

**JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION
OF THE VIRGINIA GENERAL ASSEMBLY**

**Review of
Workforce Training
in Virginia**

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Preface

Each year, Virginia invests over \$250 million to build and support a quality workforce, an essential component of sustained economic development. In 2000, the Joint Legislative Audit and Review Commission (JLARC) directed its staff to review the efficiency and effectiveness of the Commonwealth's workforce training effort. In addition, the 2002-2004 Appropriation Act directed JLARC to review the administration of the federal Workforce Investment Act (WIA) by the Virginia Employment Commission (VEC).


The WIA provides Virginia over \$40 million a year for employment and training services and mandates a system of service delivery to coordinate between three WIA-funded programs and 14 other federally mandated workforce training programs. The legislation requires that the system develop one-stop centers that provide single points of access to the many State and federal employment and training programs.

The findings from the review show that Virginia lacks a coherent, coordinated system of workforce training. There are currently 22 workforce training programs administered by ten State agencies in three secretariats. There is no formal coordination among these programs, many of which provide similar services to similar populations.

This study also found that while Virginia has implemented the basic framework of the one-stop service delivery system required by the WIA, the VEC does not have the authority to develop a true coordinated system. In fact, neither the VEC, nor any other existing State agency is able to develop the system as intended by the WIA. JLARC staff found that in order to facilitate a statewide system of workforce training, the VEC should be replaced by an agency that has a clear employment and training focus. This new agency should administer many of the 22 workforce training programs currently spread out among ten State agencies.

Governor Mark Warner, in his recent State of the Commonwealth Address, cited this JLARC study and noted the shortcomings of Virginia's current workforce training effort. The Governor is proposing a comprehensive plan to enhance coordination and improve the one-stop centers.

On behalf of JLARC staff, I would like to thank the numerous State and local officials who assisted with this review. This report would not have been possible without the cooperation of several Secretaries, staff at the Virginia Employment Commission and many other State agencies, members of the Virginia Workforce Council, members of local workforce investment boards, and staff at local agencies and one-stop centers.


Philip A. Leone
Director

January 15, 2003

JLARC Report Summary

Review of Workforce Training in Virginia

The Joint Legislative Audit
and Review Commission

January 2003

Developing and maintaining a quality workforce is one component of sustained economic development. To that end, Virginia invests millions of dollars each year in its workforce. In FY 2002, for example, approximately \$255.8 million was allocated for workforce training in Virginia. About \$173.2 million, or about 68 percent of the funding, was federal. Historically, the approach to workforce training has consisted of a patchwork of programs providing employment and training services to various target populations. For the most part, these programs have operated independently of one another, raising concerns that there may be duplications of effort or inefficiencies in some services. Customers would have to know

where to access services and then go to multiple places to receive those services.

Congress partially changed this paradigm of delivering workforce training services with the passage of the Workforce Investment Act (WIA) in 1998. It creates a service delivery system that consolidates access to 17 federally funded programs through one-stop centers. Essentially, the centers should act as brokers, providing seamless services to customers through the cooperation of multiple providers. This shift in practice is facilitated by local workforce investment boards, which, in collaboration with local elected officials, establish partnerships with local entities that administer the programs mandated to participate in the system.

In July of 2000, Virginia implemented the WIA and established the basic framework for one-stop service delivery mandated by the legislation. However, there was a concern that while the basic structure was in place, the Commonwealth had not achieved the seamless delivery of services intended by the WIA. Given the challenging economic situation currently facing Virginia, how the Commonwealth spends limited federal and State dollars earmarked for workforce training is an important public policy issue. There was a concern that public dollars available to train workers may be bureaucratically entangled rather than serving the workforce training needs of Virginia's citizens and employers through the one-stop service delivery system.

In response to these concerns, the Joint Legislative Audit and Review Commission (JLARC) directed its staff to review workforce training in November of 2000. In addition, the 2002-2004 Appropriation Act directed JLARC to review the State's implementation of the Workforce Investment Act and evaluate

the administration of the Act by the Virginia Employment Commission (VEC), which is the agency designated as lead for the WIA. As lead agency, the VEC is responsible for assisting in the development of the State's delivery of workforce training services, and there was a concern that the VEC was not the appropriate agency to be responsible for the statewide workforce training effort.

The findings from the JLARC staff's review show that Virginia lacks a coherent, coordinated system of workforce training. The 22 State-administered workforce training programs are fragmented and spread out among ten State agencies with no formal method for coordination. As a result, there is a potential for duplication among many programs that provide similar services to similar populations. Many of these programs are not required to coordinate with the one-stop service delivery system, further increasing the potential for duplication. At the local level, many local workforce investment boards struggle to establish partnerships, and a seamless system of service delivery has not been achieved.

While Virginia has established the basic components of the service delivery system mandated by the WIA, the current governance structure precludes the development of a coordinated, statewide system. The VEC, while it has made some progress in system development, does not have the authority to coordinate programs that cut across multiple agencies. Neither the VEC, nor any other existing State agency would be able to develop the system as intended by the WIA.

Based on the intent of the WIA legislation, the potential for duplication, and the lack of authority and accountability in the current State structure, JLARC staff recommend that Virginia should consider adopting a different model for governing workforce training programs. The new model should consolidate workforce training programs under one agency, which should be responsible for

the administration of the WIA. In addition, the monitoring of the system and general policy direction should be the responsibility of the Virginia Workforce Council (the Council), which includes the Governor, members of his cabinet, and members from the business community. However, the Council should have independent staff through either the Governor's office, the office of the Secretary of Commerce and Trade, or a public-private partnership. It is important to note that this shift in governance structure will not create additional staff positions. Rather, it will consolidate existing positions that are currently spread across multiple agencies.

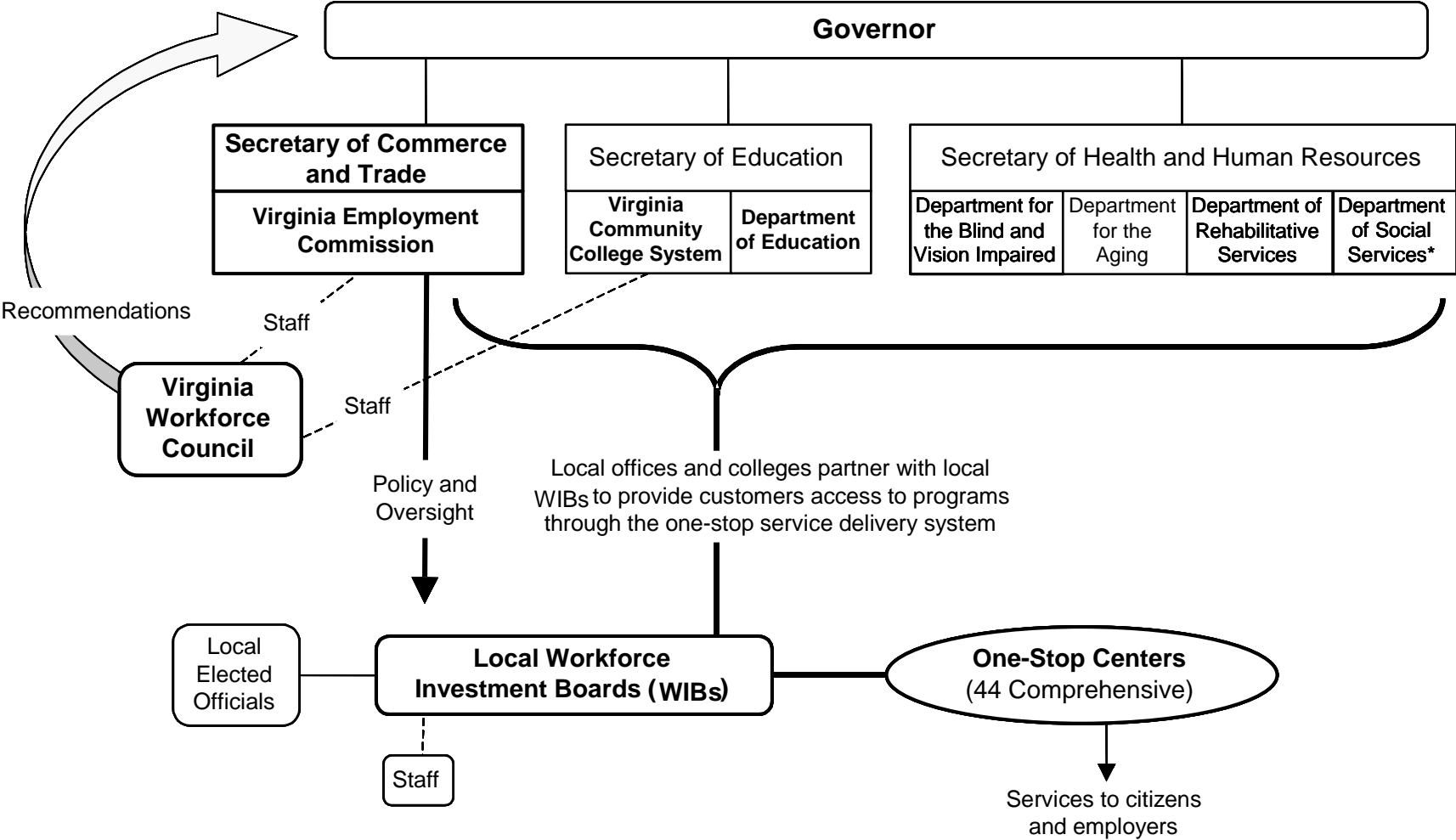
To establish authority and accountability, the director of the new agency should be the lead for administration of State workforce training programs, and the director of the Council should be the lead for strategic planning and system development. These two individuals should work closely to establish a system that uses funding in the most effective manner to provide comprehensive, seamless services in support of a quality workforce and sustained economic development.

