

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

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House Bills 1725 & 1878
Workforce Development Legislation

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House Labor and Industry Committee

Main Capitol Building
Room 60, East Wing
Harrisburg, Pennsylvania

Thursday, December 5, 2013 - 10:06 a.m.

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COMMITTEE MEMBERS PRESENT:

Honorable Mario M. Scavello, Majority Chairman
Honorable Stephen Bloom
Honorable Sheryl M. Delozier
Honorable Seth M. Grove
Honorable Ryan E. Mackenzie
Honorable Dan Truitt
Honorable Maria P. Donatucci

NON-COMMITTEE MEMBERS:

Honorable Eli Evankovich

1300 Garrison Drive, York, PA, 17401
717.764.7801 877.747.2760

1 STAFF MEMBERS PRESENT:

2
3 Juanita Hoffman
4 Majority Legislative Assistant II

5 Noah Karn
6 Majority Research Analyst

7 Vicki DiLeo
8 Minority Executive Director

9 Joanne Manganello
10 Minority Research Analyst

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SUBMITTED WRITTEN TESTIMONY

(See submitted testimony & handouts online).

1 MAJORITY CHAIRMAN SCAVELLO: Good
2 morning, everyone. Before we begin, I'd like us to
3 rise and cite the Pledge of Allegiance, please.

4 (Pledge of allegiance off the record).

5 MAJORITY CHAIRMAN SCAVELLO: I would
6 like to thank the members of the House Labor and
7 Industry Committee, as well as our panel of expert
8 testifiers, who have generously taking time out of
9 their busy schedule to join us.

10 Today we have before us two workforce
11 development proposals, House Bill 1725 introduced
12 by a colleague and Committee Vice Chair,
13 Representative Ryan Mackenzie, and House Bill 1878
14 introduced by colleague Representative Eli
15 Evankovich. I look forward to gather invaluable
16 input and perspectives from our expert panels.

17 With that being said, at this time I'd
18 ask the rest of our members to please introduce
19 themselves, starting to my right.

20 REPRESENTATIVE TRUITT: Dan Truitt,
21 representing the West Chester area in Chester
22 County.

23 REPRESENTATIVE BLOOM: Stephen Bloom,
24 the 199th District which is most of central and
25 western Cumberland County.

1 MAJORITY CHAIRMAN SCAVELLO: Chairman
2 Mario Scavello representing Monroe County.

3 REPRESENTATIVE MACKENZIE:
4 Representative Ryan Mackenzie representing parts of
5 Lehigh and Berks counties.

6 REPRESENTATIVE EVANKOVICH: Good
7 morning. Eli Evankovich representing parts of
8 Westmoreland and Armstrong counties.

9 REPRESENTATIVE DONATUCCI: Good morning.
10 Maria Donatucci from Philadelphia and Delaware
11 counties.

12 REPRESENTATIVE DELOZIER: Sheryl
13 Delozier. I represent 88th District, Cumberland
14 County.

15 MAJORITY CHAIRMAN SCAVELLO: Okay. I'd
16 like opening remarks from Representative Mackenzie
17 in regard to the House Bill 1725, Vice Chair of the
18 Committee.

19 REPRESENTATIVE MACKENZIE: Good morning.
20 Thank you again, Chairman Scavello, and thank you
21 to all who are in attendance today. I'd like to
22 thank the Chairman and the members of the Committee
23 for joining us. This is an important piece of
24 legislation, House Bill 1725. It's a measure that
25 I believe will serve as an important component to

1 strengthening Pennsylvania's future workforce.
2 This legislation will create the CareerBound
3 program, which is an initiative focused on building
4 new collaborative partnerships between the state's
5 business, education and workforce development
6 communities.

7 As a member of this Committee and the
8 former policy director at our state's Department of
9 Labor and Industry, I've maintained a long-standing
10 focus on efforts to ensure Pennsylvania employers
11 have access to a talented, skilled and prepared
12 workforce. In speaking with employers in my
13 district and throughout the state, we know full
14 well how emphatically job creators stress the
15 importance of a qualified and skilled workforce.

16 This message was clearly delivered when
17 my colleagues and I held a July 2012 policy meeting
18 in the Lehigh Valley. We heard from employers in
19 the area and others who stressed the severe
20 disconnect that exists between skills that
21 employers have -- or employers need and those that
22 employees have in the workforce. Since then, I've
23 heard from other employers time and time again that
24 Pennsylvania is facing a growing skills gap that is
25 adversely affecting their ability to compete in

1 today's global economy.

2 As we move forward, House Bill 1725 and
3 the CareerBound program is designed to change that.
4 CareerBound provides a framework for the creation
5 of a new partnership between local Workforce
6 Investment Board schools and employers. These
7 partnerships will develop curriculum targeted to
8 provide students with career exposure and skills
9 development.

10 The program is broken down into three
11 areas of focus. We have early exposure activities
12 which could provide things such as access to career
13 expos, local business tours and in-class
14 presentations; practical exposure activities which
15 could include hands-on experience through job
16 shadowing, training or donated equipment and
17 in-classroom demonstrations, and extended exposure.
18 Extended exposure could include things like
19 apprenticeships, internships, co-op programs, and
20 other on-the-job training activities.

21 The goal of the program is simple; to
22 engage students and give them a chance to explore
23 different career opportunities so that they can
24 obtain a greater sense of focus when it comes to
25 making career or education plans beyond high

1 school.

2 As it is proposed in House Bill 1725,
3 CareerBound is constructed as a four-year pilot
4 program, where, up to seven partnerships will be
5 selected through a competitive process. We felt
6 that a four-year program was enough time to
7 substantiate the work, and also make sure that we
8 can show clear evidence of success through the
9 program.

10 The program will be funded in a manner
11 similar to that of the state's highway effective
12 Education and Improvement Tax Credits, also known
13 as EITC. Our career-bound pilots are identified
14 and partnerships are formed. Businesses may then
15 elaborate and contribute funds to a designated
16 program, or the fund in general, and businesses
17 that participate in the partnership and actively
18 engage students in career-exposure opportunities
19 will receive 90 percent tax credits for any funds
20 they contribute to the program. This mechanism
21 ensures that employers continue to play a role in
22 the program, which is essential to its success.

23 The state will allot in the proposal
24 \$10 million in tax credits to the program, which
25 would generate between 11 and \$13 million for the

1 program to be used over the four years. This
2 legislation represents a re-commitment by the
3 Commonwealth to ensuring that students are given
4 the career exposure and practical skills necessary
5 for them to compete in the careers of the future.

6 Again, I want to thank the Chairman for
7 having this hearing today. I thank all the
8 testifiers who are with us here today, and I look
9 forward to hearing from all of you. Thank you.

10 MAJORITY CHAIRMAN SCAVELLO:

11 Representative Evankovich.

12 REPRESENTATIVE EVANKOVICH: Thank you,
13 Mr. Chairman. Members of the Committee, I want to
14 thank you for taking this opportunity to discuss
15 not just House Bill 1725, CareerBound, but also
16 House Bill 1878 which would enact the Pennsylvania
17 workforce investment strategy, or PA Wins proposal.

18 In short, what PA Wins does is, it
19 utilizes the existing EITC tax credit model to
20 encourage new investments and workforce training
21 through existing education infrastructure and would
22 also provide a better coordination of workforce
23 training needs for incumbent employees. As my good
24 colleague, Representative Mackenzie, noted,
25 CareerBound would deal with high school, K through

1 12 students, introducing them to careers in the
2 workforce. PA Wins would deal with incumbent
3 employee training.

4 Currently, many workforce training
5 programs, which are funded by local, state and
6 federal governments, are offered in our state.
7 While many of these programs are valuable,
8 conversations that I've had with literally dozens
9 of businesses, trade groups and business chambers
10 have made it very clear to me that the existing
11 framework that we have in our state is not
12 addressing the workforce training needs that we
13 need for our state economy.

14 As such, many companies in Pennsylvania
15 have a workforce that is under-prepared, and they
16 lack the individual -- those companies lack the
17 individual resources to address the problems on
18 their own. Critical skills such as welding,
19 machining, electrical and mechanical maintenance
20 and engine mechanics, to name a few, are being lost
21 as our current generation of workers reach
22 retirement age.

23 In short, here are the mechanics of how
24 PA Wins would work. The local workforce investment
25 boards, or the WIBs, would be required to integrate

1 with a local business community to encourage
2 businesses to come together and form Cooperative
3 Workforce Investment Partnerships, or what we're
4 calling CWIPs. These CWIPs would be organized by
5 skill need. That's an important distinction from
6 the way that many programs today operate. The
7 focus would be on the skill need rather than an
8 industry. These CWIPs would be a partnership
9 represented by the participating businesses and the
10 WIB. The CWIP would identify the specific training
11 needs and the existing educational infrastructure
12 that could provide those needs.

13 We don't want this program to turn into the
14 creation of new education that's not currently
15 being offered. We want to use existing education
16 infrastructure, which could be in the form of a
17 community college, a career and technical school, a
18 union hall or a private business training center.
19 These businesses would enroll their incumbent
20 workers into those educational programs based on
21 their need, and those businesses would then be
22 responsible for paying the tuition as a result of
23 that training.

24 The workforce investment that the
25 company would then make in that training and the

1 administration of the CWIP would be eligible for up
2 to a 60 percent tax credit. In the case where a
3 company did not have a tax liability, that tax
4 credit would be transferable at a discounted rate.
5 I thought this was an important aspect to include
6 in the bill because many of our small companies do
7 not have high profitability, and they would not be
8 able to utilize the tax credit if it was not
9 transferable.

10 The program as set out would have a
11 three-year sunset and would be distributed in a
12 3-million-dollar initial offering in year 1,
13 \$7 million in year 2, and \$10 million in year 3;
14 with any hope that, if there is success in the
15 program, that it would be continued. The program
16 would also require the WIBs to report performance
17 of the CWIPs to the Department of Labor and
18 Industry for evaluation and effectiveness.

19 This program by itself will not fix all
20 of our workforce training problems, but it will
21 provide an additional tool to address some of the
22 workforce deficit that we have in Pennsylvania.

23 I appreciate your attention. I
24 appreciate your willingness to come and testify,
25 and look forward to hearing the testimony. Thank

1 you, Mr. Chairman.

2 MAJORITY CHAIRMAN SCAVELLO: Thank you,
3 Representative. Our first group of presenters,
4 Jack Pfunder from the Manufacturers Resource
5 Center. He's the president and CEO; David Taylor,
6 Executive Director of Pennsylvania Manufacturers
7 Association; and Jeff Kelly, the CEO of Hamill
8 Manufacturing Company. We have three seats and mic
9 set up for you, gentlemen.

10 Jack, would you like to start?

11 MR. PFUNDER: Sure. My name is Jack
12 Pfunder. For the last eight years, I've been the
13 CEO of the Manufacturers Resource Center, one of
14 the seven IRCs within the State of Pennsylvania.
15 We're located in the east central part of
16 Pennsylvania, and I've been involved in
17 manufacturing for over 45 years. I've worked in a
18 variety of different-sized companies; founded two.
19 I'm the CEO of three others. During that time I've
20 learned an awful lot about the importance of
21 well-trained and good workers. In manufacturing
22 today, we have a problem finding those workers.

23 I'm here today to emphasize the
24 importance of these two bills for the growth and
25 future of manufacturing in Pennsylvania. Companies

1 need to -- need workers that have the right talent,
2 education and skills to fill these technical, high-
3 value jobs in today's manufacturing.

4 Three weeks ago I spoke at the National
5 Governors' Association Economic Policy Meeting in
6 Chicago and talked about some of the unique things
7 that are happening today in the Lehigh Valley to
8 introduce manufacturing to the younger generation.
9 One thing that surprised me was the uniform concern
10 that states have in finding talented workforce for
11 their manufacturing base, and the importance of a
12 growing manufacturing base to the economic
13 stability of almost every state.

14 These two bills address these problems,
15 and will make Pennsylvania proactive in finding
16 solutions to solve them. We must open channels of
17 funding to develop these new initiatives and
18 provide assistance in replicating these new ideas
19 throughout the state.

20 Today I'd like to talk about an
21 initiative we call Skill Up the Student Pipeline,
22 which was funded by DCED from their Discovered in
23 Pennsylvania and Developed in Pennsylvania Grant,
24 and to show how this new bill -- these new bills
25 can be used to grow and sustain these kinds of

1 ideas throughout Pennsylvania.

2 Much has been written lately about the
3 skills gap in manufacturing, and the lack of a
4 talented pipeline of skilled workers entering the
5 industry. This problem is and will continue to
6 slow down growth of many of our manufacturers.

7 Solving this problem first requires changing the
8 outdated negative stereotypes about manufacturing
9 that impedes students or job seekers from being
10 introduced to the clean, transferable, family-
11 sustaining careers that today's manufacturing
12 offers. These mid-levels skilled jobs include
13 machinists, welders and the high-tech maintenance
14 jobs to keep the automation running.

15 There is no silver bullet that's going
16 to fix some of these outdated images that parents,
17 teachers and students have, but we must start by
18 making everyone aware of what a job in
19 manufacturing is like today and the great benefits
20 that are available.

21 This is exactly what this PA Grant did
22 that was awarded to the Lehigh Valley team that was
23 made up of Lehigh Valley Workforce Investment
24 Board, the LCTI, the Leigh Career and Technical
25 School, the DaVinci Science Center and

1 Manufacturers Resource Center. The mission of this
2 grant was to address the critical need for a
3 pipeline of middle-skilled workers to support the
4 growth of advanced manufacturing sector in
5 Pennsylvania. The early successes over the first
6 six months are changing people's impressions of
7 manufacturing throughout the valley.

8 The first thing we need to do is take a
9 look at the schools, and how do we address the
10 image of manufacturing throughout the schools and
11 the image of career and technical schools. Our
12 first thought was, we needed to develop a program
13 that started from the inside out; not the outside
14 in. We needed to work with the schools to make
15 sure that we knew how it would fit within the
16 school district and then expand from there. We
17 came up with the idea that we needed to talk to the
18 superintendents, which I call the corner office
19 first.

20 In manufacturing, if I'm going to a
21 company that has a major problem that affects the
22 policy of the company or the image of the company,
23 and so forth; if I don't have a commitment from
24 that corner office, it just isn't going to work.
25 So that's what we've done. Our team has talked to

1 15 of the 17 superintendents within the Lehigh
2 Valley over the last six months, and got nothing
3 but positive response from those superintendents.

4 We then got involved with the guidance
5 counselors, with the concept of how do we get them
6 involved? We conducted manufacturing tours and
7 educational meetings with 150 guidance counselors
8 throughout the Lehigh Valley, and this was both
9 through the Lehigh and Northampton counties.

10 After this exposure to manufacturing, it
11 pretty much unanimously agreed that a viable career
12 choice and the use of the three career and
13 technical schools in the valley can provide the
14 tools needed for a successful career.

15 Another key that we had when we started
16 this was, we needed to work through the career and
17 technical schools to get to the superintendents and
18 to get to the guidance counselors. That's what we
19 have done. It's been a very important part in
20 getting this accomplished.

21 I have enclosed a questionnaire that was
22 given on one of these tours that we gave to, in
23 this case, 35 guidance counselors back in October
24 of this year. We went to two companies, Nestle
25 Waters and Avago, which used to be -- just got

1 sold. They're about a 400-person company. Both
2 companies, very high-tech companies. Nestle Waters
3 shows what animation is like. It's the largest
4 water bottling company I think in the country right
5 now. Avago was a very high-tech; used to be called
6 CyOptics; a lot of clean-room-related activities
7 and so forth.

8 We asked them three questions at the end
9 of these tours. One had to do with, in general, on
10 both tours of manufacturing, I noticed, and these
11 are some of the answers. It would be good to go
12 yourself to read through these answers. Some of
13 the things that highlighted to me was, I noticed
14 how willing employers are to interact with schools.
15 The employers place a premium on strong problem-
16 solving skills.

17 The second question that we were having
18 them fill out was, I was surprised by, and one
19 person said, the level of manufacturing has evolved
20 because, as mentioned, it's not like 10 years ago.
21 They are encouraging slash requiring the higher
22 level of thinking, problem-solving approach to the
23 technical math and science. Technical math and
24 science is needed.

25 The last had to do with, what

1 observations of the tour would you recommend to our
2 schools? The one said, I would recommend our
3 schools to take a career exploration out of the
4 school and expand it to taking kids on tours so
5 they can see firsthand the successfulness of what a
6 career in manufacturing is like.

7 Another one said, find a way to allow
8 parents to have the same experience to receive the
9 information so they understand the opportunities
10 for their students. This is what our mission is;
11 is really to try to open the eyes of people that
12 age.

13 The real question then became, how do we
14 make manufacturing attractive and cool in the eyes
15 of the 8th and 9th graders? Career and technical
16 schools needs to become an option, an education
17 option. A lot of cases it's not even on their
18 radar at that level -- or at that age. So the idea
19 came about this summer we were gonna develop a,
20 what's so cool about a manufacturing video contest,
21 which was a program -- that's the first of its
22 kind. It's featuring 8th grade teams made up of
23 four or five students and a teacher coach. These
24 teams will plan, shoot and edit a 1-to-2-minute
25 video of a manufacturing company in their region on

1 areas that they think is cool about that company.
2 It could be the job; it could be products; it could
3 be the culture of the product. But the key is, we
4 wanted the teams to kind of let their own
5 impressions and experience go through to come up
6 with these videos.

7 Each team was matched with a
8 manufacturer within their region, so we have 19
9 manufacturers and 19 teams. These teams right now
10 are fully engaged. They are shooting and editing
11 their videos as we speak. We've got 16 of the 17
12 school districts within the Lehigh Valley involved
13 in this, and the competition is now becoming kind
14 of exciting between school districts. The
15 competition will be concluded on an award
16 ceremony--we call it Video Academy Award--this
17 February at the DaVinci Science Center where
18 students, parents, schools, manufacturers and
19 sponsors will all be there at this gala event.

20 The video competition already has
21 started changing some of the images of
22 manufacturing throughout the region. As these
23 teams recognize the relevance and the innovative
24 jobs in the world today, they are now communicating
25 little bit more accurate view of what manufacturing

1 is like to their peers, their parents and their
2 teachers.

3 There are two outcomes that we're trying
4 to get from this contest. First is just the
5 awareness of the younger generation about
6 manufacturing and what a life is like at a
7 manufacturing company. Second, though, is, this is
8 being used as an ice breaker to adopt schools by
9 these manufacturing companies. It helps to develop
10 this partnership between the school district and
11 the manufacturing company. Industry must become a
12 full partner in preparing youth, young adults for
13 their success.

14 Another thing we've learned from this
15 grant, the schools want industry to be deeply
16 engaged in many ways at the earlier stages of the
17 education cycle. In the middle schools, companies
18 can do job shadowing, tours and career counseling.
19 In the high schools, industry can work hand in hand
20 with schools on work-based learning and problem
21 solving in the development of internship programs.

22 There's been a lot done and it needs to
23 be a lot more, but there still are issues, and the
24 key is, we must find a sustainable model to take
25 over after this grant expires in about six months.

1 That's the issue that I'm coming today, is that,
2 that's what these bills will do. Through the use
3 of tax credits, these awareness programs can be
4 developed to improve the image of manufacturing and
5 the image of career and technical schools. Also,
6 companies can use this training program to
7 internally continue to train their new and existing
8 workers, which is critical, and also for some of
9 the smaller companies it gives them an opportunity
10 of playing the game because a lot of the tax
11 credits now seems to be are more for the larger
12 companies.

13 The new model will be a win-win solution
14 as students engage in the real world situations,
15 and as industry has assessed a training pipeline to
16 future employees with real job-related experience.
17 Once companies can be shown that a pipeline can be
18 produced, they will fully engage both in time and
19 money for the long haul. And they have to because
20 this is their future.

