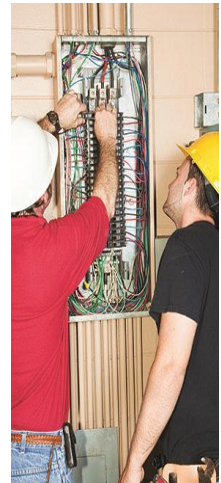


# INDUSTRY PARTNERSHIPS



FY 2013-2014

Pennsylvania Annual Report

**BRINGING INDUSTRY TOGETHER  
AROUND A COMMON PURPOSE**

# Industry Partnerships

## ANNUAL REPORT FY 2013-2014

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 Pennsylvania Department of Labor & 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 mid-term and 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. Beginning in FY2013-14 Partnerships were asked to record and measure more specific training outcomes, including wage gains, promotions and industry recognized credentials obtained as a direct result of training completion. These additional outcome

measurements help to assure that trainings that are supported by IP funding have real time impacts on both participating employers and employees. Annual report data is used to measure statewide program impact and the sharing of best practices among industries. A more detailed overview of these additional outcomes can be seen in the following sections.

### IP Clusters, 2013-14

Advanced Manufacturing  
Agriculture  
Energy  
Health Care

## PERFORMANCE IN 2013-14

Of the 32IP proposals submitted to L&I in fiscal year (FY) 2013-14, 20 equally-funded partnerships were approved in four different industry clusters that covered all areas of the commonwealth. The following is a comprehensive list of partnerships awarded funding broken down by industry sector:

### ADVANCED MANUFACTURING:

- *Berks County Advanced Materials/Diversified Manufacturing Industry Partnership*
- *Lancaster County Advanced Materials/Diversified Manufacturing Industry Partnership*
- *Lehigh Valley Diversified Manufacturing Industry Partnership*
- *North Central Advanced Manufacturing Industry Partnership*
- *Northwest Pennsylvania Workforce Investment Board Advanced Manufacturing Industry Partnership*
- *Southeast Regional Advanced Manufacturing Workforce Development Partnership*
- *South Central Advanced Materials & Diversified Manufacturing Industry Partnership*
- *Materials Science Industry Partnership of Southwest Pennsylvania*
- *Tri-County Advanced Manufacturing Industry Partnership*
- *Southwestern PA Manufacturing Industry Partnership*

### ENERGY:

- *Smart Energy Initiative of Southeastern Pennsylvania*
- *Keystone Utilities Partnership*