Virginia's Implementation of the Workforce Investment Act

In July of 2000, Virginia implemented the WIA by establishing the governance and system components required by the legislation. As shown in the figure on the next page, the Virginia Employment Commission (VEC) is the lead agency in administering the WIA, and the Virginia Workforce Council (the Council) is the mandated State board making recommendations on WIA and other workforce issues to the Governor. At the local level, 17 workforce investment boards (WIBs) were established throughout the State. These local WIBs set up one-stop service delivery systems that include 44 comprehensive one-stop centers.

In addition to the oversight of the local service delivery systems, the VEC

Current Model of WIA Governance in Virginia



is the administrator of the three programs authorized by the WIA: the Adult, Dislocated Worker, and Youth programs. These are three of the 17 programs mandated to partner with the one-stop service delivery system. The local WIBs are allocated the grant funding for these programs and are provided considerable flexibility in determining how the program services are provided to the area's citizens.

Potential for Duplication and Inefficiency Results from Lack of State-Level Coordination

Of the 17 federally-funded programs that are mandated to partner with the WIA service delivery system, 11 are workforce training programs administered by the Commonwealth of Virginia. In addition to these programs, JLARC staff identified 11 other workforce training programs funded with federal or State dollars and administered by State agencies. Collectively, the 22 programs are administered by ten State agencies in three secretariats, as shown in the figure on the next page. In FY 2002, these programs were funded with approximately \$255.8 million in federal, State, and local funds (see the figure on page vi).

Currently, there is no formal State-level coordination among all of these 22 State-administered workforce training programs. The Virginia Workforce Council does provide strategic planning for the State's overall workforce effort, but is not involved in the day-to-day coordination and administration of these services.

JLARC staff found that many of the workforce training programs provide similar employment and training services targeted to the economically disadvantaged. Further, some of these programs are required by WIA to coordinate through the local service delivery systems while others are not. Without consistent State or local coordination, these programs have the potential to be duplicative and inefficient. Resolving

the absence of State-level coordination will be addressed later in this summary. Local coordination could be improved by mandating that the programs not currently required to work with and through the one-stop service delivery system become mandated partners as defined by the WIA. The affected programs are those funded by the Temporary Assistance for Needy Families (TANF) block grant and the Education for Independence Program.

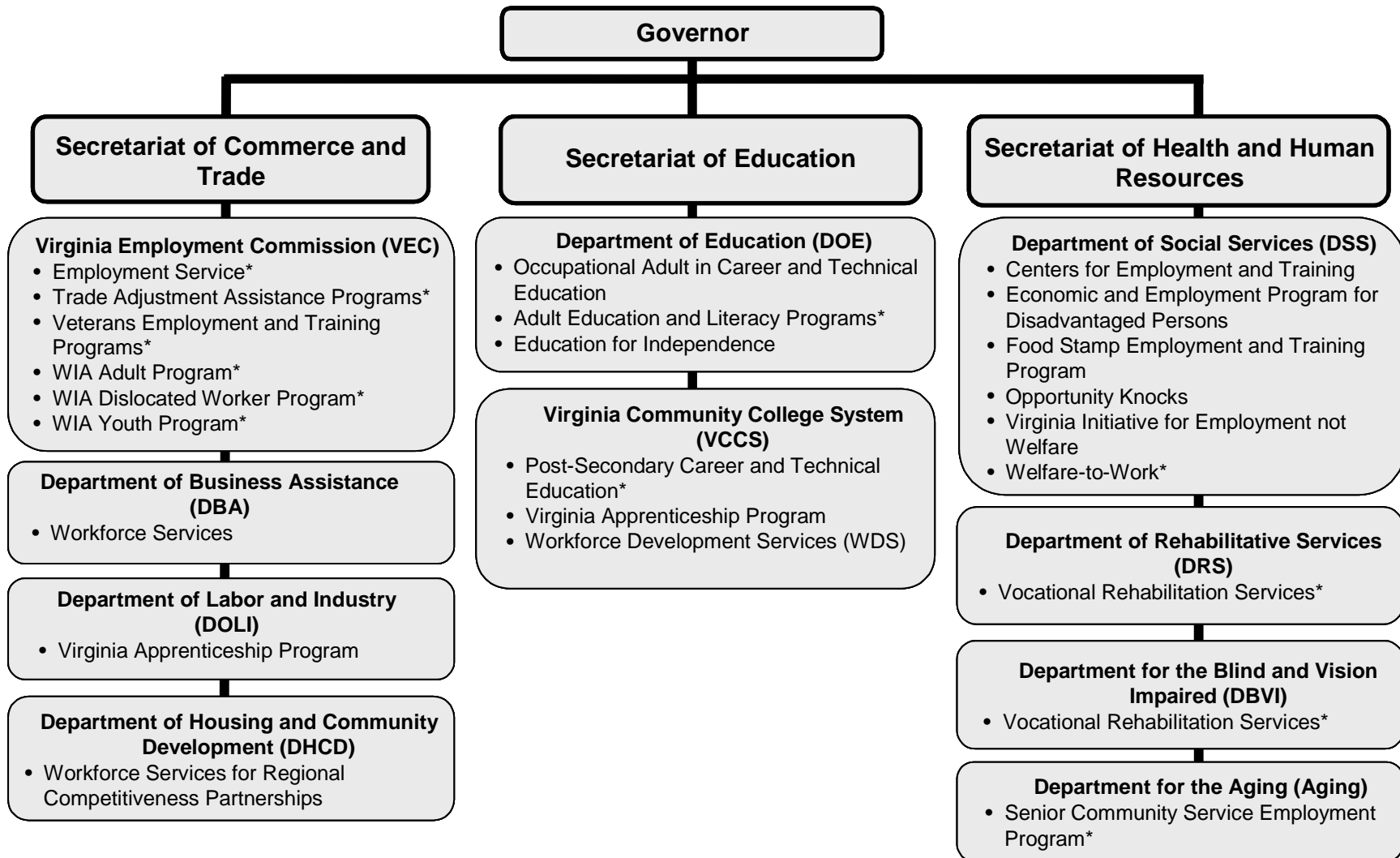
Recommendation (1). *Employment and training programs funded through the Temporary Assistance for Needy Families and Education for Independence programs should be mandated to partner with the one-stop service delivery system as defined by the Workforce Investment Act. The Governor should make this declaration or the General Assembly should consider amending the Code of Virginia to reflect this mandated partnership.*

