

Board Meeting
November 14, 2017
9:30am – 2:00pm
Pennsylvania School Boards Association

Meeting Minutes

ATTENDANCE:

Chairman Jeffrey Brown, Acting Secretary Jerry Oleksiak, Secretary Russell Redding, Deputy Secretary Eileen Cipriani, Senator John Blake, Representative Ryan Mackenzie, Idayat Adewunmi, Denise Andahazy, Julene Campion, Carole De Mayo, Pat Eiding, Brian Funkhouser, James Harper, Jr., Peter Klein, Ron Kratofil, Henry Nicholas, Dionne Wallace Oakely, Frank Sirianni, Dr. John Sygielski, Jessica Trybus, Matt Yarnell, Sarah Galbally representing the Governor's Policy Office, Lisa Watson representing Secretary Teresa Miller, Carol Kilko representing Secretary Dennis Davin.

Guests: Keith Bailey, Bill Bartle, Linda Blake, Lee Burkett, Brandy Burnham, Roseann Cordelli, Johnathan Derr, Brenda Dupstadt, Dan Fogarty, Bob Garrity, Ron Legaspi, Susan Miller-French, Jesse McCree, Dillon Moore, Cindy Mundis, Michael Onofrey, Ruben Pachay, Joe Sebelin, Scott Sheely, Daniel Starry, Frank Thompson, and Virginia Turano.

Staff Present: Stephanie Larkin, Joel Miller, Michael Leister, and Pamela Gusler.

Welcome and Chairman's Remarks

Chairman Brown called the meeting to order at 9:42am. He welcomed the board members and thanked them for their attendance.

Chairman Brown announced the arrival of Acting Secretary of the Department of Labor and Industry, Jerry Oleksiak. Acting Secretary Oleksiak introduced himself as a 10-year officer of the Pennsylvania State Education Association (PSEA), having been president for the last two years. He informed of his interest in the work of the Board, and how it relates to the education system. He stated that he was updated on the many good things going on in workforce, and thanked everyone for the opportunity to attend the meeting.

Chairman Brown then introduced the arrival of a new board member, Denise Andahazy, the current Vice President of Human Resources and Chief Human Resources Officer for CSS Industries. They are an international manufacturing company with about half of their employees in manufacturing and distribution centers in Berwick. Chairman Brown thanked Ms. Andahazy for volunteering to serve on the Board.

Chairman Brown noted that a quorum was established. Stephanie Larkin, Director of the PA Workforce Development Board, reviewed the proxies provided from absent members. She announced a proxy for both votes from Wendie DiMatteo-Holsinger to the Chairman, James Kunz to the Chairman, and JoAnne

Ryan to the Chairman. Although Ms. Ryan is a yes vote on the meeting minutes, we will want to revisit her proxy for infrastructure funding.

MOTION: Henry Nicholas moved to approved the consent agenda and approve the August 8, 2017 PA WDB minutes. Mr. Yarnell seconded the motion. The motion passed unanimously.

Chairman Brown called for reports from committees and work groups. Ms. Larkin advised that the reports of the Youth Committee and Digital Strategies would both be found in the meeting packet, and that any questions could be fielded by staff as the Chairs were unable to attend the meeting. No questions were raised.

Sector Strategies Committee

Chairman Brown called on Dr. John Sygielski to provide an update of the Sector Strategies Committee.

Dr. Sygielski provided an update on the Next Generation Sector Partnership (NGSP) activities since the last Board meeting. He reminded the group of the NGSP Academy, held September 21-22, 2017 in State College. In attendance were 136 participants from workforce development, economic development, and education across the commonwealth. Over those two days, a lot of learning happened. Participants heard from leaders from a variety of state agencies, Team PA, the Governor's Office, and business leaders.

Julene Campion, Vice President of Human Resources, Talent Management at Geisinger Health System, gave remarks from her participation at the NGSP Academy. She reported that she was asked to participate in the academy and sit on a panel, which provided a great learning opportunity. She told everyone about a mock meeting related to the sector partnership and the process, where the business leaders were in the middle and all the public partners were on the outside. They discussed everything from transportation to logistics for manufacturing to internet accessibility to the workforce. What was inspirational for Ms. Campion was the understanding that these conversations are larger than workforce, that it was about everything that makes the public and private partnerships work together.

Ms. Campion informed that since the Academy, Erica Mulberger, Executive Director of the Central Pennsylvania Workforce Development Corporation (CPWDC), had reached out and together have engaged Geisinger's Chief Administrative Officer for the Central Region. They are planning a sector partnership meeting and the CAO will champion their efforts. The CPWDC will then gather all the public partners around the business leaders and facilitate those meetings. Bringing together leaders, public partners, and the community together is one beneficial aspect of the sector partnerships.

Ms. Campion closed by encouraging any one with interest in the sector partnership to reach out to their local boards. Chairman Brown thanked Ms. Campion for her work.

Chairman's Report

Chairman Brown announced the creation of an Ad Hoc Committee on the hiring of returning citizens. He asked that anyone interested in that work to contact the Board staff, as they are ready to quickly create recommendations to send to the Governor.

Chairman Brown then nominated Chekemma Fulmore-Townsend to the Youth Committee. A leading mind in youth, Ms. Fulmore-Townsend is the President & CEO of the Philadelphia Youth Network.

Workforce System Funding – Bureau of Workforce Development Administration

Chairman Brown asked Brenda Dupstadt, Workforce Development Manager, to provide a high-level overview of workforce system funding.

