

Pennsylvania Department of Labor & Industry

High Priority Occupations Policy

April 2016

Purpose

The commonwealth's workforce development strategy targets education and training investments to High Priority Occupations, or HPOs. HPOs are used to identify workforce programs that provide individuals with the knowledge and skills necessary to enter, maintain or advance their career in today's economy.

Definition

HPOs are job categories, within selected industry clusters, that are in demand by employers, have higher skill needs and are likely to provide family-sustaining wages. These clusters and HPOs were identified via a three-step process (described in detail in the Background section of this document) developed by the commonwealth's workforce system.

Background

As mentioned previously, the commonwealth's workforce system developed a three-step process to define HPOs:

| Step 1...

Industry Cluster Analysis to identify the industry sectors that have the highest potential for growth and could benefit most from strategic workforce investments

| Step 2...

Occupational Data Analysis to create a baseline list of high-demand, higher-wage occupations within each of the industry clusters using the best available labor force data

| Step 3...

Expert Input and Regional Factors to identify occupations likely to emerge based on economic development investment, new labor market trends or business demand, as well as those that are too new or regionally specific to be captured by the data.

Step One (described in more detail in Appendix A) was originally completed in 2004 and resulted in the identification and publication of Pennsylvania’s industry clusters. Due to the transformation and evolution of certain industries, this work is revisited regularly, most recently in 2013.

Steps Two and Three of the HPO process are undertaken annually to ensure that public investments keep pace with rapidly changing technology and labor market demand. All public workforce investments are focused on job categories identified as HPOs. For a detailed explanation of Step Two, refer to Box 1.

Box 1

Occupational Data Analysis

Annually, the Pennsylvania Department of Labor & Industry prepares a baseline list of HPOs that are in demand by employers, have higher skill needs and are likely to provide family-sustaining wages. This list is created using federal and state labor market data as well as projections based on U.S. Department of Labor models. Occupations are selected based on the following criteria:

1. **Importance to the Industry Cluster:** Occupations must account for at least one out of every 100 jobs in the cluster (“significance”) or at least one out of every five jobs in the occupation must be in the cluster (“dominance”).
2. **Annual Job Openings:** The thresholds were set at:
 - a. 75 openings within the cluster,
 - b. Or at least 1 percent of the total projected openings in the cluster, but not less than
 - c. 20 total openings and 250 openings across all industries.
3. **Job Quality,** defined largely based on a self-sustaining wage threshold: HPOs had to pay at least \$32,674 in the cluster – 200 percent of the federal poverty level for one adult and one child in 2015.
4. **Additional Screens:** Workforce dollars should be targeted to occupations with shortages of workers, not occupations with excess supply. No single statistic definitively determines whether a workforce shortage exists in a particular area, so additional assessments are made based on the data described below. Occupations with indications of labor market slack are removed from the initial HPO list based on the following standards:
 - a. **Employment loss:** With employment loss greater than 10 percent, experienced dislocated workers would be available to fill job openings. Over the 2010-2012 timeframe, average employment across all occupations increased at a rate of 1.1 percent.
 - b. **Nominal wage decline:** Average wage growth across all occupations in the 2013-15 period equaled 2.8 percent. The rate of inflation equaled 3.5 percent. Therefore, nominal wage loss is one indicator of a slack labor market in particular occupations.
 - c. **Occupational unemployment rates of 10 percent or higher:** From 2011-15, the average unemployment rate across all occupations was 5.1 percent. Higher levels of unemployment indicate that unemployed workers should be available for job openings.
 - d. **Ratio of training completers to job openings:** A ratio of training completers to job openings should be a good indication of how well the “supply” of trained workers is meeting industry “demand.” However, the completion data is sometimes unreliable and may not capture regional differences. Occupations for which significant evidence exists that the commonwealth is training more people than there are job openings were eliminated from the initial list. The threshold was set at 300 percent, or three trained individuals for every one opening.

Recognizing that data alone does not completely capture workforce trends, the third step of the HPO process aims to refine the initial HPO list based on input from workforce development and other professionals including economic developers, business and labor leaders, and educators. Critical to this effort is the contribution of regional Industry Partnerships, which include the professionals just mentioned, who define immediate and anticipated training needs and other human resource challenges.