Local Workforce Investment Boards Struggle to Establish Necessary Partnerships

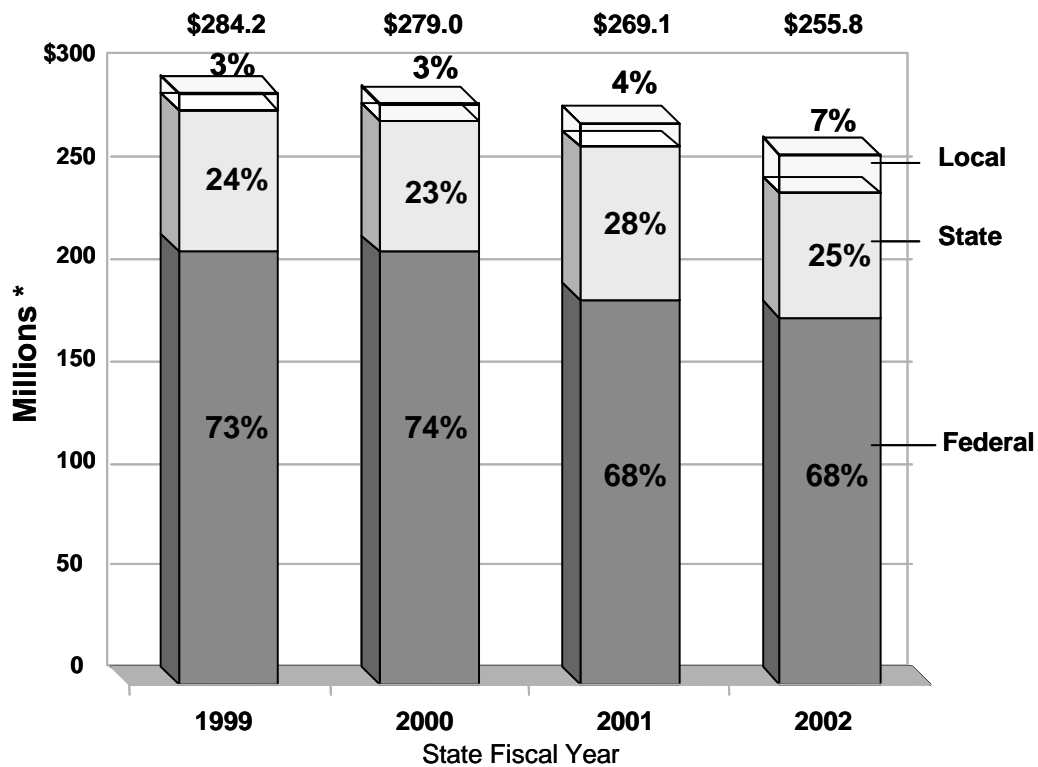
The WIA required a shift in the way workforce training services are delivered by states. In the past, customers would have to go to multiple places, such as employment commission offices, area agencies on aging, local departments of rehabilitative services, and community colleges, to access the multitude of services that might be needed to obtain and maintain employment. The new model embraces a more coordinated approach, focusing on "one-stop" service access, where access to a multitude of services is provided at a single location.

Developing a system that incorporates this approach requires the partnership of many local, State, and private entities. The local workforce investment boards are responsible for identifying workforce needs in the area and facilitating the partnerships necessary to create a one-stop service delivery system that meets the identified needs.

Organization of State-Administered Workforce Training Programs



Trend in Funding of Workforce Training Programs



Note: Percents are rounded to add up to 100 percent.

*Funding shown in unadjusted dollars.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Although some areas have been successful in this endeavor, many local WIBs have had difficulty establishing partnerships.

Part of the difficulty in establishing partnerships has been due to obstacles created by the multiple federal guidelines for workforce training programs. The WIA requires that mandated programs contribute to the one-stop system and provide access at one-stop centers. In an apparent contradiction, programs are required to contribute funding to a "system" but must still report performance at the program level. This obstacle could be overcome through collaborative data collection and system tracking, but this needs to occur at the State level, rather than the local level.

JLARC staff were also made aware of a source of funding for which several local workforce investment boards may be eligible. The Virginia Tobacco Indemnification and Community Revitalization Commission will receive about \$45 million for economic development activities. According to the director, workforce training is consistent with the Commission's mission. Therefore, the local boards in Southwest and Southside Virginia should apply for additional funding through this Commission.

Recommendation (2). Local workforce investment boards in Southwest Virginia (Area 1), New River/Mount Rogers (Area 2), Western Virginia (Area 3), Central Virginia (Area 7), South Central Virginia (Area 8), Crater Area (Area 15),

and West Piedmont (Area 17) should apply for workforce training funding through the Virginia Tobacco Indemnification and Community Revitalization Commission.

It Is Unclear How Local Boards Spend WIA Grant Funds

Local WIBs have the flexibility to decide how WIA grant funds are spent on the WIA programs. The goal would be to use the funds available for workforce training in an area in the most efficient and effective way. If there are multiple programs already funding occupational skills training, for example, then the WIA Adult program funds may be spent mostly on intensive services, such as career planning and case management, or supportive services, such as child care or transportation. The participants could be referred to other programs that fund training.

In order for policy makers to make informed decisions about funding areas of training that need additional resources, they must first have information on how current funds are spent. The VEC requires program providers and local WIBs to request reimbursements from their WIA allocations based only on whether the expense is for program activities or administration activities. Program expenses could include such things as training vouchers, supportive payments for child care or transportation, staff to provide intensive services, or operating expenses of a one-stop center. To better inform policy makers, the VEC should collect more detailed information on how funds are spent.

Recommendation (3). *The Virginia Employment Commission should require fiscal agents of local workforce investment boards to provide detailed and consistent expenditure data, which should include expenditures on training vouchers and supportive services. These data should be reported to the Virginia Workforce Council at its quarterly meetings.*

Local WIBs Have Implemented WIA Programs Differently

In addition to mandating a new system for delivering workforce services, the WIA re-authorized three workforce training programs previously administered through the Job Training Partnership Act (JTPA). The WIA Adult, Dislocated Worker, and Youth programs are three of the 17 programs mandated to partner with the one-stop service delivery system. The WIA gives considerable flexibility to states and local WIBs to administer these programs based on minimum eligibility and service guidelines. The VEC transferred that flexibility to the local WIBs by taking a “hands-off” approach to administering these programs during the first two years. As a result, eligibility, enrollment, exiting, and service provision policies vary across the State.

The “exiting” policy (the policy by which individuals are removed from a program) appears the most troublesome, as evidence suggests that some service providers may not be in compliance with federal law. Because performance measures come into play once a participant exits one of the programs, there may be a tendency to keep participant cases open when their outcomes are not successful based on required measures. The VEC should clarify the exiting policy and monitor the adherence of service providers to the policy.

Recommendation (4). *The Virginia Employment Commission should clarify and monitor the policy for exiting participants from the WIA programs.*

WIA Training Programs Appear to Provide Core Services

The WIA Adult and Dislocated Worker programs may provide core, intensive, and training services to eligible participants. Based on a review of 438 participant case files, it appears that, on average, adults and dislocated workers move through the levels of service in a

similar way. As the figure on the next page illustrates, 63 percent of the participants in the JLARC sample attended training through the WIA program. It is important to note that the files did not indicate whether WIA vouchers were used to pay for training or whether funding was received by another source and the WIA program provided other services to support training, such as books, supplies, child care, or transportation. Of those participants who have exited the programs, 72 percent did so with unsubsidized employment.

