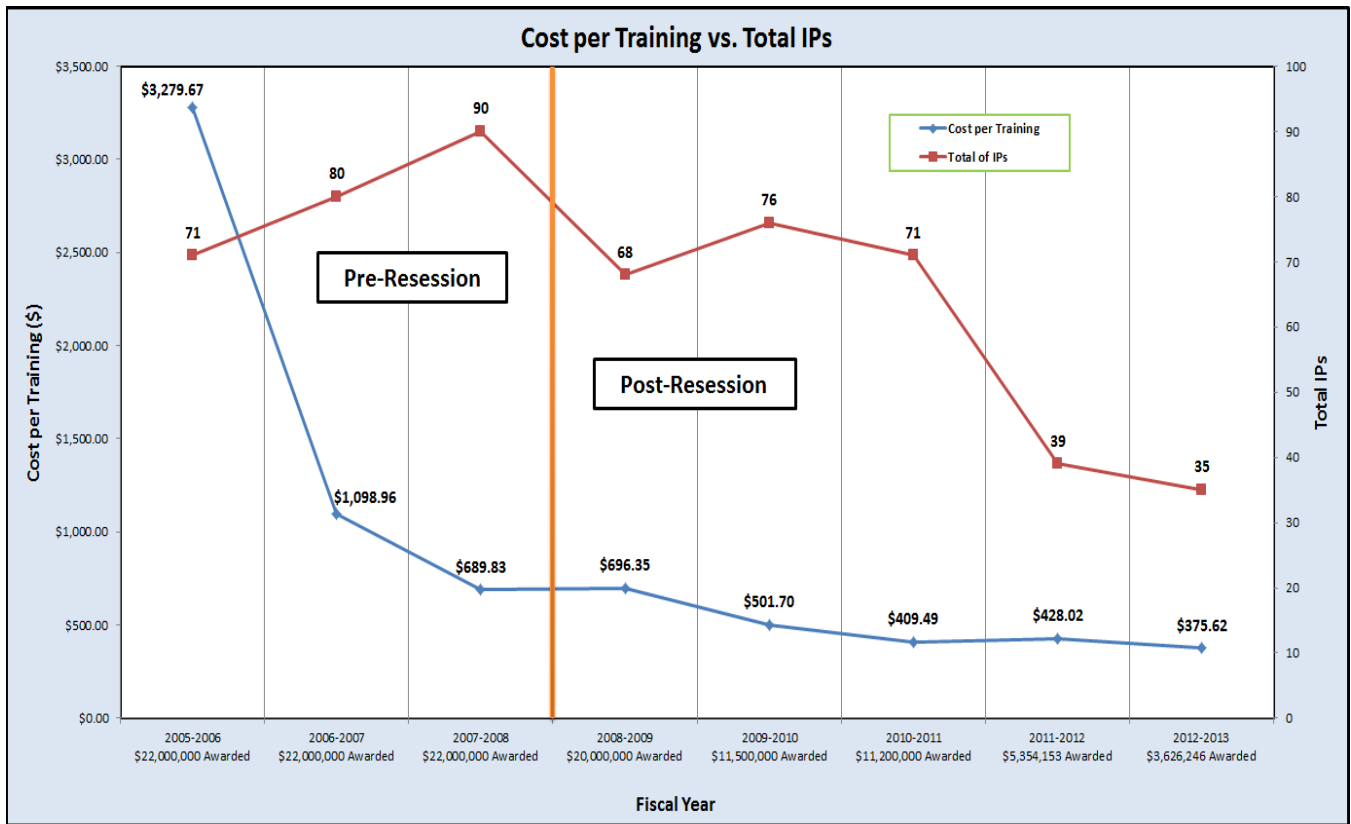
not replaced the state funded grant awards. In many cases, these funds do not go directly to the industry partnerships or the employers. They are funds secured for other projects beyond the scope of the state's investment.

Currently, the Commonwealth Workforce Development System (CWDS) is used to measure the total number of IP participants and trainings for each fiscal year. Information included in this report was obtained from the CWDS. Based on program history, it is likely that the number of participants and trainings will increase as additional data is entered into the CWDS, which in turn may decrease the average cost per participant and average cost per training.