It is critical that modifications to the baseline HPO list do not undercut the strategic focus underlying the commonwealth's workforce reforms. Proposed additions to the HPO list must be supported by sound rationale and documented evidence of industry demand and must pay above the current wage threshold. Occupations paying below this level will be included only if (a) substantial opportunities exist for advancement into higher-level jobs; (b) opportunities exist to invest workforce dollars in ways that improve job quality and/or strengthen career ladders; or (c) regional self-sufficiency wages are lower than the current statewide threshold. The Center for Workforce Information & Analysis will calculate weighted self-sufficiency wages for all regions, defined here as Local Workforce Development Areas.

HPO Additions and Eliminations

All additions to the statewide and regional HPO lists are subject to approval by the Secretary of Labor & Industry. The mechanisms through which occupations may be added to an HPO list, as described below, will differ slightly for the statewide list as compared to regional lists.

Statewide Mechanisms

A panel of industry experts will review the initial HPO list and make recommendations for additions and eliminations based on their knowledge. The rationale for adding or subtracting HPOs can include:

- Significant investment in a sector that will lead to new demand for a skilled workforce or new skill sets that could not be captured by historic data;
- Evidence that appropriate workforce development investment could substantially improve wage or work environment conditions, or promote the development of career advancement and career ladders;
- Targeted statewide economic development and other financial investments;
- Removal of occupations that are not a good investment of commonwealth funds or do not meet economic development and quality of life goals; and
- Research conducted for special reports that identify new and emerging occupations in a specific field that are in demand or targeted for workforce investments.

Regional Mechanisms

In some cases, statewide statistical analysis and projections can miss differences and dynamics in regional and local labor markets. To ensure that the HPO list has appropriate input from regional businesses, the following petition process was put into place.

1. **Local Workforce Development Boards** can petition the Department of Labor & Industry to add HPOs to their regional list (using the petition form found in Appendix B) based on one of three justification options described below. Petitions must be submitted within 30 days after the initial HPO list is released. Occupations successfully added via this petitioning process will appear on the local HPO list for three years.
 - a) **Unmet Employer Demand:** Hiring activity by regional employers that is not captured in traditional data sets. Justification must include letters from at least three businesses that when combined have a total number of job openings that meets the regional openings threshold for each of the next three years (Appendix C). A sample employer letter is provided in Appendix D for reference.

- b) **Career Pathway:** Occupation represents an entry point into a career pathway leading to other HPOs. Justification must include letters from at least three businesses that when combined have a total number of job openings that meets the regional openings threshold for each of the next three years (Appendix C). A sample letter is provided in Appendix E for reference. In addition to the letters, an explanation of the career progression from the petitioned occupation to other HPOs must be included with specific mention of any job experience and/or education requirements needed to advance in the career pathway. To help identify potential career ladders, the Center for Workforce Information & Analysis has developed a Job Skills tool which is available on the Center's website, www.workstats.dli.pa.gov.
 - c) **Regional Workforce Initiatives/Sector Partnerships:** Local efforts by a group of workforce development partners, such as regional clusters or sector partnerships, have determined a need for the occupation. Documentation should include why the occupation was chosen, why it is difficult to fill positions, and why it is a good career within the area. Data should include total job openings and self-sustaining wages that exceed the local thresholds (Appendix C). A sample letter is provided in Appendix F for reference.
 - d) Each petition will be scored in four categories; basic petition criteria, openings, wages, and employer letters and/or documentation. These categories are weighted differently based upon the type of petition being submitted (Appendix G). Each petition will be scored out of a possible 20 points.
2. **Local educational institutions (K-12 and higher education) and economic development agencies** can petition their Local Workforce Development Boards to propose adding an HPO. The petitioning organization must provide documented evidence that wage threshold and job openings criteria described in the previous section are met.
 3. **Appeal process:** In the event that the Local Workforce Development Board denies a request from a local educational institution or economic development agency, these entities can appeal directly to the Center for Workforce Information & Analysis, Department of Labor & Industry. The appeal must provide documentation of the demand for the occupation as listed above and will be reviewed by committee.