Preliminary findings show that, on average, employment rates and earnings for the population of participants in the Adult and Dislocated Worker programs increased after enrolling in WIA. However, in the first three quarters after enrolling in WIA, dislocated workers are still earning far less than they earned in their previous employment. The programs are only two years old, and therefore the long-term effect of these programs is yet to be determined. These trends should be reviewed again as the programs mature.

Virginia is required to report 17 performance measures for the Adult, Dislocated Worker, and Youth programs. In FY 2001, the State failed five of the performance measures, due in large part to the VEC's inability to collect data on four of the measures. This complication has since been corrected. However, due to inappropriately developed local performance rates, the State has the potential to fail its federal performance measures, even though the local areas pass. The VEC should re-negotiate local rates to correct this problem.

Recommendation (5). *The Virginia Employment Commission should re-negotiate each of the local workforce investment areas' performance levels for the WIA Adult, Dislocated Worker, and Youth programs to ensure that the average of the local rates is at least*

equal to the rate negotiated for the State.

Virginia Employment Commission Has Not Completed Several Mandated Activities, Due in Part to a Lack of Authority

The VEC retains 22 percent of the total WIA grants for administration of eight mandated activities. Four of the activities are directly related to the administration and monitoring of the WIA programs. The remaining activities include assisting in the establishment of the one-stop service delivery system, providing incentive grants, maintaining fiscal and data management systems, and administering the Rapid Response program. VEC has completed four of the activities and part of a fifth. Three of the activities and part of a fourth have not been sufficiently completed and need improvement. JLARC staff have several recommendations regarding the activities completed by VEC, which are listed below.

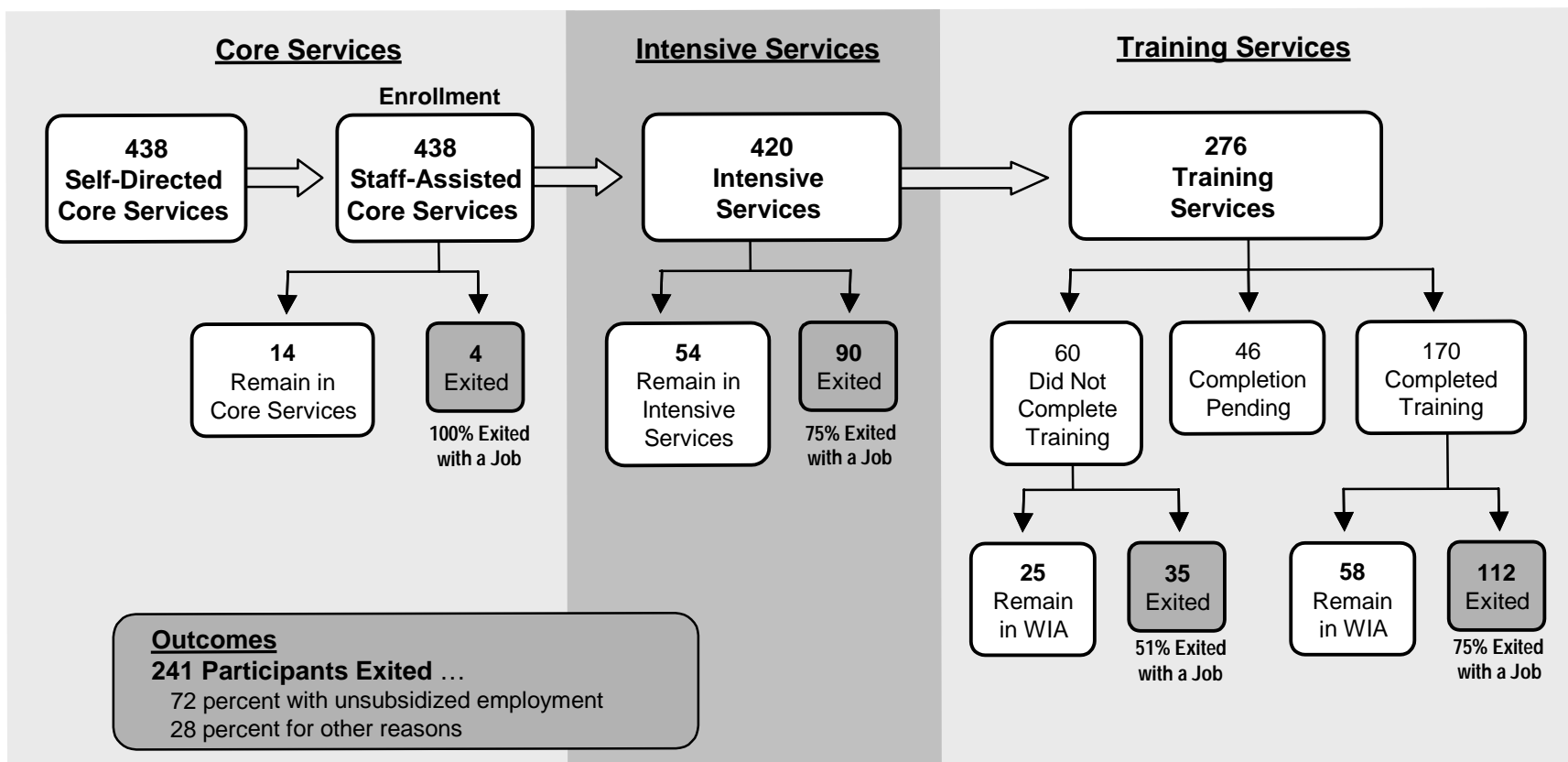
Recommendation (6). *The Virginia Employment Commission should work with the Virginia Workforce Council to establish minimum standards that training providers must meet in order to be re-certified. The Virginia Employment Commission should also monitor the re-certification process conducted by the local workforce investment boards.*

Recommendation (7). *The Virginia Employment Commission should work with the Virginia Workforce Council to establish measures to evaluate the performance of the local workforce investment boards.*

Recommendation (8). *The Virginia Employment Commission should work with the Virginia Workforce Council to develop the criteria to evaluate one-stop centers.*

Recommendation (9). *The State Dislocated Worker Unit should collect basic information on companies approached and services provided by the*

Service Path for Participants in the JLARC Sample



Note: Sampling errors for the percentage estimates are reported in Appendix G.

Rapid Response program in order to evaluate the performance of the program, suggest improvements, and report regularly to the Virginia Workforce Council.

Recommendation (10). *The Rapid Response regional coordinators should report to the Director of the Dislocated Worker Unit within the Workforce Investment Act Division of the Virginia Employment Commission.*

One of the activities that has not been sufficiently completed is the establishment of a one-stop service delivery system. Part of the difficulty in completing this activity is a clear lack of authority. VEC has authority only over the six programs administered within its own agency. This creates an obstacle in assisting local WIBs to facilitate partnerships with other programs. In addition, the VEC oversees the one-stop centers that are located at VEC field offices. These make up over half of the 44 comprehensive centers in the State. The field offices are clearly accountable to the State VEC, but it is unclear how accountable they are to the local WIBs, which are supposed to be guiding the operation of the field offices as one-stop centers. This confusion in authority and accountability does not support successful system development.

The State Should Adopt a New State Model to Govern Workforce Training Programs

The current structure of governing workforce training programs in Virginia does not facilitate coordinated, seamless service to customers. As this report illustrates:

- There is no State-level coordination of workforce training programs.
- There is a clear potential for duplication, as many programs have similar eligibility require-

ments and provide similar services.