The discussion began by talking about how federal funds are allocated down to the states, how the commonwealth allocates those funds within the state, one-stop funding, and statewide activities. The government allocates workforce funds down to the states in three buckets: youth funding, dislocated worker funding, and adult funding.

Three factors are used for the annual state allocation for Adult and Youth funding: the average number of employed individuals in Areas of Substantial Unemployment (ASUs); the number of excess unemployment, which is at 4.5 percent or higher, and; the number of economically disadvantaged Youth; or, the number of economically disadvantaged Adults. Economically disadvantaged is defined as income at poverty level or 70 percent of the lower living standard.

The factors for the annual state allocation criteria for Dislocated Worker funding include the number of unemployed; the number of excess unemployed, and; the number of long-term unemployed. Long-term unemployed is defined as someone who is unemployed for at least 12 weeks or longer within a twelve-month time span.

For Program Year 2017 (PY17), Pennsylvania received \$103 million, or 3.89 percent of the state allocation of WIOA funding. Once Pennsylvania receives that money, it is broken down into more buckets. The state administration of WIOA programs (5%) and the statewide (10%) make up the state set-aside.

Twenty-five percent of the Dislocated Worker bucket is allocated to rapid response activities. Rapid response activities can be done at the state level, by a grantee on behalf of the state, or it can be sent out to local areas. When it is allocated in a local area, it is called rapid response additional assistance and it can be used to supplement their Dislocated Worker dollars. Rapid response funds are used for layoff aversion activities, mass layoff, or it could be used in a certain area if there were a number of companies that were laying off and there was a rise in unemployment.

The remaining \$77 million is broken down to be sent out to our local workforce development areas, and set in the same three buckets as they were allocated: Adult, Dislocated Worker, and Youth.

Ms. Dupstadt talked about what the commonwealth uses to allocate those funds within the state. For the Dislocated Worker funds, there is seven criteria: unemployment compensation claims; number of excess unemployed over 4.5 percent; the number of plant closings and mass layoffs using the WARN notices as the determining factor; employment in a declining industry, or employment that would decrease by ten percent from the years 2014 to 2024; farm rancher economic hardship, or the employment in the agricultural industry, and; long-term unemployed based on the number of claimants exhausting unemployment compensation benefits.

For the Adult and Youth allocations, 33.3 percent goes to the relative number of unemployed individuals in ASUs, relative excess unemployment, and the number of disadvantaged Adults or the number of disadvantaged Youth in each local area.

Once data is collected for these criteria and we program them in to determine the formula allocation for each local workforce development area, a hold harmless check is performed. We look at the two years of funding that was received previously for each of these areas and we make sure that the relative amount that they are receiving this year is not less than 90 percent. Once the state has determined allocation for the 23 local areas, it is sent out to the boards in the form of a notice of obligation. The commonwealth of Pennsylvania must have a grant agreement with each local workforce development board (LWDB) and their fiscal agent to send the money out to the local areas. Once the funds are received by the local areas, it is provided to career service providers as well as providers for career and training services as defined in WIOA.

The Pennsylvania State Budget has two line items designated for workforce funds. The first is Industry Partnership funding, better known as the Next Generation Sector Partnerships, and the New Choices New Options programs. Over the last several years, the New Choices New Options money has been provided to PA Women Work which is a nonprofit agency that helps fund employment and training services for women.

Unemployment Compensation (UC) law states that a portion of employer contributions for UC from 2013 to 2017 shall be put into a fund known as the Reemployment Fund. The Reemployment Fund can serve career and training activities. The commonwealth mostly uses the Reemployment Fund for funding discretionary types of projects and pilot projects to look at best practices across the state. This fund will sunset in 2018.

Chairman Brown inquired about the specific funding dollars for each of the three other funding sources. Staff responded that Industry Partnership is \$1.3 million; PA Women Work is \$500,000 and; Reemployment Funds allowed spending authority is \$10 million.

Henry Nicholas asked for clarification of the term disadvantaged. Ms. Dupstadt replied that disadvantaged is defined as an individual whose family income is at the poverty level or 70 percent of the lower living standard.

Ms. Dupstadt discussed the one-stop centers, known as the American Job Centers under WIOA. In Pennsylvania, American Job Centers are known as the PA CareerLink® and are designed to be a one-stop shop for customers to receive education, workforce training services and social services. The PA CareerLink® budget is paid for through the resource sharing and funding of the local partners.

LWDBs, in collaboration with the local partners, determine the infrastructure costs and shared service costs of each PA CareerLink®. These costs are then allocated appropriately to each partner based on the relative proportion of benefit received. Allowable methodologies to determine relative benefit include staffing "Full Time Equivalent" (the number staff divided by the total cost of funds). Once the cost of a full-time staff person is determined, then it is calculated based on how many staff you have at your local PA CareerLink®. The second most common methodology is square footage.

Chairman Brown asked how these costs are paid. Ms. Dupstadt replied that once the budget, relative share, and methodology is determined, a budget is sent to each partner. The partner reviews the budget to make sure that they agree with the methodology and the relative benefit. If they agree, all partners sign a Memorandum of Understanding (MOU). Once they agree, they then write a check to pay for those services out of their respective funds to their respective PA CareerLink®.

