



Industry Partnerships

FY2015-2016 & FY2016-2017 Annual Report

Background

Industry Partnerships (IPs) are a key institutional innovation for meeting the skills needs of businesses, the career goals of workers, and the economic development goals of the commonwealth. IPs are a particular kind of "workforce intermediary," a so-called dual customer institution that helps connect and meet the needs of both workers and businesses. Partnerships bring together multiple employers, and workers or worker representatives when appropriate, in the same industry cluster to address common or overlapping human capital needs.

The intended goal of the Industry Partnership program is to encourage highly strategic partnership initiatives that develop cost-effective and financially sustainable means of producing quantitative outcomes by meeting the needs of an industry cluster and its regional workforce. The IP program has the ability to spur job advancement, growth, and creation by prioritizing funds to occupational areas of critical need.

When Pennsylvania created the Industry Partnership 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. However, no one knew the program would ultimately serve as a national sector strategies 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 multiple administrations. [Act 67 of 2011](#), which statutorily enacting the Industry Partnership program, was passed on July 7, 2011.

With the budget impasse in FY15-16, Labor & Industry (L&I) was granted a waiver to extend the end date of FY15-16 fund from June 30, 2016 to June 30, 2017. As such, FY15-16 and FY17-17 Industry Partnership funds ran concurrently and both ended June 30, 2017.

How Industry Partnerships Work

Industry Partnerships provide consortium-based, incumbent worker training in [high-priority occupations \(HPOs\)](#). Local Workforce Development Boards (LWDBs) are mandated partners in and serve as the fiscal agent for all IP grants. Multi-LWDB partnerships are permitted; however, one LWDB from the areas being served must act as fiscal agent for the collaborative. In addition to serving as fiscal agent, many LWDBs also serve as the program manager for the IP. Partnerships are also permitted to contract with outside entities to manage the program. Partnerships are required to collaborate with businesses and employers, labor and apprenticeship organizations, industry associations, PA CareerLink®, education community, economic development partners, and human services partners.



Each summer, L&I releases the Industry Partnership Notice of Grant Availability. L&I receives proposals from eligible entities which includes a training plan, budget and budget narrative, expected outcomes, description and history of the partnership, and a plan for sustainability. All proposals must have input from all required partners listed above. After a thorough review of all proposals, L&I awards IP grantees funds to pursue their proposals and provides technical assistance and guidance throughout the program year.

IPs are required to 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. Based on mid-term reports, deobligations may take place from those partnerships that show little to no draw down of funds and be awarded to high achieving partnerships. Beginning in FY13-14 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. Additionally, IPs are required to enter all participant data into the Commonwealth Workforce Development System (CWDS). This allows L&I to track participant measures such as retention and wage gains.

While the main emphasis of the partnerships is incumbent worker training, IPs also 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. Successful partnerships will address common workforce needs, which may include but are not limited to the following:

- Sharing of information, ideas and challenges common to the industry cluster.
- Identifying the training needs of multiple businesses, including skill gaps and credentials and certifications critical to competitiveness and innovation in the industry cluster.
- Facilitating economies of scale by aggregating training and education needs of multiple employers.
- Assisting educational and training institutions in aligning curricula and programs to industry demand, particularly for HPOs.
- Collaborating with PA CareerLink® Centers, youth councils, business-education partnerships, intermediate units, secondary and postsecondary educational institutions, parents, career counselors and career and technical educations for the purpose of addressing the challenges of connecting disadvantaged adults and youth to careers.
- Developing and expanding school-to-career, work-based learning, and other pipeline initiatives, including apprenticeship and pre-apprenticeship opportunities, internships, co-op programs, and summer jobs.
- Assisting companies in addressing common human resource challenges and implementing best organizational practices that grow more “jobs that pay.” These challenges and practices could be related to employee recruitment and retention, retraining incumbent workers, adopting new technologies, fostering experiential and contextualized on-the-job learning, developing and strengthening career ladders within and across companies, and enabling entry-level workers to improve skills and advance to higher-wage jobs.