21 Thank you very much. I appreciate it.

22 MAJORITY CHAIRMAN SCAVELLO: Thank you.
23 Dave. I'm sure you've got to be excited about
24 this.

25 MR. TAYLOR: I certainly am, and I

1 just -- Mr. Chairman, I want to assure the
2 Committee, while Jack and I did not coordinate our
3 testimony, allow me, please, to re-echo many of the
4 themes --

5 MAJORITY CHAIRMAN SCAVELLO: Go right
6 ahead.

7 MR. TAYLOR: -- he just shared with you.
8 Certainly thank you for the opportunity to testify
9 this morning.

10 My name is the David N. Taylor, and I'm
11 the Executive Director of the Pennsylvania
12 Manufacturers Association. We're the statewide,
13 non-profit trade organization that represents the
14 people who make things here in the Commonwealth,
15 generating \$72 billion annually in gross state
16 product, employing 575,000 hard-working
17 Pennsylvanians on the plant floor, and supporting
18 supply distribution and retail networks that
19 sustain millions of additional Pennsylvania jobs.
20 Manufacturing is the lifeblood of our
21 Commonwealth's economic well-being.

22 With that said, manufacturers are facing
23 an alarming problem. Our workforce is aging and
24 retiring, and there is a shortage of skilled hands
25 to succeed them. Already there are over 8,000

1 positions on the production line that remain
2 unfilled because of a lack of available talent,
3 coupled with our current shortage with the fact
4 that some companies have more than half of their
5 current workforce within just a few years of
6 retirement, and we could consider this workforce
7 gap problem to be a workforce gap crisis.

8 The two pieces of legislation in front
9 of you today approach the issue from two
10 complimentary angles, and I want to thank
11 Representative Mackenzie and Representative
12 Evankovich for their leadership on this.

13 The first bill, House Bill 1725,
14 provides for a bottom-to-top approach in partnering
15 our schools with area employers; to engage our
16 young learners in the opportunities that exist in
17 manufacturing. House Bill 1878 embraces a top-to-
18 bottom approach that will help current
19 manufacturing employers and their incumbent
20 workforce. Both bills address critical voids in
21 our current workforce. And our hope is that when
22 they work synchronously together, that we may
23 better address the skill needs of Pennsylvania's
24 manufacturing sector.

25 The strongest asset of these two

1 important pieces of legislation is that they
2 empower and engage the employers of our
3 Commonwealth. They incentivize the employer to
4 reach out to new and developing talent by
5 showcasing, educating and providing hands-on
6 experience for our high school students, while
7 providing opportunities to enhanced training for
8 current employees to upgrade their skills and keep
9 up with best practices. This is exactly the cycle
10 that we must cultivate to address our skilled
11 workforce shortage.

12 As Jack said very well, there is
13 currently a negative image that unfairly
14 stigmatizes manufacturing as a career choice. In
15 our schools we measure success by the number and
16 percentage of those who matriculate to a four-year
17 baccalaureate-granting institution. Many school
18 counselors, advisors, and parents view
19 manufacturing in their mind's eye as dirty, hot and
20 strenuous manual labor and often do not encourage
21 the pursuit of this career choice.

22 However, modern manufacturing is
23 advanced, collaborative, empowering, safe and
24 rewarding. The immediate earning potential for a
25 machinist, sheet metal certified worker, or welder

1 remains much higher than that of many four-year
2 degree holders.

3 The only way to remove this stigma is to
4 directly involve each school in the opportunities
5 offered by local manufacturers. This is exactly
6 why House Bill 1725 is so important. Better known
7 as CareerLink, House Bill 1725 would pilot a
8 program that partners local businesses with the
9 area school districts by showcasing the
10 opportunities that exist in the current workplace.
11 Educators, students and parents will begin to clear
12 away the outdated image of manufacturing.

13 From the businesses' perspective, a tax
14 incentive becomes necessary because that business
15 must invest time and resources in talent that is
16 one, two, or often three years removed from
17 recruitment in hiring. While this is a worthwhile
18 investment in establishing a better workforce
19 development cycle, manufacturers especially need
20 those skilled employees now, which is why
21 Representative Evankovich's bill is so critical.

22 PA Wins moves away from broad industry
23 clusters and focuses on specific training needs so
24 that the graduate can fully integrate into a new
25 position with minimal additional preparation.

1 While some who are new to the manufacturing sector
2 will benefit from this program, it is the current
3 employees who will be better able to gain new
4 skills, hone those skills in a familiar and
5 realistic environment, and then fully reintegrate
6 those skills back into their industry, advancing
7 their knowledge and earning potential, all the
8 while employers are better able to identify, target
9 and train based on the immediate needs that they
10 must fill to remain competitive.

11 By utilizing the framework and oversight
12 which is already in existence via the regional
13 Workforce Investment Boards, local businesses would
14 be more likely to share common interests and have
15 similar training needs. Only by investing in
16 qualified program set-up costs, equipment
17 purchases, and program tuition will a business then
18 be eligible for the tax credits associated with the
19 program.

20 It is essential that we change the
21 conversation on job training and workforce
22 development. We must create and nurture a cycle
23 where manufacturers are able to recruit new talent
24 into the manufacturing workforce while continually
25 upgrading the talents of those already working

1 there. Working together, House Bill 1725 and House
2 Bill 1878 will get this chain reaction started.

3 On behalf of Pennsylvania's
4 manufacturing employers, I thank the Committee for
5 allowing me to testify in support of these bills
6 today, and I'll do my best to answer your
7 questions.

8 MAJORITY CHAIRMAN SCAVELLO: Thank you,
9 Mr. Taylor. Jeff Kelly, CEO of the Hamill
10 Manufacturing Company. Good morning.

11 MR. KELLY: Good morning. Thank you.
12 Before I begin my testimony, I wanted to emphasize
13 this point. What I'm going to talk about are a
14 couple of programs that already are in existence
15 that actually do what these two bills would like to
16 accomplish. The point I want to make is that,
17 please don't reinvent the wheel when there's some
18 existing things that do work, and they need to be
19 used as templates for these bills.

20 Thank you for the opportunity to comment
21 on House Bill 1725 and House Bill 1878. Before I
22 begin, I want to establish my credibility as a
23 leader in the struggle to find and develop the next
24 generation of skilled workers for manufacturing and
25 other related industries that rely on such skilled

1 people. My company, Hamill Manufacturing, located
2 in Penn Township in Westmoreland County, has been
3 involved in the naval nuclear program since the
4 company was found in 1952. This program requires
5 manufacturing of highly precise complex equipment
6 who runs our Navy submarines and aircraft carriers.
7 We have the skilled machinists, welders and
8 inspectors and other support technicians, 125
9 strong, that do that. The greatest threat to our
10 future will be the inability to attract, retrain
11 and retain the skilled workers that we need.

12 The demographics of the baby boom
13 generation are a reality. That means many, and in
14 most cases, the majority of the highly-skilled
15 workers are now and in the near future leaving the
16 workforce. Replacing them is a huge challenge.

17 Hamill has and continues to run a
18 highly successful apprenticeship program that we
19 operate in conjunction with the Pittsburgh Chapter
20 of the National Tooling and Machining Association.
21 We currently have seven enrolled and we graduated
22 five in June. The program is expensive, but we
23 realize that someone has to train. Perhaps, the
24 greatest threat to our program is the losing of the
25 trained apprentices to larger companies that refuse

1 to train.

2 For many large manufacturers have as
3 their workforce development strategy poaching.
4 Hamill and its NTMA colleagues have largely been
5 trying for years to get the poachers to develop
6 their own training programs; largely to no avail.
7 PA Wins, through the use of tax credits, just might
8 help get companies that now poach to consider
9 in-house apprentice programs.

10 Hamill, because of its extensive
11 involvement in the community, has developed a
12 wonderful relationship with the three career and
13 technical centers in Westmoreland County. As a
14 result, we are able to keep our pipeline of young
15 people interested in machining and welding full.
16 The problem is, there aren't enough young people in
17 these programs to fill all the needs of the
18 companies in the Commonwealth.

19 We recognize that the essential
20 components of any workforce development strategies
21 are recruiting, training and retention. It's like
22 a three-legged stool. Training is one of the
23 components that most companies have mastered. It's
24 the one area that the public sector and the
25 education system seem to understand. They do well

1 at providing the needed services to facilitate
2 such.

3 Retention is entirely the responsibility
4 of a company. What can get complicated is a market
5 where the shortage of skilled labor would drive
6 companies to poach from competitors and vendors.
7 This disruption is best overcome by eliminating the
8 shortage. That is the role the public sector can
9 play in providing a supply of skilled talent to an
10 industry. In my view, that can be best
11 accomplished by the private sector doing the
12 training, and the public sector providing the
13 incentive through tax policy to encourage the
14 private sector to train.

15 The most problematic leg of the tool is
16 recruiting. Most young people in our society,
17 careers in manufacturing and the skilled trades are
18 not even on their radar. They are completely
19 unaware of the existence of such careers. So, any
20 priority of recruiting is a factor that we call
21 awareness. I perceive that CareerBound will
22 attempt to address the awareness issue.

23 Hamill has long recognized the aspect of
24 awareness when it comes to recruiting. How do you
25 get young people to even know you exist and that

1 you offer a wonderful career of opportunity for
2 them? You have to make them aware.

3 Nine years ago I was serving on the
4 National Executive Team of NTMA. I witnessed an
5 event in Orlando where hundreds of young people
6 were participating in a combat robot program called
7 BattleBots IQ. What I saw was hundreds of young
8 people being exposed to the STEM-related subjects
9 and manufacturing disciplines through the milieu of
10 building and competing a 15-pound robot.

11 I brought the idea back to southwestern
12 Pennsylvania and challenged a group of NTMA
13 members, WIB members and the schools to try to have
14 a Bots program of our own. Next March and April,
15 2014, the southwestern Pennsylvania BotsIQ Program
16 will hold its 9th competition. It has grown to
17 over 50 schools and 72 teams from 13 counties. As
18 a matter of perspective, in the first year we had
19 five schools, seven teams from two counties. We've
20 grown this program largely through the private
21 sector without any funding from anybody other than
22 some foundations. Now we have over 700 young
23 people involved in our program.

24 The power of the BotsIQ is that it was
25 started by a private industry and is aided and

1 supported by our WIB, some school districts,
2 several industry groups, the foundation community,
3 and highly resourceful and dedicated group of
4 volunteers. The children who participate get an
5 in-depth exposure to all the STEM-related subjects;
6 plus, industry-related experience such as
7 machining, welding, assembly of electronics,
8 pneumatics, design, procurement, budgeting,
9 engineering and teamwork. The program creates a
10 synapse between education and industry as each team
11 must be matched with a company -- with a school.

12 My hope is that the CareerBound bill
13 will incorporate the BotsIQ program as a template
14 for building a successful industry-education
15 collaborative that will make our young people aware
16 of many successful careers that can be had in
17 manufacturing and those industries requiring
18 skilled workers.

19 So, that's what I'd like to say. I'm
20 open to any questions you might have. My point
21 again is that, let's not reinvent the wheel. Let's
22 take existing programs that are highly successful.
23 Let's scale them across the Commonwealth, and I
24 think we'll be on our way to creating the success
25 that we need. Thank you.

1 MAJORITY CHAIRMAN SCAVELLO: Thank you,
2 gentlemen. Representative Truitt.

3 REPRESENTATIVE TRUITT: Thank you, Mr.
4 Chairman. Thank you, gentlemen, for your
5 testimony. I have two questions for you.

6 One, as you described this, it sounds
7 like both of these bills are a really good thing
8 for manufacturing. In fact, it almost sounds to me
9 like, even if there was no financial incentive, it
10 would still be a good thing for the manufacturing
11 sector.

12 I applaud these bills. I'm totally
13 support of them. What I'm curious about is, if we
14 took down all of the other barriers, do you think
15 businesses would still be interested in doing these
16 things if there wasn't a tax credit available to go
17 with it?

18 MR. KELLY: I think it might be, in many
19 cases, it's the tipping point. What I see in a lot
20 of -- Larger companies -- I would say I'm a
21 middle-sized company. We have the resources to do
22 what we do, but there's a lot of companies that
23 have 10, 15, 20, 30 people that really don't have
24 the resources to start their own program.

25 The collaborative aspect of the program

1 or the bill makes a lot of sense. The tax credit
2 could be the thing that puts them over the top,
3 really. It's a very -- I believe people understand
4 the use of tax credits can be very effective.

5 My company has been a supporter of the
6 EITC since the beginning of the program in 2001.
7 We found it to be very, very effective in doing the
8 things that we want to do in the community and not
9 cost us a whole lot of money in the end, but really
10 accomplishing some really significant changes in
11 what we see in education.

12 I think that tax aspects of it are very
13 critical. I think they really are, because in many
14 cases they will push somebody over the point of, do
15 I do it, or I don't do it if I have the tax
16 incentive, perhaps, that really makes it easy to
17 justify the financial commitment that I'm going to
18 make.

19 MR. PFUNDER: I think the results have
20 to be shown in a lot of cases first. I think these
21 tax credits and these bills we're talking here is a
22 good way of priming the pump, let's call it.

23 I have 14 manufacturers on my board, and
24 we talked about this concept exactly about a year,
25 year and a half ago. Would you put money in to do

1 these? Some will, some won't. Because some say,
2 well, we hear these kinds of programs a lot and
3 they never really work. They're forgotten about
4 after a year and so forth.

5 So, I think you need to establish some
6 continuity first. I think that's what this would
7 do, and then this money could be used for other
8 programs; you know, other initiatives. But I think
9 to get in the case what I've got, or the case that
10 Jeff was talking about, there's existing programs
11 out there that models theirs.

12 We use the Discovered and Develop in
13 Pennsylvania money to develop the program. But the
14 problem is, I've got people in Reading right now
15 that would love to go take it now and move it down
16 to Reading. But, where's that money going to come
17 from? Because there is coordination issues. It's
18 not going to be as nearly as much to do it
19 somewhere else, but you're still going to have to
20 have some groups organizing it and keep track of it
21 and make sure it's done correctly.

22 I think that's where this bill is needed
23 as to, as you say, don't reinvent things that are
24 working. I think the Discovered and Developed
25 funds could be used to come up with new ideas, but

1 then how do you keep them going the next year, or
2 how do you move them to other parts? I think
3 that's what this -- to me this would be used for.

4 MR. TAYLOR: If I may, again, the
5 association we're not huge fans of government tax
6 policy guiding, private-sector decisions, but the
7 thing I admire about this, not only is it fairly
8 modest, but also that the employers don't qualify
9 for it until after they've actually made the
10 investment and done the work. I think that makes
11 it much less disruptive.

12 REPRESENTATIVE TRUITT: That's good.
13 The other question I had is about -- I'm actually
14 on another Committee, the Education Committee.
15 I've got a bill in there to try to enable school
16 districts to hire or bring in teachers who aren't
17 certified, a certain percentage, like charter
18 schools do. The vision I had behind that was to
19 enable it so that businesses could send in
20 professionals to teach, perhaps, electives or
21 something like that.

22 I was curious to know if you thought
23 businesses would be interested in getting involved
24 that deeply, where they actually commit to sending
25 someone in to teach for an entire quarter or a

1 semester or something like that.

2 For example, if a pharmaceutical plant
3 is in an area that could go into the local high
4 school and teach a class on pharmaceutical
5 manufacturing to 9th and 10th graders to get them
6 interested in that. Do you think that's something
7 that the --

8 MR. PFUNDER: We already have that
9 going. B. Braun in the Lehigh Valley works with
10 Catasauqua School District, and for the last few
11 years have had a class in 9th grade to talk about
12 education and talk about careers and these kinds of
13 things. They actually have people coming in and
14 doing that.

15 I really do think that companies would
16 have some interest. I think it's such an important
17 factor of the future of manufacturing, I think. I
18 kind of deal with manufacturing, but I think
19 there's, obviously -- Other industries is the same
20 way. I think there's a concept that has shown, it
21 seems to be working, and I know Air Products is
22 thinking right now of doing something similar in
23 some other areas. I think it's a viable option.

24 MR. KELLY: I think the point of
25 certification is important. I know it's in the PA

1 Wins' bill. I don't want to you restrict people
2 from participating as a mentor or as a teacher
3 because they're not certified, because a lot of
4 people are gonna come out of industry with a lot of
5 capability. They may not have a certificate, but
6 they can certainly do what needs to be done.

7 I'll tell you, our apprenticeship
8 program in southwestern Pennsylvania, and we have
9 over 60 companies involved, most of the teachers
10 are shop people. They're not certified, but they
11 know -- they have a wealth of experience. They do
12 the teaching. There's a curriculum that they
13 follow. So, you don't necessarily need
14 certification to be an effective teacher in these
15 programs. I think you need to make that point; you
16 need to make that clarification in your bill,
17 Representative Evankovich.

18 MR. TAYLOR: Representative Truitt, I
19 think that's the very definition of a good idea.
20 There's tremendous talent, human capital in the
21 manufacturing sector, and to be able to share that
22 directly in the classroom with students to give
23 them a first-person example of what success in the
24 manufacturing sector looks like, I think that would
25 be exceptionally helpful.

1 REPRESENTATIVE TRUITT: Thank you.

2 Thank you for your testimony.

3 MAJORITY CHAIRMAN SCAVELLO:

4 Representative Donatucci.

5 REPRESENTATIVE DONATUCCI: Thank you,
6 Mr. Chairman, and thank you for your testimony. I
7 want to preference my questions with the fact that,
8 I do believe that the school districts need to
9 start bringing trades back into their curriculum.
10 I don't believe that every student is destine to be
11 a scholastic scholar or, you know, do a four-year
12 program, or whatever, and be scholastic.

13 My question to you, though, is: Do any
14 of your companies already participate in any
15 workforce development programs or tax credit
16 programs that are to create jobs? And if so, how
17 are they working?

18 MR. KELLY: Yes, yes and yes. We do all
19 those things, and working very well. The story of
20 the BotsIQ Program in our community is really a
21 booming success. Every year, starting in
22 September, a school will be linked up with a
23 company. For the next nine months, they build a
24 robot. They work with a company that kids come
25 into the company. They build the robot at the

1 company or at the school. They're learning all
2 kinds of information. They're competing them in
3 April and in May. We do it at -- Cal University is
4 where the competition -- the finals are held. We
5 actually have to have two competitions because we
6 have so many young people involved now.

7 The important thing is that kids --
8 We've done surveys. Foundation communities have
9 asked -- They've given us a substantial amount of
10 money for these programs. They've asked us to tell
11 them what impact is these programs -- this BotsIQ
12 had on these kids. The big thing is, a lot of them
13 are now opening their eyes to opportunities in
14 engineering; to working in manufacturing.

15 The awareness they had before now is --
16 it comes home to roost that there is, in fact, a
17 career opportunity and things like that. That's
18 what's so important about a program that already
19 exists and it's working and is demonstrating that
20 it is getting young people to rethink the whole
21 aspect of manufacturing as a potential career.

22 REPRESENTATIVE DONATUCCI: My next
23 question I don't know if I should be addressing you
24 or my colleagues on this. I can understand the tax
25 credits for new students to get into the industry.

1 But when we talk about educating your current
2 workers, you'll be paying for them to be educated
3 and then get a tax credit for it? Is that what I'm
4 understanding? I'm a little confused on that
5 issue. I just need clarification on that.

6 REPRESENTATIVE EVANKOVICH: Thank you,
7 Mr. Chairman. Your question was, for incumbent
8 workers will the company be paying for their
9 training and then receiving a tax credit?

10 REPRESENTATIVE DONATUCCI: Um-hm.

11 REPRESENTATIVE EVANKOVICH: The issue,
12 if we look at maybe the crux of the reason why many
13 employees don't have the skills that they need is,
14 perhaps, in some ways initial failure of our
15 overall education system from the beginning. That
16 failure may have occurred 10 years ago; may have
17 occurred five years ago for that particular
18 employee.

19 The idea is that, this isn't a tax
20 credit that the company is putting in their pocket.
21 This is a tax credit that they are using to pay for
22 something that, arguably, government may have or
23 should have provided in the past. That's kind of
24 the origination of the tax credit model.

