

Statement of

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On

Impact of Pennsylvania's Workforce System on  
Rural Pennsylvania

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and  
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## INTRODUCTION

Good morning. My name is William Brock and I am the Executive Director of the Central Pennsylvania Workforce Development Corporation or the CPWDC, which is the nonprofit corporate entity of the Central Pennsylvania Workforce Investment Board. This private sector led workforce board serves a nine-county region that includes Centre, Clinton, Columbia, Lycoming, Mifflin, Montour, Northumberland, Snyder and Union counties.

I would like to thank Senators Earl and Gordner, as well as the other members of these two Committees, for allowing me to provide this testimony.

## CENTRAL REGION WORKFORCE INVESTMENT SYSTEM

The current population for this Central Pennsylvania region is slightly over 600,000 and will grow by less than 4% by 2015. The data suggest that about half of the population is currently in the labor force. The unemployment rate for the first eight months of 2007 was about 4.4% - which some would suggest puts the region at full employment. The economy is driven by four key industry clusters: healthcare, diversified manufacturing, education and lumber and wood which combined represent about half of all jobs in the region and generates about \$4.7 billion in annual payroll.

There is a long list of challenges and opportunities facing the workforce system in rural Pennsylvania, but our vision is optimistic and I would like to focus on four areas in which the workforce system has been a catalyst thanks in a large part to the continued support provided by the Pennsylvania General Assembly.

## DATA DRIVEN DECISION MAKING

The first issue is sustaining a data driven approach to workforce and economic development. Prior to the creation of Workforce Investment Boards the use of localized labor

market and economic data and information was, with few exceptions, virtually non-existent, particularly in rural areas of the Commonwealth. What this means is that millions of dollars were spent every year, as opposed to invested, with the best of intentions but without a clear target or strategic outcome in mind. To address this situation, the CPWDC has spent the last eight years mapping and documenting the regional economy. In 2004 the CPWDC organized a research consortium comprised of eight other workforce boards, covering 38 counties for the purpose of further increasing the workforce system's research capacity. On behalf of these eight WIBs the CPWDC research staff regularly use data produced by the Department of Labor and Industry as well as proprietary sources to produce demographic reports, industry cluster data, and research studies on common workforce issues such as the aging workforce and access postsecondary education. Today this data is not only used to support workforce investments in these 38 counties, but also provides accurate data to support economic developers with business expansion activity, in the site selection process and to employers making workforce availability and compensation decisions.

As a result of the Commonwealth's commitment to generating good economic information, rural areas now have capacity to map their local and regional economies and make informed decisions on how to effectively invest workforce and economic development resources. For many WIBs in rural areas, this data driven decision making process has become the foundation of the workforce system. This is clearly progress and these practices should continue to yield a high return on public workforce investments.

#### **REGIONALISM, ALIGNMENT & HUMAN CAPITAL COMPETITIVE ADVANTAGE**

A second set of key strategic issues for the Central Pennsylvania workforce system is the need to build a cohesive region, align resources and differentiate Central Pennsylvania from

other regions by the quality of our labor force and workforce system. While regionalism is not only a rural issue, our limited populations and limited supply of labor demands that we work together and pool the collective strengths. The CPWDC believes that the workforce system could be one of the key factors that distinguish the region and attracts and retains employers. Across the country, land is available for development, infrastructure is often in place, tax abatement is common and financial incentives seem to be continually increasing in size and magnitude. The deciding factor regarding where companies will locate, however, increasingly is a region's ability to demonstrate the existence of skilled workforce and a comprehensive workforce system.

The CPWDC also understands that the labor force by its very nature is mobile and regional. In the build-out of industrial sites and land in any one of our communities, it is highly likely that there will be as many or more individuals from surrounding counties working in these facilities as there will be residents of the host county. We know for a fact that some of our smaller counties with very large employers do not have the resident population to support the labor demand and therefore must draw from the region. These types of labor dynamics suggest that both the economy and the workforce are already highly integrated on a regional level and therefore require a regional response.

The CPWDC has worked very hard with our partners to promote, support and participate in initiatives designed to create this regional response. Two examples include: the Central Pennsylvania Economic Development Council, which links 5 Industrial Development Corporations and four counties with the goal of strengthening regional economic development activity; and the Pennsylvania Heartland Coalition of School Districts which links 26 School

partnerships and finally to look for innovative and entrepreneurial ideas to customize services to better meet the needs of our key industries.

## SUMMARY

In closing, the challenge for all of us is that the building of comprehensive workforce systems is relatively new and is increasingly become more complex. Much of the work that is currently underway is the result of innovation on the part of Workforce Investment Boards and their partners from across the state. There is no "play-book" and in many ways we are pioneering solutions. In those workforce areas that are considered innovative, it is clearly a result of the private sector involvement in the governance of the system, which has created a public sector entrepreneurial attitude and approach to building a demand driven workforce system.

However, ideas and drive are not enough. Without the ongoing support of the General Assembly it simply would not have been possible to develop industry partnerships, engage the K-12 system, build pipeline strategies and improve our services and system. On behalf of the 44 WIB members who govern the CPWDC I want to thank you and ask you for your continued support.