



Written Testimony of Secretary W. Gerard Oleksiak

Department of Labor & Industry

Before the Senate Labor & Industry Committee

April 30, 2019

Good afternoon Chairwoman Bartolotta, Chairwoman Tartaglione, and members of the Senate Labor & Industry Committee. I am honored to appear before you today as you consider my nomination for the position of Secretary of Labor & Industry. As you know, I have served the Department of Labor & Industry (L&I) in this capacity since September 2017, and I am honored to receive this nomination again during Governor Tom Wolf's second term in office.

During my time with this department, I have had the pleasure of working closely with this committee on a number of key legislative issues that impact not only your respective constituents but all Pennsylvanians. I have valued your support and assistance in making real progress on these issues and am grateful for the opportunity to meet with many of you directly to collaborate on advancing these priorities. Today, I would like to build on those conversations to highlight some of the department's current priorities, recent accomplishments, and future direction.

Before I begin, however, I'd like to take a moment to recognize L&I's staff of nearly 4,000 talented individuals who are truly dedicated to serving the citizens of this commonwealth. I have had the distinct privilege of overseeing their efforts to develop, sustain, and advance over 30 broad and diverse program and service areas. Furthermore, we have worked diligently to build the best possible management team to direct these programs. Over the last year, we have appointed three new deputy secretaries, each of whom bring significant qualifications, knowledge, and experience, gained through years of experience at L&I.

I have had the privilege of traveling to all corners of the Commonwealth to better understand the challenges facing local employers and workers, learn about technological innovations occurring in state-of-the-art training facilities, and discuss pressing workforce and economic development issues with government officials and business and labor leaders. In fact, over 100 official worksite and training facility visits and countless meetings have provided critical feedback about areas in which the department's services excel and areas that may require more investment and attention.

On that note, I'd like to take the opportunity to highlight some of the important work happening within the department to modernize, eliminate waste, and improve the customer experience for the many Pennsylvanians that rely on our services. Under the Governor's direction, we are promoting a culture within L&I that empowers staff to find efficiencies in processes and systems with the goal of generating savings and stretching taxpayer dollars to serve more Pennsylvanians. For example, we have implemented reforms that simplified claims processing within the Bureau of Workers' Compensation and consolidated office locations to eliminate unnecessary leases. Within unemployment compensation, we have taken steps to expedite claims, increase the availability of service centers to receive calls, implement technological changes to enhance customer experience, and station staff at high-traffic PA CareerLink offices, to name just a few improvements.

As members of this committee, you may also be aware of the Benefits Modernization (“Ben Mod”) project, enacted with bipartisan support in 2017 (Act 60 of 2017), which dedicated over \$30 million to upgrading the severely antiquated IT infrastructure for unemployment compensation benefits management. I am pleased to report that this project is actively underway. The new system will transform the way that applications for benefits are filed and processed in Pennsylvania and transition our program from an aging, paper-based system to one that is nimbler and more responsive to our customer’s needs.

As you know, workforce development is one of the most important policy areas this department oftentimes leads for the commonwealth. In fact, L&I’s footprint in workforce development is substantial. The department’s mission has long been to help Pennsylvanians acquire the necessary skills to fully participate in the workforce, as well as to connect employers to the workers they require now and in the future. Several key examples demonstrate L&I’s continued commitment to achieving both policy goals.

Most recently, Governor Wolf put forward an ambitious goal of building the strongest workforce in the nation through the implementation of the Statewide Workforce, Education, and Accountability Program (SWEAP), a program that will build interagency collaboration and make key investments in initiatives like PAsmart. Thus far, my department has received \$10 million in state funding from the General Assembly for PAsmart to invest in workforce programs. A distinct advantage of PAsmart is that it gives us the flexibility to direct funding to programs that are specific to Pennsylvania’s needs without the traditional limitations placed on federal sources of funding. We have since channeled PAsmart funding to proven workforce development strategies like registered apprenticeship programs. We know that early investments in training and education create a pipeline of ready, well-trained workers. This is why we are proud of increasing the number of active apprentices managed by our Apprenticeship and Training Office to nearly 17,000 last year and registering 57 new apprenticeship programs.

Additionally, the department has worked with Governor Wolf to revitalize the Pennsylvania Workforce Development Board (PA WDB), which provides a direct vehicle for the commonwealth to maintain public and private cooperation and engagement. With over half of its members coming from business and industry, the PA WDB serves as an important conduit to our local partners who directly implement our federal workforce dollars in local programs and initiatives.

Last year, the General Assembly approved the Employment First Act, bipartisan legislation that aims to ensure that individuals with disabilities are considered for competitive employment opportunities. The Office of Vocational Rehabilitation (OVR) within L&I takes a key role under this act. In 2018, OVR served more than 77,000 individuals, including 26,000 students with disabilities. It placed nearly 7,800 individuals in competitive employment and provided 2,300 students with work-based learning experiences. To open up opportunities in state employment, OVR partnered with the Office of Administration to provide technical and creative support on accessibility matters and civil service reform. OVR was also a key stakeholder in developing a targeted internship program that placed college students with disabilities in 15 commonwealth agencies. As a former special education teacher, these figures make me particularly proud to lead the dedicated men and women in this agency that do the hard work in delivering these critical services.

Finally, the department has stepped up its efforts to enforce labor laws that level the playing field for law-abiding employers and provide important wage and hour protections for workers. Last year, the Bureau of Labor Law Compliance recovered over \$4.9 million in wages and penalties under laws such as the Minimum Wage Act, Wage Payment and Collection Law, Equal Pay Law, Prevailing Wage Act, Prohibition of Overtime in Healthcare Act, and the Construction Workplace Misclassification Act (or Act 72). Of particular note, we have created an internal task force on employee misclassification that has

enhanced information sharing and reporting of noncompliance, and greater enforcement under Act 72, the Unemployment Compensation Act, and the Workers' Compensation Act.

The examples I've highlighted represent just a small sample of the important work that L&I has accomplished during my tenure. I firmly believe that we are in the best position to continue to carry out our mission when we can work with the General Assembly in a bipartisan, productive manner throughout this legislative session and in the years to come. Over the last few years, we've developed close working relationships with many of your offices, and we've relied on your expertise and the experiences of your constituents to help us inform and advance significant legislation. With your sustained support, I know we can continue to effectively carry out the work of supporting our apprentices, job seekers, workers, entrepreneurs, and businesses. We can work within the Pennsylvania Workforce Development Board and newly-established Keystone Economic Development and Workforce Command Center to foster industry and educational partnerships. We can work to give our students and young adults an edge in entering the workforce. Together, we can invest in innovative strategies to build the 21st century workforce that Pennsylvania deserves.

Above all, I realize that our most important measurement of success is the actual impact we make on the individuals we serve. At the end of each service or transaction, there are real job seekers, workers, and business owners. This is what I am keenly reminded of as I speak before you today.

Thank you, Chairwoman Bartolotta, Chairwoman Tartaglione, and all the members of the committee. I have been incredibly grateful to have the opportunity to lead L&I and would be humbled for your confirmation to continue to serve this department and the thousands of Pennsylvanians that rely on its services. At this time, I look forward to answering any questions you may have.