

# BIENNIAL REPORT: WORKFORCE DEVELOPMENT SYSTEM



## Workforce System Overview

The mission of Virginia's workforce system is to improve economic opportunity for all Virginians by serving those who are not yet earning a sustainable wage and, as important, by focusing the resources and mechanisms of our workforce system to recruit more Virginians into the workforce.

An overarching goal to achieve this mission is to close the skills gap by preparing and placing individuals in high-demand jobs in industries of priority for Virginia's economic success. The system serves two customers, Virginians seeking to attain job skills and employment and businesses seeking job ready-workers.

In 2019 the Commonwealth's workforce system used over \$340,000,000 to move customers with varying needs, skills, and work-readiness levels into the workforce. Funds were allocated from federal state and local government sources to execute 24 workforce programs administered by eight different state agencies.

## State Agencies in the Virginia Workforce System

**Virginia Department for Aging and Rehabilitative Services (DARS)**

**Virginia Department for the Blind and Vision Impaired (DBVI)**

**Virginia Department of Education (DOE)**

**Virginia Department of Labor and Industry (DOLI)**

**Virginia Department of Social Services (DSS)**

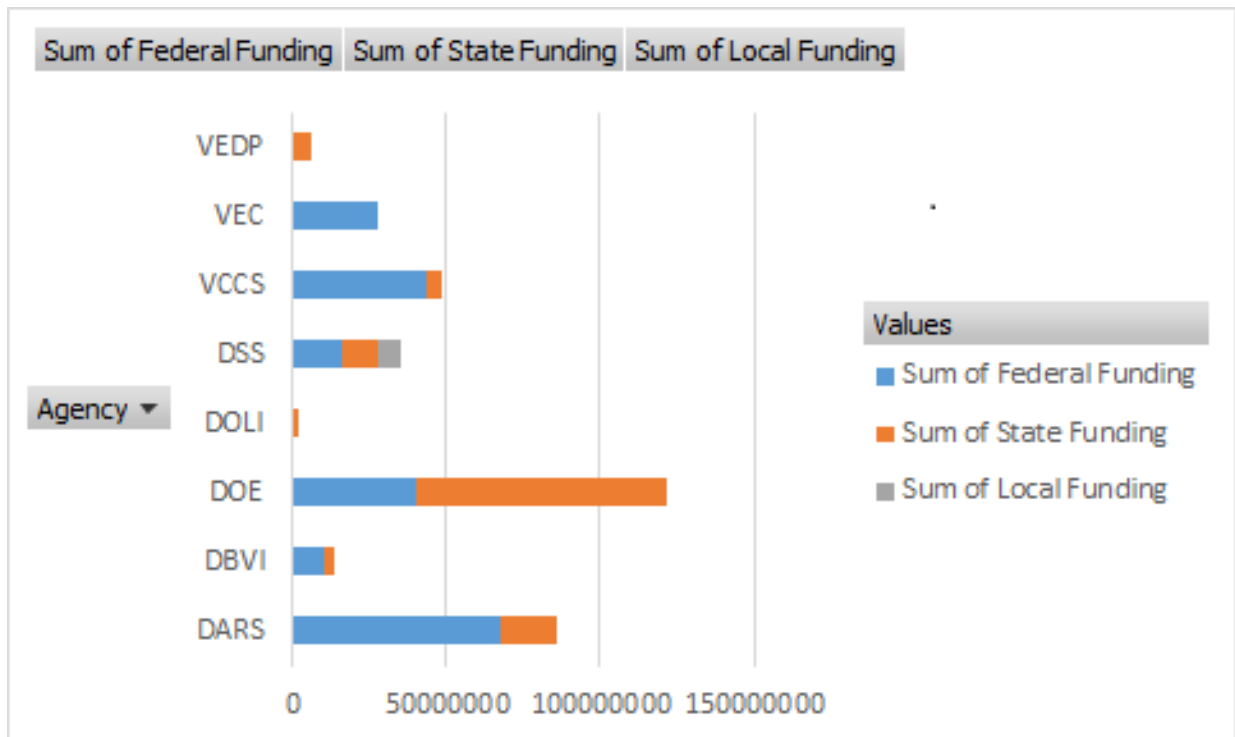
**Virginia Community College System (VCCS)**