25 Right now we pay for a myriad of line

1 items at both the local, state and federal level
2 for job-training programs. What this particular PA
3 Wins is designed to do is to get that company to
4 put initial skin in the game; leverage their
5 investment with a tax credit so that we're having a
6 better coordinated, more of a grassroots-type
7 program rather than a line-item-type program that
8 may or may not have varying levels of participation
9 and success.

10 MAJORITY CHAIRMAN SCAVELLO:

11 Representative Donatucci, I couldn't agree with you
12 more in your first comments in regard to not every
13 student go to a four-year school. Unfortunately,
14 in many cases, parents and guidance counselor seems
15 to be pushing them that way. If we can reach kids
16 early, and you mentioned 8th or 9th grade, or
17 whatever, and get them interested in the trade and
18 get them into the trade school, into the Vo-Tech,
19 and get them trained in a field that they walk out
20 of high school making 30, 40, \$50,000 to start,
21 rather than put themselves to two years of college
22 bills on their shoulders and realize it wasn't for
23 them.

24 I think it's so important that we look
25 at that, especially with natural gas in our

1 Commonwealth. Manufacturing is going to be growing
2 leaps and bounds in Lehigh Valley, in the Poconos
3 and Bradford County and across the state. Plastic
4 manufacturers are going to be in the western part
5 of the state. I think it's so important that we
6 really reach out to these young men and young
7 ladies at an early age.

8 And what really bothers me -- And I know
9 there's some educators in the room and they're
10 gonna hear it later. We bus kids to the high
11 school, and then we put them on another bus and
12 send them to the career and technical institute.
13 Then they have to wait for that bus to come back.
14 Some Kids are there for an hour. We need to figure
15 out a way that we can give them everything they
16 need at the one building. Save it on busing and
17 don't have kids going back and forth spending half
18 a day on buses. And if we do that; if we do that,
19 I think we're gonna do the right thing by these
20 kids.

21 Thank you very much. We have a couple
22 more. Sorry. Representative Mackenzie.

23 REPRESENTATIVE MACKENZIE: Thank you,
24 Mr. Chairman. I did just want to thank all the
25 participants who have joined us here from the

1 manufacturing industry. I think all of you clearly
2 articulated the problem that I was talking about in
3 my opening remarks.

4 To Mr. Kelly, I did want to point out,
5 the CareerBound initiative is one that is
6 intentionally broad in statutory language that we
7 constructed here. It's intentionally broad so that
8 programs across the Commonwealth that are
9 successful already would be able to apply and
10 qualify for the program. In the bill, the
11 Department of Labor and Industry would screen those
12 applications and make the final determination on
13 who would actually qualify on the program. But
14 again, it was intentionally constructed to be broad
15 so that individuals like Mr. Pfunder and like
16 yourself who have different programs would be able
17 to compete, and then we can actually see which ones
18 are most successful at the end of the four-year
19 period. So I appreciate those comments. Thank
20 you.

21 MR. KELLY: Thank you.

22 MAJORITY CHAIRMAN SCAVELLO:

23 Representative Evankovich:

24 REPRESENTATIVE EVANKOVICH: Thank you,
25 Mr. Chairman. My question really is for the entire

1 panel. If you could each give your interpretation
2 and your thoughts. It's a two-part question.

3 The first part is, how important is it
4 to you that as we move forward with workforce
5 development programs that we start making sure that
6 we don't create new educational programs; that we
7 don't create new educational pathways by paying
8 additional employees and things of that nature, but
9 rather use existing educational infrastructure?

10 We have existing career and technical
11 schools. We have existing community colleges. We
12 have existing private institutions like union halls
13 and corporate training centers. How important do
14 you think it is that we not just create a new
15 program, but that we make sure that what we do use
16 the resources that are here; number 1.

17 Number 2. What are your thoughts on how
18 effective industry-cluster training is versus
19 skills-clustered training? I'll give an example.
20 If you have industry-clustered training, you have
21 electrical maintenance employees that need to be
22 educated for steel, for tool and die, for
23 hospitals; every industry across the board. So, if
24 you focus on industry, you're really duplicating
25 that training across each one of those industry

1 clusters. Whereas, if you focus on the skill, you
2 only need to have that training for the skill once.

3 So, if we focus on the skill, does it,
4 in your opinion, make more sense than focusing on
5 the industry?

6 MR. TAYLOR: I'll take the first crack
7 at that, if I may. In response to your first
8 question, I think it's critically important that in
9 Pennsylvania, that the taxpayers expand -- federal
10 state and local it's about 27 billion on public K
11 through 12. When it comes to job training and
12 workforce development, federal and state money,
13 it's like a billion six year over year. That is in
14 dozens of programs that are run by multiple state
15 cabinet departments, and each one is sort of in its
16 own silo.

17 Representative Donatucci, to speak to
18 your point, it's our hope to have a greater
19 connectiveness between the training that imparted,
20 that billion six that we spend year over year with
21 the actual skills that are needed for actual jobs
22 that exist in the marketplace. Right now we're not
23 sure how much of that training is imparted, how
24 meaningful it is, and whether it actually connects
25 that individual worker with a job.

1 So I would say, yes; that making that
2 connection and getting the full value out of that
3 money that the taxpayers are spending on K through
4 12, and the money that the taxpayers are spending
5 on job-training workforce development, we need to
6 make that work. We need to render that effective.
7 I think that this is a way of doing that.

8 And to respond to your second point, I
9 think that your comment is insightful; that the
10 industry-cluster approach is in many ways
11 duplicative, and thereby, inefficient. And that
12 focusing on skills I think is a more direct way to
13 go.

14 MR. PFUNDER: To answer your first
15 question, I agree that we shouldn't open new lines
16 up. I think what we need to do is make the
17 existing lines a lot more consistent.

18 I'm kind of spoiled in the Lehigh Valley
19 with LCTI, which I think is probably one of the
20 best career and technical schools in the country.
21 I know across the regions and so forth, there's a
22 lot of career and technical schools that have a
23 long way to go to come up to that level.

24 But I think we need to be emphasizing at
25 the state level to be more consistent in the career

1 and technical schools in terms of the kinds of
2 certifications they have in terms of using
3 industry; in terms of making decisions on
4 curriculum, and ordering equipment with a group of
5 manufacturing base, let's call it, to assist in the
6 things they're needing. I think we need to --

7 There's just a lot of -- There seems to be a very
8 large disparity in some of the career and technical
9 schools that need to me is, why don't we
10 concentrate on so we know what we get when we're
11 done. I'm a manufacturer I know somebody comes
12 from A, I know what they're gonna be compared to C.

13 I say the same thing about community
14 colleges, too. There's an awful lot of work I
15 think that needs to be done at community colleges,
16 especially to assist the trades and to assist the
17 kids that graduate from the career and technical
18 schools to give them a leg up when they get through
19 the community college. Right now I think there's
20 some fluff there, but I don't think there's a lot
21 of substance. There needs to be a lot more.

22 On the second, there's some advantages
23 with clusters. Obviously, there's more people
24 within that industry that can shift jobs and things
25 likes that, that's good. But I strongly feel also

1 that the skills --

2 I'm an old manufacturer and I've been
3 from making clothes, to making gears, to making
4 things that went to Mars. I've been able to be
5 working in all those industries because of the
6 training I had was universal. I think now, you
7 know, we don't have a Bethlehem Steel anymore, so
8 the art of pouring iron isn't really much of an art
9 anymore. But a machinist, a welder, a maintenance,
10 to keep the automation going, that can go anywhere.
11 That can go across plastics; it can go across
12 machining; it can go across a variety of
13 industries. Therefore, I think the skills is very
14 important to be pushing right now.

15 MR. KELLY: To answer your first
16 question, I absolutely agree that the existing
17 infrastructure is inadequate but it should not be
18 scrapped. Pennsylvania has but billions into the
19 CTC system over the years. As you know from our
20 initiative to try to improve CTCs in Westmoreland
21 and Fayette counties, we --

22 The CTCs could provide all the skilled
23 workers Pennsylvania needs for all of its
24 industries, if they were really good and competent
25 entities. There are wonderful places like the

1 Lehigh Valley. A lot of the CTCs just are not up
2 to snuff.

3 And to Representative Scavello's comment
4 about the busing issue, that's a huge problem. The
5 schools are considered -- If you're a teacher,
6 you're going to a Vo-Tech, that's a pejorative.

7 That's not a good thing, and we have to change
8 that. It's crazy to throw that system away. We
9 need to completely revamp it; make it attractive.
10 I guarantee you, with the kind of jobs; the money
11 that kids can make in the skilled trades all across
12 the Commonwealth, especially in the natural gas,
13 they really saw that, they understood that, they'd
14 flock to CTCs. That's really something we need to
15 do. We need to improve the existing infra-
16 structure; make it attractive, because it could
17 provide the skilled workers that Pennsylvania need.

18 The second question, I absolutely agree
19 that a skills focus as opposed to an industry-
20 cluster focus makes a lot more sense. Because
21 you're right. There's a commonality that a guy
22 that's fixing -- a person that's fixing a machine
23 tool or whether it's a piece of automated
24 equipment, if they have electrical capabilities and
25 electronic capabilities and mechanical

1 capabilities, that's the kind of things you want.
2 That's the kind of skills that's going to keep that
3 person employed for their life.

4 MAJORITY CHAIRMAN SCAVELLO: Let the
5 record show we've been joined by Representative
6 Seth Grove and Representative Sheryl Delozier, and
7 Sheryl Delozier has a couple questions.

8 REPRESENTATIVE DELOZIER: Thank you, Mr.
9 Chairman. Some of my question was asked by
10 Representative Donatucci dealing with what the
11 other programs are that are out there.

12 So my question, also to expand on that,
13 Cumberland-Perry Technical in our area is extremely
14 strong, and the students, I've been really amazed
15 at what they've come out and been able to do, and
16 their graduations and their projects, and
17 everything that they have been trained to do. I
18 think we need to build on that.

19 When we move through -- We have our
20 community colleges as have been mentioned. Do we
21 have a best practices? What is the best -- We talk
22 about the ones in the southwest. You talked about
23 the ones that have worked the Bots program and it's
24 been expanded. Is there a need, or do we have the
25 resources to understand --

1 You know, these bills that are being
2 presented can be a resource. Do we have best
3 practices or something that we need to be expanding
4 in our community colleges, in our trade schools to
5 educate and bring in -- that we can be emulating;
6 that we can be spreading across the state?

7 Granted, these are tax credits to build
8 and educate you mentioned; getting students to
9 understand what the possibilities are of having a
10 career in this. Are there others that are out
11 there, and maybe you would be aware more statewide,
12 of programs that we can educate more; that we can
13 expand into 67 counties, not just 13 that you
14 mentioned in your testimony? I'm just looking
15 for --

16 You mentioned not reinventing the wheel
17 when you first started, and I wholeheartedly agree.
18 Where is it that we can do as a state to do better
19 in having bills like this that encourage people
20 that maybe haven't been doing that training and
21 haven't been doing that career building; what can
22 we do better? Where are those best practices that
23 we can expand to 67 counties rather than just 13?

24 MR. PFUNDER: I think there's some of
25 those out there, there's no question, I mean, what

1 they're doing there. I think mine, potentially,
2 what's happening in Lehigh Valley could be the same
3 situation. Again, how do you go about taking it
4 from a prototype stage to a production stage? It's
5 going to require some dollars. There's some effort
6 that has to be done to go from A to B.

7 I have not had an answer for that. That
8 was one of the biggest issues I had when we started
9 this dream of do-it; or the program we're doing in
10 Lehigh Valley right now is, what's going to happen
11 in May when it's over with, how do we keep it
12 going? Hopefully, my thought was, we'll have
13 enough pipeline going and the manufacturing base
14 might assist in it to get it to the next step.
15 But, it takes a lot of time, and a lot of people
16 are very busy these days with cutbacks and all
17 these other aspects.

18 So, I think there's got to be -- That's
19 what I like about these bills. There's at least a
20 pipeline of potential funds that could be used for
21 those expansions. I think Ryan's bill is for seven
22 regions, or whatever we're talking about. I think
23 that has to happen, because right now there is no
24 answer to that. People have an idea and,
25 unfortunately, a year later it's gone, because

1 they've spent the money and they did it, but they
2 didn't have any resources to go to the next level.
3 That's where the assistance to me is needed.

4 There are some good ideas out there, but
5 how do you expand them to other regions? Right now
6 there's no pilot for that. There's no prototype
7 for that.

8 REPRESENTATIVE DELOZIER: Do you see
9 these tax credits and the dollars that are coming
10 from those tax credits doing just that?

11 MR. PFUNDER: I do --

12 REPRESENTATIVE DELOZIER: My concern
13 would be in the sense --

14 MR. PFUNDER: -- if you can get to them.

15 REPRESENTATIVE DELOZIER: -- would they
16 be the year and then go away, or would you see it
17 being an impact that would be long term versus the
18 ones that just kind of go away?

19 MR. PFUNDER: I feel in the case here,
20 as I said before, I think you need to purge the
21 pump here and this would get it started. If you
22 can show that there is, like in my case a pipeline
23 of youth, or in your case more children getting
24 involved in the trades and so forth, the
25 manufacturing base will come in and help. I think

1 you've gotta show the success first and --

2 MR. TAYLOR: And that's part of the
3 issue. But to speak directly to your question,
4 Representative Delozier, there is no central
5 coordinating entity that's cataloging best
6 practices or sharing information among stakeholders
7 that I'm aware of.

8 MR. KELLY: I totally agree. You need
9 to find some organization to do that; whether it's
10 a quasi-public organization as a contract from the
11 state to assemble that information. That needs to
12 be done. That's the problem we have. All these
13 things happen in a fragmented world. Somebody's
14 off doing something that was really effective and
15 it works great, but it's in this little corner of
16 the Commonwealth or there's something up in the
17 northeast, and nobody is talking amongst themselves
18 because they're not even aware of what's going on.
19 So finding a way --

20 For example, I served on the Governor's
21 Manufacturing Advisory Council, and it was an
22 interesting process because the Governor decided
23 that we wanted everybody in the state in
24 manufacturing to comment about where our problems
25 are, so we put together an organization. We had

1 six monthly meetings, and we had a very, very
2 effective report when we were done.

3 But, who follows up? Who takes that
4 information and who manages the information that is
5 coming in? You need a clearing house to bring all
6 that stuff together, and then somebody has to sit
7 there -- a group of people has to say, this is the
8 best practice. This really works. This is what we
9 want to spread throughout the Commonwealth. That's
10 really what you have to do.

11 MR. TAYLOR: And actually, not to
12 editorialize, all three of us had the honor of
13 serving on the Governor's Manufacturing Advisory
14 Council. Just by consensus, organically, this
15 workforce challenge issue emerged as the top
16 priority. For all of the other challenges facing
17 the sector, and there are significant and multiple
18 challenges, this one just -- everyone recognized,
19 this is the biggest concern that we have.

20 REPRESENTATIVE DELOZIER: I thank you
21 for that. Especially with the bills, I just -- the
22 money and I support the idea because we need a
23 workforce. We need to recognize as has been
24 stated. Some kids, there's so many other jobs out
25 there, and we need them to know that and we need

1 them to look for other options if that's what they
2 need.

3 The bottom line is, as the tax dollars
4 get spent, I want them to be the longevity; to be
5 out there and not be done in a year, and to keep
6 them counting for our kids, for our students.

7 MR. TAYLOR: And to be able to look down
8 the road a little bit. If Pennsylvania can succeed
9 at doing this pioneering work of recognizing best
10 practices; coming up with a dynamic that is shown
11 to be effective, I would love nothing more than for
12 the Commonwealth to be able to go to the federal
13 government, to the U.S. Secretary of Labor and ask
14 for waivers to take those dozens and dozens of
15 programs under multiple cabinet departments and to
16 be able to direct those funds and re-purpose them
17 towards these new best practices that we've been
18 able to identify.

19 MR. PFUNDER: In manufacturing, I think
20 that became very efficient over the years because
21 we've learned how to make this product right the
22 first time, and we don't go through rework after
23 it's made and all these very inefficiencies. I
24 think in careers we need to start doing the same
25 thing. We need to have these kids do their career

1 right the first time so they don't become a
2 25-year-old. Now I'm gonna shift from this over to
3 this, and they don't have the right math and
4 science background in order to do it, and they're
5 so limited.

6 That's why STEM, I think, is so
7 important is almost, I won't say a requirement, but
8 more kids need to get into those kind of education
9 so they have the ability to go left and right.
10 Right now they just don't -- It's not being
11 emphasized enough right now.

12 REPRESENTATIVE DELOZIER: Thank you.

13 MAJORITY CHAIRMAN SCAVELLO: Thank you,
14 Representative. Mr. Kelly, do you take advantage
15 of WebNet for training for employees?

16 MR. KELLY: Yes, we do.

17 MAJORITY CHAIRMAN SCAVELLO: It's a
18 great program; isn't it?

19 MR. KELLY: Yes.

20 MAJORITY CHAIRMAN SCAVELLO: Thank you
21 very much for your testimony, gentlemen.

22 Next presenters, Career and Technical
23 Institute representatives, Doctor Tim Rushton is
24 the Director and John Klevis, Director of Post-
25 Secondary Education. (Pause). We've got to stop

1 the buses.

2 MS. KLEVIS: We'll work on that, too.

3 MAJORITY CHAIRMAN SCAVELLO: My county
4 is going to hear it. And he was right with
5 techies. They're family-sustaining jobs. You
6 could walk out of high school and make a decent
7 living. We've got to do it.

8 MS. KLEVIS: Thank you, Mr. Chairman,
9 and members of the Committee. I'm honored to be
10 here today to testify in favor of House Bill 1725.
11 My name is Jan Klevis. I'm the Director of
12 Post-Secondary and Workforce Education at Lehigh
13 Career and Technical Institute.

14 We are a career and technical school
15 serving about 2700 students from nine districts in
16 Lehigh County. Lehigh County serves 49,000
17 students in grades K to 12, with about 15,000 in
18 grades 9 to 12. We'd love to say that all of our
19 students exit with diplomas already knowing what
20 their future will bring them. Unfortunately, that
21 doesn't happen for everyone.

22 The Pennsylvania Department of
23 Education's statistics show that in 2011-12, 17,000
24 students dropped out of school in Pennsylvania.
25 The youth unemployment rate in 2012 for the

1 students ages 16 to 19 was 16.8 percent. Our
2 students who are going on to post-secondary
3 education are not faring much better.

4 According to the National Center For
5 Education Statistics, only 39.7 percent of our
6 Pennsylvania's students seeking a bachelor's degree
7 in one of our public universities, in four years --
8 will be graduating in four years and only 62
9 percent in six years. According to the same report
10 for students attending two-year public colleges,
11 the numbers are even worse. Of the nearly 17,000
12 students counted, only 13.9 percent of those
13 students completed.

14 In addition, Pennsylvania's ranked
15 second in the nation for student debt, where 70
16 percent of our students are leaving college with
17 student loans to pay.

18 I believe we can improve all of these
19 statistics if we provide strong career planning for
20 our students. They need to make career choices
21 based on solid knowledge of the labor market
22 aligned to their abilities and their interest, and
23 this has to happen while they're still in school;
24 not after they already are in college.

25 But college is not the only way for a

1 student to gain the skills they need for a job that
2 will pay family-sustaining wages. We hear every
3 day from employers across the Lehigh Valley that
4 they cannot find enough skilled labor, particularly
5 in the manufacturing arena. Sadly, most students
6 and their parents do not know these great paying
7 jobs exist.

8 Each month our Lehigh Valley Workforce
9 Investment Board post the labor and job market
10 outlook. It provides an overview of what the job
11 market looks like in the valley. The October 2013
12 report, 16 manufacturers were looking for skilled
13 workers. In the same document that provides wage
14 information, the electro-mechanical technicians can
15 earn an average way of over \$52,000. A machinist
16 can earn over 41,000, and those with CNC
17 programming skills can earn much more. These are
18 jobs that rival a first-year teacher's salary, and
19 students can learn these skills while they are
20 still in school, in a place like Lehigh Career and
21 Technical School, and leave with no student debt.