FY15-16 IP Awards & Performance

For fiscal year 2015-2016, L&I awarded 15 Industry Partnerships in seven industry sectors. Each partnership was awarded \$100,000. FY15-16 partnerships are listed below:

Partnership	Sector	Fiscal Agent	Award Amount
Lehigh Valley Diversified Manufacturing Industry Partnership	Advanced Manufacturing	Lehigh Valley	\$100,000
Southeast Regional Workforce Development Partnership	Advanced Manufacturing	Philadelphia	\$100,000
Northeastern Pennsylvania Advanced Manufacturing Industry Partnership	Advanced Manufacturing	Poconos	\$100,000
South Central Advanced Materials and Diversified Manufacturing Industry Partnership	Advanced Manufacturing	South Central	\$100,000
Southwest Corner Manufacturing Industry Partnership	Advanced Manufacturing	SW Corner	\$100,000
Pennsylvania Steel Alliance	Advanced Manufacturing	West-Fay	\$100,000
AgConnect Partnership	Agriculture & Food Production	Chester	\$100,000
Southwest Corner Building and Construction Industry Partnership	Building & Construction	SW Corner	\$100,000
Innovative Technology Action Group	Business Services	Chester	\$100,000
Smart Energy Initiative of Southeastern Pennsylvania	Energy	Chester	\$100,000
Keystone Utilities Partnership	Energy	Luzerne-Schuylkill	\$100,000
Health Care Connect	Healthcare	Chester	\$100,000
Southeastern Pennsylvania Healthcare Alliance (SEPHA)	Healthcare	Delaware	\$100,000
Greater Philadelphia Healthcare Partnership	Healthcare	Philadelphia	\$100,000
South Central PA Logistics and Transportation Industry Partnership	Logistics & Transportation	South Central	\$100,000
TOTAL			\$1,500,000

FY15-16 IP Performance

- \$1,500,000 awarded to 15 partnerships.
- Over 1,800 participants completed training.
- Partnerships collected over \$600,000 in cash match funds, nearly \$1.7 million in in-kind match funds, and over \$730,000 in sustainability funds.
- Partnerships leveraged more than \$2.9 million from federal and non-state funding sources.
- Nearly 1,100 employers engaged in partnerships and over 600 participated in training.

FY16-17 IP Awards

For fiscal year 2016-2017, L&I awarded 28 Industry Partnerships in seven industry sectors. FY15-16 partnerships are listed below:

