



PA Workforce Development Association
The Voice of Pennsylvania Workforce Development

Testimony presented by:

Nancy Dischinat
Executive Director
Workforce Board Lehigh Valley



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Good morning, Mr. Chairman and members of the committee. My name is Nancy Dischinat. I serve as Executive Director of Workforce Board Lehigh Valley, which is one of 22 local workforce development boards in Pennsylvania serving employers, job seekers, and individuals looking to build their career pathways. I am also a board member of the Pennsylvania Workforce Development Association – or PWDA – and am here today to speak to you in both capacities. Pennsylvania’s 22 workforce boards are represented before state and federal policymakers, lawmakers, and partner organizations by the Pennsylvania Workforce Development Association.

First, I applaud you and the members of this committee for this opportunity to raise awareness about how the workforce development system operates in the commonwealth to serve both employers and job seekers. I appreciate this opportunity to discuss how we can leverage the very best types of one-stop, wrap-around services to connect employers with the type of skilled workers they need to advance local economies and build family-sustaining jobs.

As you know, the workforce development system is a network of federal, state, and local organizations and activities that prepare people for employment. To be truly competitive, Pennsylvania requires quality workforce, education, and training programs that deliver the knowledge, skills, and abilities needed to support current industries, foster economic growth, promote incumbent worker advancement, and put people back to work in high-priority occupations in targeted industry sectors. Local workforce development initiatives deliver targeted education, training, and employment support services that enable people to improve their opportunities for good jobs, particularly those with barriers to employment. Services are available to everyone through the state’s PA CareerLink® service locations and mobile services.

Workforce development boards are regional entities created to implement the federal Workforce Innovation and Opportunity Act of 2014, commonly referred to as WIOA. A workforce board’s main role is to direct public funding to implement workforce development programs. These programs provide a vast array of services based on a community implementation model that reflects local and regional economies.

Workforce boards conduct and publish research on the needs of the regional economy, and also oversee the PA CareerLink® locations. These locations – including both brick-and-mortar and mobile services – are where job seekers can get employment information, find out about career development training opportunities, and

connect to various social service programs in their area that help them overcome barriers to sustainable employment. These one-stops are part of a nationwide network known as American Job Centers.

WIOA requires that at least 51 percent of local workforce boards are comprised of business members, and authorizes and funds employment and training programs in Pennsylvania and across the country. A chief local elected official appoints members to sit on each workforce board. These boards also include representatives of labor and educational institutions, such as community colleges and career and technical education centers, economic development agents, and community service organizations. Local workforce boards – previously known as workforce investment boards – are embedded in the fabric of our region. The employer is viewed as our first customer because without them, we have no jobs to offer the public.

Each of Pennsylvania’s local workforce boards provides integrated service delivery through the PA CareerLink® offices. This is where the rubber meets the road, as a network of public- and private-sector service providers converges in one location to address individual needs. Fragmented service can be less effective when components are tackled in isolation, rather than as part of an overall plan that moves job seekers toward economic self-sufficiency. Pennsylvania’s local workforce development boards deliberately integrate program design to accomplish this goal and to put ALL job seekers shoulder-to-shoulder when they access services through the PA CareerLink®. From Welcome Center intake and assessment through barrier mitigation and employment readiness and retention support, this wrap-around service model is inclusive and overwhelmingly effective.

I’d like to take this opportunity to both highlight a few signature successes that indicate how the commonwealth’s workforce development system is meeting and exceeding performance expectations, as well as identify where we still face challenges.

A hallmark charge of the workforce development system is to help people mitigate barriers to employment. Among populations we work with are ex-offenders who are re-integrating into the community. It goes without saying that people with purpose and income are less likely to re-offend. Within the last year, the Workforce Board Lehigh Valley received a federal grant to provide transitioning offenders from the Northampton County Jail with job readiness and employability skills needed to obtain employment. Thus far, 365 inmates have been served by this program. Results included decreased recidivism and increased rates at

which inmates obtained and/or enrolled in education. These types of services are offered to ex-offenders by local workforce boards all across Pennsylvania with remarkable success.