Ms. Dupstadt then reviewed the required PA CareerLink® partners, as designated under WIOA: Wagner-Peyser; adult education and literacy activities authorized under Title II; Title I of the Rehabilitation Act of 1973; Title V of the Older American Act of 1965; career and technical education programs under the Carl D. Perkins Act; Chapter 2 of Title II of the Trade Act of 1974; Chapter 41 of Title 38 of the United States Code (Veterans Services); employment and training under the Community Services Block Grant Act; employment and training activities carried out by the Department of Housing and Urban Development (HUD); programs authorized under unemployment compensation laws in alignment with the federal laws; Section 212 of the Second Chance Act of 2007; and Part A of Title IV of the Social Security Act, better known as TANF.

In addition to the required partners, the law encourages the PA CareerLink® offices to add additional partners. Additional partners can be made up of economic, workforce, career services, training services, and social services. The idea is to provide a true one-stop location where customers can be served and receive all the services that they need to get back into the workforce.

Earlier, it was stated that there is 15 percent that can be set aside from the WIOA allocation to be used to fund statewide activities. Five percent go to the administration of WIOA, and ten percent can be spent on required and additional activities.

Required statewide activities include the development of the state list of eligible training providers for adults and dislocated workers, and eligible training providers of registered apprenticeship programs; information identifying eligible providers of on-the-job training, customized training, incumbent worker training, internships, paid or unpaid work experience opportunities, and transitional jobs; information on outreach and partnerships with business; information on effective service delivery strategies and promising practices to serve workers and job seekers; performance information and information on the cost of attendance, including tuition and fees; a list of eligible providers of youth activities as described in WIOA; information of physical and programmatic accessibility for individuals with disabilities; state administration of workforce development activities; developing and implementing innovative programs and strategies designed to meet the needs of all employers; developing strategies for serving individuals with barriers to employment, and for coordinating programs and services among one-stop partners; implementing programs to increase the number of individuals training for and placed in non-traditional employment; conducting research and demonstrations related to meeting the employment and education needs of youth, adults, and dislocated workers; supporting the development of activities which encourages youth to reenter and complete secondary education, enroll in postsecondary education and advanced training; supporting the provision of career services and the one-stop delivery system. These are the activities that this Board, as well as workforce staff, are involved in to provide good workforce services across the commonwealth.

Allowable statewide activities, those that can be done in addition to those required, provide a bit more flexibility. They include supporting financial literacy activities; providing incentive grants to local areas

for performance-based programs; providing technical assistance to the local WDBs, chief elected officials, one-stop operators, one-stop partners, and eligible providers in local areas on the development of exemplary program activities and on the provision of technology to facilitate remote access to services provided through the one-stop delivery system; providing technical assistance to local areas that are implementing WIOA Pay-for-Performance contract strategies and conducting evaluations of such strategies; carrying out activities to facilitate remote access to training services provided through the one-stop delivery system.

Ron Kratofil asked what, if anything, was being done around financial literacy. Deputy Secretary Cipriani explained that financial literacy is embedded into rapid response services. This is an anticipated layoff in the northwest and financial literacy will be part of that rapid response package. Brandy Burnham, Director of the Bureau of Workforce Development Administration, added that my local boards weave financial literacy into the services they provide in the one-stop centers. It is often a value-added service.

Henry Nicholas asked what apprenticeship activities have been conducted. Ms. Dupstadt informed that while apprenticeship is part of workforce, the Apprenticeship and Training Office acts in recruiting new activities. Currently, workforce has a National Dislocated Worker Grant called Sector Partnership. In Southwest Pennsylvania, there is a cracker facility being built that will have apprenticeship projects. The local WDBs are developing the curriculum with their local career and technology schools to create a pre-apprenticeship training so that customers in our PA CareerLink® offices can take that training and be great candidates to go into these apprenticeships at this facility. Deputy Secretary Cipriani said that two Notice of Grant Awards (NGAs) for apprenticeship programs, approximately \$3 million, are being awarded this week.

Pat Eiding asked about the mission and intended outcome of the pre-apprenticeship program. Deputy Secretary Cipriani explained that the State Apprenticeship Council recently passed a policy where we are aligning the preapprenticeship programs with the apprenticeship programs. To be eligible for funding, all preapprenticeship programs need to be tied to a registered apprenticeship. The goal is to get those who successfully complete a preapprenticeship in a position where they have an opportunity to be a candidate for a registered apprenticeship program. Mr. Eiding expressed concern for those who may not pass the test for an apprenticeship program, and advocated for a preapprenticeship program that is varied enough that it gives those participant other outlets. Deputy Secretary Cipriani agreed, and stated that if those who complete a preapprenticeship, but do not get into the related apprenticeship, we hope to have given them enough skills that they have other avenues to pursue.

Chairman Brown thanked Ms. Dupstadt for her presentation. He suggested an enhanced presentation to bring in other funding sources to better understand the entire workforce system on both the revenue and expense sides. He asked the Board for ideas on what they would like to see in the next presentation. Dionne Wallace-Oakley requested a copy of today's presentation to better engage in a discussion. Ms. Larkin said staff would circulate Ms. Dupstadt's slideshow to the Board members after the meeting. Chairman Brown requested feedback from Board members once the presentation is received so it can be better understood.

Chairman Brown voiced his concern about whether we are keeping up with the growth of jobs in the health care area. He then announced the creation of a task force to address health care workforce, and asked Matt Yarnell, President of SEIU Healthcare PA, to lead it. Mr. Yarnell thanked the chairman for the

opportunity, and talked about this being an opportunity for the Board to look at the care crisis that is unfolding, try to understand what is happening with the workforce, and have a statewide focus on what is happening around direct care workers and nurses. He asked who else may be interested in talking about this subject. Henry Nicholas, President of the National Union of Hospital and Health Care Employees District 1199C, volunteered to join the task force.