Partnership	Sector	Fiscal Agent	Award Amount
Berks County Advanced Manufacturing Industry Partnership	Advanced Manufacturing	Berks	\$166,388.00
Central Pennsylvania Advanced Manufacturing Industry Partnership	Advanced Manufacturing	Central	\$100,000.00
Lancaster County Advanced Manufacturing Industry Partnership	Advanced Manufacturing	Lancaster	\$100,000.00
Lehigh Valley Diversified Manufacturing Industry Partnership	Advanced Manufacturing	Lehigh Valley	\$200,000.00
North Central Manufacturing Industry Partnership	Advanced Manufacturing	North Central	\$200,000.00
Northwest Advanced Manufacturing Industry Partnership	Advanced Manufacturing	Northwest	\$200,000.00
Southeast Regional Workforce Development Partnership	Advanced Manufacturing	Philadelphia	\$200,000.00
SC PA Advanced Materials and Diversified Manufacturing Industry Partnership	Advanced Manufacturing	South Central	\$200,000.00
Tri-County Manufacturing Industry Partnership	Advanced Manufacturing	Tri-County	\$160,000.00
Westmoreland-Fayette Advanced Manufacturing Industry Partnership	Advanced Manufacturing	West-Fay	\$200,000.00
Pennsylvania Steel Alliance	Advanced Manufacturing	West-Fay	\$200,000.00
AgConnect Partnership	Agriculture & Food Production	Chester	\$150,000.00
Southwest Corner Building and Construction Industry Partnership	Building & Construction	Southwest Corner	\$200,000.00
Pittsburgh Construction Industry Partnership	Building & Construction	Three Rivers	\$200,000.00
Innovative Technology Action Group	Business Services	Chester	\$200,000.00
Tri-County Technology Industry Partnership	Business Services	Tri-County	\$75,000.00
Smart Energy Initiative of Southeastern Pennsylvania	Energy	Chester	\$200,000.00
Keystone Utilities Partnership	Energy	Luzerne-Schuylkill	\$150,000.00
Central Pennsylvania Healthcare Industry Partnership	Healthcare	Central	\$100,000.00
Health Care Connect	Healthcare	Chester	\$200,000.00
Southeastern Pennsylvania Healthcare Alliance (SEPHA)	Healthcare	Delaware	\$200,000.00
North Central Healthcare Industry Partnership	Healthcare	North Central	\$200,000.00
Northeast Regional Healthcare Industry Partnership	Healthcare	Northern Tier	\$84,184.00
Greater Philadelphia Healthcare Partnership	Healthcare	Philadelphia	\$193,200.00
South Central Healthcare Industry Partnership	Healthcare	South Central	\$100,000.00
Tri-County Health Care Industry Partnership	Healthcare	Tri-County	\$160,000.00
Lehigh Valley Transportation, Warehousing and Logistics Industry Partnership	Logistics & Transportation	Lehigh Valley	\$200,000.00
NEPA Logistics and Transportation Industry Partnership	Logistics & Transportation	Luzerne-Schuylkill	\$100,000.00
TOTAL			\$4,638,772.00

FY16-17 IP Performance

- \$4,338,772 awarded to 28 partnerships.
- Over 4,500 participants completed training.
- Partnerships collected over \$1.9 million in cash match funds, over \$5.3 million in in-kind match funds, and nearly \$1.7 million in sustainability funds.
- Partnerships leveraged more than \$3.2 million from federal and non-state funding sources.
- Nearly 1,900 employers engaged in partnerships with more than 850 participating in training.

Overall Program Outcomes: A Summary of 2005-2017

Through FY16-17, the IP program's 12th year in existence, the commonwealth has invested over \$126 million in the program. IPs have trained over 136,000 participants in more than 173,000 trainings. Since FY08-09, IPs have partnered with more than 28,000 employers. IPs have collected more than \$13 million in cash match funds, \$44 million in in-kind match funds, and \$26 million in leveraged funds, over \$84 million to the commonwealth's investment of just over \$40 million since FY09-10. The table below illustrates performance since the start of the program. Please note that the information collected from partnerships has changed over the years. If a box is empty, that information was not yet collected during that fiscal year.

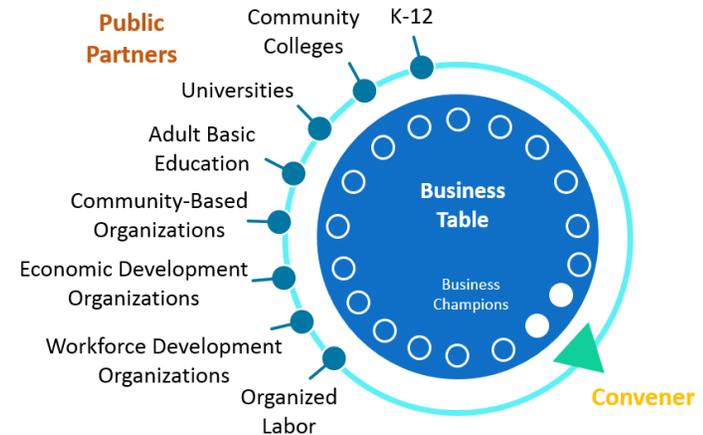
INDUSTRY PARTNERSHIP PROGRAM TOTALS: 2005-2017

