



# Pennsylvania Workforce Development

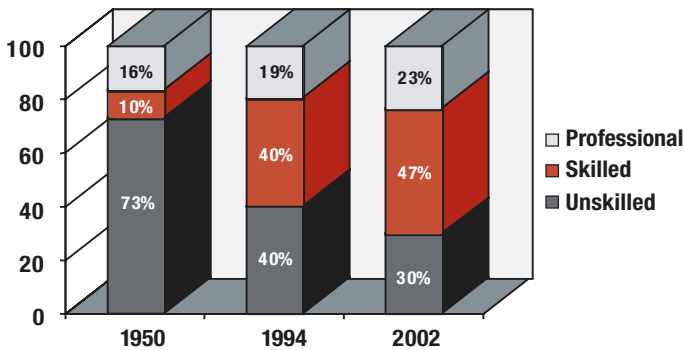
## Keeping Pennsylvania Competitive Creating Opportunity

Summary of *Job Ready Pennsylvania* Initiatives

[www.paworkforce.state.pa.us](http://www.paworkforce.state.pa.us)

Pennsylvania's future depends upon the development of a workforce able to compete in today's global economy. In order for the Commonwealth to be economically competitive, and for our workers to acquire careers with family-sustaining wages, Pennsylvania needs a workforce development system that is efficient and responsive to both worker and employer training needs.

Governor Rendell's proposed *Job Ready Pennsylvania* budget invests in training and education for the Commonwealth's current and future labor force. This initiative will ensure that Pennsylvania's citizens are better prepared, better educated, and better able than ever before to meet the challenges of an increasingly competitive marketplace.



Source: U.S. Bureau of Census and Pennsylvania Department of Labor and Industry, Center for Workforce Information and Analysis (Pennsylvania statewide)

In 1950, 73% of Pennsylvania's jobs were unskilled. Today, that number is 30%; consequently, citizens need more education to keep pace with the needs of the marketplace.

To compete in the global marketplace, the Commonwealth must:

- Strengthen Pennsylvania industries and create industry-led training strategies
- Increase opportunities for PA residents
- Prepare our youth for the careers of tomorrow
- Implement rigorous accountability standards

## Strengthening Pennsylvania Industries and Creating Industry-Led Training Strategies

The Departments of Labor & Industry, Community & Economic Development, and Education identified nine targeted industry clusters in which Pennsylvania has a competitive advantage and the potential for long-term economic growth. These clusters serve as the basis for industry-driven development.

Governor Rendell proposes:

- Investing \$5 million to create new industry partnerships in targeted sectors of the economy
- Conducting occupational analysis to pinpoint high-demand, high-skill and higher wage jobs and careers.
- Invest \$3 million in Advanced Technology Workers to recruit top faculty researchers to create new jobs, businesses and industries in advanced technology fields.

Targeted Industry Cluster	2002 Average Monthly Employment	2002 Average Annual Wages
<b>Life Sciences</b>	<b>867,868</b>	<b>\$39,366</b>
<i>Bio-Medical</i>	81,564	\$64,457
<i>Health Care</i>	786,304	\$36,763
<b>Business and Financial Services</b>	<b>776,404</b>	<b>\$42,845</b>
<b>Education</b>	<b>536,572</b>	<b>\$35,121</b>
<b>Advanced Materials and Diversified Manufacturing</b>	<b>495,482</b>	<b>\$43,061</b>
<i>Chemicals, Rubber and Plastics</i>	79,936	\$46,643
<i>Electronics</i>	75,760	\$50,792
<i>Metals and Metal Fabrication</i>	141,001	\$41,060
<i>Printing</i>	42,397	\$37,196
<i>Vehicle and Vehicle Equipment</i>	45,029	\$48,267
<b>Building and Construction</b>	<b>347,795</b>	<b>\$40,927</b>
<b>Agriculture and Food Production</b>	<b>314,088</b>	<b>\$26,308</b>
<i>Food Processing</i>	86,865	\$36,106
<b>Information and Communication Services</b>	<b>209,442</b>	<b>\$56,742</b>
<b>Logistics and Transportation</b>	<b>136,946</b>	<b>\$36,588</b>
<b>Lumber Wood and Paper</b>	<b>105,525</b>	<b>\$34,317</b>
<b>Targeted Industry Clusters</b>	<b>3,790,122</b>	<b>\$39,741</b>
<b>Total Statewide</b>	<b>5,507,323</b>	<b>\$35,791</b>
<b>Percent of Total in Targeted Clusters</b>	<b>68.8%</b>	<b>111.0%</b>