Workforce development boards across Pennsylvania – including in the Lehigh Valley – serve as workforce intermediary partners with thousands of companies with current and planned job openings, and provide workforce and talent development strategies and services through PA CareerLink® locations. Just last year, PA CareerLink® Lehigh Valley alone held over 200 job fairs and infiltrated the business community through our public-private partnerships with employer groups to meet expanding business needs in a tight labor market with increased wage pressures.

I'd like to highlight a stand-out success story in the Lehigh Valley. FedEx Ground is a major package shipping company that operates four sites in the Lehigh Valley, with the most recent opening of a \$335 million, 800,000 square foot distribution hub located near the Lehigh Valley International Airport. To meet its significant workforce demands to operate this new hub, FedEx Ground partnered with the Workforce Board Lehigh Valley to customize a workforce development strategy to recruit, screen, and hire more than 1,000 workers. We provided FedEx Ground with wage information and labor market data that resulted in the company negotiating with its corporate management **to increase the base wages of their Lehigh Valley workforce**. And to address worker transportation issues, we facilitated discussions with the local transit service that resulted in expanded hours of bus service and placement of a bus stop at the front door of the new FedEx hub! Clearly, FedEx Ground is a fantastic example of how one local workforce board is advancing opportunity for workers and employers. These types of success stories are happening all across Pennsylvania – in both rural and urban areas.

As with any partnership between the public and private sectors, the workforce development system faces challenges. While some of these challenges vary from local area to local area, a few are common among Pennsylvania workforce boards. Presently, one prevailing issue that is most concerning is the state Department of Human Services' proposed redesign of the Employment, Advancement and Retention Network Program, commonly referred to as EARN. This program was designed and created by DHS to address the needs of public assistance recipients with barriers to employment, and to coordinate the existing employment and training programs available to them. EARN currently operates in all 67 Pennsylvania counties, and federal TANF/EARN funding is controlled and distributed by DHS to each local workforce development board – all of which provide services in every county of the commonwealth.

Work requirements for recipients of Temporary Assistance for Needy Families (TANF) are federally mandated. Work activities in EARN include unsubsidized employment, subsidized employment, paid work experience, and community service for TANF recipients.

Currently, DHS has established an ongoing and mostly predictable allocation of EARN funding to grant recipients in workforce areas via local workforce development boards. The current funding model tasks local workforce boards to competitively procure and closely manage contracts with local EARN service providers. Under the proposed new model, DHS would directly procure and contract with local case management directly from Harrisburg for all county programs across the Commonwealth. This would make government larger and create additional silos of service providers. It is not clear what role, if any, DHS envisions for local workforce boards in TANF workforce program procurement, delivery, and monitoring for compliance and performance.

From the outset, it is important to state that Pennsylvania's 22 local workforce development boards recognize existing challenges with the current EARN model, and are committed to supporting efforts to improve case management, and employment and training services to DHS clients and all other job seekers. It is our contention that existing challenges associated with current EARN programs should be addressed while maintaining funding to local boards to provide oversight and successfully implement this programming at the local level. This aligns with comprehensive local WIOA plans as approved by the Commonwealth just last summer.

To date, **there has been a lack of engagement on this issue by DHS to include local workforce boards in any EARN redesign model.** Despite overtures to break down silos, the approach to the redesign – without input from local workforce boards who deal directly with these clients at the community level – actually creates more silos and less constructive collaboration. DHS's recent press release announcing the redesign of the EARN model referenced poor program performance across the Commonwealth. However, in the interests of transparency and best practice sharing, this data should be provided to all local workforce boards.

DHS has historically limited local boards' abilities to understand how well we are performing, and clear performance target levels have not been set for EARN programs. Requests for performance data across workforce areas to benchmark local outcomes have been consistently denied. Local areas don't know who the best performers are, so we cannot reach out to those areas to share best practices.

It is important to recognize that local workforce boards do not serve merely as fiscal agents for workforce development funds in their local areas. Rather, they provide oversight and lead the implementation of the public workforce development system. Local boards competitively procure EARN providers who deliver customer-centric, multi-generational services that are designed to help stabilize families and set them on a new course toward self-sufficiency. Local boards do not conduct this work in a vacuum, but we implement programs in accordance with aligned and approved local, regional, and state combined WIOA workforce plans.