Deputy Secretary's Report – Eileen Cipriani

Deputy Secretary Cipriani addressed a few points that the department has recently been working on. The Pennsylvania Public Utility Commission (PUC) has partnered with L&I and the Department of Military and Veterans Affairs (DMVA) on a project to hire veterans in the utility industry. We are using our resources to do military skills matching to assist the PUC in determining what skills are needed in the industry to connect employment for these great paying jobs in utility companies. We are also using JobGateway® to pull in jobs from the utility companies to create a resource that anyone who is looking for jobs in utility can go to.

There is a collaborative effort with the Pennsylvania Department of Corrections to provide access to individuals who are soon to be released from incarceration to JobGateway®. Individuals could begin job searches, and other services we provide, including skills assessment and interview-style training. There is work to be done before it is available, but there is progress being made on this initiative.

L&I is using a \$1.1 million Reemployment & Systems Integration (RSI) grant award to create an internal-facing dashboard that will track all Workforce Adjustment and Retraining Notification (WARN) related events and Trade petitions, which allow workers affected by foreign competition to receive various benefits and reemployment services. The dashboard will map activity related to dislocations and the workforce development activity provided in response to dislocations. This will give us the ability to share with our partners in DCED, who can inform of industries or companies that are experiencing growth, and develop strategies around that.

The department awarded a grant to Team Pennsylvania (Team PA) to fund career readiness projects across the state. School districts could apply for up to \$10,000 in funding. Through the intermediate units, Team PA awarded sixty-four school districts from across the commonwealth a Career Readiness Mini-Grant. These grants will fund activities such as career awareness, career readiness, STEM initiatives, employers allowing teachers to come in and visit their industry to create future career readiness opportunities for more students. More information was provided in a handout.

Secretary Oleksiak informed that a recent meeting of the Governor's Veterans Advisory Committee, the partnership efforts around veterans in the utility industry were discussed among DMVA and other independent veterans' groups outside of the government.

Chairman Brown asked if, when available, the dislocation activities dashboard can be presented to this Board. Deputy Secretary Cipriani confirmed and stated that it is now in the development phase, and hopes to have it ready in the spring.

Ms. Campion recalled a discussion about how it would be meaningful to share with the Board their experience and how individuals from the PA CareerLink® and vocational rehabilitation benefitted from some of the state programs. She asked if everyone could hear from an individual or OVR staff and what

that partnership was like, veterans that have connected with employment post exiting the service, and the formerly incarcerated. Chairman Brown confirmed that those efforts are in the plans of the Board's work.

Labor Market Information/Performance Measures – Keith Bailey and Jesse McCree

Keith Bailey, Director of the Center for Workforce Information and Analysis (CWIA), gave a brief introduction of the work that began under the Workforce Investment Act of 1998 (WIA). What is currently being experienced in performance measures and measuring the effectiveness of the workforce system was started under WIA. Mr. Bailey directed everyone to a one-page overview of the performance measures. He began by reviewing the common measures required of states under the WIOA. With the federally required performance measures, we have no voice in what is being described or how the measures are defined. We can have a hand in how the partner programs view their role and how their information feeds into these measures.

In Pennsylvania, we have challenges in how we implement and how we capture the information that leads to these measures, primarily because the partners have changed from WIA to WIOA. We now have the Office of Vocational Rehabilitation (OVR), adult basic literacy, and education as mandated partners. There are also other partnerships, who are not mandated, that we want to take advantage of to truly have that outreach to the job seeker and business communities.

While there is a one-stop system, it is not a one size fits all. There are certain expectations that everyone who comes into a one-stop center should have. Those concepts should be reflected in the performance measures that were put together. To illustrate, with OVR, oftentimes you have almost a lifetime engagement with several of these individuals. What is a program exit? What does that mean for the program?

The federal government has decided to measure employment during the second quarter after program exit. The belief is that this gives people time to find and settle into a job. The earnings measure captures the same period, with the intention of complimenting the earnings data. Also, giving individuals an opportunity to be engaged in the workforce and then measure earnings once established in the workforce.

The distinction of the Title I Youth performance measures during the second and fourth quarters is not only to capture placement and employment, but as a complimentary measure that captures the placement in postsecondary education or training activities.

Median earnings look at unsubsidized employment wages, or where there are other funding source from the employer.

Credential attainment looks at the percentage of participants who are enrolled in an education or training program who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from the program. The challenge to this measure is that if an individual receives a high school diploma or its equivalent, and they have no connection to the workforce and do not pursue anything beyond that, they are not considered as part of the success in the numerator unless they are also employed or enrolling in a postsecondary program leading to a postsecondary credential.

Employer effectiveness measures occur at both the state and federal levels. As indicated in the handout, two of these measures are in accordance with a federal pilot program, and are mandatory. This Board was presented with options on choosing two or three federal measures, and has chosen market penetration and repeat business with employers. While a work in progress within the federal government, Pennsylvania is on the leading edge of the states for these measures.