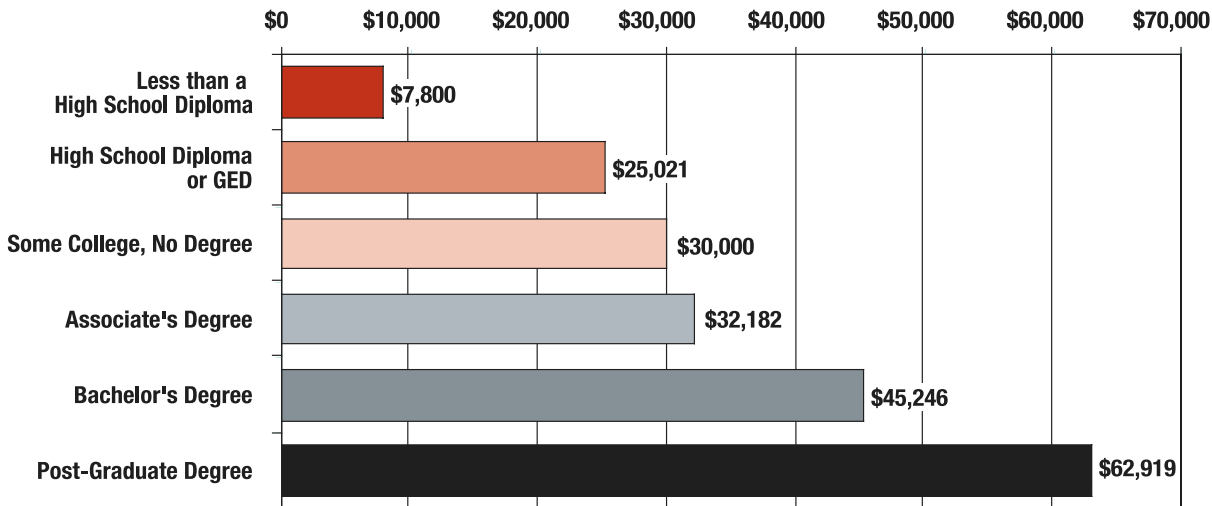
"...Pennsylvania's workforce system should be guided by the following principles: be driven by the private sector; be based on performance, focus on high-skills/high-wage jobs; support a stronger community; be regionally coordinated; be locally implemented; be a vehicle for lifelong learning; and be competitively bid."

— Representative Robert Flick, House Subcommittee on Workforce Development Report (Oct. 1, 1997)

## Increasing Opportunities for Pennsylvania’s Residents

At no time in our nation’s history has education been more important to economic well being than now. Yet, too many of our residents lack the opportunity to obtain additional training. Despite clear correlation between earnings and education, Pennsylvania ranks 46 out of 50 states in the percent of its population with no more than a high school diploma.

Median PA Income by Educational Attainment (2004)



Source: U.S. Bureau of Census, Current Population Survey (CPS), March Supplement

Governor Rendell’s workforce proposals target the needs of employers, and delivers focused training and education to the workforce, in order to ensure those employer needs are met. Eighty-two percent (82%) of businesses surveyed by the state say they are having trouble hiring qualified workers. To spur economic growth, we must target high-demand fields for improved and expanded workforce training.

Only 3% of Pennsylvania’s adult working population is enrolled in post-secondary education. Compare this to 6% in the nation’s benchmark states and the need for affordable, available higher education and professional development for Pennsylvania adults is clear.

- **Accelerate degree attainment** by requiring colleges to accept all credits from one community college to another, and from community colleges to 4-year colleges and universities.
- For the most part, financial aid is not available to current workers who are unable to work the hours they need to support their families while taking enough credit hours to meet financial aid eligibility requirements. To alleviate this pressure, Governor Rendell worked with the PHEAA Foundation to create a new \$10 million program that **allows 10,000 less-than-half-time students to receive grants** to continue their education and professional development in high-priority occupations.
- Moreover, as more Pennsylvanians go back to school to earn a degree, they deserve credit for the knowledge and skills they’ve demonstrated on the job. To help meet that goal, the Commonwealth will invest \$60,000 to create a system for **recognizing prior learning** and converting life experience into course credits.
- At the same time, Governor Rendell’s budget proposal would **increase funding for community colleges** by \$22.8 million — the largest increase in 15 years — and use those resources to improve the alignment between education and the state’s employer skills needs, and reimburse community colleges for more than 4,000 full time equivalent (FTE) students.
- Provide \$15 million to **train 7,000 incumbent workers**.
- PHEAA will commit \$10 million, specifically for the **expansion of the Commonwealth’s capacity to train nurses**.
- PHEAA will also dedicate \$8.98 million to increase grants available to students in order to **make college more affordable**.

*“Today, the knowledge required to run the economy, which is far more complex than in our past, is both deeper and broader than ever before. We need to ensure that education in the United States, formal or otherwise, is supplying skills adequate for the effective functioning of our economy.”*

— Alan Greenspan  
Federal Reserve Chairman  
Greater Omaha Chamber  
of Commerce 2004 Annual  
Meeting (Feb. 20, 2004)

## Preparing Our Youth for the Careers of Tomorrow

Workforce development initiatives in the budget will boost the skills of high school graduates by helping school districts assist students through better educational opportunities and increased accountability in meeting academic expectations.

**Project 720** named for the number of days a student spends in high school from the beginning of 9th grade through graduation — helps districts establish a meaningful curriculum, improve career advising for students, and gives students more opportunities to gain workplace training. Governor Rendell will invest \$4.7 million to double the number of participating Project 720 districts from 41 to 80.