Benefits local boards bring to TANF employment and training programs and the greater workforce system include:

- Knowledge and expertise of local labor market dynamics and workforce development policy;
- Strategies for business engagement and the development of ongoing relationships with employers and industries, leading to a deep understanding of their talent needs;
- Strong and transparent competitive procurement capacity and fiscal capacity;
- The ability to convene multiple partners and agencies within the local workforce system;
- Established knowledge and relationships with local service and training providers;
- Development of career pathways in coordination with businesses and educational institutions; and
- Local oversight to ensure fiscal and programmatic compliance of program activities.

Governor Wolf has set a goal for 60 percent of the Commonwealth’s population aged 25-64 to hold a post-secondary degree or industry-recognized credential by the year 2025. However, the current EARN model sets a goal of job placement within the first 180 days of the program. This prevents programs from focusing on opportunities to upskill and re-skill participants. It inhibits programs from truly addressing the range of barriers clients face to successfully obtain and retain employment. Further, this approach often results in the placement of participants in low-wage jobs that do not outweigh the potential loss of public benefits due to “cliff effects.”

Most importantly for the job seeker, the proposed redesign model would deny them essential wrap-around services offered at PA CareerLink® centers, if local workforce boards were no longer the coordinating hub of these services. Under the new model, DHS would directly procure and contract with local service providers for case management services. However, this does not make clear what additional funding or resources the Commonwealth will make available to local PA CareerLink® centers and other L&I programs to meet the service needs of these clients.

The resulting negative impacts would be very real. Without maintained DHS funding for employment and training services, opportunities for DHS clients to participate in training and credentialing programs would be greatly reduced through the proposed redesign model. Additionally, the proposed redesign threatens the financial viability of PA CareerLink® centers, since most workforce areas integrate EARN funding and programming within the PA CareerLink® centers. Removing this funding from local workforce boards threatens the closure of PA CareerLink® locations in many local areas.

While each local workforce board's customer base and service delivery staff will be impacted to varying degrees, what is clear is that the DHS EARN redesign model, as proposed, will most assuredly result in the loss of the very types of wrap-around services made available to all customers who access the PA CareerLink® one-stop system. Because the PA CareerLink® infrastructure includes a blend of revenue sources from the partners required to have a presence in the one-stop, the loss of that revenue would place an unrealistic and disproportionate financial burden on the remaining partners. For over a decade and across three different administrations, the PA Department of Labor & Industry has consistently urged local workforce boards to host EARN programs at comprehensive PA CareerLink® one-stop locations. In good faith and in keeping with this guidance, most local workforce boards entered into long-term leases to accommodate the substantial staff needed to serve large numbers of EARN participants referred by DHS's local County Assistance Offices.

To accommodate such a large and time-intensive program, it is not uncommon for EARN staff to account for 25 percent or more of staffing within a PA CareerLink®. In some locations across the state, this percentage is higher yet. Proportionately, EARN funding often supports 25 percent (or more) of the shared cost (including rent, utilities, maintenance, etc.) of the site. Given the long-term, fixed nature of shared costs, any reduction in TANF/EARN activity located at the site will lead to a significant cost burden shift to the PA CareerLink® location's other partners, and will likely have an immediate and permanent negative impact on customer service levels among programs.

Also, physical access to services would be threatened by the proposed EARN model. Many local workforce boards have located comprehensive PA CareerLink® centers in or near urban centers to provide easy access by low-income youth and adults, such as EARN clients. If TANF programs are no longer housed at the PA CareerLink® and shared infrastructure funding is reduced accordingly, local workforce boards may be forced

to reevaluate the current locations of these one-stop centers in favor of those more affordable and convenient for remaining (often less-disadvantaged) customers, including employers.

Workforce boards that service rural communities have found creative ways to take services to the community to help overcome transportation barriers many job seekers experience, including TANF recipients. This includes a mobile van in central Pennsylvania, library locations in northwestern Pennsylvania, and beyond. Diminished EARN funding would likely result in staff downsizing which again, will hamper access to services among people in remote areas of the state.

Surely these are unintended, but very realistic consequences that are counterintuitive to the administration's objective for greater skill development for workers, and moving more people from welfare to work. Any overhaul of the TANF/EARN model should be based on shared metrics and data regarding performance, informed consensus on the measures by which performance is determined, and sharing of best practices that can benefit everyone.