22 A common misperception is that a student
23 attending a career and technical program will not
24 be able to go to college. To the contrary, the
25 Pennsylvania Department of Education Programs of

1 Study, SOAR, Students Occupationally and
2 Academically Ready, provide statewide articulation
3 to community colleges allowing students to earn
4 college credits while still in high school and
5 creating a seamless transition to college.

6 Many career and technical schools have
7 developed additional articulation agreements with
8 numerous colleges. Upon graduation, students are
9 prepared to enter the workforce while advancing
10 their education at a post-secondary institution.
11 Many companies offer tuition reimbursement programs
12 encouraging their employees to pursue a higher
13 career pathway.

14 In 2012, the Pennsylvania State System
15 of Higher Education, PASSHE, approved the Bachelors
16 of Applied Science in Technical Leadership degree,
17 a collaborative program with Lehigh Career and
18 Technical Institute, Lehigh Carbon Community
19 College at Bloomsburg University. The impetus for
20 the creation of this new major was to address the
21 needs of business and industry, scaffolding
22 technical skills with supervisory and management
23 competency. The program set a benchmark for school
24 statewide, and it is designed to translate into
25 partnerships with other Pennsylvania's community

1 colleges and technical schools. This exemplifies a
2 true career pathway to a high-wage, high-demand,
3 high-skilled job.

4 House Bill 1725 empowers school
5 districts to work with local Workforce Investment
6 Boards and business and industry to develop school-
7 to-work programs that will provide students and
8 their parents with viable knowledge about the job
9 market. It will also facilitate the expansion of
10 existing programs geared toward work-based
11 learning, allowing more students to participate,
12 and encouraging more businesses to become involved.
13 Clear, well-defined career pathways are the key to
14 effective workforce development utilizing early
15 exploration in a practical way to make the
16 connection between school and work.

17 Drop-out prevention is a critical issue
18 for schools as well. A positive outcome of
19 connecting the workforce system to in-school youth
20 is the impact CareerBound can have on our at-risk
21 students. Implementing innovative school-to-work
22 experiences can be the impetus to jump-start
23 student re-engagement in school.

24 Our school counselors are very busy on a
25 daily basis dealing with the social and emotional

1 needs of today's youth. They do not have the time
2 or the expertise to advise every student in their
3 school about potential career choices. They may be
4 able to provide information about college placement
5 for those students who have an established career
6 path, but those undeclared students, there's very
7 little advice available for them. House Bill 1725
8 will address that issue; providing CareerBound
9 counselors in school who will have time to talk
10 about careers, particularly in high-priority
11 occupation such as manufacturing.

12 This person will connect with the
13 business and industry partners to provide visits to
14 their facilities, send in guest speakers in the
15 classrooms and talk about the jobs and the skills
16 that are needed to be successful. Companies want
17 to work with schools, and schools are opening their
18 doors. We have an excellent example in Lehigh
19 County where B. Braun Medical has partnered with
20 the Catasauqua School District to teach career
21 awareness to 9th grade students in the classroom,
22 as well as at their medical device manufacturing
23 plant.

24 There is no negative here. Students
25 will get much needed career advice to help direct

1 them in making better career choices, thereby,
2 saving time and money. Armed with career
3 knowledge, students will enter the pipeline for the
4 high-paying, high-skilled jobs and high-priority
5 occupations.

6 Companies will receive tax credits as a
7 bonus for working with the school districts.

8 Lehigh County have many partnership models already
9 in place, and they are working well. We would like
10 to see this expand across our county and across our
11 state, and we believe that CareerBound can help to
12 do just that.

13 Now I'd like to comment on House Bill --
14 the PA Wins program as well. Across the board the
15 message heard by education training and the
16 workforce community is that business and industry
17 needs help to upscale their workforce while
18 continuing production and remaining competitive in
19 the market. The existing industry partnership
20 structure has been successful in the Lehigh Valley,
21 bringing together businesses for the purpose of
22 collaboration and providing a venue for dialogue
23 and information sharing. Through this system, an
24 effective framework for workforce development has
25 been established by working directly with the

1 companies, the Workforce Investment Board, career
2 and technical education and community colleges.
3 The need exists for this type of structure to
4 continue to incentivize companies to invest in
5 their current workforce.

6 While funding for Industry Partnerships
7 has been diminishing, it is critical to remain
8 cognizant of the challenges faced by business and
9 industry, and their quest to balance training with
10 production. Therefore, providing tax credits,
11 coupled with the continuation of industry
12 partnership funds will provide dual options for
13 companies of any size. Schools such as Lehigh
14 Career and Technical Institute has developed a
15 solid reputation for delivering targeted
16 outcome-based technical training for business and
17 industry. We do that in tandem with our Workforce
18 Investment Board.

19 A common thread of technical training
20 needs has emerged among numerous companies over the
21 years especially in the area of manufacturing,
22 transportation and logistics. However, the
23 challenge is how to deliver consortium-based
24 training. Although training needs, skills and
25 competencies may be the same, each company's

1 scheduling needs and proprietary intellectual
2 property may prohibit consortium-based classes in
3 some instances.

4 Engaging employers to form a consortium
5 to be known as the cooperative workforce investment
6 partnership may help to further define like skill
7 sets within each industry sector by creating
8 smaller, more-focused employer groups. One of the
9 challenges, which has become evident over time, is
10 the absence of talking the same talk in regards to
11 job titles, duties and competencies, especially in
12 manufacturing. Some industries, like machining and
13 welding, for example, lend themselves well to
14 identify commonalities, while others, like electro-
15 mechanical are not so easily delineated even though
16 the commonality exists.

17 In the pursuit to leverage resources in
18 the most efficient manner, it is critical to be
19 keenly aware of the need to continually update the
20 much talked about skills gap that exist in the
21 workforce. The model in the Lehigh Valley is here
22 and it is working. Let's try to work to expand,
23 improve it through more dedicated resources, tax
24 incentives and industry partnership funding as we
25 have seen success in these sector initiatives.

1 Thank you, Mr. Chairman, and Committee.

2 MR. RUSHTON: Good morning, Mr.
3 Chairman, and members of the Committee. I'll let
4 go my colleague's word and state that it's always
5 an honor to testify on behalf of career and tech
6 ed, and in this case, in favor of House Bill 1725
7 and 1878. I'm going to take my glasses off,
8 because, folks, I refuse to get bifocals thus far.
9 So I'm having trouble reading my script. I'll pop
10 them back on so I can your faces when I'm --

11 MAJORITY CHAIRMAN SCAVELLO: You can
12 shorten the script, if you'd like, and just
13 summarize and that will be just as fine.

14 DOCTOR RUSHTON: Sounds good.

15 My name is Doctor Tim Rushton, and I'm
16 the Director of Career and Technical Education at
17 Lehigh Career and Tech Institute in Lehigh County.
18 When I begin my script, ladies and gentlemen, it's
19 going to sound like Mr. Pfunder, Mr. Taylor, Mr.
20 Kelly, myself and Jan coordinated our script last
21 night because you're gonna hear a lot of common
22 themes, but that just to me shows the significance
23 of these thematic issues across the state.

24 We're talking a lot about statistics
25 this morning. I have one as well. I use this

1 whenever I speak on behalf of career and tech ed,
2 and this comes from the Pew Research Center.
3 United States will see roughly 10,000 baby boomers
4 turn 65 years old today, and about 10,000 more will
5 cross that threshold every day for the next 19
6 years.

7 Currently, the average age of a
8 machinist, a plumber, electrician and carpenters in
9 the United States is 55, and that's the case with
10 most of our skilled trades. What this speaks of,
11 ladies and gentlemen, is, the current and future
12 demand to fill these positions and the urgent need
13 to replace these skilled trades people just to keep
14 our economy going; not to expand it.

15 Now, where are we going to get these
16 people from? How are we going to plan for this
17 shortfall? I've served as a director of career and
18 tech ed in three career and technical schools in
19 this state. One serves the Columbia-Montour
20 counties in central Pennsylvania, and that's a
21 comprehensive model school, by the way, 9 through
22 12; one was serving Monroe County, Monroe Career
23 and Tech Institute, in which Representative
24 Scavello has been very active in that school, and I
25 thank him. I'm now the Director of Career and Tech

1 Ed at the Lehigh Career and Technical Institute in
2 Lehigh County. What I have seen, ladies and
3 gentlemen, are a number of constants no matter
4 where I was as administrator in career and tech ed
5 across the state.

6 And three overwhelming emergent themes
7 come to mind. One, no matter where I was, no
8 matter which school I was in, we continued to have
9 difficulty filling the demand for these skilled
10 trades, whether it's central Pennsylvania, eastern
11 Pennsylvania or southeastern.

12 Number 2, there's a great deal of
13 misinformation and misunderstanding about what
14 career and tech ed is. So I'm going to take you on
15 a journey from the student's eyes; what the
16 students in career and tech schools -- Or even
17 before we get there, what they see, what they
18 believe.

19 And thirdly, students, guidance
20 counselors, sending school administrators and
21 teachers, and most importantly parents, are the
22 persons directly responsible for the decision
23 making in the households and for those decisions to
24 be made for students to pursue a career and
25 technical education.

1 What I've done in every school I've been
2 in, and we'll start at Lehigh, are student-focused
3 groups, student-climate groups. I started it in
4 central Pennsylvania. We did it very well in
5 Monroe, and I plan to bring it to LCTI, Lehigh
6 Career and Tech Institute; bring students in like
7 we're going here and talk to them, from their
8 perspective.

9 I've asked them, in all three schools,
10 what has made them to choose an education in career
11 and tech ed. What brought you to our doorstep?
12 Here's what I get. These are the responses I get,
13 and they range from, I came here because of family
14 members in the trades; or family member told me to
15 do so; or we have a family business or mom or dad;
16 sometimes a high school guidance counselor;
17 sometimes a friend. Others say they became
18 interested because of the school tour. They
19 happened to tour the school; saw something really,
20 in their words, mad cool, and they wanted to go and
21 pursue that. But these students were swayed by
22 real-world experiences; sneakers on the ground, on-
23 site experiences.

24 Now, I also ask students who are
25 thinking about coming to a career and tech school

1 or, more importantly, those who chose not to. Tell
2 me why? Why didn't you want to come here? Here's
3 the concerns that they gave. Overwhelmingly, the
4 students from all three counties would say, they
5 just didn't see the possibilities after graduation
6 in a career and technical school.

7 Big one, you've heard it already between
8 myself and the previous Committee and Jan, they
9 can't go to college. I want to go to college.
10 Career and tech ed stops after high school, right?
11 They didn't see the trades as progressive. They
12 saw them as dirty, as old. They didn't see them as
13 advanced. They didn't see them as futuristic.
14 Their vision of a career in manufacturing is
15 antiquated. It's like post-World War II era.

16 To cloud this issue even further, many
17 explained that they were told by parents, school
18 personnel and friends that they need to go to
19 college to get a good job. Far too many of these
20 students never reach our doors and fail to see the
21 potential of career and tech ed.

22 So, what does all this mean? Ladies and
23 gentlemen, it means that information, exposure and
24 involvement are the keys of bringing students in
25 greater numbers to career and technical education,

1 specifically in those high-demand fields in
2 manufacturing. It also points to the fact that we
3 need to reach these students and their parents at a
4 much younger age.

5 Ben Franklin once said, tell me and I
6 forget; teach me and I remember; involve me and I
7 learn. To me that's the basis of House Bill 1725
8 and 1878; student-centered involvement in business
9 and industry.

10 Now, we have a current delivery model in
11 career and tech ed. How are these bills going to
12 serve us? How could we serve these bills? We look
13 at two points: Collaboration among schools,
14 business and workforce, and the other will be focus
15 on curriculum. Let's look at the focus on the
16 collaboration effort.

17 This allows our bill connection between
18 all three entities and students, ladies and
19 gentlemen, need to see the connection and bridge
20 between school and the real world, as they like to
21 say. Career and tech schools have close
22 relationship with industry because we need to for
23 339 for occupational and advisory council meetings,
24 and we also work very closely with our web so that
25 the infrastructure, if you will, is already in

1 place. Also, students can read about something;
2 they can hear it from their friends, they can see
3 it online, but nothing creates or stirs their
4 interest more dramatically, in my opinion, than
5 being on site at a business or industry. Focus the
6 real-world experiences that we all remember most,
7 whether you're a student, a child, an adult.

8 Also curriculum. We asked career and
9 technical educators to continue to fight the battle
10 to inform students of opportunities in the skilled
11 trades. Much has been centered on the high
12 school-aged student, but I would argue the
13 following, ladies and gentlemen; we need to get to
14 middle school and to elementary-grade levels.
15 Because if we don't get down to those lower-grade
16 levels, by many accounts their decisions are
17 already made before they reach high school.

18 There is a vital need then to change the
19 cycle and dramatically increase exposure to these
20 opportunities at a much younger age. Once again,
21 ladies and gentlemen, it's about exposure to the
22 opportunities. And as you know, knowledge is
23 power.

24 The framework for these bills already
25 exists in our career and tech schools, so the

1 structure is already there. However, none of this
2 will bear fruit unless we focus on student
3 interest, increased information, and promote the
4 opportunities of a career and tech education,
5 coupled with the business industry experience. The
6 earlier in the process, the better.

7 As I begin to wrap up my script, I have
8 a unique perspective, ladies and gentlemen. I came
9 into education from the corporate world, so I've
10 been on the other side. I've also been in the
11 academic setting and crossed over into career and
12 tech ed, so I've been in all three areas.

13 Since I come from the academic side of
14 education, I can tell you firsthand and from my own
15 experience of the misconceptions and misinformation
16 that exists concerning a career and technical
17 education. There are deeply engrained perceptions
18 about the skilled trades and career opportunities
19 that can only be overcome by accurate information,
20 exposure and connections to business and industry,
21 and connecting to the students themselves, their
22 counselors, but most importantly, their parents.

23 Therefore, we support House Bill 1725
24 and 1825, and I'm gonna close with the following
25 few statements: Many of you have already been to

1 your career and tech schools in your districts.
2 But I would invite you at your earliest opportunity
3 to go visit them once again; talk to the staff,
4 talk to the students. Once you do so, I guarantee
5 you will leave the facility with a much greater
6 understanding of what's offered; the incredible
7 potential that exists and is not fully embraced,
8 and that you will leave as a more informed
9 stakeholder and advocate of career and technical
10 education.

11 Thank you.

12 MAJORITY CHAIRMAN SCAVELLO: Thank you,
13 Tim. Tim, what's the farthest in your area school
14 districts among the 39,000 students that they
15 travel to your school? Do they first go to the
16 main building, take whatever courses, and then they
17 come to you? You don't give them everything in
18 your school; am I correct?

19 DOCTOR RUSHTON: We do and we don't,
20 Mario. We have comprehensive programs where
21 students are there all day, and we also have the
22 programs where they're there for an a.m. or p.m.
23 session, much like Monroe, and they spend the other
24 session in their sending school for academics.

25 Now, if you'll recall, at Monroe there

1 was a comprehensive 9th grade program where
2 students were there all day long.

3 MAJORITY CHAIRMAN SCAVELLO: Right.

4 DOCTOR RUSHTON: We have similar
5 programs much large at LCTI. But you do have --
6 What you see at LCTI and Monroe is just at a
7 larger, more grand scale.

8 I think you're alluding to busing. I
9 remember at Monroe, the furthest students were up
10 near Bushkill, and it took almost an hour by bus
11 ride to get to Monroe and then an hour back, so
12 that's two hours for one session and a two-and-a-
13 half-hour session.

14 MAJORITY CHAIRMAN SCAVELLO: Worse than
15 that, he took -- that same student might have gone
16 from his home to the first school, 40 minutes, and
17 then -- You know what I'm saying. He's on a school
18 bus three hours a day at least; three or four hours
19 a day. I won't want to go there either. Just
20 think about that. After a while you lose the
21 interest for reasons you stated, but also from the
22 busing issue; waiting for the bus; getting on the
23 bus; an hour -- We've got to be able to keep the
24 kids there and give them good training in a field.

25 I'm going to push it in Monroe, and I

1 hope our guys can go back and look at their setups
2 in their career and technical schools because, I
3 think we're missing the boat.

4 DOCTOR RUSHTON: There is a lot of
5 instructional time lost to transportation and
6 logistics, but that's the nature of what we have.
7 We have to get the kids to and from. You'll hear
8 from one of the superintendents of one our
9 districts shortly, Doctor Mayo, and he comes from
10 the Allentown district. I think as the crow flies,
11 they're about eight miles away from our school, but
12 with traffic it takes 25, 30 minutes to get there
13 sometimes.

14 MAJORITY CHAIRMAN SCAVELLO: Sure.

15 DOCTOR RUSHTON: So that's always going
16 to be an issue no matter where the career and tech
17 school is. No matter where I've been, I've seen
18 that. In a comprehensive school, sure, it's the
19 initial bus ride; they're there for the day and
20 then they return. So, logistically speaking, you
21 probably have the best use of instructional time
22 there, but the vast majority of our models in the
23 state are the half-time about models.

24 MAJORITY CHAIRMAN SCAVELLO: Thank you.
25 Representative Truitt.

1 REPRESENTATIVE TRUITT: Thank you, Mr.
2 Chairman. I thank you both for your testimony. I
3 think I'll address a little bit of the Chairman's
4 questions about busing kids around with an idea I
5 want to pitch to you.

6 First, I'm curious to know how these
7 technical schools are funded. If I understand
8 correctly, you charge the resident school district
9 a tuition rate for a student to come to your
10 technical school?

11 DOCTOR RUSHTON: We are funded by our
12 sending districts.

13 REPRESENTATIVE TRUITT: By the sending
14 districts.

15 DOCTOR RUSHTON: Majority of it, yes.

16 REPRESENTATIVE TRUITT: Because you're
17 funded by the sending districts, would you say the
18 districts regard you as competition and an expense,
19 and therefore, they don't encourage students to go
20 to your school? Or do you think they genuinely
21 market for you and help you find students that are
22 a good fit for your program?

23 DOCTOR RUSHTON: With one of my
24 superintendents sitting right behind me and to my
25 right, that's a loaded question. And I would never

1 speak for them or for him, and that would be a
2 great question to ask Doctor Mayo. But having come
3 from the academics, I have things I could speak
4 from my own perspective.

5 And much like yourselves when you're
6 buying something, you want to get bang for buck.
7 If I am spending "x" amount of dollars, what am I
8 getting in return? I guess I could answer it in
9 that regard. There's a lot of variety in career
10 and tech schools. You've heard that from the
11 previous committee that they're not all created
12 equally, and a lot of that has to do with funding.
13 But what they need to do, districts need to see the
14 return they're gonna get on their investment of
15 what they're spending. I can't speak to whether
16 they think for what they spend they get their
17 money's worth. They can speak to that degree.

18 REPRESENTATIVE TRUITT: I mentioned
19 earlier, I'm on the Education Committee as well,
20 and I hear a lot the school districts regard
21 charter schools, for example, as competition. This
22 is where I'm going to scare a lot of people, but I
23 just want to throw an idea out there.

24 Have you ever considered becoming a
25 learning center for a cyber charter school? So, a

1 student would come to your facility and stay there
2 all day. They would take academic courses like
3 algebra and literature and history, cyber from a
4 classroom, and then spend the rest of the day
5 attending your core program. Is that anything
6 that's ever been considered or knocked around?
7 Maybe you're not familiar with the learning center
8 concept for a cyber charter school.

9 DOCTOR RUSHTON: Yes. It's almost like
10 a hybrid model what you're talking about.

11 REPRESENTATIVE TRUITT: Right.

12 DOCTOR RUSHTON: There's always
13 possibilities. I have not worked with that model
14 personally. But, I believe, as time goes on and
15 with technology, you're going to see a lot more
16 morphing of the current model that we use into
17 something that's a little more dynamic and
18 changeable and more accommodating to the various
19 logistics we deal with.

20 For example, busing is always going to
21 be an issue. We have to look for ways to try and
22 increase our instructional time. So, I can't say
23 for sure right now that model would work
24 everywhere, or I'd have to see it more in-depth.