Statewide, we are permitted to look at additional measures of employer effectiveness. The Board has full control over what is done and what is measured in the state. When presented with options on choosing the state measures, and the Board elected to look at employers returning for service quarter-to-quarter. Specifically, this report focuses on employers served in the previous quarter and which ones return for service in the subsequent quarter. The Board also chose to review job order referrals. With the Commonwealth Workforce Development System (CWDS), we have the advantage of managing job postings and can track when services are provided to effectively make a referral to those job postings. That is a value-add to an employer that allows us to make those connections through staff and resources.

Mr. Bailey closed by informing everyone that the commonwealth must negotiate its performance measures with the federal government. The performance measures at the local level must be a compliment to the state level negotiated levels so that we can seek to achieve them. When we get to the local level, those negotiations must consider the state level negotiations.

Ms. Andahazy asked if there are targets for these performance measures and what is being tracked. Mr. Bailey answered that nonbinding targets were established as part of the first two years of WIOA. We are still working on CWDS to ensure that the information that is put into the system can be extracted from the system to create the measure. At the state level, we have had a hold harmless that has been extended to local levels where we talk about performance. Other opportunities that WIOA presents is the idea of serving the difficult to serve. The LWDBs have already been serving the difficult to serve. Now, they have to enumerate and count them as harder to serve. In some areas, that has presented a challenge. We are in a period where we are constantly tracking that population. We are looking at the measures and the measured results versus what our negotiated levels are.

Secretary Redding asked how we connect allocated spending dollars with performance measures. Deputy Secretary Cipriani replied that the performance measures will occur in each spending area. The data that the federal government presented to open negotiations was from data collected under WIA. We now have different partners and different sets of parameters. When the Board put together the State Plan, it recommended levels where we would start negotiations. The state and the feds negotiated to a point, but the feds have conceded that they did not know what was right or what was not. The period of forgiveness is for us to try to establish what really is the baseline. There are some measures that were not collected historically, so there was no way to know where that baseline should be. Mr. Bailey added that there are both limiting parameters and opportunities at the local level to allocate resources as are necessary at the local level.

Chairman Brown questioned how we were performing compared to our measures, and asked staff to report on the last period. Mr. Bailey answered that he would be happy to provide an answer at a future meeting. Ms. Larkin informed the group that she would send the most recent quarterly report to the

Board, as well as instructions on how to get regular quarterly updates from CWIA.

Mr. Eiding asked about any collaborative efforts taking place in the commonwealth. Deputy Secretary Cipriani discussed an initiative as called indexing, as part of a program with the National Labor Exchange (NLx). In practice, NLx will visit a company's website every night, take their active jobs and put them on JobGateway®. They repeat that action so there are always fresh jobs. These jobs do not go through JobGateway®. We are piloting this program in the northeast to figure out a way to track the jobs that come in through the indexing program. Many other states do this and we think it is going to be well received by businesses because we are going to be able to post their jobs for them for free and then offer our individual services if they want to utilize them. It also gives us an opportunity to get in the door in a business engagement strategy along with our partners at DCED to be able to make those meaningful contacts with businesses. Deputy Secretary Cipriani informed the Board that the department is starting a campaign as part of WIOA and the rebranding as American Job Center. This will be done from both the job seeker standpoint and the employer standpoint.

Mr. Bailey recalled conversations with current and previous leadership about approaching large employers. This Board is comprised, by law, with a majority of employers. Peer communication is huge. Getting the word out is all of our collective responsibilities. Chairman Brown recognized this as an action point, and offered to reach out to larger companies to open a dialogue. He challenged the other employers on the Board who work with larger companies to do the same.

Mr. Bailey discussed the collaborative effort L&I has developed with DCED. They have a system, Executive Pulse, which is their contact management system reaching out to the employer community. We are building upon that. We are going to be sharing that contact information and sharing that engagement information, not just to bolster a market penetration rate, but to see if we are doing things as efficiently as possible.

Mr. Funkhouser commented that the Performance and Accountability Committee has been tasked with developing a dashboard for these efforts. He proposed to the Chairman that the committee provide some examples and hear feedback from the Board before they begin development. Chairman Brown agreed, and asked that the committee come back with recommendations.

Ms. Trybus shared her thoughts on the importance of building a strategy for business engagement and understanding how we engage the larger employers with our system and processes. She said that there seems to be a misalignment between those employers wanting to be involved and actual participation given the level of enthusiasm expressed by those employers. Chairman Brown responded that there was some good feedback provided as a result of the employer engagement focus groups. Deputy Secretary Cipriani reported that one of the issues we heard from larger firms was that job seekers were applying to jobs on JobGateway® and then they would have to apply secondarily on the larger firm's website. We are currently working to correct that issue as part of the Digital Strategies Ad Hoc Committees initiatives. Larger firms tend to shy away from the public workforce system because they have their own system, and connecting the two would be a great challenge.

Ms. Wallace Oakley addressed the practical application of the connectivity. There are different citizens that are not necessarily talking to each other. She said that there has to be a phone call or a meeting to bring the human resources officer to the table to fully understand the practices and what we are trying

to accomplish. Then, those businesses can get their recruiting functions on par.

Chairman Brown said, with that feedback in mind, we need an organized approach to make sure we have tried to connect with CEOs or leaders of Human Resources of big companies. He asked staff to come up with a list of employers we want to enhance our engagement with, assign it to Board members, work at it, and report back on how we are progressing.