Fiscal Year	Total Funding	Total IPs	Employer Partners	Participants	Trainings	Cost per Participant	Cost per Training	Cash-Match Funds	In-Kind Match Funds	Leveraged Funds
2005-2006	\$22,000,000	71	-	5,656	6,708	\$3,889.67	\$3,279.67	-	-	-
2006-2007	\$22,000,000	80	-	14,991	20,019	\$1,467.55	\$1,098.96	-	-	-
2007-2008	\$22,000,000	90	-	25,387	31,892	\$866.59	\$689.83	-	-	-
2008-2009	\$20,000,000	68	6,300	23,348	28,721	\$856.60	\$696.35	-	-	-
2009-2010	\$11,500,000	76	4,049	17,546	22,922	\$655.42	\$501.70	\$2,875,000	\$8,625,000	\$2,575,000
2010-2011	\$11,200,000	71	4,211	20,395	27,351	\$549.15	\$409.49	\$3,458,582	\$11,619,949	\$6,850,000
2011-2012	\$5,453,950	39	2,517	9,790	12,509	\$557.09	\$436.00	\$1,566,100	\$6,604,756	\$3,300,000
2012-2013	\$3,515,109	35	5,619	7,932	9,568	\$443.16	\$367.38	\$1,427,450	\$5,096,648	\$2,622,339
2013-2014	\$1,563,000	20	1,393	3,010	3,543	\$519.27	\$441.15	\$860,302	\$2,408,272	\$2,477,586
2014-2015	\$1,536,978	20	1,203	2,524	2,840	\$608.95	\$541.19	\$869,721	\$2,769,894	\$2,485,689
2015-2016	\$1,500,000	15	1,080	1,811	2,096	\$828.27	\$715.65	\$608,881	\$1,679,867	\$2,917,210
2016-2017	\$4,638,772	28	1,861	4,538	5,405	\$1,022.21	\$858.24	\$1,905,763	\$5,320,871	\$3,185,732
TOTALS	\$126,907,809	613	28,233	136,928	173,574	\$926.82	\$731.15	\$13,571,799	\$44,125,258	\$26,413,556

The Future

Beginning in FY17-18, the Industry Partnership program will transition to the Next Gen Model. Next Generation Industry Partnerships are partnerships of businesses, from the same industry and in a shared labor market region, who work with education, workforce development, economic development and community organizations to address competitiveness needs of the targeted industry. Next Gen Industry Partnerships build on highly successful, nationally recognized initiatives in Pennsylvania by combining the economic development concept of “cluster partnerships” that address the comprehensive needs of industry with the workforce development model of “sector initiatives” that focus on addressing specific training needs of the targeted industry. Instead of focusing on serving businesses’ needs based around public programs, Next Gen Industry Partnerships put businesses at the center of a coordinated workforce and economic development system that reacts to businesses’ defined opportunities and priorities.

In a Next Gen Industry Partnership, public partners are figuratively, and literally, at the outside of the table. Figuratively, public partners are not setting the agenda, as Next Gen Industry Partnerships are business-driven. Literally, the graphic to the right is an example of how an in-person meeting for a Next Gen Industry Partnership is set-up. Businesses sit at the center table and drive discussion. Outside the center table, public partners observe and help when businesses ask.



Next Gen Industry Partnerships offer Business Leaders:

- An **action-orientated forum** to come together with other businesses in their industry to tackle issues that parties care about and impact the bottom line.
- A **business-driven agenda** means that business leaders determine the priorities and lead the partnership forward. Priorities that other partnerships have addressed include workforce, marketing, infrastructure, supply chain coordination, and others.
- A **common table** to partner with public partners from workforce development, economic development, and education. Public partners want to work with businesses at one table and reduce the multiple asks they have of business leaders.

Contact Information

For any information on the Industry Partnership program, please contact Michael Leister, Director of Partnership Development at the Pennsylvania Workforce Development Board, at mileister@pa.gov or 717-705-7650.