### HEALTHCARE:

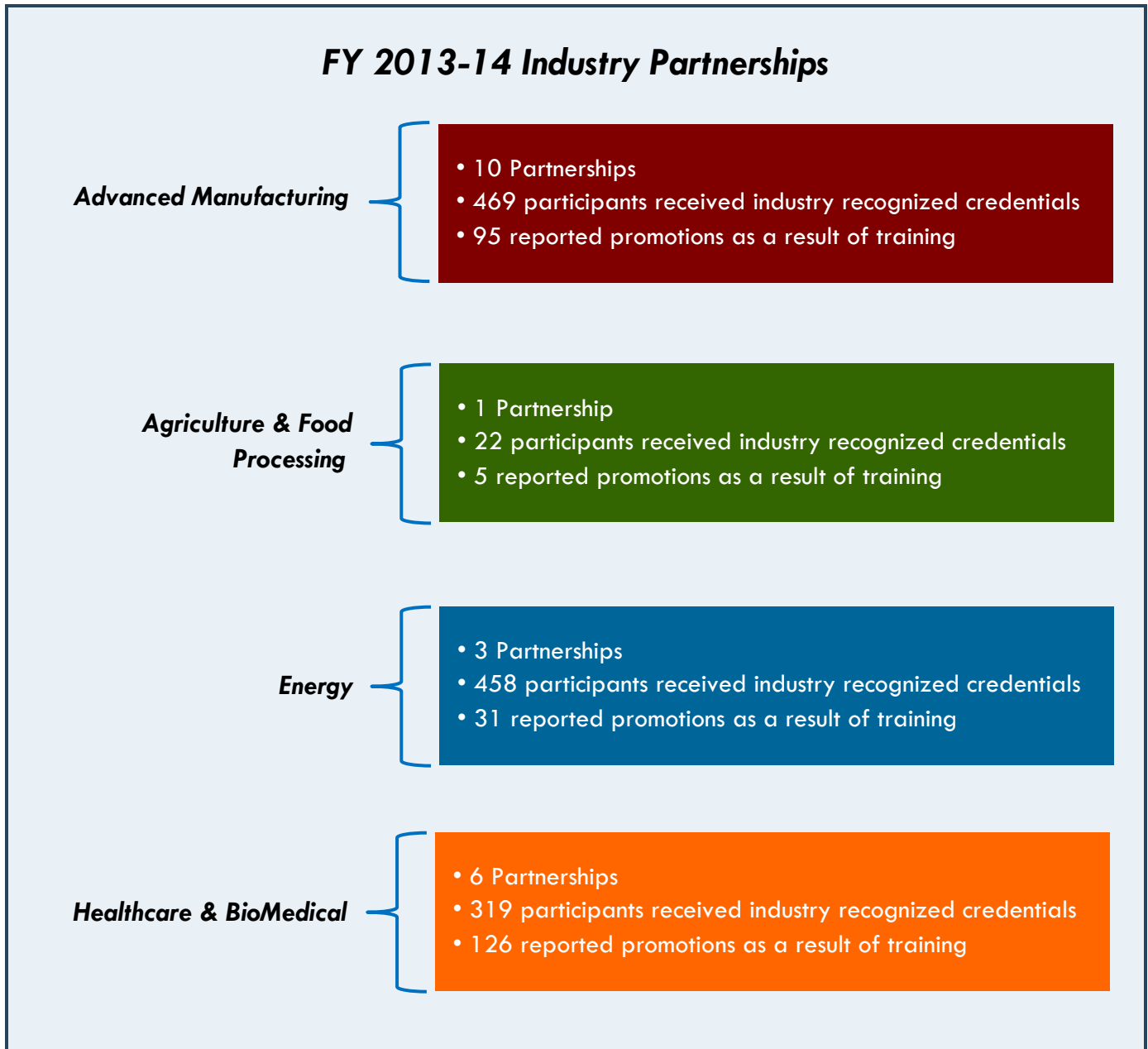
- *Chester County Health Care Industry Partnership*
- *Southeastern Pennsylvania Healthcare Alliance*
- *Lehigh Valley Healthcare Industry Partnership*
- *North Central Healthcare Industry Partnership*
- *Northeast Regional Healthcare Industry Partnership*
- *Healthcare Industry Partnership of Southwestern Pennsylvania*
- *Tri-County Healthcare Industry Partnership*