25 REPRESENTATIVE TRUITT: It certainly

1 wouldn't work for every student. Some students
2 just won't learn through a cyber model. But I'm
3 wondering if that wouldn't cut down the need for
4 some kids to spend three or four hours on a bus if
5 they are a good fit for cyber education and could
6 take those classes from your facility.

7 DOCTOR RUSHTON: We've actually talked
8 about some interesting opportunity. As a matter of
9 fact, when I was at Monroe, because of that hour
10 bus ride, there was even talk of putting video
11 screens on buses to try to get a social studies
12 class in as you're driving. I mean, it sounds
13 crazy, but we're trying to look for ways to make up
14 that instructional time loss.

15 So, there are going to be, in my
16 opinion, a lot of opportunities in the future to
17 try to recoup that instructional time. A
18 one-size-all model will probably be very difficult
19 based on a dynamic range of how career and tech
20 schools operate in this state.

21 REPRESENTATIVE TRUITT: As a person who
22 spends two hours a day reading on the train, I like
23 your idea of the videos on the bus, actually.
24 That's out-of-the-box kind of thinking that I think
25 we need to incorporate wherever we can. Thank you

1 for your --

2 MS. KLEVIS: For your consideration,
3 there are some schools in the state, career and
4 technical schools that are on a semester-about
5 basis. So students leave their sending school and
6 attend career and technical school for a full
7 semester, and then the other semester they're doing
8 all of their academics versus most of the schools
9 are at a half day. They spend half day in
10 academics and half day in career and technical.
11 But there are several schools in the state that do
12 the semester-about.

13 REPRESENTATIVE TRUITT: That's a good
14 idea, too. Thank you.

15 MAJORITY CHAIRMAN SCAVELLO: You know,
16 Dan, I agree with you. The four school districts
17 in Monroe all have cyber, and they all send to the
18 Career and Technical Institute. Why not give them
19 that education there rather than -- The four school
20 districts have it. Go to a classroom in your area
21 and get on the computer and get it done.

22 Representative Evankovich.

23 REPRESENTATIVE EVANKOVICH: Thank you,
24 Mr. Chairman. Thank you both for your testimony.
25 My question is primarily for Miss Klevis.

1 You had mentioned Industry Partnerships
2 in your testimony. As I understand the industry
3 partnership model, it follows that industry-cluster
4 concept. From your experience with the Industry
5 Partnerships that you've been involved with, how is
6 that money spent? Who ultimately provides the
7 training, the workforce development, training for
8 those Industry Partnerships, and how is it
9 facilitated?

10 MS. KLEVIS: Actually, in Lehigh Valley,
11 we do very well with the Industry Partnerships
12 because the community colleges and the career and
13 technical schools, in particular LCTI where I work,
14 we provide much of the training through the
15 industry partnership funding. The trick is the
16 consortium-based training sometimes because of
17 intellectual proprietary information and
18 scheduling, and so forth, for companies.

19 But the process is pretty much -- The
20 companies that are involved in the Industry
21 Partnerships are there at the meetings. They know
22 about it. The information is presented to them.
23 The folks at the WIB help them develop their
24 training plans, or I help them to develop their
25 training plans. So they look to see who has which

1 courses running, and that is the way they come into
2 the programs. And it works very well. And it is,
3 as you know, matching dollars. It's not free money
4 for the companies.

5 So I think, for us, they're working very
6 well. I totally get what you're saying about the
7 skill sets, and I do agree with the skill sets, but
8 that's sort of a subset of what we're already
9 doing.

10 So, in the diversified manufacturing
11 Industry Partnership, we have companies that are
12 looking to primarily to do the electro-mechanical
13 work; primarily looking to do the machining. But
14 they sort of separate themselves out and come
15 together in that way already.

16 REPRESENTATIVE EVANKOVICH: Right. I
17 thank you for that. I understand that some folks
18 have had very positive experiences with the
19 Industry Partnership Program. I would just share
20 with the Committee and with those testifying is
21 that, I had visited literally dozens and dozens of
22 businesses, trade associations, groups across the
23 State of Pennsylvania, and I had never even heard
24 of Industry Partnerships until the Pennsylvania
25 Department of Labor and Industry brought them to my

1 attention. So I think there is a very big gap in
2 what that program has been able to provide; not
3 discounting what it's doing. I think it's part of
4 what we see where we have horses pulling our
5 workforce training cart in this kind of direction
6 rather than this kind of direction (demonstrated).

7 I wanted to understand what Lehigh
8 Valley's experience was with the Industry
9 Partnerships, and also just make it clear that the
10 tax credit in the PA Wins' proposal would be a 60
11 percent tax credit. So, for every dollar spent,
12 there would be \$1.67. For every dollar of tax
13 credit, that's be a dollar 67 cents of expenditures
14 on workforce training programs.

15 So that initial three years -- That
16 initial first year \$3 million would really be \$5
17 million of overall spending towards workforce
18 developing programs. In the third year that \$10
19 million would be roughly \$17 million. I'm not sure
20 what the current level of funding is for the
21 Industry Partnership Program, but I think it's
22 important to leverage. Thank you, Mr. Chairman.

23 MAJORITY CHAIRMAN SCAVELLO: Tim and
24 Jan, thank you so much for your excellent
25 testimony.

1 MS. KLEVIS: You're welcome. Thank you
2 for having us.

3 DOCTOR RUSHTON: Thank you for having
4 us.

5 MAJORITY CHAIRMAN SCAVELLO: The next
6 panel is Doctor Russell Mayo, Superintendent of
7 Allentown School District; Doctor Patrick Gerity,
8 Vice President, Westmoreland Community College; and
9 William Bartle, the Educational Policy Director of
10 Pennsylvania Partnerships for Children.

11 Doctor Mayo, you can begin when you're
12 ready.

13 DOCTOR MAYO: Thank you, Mr. Chairman.
14 I appreciate you having me and members of the
15 Committee, Vice Chairman Mackenzie. I appreciate
16 the opportunity to speak. My comments are more
17 directed toward the House Bill 1725, which I have
18 incorrectly put on here PA Wins; confusing the two
19 bills. CareerBound is really what I'm speaking to.

20 I also am encouraged to see that two
21 Allentown state representatives are supporting the
22 bill. Representative Justin Simmons is a sponsor,
23 of course, along with the Vice Chairman and
24 Representative Mike Schlossberg is the co-sponsor.
25 Joining me today is Keith Falco, sitting back here

1 behind me, who is our Director of Instructional
2 Initiatives for the Allentown School District.
3 He's our lead administrator implementing our
4 Graduation Initiative Grant, which has a similar
5 purpose to the House Bill 1725.

6 I also would be remiss if I didn't
7 recognize partnerships that already exists between
8 the Lehigh Valley WIB; with Nancy Dischinat who's
9 here to testify a little bit later, and with Sandy
10 Himes and the folks that have just spoken at Lehigh
11 Career and Technical Institute.

12 I'm pleased to be here to represent at
13 least one urban perspective on the bill. What I
14 want to do is just give a quick summary of just
15 some initial thoughts in looking at the bill and
16 the summary before listening to any of the
17 testimony today. After those three initial
18 thoughts, four recommendations for the Committee's
19 consideration.

20 First of all, the bill is timely in
21 addressing an overwhelming business and industry
22 need for skilled workers, of course, as you've
23 heard from previous testimony and in addressing the
24 assistance needed by public school districts in
25 preparing our kids for jobs. Graduation rates

1 we're sure will be affected positively by bringing
2 a laser focus and seamless transition to these
3 careers, especially by including a first-hand job
4 access for our students.

5 Secondly, this bill attracts the
6 financial will of business and industry with tax
7 breaks in exchange for investing in kids and their
8 careers, and the muscle of business and industry
9 has its own reputation for getting things done once
10 they get behind it, especially with their personnel
11 needs.

12 The third observation before the
13 recommendations, I want to comment on one thing
14 that's already been a theme through this testimony;
15 and that is, one of two unfavorable realities of
16 our American culture, I think, and that is the
17 promotion that's done and has been done over the
18 years recently in a continuing shift from this
19 narrow culture of college that we operate in.
20 Educators are probably the most guilty for
21 perpetuating that culture of college.

22 Of course, that implies that only
23 college really counts after high school, at least
24 traditionally it has. What we're wanting to see is
25 a shift to a culture of career customization which

1 does not necessarily mean you have to go to college
2 or it doesn't count. But looking at careers as a
3 total package, including if you want to go the
4 college first, and not just either/or.

5 So, it's unfortunate that we have such a
6 history that's been alluded to already and spoken
7 to specifically, but I think the paradyne will
8 shift in this cultural perspective, but it is going
9 to take some time, but a bill like this would
10 certainly help that shift.

11 The second of the two unfavorable
12 realities is that, I'm afraid that most of our
13 young people focus on their present and precious
14 little time on their future. You don't have to go
15 any further than your own home if you have kids or
16 grandkids or you know your own history in raising
17 kids. We have -- Among educators often state that
18 most of our young people are thinking no more than
19 20 minutes into the future at any given time. So
20 this bill should help bring not only that long-term
21 focus on careers, but also real-time preparation
22 for the kids.

23 In Allentown School District, of course,
24 that's what we're committed to is trying to change
25 these two perspective, which is a monumental shift

1 in the culture. I mean, a culture is so embedded
2 and engrained. We're doing that now with a grant.
3 We're doing it in several ways, but probably a
4 bright spot is our career-counseling centers, which
5 I hope you have an additional handout that's a
6 supplement to this text. It gives a summary of the
7 staffing there and what they are doing, and this
8 bill certainly would support that effort.

9 Finally, some recommendations for this
10 consideration of the Committee is the curriculum
11 should -- or I should say must, really, includes
12 consideration of what would be known as soft
13 skills, generally-accepted behaviors relating to
14 work ethic, integrity, respect for each other;
15 basically the soft skills, what we refer to as soft
16 skills.

17 I emphasize that because I'm now
18 superintendent of Allentown, but I've in this
19 business for 44 years in five states and in all
20 kinds of school districts. I've seen the evolution
21 of the students that are coming into public
22 education now. There's a great need for learning
23 these soft skills; how to do teaming, how to work
24 together, how to show respect for the worth and
25 dignity of one another, of your fellow man, for

1 property, et cetera. So that would be an important
2 part of the curriculum.

3 I would also say, a second part of that
4 curriculum idea is a report that I don't think has
5 received very much attention, at least not in the
6 places I've been. In 1991, there was a SCANS
7 report. That's an acronym for Secretaries
8 Commission on Achieving Necessary Skills. And what
9 happened with that report is, a commission was put
10 together by the U.S. Secretary of Labor of CEOs,
11 business people from business and industry. The
12 key question was, what do you want high school kids
13 be able to do when they finished high school? What
14 kind of things do they need to know?

15 It's a very interesting document that
16 was updated in 2000. It has, you refer to by skill
17 area, you're referring to Representative little bit
18 earlier I think doing things by skilled area. If
19 you're wondering what many of those skills would
20 be, this is the compendium of that list of skills
21 that, nationally, CEOs and business and industry
22 have felt strongly kids should come out of high
23 school ready to know.

24 It's broken into basic skills which,
25 generally, reading, writing, arithmetic, et cetera.

1 It speaks to about, I think it's five categories of
2 skills that are really required, one, of which, I
3 remember in particular is teaming; being able to
4 work in teams; being able to get along, et cetera.
5 That's a very important document I think to
6 consider in the curriculum that's suggested by this
7 bill.

8 Also, a second recommendation would be
9 to give consideration to greater emphasis, perhaps,
10 than seems to be implied, by at least my reading of
11 the summary of the bill, to the middle-school level
12 that's been mentioned a little bit earlier, and
13 even elementary levels for raising awareness. It's
14 interesting in my tenure in public education that
15 how many things seem to have -- maybe another way
16 of putting it is, how quickly kids in the tour
17 compared to when earlier generations came along
18 such as mine. There are skills; there are things
19 that are happening in schools now that once
20 happened in the 9th grade, now they're being taught
21 in the 5th grade.

22 Unfortunately, there's also societal
23 kinds of considerations and problems that once only
24 occurred in the 9th and 10th and 11th grade that
25 now occur at 4th, 5th and 6th grade, too. So the

1 whole package comes down in grade level and age-
2 wise.

3 I think, as Jack mentioned it earlier,
4 it's very important that the middle school get a
5 lot of emphasis and awareness here and an
6 opportunity for exploration so they can actually
7 begin to get pretty serious by the 9th grade, 10th
8 grade once they get in high schools.

9 The last two are somewhat related
10 recommendations, and that would be that there be a
11 consideration for an enticement. This, I guess,
12 would overlap with the two bills. For employers to
13 actually hire these students if they're successful
14 in their internships, to actually employ them for
15 at least a year to give them a leg up on
16 experience. It's one thing to have internships to
17 entice the kids and to actually have them have the
18 experience, and then kind of -- If it stops at that
19 point, that's a problem. That's a great
20 discouragement, of course. It would be nice if
21 there were incentives for employers to hire them,
22 actually, for at least the first year.

23 The final thing would be a tax incentive
24 or some kind of incentive to establish some fund
25 for tuition, which relates, it sounds like,

1 similarly to the other bill for training of these
2 same kids and to actually get them matriculated
3 into the work area skills fields so that they would
4 remain. That might help the retention that was
5 referred to a little bit earlier as part of the
6 problem.

7 Again, thank you for this opportunity.
8 That's my initial thoughts and comments.

9 MAJORITY CHAIRMAN SCAVELLO: Thank you,
10 Doctor Mayo. Doctor Gerity.

11 DOCTOR GERITY: Thank you, Mr. Chairman,
12 and thank you for the opportunity to address your
13 Committee on these two bills that will support
14 workforce development in Pennsylvania. I've been
15 actively engaged in workforce development for the
16 past 28 years. I'm currently a member of the
17 Governor's Manufacturing Council's Implementation
18 Team and a board member of Southwestern
19 Pennsylvania's Industrial Resource Center, Catalyst
20 Connection for the past five years.

21 Mr. Chairman, you were very kind in
22 recognition for WebNet PA. I was charged by the
23 chancellor of the state system in 1998 and 1999 to
24 facilitate the development of WebNet PA. WebNet PA
25 been going on -- it's been existing 14 years and

1 has trained over a million Pennsylvania workers.

2 Just recently in the last three years,
3 in southwestern Pennsylvania, north central
4 Pennsylvania, we created the ShaleNET Program.
5 I've facilitated the application to labor. We
6 received \$5 million for that project, so I have a
7 little experience with workforce development.

8 Also, the program that I'll address
9 first is the 1878 -- House Bill 1878, the PA Wins
10 program. I have to let you know that I've been
11 actively engaged in developing that program through
12 the Institute of Politics at the University of
13 Pittsburgh. Representative Evankovich vetted the
14 program through a group. University of Pittsburgh
15 had this workforce development committee for the
16 last 14 years. We work with it through the WIBs,
17 the foundations, the higher ed, University of
18 Pittsburgh, CMU, community colleges, CTCs and with
19 the local politician's involvement. So, we do
20 endorse this program.

21 As we are in the last month of 2013,
22 we're facing a shortage of skilled workers for the
23 manufacturing and technology industries in PA.
24 According to Georgetown University's Center on
25 Workforce Education and Workforce's research, we

1 are suffering from skills mismatch, or what happens
2 when people in the labor pool lack the skills to do
3 what the market demands. Skills mismatch is a
4 symptom of structural employment, where jobs are
5 lost in one sector of the economy, such as
6 manufacturing and construction, for example,
7 disappear for good, while other sectors such as
8 health care and education expand so fast the pool
9 of the qualified labor can't keep up. It's time we
10 address the skills gaps in manufacturing and
11 technology industries.

12 Blue-collar occupations represent a
13 substantial fraction, 17 percent, of projected
14 middle-job openings through 2020. Across the
15 board, the highest paying blue-collar jobs are in
16 the manufacturing sector. The top manufacturing
17 positions are often supervisors and managers within
18 a technical field, which suggests the need for even
19 more specialized training. Workers in these
20 supervisory jobs average annual salaries of \$53,700
21 from 2007 to 2009. The PA Wins program will grow
22 the talent in this manufacturing center for these
23 good jobs.

24 In southwestern Pennsylvania, Mr. Dennis
25 Yablonsky, a former DCED Secretary under Governor

1 Rendell and is currently the CEO of the Allegheny
2 Conference for Community Development, addresses the
3 skills gap challenge stating: In the aftermath of
4 the Great Recession with unemployment at
5 unacceptably high rates, employers in our region
6 have largely been able to find skilled workers they
7 have needed to grow their organizations. But, that
8 is changing and a skills gap is emerging.
9 Thousands of jobs are unfulfilled across 10
10 counties in a recent report by the Allegheny
11 Conference and the Energy Alliance of Greater
12 Pittsburgh indicates that tens of thousands more
13 jobs may become available between now and the end
14 of the decade in 14 critical energy-related
15 occupations. Industry must create awareness of
16 this opportunity and partner with schools engaged
17 in workforce development if increasing demand is
18 not met.

19 The first House Bill 1878 establishes
20 that Pennsylvania Workforce Investment Strategy
21 Program within the Department of Labor and
22 Industry. PA Wins proposes to incentivize business
23 to organize and collaborate with each other to
24 address the common personnel needs and training
25 shortfalls. PA Wins is a collaboration of the

1 Workforce Investment Boards and those employers who
2 are interested in developing employee-training
3 programs using local training providers, like
4 community colleges, unions, and career and
5 technical centers. The participating businesses
6 will be eligible for a tax credit equal to 60
7 percent of their qualifying workforce development
8 expenditures.

9 PA Wins program calls for an action plan
10 to be developed by the employers, approved by the
11 WIBs for the implementation of an employee-training
12 program. The value of the PA Wins program is that
13 the employers are actively involved in developing
14 the action plans that defines these training
15 programs. They identify the most critical elements
16 in this action plan, and that is, identifying
17 employees to be trained; identifying training
18 providers with certified instructors; identifying
19 curriculum for the training; location of where
20 training programs will be conducted; frequency and
21 duration of the employee-training program, and
22 identify any or all resources needed to implement
23 the employee-training program.

24 The real strength of the bill is in the
25 employer's involvement and willingness to

1 participate with other employers to improve their
2 workforces by forming the Cooperative Workforce
3 Investment Partnerships. The CWIPs will be
4 coordinated by the local WIB, and they will assist
5 the CWIP to define and establish their goals and
6 objectives. And once again, this bill identifies
7 the most important goals and objectives that would
8 affect the CWIPs in the regions that they reside,
9 and they are listed.

10 The PA Wins bill will support employee
11 training and will promote the industry
12 collaboration through the formation of the CWIPs.
13 These regional businesses, WIBs, and training
14 providers will all be working together to address
15 the skills gap that are hindering the industries
16 growth and the financial health of our communities.
17 Concerns regarding the program is the selection
18 process for the training providers. If they can
19 provide the industry or college credentials
20 necessary to get and keep a family-sustaining job
21 and help the participants fall into a career
22 pathway. I also recommend that Labor and Industry
23 define eligible and ineligible costs for the use of
24 the funds generated by the tax credit dollars.

25 The second bill is CareerBound. The

1 bill also addresses the skills gap dilemma facing
2 PA job creators. The common theme from a dozen
3 hearing conducted across the Commonwealth was that
4 there is a significant gap between the skills
5 produced by the state's education system. This
6 theme has been echoed by the 2012 Governor's
7 Manufacturing Advisory Council report.

8 CareerBound will provide students with
9 early exposure to an array of in-demand career
10 opportunities through programs designed by schools,
11 local businesses, educational institutions, and
12 business support groups. This initiative will
13 focus on providing students with access to career
14 exposure opportunities and help grow new interest
15 in the state's workforce for new job creators.

16 Many of the other states have yielded significant
17 benefits from developing cooperative relationships
18 between the business community and local schools.

19 At Westmoreland County Community
20 College, we form occupational advisory boards,
21 which are comprised of local industry
22 representatives who review existing and new
23 programs and make recommendations on how they can
24 best serve their hiring needs, and we do listen to
25 their recommendations.