Where improvements are needed, local workforce boards should be directly involved as partners for progress, so there is a fair, robust, collaborative focus on jointly mitigating issues and launching new, flexible strategies. We are eager, reliable partners in helping the commonwealth and all of its citizens reach their full workforce potential. We remain ready to serve employers, workers, and job seekers of all ages and from all walks of life.

The following pages provide input from Pennsylvania's Workforce Boards regarding:

- What is Working in Workforce Development in Pennsylvania
- Challenges We Face
- Suggestions for Improvement.

Thank you for this opportunity to appear before you today. I would be pleased to answer any questions you may have.

What is Working in Workforce Development in Pennsylvania

- We build relationships, partnerships, and trust with employers, economic development, education, training, workforce and community stakeholders.
- We enhance business and education relationships with local school districts, career and technical centers, and community colleges.
- We direct public funding to implement workforce development programs.
- We conduct and publish research on the needs of our regional economies.
- We serve as conveners and workforce intermediaries for businesses, with our economic development, education and community partners.
- We establish Business Engagement Services Teams to engage business and industry in recruiting, assessing, hiring, and retaining a qualified workforce.
- We connect business and education partners to ensure the pipeline of workers has the skills in career pathways that will keep our regional economies growing.
- We contract with providers through Requests for Proposals, and are accountable and follow all policies and procedures.
- We oversee Pennsylvania's integrated PA CareerLink® one-stop, holistic, customer-centric employment centers, where employers find people and people find jobs, training and skills, and connect with social services, including career seekers of all ages and from all walks of life.
- We remove barriers by strategizing with community partners and target those most in need, such as ex-offenders, dislocated workers, veterans, those who are economically disadvantaged, people on public assistance, people with disabilities, and the working poor.
- We connect with public transportation, housing, child care, GED, ESL, etc.
- By law, we establish Workforce Boards with 51 percent private-sector decision makers.
- We provide workforce intelligence and labor market data.
- We provide workforce services in all 67 Pennsylvania counties.
- We leverage resources across the entire system.
- We understand the needs of priority industry sectors, particularly small- to medium-sized employers in those sectors.
- We meet and exceed performance standards at the federal, state and local levels.