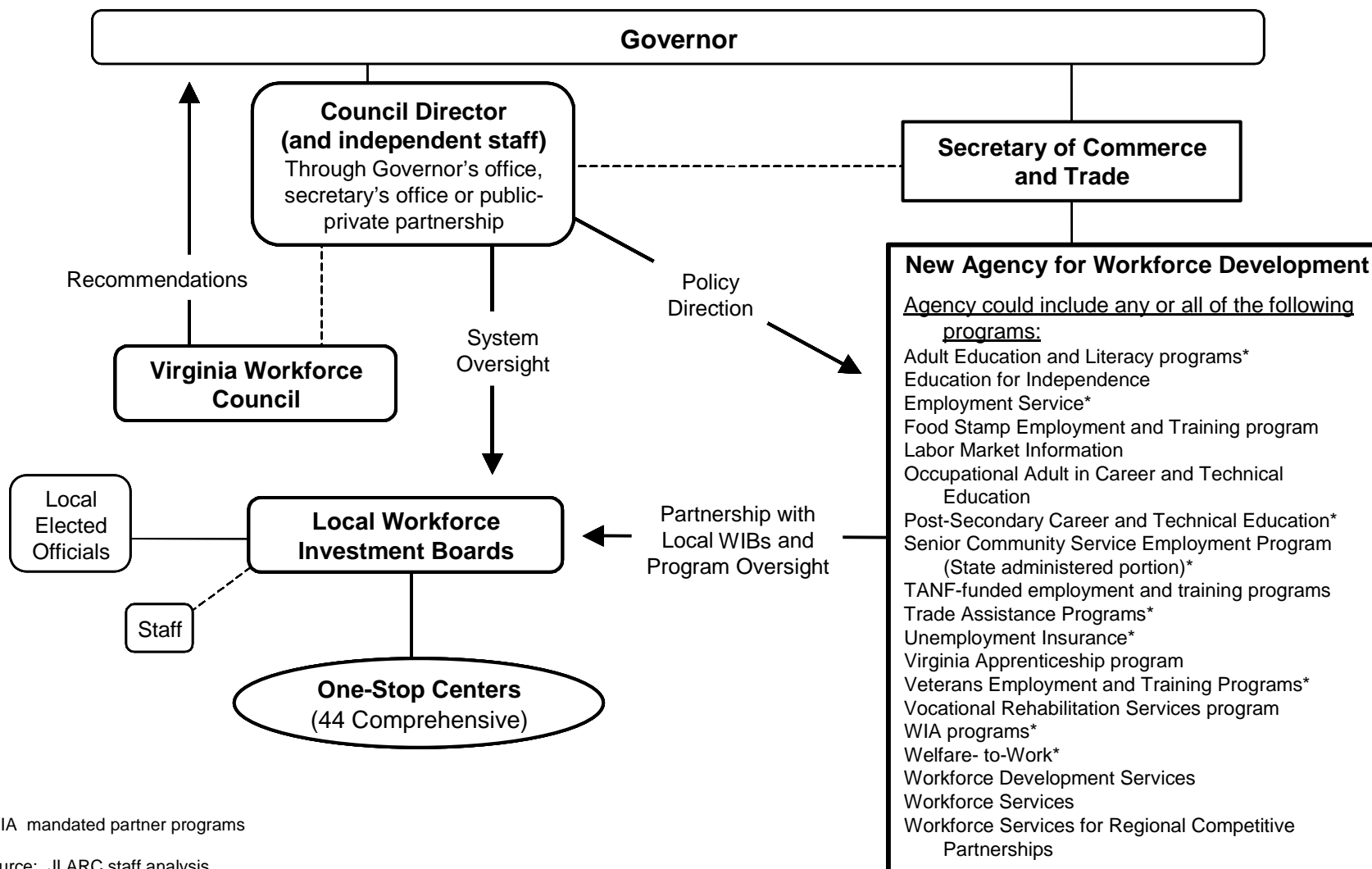
- While the components of one-stop service delivery systems are in place, a coordinated system as intended by WIA has not been realized.
- Local WIBs have had difficulty establishing the partnerships necessary to facilitate true seamless service to customers due to a lack of authority over partner programs and a lack of commitment from the State.
- The Virginia Employment Commission does not have the authority to effectively facilitate the development of a coordinated, statewide system of workforce training.

The two characteristics of governance that are lacking in Virginia's structure are *authority* and *accountability*. There is no individual or entity in State government, other than the Governor, that has the authority to require and facilitate effective coordination. As a result, programs may be duplicative, one-stop service delivery is not seamless, and funds may not be used in the most efficient way to serve Virginians' employment and training needs. Because of the lack of authority over program services, it is unclear who, or what entity, should be held accountable for Virginia's lack of a coordinated workforce training system.

JLARC staff recommend that Virginia adopt the model presented on the following page to facilitate service delivery of a multitude of workforce training programs. Implementation of the model requires that the State:

- consolidate multiple workforce training programs within a new

Recommended New Model of WIA Governance in Virginia



*WIA mandated partner programs

Source: JLARC staff analysis.

agency and assign the new agency as the lead agency for WIA.

- assign independent staff to the Virginia Workforce Council, through the Governor's office, the office of the Secretary of Commerce and Trade, or a public-private partnership.
- designate the Director of the Virginia Workforce Council as the lead for workforce training and development in the State.

This model provides authority through the head of the new State agency, who is responsible for multiple workforce training programs. These programs could include Employment Service, TANF-funded employment and training programs, and WIA programs. In addition, it is important to note that the other functions of the Virginia Employment Commission, such as Labor Market Information and Unemployment Insurance, would be assumed by the new agency, since they are integrally related to the workforce effort. The new agency would be held accountable for the performance of workforce training programs and the one-stop service delivery system. The Secretary of Commerce and Trade should develop a plan to facilitate this action. It is important to note that the new agency will not require additional staff, since the agency will consolidate existing staff who are currently spread out among multiple agencies.

The Virginia Workforce Council, through its staff Director, who is appointed by the Governor, is responsible for policy direction and the development of a one-stop service delivery system. This separation of system development and program administration also facilitates accountability and establishes a balanced system that relies on private sector direction, through the Council and

its staff Director, and day-to-day program administration through a single State agency and its head. The roles and responsibilities for the Council's staff Director and the new State agency head are shown in the figure on the next page. As shown, the staff Director of the Council is the lead for the State on issues related to strategic planning, policy guidance, and coordinating issues crossing agency and Secretarial boundaries. In contrast, the head of the new State agency is the lead for the implementation and administration of the one-stop service delivery system and the programs that are consolidated within the new agency. These two individuals should work closely to establish a system that uses funding in the most effective manner to provide comprehensive, seamless services in support of a quality workforce and sustained economic development.

Recommendation (11). *The General Assembly may wish to consider consolidating workforce training programs under a new State agency for workforce training and development. The new agency should also assume the functions currently completed by the Virginia Employment Commission. The new State agency head should be the lead for the implementation and administration of the one-stop service delivery system and the programs consolidated within the agency. The Secretary of Commerce and Trade should develop a plan for the consolidation into a single agency workforce training programs as well as other functions currently performed by the Virginia Employment Commission.*

Recommendation (12). *The General Assembly may wish to consider assigning independent staff to the Virginia Workforce Council through the Governor's office, the office of the Secretary of Commerce and Trade, or a public-private partnership. The Virginia Workforce Council, through its staff Director, should be the lead for strategic plan-*

ning, policy guidance, and coordination of issues crossing agency or Secretarial boundaries. Staff for this function

should be assigned from existing, reconfigured agencies.

Roles and Responsibilities of the New State Agency Head and the Virginia Workforce Council Staff Director

Council Staff Director

- Make recommendations to the Governor on WIA policy guidance for the State agency and local WIBs.
- Monitor and evaluate the overall performance of the one-stop service delivery system.
- Provide strategic planning for the State's system of workforce training.
- Act as the point of contact for the business community, localities, WIBs, and staff from other agencies on policy issues such as:
 - Strategic planning
 - Economic development
 - Jurisdictional issues
 - Coordination of issues crossing agency/Secretarial boundaries

New State Agency Head

- Implement WIA policies recommended by the Council and approved by the Governor.
- Operate the one-stop service delivery system.
- Administer the workforce training programs within the agency.
- Act as the point of contact for citizens, employers, and WIBs on programmatic and operational issues such as:
 - Service delivery
 - Program management and administration
 - Issues related to specific programs administered by the new agency

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I. Introduction

In 1998, Congress initiated a new approach to coordinating federal employment and training programs with the passage of the Workforce Investment Act (WIA). With a focus on private sector involvement, customer choice, attention to employer needs, and state and local flexibility, the legislation developed the framework for a “system” of service delivery to coordinate a myriad of federal workforce training programs. Virginia is in compliance with this federal law, as the required components of the WIA service delivery system have been established. However, the Commonwealth has not yet met the overall intent of the legislation, and a true system of workforce training has not been achieved.

