

Board Meeting
October 8, 2015
2:00pm – 4:30pm
Goodwill Keystone Area

Meeting Minutes

ATTENDANCE:

Chairman Mark Butler, Secretary Kathy Manderino, Secretary Ted Dallas, Secretary Russell Redding, Deputy Secretary Diane Bosak, Representative Ryan Mackenzie, Abe Harpster, Debra Haase, Brian Funkhouser, Terry Dittes, Charlie Crystle, David Chalson, Lynette Brown-Sow, Jeffrey Brown, Neal Bisno, Thomas Beddard, Cynthia Bagwell, Idayat Adewunmi, Terry Cavanaugh, Georgia Berner, John Thornton, Carol DeMayo, Peter Klein, Ron Kratofil, James Kunz, Henry Nicholas, Michael Pipe, Philip Rinaldi, Richard Schall, Brian Schaller, Frank Sirianni, John Sygielski, Yvette Watts, Carol Kilko representing Secretary Dennis Davin, Cindy Klenk representing Senator John Blake, Beth Olanoff representing Secretary Pedro Rivera, Marge McKeivitt representing Diane Ellis-Marseglia

Staff Present: Stephanie Larkin, Joel Miller, Eric Kratz, Michael Leister

Welcome and Chairman's Remarks

Chairman Mark Butler called the meeting to order at 2:00pm. He welcomed the board members and thanked them for their attendance. He then thanked Ron Kratofil and Goodwill for hosting the meeting. Chairman Butler recognized Secretary Manderino. Secretary Manderino thanked the members for agreeing to serve and introduced a welcome video from Governor Tom Wolf. Chairman Butler asked the members to introduce themselves, their organization and the appeal of serving on the board.

Organizing the Work of the Board

Chairman Butler advised members that he would soon be choosing a Vice Chair from the business sector of the board and that person will be responsible for acting as the Board Chair in the Chairman's absence.

Chairman Butler then thanked members for responding to a committee service survey and stated that the committee list is in the meeting packet. The Chairman announced that the Board will have three standing committees: Youth, Performance and Accountability, and Sector Strategies. The committees are expected to meet at least once between board meetings; each will have a staff member involved. Chairman Butler asked when the committees meet that they each elect a chair. He stated that other committee suggestions were collected and will be considered as the Board matures. Chairman Butler announced the formation of an ad hoc committee for the combined state workforce plan and explained there was overwhelming response to serve and each sector of the board is represented. He then explained that the ad hoc committee will work quickly to present a plan for the Board's approval and submission to the U. S. Department of Labor.

The Chairman asked members to direct questions to Stephanie Larkin, noted that board materials will always be sent in advance, and asked members to review their contact information for completeness and accuracy.

Chairman Butler announced that the Board will hold a retreat on November 12 and that the retreat is closed to the public.

Workforce Innovation and Opportunity Act (WIOA)

Chairman Butler asked Stephanie Larkin to provide an overview of the Workforce Innovation and Opportunity Act (WIOA). Ms. Larkin explained that the public workforce system is large and complex but can be viewed as a network of federal, state and local partnerships. Larkin shared that in July 2014, WIOA was passed in a bipartisan fashion and that it was the first legislative reform of the public workforce system in more than 15 years. Larkin explained that WIOA sets forth the structure of the workforce system and that it provides for formula allocations and program guidance to states. States, in turn, establish workforce development boards to determine strategic priorities and create strategic plans. Larkin then recognized Eric Kratz to discuss the state plan.

Mr. Kratz shared that WIOA requires the state to submit a four-year strategic plan. He referenced a document that highlights opportunities to evaluate the system and considerations moving forward. Kratz explained the categories and goals.

Mr. Kratz explained that the state plan is divided into two sections: strategic and operational. The strategic section is an opportunity for the state to outline a broad comprehensive vision for workforce development and it includes a number of elements, including economic conditions, which guides the plan's content. In addition, the strategic section requires analysis of existing workforce activities, strategic vision and goals to achieve the vision. The Operational section generally addresses things like how services are delivered, how they are funded, how outcomes are measured, and how we will collaborate with partners outside the public workforce system such as community colleges, economic development programs and others.

Mr. Kratz shared that the plan is being drafted to meet Governor Wolf's vision of "Schools that Teach, Jobs that Pay and Government that Works." Kratz referenced members to a document in the meeting packet that outlines WIOA priorities that support the governor's vision. Kratz reviewed the five broad goals contained in the plan: establish career pathways as the primary model for skill, credential, and degree attainment and provide all Pennsylvanians an opportunity to a job that pays; expand the state's pipeline of workers for targeted industry sectors from entry-level skills to middle skills; increase the opportunities for all youth to participate in work-based learning through summer employment, pre-apprenticeship, apprenticeship, and other similar experiences; engage employers directly to ensure we are closing the skills gap and making employers able to more quickly upskill or reskill the workforce; and, strengthen data sharing across state agencies and other workforce development partners to better understand education and employment outcomes and more effectively evaluate efforts. Chairman Butler fielded questions related to the definition of "family sustaining wage."

