

REPORT HIGHLIGHTS

Senate Resolution 2023-169: Workforce Development Programs

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Senate Resolution 2023-169 (SR 169), adopted by the Pennsylvania Senate on December 12, 2023, directs the Legislative Budget and Finance Committee (LBFC) to study the efficiency and effectiveness of workforce development programs in Pennsylvania. Key highlights include:

- ❖ **Multiple state agencies make up Pennsylvania's workforce development system.** SR 2023-169 directed the LBFC to examine programs administered by the Departments of Labor and Industry (L&I), Education (PDE), Human Services (DHS), and Community and Economic Development (DCED).

From FY 2020-21 to FY 2023-24, the EARN, SNAP EARN, SNAP JETS, and WorkReady programs reached 31.3, 50.0, 58.3, and 31.3 percent of their benchmark levels, respectively. However, all DHS workforce development programs observed increased performance over time. Similarly, a simplified cost analysis suggested that these programs increased cost efficiency during the same period.
- ❖ **We recommend that the State Workforce Development Board develop and recommend a unified definition of workforce development to align programs and clarify objectives across agencies.** Pennsylvania's workforce development definition has not been updated since a 2002 amendment to the Workforce Development Act of 2001. Three major agencies have different definitions of workforce development, with one having no formal definition.
- ❖ **L&I operates within a framework of federal, regional, and local responsibilities defined by the Workforce Innovation Opportunity Act (WIOA).** WIOA, enacted in July 2014, succeeded the Workforce Investment Act of 1998 as the primary federal workforce development legislation to increase coordination among federal workforce development and related programs.
- ❖ **We recommend that L&I develop internal benchmarks for federally required performance indicators for WIOA Title I and III programs that keep pace with data for the general labor force.** L&I workforce development programs consistently met federally negotiated performance goals across our scope (84 percent for Title I programs and 73 percent for Title III) but fell short of statewide and national employment and earnings figures.
- ❖ **DCED aids businesses and job seekers through career training and barrier remediation through programs such as WEDnetPA.** WEDnetPA is an incumbent worker training program that partners with 22 educational institutions in Pennsylvania. On average, the program served 22,695 employees in 700 companies per year.
- ❖ **We recommend that DCED track annual WEDnetPA job retention and wage increase data and track company retention within Pennsylvania.** In 2022, the L&I Center for Workforce Information Analysis found that companies utilizing WEDnetPA training experienced an 86 percent retention rate, and those employees, on average, increased their wages by 10 percent within the first-year post-training.
- ❖ **PDE oversees 88 Career and Technical Centers (CTCs) and 142 high schools that offer career and technical education (CTE) programs.** In FY 2022-23, almost 141,000 participants enrolled in CTE programming and earned over 62,000 industry credentials.
- ❖ **We recommend that DCED track annual WEDnetPA job retention and wage increase data and track company retention within Pennsylvania.** In 2022, the L&I Center for Workforce Information Analysis found that companies utilizing WEDnetPA training experienced an 86 percent retention rate, and those employees, on average, increased their wages by 10 percent within the first-year post-training.
- ❖ **In addition to the four major agencies, PDA, DOC, and DCNR administer workforce development programming.** These departments target residents older than 55, justice-involved individuals, and young adults interested in conservation.
- ❖ **PDE should collect more post-CTE program data to assist in evaluating effectiveness.** PDE collects some performance metrics; from FY 2018-19 to FY 2022-23, the number of industry credentials earned by CTE students increased by 76 percent. However, we recommend that PDE also track employment status and median earnings for CTE graduates to identify industry alignment after program completion.
- ❖ **DHS uses internal benchmarks to assess the performance levels of its workforce development programs, which serve eligible adult public assistance recipients.**

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