### MULTI-SECTOR (AGRICULTURE & ENERGY):

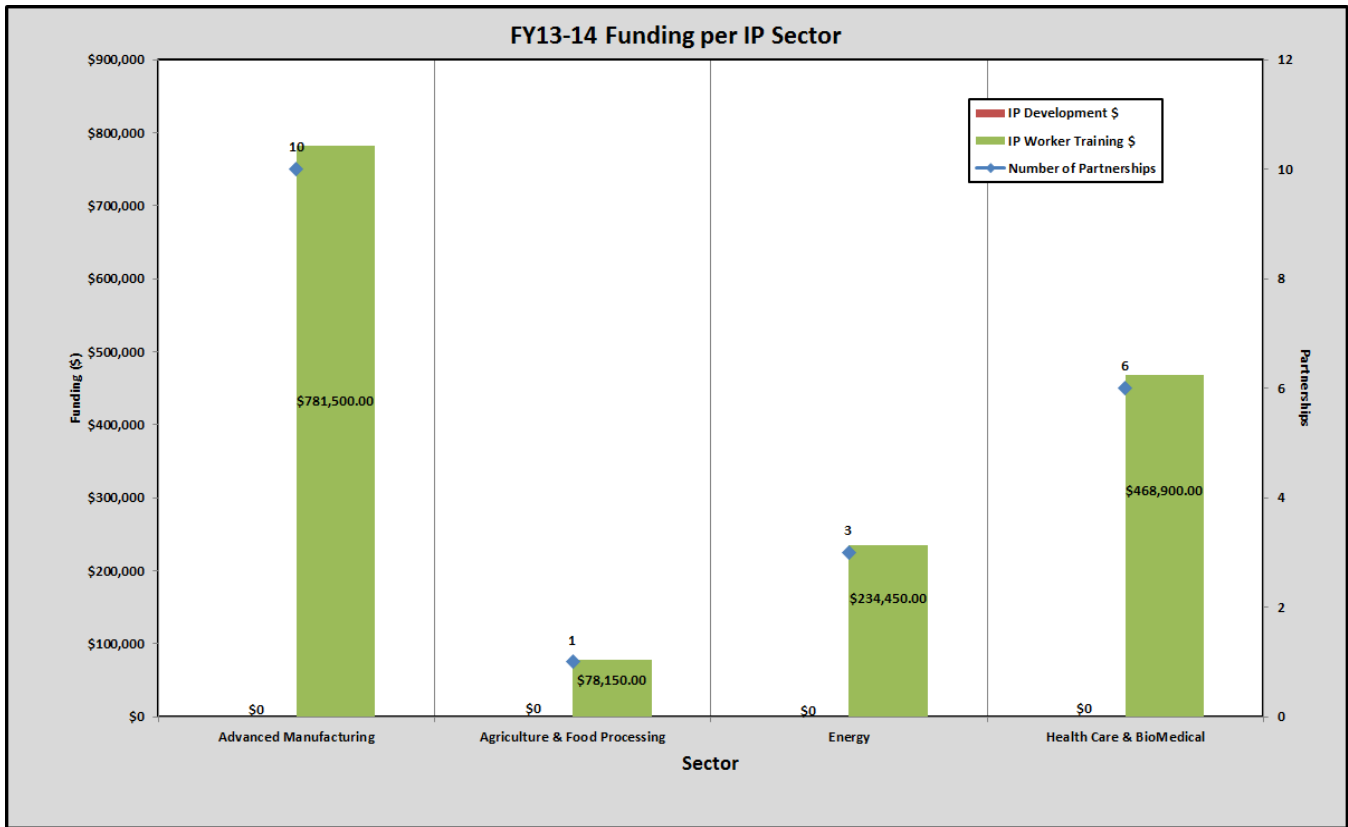
- *Northeast Pennsylvania Consortia Industry Partnership*

Grant awards totaled \$1.563 million for FY2013-14, supported entirely by the commonwealth funding a line item in the state budget. Funding was used to train 3,010 incumbent workers from over 1,390 Pennsylvania companies. Partnerships compiled data on the number of industry recognized credentials and promotions obtained during FY2013-14. For the purposes of this grant, industry recognized credentials are defined as one that either is developed and offered by, or endorsed by a nationally-recognized industry association or organization representing a sizeable portion of the industry sector, or a credential that is sought or accepted by companies within the industry sector for purposes of hiring or recruiting.

These outcomes can be seen in the chart below:



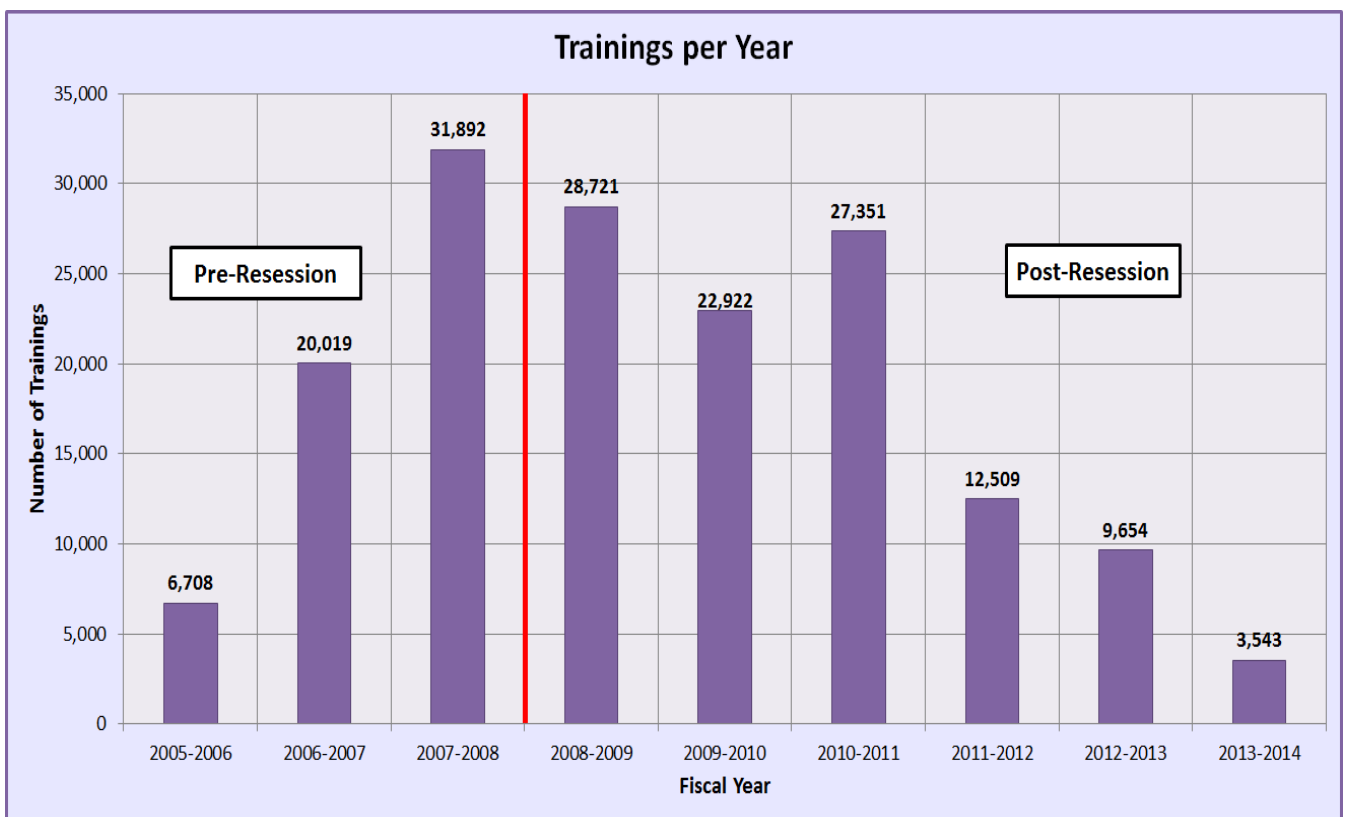
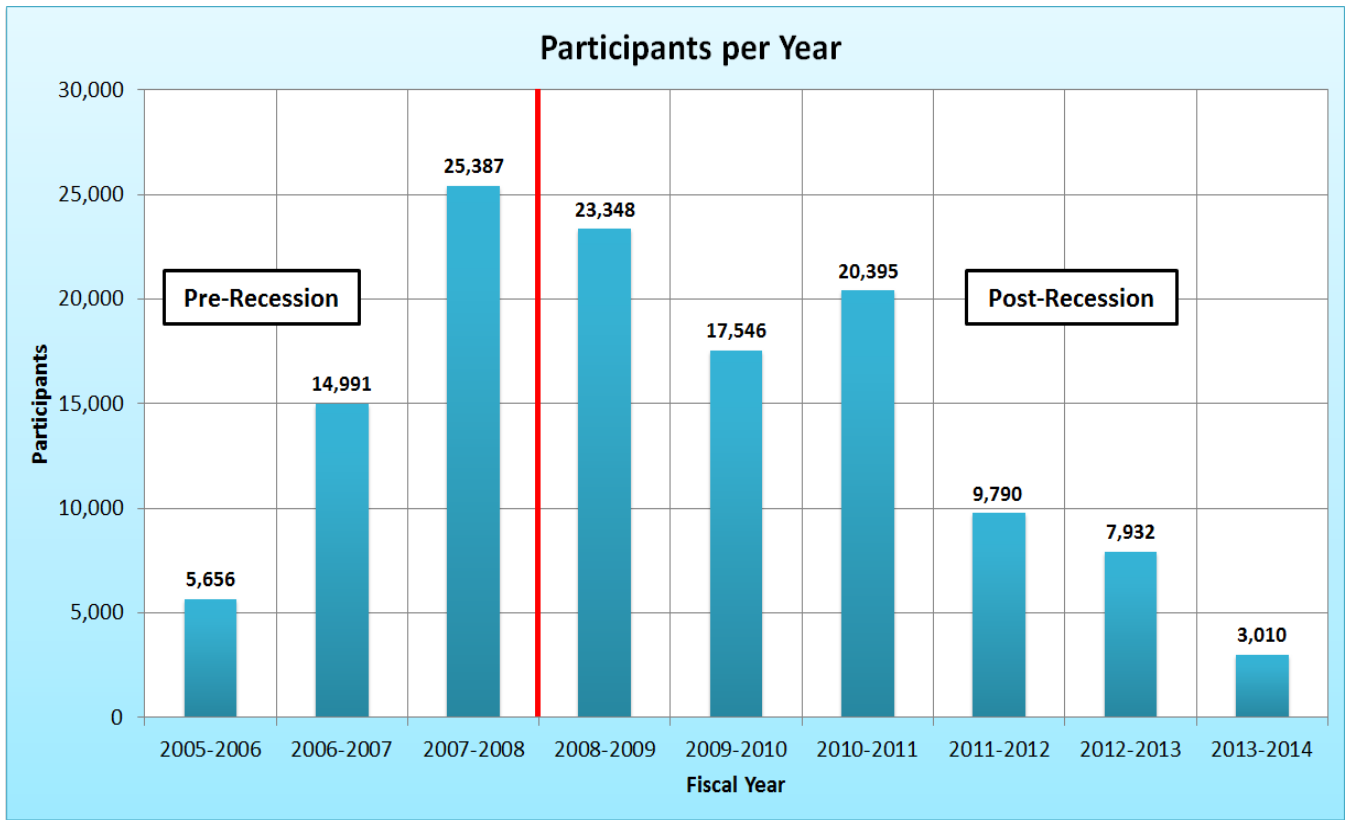
The graph below outlines FY2013-14 funding by IP cluster.