**Virginia Employment Commission (VEC)**

**Virginia Economic Development Partnership (VEDP)**

## Funding by Government Sources for Each State Agency

Agency	Federal Funding	State Funding	Local Funding
DARS	\$ 67,689,655	\$ 18,320,072	0
DBVI	\$ 10,370,416	\$ 2,806,733	0
DOE	\$ 40,333,509	\$ 81,303,811	0
DOLI	\$ 86,067	\$ 1,624,046	0
DSS	\$ 15,690,867	\$ 11,714,512	\$ 7,429,125
VCCS	\$ 43,388,357	\$ 5,300,670	0
VEC	\$ 28,000,013	0	0
VEDP	0	\$ 6,451,866	0
<b>Grand Total</b>	<b>\$ 205,558,884</b>	<b>\$ 127,521,710</b>	<b>\$ 7,429,125</b>



## Workforce System Programs, Individuals Served and Cost per Participant

Agency	Program	Total Funding	Participant Count	Per Capita Cost
DARS	WIOA (Workforce Innovation & Opportunity Act) Title 4 - Vocational Rehabilitation Program	\$86,009,727	23,857	\$3,605
DBVI	WIOA Title 4 - Vocational Rehabilitation Program	\$13,177,149	1,016	\$12,970
DOE	Career Technical Education - Secondary Perkins	\$100,839,343	299,333	\$337
DOE	Microsoft IT Program	\$1,300,000	101,821	\$13
DOE	Path to Industry Certification	\$1,831,464	125,938	\$15
DOE	Workplace Readiness Skills Assessment	\$308,655	299,333	\$1
DOE	WIOA Title 2 - Adult Basic Education	\$16,892,483	18,013	\$938
DOE	Plugged In VA	\$465,375	154	\$3,022
DOLI	Registered Apprenticeship	\$1,710,113	20,246	\$84
DSS	Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T)	\$5,261,692	DSS does not define this program by these parameters	
DSS	Virginia Refugee Resettlement Program	\$2,142,354	2,925	\$732
DSS	VA Initiative for Employment Not Welfare (VIEW)	\$27,430,458	15,179	\$1,807
VCCS	Institutes of Excellence	\$664,647	4,986	\$133
VCCS	Post-Secondary Perkins	\$3,838,313	85,325	\$45
VCCS	Non-Credit Workforce Training	\$4,636,023	8,077	\$574
VCCS	WIOA Title 1 - Youth	\$13,199,160	2,123	\$6,217
VCCS	WIOA Title 1 - Adult	\$12,316,167	3,468	\$3,551
VCCS	WIOA Title 1 - Dislocated Worker (less Rapid Response)	\$10,526,038	1,540	\$6,835
VCCS	WIOA Title 1 - Rapid Response	\$3,508,679	This program serves employers not individual participants	
VEC	Trade Act Program	\$4,739,370	931	\$5,091
VEC	Workforce Information Grant	\$751,857	This program pays for technology not individual participants	
VEC	Veteran Programs	\$6,881,520	12,058	\$571
VEC	WIOA Title 3 - Wagner-Peyser	\$15,627,266	211,034	\$74
VEDP	Virginia Jobs Investment Program	\$6,451,866	7,813	\$826
<b>Total System Funding</b>		<b>\$340,509,719.00</b>		

## State Performance Measures

At the beginning of 2018, the Virginia Board of Workforce Development and Governor Ralph S. Northam endorsed state workforce system performance measures that align the Governor's workforce priorities in the Commonwealth's Combined Plan for Workforce Development. The Governor's workforce goals focus on:

- 1) CREDENTIALS - Increasing the number of **industry-recognized credentials** attained by job seekers
- 2) JOBS - Increasing the number of **high-demand jobs** the workforce system helped Virginians to obtain
- 3) WAGES - Ensuring that the workforce system connected job seekers with jobs that paid **family-sustaining wages**
- 4) BUSINESS ENGAGEMENT - Supporting **Virginia businesses**
- 5) RETURN ON INVESTMENT - Striving for a high return on investment **for taxpayers and workforce program participants**

## Comparative Ratings

Workforce system objectives include improving service delivery, avoiding duplication of services, and enhancing coordination of services. Efforts continue to ensure that policies and performance measurement encourage the public workforce system to perform collaboratively, rather than competitively. For this reason, comparative ratings have not been performed for workforce system programs.