Ms. Wallace Oakley volunteered, suggesting those who were interested meet to determine individual roles. Mr. Eiding suggested engaging those who collaborate with their local Chamber of Commerce to draw interest, highlighting the importance of reaching out to the leader of the rank and file. Ms. Campion spoke to the technological challenges and proposed that the Board begin having conversations around what technology we will need to produce on JobGateway® to ensure it can interface with other job application tracking systems. If we cannot overcome that challenge, HR departments will be less likely to talk to us because they do not want to inconvenience their applicants to have to apply more than once. Chairman Brown said we will bring it to the Digital Strategies group and determine next steps.

Mr. Bailey recommended that the LWDB directors also have that engagement and opportunity to connect with employers. He then thanked everyone for their enthusiasm for this topic, and stated that this conversation should be happening because employer effectiveness is one area that this Board can control.

Jesse McCree, CEO of South Central PA Works (SCP), provided a local perspective on how these performance metrics and how the impact measures that we are all discussing here impact the LWDBs. South Central PA Works covers eight counties and has a labor force of about 750,000, one of the largest LWDBs in the state. They have about \$14 million worth of investments that are managed each year, and about 17 grants just like WIOA that they have to capture metrics for.

The questions that should guide performance measures is, how does this measure properly gauge the impact that we are having, and what gets measured gets done. In a public company, the board of directors may ask about earnings per share, revenue, profits, and other key metrics that are used internally to measure success.

Mr. McCree shared four metrics that SCP uses to effectively gauge the impact they are having in their community. The first, a result of the partnership of the nine economic development corporations (EDCs) having worked more closely together with the workforce system, tracks the number of jobs created and the number of jobs retained on projects doing these joint ventures. That is a measure that has a lot of credibility with their board when they present to them to say they helped create this many jobs by bringing this company into South Central Pennsylvania, or that the company was thinking about leaving and we helped to retrain those jobs through this partnership with economic development. It is an important measure to ensure the LWDB are having the appropriate impact.

Another metric relates to the impact this is having on an individual or on a community. Employment, Advancement, and Retention Network (EARN) funds that go to help place people that are currently on some sort of public assistance. For example, in the 338 placements through the EARN program this year, 250 of them closed their Temporary Assistance for Needy Families (TANF) case. That is 250 people that

are no longer on public assistance because of a job that we were able to provide to them.

The third metric uses living wage data from MIT, who has done great research around living wage based on where you live and the number of people in your family. SCPa is looking at the numbers of jobs that we are placing people in that meet this living wage. We believe that living wage data is an indication of whether or not we are placing people into family sustaining jobs.

Lastly, the fourth metric occurs as we work with those who were formerly incarcerated and the percentage of recidivism, or those who go back into correctional facilities or the justice system. This is a longitudinal measure that sometimes takes years to determine, but if we can show a reduction in that recidivism rate, we believe that is an indication that the employment and training services that we are providing are effective.

Mr. McCree closed his presentation by stating that the LWDBs across the state are capturing this kind of data and that it tells a powerful story about what we do as a workforce system. He added that when making communication with large employers, it is also an opportunity to engage with the LWDB leadership to help foster those conversations. Increasing that coordination between LWDBs and this Board would only benefit all of us in the room and the whole workforce system. He invited anyone on this Board who is in the South Central Pennsylvania region to contact him.

Chairman Brown asked if the state compiles the local measures from all local areas. Ms. Larkin explained that anecdotally we have conversations but, because they are all very distinct from local area to local area, we do not have a warehouse of all the local measures. She added that if the Board is interested in learning more specifically about South Central, we can get those from Mr. McCree. If you are interested in learning more about all the areas and the measures they are collecting, we go through the PA Workforce Development Association to make that request. Mr. McCree said that local measures do vary by LWDB. He added that in some cases, SCPa is in the very early staging of starting to collect this data, so it may take a couple of years to have a breadth and depth of data to show either progress or areas where help is needed.

Mr. Yarnell commented that it would be helpful for everyone to see what the actual cost of living is in each county in Pennsylvania. It informs employers, government, and labor.

McCree discussed a new initiative between a few local boards is a group of people who are termed Asset Limited Income Constrained and Employed (ALICE), or the working poor. They are starting to collect data on the number of people in our system who are ALICE. If they keep churning through the workforce system, we can hit these numbers all the time because we enter them into another job, they lose their job, we place them again, and there is no career pathway. We have hit our numbers, but how do we push this whole thing forward in a more meaningful way.

Chairman Brown suggested inviting LWDB leaders to come and present to the Board and tell us what they are working on, what is working, what is not, and what their measures look like.

Break from 11:25am to 11:44am

Infrastructure Funding Formula for Non-Consensus – Stephanie Larkin

Chairman Brown introduced Stephanie Larkin to discuss the infrastructure funding formula for non-consensus.

Ms. Larkin reviewed some business that was first introduced to the Board in May about the funding of our one-stop centers. She said Ms. Duppstadt did an amazing job earlier today laying out the foundation about the infrastructure and the fact that we need to fund the one-stops, or the PA CareerLink® offices. WIOA is very specific about how the one-stops are funded. It states that not only must local partners come together to provide this public workforce delivery system, but it also says all of you must help pay for it.

The Board has a specific role in helping to determine part of the infrastructure funding as it relates to the budget. In the event that a local area reaches non-consensus, the State Board's role is to help the Governor by providing some factors that will allow him to determine a local budget for an area of non-consensus.

What happens is that the law has set up a process for local areas and local partners to come together and have collaborative discussions and negotiate both a budget for their local infrastructure and the partner contributions toward that local infrastructure.

