Special Board Meeting

Tuesday, February 13, 2018
10:00 AM to 12:00 PM
By Telephone and In Person

Pennsylvania School Boards Association
Pennsylvania A/B
400 Bent Creek Boulevard, Mechanicsburg, Pennsylvania

Meeting Minutes

Attendance

Members: Chair Jeffrey Brown, Secretary Jerry Oleksiak, Secretary Russell Redding, Secretary Pedro Rivera, Deputy Secretary Eileen Cipriani, Idayat Adewunmi, Joseph Alex, Denise Andahazy, Carol DeMayo, Brian Funkhouser, Nicholas Gilson, Wendie DiMatteo-Holsinger, Peter Klein, Ron Kratofil, Russell Redding, Secretary Pedro Rivera, Deputy Secretary Eileen Cipriani, Idayat Adewunmi, Joseph Alex, Denise Andahazy, Carol DeMayo, Brian Funkhouser, Nicholas Gilson, Wendie DiMatteo-Holsinger, Peter Klein, Ron Kratofil, James Kunz, Henry Nicholas, Jodi Pace, Frank Sirianni, Jessica Trybus, Matt Yarnell, Carrie Amann representing the Governor’s Policy Office, Lisa Watson representing Secretary Teresa Miller, Carol Kilko representing Secretary Dennis Davin, Luc Miron representing Senator John Blake, Kendra Wiederhold representing Representative Ryan Mackenzie, Eric Kratz representing Senator Kim Ward, Danny Bauder for Pat Eiding, and Dr. Bob Garrity for Matt Yarnell.


Staff Present: Allison Jones, James Martini, Michael Leister, and Pamela Gusler Cohen.

Welcome and Introductions
Chair Brown called the meeting to order at 10:07 a.m. He welcomed the Board Members and thanked them for their attendance.

Chair Brown announced the appointment of new Board Members Nicholas Gilson, Marguerite Kline, and Jodi Pace. Each provided a brief introduction, and emphasized their commitment to this Board. Chair Brown thanked the new Board Members for their ongoing participation.

Chair Brown then announced the arrival of Allison Jones, the new Director of the Pennsylvania Workforce Development Board. Ms. Jones introduced herself.

Chair Brown noted that a quorum was established. Pamela Gusler, PA Workforce Development Board, reviewed the proxies provided from absent members. She announced a proxy for all votes from Patrick Eiding to Daniel Bauder, and John Thornton to the Chair. Additional proxies received detailing “YES” votes on all items were received from Julene Campion, Peter Klein, Dionne Wallace Oakley, and Brian Schaller.
Chair Brown explained that due to several administrative changes, a relatively small agenda, and the long distance many Board members travel, it was appropriate to hold this special meeting of the Board by telephone. He asked that all Board members identify themselves prior to speaking.

He directed everyone to the meeting agenda. As a new practice, he asked the Board to approve this and future agendas with flexibility. This means that if there is something the Board wants to add to the agenda or change, they can be flexible.

**MOTION:** Mr. Nicholas moved to approve the February 13, 2018 agenda, with flexibility. Mr. Kunz seconded the motion. The motion passed unanimously.

**MOTION:** Mr. Nicholas moved to approve the November 14, 2017 PA WDB minutes. Secretary Oleksiak seconded the motion. The motion passed unanimously.

**Governor’s Budget Address and Workforce Priorities**
Carrie Amann, Deputy Secretary for Policy and Planning in the Office of the Governor, provided an overview of Governor Wolf’s February 6, 2018 budget address and his priorities of the workforce system. The Governor’s launched a new workforce development initiative, PAsmart, a $50 million investment in new state resources for workforce and education.

Deputy Secretary Amann highlighted the two budget initiatives specific to the Department of Labor & Industry (L&I):
- $7 million state investment for Registered Apprenticeship, including pre-apprenticeship opportunities at the high school level. This funding will expand on the work of the L&I Apprenticeship and Training Office and will help meet the goal of doubling registered apprenticeships in Pennsylvania by 2025.
- $3 million state investment in the Next Generation Industry Partnership program. This increase, from the current allocation of $1.8 million, will allow the commonwealth to continue to offer support to business-driven partnerships, aimed at addressing the overall competitiveness needs of industry with the support of workforce development, economic development, and education partners.