Challenges We Face

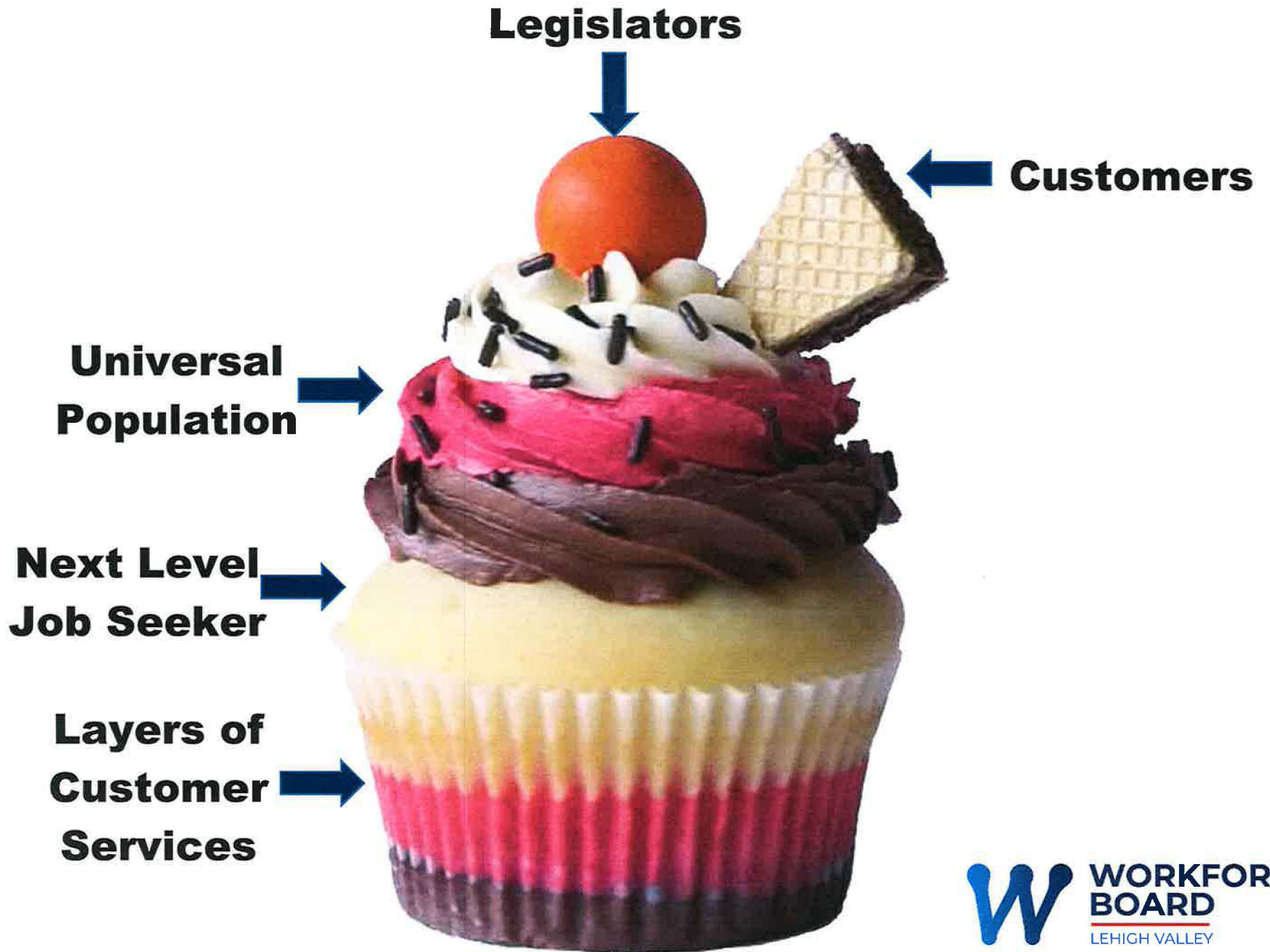
- There has been a lack of engagement by the PA Department of Human Services (DHS) to include local workforce boards in the proposed redesign of the Employment, Advancement and Retention Network (EARN) program model. EARN currently operates in all 67 counties and the funding controlled and distributed by DHS to local workforce boards for services is now in jeopardy.
- We need to turn red tape pink in order to decrease the tons of regulations and policies.
- Departments at the state level need to integrate as modeled by the entire workforce system. Information sharing on customer data is lacking between the state Department of Labor and Industry, Unemployment Compensation, Education, Vocational Rehabilitation, and Human Services. We need to track services to customers and end the duplication of entering customer information.
- The strong economy and labor market presents a talent supply challenge for employers.
- Provide wages, benefits, and compensation packages that meet regional labor demands.
- **MARKETING.** While the workforce system is great at outreach, we could do more to market the availability of services. Not every business knows about the PA CareerLink® workforce system. They surely know about ZipRecruiter, Indeed, LinkedIn, and Glass Door. We need a concerted effort to market the workforce system - to remain top-of-mind for employers and job seekers.
- Pennsylvania's workforce system has more people with barriers coming into the workforce system for services. There is a decrease in interest in training, even though they need training, because they can get a job quickly in this economy.
- Public transportation, child care, and housing are not optimal in all workforce areas.
- The state needs to collaborate pre-emptively with Local Workforce Boards on issues impacting any structural, operational, and programmatic changes to the workforce system in Pennsylvania. This has improved significantly with the PA Department of Labor & Industry, but work still needs to be done. Other agencies are not as collaborative.

Suggestions for Improvement

- Less regulations and more flexibility in programming.
- Improved public transportation and access to it, so job seekers can get to services and jobs.
- More innovative ways and resources to partner with child care and housing organizations to help mitigate these barriers to employment.
- Statewide Marketing Plan highlighting Pennsylvania's workforce delivery system.
- Increased communication and engagement on solutions regarding issues impacting Pennsylvania's workforce system.
- Closer working relationship with state legislative offices pertaining to constituents needing workforce system services. Let us help you help others!
- Maintain local design and local control of local workforce systems within Pennsylvania's Workforce Boards.

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WHICH LAYER OF THE WORKFORCE CUPCAKE DO YOU NEED?



SPAGHETTI AND MEATBALL