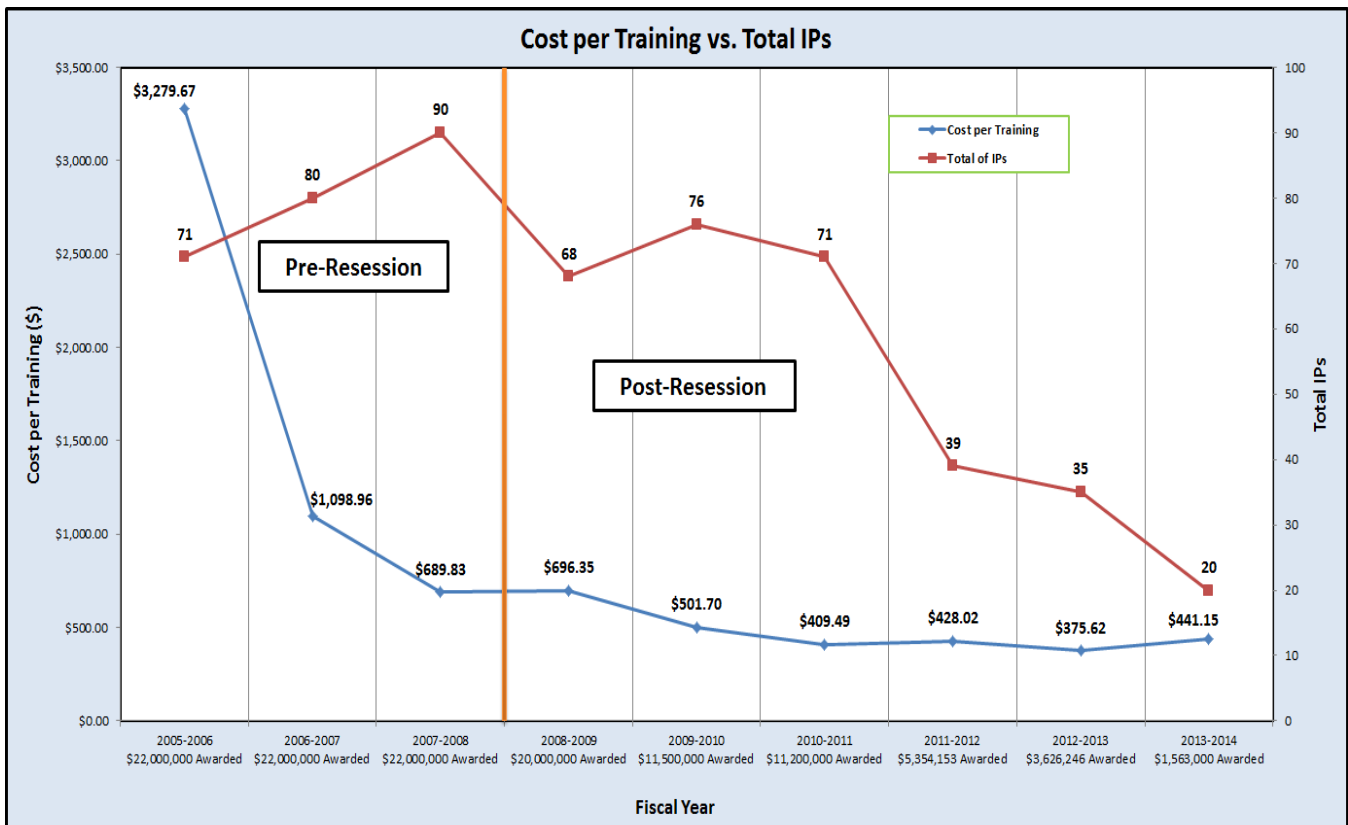
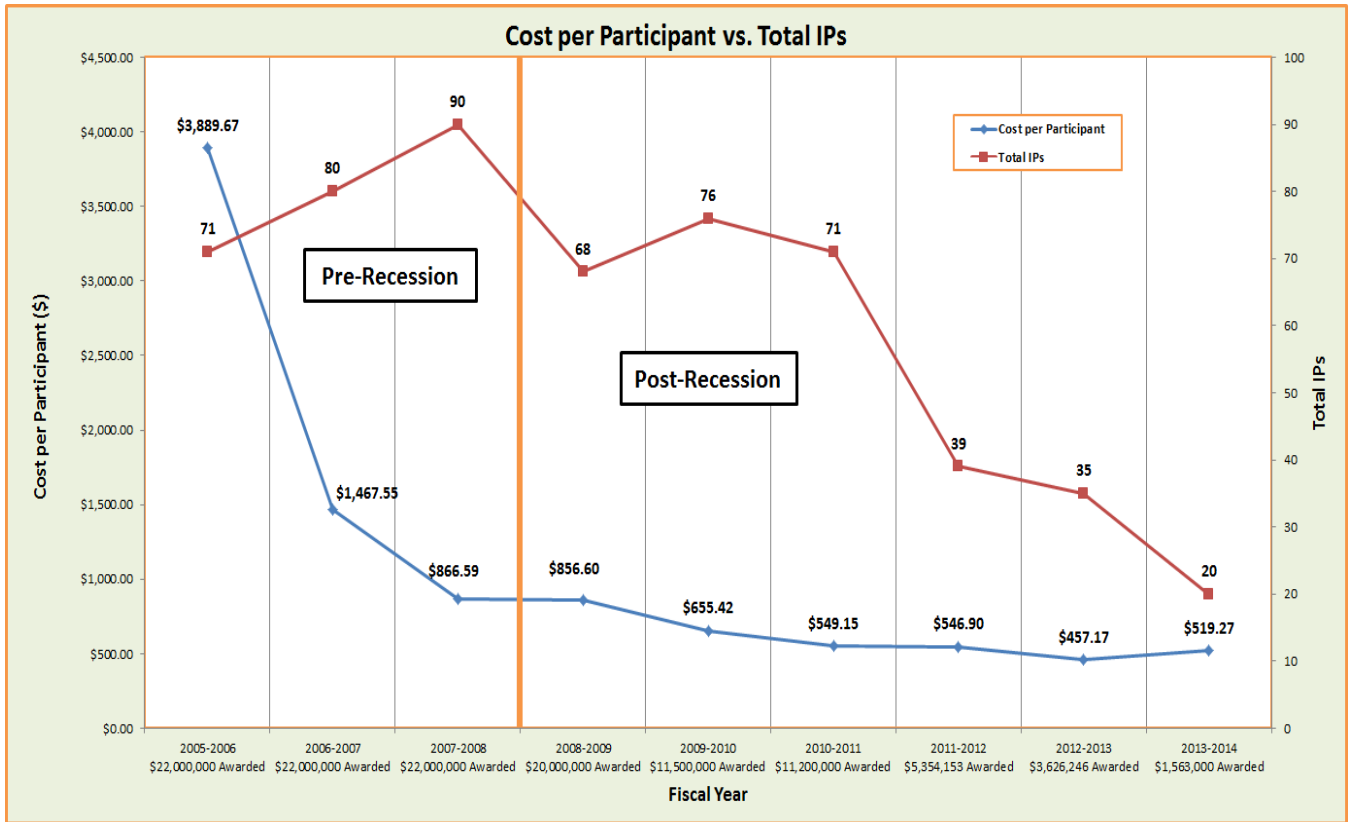