**Dual enrollment** helps students get more out of school. Governor Rendell proposes investing \$5 million in dual enrollment programs, helping thousands of students gain college credit and make the connection between high school and post-secondary education. Especially for at-risk students, dual enrollment presents a unique opportunity to begin earning a college degree.

**Career and Technical Education** (CTE, formerly known as vocational education) will be revitalized. Currently, 80% of CTE students do not meet state proficiency standards on the 11th grade math test; two-thirds are below proficiency standards in reading. Barely half of all CTE students complete their chosen programs each year, and only 3% earn industry-based certifications. The state will invest an additional \$1.5 million next year and redirect \$40 million in competitive grants over the next five years to leverage an additional \$40 million in local matching funds — and use all of these resources to **invest in industry-aligned equipment and curriculum upgrades**. This will ensure that the 93,000 students enrolled in technical education receive the academic skills they need while being trained in high-demand, well-paying careers.

**The expansion of Pennsylvania’s successful Educational Assistance Program for tutoring** will give students the extra support some need to succeed in reading and math. By investing \$38 million, the number of students who receive tutoring can be doubled over the program’s first year in 2003-04 to 77,000 students.

## Implementing Rigorous Accountability Standards

The Commonwealth will improve its system of workforce training and connecting unemployed adults with available jobs. By establishing **Investing for Pennsylvania’s Prosperity Awards**, the state will redirect \$2.6 million toward financial incentives to help turn every Workforce Investment Board into a high-performance WIB.

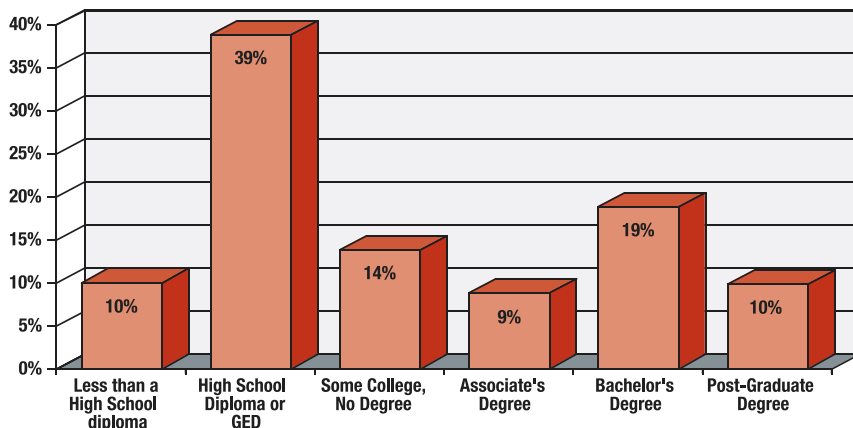
- Understanding the regional labor market and surveying the needs of regional employers
- Organizing Industry Partnerships in targeted industries
- Identifying high-priority occupations that correspond with regional demand
- Improving CareerLinks’ performance by linking training to Industry Partnerships’ needs
- Improving fiscal performance

These reforms will streamline the state’s workforce development bureaucracy by improving accountability and tying every dollar to employer needs. **Governor Rendell’s workforce development plan** aligns local workforce spending with state priorities—all based on high expectations and clear performance standards.

Pennsylvania’s workforce development system must demand the best possible outcomes for our business and residents.

- Implemented Performance Management Plan across all workforce programs on July 1, 2004
- Provide incentives for High Performance Local Workforce Investment Boards
- Insist on High Performance CareerLinks
- Align the 22 fragmented workforce development funding streams

**Median PA Income by Educational Attainment (2004)**



Source: U.S. Bureau of Census, Current Population Survey (CPS), Basic

Governor Rendell’s *Job Ready Pennsylvania* budget proposal invests in the Commonwealth’s greatest resource: **its people.**

Governor Rendell Proposes Investing in Education and Workforce Programs

	New State Funds	Redirected Funds
High School Reform (PDE)	\$ 4,700,000	
Dual Enrollment (PDE)	\$ 5,000,000	
Tutoring (PDE)	\$ 38,000,000	
Career & Technical Education (PDE)	\$ 1,455,000	\$ 8,000,000
Community Colleges (PDE)	\$ 22,800,000	
Investing in PA’s Prosperity Awards (L&I)		\$ 2,600,000
<b>Partnering with Employers to Close Workforce Gaps</b>		
Expanding Training for Adult Workers (L&I)	\$ 15,000,000	
Creating Industry Partnerships (L&I)	\$ 5,000,000	
Expanding Nurse Education Capacity (PHEAA)		\$10,000,000
Advanced Technology Workers (DCED) (Keystone Innovation Starter Kits)		\$ 3,000,000
Helping Workers Train for Better Jobs (PHEAA)		\$10,000,000
Giving Adult Workers Credit for What They Know (L&I)	\$ 60,000	
PHEAA Student Grants (PHEAA)	\$ 8,980,000	
<b>TOTAL</b>	<b>\$100,995,000</b>	<b>\$33,600,000</b>



***“In our 21st Century economy, education is the key to progress, and without it our workers are at a distinct disadvantage”***

— Governor Edward G. Rendell 2005-06 Executive Budget Address (Feb. 9, 2005)