HPO Exceptions

Emergency Petition Additions

New dynamics in a labor market may emerge over the course of the year, after the HPO list has been established. If new information or changed circumstances warrant additions, Local Workforce Development Boards may petition the Department of Labor & Industry for additions to the list outside of the initial petition period, so long as appropriate documentation and rationale is provided, including a brief explanation as to why the need is an emergency.

Customized and On-the-Job Training

Several workforce programs are designed to fund customized or on-the-job training that results in immediate job placement. The HPO list does not preclude programs from continuing to engage in this type of training, subject to their own program guidelines. Most programs will require that the wage floor established above be met for these training activities.

Pre-employment, basic skills and literacy education

The HPO list does not prevent programs that currently provide pre-employment and basic skills training, or literacy and English as a second language education, from continuing to do so. These education and training activities are governed by individual agency or program policy.

Yearly Changes to the HPO Lists

When the HPO list is released each year, some occupations are new additions and others have been eliminated since the previous year. Below is a brief description of how the departments of Labor & Industry and Education are handling these annual fluctuations in the HPO list, by specific funding program.

Workforce Innovation and Opportunity Act Training (Department of Labor & Industry)

Approved training programs under the Workforce Innovation and Opportunity Act for the given funding year are based on current regional HPO lists and managed by the Bureau of Workforce Partnership & Operations within the Department of Labor & Industry. An eligible training provider must offer a program aligned to one of the designated HPOs in their area. This connection is established solely via the CIP-SOC crosswalk tool that aligns education and training programs with the occupations that require those skill sets.

If an occupation has been removed from the HPO list, the Bureau will ensure that all participants still enrolled in the training are grandfathered through until completion, but that no new enrollees will be accepted. Local Workforce Development Boards can use the initial petition period to help ensure that programs will continue to be eligible for the upcoming year.

Economic Development Stipend Program (Community Colleges)

The focus of Economic Development Stipend funding is alignment of community college credit programs and non-credit courses with HPOs, as well as other occupations of regional importance.

Each year, the 14 community colleges submit a list of credit programs and non-credit workforce development courses to the Department of Education that they believe align with the most current HPO list. The Departments of Education and Labor & Industry work closely to ensure that all credit programs and non-credit courses that should be eligible for funding are identified. In addition, to approve programs and non-credit courses aligned with regionally-significant occupations that are not currently on the HPO list, the Department of Education has incorporated the Regional Workforce Application process. Closely following the HPO process, under the Regional Workforce Application process, applications are submitted by community colleges and reviewed and approved by the Department of Education in consultation with the Department of Labor & Industry.

Using these two avenues, the HPO process or the Regional Workforce Application process, funding is then distributed based on the number of full-time equivalent students each community college has in credit programs and non-credit courses approved under the Economic Development Stipend program.

Bureau of Career and Technical Education

Each year, the Pennsylvania Department of Labor & Industry provides the Bureau of Career and Technical Education with a final version of the HPO lists for the commonwealth and each of its Local Workforce Investment Areas. An early notification (prior to the release of this final list) is also provided which allows schools the opportunity to work with their Local Workforce Development Boards to gather documentation to petition for other occupations to be considered for the HPO list at the regional level.

Industry Clusters: APPENDIX A

To better align workforce spending with the needs of the economy, Pennsylvania has recently redefined the industry clusters. Beginning in 2004, there were nine industry clusters with eight sub-clusters, today this has evolved into 12 industry clusters and seven sub-clusters.

Each of these clusters consists of a group of industries closely linked by common product markets, labor pools, similar technologies, supply chains and/or other economic ties. The clusters, listed below, were chosen based on the potential for growth or their overall importance to the stability of Pennsylvania's economy.