The WIA provides an opportunity for Virginia to expand on the system framework described by the legislation and embrace a new model for serving clients, which includes both Virginia citizens and employers. At “branded” one-stop centers, individual clients would recognize and expect access to workforce-related services, including training and supportive services. Business clients would expect the centers to be a source of qualified workers. Only through a change in State structure, strong leadership at the highest levels of State government, and a commitment to seamless service delivery, will this model be achieved.

In the 2002-2004 Appropriation Act (Appendix A), the General Assembly directed the Joint Legislative Audit and Review Commission (JLARC) to review the administration of the WIA by the Virginia Employment Commission (VEC). The VEC was vested with the responsibility of implementing and administering the WIA when it took effect in July of 2000. The VEC was charged with overseeing the establishment of a one-stop service delivery system and administering the three workforce training programs authorized by the legislation.

In addition to the Appropriation Act mandate, JLARC directed its staff to examine the coordination between all workforce training programs administered by the Commonwealth to identify the potential for streamlining or coordinating programs. One of the issues of concern to the Commission was the proliferation of workforce training programs administered by multiple State agencies, and the potential for service duplication and inefficiencies.

Given the challenging economic situation currently faced by Virginia, how the Commonwealth spends limited federal and State dollars earmarked for workforce training is an important public policy issue. Having a quality workforce is one key to sustainable economic development. There is a concern that public dollars available to train workers might be bureaucratically entangled rather than serve the workforce training needs of Virginia’s citizens and employers.

This chapter provides background information on workforce training in Virginia and discusses the methodology used in this review. The first section discusses the individuals served by public workforce training programs and the various iterations of federal workforce legislation. The second section describes how Vir-

ginia has implemented the Workforce Investment Act. The third section describes the research methods employed by JLARC staff to evaluate both the Commonwealth's overall approach to workforce training and the Virginia Employment Commission's administration of the Workforce Investment Act.

WORKFORCE TRAINING IN VIRGINIA

Prior to the passage of the WIA, Congress had initiated three major pieces of federal workforce legislation that dated back to the 1960s. The Manpower Development and Training Act (MDTA), the Comprehensive Employment and Training Act (CETA), and the Job Training Partnership Act (JTPA) each authorized and funded a variety of workforce training programs that states were required to implement and administer. Although the WIA also authorized three programs, the legislation departed from previous practice by mandating a method to coordinate multiple workforce training programs.

Public workforce training efforts serve a variety of individuals. First, "dislocated workers" who are laid off or terminated from their jobs due to economic conditions may need training and supportive assistance in their job search. Second, individuals who have barriers to employment, such as the disabled, recipients of public assistance, or individuals without a high school education, may need education or supportive assistance. Lastly, any citizen who is looking for a new job may need assistance in finding appropriate options.

This section describes the various individuals served by Virginia's workforce training effort. In addition, it must be noted that businesses are also customers of the workforce training effort, as training is most beneficial when there is employer demand for those skills. This section also describes the three major pieces of federal workforce legislation and how they were implemented in Virginia.

Types of Individuals Served by Virginia's Workforce Training Effort

Maintaining a quality workforce is one of the keys to sustained economic development. The probability of employers expanding or building in Virginia is increased if there are trained workers to fill necessary positions. Therefore, although individuals are most often the clients of workforce efforts, it is important to keep in mind business and industry as the ultimate employers of the workers.

This section describes the various individuals that workforce training programs are intended to serve. The remainder of this section describes several types of workers, including: dislocated workers, individuals with barriers to employment, and individuals changing careers. When effectively implemented, the WIA one-stop service delivery system would be capable of addressing the needs of all of these individuals.

Workers Affected by Economic Conditions. One of the primary purposes of workforce training programs is to serve workers affected by economic conditions. The current economic situation in many of Virginia's localities is challenging.

Unemployment rates have risen statewide in Virginia, as shown by Figure 1. Virginia has faced an unemployment rate at or above four percent since September of 2001. Moreover, in some areas of Virginia, mass layoffs at manufacturing and textile plants have created pockets of laid-off workers who have limited transferable skills in regions with little economic growth.

Due to the recession, re-location of manufacturing industries overseas, the tragedy of September 11th, and recent corporate accounting scandals, major layoffs continue to impact the Commonwealth's workforce. In FY 2002, 121 Virginia businesses closed or laid off enough workers to trigger a federally required Worker Adjustment and Retraining Notification, or WARN. These events affected over 20,000 workers and have contributed to the statewide average unemployment rate remaining over four percent for the last year.

Although the average statewide unemployment rate is below the national average of 5.7 percent, some of Virginia's localities are facing double-digit unemployment rates. In September of 2002, 32 localities had unemployment rates above the national average. Of these, ten localities (all in Southside and Southwest Virginia) had unemployment rates of ten percent or higher, as shown in Figure 2. The highest rate of unemployment was felt by those living in the City of Galax, where almost 18 percent of the civilian labor force was unemployed. These high rates are due in part to large plant closings in the manufacturing and textile industries.