In addition to funds received from the commonwealth, each IP is required to provide private sector matching funds for training. Matching funds are required at a \$1-to-\$1 ratio of which a minimum of 25 percent must be cash. Sources of non-cash matching funds include in-kind contributions from employers 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 as well as specific training outcome data for each fiscal year. Information included in this report was obtained from the CWDS.

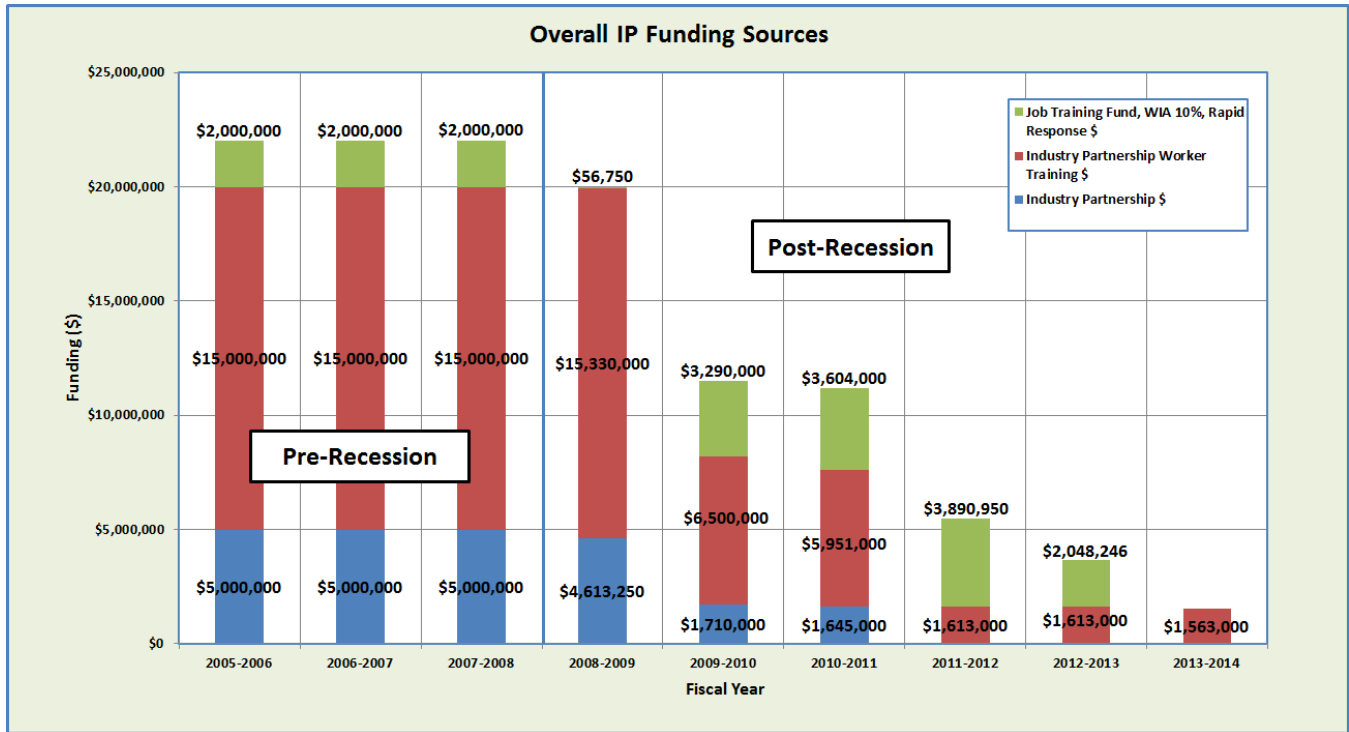
For the graphs below, please note that individuals are only counted once as a participant. However, some participants complete multiple trainings, all of which are counted. Therefore, the number of total trainings may be higher than the number of total participants.





## 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. Beginning in FY2013-14, partnerships were required to utilize the required 25 percent cash match funds collected to directly support/offset costs of training programs provided within the current grant timeline. Sustainability funds that were collected above the required percentage were able to be used for additional initiatives or program management as deemed appropriate by the membership. In response to this requirement a total of \$1,553,181 in sustainability funds were collected in all 20 partnerships, an average of \$77,659 for each IP. IPs collected nearly 100 percent match (\$1.553 million) of the total awarded funds for the fiscal year (\$1.563 million).