Deputy Secretary Amann then highlighted the other PAsmart budget initiatives specific to the Department of Education:
- $25 million state investment in Computer Science and STEM education at both the K-12 and postsecondary levels.
- $10 million state investment to promote Career and Technical Education and STEM career exploration.
- $5 million state investment to incentivize employer engagement in postsecondary education.

Deputy Secretary Amann noted the Governor believes PAsmart aligns well with the policy agendas coming out of L&I, Education, and Agriculture, and that the proposed investments align with and support where resources are falling short, while being responsive to business, student, and worker feedback.
Deputy Secretary Amann then reported on three other strategies that are not specific budget acts. First, she said there was interest from the business community to see what type of barriers exist for businesses to hire individuals with a criminal background. This Board identified re-entry as an area of interest and the Governor has also proposed a more targeted, higher, global effort of looking at re-entry and workforce issues in Pennsylvania.

Second, Deputy Secretary Amann highlighted the development of a workforce dashboard to highlight workforce activities in the commonwealth. Deputy Secretary Amann hoped the Board would use this type of data to inform policy priorities and strategies.

Lastly, Deputy Secretary Amann highlighted an effort to leverage some of the federal funding that comes out of L&I to influence teachers, educators, and staff on career awareness. These efforts would boost the ability for teachers, educators, and staff to have access to work experiences as well as guide students of any age in a better pathway to enter an industry.

Chair Brown stated that part of the Board’s job would be to look at the Governor’s priorities in more detail and to make sure they are integrated in the Board’s work moving forward. Deputy Secretary Amann said that, from the perspective of the Governor’s Office, the State Workforce Development Board has been one of the key drivers for PA smart. This Board has several agencies as members and that can drive better coordination and interagency collaboration to align resources. She said the Governor’s Office will continue looking forward to this body to help drive that discussion and drive those policies.

Chair Brown thanked Deputy Secretary Amann for her presentation on the Governor’s PA smart initiative and priorities for the coming year.

**Deputy Secretary’s Report**

Eileen Cipriani, Deputy Secretary for Workforce Development at L&I, directed the Board to her report in the meeting packet and provided some highlights of recent work and accomplishments.

Next Generation Industry Partnerships (NGIP) have been well received and have a solid foundation moving forward. Deputy Secretary Cipriani is excited that the Governor is proposing to put more money into the NGIP program and believes there is an opportunity to expand the number of funded partnerships across Pennsylvania. The Governor’s proposal for an additional $3 million will result in 30 active partnerships by the end of next year.

Two years ago, the Governor established the L&I Apprenticeship and Training Office (ATO) and it has been very successful. The ATO is funded by limited federal funds. There is great enthusiasm around the $7 million being proposed for the apprenticeship initiative because it is a great model to “earn while you learn.” She hopes to expand into pre-apprenticeships to reach youth and get them interested in apprenticeship opportunities.

Last year, the Board approved a Business Education Partnership grant program. Deputy Secretary Cipriani said through those grants, 8,900 students in the commonwealth took part in career awareness and career exploration activities. She also said L&I is planning to release grants for Business Education Partnerships and Teacher in the Workplace Partnerships this year.
Chair Brown suggested that staff inventory the Board’s previous recommendations to better understand where they stand. This will be beneficial to refresh the Board’s memory and help the Board determine if it should continue to focus on specific topics and priorities. Deputy Secretary Cipriani agreed with the Chair.

Third-Party Evaluation of Career Pathways and Apprenticeship Models
Allison Jones, Director of the Pennsylvania Workforce Development Board, said that as part of the current Workforce Innovation and Opportunity Act (WIOA) and Combined State Plan, the commonwealth committed to evaluations of the workforce development system.

The PA Department of Labor & Industry (L&I) has resources available to conduct evaluations and has decided to focus on two priority areas: career pathways, as defined in the WIOA, and pre-apprenticeship programs. These evaluations will gather information about what is currently happening across the commonwealth and develop recommendations on how to establish a more robust system of career pathways and pre-apprenticeship programs. L&I is currently in the process of developing a scope of work for a third-party evaluator to conduct this work. Ms. Jones also noted that the L&I Apprenticeship and Training Office will be involved with the evaluation of pre-apprenticeship program to ensure the evaluation is supporting their work. Ms. Jones will keep the Board informed as the evaluation unfolds.