## Obstacles to Program and Resource Coordination

In previous biennial reports to the General Assembly, it has been noted that Virginia's public workforce system lacked a coordinated, overarching vision. Since then, the Governor has established a common vision for the workforce system and strategies to close the skills gap.

With his appointment of a cabinet level Chief Workforce Advisor, Governor Northam telegraphed the importance of aligning culture, services and initiatives across the workforce system. As the new chief workforce cabinet position enters its third year in 2020, work is ongoing to increase cooperation and coordination of efforts. The omnipresent obstacle remaining is the modernization of data technology and the regulatory authority to share data.

## Progress Milestones

### 1. Workforce Policy through an Equity Lens

Under Governor Northam's leadership, Virginia's workforce development system has been reoriented to specifically target historically underserved populations and advance the cause of economic equity. The Virginia Board for Workforce Development, the state board that advises the Governor on workforce policy, reorganized its committee focus to include a substantial look at Virginia's workforce policy and programs through an equity and access lens. This business-driven advisory board includes 40 leaders from private industry, members of the Governor's cabinet, training providers, and the organized labor community.

In an effort to strengthen the partnership between each local workforce development area and their Department of Social Services district offices, the Governor allotted a \$3 million in discretionary funding of which \$1.3 million has been awarded to facilitate easier access to the full spectrum of services aimed at increasing employability. According to the Governor, "these grants will ensure every Virginian has an opportunity to participate in our growing economy, support their family and hold a better future."

### 2. Designing the 2020 - 2024 State Workforce Plan

Virginia is in the process of developing a comprehensive 4-year workforce plan to clarify system-spanning priorities, provide direction to agency partners and serve as a roadmap for policy makers.

### 3. Focusing the efforts of the Virginia Board of Workforce Development

The Virginia Board of Workforce Development continues to embrace its role as the advisory body to the Governor for workforce policy. In addition to the representatives of five Secretariats on the board, the following state agencies provide staff and content experts to support the board's work: Virginia Community College System, Virginia Employment Commission, Department of Veterans Services, Department of Labor and Industry, Department of Aging and Rehabilitative Service, Department of Blind and Vision Impaired, Department of Social Services, and Department of Education. This cross agency staff increases the resources for the board and enhances the linkages among key agencies.

To focus its future effort and advise the Governor on the new Comprehensive Statewide Workforce Development Plan, the business-led board will adopt its next 2-year strategy at their June 2020 meeting. Its recently reorganized committee structure further aligns the needs of business and the upskilling and employment of historically harder-to-serve workers including the other-abled, disadvantaged youth, veterans and justice-involved citizens.

#### 4. Data Enhancement

##### Workforce Data Trust

Underpinning the Virginia Career Works Referral Portal is the new Workforce Data Trust. This first in its kind, cloud-based technology solution forms a secure bridge across legacy case management systems, allowing applications and analysts to relate and access data from multiple agencies in real-time. This new capacity has revealed the full scale of the workforce system's collective impact, catalyzing a culture of collaboration and continuous improvement across previously siloed operations. Virginia is a national leader in using new affordable technologies to connect Virginians to all the workforce services they need.

##### Virginia Career Works Referral Portal

The Virginia Career Works Referral Portal, completed this September, will help more Virginians secure the full spectrum of workforce services to which they are entitled while improving coordination across agency partners. This easy-to-use tool will allow jobseekers to quickly connect with a broad range of programs offered through the Virginia Employment Commission, Virginia Community College System, Virginia Department of Education, Virginia Department of Aging and Rehabilitative Services, Virginia Department for the Blind and Vision Impaired, and Virginia Department of Social Services, improving customer experiences and outcomes.