For the graphs below, please note that individuals are only counted once as a participant. However, some participants complete multiple trainings, all of which are counted. Therefore, the number of total trainings may be higher than the number of total participants.

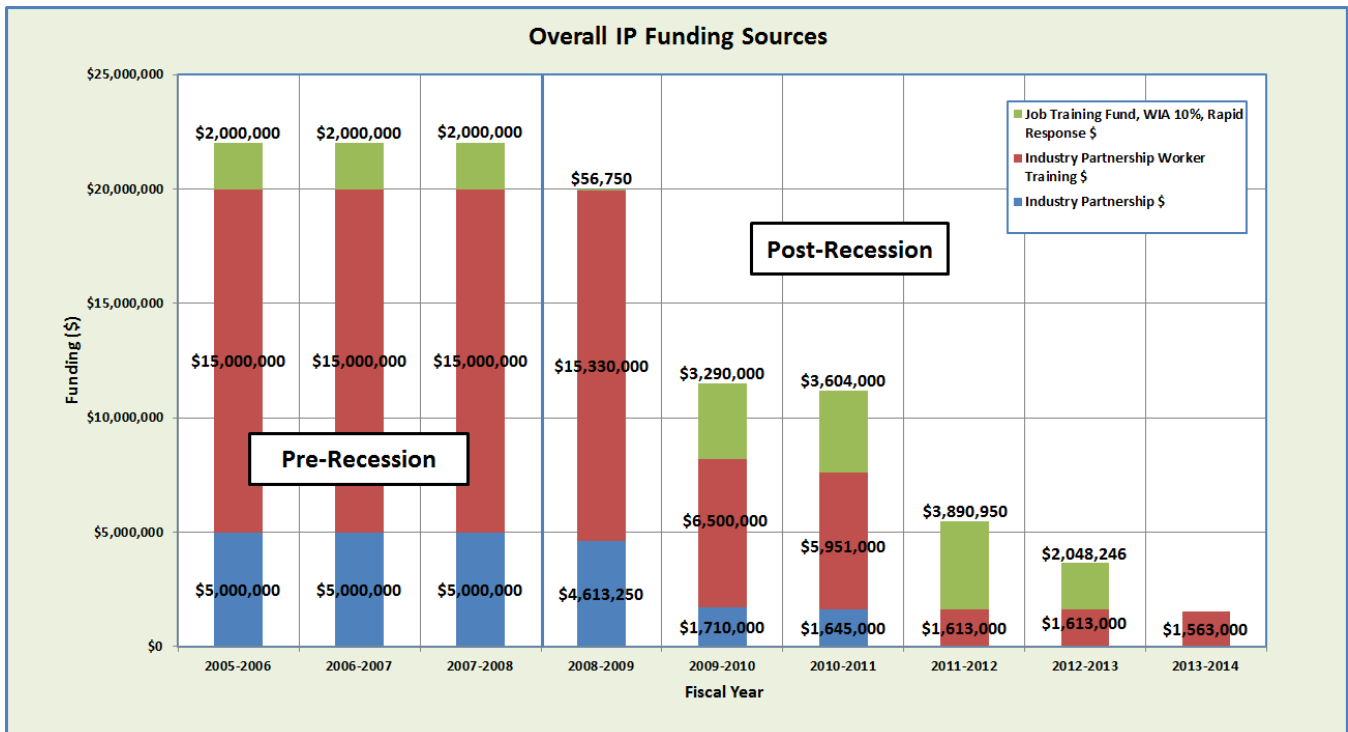






HISTORICAL FUNDING

The IP program is recognized and utilized statewide, yet it will continue to face challenges as the commonwealth moves beyond this fiscal year. Federal funding used to supplement the state dedicated funding line item has been eliminated.



The biggest challenge facing the program is one of sustainability. In a slow growth economy, a partnership’s ability to involve the employer community and build a sustainable program is going to be the key to extending their reach. L&I has placed increased emphasis on the need for partnerships to establish sustainability funds. In FY2012-13, there was a total of \$2,122,222 in sustainability funds for all 35 partnerships, an average of \$60,634 for each IP. IPs should be commended for taking sustainability seriously, with the amount in sustainability funds (\$2.1 million) being 66 percent of the total awarded funds for the fiscal year (\$3.62 million).