1 CareerBound will focus on collaboration
2 among schools, businesses, and the workforce
3 system. The local WIBs will establish these
4 partnerships with the local businesses,
5 business-support groups, schools, and other
6 educational institutions such as community colleges
7 and career and technical centers, to apply for the
8 CareerBound program. This partnership will plan a
9 curriculum and submit their proposal to Labor and
10 Industry, which will be approved, and there will be
11 seven pilot programs across the Commonwealth. WIBs
12 will manage the program, and their partners will
13 have the ability to tailor the CareerBound programs
14 to fit the needs of their community.

15 They address the CareerBound curriculum,
16 and this is intended to guide students toward
17 fulfilling family-sustaining careers. All programs
18 must gear its training to the skills needed for
19 L&I's designated high-priority occupations. The
20 high-priority occupations have been in existence
21 for over 10 years here. And through Labor and
22 Industry, they provide jobs -- High-priority
23 occupation is 150 percent of minimum wage with
24 benefits.

25 This curriculum will focus on one of

1 three primary components, all of which are
2 different opportunities by partnering schools and
3 students with local businesses. Earlier exposure
4 is most critical. The sooner the students are
5 aware of careers in the technical, the
6 manufacturing, the technology fields, the better.
7 It gets on their radar screen.

8 The practical exposure will enable the
9 students to gain hands-on experience through job
10 shadowing, training on donated equipment, in-class
11 demonstrations and skill applications. And most
12 importantly, the extended exposure enables students
13 to intern with local businesses and earn wages or
14 classroom credit, helping them to be fully
15 integrated into a professional environment and gain
16 the tangible skills needed to enter the workforce.

17 Funding for this program will be
18 providing the PA businesses the opportunity to
19 contribute to the new CareerBound program and
20 receive tax credits and return for their
21 contributions. Contributing businesses will fall
22 into one of two categories: Business partners who
23 contribute, and they can receive up to 90 percent
24 of their tax credits; and the other contributors,
25 businesses can receive up to 75 percent. This

1 funding structure will be similar to the state's
2 successful EITC program, and an application process
3 for the credit would be developed by the state's
4 Department of Community and Economic Development.

5 The true benefits of CareerBound are
6 career exposure at a young age for students;
7 creating partnerships between local schools and
8 businesses who create jobs; opportunities for
9 internships, apprenticeships, job shadowing, career
10 expos; expanding awareness of more career
11 opportunities in local businesses; and stronger
12 business-school relationships will benefit the
13 employers.

14 One recommendation would be for Labor
15 and Industry to identify best practices from the
16 CareerBound programs and share them with PDE in
17 hopes that they will share these best practices
18 with school districts in Pennsylvania. If the
19 other school districts begin to form relationships
20 with local businesses and establish occupational
21 advisory groups, this program will have been
22 successful.

23 Second recommendation is that, according
24 to the Georgetown University Center on Education
25 and the Workforce, almost one-third of job openings

1 between 2010 and 2020 will require a post-secondary
2 vocational certificate, industry-based
3 certification, some college credits, or an
4 associate degree. I recommend that in all of the
5 CareerBound partnerships include two-year
6 institutions and community colleges in these
7 partnerships. I also recommend including the
8 career and technical centers that provide industry
9 certifications and adult-learning programs.

10 These are two programs -- Just to put
11 things in perspective, I've been around a long
12 time. The CareerBound is very similar to school-
13 to-work type of program and Tech Prep which we've
14 lost through federal funding. This can only
15 benefit and get the word out to the younger
16 students and create that pipeline that's necessary.

17 Thank you for your time.

18 MAJORITY CHAIRMAN SCAVELLO: Thank you.
19 Mr. William Bartle, Education Policy Director.
20 Before you begin, unfortunately, I have to leave.
21 I have a council trustees meeting at ESU in my
22 district so I have to go back. My Vice Chair, Ryan
23 Mackenzie, will take over for me.

24 MR. BARTLE: Good afternoon, I guess,
25 Mr. Chairman and Committee members and staff. I'm

1 Bill Bartle. I'm the Education Policy Director for
2 Pennsylvania Partnerships for Children. For those
3 of you who may not know who PPC is, we are a
4 statewide, independent, nonpartisan and nonprofit
5 child advocacy organization committed to improving
6 the education, health, and well-being of the
7 children in the Commonwealth.

8 Thank you for the opportunity to testify
9 before the Committee today in support of House Bill
10 1725, and I'm going to limit my remarks to House
11 Bill 1725.

12 The bill establishes seven CareerBound
13 pilot programs that allow for the creation of
14 partnerships among students, educators and
15 employers to provide school-to-work programs,
16 including career awareness and work-based learning.
17 This will provide students early exposure to an
18 array of high-priority occupations, and help
19 employers develop a pipeline of future workers with
20 the education and skills needed for the businesses
21 to compete and to succeed.

22 As you heard from a number of testifiers
23 today, there is a shortage of qualified workers in
24 Pennsylvania and across the nation. Many
25 Pennsylvania employers, even in the recent

1 difficult economic environment, have job openings
2 that they're unable to fill because they cannot
3 find workers with the skills to fill these jobs.

4 The U.S. Bureau of Statistics estimates
5 that by the year 2020, the nation will face a
6 shortage of more than 20 million qualified workers
7 for the fastest-growing job sectors, including
8 health care, manufacturing and STEM careers.

9 Today in Pennsylvania, 70 percent of the
10 jobs require post-secondary education; whether that
11 is a two-year degree, a four-year degree, an
12 industry credential, an apprenticeship or technical
13 certification program, or a workforce training
14 program, but some education after high school.
15 Yet, only about half of our current workforce in
16 the Commonwealth possess that level of educational
17 attainment.

18 To compete successfully in today's
19 global, technology-driven economy, Pennsylvania
20 needs a highly-educated, highly-skilled workforce
21 to prepare our young people both in school and out
22 of school for the realities of the marketplace, and
23 to ensure our employers have the pipeline of
24 qualified workers they need, we must ensure that
25 all of our young people have a sound academic

1 foundation, including some post-secondary education
2 and the career and labor market information they
3 need to make informed decisions about their
4 futures.

5 Career and labor market information
6 should include the vast array of occupations
7 available today; what the high-priority occupations
8 are in Pennsylvania; what the education and skills
9 are required to secure those occupations, and
10 pathways that students can take to obtain the
11 required education and skills.

12 There are multiple pathways to a
13 successful career for our young people, only one of
14 which is a four-year bachelor's degree. The job
15 market still has a clear place for those with a
16 four-year degree, but the fastest growing segment
17 of our economy is for highly-skilled, highly-
18 compensated gold-collar workers. Gold-collar
19 workers have job-appropriate skills that are
20 obtained by education beyond high school, but often
21 less than a four-year degree.

22 But too many young people and their
23 families don't know about the jobs of the new
24 economy or the high-priority occupations in their
25 region. They don't understand the day-to-day

1 activities associated with jobs. They don't know
2 what level of education they need to secure the
3 jobs, or how and where to get the necessary
4 education or, quite frankly, how to pay for it.

5 Clearly, it is critically important for
6 both in-school and out-of-school young people to
7 participate in meaningful career awareness and
8 work-based learning experiences so they can
9 explore careers and gain exposure to the world of
10 work. This will provide students the information
11 they need to make informed decisions about a career
12 path.

13 Providing these experiences to young
14 people can also help keep them in school and on
15 track to graduation, or re-engage those young
16 people who have already dropped out of school, by
17 connecting the relevance of what they're learning
18 in the classroom to their future life success. It
19 also helps to motivate students to pursue
20 post-secondary education to obtain the education
21 and skills they need to achieve their career goal.

22 An important aspect of the CareerBound
23 program is the inclusion of a continuum of
24 work-based learning activities for students from
25 middle school through high school. This begins

1 with early exposure, career awareness activities
2 such as career presentations, workplace tours,
3 field trips, career fairs and career clubs to
4 inform young people about the high-priority
5 occupations available today.

6 Then in late middle school or early high
7 school, career exploration activities that provide
8 young people the opportunity to learn more about a
9 high-priority occupation that is related to their
10 individual career goals are provided. These
11 activities such as job shadows and career
12 mentoring, students work with workplace
13 professionals and participate in developmentally-
14 appropriate, hands-on work experiences.

15 And finally, career preparation
16 activities, such as internships and apprenticeships
17 are provided to high school students to gain
18 in-depth knowledge about a high-priority career
19 through a monitored work experience, in which a
20 young person links skills used in the workplace
21 with his or her academic learning.

22 PPC has appreciated the opportunity to
23 work closely with staff on the development of this
24 legislation. We would like to end our testimony by
25 sharing a few ideas for some minor improvements

1 which could be made to House Bill 1725.

2 First, PPC believes that the curriculum
3 for the pilot program should be aligned to
4 Pennsylvania's career education and work academic
5 standards. These standards describe the knowledge
6 and skills which students will be expected to know
7 and be able to demonstrate at specific grade
8 levels. Therefore, it makes sense to ensure the
9 pilot's curriculum adhere and align to these
10 standards.

11 Secondly, the language should be clearer
12 that the Workforce Investment Boards are
13 responsible for convening the school and business
14 partners. I think the whole process of convening
15 and managing these partnerships is a key component
16 to the success of the pilot programs. And adding
17 this language will ensure there is a clear
18 expectation of which entity is responsible for the
19 organization and assembling of partners to meet the
20 pilot goals.

21 Next, PPC recommends language to require
22 the Department of Labor and Industry to coordinate
23 information to employers and to schools to help
24 them create effective career awareness and work-
25 based learning experiences. I've seen where a

1 business may decide that they will to a job shadow
2 or take an intern, and they aren't prepared for
3 that student to come into their place of business.
4 It really ends up not necessarily being that
5 effective of an experience for the student.

6 The PPC over the last few years
7 developed a free-tool kit that is on our website
8 that provides how-to information to help employers
9 really conduct meaningful work-based learning
10 opportunities for students.

11 And finally, we recommend the pilot
12 application to Labor and Industry include clear
13 objectives, measurable goals and a timeline for the
14 project. This will provide a clear path for pilot
15 programs to follow, and for Labor and Industry to
16 hold pilots accountable.

17 I appreciate you taking these suggestion
18 into consideration for the opportunity to testify
19 today. We are pleased Representative Mackenzie
20 introducing such legislation and that the Committee
21 is studying it. We believe the pilot will help
22 both the students and businesses and provide
23 valuable information for making future progress in
24 ensuring all Pennsylvania youths are college and
25 career-ready when they graduate from high school.

1 Thank you.

2 REPRESENTATIVE MACKENZIE: Great. Thank
3 you, gentlemen, for your testimony. We do have
4 several questions. We will start off with
5 Representative Donatucci.

6 REPRESENTATIVE DONATUCCI: Thank you.
7 And I'm going to plead ignorance before I ask these
8 questions because I am a little confused, because
9 I'm hearing so much about Pennsylvania,
10 Pennsylvania, and very little about Philadelphia in
11 Pennsylvania. I know that we have a huge union
12 force in Philadelphia. I know a lot of these jobs
13 are probably union apprenticeships in Philadelphia.
14 Am I correct in assuming that?

15 DOCTOR GERITY: Same in Pittsburgh.

16 REPRESENTATIVE DONATUCCI: Same in
17 Pittsburgh, okay, because I'm not hearing too much
18 either way. One of my questions, and I believe it
19 was your testimony, I'm not sure, about the WIBs
20 being involved in it, and they can be involved I'm
21 seeing because I was going to ask, can they be
22 involved. It was already said that they could.

23 My question is, are they going to
24 receive or need additional funding to participate
25 in an administrative oversight of CareerBound or

1 PA Wins?

2 DOCTOR GERITY: That has to be
3 determined by Labor and Industry on how the funds
4 will be utilized; eligible.

5 REPRESENTATIVE MACKENZIE: I can answer
6 part of that for you, Representative Donatucci.
7 House Bill 1725 does fill out a portion of the
8 funds that would be generated through the tax
9 credits would be allocated for administrative needs
10 for the WIBs. So that is already included in the
11 legislative language.

12 REPRESENTATIVE DONATUCCI: So my next
13 question is, are the WIBs not being, like they're
14 not effective?

15 ACTING CHAIRMAN MACKENZIE: No. I think
16 we're going to hear from the WIBs in the next
17 presentation here. I think they certainly are
18 being effective. I think this just gives them
19 additional resources to amplify some of the
20 successful offers they are undertaking.

21 REPRESENTATIVE DONATUCCI: I will
22 comment that hearing all the testimony I heard so
23 far, I think all of us need to have career fairs to
24 let people in our districts know that all these
25 jobs do exist. Is there a problem in Philadelphia

1 or Pittsburgh with filling these jobs? Like, is it
2 the way it is across the state, or are we pretty
3 much in control of people taking these jobs in the
4 cities?

5 DOCTOR GERITY: There's difficulty in
6 finding the right skills set for jobs, especially
7 manufacturing and technology-based businesses. In
8 southwestern Pennsylvania, with the emerging
9 natural gas industry, there's going to be thousands
10 of new jobs that will be created, and we have to
11 prepare and find people with that skill sets. In
12 addition to people who will be retiring and leaving
13 the workforce on a regular basis over the next 10
14 years, there's a major challenge there.

15 REPRESENTATIVE DONATUCCI: Because I
16 have a very large refinery in my district.

17 DOCTOR GERITY: Yes.

18 REPRESENTATIVE DONATUCCI: Thank you.

19 ACTING CHAIRMAN MACKENZIE:

20 Representative Donatucci, it did come to mind, also
21 in the language of the bill, as far as the
22 administrative dollars go, it's 5 percent of the
23 funding. That's in line with other practices; for
24 instance, Industry Partnerships here in
25 Pennsylvania which is another existing model that's

1 utilized that has that 5 percent administrative
2 dollar cap as well. Great.

3 Moving on. Next question comes from
4 Representative Truitt.

5 REPRESENTATIVE TRUITT: Thank you, Mr.
6 Chairman. I still feel like I'm in an Education
7 Committee hearing here; not Labor and Industry.
8 This is a great merging of those two areas. I'll
9 start with Doctor Mayo. I think you probably know
10 where I'm going already because I asked the
11 question earlier.

12 Can you tell me a little bit about how
13 your school district perceives the technical
14 schools? Do they perceive them as competition or
15 partners or -- I mean, can you describe the nature
16 of that relationship there? I'm wondering how your
17 school district markets these options to its
18 students?

19 DOCTOR MAYO: The LCTI is a vital
20 partner for our kids; particularly our clientele of
21 kids in the inner cities. They're very effective
22 in what they do. I was thinking a little bit
23 earlier as I was listening to the testimony that it
24 would be very hard--Chairman Scavello is gone--but
25 his reference to putting things back in the high

1 school.

2 There would be no way we could possibly
3 fund the level of skills that kids are taught at
4 LCTI and the equipment that is congregated out
5 there in that one place that benefits 12, 13
6 different school districts with our budget and our
7 economic situation. In an urban center, you'd
8 never have anything close to that in a high school.
9 Maybe at some of the suburbs would.

10 They're partners. They're important
11 partners with us. We actually have 47, 48 percent,
12 I think it is, of the kids in LCTI are from our
13 school district alone, so we don't see them as
14 competition at all. In fact, probably we have, I
15 think, maybe as high as 200 kids there in the
16 all-day program.

17 REPRESENTATIVE TRUITT: How do students
18 in your school district find out about LCTI? Is
19 that something that you actively push out to them,
20 or you tell them about it? I got the impression
21 from the earlier testimony it's almost like they
22 find out about it through word of mouth or
23 whatever.

24 DOCTOR MAYO: That's the interesting
25 thing about testimony. It's an education for me

1 setting here listening to it, too, because we're
2 all looking at it through different lenses, of
3 course; some of which are foreign to others as
4 they're listening.

5 Our kids know about LCTI. They know
6 well about it. They do have this somewhat of a
7 stigma in their minds about some of it, just like
8 kids do in every school district I've been in. But
9 a large number of our kids go out to LCTI. As I
10 mentioned, almost half of the kids out there are
11 from Allentown School District alone.

12 We're still trying to deal with making
13 sure they know about the program. Counselors,
14 people from LCTI in the spring annually visit
15 during class signup for the next year when kids are
16 registering for their courses for the next year.
17 There have been some tours; buses that we've
18 carried kids out to actually see it firsthand.
19 There's quite a bit that goes on even beyond what I
20 know. I just happen to know of those two things in
21 particular.

22 There's a great deal of active
23 recruiting in our district, in part, because I
24 believe the folks at LCTI also know that the
25 potential is very great in the Allentown School

1 District for having kids come out and benefiting
2 and taking advantage of these jobs.

3 REPRESENTATIVE TRUITT: The school tours
4 they were mentioned earlier, do the parents usually
5 come along on those tours as well, or is it just
6 the students?

7 DOCTOR MAYO: It's just the students
8 because it's usually done during a school day when
9 we have the students. Parents are at work, so it's
10 very difficult in our particular situation. A lot
11 of our parents have two and three jobs. They're
12 working so they can't get away.

13 The thing that is done with career
14 awareness through our Graduation Initiative Grant
15 is a program we do at LCTI where kids come out for
16 a day that are seniors and sometimes juniors, and
17 they are given an opportunity to talk a variety a
18 of recruiters, industry recruiters, at Lehigh
19 Carbon Community College.

20 There's quite a few things that go on
21 that probably the Committee is not aware of, of
22 course, because you wouldn't be in the day-to-day
23 operations of it. In fact, there's enough going on
24 that I'm not sure I'm aware of all of it. Our
25 district is the third largest urban in the

1 Commonwealth, and we're 17,000 kids. For me to
2 know every detail of what's being done is a
3 challenge.

4 But, there's a great deal of recruitment
5 that goes on, and there's word of mouth from
6 student to student also. Personally, we'd like to
7 see more of our kids taking advantage of it, and we
8 continually work toward that.

9 Just a casual observation about this
10 culture of college thing. Over the years,
11 sometimes I go in elementary classrooms and a part
12 of just talking with the kids, you ask, who's going
13 to college? Everybody will raise their hand. We
14 all know that's not true. We don't know who will
15 and who won't at that point, but we know that's not
16 true. But that shows you how part -- how much --
17 part of the thread and fiber of our culture, this
18 idea you're going to college. But that's changing.
19 It's slowly making a shift here, but it's not
20 shifting fast enough.

21 REPRESENTATIVE TRUITT: That's a perfect
22 segue to my last question, which is kind of for all
23 three of you. I see the same thing. Families are
24 pushing their kids to go to college. I have two
25 boys that are approaching college age, and I just

1 always assumed they're going to go to college.

2 It's probably a bad assumption that whole time.

3 I'm wondering at what point do we get
4 parents involved, and let children know that when
5 they're in middle school, you've got these
6 different opportunities out there. You could go
7 and spend four years in college. And depending on
8 what degree you come out with, you can end up
9 making a lot less money than if you just pursued a
10 technical career. I don't know when --

11 I feel like we're reluctant to push kids
12 these days in any specific direction. We want them
13 to find what's best for them on their own so we
14 don't push them, and we kind of missed that window
15 when we should have, maybe, given them some advice
16 about maybe college isn't right for you. You might
17 want to consider this, and college as a backup or
18 something like that.

19 DOCTOR MAYO: And you have to be careful
20 with that. Even as educators, we try to be careful
21 about not trying to play God on this thing and tell
22 you, you really ought to do this, because that's
23 part of the problem we've had for the last couple
24 generations is, we start pigeonholing you based on
25 your grades, your attendance or whatever. What if

1 that's a stage? Kids go through stages. You know
2 what I'm saying? They come through those things
3 and -- So you have to be really careful about
4 giving that advice.