The law also recognized that there may be instances where that is easier said than done and it provides a fail-safe mechanism for a local area that cannot reach that agreement. What the law specifically requires is an agreement amongst the local partners for the infrastructure costs.

Infrastructure costs are those necessary for general operation of the PA CareerLink® offices. That includes your facility rental, utilities and maintenance, equipment, technology, and it can include that common identifier. In Pennsylvania, the American Job Center Network and PA CareerLink® are the common identifiers.

Ms. Larkin talked about the required one-stop partners, and informed that they are not the only partners required to pay into the system. If the local area has additional partners beyond those which are required, they would pay into the service delivery system as well, and they use their own funds from their own funding stream to help pay these infrastructure costs.

Ideally, a local area gets together with its local elected officials (LEOs), required and additional partners, and they have a collaborate discussion about what the true cost is of maintaining the infrastructure for their one-stop delivery system. They talk about all the factors that were mentioned that are pieces of that infrastructure, but they also discuss what the budget should be. What do we all agree is the budget for this system? Secondly, how do we break down the partner contributions to ensure that this budget that we may have agreed to is funded by all of us in a fair and equitable manner? What is the relative benefit?

There are two ways the law says they can have this conversation or region agreement and the one is considered to be your local funding mechanism. In the ideal scenario above, everybody comes together and decides on a budget, they decide on partner contributions, and they sign that Memorandum of

Understanding (MOU) and separately, the Infrastructure Funding Agreement. Where that does not happen, the law prepares an eight-step process for a state funding mechanism.

The first step is that the LWDB, along with their LEOs, must notify the Governor that they have reached a stalemate. The second step is that they must provide the Governor's Office all the documentation they utilized in an attempt to reach that agreement so they can see what has been attempted. The third step is the Governor determines the budget for that local area. The law is specific about the things that must be considered when the Governor looks at determining a local area's budget: the number of one-stops in a local area, the population served by those centers, the services provided by those centers, and any factors relating to the operations of such centers in the local area that the State WDB determines are appropriate.

Ms. Larkin informed the group that the Governor's Policy Office asked the Board to consider these factors as a recommendation for what the Governor's Office would consider if a local area reached non-consensus. Local areas must have in place their infrastructure funding agreements by December 31, 2017. We have received a number of MOUs from local areas, and some infrastructure funding agreements. While there is no reason to believe any local area will trigger non-consensus, WIOA requires us to pass some factors in the event that it would happen.

Chairman Brown reinforced the idea that the Board is required to do this and that the Governor will determine disputes, of which we know none of at this time. He asked for clarification of the Governor's role to resolve disputes. Ms. Larkin confirmed that the only role the Board has is to provide factors by which he will determine their budget. There is no other role of the Board. You will not be determining budgets, you will not be determining how much each partner gives. Chairman Brown then opened the floor for questions.

MOTION: Frank Sirianni moved to accept the formula for determining local area infrastructure budget. Henry Nicholas seconded the motion. Chairman Brown called for the proxy ballots to be read. Deputy Secretary Cipriani announced that Julene Campion was abstaining from the funding mechanism vote and JoAnne Ryan said that she was unable to vote without additional information and clarification.

There being no questions, Chairman Brown called the vote. Because quorum was established, and the majority of the Board voted in favor, the motion passed.

Agricultural Industry Update

Secretary Redding expressed that he thought it would be helpful to provide this group with an update, given the conversations over the last year around industries and sectors. He thanked L&I for their efforts in helping the Pennsylvania Department of Agriculture (PDA) navigate the workforce development opportunities for the ag sector. He then asked Dr. Scott Sheely from PDA to provide some context about the industry, trends, in-demand jobs, and engagement.

Dr. Sheely gave a presentation on understanding the agriculture and food industry in Pennsylvania. In the last several years, we tend to talk about agriculture and food because that implies the bigger role of the industry. Agriculture production is part of a supply and distribution chain that extends to food processing, food distribution, and food manufacturing.

Pennsylvania is a powerhouse in the nation in the production of agriculture products. Much of that is due to the markets on the East Coast of food manufacturers, and the distribution systems are very important to that as well.

Pennsylvania also leads the United States in two important parts of the agriculture distribution chain. Food processing employs over 76,000 workers, which is more than 16% times more concentrated than the national average. Forest and wood products with a high concentration of cabinetmakers employs more than 47,000 workers, which is more than 31% times the national average.

As an industry cluster, the agriculture and food industry is a major contributor to the regional economy. 337,000 people work in the industry in Pennsylvania and its supply and distribution chains. If we add the retail food and food services piece to it, we add another 500,000 jobs. Sales of about \$1.2 billion are very significant in terms of the overall output of the state. Agriculture products contribute to the export economy as well. It is an industry with high productivity with a small workforce.

As we begin to look at the overall workforce and where we are going to need jobs in the future, the PDA predicts that in the next 10 years, we are looking at 75,000 in new and replacement workers because of growth and the replacement of workers due to retirements.

The most important, or in-demand occupations fall into the categories of farming and agricultural operations; landscaping; food manufacturing; forestry, lumber, and wood products; conservation and natural resources, and; animal health and veterinary services.

The process of placing those jobs into a logical sequence of how people move through these jobs and their careers to create some career pathways is an initiative that is in the beginning phases. There are more pathways that could be documented, and the department is actively working on those. The pathway concept as a theoretical framework is a good one, and we are doing a kind of career development work that we want to do in the agriculture world.