Chair Brown asked about the timeline for this evaluation. Deputy Secretary Cipriani responded that the first step is to put out a request for proposal, but the hope is that it will be completed in eight to twelve months. She added that the evaluation can be circulated amongst Board Members once the work has been completed.

Chair Brown asked that if the evaluation brings to light best practices from Local Workforce Development Boards (LWDBs) or from providers, that staff ask those groups to present to the Board. Deputy Secretary Cipriani advised that Ms. Jones has been developing a strategy to have more presentations from LWDBs and local vendors.

Secretary Pedro Rivera from the Pennsylvania Department of Education (PDE) commented that the Governor’s new vision is a great opportunity for the commonwealth to coordinate leadership. Over the course of the past three years, PDE has been exploring career pathways and alignment of programs. This work has not necessarily done in collaboration with L&I, but moving forward he would like to ensure the two departments work together to align resources and visions to not work in silos.

Chair Brown agreed with Secretary Rivera, and stated that the Board should begin thinking about alignment of work with the other areas of state government. Ms. Jones clarified that once there is a final draft scope of work in place, L&I intends to coordinate with PDE to ensure alignment. Secretary Rivera said that PDE would be willing to help create the scope of work and offer feedback before a final draft. Deputy Secretary Cipriani agreed with the need to increase the level of collaboration.

Overview of Modifications to the WIOA Combined State Plan and Public Comments
Chair Brown asked Ms. Jones to provide an overview of the WIOA Combined State Plan modification compared to the current plan, the public comments that were received, and the commonwealth’s response.

Ms. Jones provided an overview of the proposed modifications to the WIOA Combined State Plan and
Pennsylvania Workforce Development Board
Meeting Minutes – February 13, 2018

public comments received. She began by informing the Board that this modification is required under the WIOA as a two-year update to Pennsylvania’s four-year WIOA Combined State Plan and is due to the Departments of Labor and Education on March 15, 2018. She said that most of the changes to the WIOA Combined State Plan are relatively minor but wanted to highlight one in particular.

**Goal 2.1**: Revision related to the minimum spending requirements for training individuals with barriers to employment. Generally, we call this training target benchmark. Specifically, the new training target benchmark was set at 30 percent. For calculated, we moved the allocation totals for the adult and dislocated worker formula funding. Youth and trade funding is not included in the calculation. And the 50 percent of the funds used towards achieving the 30 percent benchmark must be used to serve people with barriers to employment.

Ms. Jones said the 30/50 training target benchmark in the modification would revise down from the original plan that had a more aggressive training target benchmark. This modification holds the training target benchmark at 30 percent and 50 percent. She said that is the most significant change in the plan. All the other changes in the plan are general updates, such as updating labor market information and relevant formatting changes for all the partner programs. A summary of the substantive changes included in the modification were included in the meeting packet.

Ms. Jones then informed the Board that L&I received four series of comments related to the WIOA Combined State Plan modification. The first comment was related to vocational rehabilitation, but was not actually directly related to the modification itself and therefore referred to the Office of Vocational Rehabilitation. The remaining three comments were related to the modification itself and received from the Pennsylvania Workforce Development Association, Partner4Work, and Associates for Training and Development. Ms. Jones provided an overview of the comments and the commonwealth’s responses. Full details of the comments and the commonwealth’s response are posted on L&I’s website.

Ms. Jones thanked all the commenters for taking the time to review the Plan and provide their perspective. She said the feedback was invaluable and resulted in a better Plan. She concluded by saying in most cases, the commonwealth did accept the comments and updated the modification accordingly or committed to addressing the comment and working with the commenter outside of the modification process.

**Public Comment – WIOA Combined State Plan Modification**

Chair Brown opened the floor for public comment of the WIOA Combined State Plan Modification.

Dan Fogarty, Director of the Berks County Workforce Development Board, thanked Ms. Jones for her openness to the extensive comments in response to this Plan and for the many positive responses to the suggestions that were made.