5 I agree with you, you have to leave it a
6 little bit open-ended, which is why I would
7 emphasize with this bill and other career kinds of
8 opportunities that -- serious look is taken at
9 what's being done in middle schools because the
10 consent of a middle school is exploratory. It's
11 certainly the fundamentals, the three R's, but it's
12 also transition period in the life of a child
13 between the childhood and the teen years. It's a
14 wonderful opportunity to help them discover what
15 are the things, the skills, the kinds of things out
16 there you might like so that they, in fact, by high
17 school or at least by 10th grade, say, can hit the
18 ground running. We do tend to focus a lot on high
19 school because of age and tradition and a variety
20 of things. But there also needs to be a focus on
21 catching them much earlier; at least catching their
22 imagination with what they would want to do.

23 Just a quick observation relating to the
24 college thing, too. I think there's an advantage
25 here in this bill, as well as this across the

1 country kind of push for career education. It's
2 like a second push it seems to me. We just come
3 through a very difficult economy. The urban school
4 districts haven't come through it yet. We're out
5 of the recession officially as of June '09. I'm
6 still trying to figure out how we determine that.

7 The fact that so many college-educated
8 folks are out of jobs or couldn't get them when
9 they came out of college, they still owe their
10 loans. And these opportunities; these gold-collar
11 opportunities are great opportunities for folks.
12 That's gonna help make that shift, I think; that
13 paradyne shift from this culture of college to the
14 culture of customized careers, which can include
15 college.

16 Unfortunately, in society, we've looked
17 at the two as mutually exclusive. One doesn't have
18 anything to do with the other, when, in fact, there
19 could be a seamless operation going on from high
20 school into business and industry, or into college
21 and then business. You see what I'm saying? It's
22 not, you go this way or this way. You can go that
23 way and end up at similar places.

24 REPRESENTATIVE TRUITT: Very good. Do
25 you want to add something?

1 MR. GERITY: Just that there's an
2 interesting fact that Westmoreland Community
3 College we have 25 percent of the students enrolled
4 have bachelor's degrees and were unable to find any
5 family-sustaining job, and they come back to engage
6 in occupational education. Our enrollment has 60
7 percent involved in occupational education and 40
8 percent in the transfer to the four-year
9 institutions. That's very common across the
10 country with community colleges enrollments.

11 MR. BARTLE: And I just recently, from
12 the Department of Labor and Industry, saw data on
13 the educational requirements for the jobs in
14 Pennsylvania and the educational attainment level
15 of our workers. If you look at that, you see the
16 four-year degree or better, we have a few more
17 people with that degree than we do jobs for that to
18 fill. When you look at the two-year industry
19 credential of some college, we have not that many
20 people and lots of jobs. There's a lot of
21 opportunity there.

22 Then when you look at a high school
23 degree or less only, we've got a substantial number
24 of folks with that credential level and very few
25 jobs that don't necessarily pay family-sustaining

1 wages or offer benefits.

2 But, the other thing to look at along
3 with that data is the average Pennsylvania earnings
4 by educational attainment level, and that kind of
5 tells a different story, because the more you
6 learn, the more you earn. They just kind of go
7 down from the advance degrees, earn the most, then
8 bachelor's degrees, then some college, then high
9 school and then less than high school.

10 REPRESENTATIVE TRUITT: We still have
11 kind of an unclear answer as to when's the right
12 time to start pushing a kid in a certain direction.

13 DOCTOR MAYO: I can give you the answer.
14 There isn't one. I mean, that's the truth. It
15 depends on the child; it depends on the
16 circumstances. That's the challenge of any of
17 these things. Some of this -- This bill will apply
18 to some kids; it won't work for others. There's no
19 silver bullet that's going to apply to the whole
20 population of kids.

21 But, there really isn't an answer to
22 say, there is a certain point at which you do it.
23 I think middle school you start trying to get them
24 to focus, or at least look at these five things
25 based on whatever you've observed as a parent or a

1 guardian as to their interest.

2 REPRESENTATIVE TRUITT: I'm probably one
3 of the last people in the General Assembly that
4 would encourage us to become more like Europe. But
5 in Europe they do start much earlier to push kids
6 in certain directions --

7 DOCTOR MAYO: Yes.

8 REPRESENTATIVE TRUITT: -- and I
9 sometimes think about the potential upside of that.

10 DOCTOR MAYO: In fact, I made the
11 observation to staff yesterday as they were
12 briefing me on some of this and I was preparing
13 comments that this is -- some of what we're looking
14 at in Allentown and moving toward, which is
15 consistent with this, is not different from the
16 German structure where they have the gymnasium, and
17 then they have a technical kind of track, and they
18 do it 7th and 8th grade. At least they did. I
19 haven't looked at it in the last few years.

20 They go ahead and commit one way or the
21 other. They make strong recommendations to parents
22 and kids about it, which that has traditionally
23 flown in the face of our Democratic society and our
24 free choice and free will.

25 REPRESENTATIVE TRUITT: Thank you.

1 ACTING CHAIRMAN MACKENZIE: Thank you,
2 Representative Truitt. Next up, Representative
3 Evankovich.

4 REPRESENTATIVE EVANKOVICH: Thank you,
5 Mr. Chairman. Very briefly, a question for Mr.
6 Gerity. I'm not sure how much experience you have
7 with dealing directly with the WIBs in Westmoreland
8 County, but I think a fair amount. We've heard
9 this industry partnership program brought up
10 several times today. Is it a program that you're
11 intimately familiar with locally in Westmoreland
12 County? Is it something that is utilized?

13 DOCTOR GERITY: Yes, I'm aware of it. I
14 was around when the program started. And,
15 unfortunately, it's lost a lot of the funding that
16 the Industry Partnerships have had. Some have been
17 very successful. And due to the fact that they're
18 not funded at a good rate, they -- one of the
19 problems we've had as being engaged as a training
20 provider where the WIBs in southwestern
21 Pennsylvania rely on private vendors over the
22 community colleges and the CTCs.

23 REPRESENTATIVE EVANKOVICH: So your
24 interpretation is that, when you did see the
25 industry partnership programs in place, it tended

1 to go towards the private vendors rather than the
2 community colleges? Is that what I --

3 DOCTOR GERITY: In southwestern
4 Pennsylvania, yes.

5 REPRESENTATIVE EVANKOVICH: Okay. Thank
6 you.

7 REPRESENTATIVE MACKENZIE: Thank you,
8 Representative Evankovich. Very quickly. I do
9 want to thank Doctor Mayo for coming today. Part
10 of the genesis of CareerBound and this idea and
11 this legislation came about after a visit. I
12 joined the folks from the Workforce Investment
13 Board that we're going to hear from shortly, but
14 attended CareerFORCE as it's called at Allen High
15 School. The stories that the students told, who
16 were so passionate about what they had learned at
17 CareerFORCE and how they were going to improve
18 themselves and their lives was very moving.

19 That program is one of the things we do
20 want to highlight and amplify across the state. If
21 you can, just be, very briefly, Doctor Mayo, about
22 the funding for that program and how long you have
23 that funding for and what happens when that funding
24 does expire?

25 DOCTOR MAYO: I might have to get a

1 little help from Mr. Falco here and Nancy because
2 she's involved in this, too. I can tell you,
3 there's a handout that was supplemented with my
4 remarks.

5 We have three staff folks involved in
6 the college and career centers in both of our high
7 schools. You see a description there of their
8 responsibilities. There's a number of activities.

9 The Graduation Initiative Grant is now
10 three years old, is it Keith? We're in our fourth
11 year and we have one more year of it. And it is
12 how many million? \$2.4 million, and that's from
13 the federal government. We think it's been very
14 effective, and you've heard some of the testimony,
15 as you mentioned from the kids when we were going
16 through there.

17 It's a hands-on. It's a station right
18 there where the kids can be sent. They can be
19 counseled, et cetera. It's not a traditional
20 counseling kind of situation, which I'm afraid
21 we've fallen into a rut sometimes with our
22 counseling. We get used to signing kids up. It's
23 time for you to look at college applications, et
24 cetera. This takes it out of that kind that
25 routine. You saw how the center is decorated with

1 pendants from all the colleges; career
2 opportunities are listed on the computer. It's a
3 pretty elaborate situation for the kids that we're
4 really proud of.

5 I appreciate Mr. Falco's effort. He's a
6 former high school principal, so he knows exactly
7 what you've got to do and what you've got to make
8 happen with the high school kids to get them
9 focused on those things.

10 ACTING CHAIRMAN MACKENZIE: And I
11 appreciate that. To Representative Donatucci's
12 point earlier, this is something that can really
13 help the urban areas. As you mentioned, you're the
14 thirteenth largest urban school district in the state.
15 The grant that you received is actually a drop-out
16 prevention grant.

17 DOCTOR MAYO: That's correct.

18 ACTING CHAIRMAN MACKENZIE: That is a
19 very helpful and successful tool that we can
20 utilize if we continue that at the state level,
21 because, obviously, federal dollars are tight. We
22 can help prevent dropouts in especially those urban
23 areas where it's a prevalent problem.

24 Thank you for the work you've done, and
25 thank you for coming to testify. I appreciate all

1 three of the gentlemen's testimony. Thank you.

2 DOCTOR MAYO: Thank you.

3 ACTING CHAIRMAN MACKENZIE: Next up we
4 have the Workforce Development representatives. We
5 have Jessie McCree from the Pennsylvania Workforce
6 Development Association; Nancy Dischinat, Executive
7 Director of the Lehigh Valley Workforce Investment
8 Board; and Scott Sheely, Executive Director of the
9 Lancaster County Workforce Investment Board.

10 Mrs. Dischinat, if you would like to
11 start first.

12 MS. DISCHINAT: Good afternoon members
13 of the Pennsylvania House Labor and Industry
14 Committee. I respectfully acknowledge our Lehigh
15 Valley legislator, Representative Ryan Mackenzie.
16 Thank you so much for all you do for us. I'm Nancy
17 Dischinat. I'm Executive Director of the Lehigh
18 Valley Workforce Investment Board. And on behalf
19 of the Lehigh Valley Board, we're pleased that
20 you're holding this session on innovative House
21 Bill 1725 and 1878, although I'll not be commenting
22 at length on 1878 since our association, the
23 Pennsylvania Workforce Development Association will
24 be providing testimony shortly, as did our
25 workforce partners from Lehigh Career and Technical

1 Institute. We are partners with them.

2 First I'd really like to say thank you,
3 because we asked you and you delivered. On July
4 31st, 2012, I testified before the House Public and
5 Policy Committee, along with our business partners
6 from B. Baun Medical, Nestle Waters North America
7 and ABEC, Incorporated and made an important
8 request for one of you to step forward to be a
9 champion and introduce legislation that would
10 propose that every high school in Pennsylvania be
11 staffed with a youth workforce coordinator under
12 the auspices of the Workforce Investment Board; to
13 provide students with real-time career exploration
14 and awareness, career pathways development,
15 identifying current and future skill gaps, training
16 demands and high-priority occupations, and to be a
17 continuous link to business and industry.

18 It's my pleasure to provide input from
19 business, education, economic development and
20 community leaders through a 46-member private
21 sector-led Workforce Investment Board on House Bill
22 1725. To educate, inform and get members of the
23 business community knowledgeable about this
24 legislation, we have already engaged the Greater
25 Lehigh Valley Chamber of Commerce, which is the

1 largest chamber in Pennsylvania, and the ninth
2 largest chamber in the United States with over
3 6,000 members. The chamber is an important example
4 of the relationships WIBs have with the private
5 sector in identifying current and future jobs, the
6 skills gaps, and the education and training
7 required for Pennsylvania's current workforce and
8 their future pipeline.

9 The workforce system is already under
10 the administration of the Department of Labor and
11 Industry, and really will be empowered by House
12 Bill 1725 to further develop innovative school-to-
13 work programs and initiatives. Many relationships
14 built through a regional career education
15 partnership that was around around 2005 can easily
16 be reinstated to provide the infrastructure for
17 WIBs to work with the educational system across
18 Pennsylvania, and many of us already are.

19 For example, the Lehigh Valley has a
20 business education partnership as a subsidiary of
21 the WIB and is currently working within the halls
22 of education funded through member contributions
23 and with EITC tax credit resources. We were
24 designated an as improved EITC tax organization by
25 the Department of Community and Economic

1 Development, and we have three youth initiatives
2 already on the EITC tax-funding list. Just last
3 week, Air Products, PPL and UGI provided EITC tax-
4 credit resources to fund some of our school-to-work
5 initiatives. Tax credits do work. We are proof.

6 WIBs have been educating our
7 communities and our educational partners for years
8 on high-priority occupations on real-time jobs, on
9 labor market information, occupational and career
10 pathways, connecting youth to work experiences,
11 linking business and industry to education,
12 providing in- and out-of-school youth programming
13 and serving as an operator of the state's workforce
14 system called PA CareerLink. House Bill 1725 will
15 provide WIBs with the funds to implement, support,
16 and sustain innovative school-to-work programs
17 outside the mandates of the Workforce Investment
18 Act and other state programming.

19 Building on the collaborative
20 partnerships already developed by WIBs, this
21 legislative authority to enter education with the
22 resources, innovative strategies, and the strong
23 business support we already have is a solution to
24 channeling the workforce pipeline into high-
25 priority occupations as defined by employer base.

1 And hallelujah on providing schools with
2 the funds through tax credits to develop a relevant
3 and rigorous curriculum. Legislators, every
4 curriculum coordinator in the State of Pennsylvania
5 should be required to work in concert with a team
6 of private sector members to help frame a
7 curriculum; to expose students to high-priority
8 occupation through job shadowing and tours and
9 field trips and practical knowledge needed for work
10 in these occupations.

11 This legislation will give us some tools
12 to continue to partner with industry leaders, to
13 strengthen existing educational partnerships, and
14 to create new business education partnerships
15 statewide, especially through a proposed multi-
16 programming cycle fueled by tax credits.

17 House Bill 1725 will allow WIBs across
18 Pennsylvania to seed business education
19 partnerships and youth career awareness programming
20 like Lehigh Valley's B. Braun Medical partnership
21 with Catasauqua High School, and its 45-day
22 awareness course where they literally go into the
23 high school; teach the students and have the
24 students come to their facility and learn what
25 happens on a manufacturing floor.

1 WIBs can build on strategic initiatives
2 like the Lehigh Valley Rotational Internship
3 Network pilot with Nestle Waters, B. Braun Medical
4 and Dynalene and ATAS International, who are
5 sharing a cohort of career and technical students
6 right now from Lehigh Career and Technical School,
7 giving these young learners direct and practical
8 electro-mechanical experience right in the
9 manufacturing plant, creating a rigorous, relevant,
10 credit-based and hands-on learning experience, and
11 they're paying them \$12 an hour, also.

12 CareerBound will provide tax credit
13 resources to develop and sustain career awareness
14 programming across Pennsylvania similar to Lehigh
15 Valley WIBs' youth workforce coordinators stationed
16 at high schools in the Allentown and Bethlehem
17 School Districts and at Lehigh Career and Technical
18 Institute.

19 In the Allentown School District, a
20 youth workforce coordinator is known as the jobs
21 lady. She's funded by the U.S. Department of
22 Education High School Graduation Initiative, and
23 she provides employability skills, connection to
24 business and work experiences, career pathways, job
25 and labor market information, training options in

1 high-priority occupations, linkages to community-
2 based organizations and much more. And oh, yes.
3 She helps students find a part-time job so they can
4 stay in school; all, of which, Representative
5 Mackenzie has certainly observed many times
6 firsthand.

7 We have been instrumental in embedding
8 the PA Academic Standards for career education and
9 work into the school districts through many
10 programs like CareerLinking academies funded
11 through the EITC tax program; a comprehensive
12 career exploration program that includes business
13 and education tours, work readiness development,
14 career pathways planning; providing more than 4,000
15 students with the solution to the constant
16 complaint that young adults do not have the
17 employability skills needed to be successful in the
18 global marketplace.

19 We're pleased that CareerBound will
20 provide tax-credit funding to support innovative
21 career awareness programs. WIBs are more than
22 happy to share our successes; share how we measure
23 our accomplishments and overcome the challenges in
24 making a career-bound model a success throughout
25 Pennsylvania.

1 In these times of fiscal constraints
2 when there is great need to increase efficiency and
3 eliminate duplicative programs, we must move
4 towards integration of services rather than
5 creating a new bureaucracy. I thank you for your
6 confident in naming WIBs in this legislation to
7 implement this innovative school-to-work vision.
8 Thank you.

9 ACTING CHAIRMAN MACKENZIE: Thank you.
10 Representative Evankovich commented on your energy,
11 Ms. Dischinat, and that is to be commended. I am
12 always excited to see that energy and passion when
13 I'm in the Lehigh Valley as well. So thank you for
14 coming today.

15 REPRESENTATIVE EVANKOVICH: It was a
16 positive comment, by the way.

17 MR. SHEELY: Nancy is a tough act to
18 follow. Good afternoon, and thank you for the
19 opportunity to testify about the CareerBound
20 legislation that's currently being considered by
21 the Committee. I'm Scott Shelly, Executive
22 Director of the Lancaster County Workforce
23 Investment Board.

24 I want to make sure that you understand
25 that I am here representing two roles today. One

1 is as the Executive Director of the Lancaster
2 County Board. In that capacity, I oversee the
3 operation of the public workforce system in
4 Lancaster County in close collaboration with a
5 private sector-led board of directors that
6 represents the diversity of industry in our region.

7 But secondly, I'm also the current Chair
8 of the Pennsylvania Workforce Development
9 Association. In that role, I represent the
10 interests and concerns of the entire workforce --
11 public workforce system of the Commonwealth, and
12 actually, I'm trying to reflect some of the
13 comments from our members across the Commonwealth
14 in the testimony.

15 Parenthetically, I've been a workforce
16 practitioner for more than 12 years; making the
17 transition from running our family wholesale
18 distributorship. I've been in the private second
19 for the 12 years before that.

20 Most of the time I've been involved with
21 workforce, I have also been engaged in using a
22 sector or a cluster approach. I'd love to talk to
23 the Representative about his concerns about cluster
24 concept. But using that in the economic and
25 workforce development world in which I work every

1 day. Ultimately, I'm a sector-oriented
2 practitioner of workforce development because it
3 works, a fact that I believe has relevance to the
4 legislation at hand and to other legislation being
5 considered by the Committee.

6 As the Executive Director of Lancaster
7 County Workforce Investment Board, I couldn't agree
8 more wholly with my colleague Nancy from the Lehigh
9 Valley, and the others who have presented written
10 testimony about the overwhelming need to engage
11 young people in career pathways that lead to
12 family-sustaining jobs, and which keep the talent
13 pipeline flowing to the employers that are part of
14 our regional economies.

15 There is no doubt in my mind that the
16 skills gap about which we hear from employers is
17 very real, and will no doubt get worse as companies
18 suffer through the gradual retirement of the baby
19 boom work force, which is already happening. There
20 will be a huge talent gap that threatens the
21 competitiveness of companies in the Commonwealth in
22 the global marketplace. I think here we need to
23 understand that this is not an education issue so
24 much as an economic development competition issue,
25 which really makes economic development an

1 important part of the considerations for this
2 legislation.

3 For me, the CareerBound legislation is
4 the right legislation at the right time. I believe
5 that all of us in the public workforce system in
6 Pennsylvania can get behind the problematic goals
7 of CareerBound.

8 In my role as Chair of the Pennsylvania
9 Workforce Development Association, however, I would
10 like to offer some ideas about how to make the
11 proposed legislation stronger and more adaptable to
12 the current system. First of all, career pathways,
13 which is actually the counter point to cluster
14 concepting, really depend on a broad group of
15 partners that typically include education and
16 others.

17 To that end, we suggest that the
18 definition of school partner, which is page 2, line
19 29, at least of the version that I had, be expanded
20 to include technical and community colleges and
21 other institutions of higher education. There's
22 such variety in the various areas that we need to
23 make sure we have the whole array of education
24 partners at the table.

25 Secondly, the collaborative arrangements

1 suggested by the legislation are very local, if you
2 really look at them. They will develop with unique
3 sets of actors and address issues that are specific
4 to the local area. Because of that, we suggest
5 that expecting the department, which is page 7,
6 line 2, to administer these local projects is
7 probably not going to be workable. We suggest a
8 tier approach where the Department of Labor and
9 Industry oversees the local partnerships which, in
10 turn, manage the local relationships that would be
11 more compatible with the way the system works
12 currently, really keeping the focus local in terms
13 of the relationship building.