As we talk about the agriculture workforce, it is like a pyramid. We need to make sure pathways continue for those people who are going to require those advanced degrees. We do not necessarily need many of them, we absolutely need them.

The middle level has been problematic because of the technical requirements and the need to have training. We have a great high school agriculture program with more than 150 schools participating, more than 12,000 young people involved in FFA programs, and two institutions of higher learning that are agriculture schools. The problem we have now is in the middle, or for those who do not necessarily want to go for a four-year degree. Unfortunately, there is nothing much to offer. We are looking at apprenticeship so people can stay in the area and obtain the skills they need over a two-year period of time. We are interested in talking about other ways to fill the space. We can find ways to do skill training in local communities that make sense for them.

The base of that pyramid is the production workforce. In the commonwealth, at least 70 percent of which are foreign born workers. We are not necessarily embracing them, nor finding way to engage them in some of the training processes. Production workers are requiring more science, technology, engineering, and math (STEM) knowledge and skills.

Only eight of the total in-demand occupations have formal education connected with them. They have largely been ignored by the formal education system. There are no community colleges in Pennsylvania that are involved in any meaningful way with agriculture skills.

Chairman Brown asked if the community colleges are aware of agriculture's training needs. Dr. Sheely informed that the department has met with the presidents, but they do not feel it is needed.

Mr. Sheely shared that the agriculture industry is in the process of undergoing a revolution in the workforce with new and emerging occupations. They would like to share some of the information PDA has assembled with the workforce system. This includes information on agriculture careers and career pathway work, new and emerging occupations, pre-apprenticeships, and a new registered apprenticeship program. PDA is also in the process of evaluating the K-12 agriculture education system with the PA Department of Education.

PDA is very interested in exploring microcredentials. Smaller credentials than a two-year apprenticeship something that would be six to eight weeks. There are people that are now interested and exploring that from the education world. Microcredentials need to have a framework before they are put together and, in some cases, they can articulate to formal educational degrees.

Another consideration is for the Latino workforce. If we do training in that area, it will need to be done bilingually. It is possible to do skill training at the same time as language training. Penn State has piloted a number of programs in that area.

Dr. Sheely closed by reiterating that PDA is very interested in supporting the LWDAs and there are a variety of things the department can offer in terms of training, programming, Youth council work, high-priority occupations and apprenticeships. They have some good resources to offer, and great relationships with industry and employer customers to share.

Mr. Eiding informed that low wages and the seasonal nature of the job is not going to sustain a family, so many are not interested in the agriculture industry. He also shared that those who do work in the industry tend to be transient workers who are employed during the summer and then become day workers during the winter. While he believes those individuals will never come to talk to us about training and education, he also stated that the community colleges could be a real asset. Dr. Sheely acknowledged the structural issue of how this could work. PDA is trying to hit the pressure points where they can and continue learning as things progress.

Chairman Brown suggested that in an effort to help the Board help PDAs cause is to have an understanding or recommendation on policies. He said that if a \$12 per hour job with a little education and a career pathway creates a real opportunity. The Workforce Development Board would love to help support and advance these efforts.

Secretary Redding discussed trends of the convergence of technology driving jobs, production, the supply chain, and distribution; an aging workforce that is transitioning out, and; the demand side that ag food related jobs continue to grow. What has to be understood is that as consumers, we have a certain expectation of the food system. Today's presentation was to paint a picture and say here is a growing

industry. We wanted to engage this Board and the workforce system and say there is a role for education and making sure the educational system for those approved programs previously mentioned are actually leading to in-demand jobs.

Mr. Sirianni echoed the importance of this discussion and acknowledged the intersectionality of training and education across industries. He believes wage averages do not accurately represent the industry, but that separating each part of the industry and solving problems for each as a more realistic approach.

Chairman Brown thanked Dr. Sheely, and committed to the Board's partnership in PDAs efforts.

Public Comment

Chairman Brown opened the floor for public comment. No public comment was offered.

Workforce Innovation Fund Quarterly Update

Chairman Brown asked Ms. Larkin to update everyone on any old or new business.

Ms. Larkin informed the group that a new update on the Workforce Innovation Fund Grant for microcredentials was provided in the meeting packet, as requested. This update describes the first year of implementation, and includes success stories and thematic grant challenges. With one more year of implementation ahead, we anticipate that the numbers of participants being enrolled, beginning training, and completion numbers to increase.

Board staff also committed to providing a list from the Center of Workforce Information and Analysis of the job skills most needed across all occupations. This was distributed in the meeting packet as an information source that covers knowledge areas, general work activities, detailed work activities, and tools and technologies.

Also provided in the packet is a report from the PA Rehabilitation Council, a subcommittee of the Office of Vocational Rehabilitation (OVR). The State Board needs to designate a member of the PA Rehab Council. We have not been able to fill that appointment, but we have committed to submitting to the Council a quarterly report of the Board's activities and, in turn, they provide us a report of their activities. If anyone has an interest in serving on that committee, please advise the staff.

The employer effectiveness measures that the Performance and Accountability group passed, and that the Board supported, were consolidated into a one-page document. These quick facts were distributed in the meeting packet.

Ms. Larkin said that she hopes to provide everyone with the remainder of meeting dates for 2018 so that the next year can be planned. She added that the guide for Pennsylvania local elected officials was provided to all Board members by the PA Workforce Development Association. She thanked them for this valuable source of information.

Adjournment

Chairman Brown thanked the board for their attendance. The meeting adjourned at 12:43 pm.