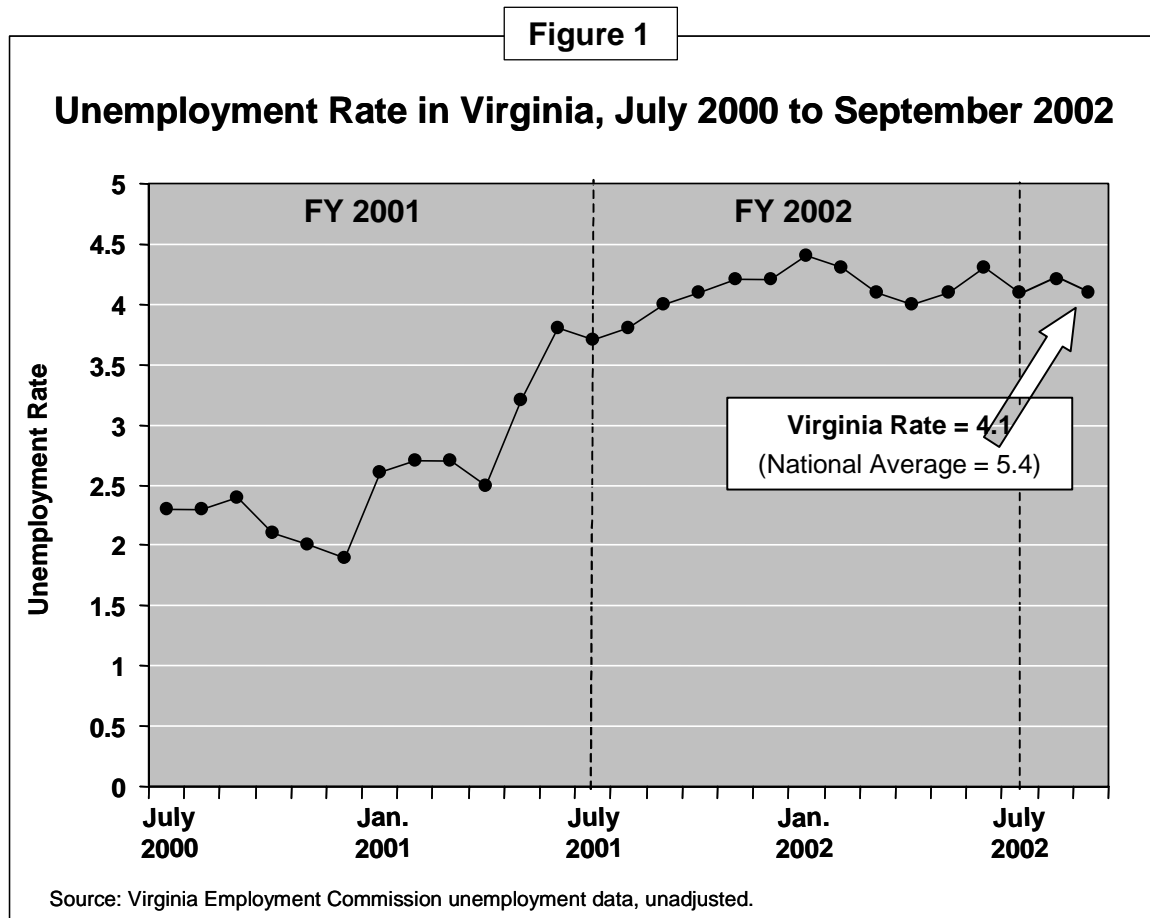
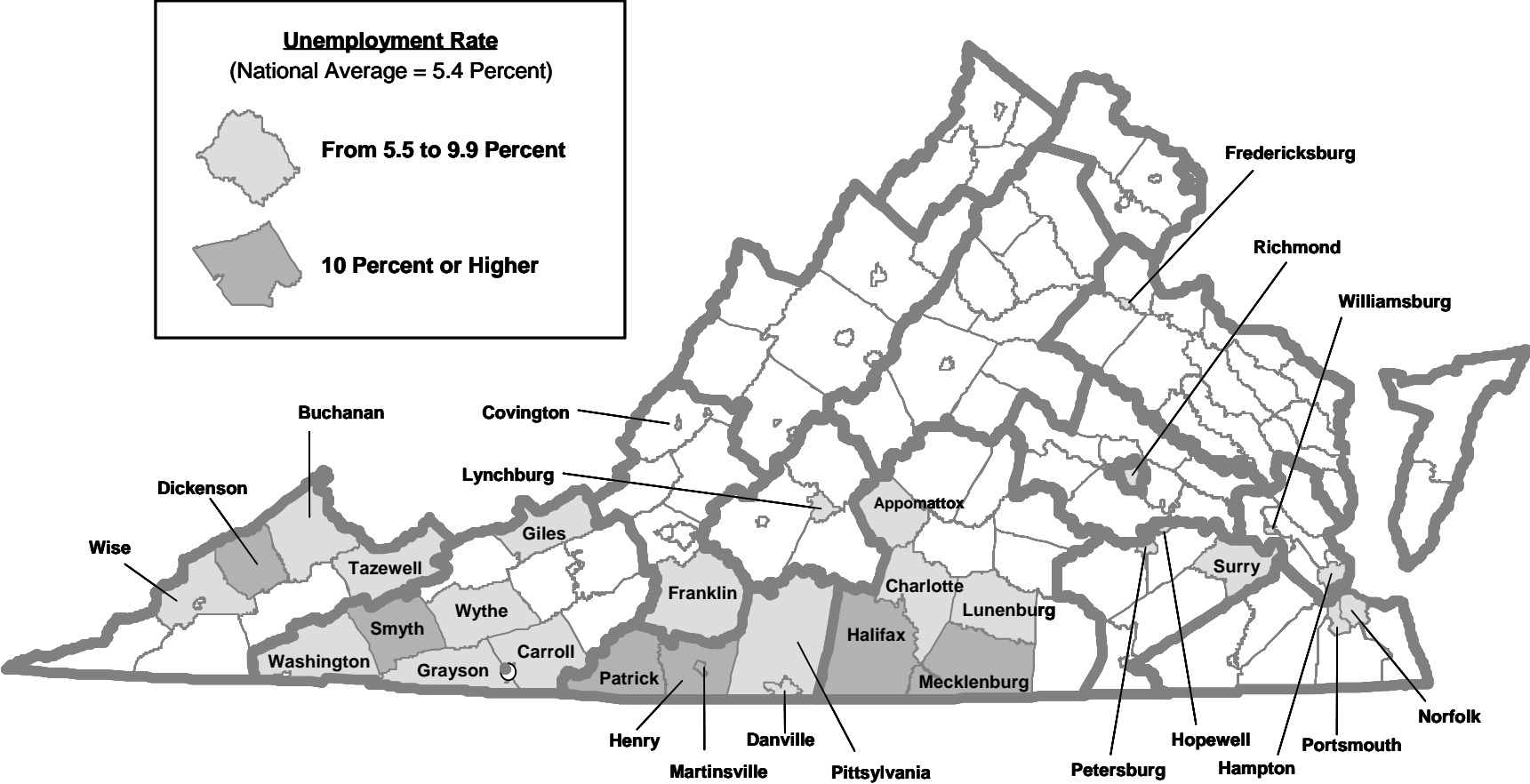


Figure 2

Virginia Localities Facing Unemployment Rates Above the National Average
(September 2002)



Source: Unemployment rates compiled by the Virginia Employment Commission, unadjusted.

The workers who were affected by the layoffs and plant closures that contributed to the high unemployment rates are referred to as “dislocated workers.” Dislocated workers may be in need of many types of services. For example, some workers are laid off from highly skilled jobs and have a good work history and transferable skills. These individuals may only need temporary unemployment insurance and assistance looking for a new job. Others are laid off from a highly skilled job, but their specialized skills were in a technology that has changed. These individuals may need some assistance re-training or upgrading their skills before searching for a new job. Workers who are laid off from unskilled jobs may need additional services. For example, they may need some basic education skills before re-training for a new position. The State’s workforce effort is intended to address all of the various needs of dislocated workers.

Individuals Who Have Barriers to Employment. Another type of worker served by public workforce training programs are those individuals who have one or more barriers to employment. For example, there are many recipients of public assistance, such as welfare or food stamps, who are required by federal law to participate in a workforce employment and training program. These individuals may have other barriers as well, such as limited education or child care needs due to being a single parent.

Other individuals, who are not on public assistance, may also have barriers to employment, such as a disability or limited education. They may have other supportive services needs, such as child care or transportation, that limit their employment and training options. These individuals may be in need of developmental services before moving into a skills training program. Such services could include literacy, GED education, counseling, or job readiness skills such as interviewing and resume writing.

Individuals Changing Jobs or Careers. There is another group of people in the workforce who have not been laid off, are not on welfare, and may have few barriers to employment. They are simply ready for a new job or career. Virginia’s workforce effort also needs to serve these individuals, providing a link between potential employees and businesses.

Evolution of Federal Workforce Training Programs

Since the early 1960s, Congress has authorized funding for comprehensive workforce training programs to address the needs of clients described in the previous section. Historically, the authorized programs have been established to provide specific services, such as occupational skills training or on-the-job training to a specific population, such as low-income or dislocated workers. Although the eligibility requirements, services provided, and level of funding changed over the years, the general premise of providing training to under-trained populations to support sustained economic development has been a constant theme.