#### 5. Priority Industries and Demand Occupations

Virginia now focuses on high priority industries and demand occupations with an emphasis on attaining industry recognized credentials. The Virginia Board of Workforce Development, in satisfying its advisory role to the Governor, identifies in-demand occupations that support industries central to Virginia's economic future. This approach enables strategic investments in skills development that drive economic development and help Virginians obtain the skills they need for financially-sustaining, long-term jobs with growth-oriented businesses.

Outreach is ongoing to high demand or workforce challenged industry segments. Examples of ongoing effort include the state-wide listening tour conducted across the Commonwealth by the Governor and the Chief Workforce Advisor and the Build Virginia initiative.

The Governor's fall 2019 Listening Tour hosted over 1000 business leaders, educational professionals and locally elected officials at eight locations across Virginia.

Build Virginia, launched in 2018, is an employer-driven workforce initiative targeting critical labor shortages in the construction trades, shipbuilding, and the advanced manufacturing industry. As part of this effort, a series of regional meetings were held in communities across the Commonwealth. The gatherings brought together more than 400 stakeholders, including public officials, nonprofit representatives, educators, and business leaders.

## 6. Expansion of Registered Apprenticeships

Last year, over 12,000 Virginians participated in a registered apprenticeship. Legislation proposed by the Governor required the Virginia Community College system to provide the classroom component of registered apprenticeship in online, face-to-face, and blended formats. The Department of Labor and Industry received a \$1.6 million expansion grant from the US Department of Labor to increase the number of apprentices in current fields and expand registered apprenticeship opportunities in IT, computer science and healthcare. The grant will build awareness about registered apprenticeships and increase access for underrepresented populations, including youth. Over three years, Virginia will increase the number of apprentices by 800. The funds will be used to hire additional statewide leadership, create a robust communication plan and support more businesses.

## 7. Community College Redesign

With \$5.1 million financial support from the Governor from WIOA discretionary funds, the Virginia Community College System has restructured almost all of their workforce programs to make sure a student begins developing a high demand skill on day one. This restructuring is the first of its kind for the country and is especially critical during times of labor shortages. The definition of success for these programs will be getting a job not completing an education program.

# New Workforce Strategies and Initiatives

## 1. Misclassification and Wage Theft Taskforce

The misclassification of employees as “independent contractors” creates a competitive disadvantage for Virginia businesses that follow the law, deprives the Commonwealth of millions of dollars in tax revenues necessary to supply services to Virginia’s citizens, and prevents workers from receiving protections and benefits to which they legally are entitled. The inter-agency taskforce, co-chaired by the Secretary of Commerce and Trade and the Governor’s Chief Workforce Advisor, includes representatives from the Virginia Employment Commission, Department of General Services, Department of Labor and Industry, Department of Professional and Occupational Regulation, Department of Taxation, Workers’ Compensation Commission, and Office of the Attorney General. Recommendations for how to combat misclassification and wage theft were developed and presented to the Governor in late 2019.

Governor Northam’s Executive Order 38 led to recommendations to the Governor and the General Assembly regarding ways to protect Virginia workers from misclassification and wage theft and educate Virginia employers on how to properly classify workers. This will help Virginia’s most marginalized workers with additional support to hold better paying jobs.

## 2. Future of Work in Virginia Initiative

Much of the effort in the workforce area is focused on current and near-term challenges and opportunities for employers and workers in the Commonwealth. The Northam Administration is also looking further into the future to prepare Virginia for a rapidly changing world of work. In 2019, Governor Northam and Chief Workforce Advisor Megan Healy launched the Future of Work/VA taskforce to study and make recommendations to better serve the Commonwealth's gig workforce. The taskforce is working to develop practical policies and initiatives that support on-demand workers. The goal is for gig employment to be a choice, not a fate and for gig workers to earn sustainable incomes for themselves and their families. Virginia joins eight other states, supported by the National Governor's Association, in an effort to understand the gig worker and the on-demand economy's fiscal impact on the Commonwealth. This report with recommendations will be delivered to the Governor by August 2020.