Pennsylvania's Industry Clusters

- 1. Advanced Manufacturing**
 - a. Chemicals, Rubber and Plastics
 - b. Electronics
 - c. Metals
 - d. Vehicle and Vehicle Equipment
- 2. Agriculture & Food Production**
- 3. Bio-Medical**
- 4. Building & Construction**
- 5. Business Services**
 - a. Media, Advertising & Marketing
 - b. Operational Services
 - c. Professional & Consulting Services
- 6. Education**
- 7. Energy**
- 8. Health Care**
- 9. Hospitality, Leisure & Entertainment**
- 10. Logistics & Transportation**
- 11. Real Estate, Finance & Insurance**
- 12. Wood, Wood Products & Publishing**

Regional High Priority Petition Form: APPENDIX B

Regional High-Priority Occupation (HPO) Petition Form

(Sample Petition Letters and Template are provide in the HPO section of CWIA's website: www.workstats.dli.pa.gov)

1. Workforce Development Area(s): _____

2. Occupation Code(s) (SOC or O*Net): _____

Occupation Title(s): _____

If applicable, list any CIP codes related to this petition: _____

3. Petition Type: Regular Emergency Appeal

4. Petition Justification: (Select all that apply)

Unmet Employer Demand – Hiring activity by regional employers that is not captured in traditional data sets. Justification must include letters from at least three businesses that when combined have a total number of job openings (specific to the occupation petitioned) that meets your regional openings threshold for each of the next three years. Employer letters must also document wages paid at or above the local self-sufficiency level. Attach all supporting letters to this petition form.

Number of Letters Attached: _____

Total Number of Job Openings/Year: _____

Career Pathway – Occupation represents an entry point into career pathways leading to other High-Priority Occupations. Justification must include letters from at least three businesses that when combined have a total number of job openings (specific to the occupation petitioned) that meets your regional openings threshold for each of the next three years. Employer letters should also include data on wages paid to these positions. In addition to employer letters, an explanation of the career progression from the petitioned occupation to other HPOs must be included with specific mention of any job experience and/or education requirements needed to advance in the career pathway. Attach all supporting documentation to this petition form.

Regional Workforce Initiatives/Sector Partnerships – Local efforts by a group of workforce development partners, such as regional clusters or Industry Partnerships (IP), have determined a need for the occupation. Documentation should include a description of the local efforts, including the name of the cluster or IP, and details on why the occupation was chosen, why it is difficult to fill positions, and why this is a great career within the area. The summary of the occupational need should include total job openings and self-sustaining wages that exceed the local thresholds. While letters from specific employers are not necessary, the documentation should list a few examples of regional employers that support the occupation. Attach all supporting documentation to this petition form.

5. Submitting on behalf of: (Select all that apply)

Workforce Development Board

Community Colleges (list) _____

Career & Technical Centers (list) _____

Other Training & Educational Institution(s) (list) _____

Workforce Development Board Authorization

(This section to be completed by appropriate Workforce Development Board staff only)

By submitting this application, I affirm that the facts set forth in it are true and complete

Date	
Name (printed)	
Signature	

This application can be e-mailed to workforceinfo@pa.gov with the subject *High Priority Occupations* or mailed to the Center for Workforce Information & Analysis, Attn: High Priority Occupations, 651 Boas St., Room 220, Harrisburg, PA 17121

LWDA Openings Thresholds: APPENDIX C

50 openings

Montgomery
Philadelphia
South Central
Three Rivers

35 openings

Bucks
Central
Chester
Lancaster
Lehigh Valley
Northwest

20 openings

Berks
Delaware
Lackawanna
Luzerne-Schuylkill
North Central
Northern Tier
Pocono Counties
Southern Alleghenies
Southwest Corner
Tri-County
West Central
Westmoreland-Fayette

Sample Unmet Employer Demand Letter: APPENDIX D

Below is a sample letter that can be used to document employer demand. All bolded items should be changed to fit with the occupation and region as appropriate.

June 1, 2016

Center for Workforce Information & Analysis
Attn: High Priority Occupations
651 Boas Street, Room 220
Harrisburg, PA 17121-0001

Dear CWIA Director:

As one of the many companies successfully doing business in the **(INSERT) Workforce Development Area**, we want to express our support to add the following occupations to the **Regional WDA** High Priority Occupations List:

Dental Assistants (31-9091)
Dental Hygienists (29-2021)

We verify that we will have at least **XX** openings for qualified **Dental Assistants**, as well as **XX** openings for **Dental Hygienists**, for each of the next three years. The average annual wage we pay our **Dental Assistants** is **\$XX,XXX**, and the average annual wage we pay our **Dental Hygienists** is **\$XX,XXX**.

