

2014-16 Executive Progress Report

Commonwealth of Virginia
Secretary of Commerce and Trade
Virginia Employment Commission

At A Glance

The Virginia Employment Commission delivers and coordinates workforce services, including job placement, temporary income support, workforce information, and transition services.

Staffing 727 Salaried Employees, 57 Contracted Employees, 865 Authorized, and 285 Wage Employees.

Financials Budget FY 2015, \$604.24 million, 0.00% from the General Fund.

Trends → Services to unemployed workers
→ Services provided to veterans

Legend ↑ Increase, ↓ Decrease, → Steady

Key Perf Areas ↓ First UI payments made on time
→ Percent rates released on time
→ During current reporting cycle

Productivity

Legend

→ Dollar cost per call

↑ Improving, ↓ Worsening, → Maintaining

For more information on administrative key, and productivity measures, go to www.vaperforms.virginia.gov

Background and History

Agency Background Statement

Many federal laws and agreements provide the basis for programs administered by the Virginia Employment Commission (VEC), which include some of the following:

- Virginia Unemployment Compensation Act, Section 60.2 – Provides economic stabilization by administering compensation to those who are unemployed through no fault of their own.
- Wagner-Peyser Act of 1933 – Directs the establishment of a national network of public labor exchange offices operated by the states, but funded by the federal government through the United States Department of Labor (DOL).
- Migrant and Seasonal Agricultural Worker Protection Act – Establishes guidelines and regulations for processing agricultural and seasonal job orders, and for registering farm labor contractors and their employees.
- Trade Adjustment Assistance (Trade Act of 1974, as amended) – Establishes programs to assist individuals who have become unemployed as a result of increased imports from, or shifts in production to, foreign countries.
- Jobs for Veterans Act – Federal legislation that provides guidance on regulations that require priority of service to military veterans by United States Department of Labor-funded workforce programs.
- WOTC – The Work Opportunity Tax Credit (WOTC) is a Federal tax credit available to employers for hiring individuals from certain [target groups](#) who have consistently faced significant barriers to employment. WOTC joins other workforce programs that incentivize workplace diversity and facilitate access to good jobs for American workers.

Major Products and Services

The VEC provides strategic business services to employers and job seekers, who have universal access to workforce services that assist in both securing and retaining employment or in finding qualified workers to fill jobs.

The Virginia Employment Commission provides a number of strategic business services through Labor Market Information (LMI). The VEC provides LMI as a product that is available to the general public, Governor, Virginia Board of Workforce Development, Local Workforce Development Boards, State Agencies, United States Department of Labor (USDOL), and other governmental entities.

The Virginia Workforce Connection (VWC) is a workforce information system that integrates the Workforce Innovation and Opportunity Act (WIOA)

and Labor Market Information programs into a single unified system that is customer-focused with data collection as a by-product of service delivery. This system contains operational data used by the workforce system, such as job orders, case notes, jobseekers, employers, program information, and labor market information.

The Virginia Workforce Connection maintains current workforce information. By sharing data, a citizen or employer need register only once within the workforce system to receive services via any one-stop center, the Internet, or the VEC's Customer Contact Centers.

VEC, as a lead partner in the state workforce system, administers the following workforce programs:

- Unemployment Insurance (UI) Services
- Employment Services (JS)
- Reemployment Services Orientation program and Reemployment Services and Eligibility Assessment (RESEA) program for UI claimants
- Disabled Veterans Outreach Program and Local Veterans Employment Representative programs
- Trade Adjustment Assistance program
- Work Opportunity Tax Credit (WOTC) program
- Migrant and Seasonal Farm Workers and Foreign Labor Certification Program

The Virginia Workforce Connection provides a search capability for statewide listings of job openings and is accessible from our resource rooms located in VEC local offices and via the Internet. All other VEC sponsored web accessible information systems are available on the VEC website.

- Employers have access to the state's largest pool of qualified workers, job seekers and business-related services to support their workforce and economic development needs.
- Job seekers have universal access to services designed to prepare them for job search, job advancement, and/or career change. Veterans of military service who are seeking employment receive priority of services.
- VEC provides Trade Program participants and veterans with career services and Unemployment Insurance services; and referrals to services of other partner agencies in the One Stop system. Eligible Trade Program participants may receive training to develop in-demand employment skills.
- VEC conducts outreach to veterans with the purpose of locating candidates who could benefit from intensive services and markets these services to potential clients.

The Economic Information Services (EIS) Division provides a number of products and services such as:

- Local Area Unemployment Statistics
- Covered Employment and Wages
- Current Employment Statistics
- Occupational Employment Statistics and Wages
- Mass Layoff Statistics

Customers

Customer Summary

When the economy in Virginia fluctuates, so does the demand for the job placement and unemployment insurance services rendered by VEC. When the unemployment rate is relatively high throughout the state, there is an increased demand for services for unemployed workers, especially reemployment services. As the economy improves, there is an increased demand on VEC to provide recruitment assistance to employers. In response to the Governor's call in *The New Virginia Economy* the VEC is focused on the five key elements of an employer-centered workforce system. Those elements are jobs, higher wages, relevant credentials, meaningful engagement with employers, and return on taxpayer investment.

Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Employer/ Business Owner	Employer	200,000	200,000	Stable
Unemployed	Job Seekers	237,714	4,000,000	Stable
Unemployed	Trade Act Training Participants	1,000	2,000	Stable
Unemployed	Unemployed Workers	260,000	4,000,000	Stable
Veteran	Veterans Program Participants	11,000	0	Stable

Finance and Performance Management

Finance

Financial Summary

Agency Financial Resources Summary:

The Virginia Employment Commission is normally funded by the Unemployment Trust Fund and federal administrative and benefit grants. Most nongeneral funds are appropriated for unemployment benefits.

Fund Sources

Fund Code	Fund Name	FY 2015	FY 2016
0200	Special	\$7,584,000	\$6,084,000
0700	Trust And Agency	\$455,300,000	\$467,600,000
0701	Vec Federal Fund	\$80,542,360	\$80,461,694
0721	Fuba Benefits Fund	\$26,800,000	\$27,600,000
0725	Tra Allowances Fund	\$27,500,000	\$27,500,000
0796	Unemployment Insurance - Fac Stimulus - Arra	\$10,000	\$10,000
0798	Unemployment Insurance - Admin Incentive - Arra	\$0	\$0

Revenue Summary

VEC's primary source of revenue collections is the State Unemployment Compensation Payroll Tax collected from Commonwealth of Virginia employers to cover state unemployment benefits. The second primary source is the Unemployment Insurance funding provided by the United States Department of Labor to pay federal unemployment insurance benefits and to fund the administration of the Unemployment Insurance program. The remaining revenue collections are provided by other federal funding to cover the administration of workforce development programs within the Commonwealth of Virginia.

Performance

Performance Highlights

VEC performance measures are tied to its mission and strategic goals and objectives.

VEC provides services in three service areas:

- Employment Services
- Unemployment Insurance Services
- Economic Information Services.

Performance in the three service areas supports the agency's strategic plan goals:

- Contribute to the development and implementation of the state workforce system
- Develop a high performance and customer focused agency workforce
- Strengthen and expand the agency's internal and external communications
- Create efficient and aligned business processes and service delivery systems

Selected Measures

Measure ID	Measure	Alternative Name	Estimated Trend
18247002.001.002	Cost Per Call per customer service representative assigned to the Customer Contact Center (CCC).	Dollar cost per call	Maintaining
18247002.001.001	Percent of first-time unemployment insurance (UI) payments made on time	First UI payments made on time	Worsening
18253402.001.001	Percentage of time the statewide unemployment rate is released in accordance with the schedule established by the U. S. Department of Labor (DOL)	Percent rates released on time	Maintaining
18247001.001.001	Percentage rate of job seekers who enter employment after receiving services from the agency.	During current reporting cycle	Maintaining

Key Risk Factors

Expected reductions in federal funding from Wagner-Peyser/Job Services, Unemployment Insurance, and Labor Market Information will impact program operations. Such reductions could result in curtailed customer services in each of these program areas.

A downturn in the current economic conditions could result in increased workloads for agency personnel.

Agency Statistics

Statistics Summary

VEC services continue to meet demand. Key agency measurements are the total number of Unemployment Insurance claims processed, total number of individuals assisted in local offices, and total number of individuals assisted by call center representatives.

Statistics Table

Description	Value
Total initial Unemployment Insurance claims processed	193,000
Total Job Services customers receiving services via Virginia Workforce Connection (online)	237,714
Total VEC customers assisted in local VEC offices (non-distinct)	417,875
Total calls answered by VEC Customer Contact Center representatives	247,000

Management Discussion

General Information About Ongoing Status of Agency

Future Direction, Expectations, and Priorities

Increasing need for workforce system building and program consolidation and coordination, requires VEC to be responsive to these issues and directives. The key principles in building the workforce system are: flexibility in responding to the labor market needs; streamlined services; empowering customers; universal access; stronger private sector role; and greater state and local accountability.

Services must be streamlined by integrating multiple employment and training programs with partners at the state and local level. VEC continues to work to maintain alignment between available funding and expenses. This includes marketing of lower-cost methods of service delivery such as on-line and phone-based services. The VEC also uses opportunities to improve service to customers by reviewing, improving and realigning business processes through a variety of means including technology initiatives. For instance, IT modernization will allow the agency to replace antiquated mainframe systems that administer the unemployment insurance system with a web based solution. This new solution will offer customers a wide variety of highly effective self-service options that improve customer satisfaction and agency costs.

Information Technology

Factors Impacting the Current IT:

- VITA/NG Transformation. VEC continues to go through transformation, and the agency is currently making major progress in this effort.
- Lower Federal Funding and Increased Cost. The VEC is wholly funded by grants from the U.S. Department of Labor. With any federal budget reductions, the VEC has fewer funds available to operate its programs.

Workforce Development

VEC's employment level has declined as the need for staff has been reduced with improvements in the economy. This helps to ensure staffing levels more appropriately align to available resources. Classified staff continues to be supplemented by wage employees and contractors. As the agency modernizes its systems, staff will be supported with advanced training and efforts will be made to recruit and retain staff with the skills needed for the future.

Physical Plant

VEC continues maintenance projects to properly maintain the eight facilities it owns. Furthermore, the agency will be maximizing use of owned space in order to mitigate any lease costs for business needs.