14 In looking over the legislation, we also
15 did not see a set of metrics upon which decision
16 makers will rely upon to determine whether the
17 proposed pilot program will be successful. We
18 propose that those metrics need to be determined at
19 the beginning of the project by the department and
20 in consultation with local business and workforce
21 leaders so that we kind of know what we're shooting
22 for down the line.

23 A few of us have had experience with tax
24 credit funded program such as the Educational
25 Improvement Tax Credit, but for the most part the

1 public workforce system, the people do that day in
2 and day out, are really unaware of the requirements
3 of this kind of funding mechanism. We suggest, and
4 whether you do that in the legislation or in some
5 other way, that before a request for a proposal is
6 released, that there be some sort of technical
7 assistance to the staff people who are a part of
8 these Workforce Investment Boards around the
9 Commonwealth just to kind of even the playing field
10 in terms of people's knowledge about how tax credit
11 programs work.

12 We also want to call the attention of
13 the Committee to the idea that a tax-credit funded
14 program tends to favor those communities that have
15 a larger business base than others. The larger the
16 concentration of businesses, the more potential to
17 raise donations for CareerBound programs and tax
18 incentives. While that may be very good for metro
19 areas, for some of our more rural areas, that may
20 be a problem in terms of their actual access to the
21 funding stream.

22 To that point, there is a question of
23 equity in the disbursement of the tax-credit funds
24 that are available. It would be very easy for a
25 larger metro with lots of employers to gobble up

1 more than their share of the funds available. So
2 the question is, is there any notion of an
3 equitable distribution of funds, or will the
4 distribution be competitively based? I think we
5 can all go with either one. It's just people need
6 to know up front kind of where they are and what to
7 expect.

8 So, in general, I think we like the
9 project and would be happy to provide additional
10 feedback as it moves forward to implementation.

11 I also have a few comments on the Wins
12 bill as well, if that's okay. In the sense that
13 this is a program that's also funded using tax
14 credits, and many of the same issues and concerns
15 we raised in the earlier testimony would also
16 apply.

17 The additional concern, and
18 this gets a little bit into the weeds, but, would
19 be, if the contribution of a company toward the
20 program applies that that contribution can only be
21 used for that company rather than for the good of
22 the Cooperative Workforce Investment Partnership as
23 a whole; if this is the case, it significantly
24 changes the focus of training away from the model
25 of the shared training, which has really been the
model that we have used over the last 10 to 12

1 years for these kind of regional training
2 partnerships. It goes back to a more customized
3 job-training model or rather training for just one
4 company.

5 Again, theoretically, what we have been
6 trying to do is raise the skills of the pool of
7 manpower; not just the skills of one company.

8 There is a significant, kind of philosophical
9 difference here in terms of where this might take
10 us. A move in this direction takes us away from
11 these local goals of upgrading a skill pool and not
12 concentrating on the needs of just one company.

13 This change in policy would be contrary to our
14 experience, and the best practices identified with
15 sector work nationally which says that shared
16 training, which fits directly into the intent of
17 the CareerBound program, really should be our
18 focus. I'm not sure how to fix that, but we raise
19 that as a question going forward.

20 We also believe that we need to see a
21 program that is proposed in the context of a larger
22 workforce system which has used a similar service
23 and delivery model for years as a tool for business
24 engagement. There's a bigger role here for these
25 locally-defined and employer-driven collaborations

1 than just training to the point of economic
2 development and all the rest of it. And again,
3 we've heard a lot from educators today, but there's
4 a bigger piece to this. There's more of a context.
5 And to have the economic development folks weigh in
6 would be really, really good.

7 Our experience over the years is that
8 these partnerships evolve into vehicles to address
9 not only skill development needs, but also a wide
10 array of economic issues which several of the
11 partnerships around the Commonwealth over the years
12 have been into; things like increasing exports,
13 enhancing supply chains, encouraging
14 entrepreneurship and a variety of other more
15 traditional economical development roles. Again,
16 if you see it in a broader context, you kind of see
17 the other applications and the other connections
18 that this kind of legislation would make to the
19 bigger picture.

20 The question is whether you, in the
21 Commonwealth, see these functions as important and
22 willing to include them in the mission of these
23 local groups. Including them in the plan
24 ultimately involves whether the program will allow
25 those functions to be funded with the kind of tax-

1 credit support that you're envisioning.

2 A related question involves the amount
3 of time it takes to organize these local groups.
4 They are considerable sales organizational and
5 administrative duties involved in the draft
6 proposal. I think you kind of answered that
7 earlier today, will the program provide a way to
8 pay for the time involved in these functions? It
9 is labor intensive to get these things done.

10 Finally, a question was raised earlier,
11 why reinvent the wheel Industry Partnerships in
12 Pennsylvania which began under the Ridge-Schweiker
13 administration and moved through the Rendell
14 Administration and have been recognized nationwide
15 as best practices examples of sector work. Even
16 after budget cuts, there are still more than 30
17 Industry Partnerships around the Commonwealth; some
18 funded through the Department of Labor and
19 Industry, and some funded through the contributions
20 of the industries that they serve with no monies
21 from the Commonwealth.

22 Would it be possible to add tax-credit
23 funding to the funds already committed by the
24 legislature to create a larger funding pool? This
25 is similar to an idea presented earlier in

1 testimony, and not reinvent a structure and
2 programming that has been working for more than a
3 decade. I know the Representative was talking
4 about people he has talked to has never been heard
5 of it. We'd be happy to introduce you to some
6 people who really have heard of it. I'm sure Nancy
7 would do the same thing, in our areas, and who have
8 really been totally engaged in the process.

9 We realize this initiative is in the
10 process of being framed and would be happy to work
11 with those involved to answer some of these
12 questions that have been posed above. In the
13 meantime, we thank you for the opportunity to
14 comment, and at some point we'll be happy to take
15 your questions.

16 MR. McCREE: Good afternoon, Vice
17 Chairman Mackenzie. Thanks for this opportunity to
18 speak. I recognize since I'm the last testimony
19 between us and lunch, I will keep these comments on
20 point and concise to the best of my ability.

21 Thanks again for the opportunity to
22 speak today. My name is Jesse McCree. I'm the
23 Government Relations Associate for the Pennsylvania
24 Workforce Development Association, or PWDA. We at
25 the association appreciate this opportunity to

1 speak about House Bill 1725, as well as 1878, the
2 PA Wins program.

3 PWDA represents the Commonwealth's Local
4 Workforce Investment Boards, and we serve as the
5 voice of the Pennsylvania workforce investment
6 system. We're also a clearing house for the
7 workforce development information statewide. PWDA
8 develops and provides professional development
9 training to local WIBs while continuing proactive
10 advocacy efforts on behalf of the workforce
11 development system.

12 One note before I begin, a couple other
13 testimonies have referenced sort of collecting best
14 practices or sites or resource for a clearing house
15 for best practices. That is something PWDA does.
16 There are a number of initiatives throughout the
17 state. I was just speaking with Scott before.
18 Youth councils, there's 1.8-million-dollar Make It
19 In American Grants, industrial maintenance,
20 initiatives throughout the state. There's still 30
21 Industry Partnership programs happening. We can
22 provide comments and best practices throughout the
23 state on any of these initiatives or programs.
24 That's what PWDA does. We can absolutely serve as
25 a resource to anyone moving forward on that.

1 Specific to House Bill 1725,
2 CareerBound, PWDA strongly supports the CareerBound
3 legislation. The association believes that these
4 proposed programs would provide a strong and
5 effective investment in the development of
6 Pennsylvania's workforce and help support and
7 expand the school-to-work programs that many WIBs
8 are currently operating.

9 Programs that bring increased awareness
10 to students about viable career pathways at an
11 early age are extremely important to prepare the
12 workforce of the future. These programs help young
13 people to establish educational goals that will
14 lead to careers that are in demand and provide a
15 sustainable living. Furthermore, when employers
16 become actively engaged stakeholders in the
17 educational system, labor market needs are better
18 identified and met through innovative partnerships
19 between educators, businesses and the workforce
20 system.

21 The CareerBound bill would provide
22 flexible funding for WIBs to expand the
23 school-to-work activities that are currently
24 happening to a larger population of youth, not just
25 to those who meet the low-income eligibility

1 requirements of the federal Workforce Investment
2 Act. In addition, the Association believes that
3 these school-to-work programs promoted by the
4 CareerBound bill exemplify a type of linked
5 learning, which can be a motivator for students who
6 are potential dropouts.

7 Importantly, many WIBs already have the
8 infrastructure in place to expand and improve
9 innovative school-to-work initiatives in their
10 local area, and this legislation allows for and
11 promotes local flexibility instead of overly
12 prescriptive programmatic requirements. I believe
13 Representative Mackenzie mentioned it was
14 intentionally open-ended, and that local
15 flexibility is something that the WIBs support.

16 As my colleague Scott mentioned a couple
17 of the recommendations, which I won't go into too
18 much detail about, would be, I'd like to see some
19 clarification on the measures of success and the
20 specific measurable outcomes of this program which
21 will certainly drive the program itself.

22 In addition, some of the complications
23 with the Pennsylvania Department of Labor and
24 Industry coming up with a contract with each of the
25 program partners, we believe that having one fiscal

1 agent, preferably the local WIB, should be the
2 contractor and coordinate with all the program
3 partners to facilitate this process, in addition to
4 broadening the definition of school partners to
5 include other post-secondary educational
6 institutions such as community colleges and
7 technical schools.

8 Finally, the bill should also, we
9 believe, include language to provide technical
10 assistance, as Scott was mentioning, to areas that
11 may not have as much experience with tax-credit
12 funding programs.

13 In general, and overall, the CareerBound
14 bill would be a tremendous help to the workforce
15 system, educators and businesses as well in
16 promoting a viable career pathway to students at an
17 early age. We believe this bill will increase
18 Pennsylvania's competitiveness by strengthening the
19 emerging workforce, and thus, help Pennsylvania's
20 economy continue to grow into the future.

21 In terms of House Bill 1878, the PA
22 Wins, the association really supports the concepts
23 of the PA Wins bill. There are some concerns in
24 some areas of clarification about how the program
25 would be implemented and how it would align with

1 the current models for incumbent worker training
2 that have proven to be successful in Pennsylvania.
3 The PWDA, we would like to see more information in
4 a continued process of communication about how the
5 program would be implemented and be aligned with
6 what's currently happening with incumbent worker
7 training.

8 The stated purpose of this bill is to
9 incentivize businesses to organize and collaborate
10 around common personnel needs, regardless of
11 industry. And according to the bill summary,
12 quote, employee-training programs must emphasize
13 the utilization of preexisting infrastructure and
14 must be focused on providing employees with
15 skill-specific occupational training.

16 We would argue that almost all of the
17 Pennsylvania local Workforce Investment Boards
18 currently have industry-centric business
19 partnership training programs in place through the
20 IP program, and the leveraging of these existing
21 Industry Partnerships and training materials would
22 align well with the requirement of using the
23 preexisting infrastructure.

24 We believe, though, the current model
25 for incumbent worker training has been shared

1 training, as Scott was saying, whereby, multiple
2 businesses within an industry sector pool resources
3 to address common training needs to advance
4 employee skills or training in new technology. PA
5 Wins appears to promote a model that's more closely
6 aligned to customized-job training, or WebNet.
7 We'd like to see a little bit more information
8 about that.

9 Overall, the Industry Partnerships have
10 proven to be the most popular and successful model
11 for business engagement and incumbent worker
12 training across the country. We believe the
13 PA Wins program could provide an effective means to
14 expand and support Industry Partnerships and expand
15 this incumbent worker training that they provide.

16 We thank you for the opportunity to
17 provide comments on both bills, and we'll be happy
18 to take any questions that you have. Thank you.

19 ACTING CHAIRMAN MACKENZIE: Thank you
20 for all of your testimony. We do have a question
21 from Representative Evankovich.

22 REPRESENTATIVE EVANKOVICH: Thank you,
23 Mr. Chairman.

24 I want to start by saying that the two
25 bills that are being reviewed today certainly are

1 not in competition with one another. The two bills
2 are collaborative with one another. I think that
3 they both address two separate needs.

4 I'm extremely supportive of the
5 CareerBound proposal. Through some of the
6 testimony we just heard, it seemed like maybe there
7 was an interpretation it was one or the other. I
8 just wanted to make that clear.

9 Mr. Sheely, it appears as though we have
10 a little bit of off-line work to do, so we'll try
11 to do as much of that off-line as we can. I just
12 wanted to comment a little bit on some of the
13 things you said, and I have a couple very brief
14 questions.

15 First is that the PA Wins proposal is,
16 as we said before, designed to match training needs
17 with those who provide training. The notion that
18 there would not be shared costs I think is somewhat
19 incorrect. There would certainly be shared costs;
20 otherwise, why would one of the business partners
21 even participate? If they're not seeing an economy
22 of scale, they wouldn't participate at all. The
23 notion that it would be just one business specific
24 benefiting is, I think, not the intent, and I don't
25 think the way the bill would play out if it became

1 law. The whole point is collaboration.

2 The second brief point that I wanted to
3 make is that, this bill, if it became law, would
4 not redefine any mission of WIBs or workforce
5 training. It would simply be another tool. The
6 notion that only skilled-based training and not
7 industry training works isn't what I'm trying to
8 say. It's not one or the other, but I do think
9 there is a place for skill-specific training.

10 I think, my personal belief is that, in
11 many ways, skill-based training transcends
12 industry-based training. That does not mean that
13 it transcends it everywhere; just that, in certain
14 instances, and in many instances across our state,
15 I believe that providing the base skill is what a
16 lot of employers are missing.

17 It would still have to be made specific
18 for their own company, and they would not be --
19 They would still be responsible for that. But it
20 would give their incumbent employee, they take a --
21 By example, if you have a general maintenance
22 employee, and you need to get them -- they want to
23 become an electrical maintenance employee, that you
24 could group together with a bunch other companies
25 that had that same need and you could provide a lot

1 of that base training.

2 The question that I have, I guess it's
3 for Mr. Sheely, is, we've kind of -- I heard a lot
4 about concern with PA Wins; that it would be
5 company specific. One of the things I'm trying to
6 understand is, if we look at the PA Wins proposal,
7 and your interpretation that it may become company
8 specific, my question is, how does that differ from
9 the CareerBound proposal being company specific?
10 It seems to me like they both center on the same
11 concept, which is, the CareerBound concept brings
12 the high school students into a skill-specific area
13 to help them receive training, and the PA Wins
14 proposal brings incumbent workers into a
15 skill-specific training. I'm having a hard time
16 understanding the difference.

17 MR. SHEELY: I think I'm wearing my
18 salesman hat, which basically is, how do I go out
19 and sell these two businesses; how do I sell these
20 tax credit ideas. I think the idea of, in general
21 benefit for students coming through school is, it's
22 a big generic kind of thing. It relates to the
23 good feeling that people have or want to have of
24 about the K through 12 system and how we move kids
25 on, and all the rest of it. Companies love to get

1 into that. That's like mom and apple pie.

2 But, when you're actually selling
3 training for the incumbent workforce, are they
4 going to expect that a certain amount of dollars
5 that they contribute get spent on their workforce?

6 That's the question. I mean, I don't know that.

7 I'm sure there are great corporate citizens out
8 there, the companies that will give dollars for the
9 benefit of everybody. But I also know that many
10 times, in terms of running these partnerships in
11 the past, we actually have people really asking
12 that question of, what's the benefit back to me, to
13 my company.

14 I think that's the edge. That's kind of
15 where I'm trying to basically sound a warning, that
16 it may get more idiosyncratic to my company if I'm
17 giving the dollars specifically for training. That
18 may not happen at all, and we may find it's fine
19 and they give to the broader purpose.

20 We found, I think, in the past the other
21 way if we can offer some funding and challenge the
22 company to match the funding for the good of the
23 whole industry, that that actually is an easier
24 sell.

25 My comments are really more from being a

1 practitioner and having to do this kind of work,
2 and also having a long history with companies and
3 kind of knowing what they're willing to go with and
4 what they're not. It's really at that level that
5 I'm talking about it. Ultimately, down the line,
6 there could be some issues.

7 REPRESENTATIVE EVANKOVICH: It's a brief
8 response, and I completely appreciate that. I
9 think your perspective is completely valued.

10 The question becomes is, as we put
11 taxpayers' money into training programs, one of the
12 concerns that industry has brought to me --
13 businesses have brought to me is that, when you may
14 have 30 people come will out of a welding program,
15 none of those 30 people might meet the needs of
16 that company. And so, all that training, all that
17 money went into those 30 employees, and they may
18 not be a good fit for any broad range of companies.

19 The intentional design behind PA Wins
20 was to provide a conduit that companies could take
21 employees that are proven -- they're already on
22 payroll. I'm sorry. Employees that are already
23 proven, they're already on payroll, so there won't
24 be this issue of spending money on training and now
25 you have -- the company has to pick and choose from

1 a set of employees that may not be a good fit for
2 their business.

3 On the other concern that you had, I
4 think that's part of the reason why we involved the
5 WIBs to begin with, was to provide that type of
6 oversight to make sure that it wasn't
7 company-centric; that it was a broad -- the broader
8 interest was involved. So while the companies are
9 putting the monies up, they're not solely dictating
10 where that money is going; who that money is going
11 to. It's more of a partnership and agreed-upon
12 facility that could be used and kind of that
13 matchmaking -- that matchmaking is what the WIBs
14 are providing in the oversight. I appreciate the
15 patience.

16 MR. SHEELY: If I could offer, I think
17 one way to kind of resolve that would just be to
18 ask the companies what they would be willing to do.
19 We have probably between us right here about 750
20 companies that we deal with. It would be very easy
21 to ask that question, would you give to the benefit
22 of the broader partnership? See what happens.

23 ACTING CHAIRMAN MACKENZIE: Great.
24 Thank you to our workforce development testifiers.
25 Our schedule to wrap up at 1:15, so we're almost

1 right on time. I will turn it to over
2 Representative Evankovich. Do you have any final
3 comments or anything to --

4 REPRESENTATIVE EVANKOVICH: No.

5 ACTING CHAIRMAN MACKENZIE: Thank you.

6 In conclusion, I would like to just
7 highlight and thank all of our testifiers who came
8 today. I think the manufacturing representatives
9 really articulated the problem that we face in a
10 specific industry, but that's prevalent across a
11 number of industries here in Pennsylvania.

12 We heard from the Career and Technical
13 Institute representatives and education
14 representatives who talk about some of the things
15 that are already in practice and are already
16 working, and the workforce development
17 representatives who really highlighted the need for
18 an expanded statewide program going forward. I
19 think that both of our projects that we've been
20 working on, Representative Evankovich and myself
21 have been working hand in hand on CareerBound and
22 PA Wins. They certainly fill that void.

23 Here in Pennsylvania there is currently
24 no statewide program to provide career exposure and
25 skills development for students who are, in the

1 case of PA Wins, really helps incumbent workers and
2 expands their program.

3 So, we will be moving these bills
4 forward. Representative Scavello shared with us
5 before he left that he will be moving the bills.
6 So we appreciate all the comments and
7 recommendations that you've offered today so we can
8 help improve these bills as they move through the
9 process.

10 Thank you very much for joining us
11 today. Thank you to the staff who put it together;
12 the representatives who were here; all the
13 testifiers, and everybody watching at home as well.
14 Thank you again. Have a nice day.

15 (At 1:11 p.m., the hearing concluded).

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C E R T I F I C A T E

I, Karen J. Meister, Reporter, Notary Public, duly commissioned and qualified in and for the County of York, Commonwealth of Pennsylvania, hereby certify that the foregoing is a true and accurate transcript, to the best of my ability, of a public hearing taken from a videotape recording and reduced to computer printout under my supervision.

This certification does not apply to any reproduction of the same by any means unless under my direct control and/or supervision.

Karen J. Meister
Reporter, Notary Public