The demand for trained workers continues to grow in the **Workforce Development Area** and a pipeline of skilled workers needs to be established to address the changing workforce. We strongly support the addition of this occupation to the Regional High Priority List so state and federal funds can be expended in this occupation allowing schools to receive funds to support this program and to be eligible for grant funding opportunities.

If you have any questions, you may contact me at:

Sample Career Pathways Letter: APPENDIX E

Below is a sample letter that can be used to document career pathways between occupations. All bolded items should be changed to fit with the occupation and region as appropriate.

June 1, 2015

Center for Workforce Information & Analysis
Attn: High Priority Occupations
651 Boas Street, Room 220
Harrisburg, PA 17121-0001

Dear CWIA Director:

As one of the many companies successfully doing business in the **(INSERT) Workforce Development Area**, we want to express our support to add the following occupations to the **Regional WDA** High Priority Occupations List:

Nursing Aides (31-1013)
Orderlies (31-1015)

We verify that we will have at least **XX** openings for qualified **Nursing Aides**, as well as **XX** openings for **Orderlies**, for each of the next three years. The average annual wage we pay our **Nursing Aides** is **\$XX,XXX**, and the average annual wage we pay our **Orderlies** is **\$XX,XXX**. While these wages may fall below the statewide self-sufficiency level, these are entry level occupations that many people use to start their nursing career. With additional training such as **(INSERT)** we will promote or re-hire these workers as **Licensed Practical & Licensed Vocational Nurses (29-2061)**, which we pay an average annual wage of **\$XX,XXX**. From there they can continue their training and education to become a **Registered Nurse (29-1141)**, which we pay an average annual wage of **\$XX,XXX**.

The demand for trained workers continues to grow in the **Workforce Development Area** and a pipeline of skilled workers needs to be established to address the changing workforce. We strongly support the addition of this occupation to the Regional High Priority List so state and federal funds can be expended in this occupation allowing schools to receive funds to support this program and to be eligible for grant funding opportunities.

If you have any questions, you may contact me at:

Sample Regional Workforce Initiatives/Sector Partnership Letter: APPENDIX F

Below is a sample letter to be used by an Industry Partnership or Local Workforce Development Board to document a regional workforce initiative or sector partnership. All bolded items should be changed to fit with the occupation and region as appropriate.

June 1, 2015

Center for Workforce Information & Analysis
Attn: High Priority Occupations
651 Boas Street, Room 220
Harrisburg, PA 17121-0001

Dear CWIA Director:

I am writing on behalf of the **(INSERT) Partnership** to request that the addition of the following SOC codes to the **Regional WDA** High Priority Occupation list:

Dietitians & Nutritionists (29-1031)
Medical Assistants (31-9092)
Speech-Language Pathologists (29-1127)

(INSERT description of the partnership, its mission, goals, and examples of active employers)

The **(INSERT) Partnership** has specifically identified challenges in finding qualified candidates for each of the three occupations to meet their current business needs. These jobs are not entry-level positions; they pay a family sustaining wage, and require significant educational requirements that are lacking in candidates within the region.

We verify that the employers within our partnership will have at least **XX** openings for qualified **Dietitians & Nutritionists** for each of the next three years, and pay an average annual wage between **\$XX,XXX** and **\$XX,XXX**. They will also have at least **XX** openings for qualified **Medical Assistants** for each of the next three years, and pay an average annual wage between **\$XX,XXX** and **\$XX,XXX**. Lastly, they will have at least **XX** openings for qualified **Speech-Language Pathologists** for each of the next three years, and pay an average annual wage between **\$XX,XXX** and **\$XX,XXX**.

If you have any questions, you may contact me at:

Scoring Rubric for Regional Petition: APPENDIX G

Below is a summary of the number of points available for each section of the petition. The maximum number of points that can be awarded to any petition is 20.

	Unmet Employer Demand	Career Pathway	Regional Workforce Initiatives/Sector Partnerships
Basic Petition Criteria	1 - 4	1 - 4	1 - 3
Openings	1 - 6	1 - 4	1 - 5
Employer Letters or Supporting Documentation	1 - 6	1 - 6	1 - 7
Wages	1 - 4	1 - 6	1 - 5