Mr. Kratz discussed the stakeholders and partners in the state plan drafting process, noting that the Department established seven working groups of stakeholders to provide input in the plan: barriers to employment, which discussed varying strategies for serving ex-offenders, persons with disabilities, low-income individuals, English as a second language learners and other populations; governance and planning, which discussed local area designations, regional planning and procuring the PA CareerLink® operators; PA CareerLink® operations, which discussed infrastructure costs, partner roles and use of technology; performance and accountability, which discussed performance measures and approval of eligible training providers; service delivery, which discussed how the system serves both job seekers and employers from a customer experience perspective; and, strategies, which largely discussed sector strategies and career pathways. The groups met over the summer and produced white papers. Kratz said Secretary Manderino held five business roundtables around the state to gain additional insight into the state plan from a business perspective, and a legislator work group is being apprised of the goals and strategies for the state plan so they can provide input. Kratz said the state plan ad hoc committee will review key aspects of the plan and make recommendations to the full board. The plan will be posted for public comment, as required by law. The commonwealth is required to respond to all public comments as part of the final plan submission. Finally, three public forums will be held across the state and the board will be notified when additional information is published. The Board will vote on the final state plan submission before it is sent to the federal government for review.

Mr. Kratz shared that the Department is working with other state agencies (Department of Human Services, Community and Economic Development, Corrections, Military and Veterans Affairs, Agriculture, and the Office of Vocational Rehabilitation); and educational entities (PA State System of Higher Education, community colleges, and Pennsylvania Higher Education Assistance Agency) to gain input into the plan and broader initiatives.

Cindy Klenk asked if elementary education is part of the discussion. Deputy Secretary Bosak stated that elementary education is not currently part of the discussion but the Board can make such a recommendation and that the PA Department of Education is represented on the Board. Beth Olanoff then discussed the requirement that school districts develop an occupational and counseling strategy that is applicable K through 12 to expose students to different occupations and what is necessary in order to achieve those occupations.

Opportunities to Reset the System

Chairman Butler led a conversation focused on four areas where the Board can play a role in changing the system and considering new constructs for customer engagement. The focus areas are: integration of work and learning and the intersection of career pathways and industry sectors; collaboration and engagement between employers, educators and others beyond the workforce system structure; competencies as workplace currency, such as degrees, credentials and badges; and, performance and accountability and using data to inform and set direction.

Chairman Butler explained that career pathways can be thought of as a ladder and that the first step in any career is an entry-level position requiring only a few skill sets. As a person seeks to move up in a career, they make multiple steps along the way, each time adding to their skills and knowledge. Chairman Butler raised a point of conversation around whether the commonwealth can improve the

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way it aligns career pathways with occupations in growing industry sectors. Members discussed obstacles to getting young people into entry-level jobs and suggested that certain measures of success are standardized when they should be customized based on the circumstance, especially when working with persons who have barriers to employment. Deputy Secretary Bosak questioned whether badges or micro-credentials can aid by giving people smaller steps to gain some skills and get some work-based experience on their way to a career pathway. Jeffrey Brown suggested individual coaching, if funded each step of the way, could be started at an earlier level and used to help those hardest to employ. Mr. Brown said incentives to employers for hiring the formerly incarcerated would encourage employers to consider it. Mr. Brown said paying a non-profit to train someone may not meet an employer's need.

Phil Rinaldi said his experience is that teaching very specific skills is less important than finding employees with adequate soft skills. He said the workplace is not preparing people to conduct themselves in the workplace. Charlie Crystle said that's his biggest challenge when hiring people out of poverty. David Chalson said training people for a specific skill set to do a job is relatively easy. His company hires from the military as that background produces desirable work characteristics. Secretary Manderino asked Chalson how he finds veterans for employment when she hears from veterans that they have difficulty connecting to the workforce. Chalson said his company actively recruits from military bases. Jeffrey Brown questioned whether there was a technology solution to more effectively connect veterans to the workforce.

Frank Sirianni shared that his organization developed a nationally recognized program, Helmets to Hardhats, which places veterans into the construction industry. The program gives veterans advanced placement in apprenticeship and has good success rates. Cindy Bagwell said Geisinger Health System developed a website, Military to Civilian that helps translate military resumes to the civilian world, and while labor intensive, has worked well. Bagwell shared that JobGateway[®] has a military/civilian translator tool.

Ms. Bagwell said a barrier to Geisinger is being in a rural area where transportation is an issue. Neal Bisno stated that training programs often require significant case management support for individual students, especially those in direct home care. Bisno said a holistic approach is needed. Secretary Ted Dallas said he agrees with Bisno and that a lot of direct care workers are the same people served by the Department of Human Services, that they are working yet still need to receive benefits and services.

Chairman Butler asked John Sygielski whether the commonwealth can do more to recognize and promote those with credentials to a better career path. Sygielski said competency-based models can be used and that higher education would be eager to start looking at such models because they do not think traditional models are going to work long-term. Employers can't wait for individuals to go through two or four or six years of education.

David Chalson shared concern over whether companies are being served by educational models or training programs regarding communication skills, specifically an inability to communicate an idea succinctly in a way that is meaningful.