Mr. Fogarty confined his comments to Goal 2.1, the 30/50 training targets. This section says the commonwealth will establish minimum spending requirements for how much local area funding must be used for training. He emphasized that the issue is not with the targets, but with the targets being requirements. While he appreciates the openness to holding the targets at 30 and 50 percent, which have been operative for the last two years, they are arbitrary targets. There was no data analysis done to support the targets when they were initially established. The commonwealth does not have a standard methodology for reporting on the targets and relies on Local Workforce Development Boards
(LWDB) to self-report. With 22 LWDBs, there might be some variation in the way those numbers are being reported throughout the state. Mr. Fogarty directed the Board’s attention to page 32 of the meeting packet and highlighted some specific issues in terms of how these targets are calculated. The mandatory spending percentages, he said, can be very restrictive and limit local flexibility to meet the needs on the ground as determined by LWDBs, which are appointed by local chief elected officials.

Secondly, Mr. Fogarty said the area of youth needs to be looked at very closely. There has been a tremendous change for the better in the way youth programs are managed under WIOA. The focus is now primarily on working with disconnected young adults. The needs of those disconnected young adults are often varied, but they are often not specifically related to the training. He said having to put youth money in the denominator creates real challenges as LWDBs try to hit the arbitrary 30 percent number.

Mr. Fogarty also said that disconnected workers should not be applied to the training benchmarks because they already possess in-demand skills in the current labor market. Often, dislocated workers can be placed in new jobs, that are as good as they had or better, very quickly without requiring extended training programs that would be expected under the targets.

Finally, Mr. Fogarty said the most significant worker retraining program in terms of benefits and long-term impact is the Trade Readjustment Allowances funds. This can be a difficult type of funding to track at the local level, but Mr. Fogarty urged that the commonwealth consider specifically stating that those TRA funds be counted towards the numerator.

Mr. Fogarty closed by saying that the Berks County WDB fully supports the Governor’s goals as listed in Goal 2, however the issue is in the details when it comes to implementation. He urged the commonwealth to change the language in the plan related to Goal 2.1 from requirements to targets.

Chair Brown asked for perspective on Mr. Fogarty’s comments. Deputy Secretary Amann said the commonwealth wants to continue the dialogue with PWDA, Berks County WDB, and partners that are impacted by this mandated training targets. She would like to hear from them on potential alternative strategies that will ensure the commonwealth is prioritizing postsecondary and individuals with barriers and what that type of criteria that looks like. Deputy Secretary Cipriani agreed to continue the dialogue and added that L&I looked at training target outcomes for all LWDBs and that each one achieved or exceeded the 30 percent and 50 percent mark.

Chair Brown asked for clarification around continuing the dialogue and the deadline for approval of the plan. Deputy Secretary Cipriani explained that the commonwealth is open to talk about the next revision because in two years, another plan will be required. Right now, she said LWDBs areas are meeting the current targets and likely will not have to change what they are doing to achieve that goal. In the next two years, the commonwealth will work with local partners to come up with a better way to address this issue.

Chair Brown then asked about the potential for penalties, monetary or otherwise, if these targets are not achieved. Deputy Secretary Cipriani said there are no penalties if LWDBs are not able to reach the targets. If a LWDB is found to be struggling, the commonwealth would provide technical assistance to address the issue together. Mr. Fogarty stated he and the Berks County WDB can accept the targets with
the commonwealth’s commitment that there will be no sanctions. He said they will continue to treat these targets as goals and do everything they can to meet them.

Chair Brown asked for additional comments. No additional comments were raised.

Approval of Modifications to the WIOA Combined State Plan
Chair Brown asked called for a motion to approve the final WIOA Combined State Plan Modification for submission to the U.S. Departments of Labor and Education.

MOTION: Mr. Kunz moved to approve the modifications. Mr. Nicholas seconded the motion. The motion passed unanimously.

Adjournment
Chair Brown noted that we are looking forward to having a robust year of work in the State Workforce Development Board. We would be happy to take any feedback or ideas for planning the meetings for the balance of the year.

Chair Brown thanked the Board for their attendance. The meeting adjourned at 11:38 a.m.