Ron Kratofil said the people he serves require help to overcome day-to-day life challenges with mental health, transportation, child care, family dynamics and lack of support systems. James Kunz said his

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organization struggles with people who lack life skills and pre-apprenticeships can help but are very expensive. Kunz said the commonwealth needs to promote and fund programs that teach life skills and help younger people address mistakes they may have made in their past.

Mr. Kunz said he goes to middle schools and elementary schools to promote operating engineers and educators and counselors support the industry, yet parents block that interest and desire their child goes to college. Kunz said we need to figure out a way to educate and communicate with parents because they are ultimately the decision makers for their child.

Richard Schall asked about a program to subsidize day care for low-income workers and whether the commonwealth will revive the program. Secretary Manderino explained the program funding shrank and eligibility tightened and it had a negative effect. Secretary Dallas said the governor's budget includes a big increase for subsidized child care to reinstate those funding levels.

Georgia Berner said that workers do not go to the PA CareerLink[®] because it is viewed as the unemployment office and the commonwealth needs to change the image of the PA CareerLink[®].

Jeffrey Brown said it's in the state's interest to get people into high-paying jobs and questioned the process for observing a market failure and credentialing and education and trying to put resources behind it to fix it.

Terry Dittes observed that jobs have disappeared from the commonwealth and said it's because the system never enticed employers to stay. As a worker representative, Dittes thinks the commonwealth has ignored that movement of jobs. Dittes said apprenticeship programs do not see gender or color and if someone is willing to work they can do so with minimal training. Dittes questioned how to bring manufacturing back to the commonwealth. Secretary Manderino said she thought there was much the Board could do to educate young people and families about the exciting career opportunities in Pennsylvania in manufacturing. Chairman Butler said the Governor in an advisory meeting said some of Pennsylvania's true strengths were in manufacturing and he has a passion for developing manufacturing.

Neal Bisno discussed the nursing shortage and questioned whether the PA Center for Health Careers would be reconvened. Frank Sirianni shared his concern over the lack of regulation and credentialing for direct health care workers and suggested that should be one of the priorities for the committee.

John Thornton challenged the Board to think about the "new Pennsylvania" and suggested robotics is part of the solution.

Secretary Russell Redding stated that part of Pennsylvania being able to compete is the ability to compete for workers – the discussion involves an education component but it's driven by industry. Mr. Rinaldi asked whether there was credentialing for soft skill obtainment.

Chairman Butler then asked the group to focus on performance and accountability and asked whether there were comments or requests for any kind of data. Secretary Manderino said systems often measure process as compared to measuring outcome and suggested the Board think in terms of

measuring outcome and what it is that employers need. Beth Olanoff said that agency data systems don't talk to each other and the governor has asked for a solution.

Jeffrey Brown requested information on where employers have good jobs that go unfilled because we don't have skilled people and suggested allocating time and money based on where the greatest opportunity is for the state. He said the Board should think about what data is necessary to understand the population with limited prospects of ever leaving poverty and what solutions exist to make progress. Charlie Crystle shared his perspective that poverty is the mortal failure of our time, specifically employers willing to pay poverty wages. He would like to see the Board make it a measure of success to shift the poverty rate and measure employers who pay poverty wages.

James Kunz said he thinks the biggest challenge for the Board is to understand where the jobs will be in five or ten years because the economy changes so rapidly, and what are the skills needed for those jobs. Chairman Butler said the Board needs measurable results.

Public Comment

Chairman Butler opened the floor for public comment and recognized Dale Hamby, Executive Director of the Lancaster Workforce Development Board. Mr. Hamby said many great things were happening in Lancaster County, specifically a new mini cluster in Lititz being developed around live entertainment. His Board launched initiatives to address the needs of individual's involved with the justice system which can be a model for other boards around the state. Lancaster has a low unemployment rate of 4.3 percent but that does not reflect the employment challenges facing his board. In southern Lancaster City, the unemployment rate is at 40 percent. The county faces the pending retirement of baby boomers, as 24.5 percent of the workforce is over the age of 55. Mr. Hamby stated that most of the tools seem to be only towards displaced workers or individuals who are not in the workforce, not the aging of the workforce. Mr. Hamby said he is actively working to implement WIOA in his operations and also working to maintain operations in light of the budget impasse. He is fortunate to have partners who are willing to continue providing services without payment, but if they demand payment for services already delivered, his Board will be insolvent. He has deferred his salary for the past two months and will continue to do so until the funding is restored in an effort to help cash flow. The lack of a state budget represents a lack of regard for the most needy of citizens and for the state's massive deficit and he believes a compromise needs to be reached soon. Mr. Hamby extended an invitation to the Board to attend the PWDA conference at State College December 7 to 9. Chairman Butler thanked Mr. Hamby.

Chairman Butler reminded members to confirm their contact information and noted the Department will place a photo roster on the website. Chairman Butler called for a motion to adjourn. Jeffrey Brown made the motion and Lynette Brown-Sow seconded the motion. The Chairman thanked everyone for their attendance and participation.

The meeting adjourned at 4:20 p.m.