This section focuses on the history of what are considered the three major pieces of comprehensive federal workforce legislation prior to the WIA. Knowledge

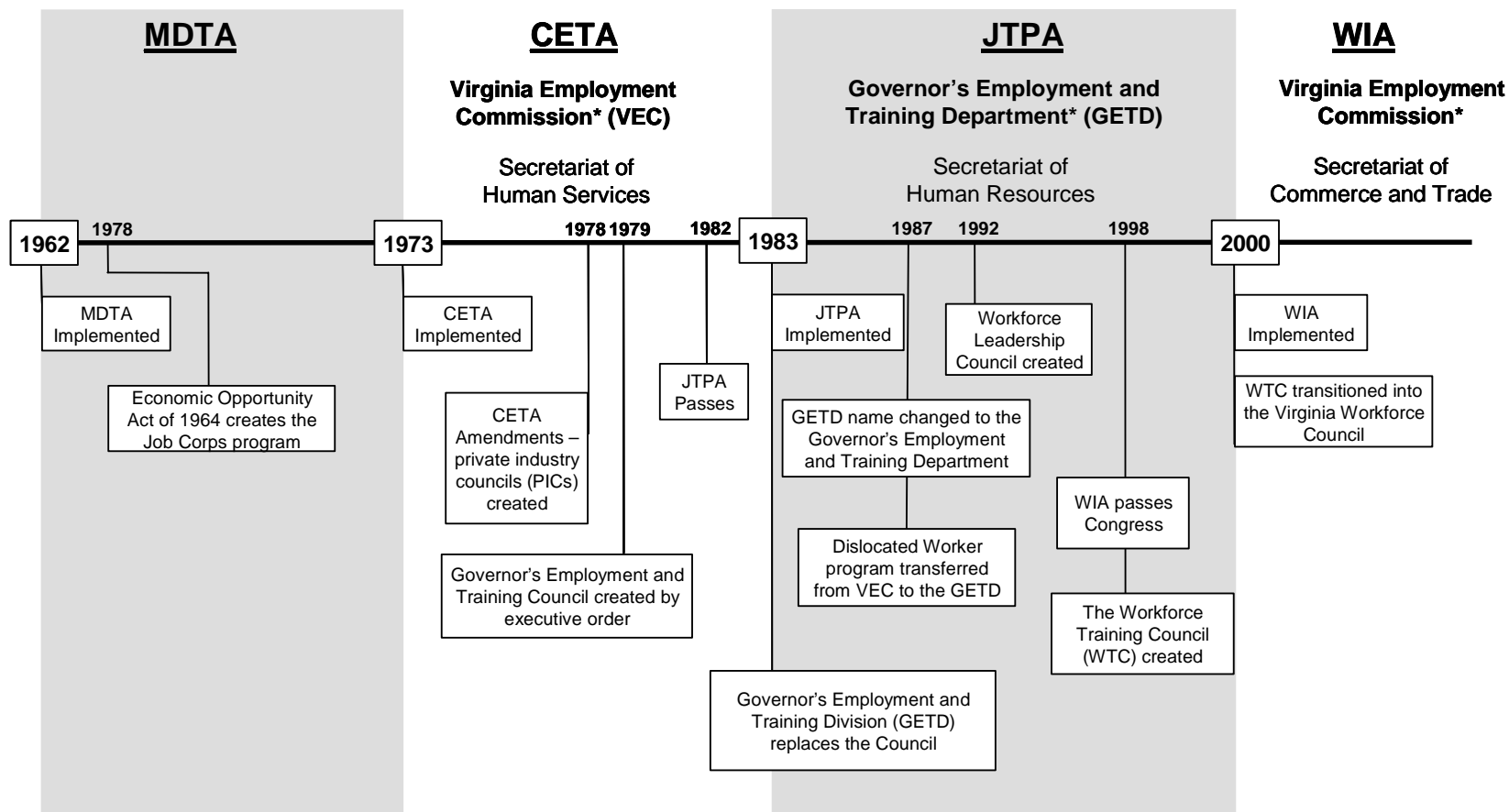
of these programs is important because of their residual effects on the WIA and Virginia's implementation of it. Exhibit 1 summarizes the titles of each of the three Acts and the WIA. Virginia has established a different method for implementing each of the federal Acts, as illustrated in Figure 3. Currently, the Virginia Employment Commission (VEC) is the lead agency for the latest legislation, the Workforce Investment Act (WIA).

The Manpower Development and Training Act (MDTA) of 1962. In the early 1960s, technology was advancing at a rapid rate. As a result, the nation was facing high unemployment rates despite a thriving economy. To address the need to train workers unemployed due to technological advances, Congress passed the Manpower Development and Training Act (MDTA) of 1962. This program was jointly administered by the U.S. Department of Labor and the U.S. Department of Health, Education, and Welfare.

| <p style="text-align: center;">Exhibit 1</p> <p style="text-align: center;">Federal Comprehensive Workforce Legislation</p> |
|---|
| <p><u>Manpower Development and Training Act (MDTA), 1962</u></p> <ul style="list-style-type: none"> I. Required the U.S. Secretary of Labor to study the nation's manpower II. Authorized funding for training allowances, on-the-job training, and a National Advisory Committee III. Miscellaneous |
| <p><u>Comprehensive Employment and Training Act (CETA), 1973</u></p> <ul style="list-style-type: none"> I. Established prime sponsors, planning councils, manpower plans, and authorized comprehensive workforce services II. Authorized public employment programs III. Authorized programs targeting Native Americans, Alaskan natives, and migrant and seasonal farmworkers. In addition, this title established research and evaluation methods IV. Re-authorized Job Corps |
| <p><u>Job Training Partnership Act (JTPA), 1982</u></p> <ul style="list-style-type: none"> I. Established service delivery areas, private industry councils, performance measures, and a state council II. Authorized funding for the Adult and Youth programs III. Authorized funding for the Dislocated Worker program IV. Re-authorized Job Corps, Wagner-Peyser and programs for Native Americans, migrant and seasonal farmworkers, and veterans |
| <p><u>The Workforce Investment Act (WIA), 2002</u></p> <ul style="list-style-type: none"> I. Establishes a one-stop service delivery system and authorizes funding for the Adult, Dislocated Worker, and Youth programs II. Amends and re-authorizes the Adult Education and Literacy Act III. Amends and re-authorizes the Wagner-Peyser Act IV. Amends and re-authorizes the Rehabilitation Act of 1973 V. Authorizes incentive grants and establishes performance measures |
| <p>Source: Public Laws 87-415, 93-203, 97-300, and 105-220.</p> |

Figure 3

Timeline of the Implementation of Comprehensive Federal Workforce Legislation



* Virginia agency implementing the federal Acts. See exhibit 1 on preceding page for detail on the federal legislation.

Source: JLARC staff analysis.

The program targeted dislocated workers who were in need of re-training for specific jobs. Federal funds required a fifty-percent state match, and much of the control over the program's administration rested with the states. Many of the participants received on-the-job training, where the program provided the funds for training and the employer paid the participants' wages.

Two years after the MDTA was enacted, Congress passed the Economic Opportunity Act (EOA), which provided funding for employment and training services targeted to the impoverished population. It also created the federal Office of Economic Opportunity and local action agencies to administer these services. Under the EOA, the Public Service Careers (PSC) program was established to provide work experience to the poor through placement in government agencies, which were often located in urban areas accessible to clients. This was a departure from other programs, which had focused on moving clients into the private workforce. One of the programs established under the EOA, Job Corps, is still in existence today. This program targets at-risk youth ages 16 to 21 who are out of work and lack the skills necessary to obtain employment. Through a holistic approach to training, youth in this residential program may receive basic education, counseling, skills training, and job placement assistance. The program is currently administered directly by the Employment and Training Administration (ETA) of the U. S. Department of Labor (DOL).

The Comprehensive Employment and Training Act (CETA) of 1973.

In an effort to increase local control over the delivery of workforce training services, Congress passed the Comprehensive Employment and Training Act (CETA), which superseded the MDTA and the EOA (with the exception of the Job Corps program). However, the oil embargo of 1974 and other factors resulted in a national unemployment rate increase from five percent to a high of nine percent in the spring of 1975. Given the situation, the focus was shifted from a locally operated training program to a program creating subsidized public service jobs. By 1978, when the number of public service slots reached its peak, more than \$6 billion was supporting the slots nationwide.

In Virginia, the Governor's Employment and Training Council was established, as required by the legislation, to act in an advisory capacity to the Governor. The CETA funds were distributed to "prime sponsors" throughout the State to contract with providers for the employment and training services. Ten of the eleven prime sponsors were local government entities serving the State's urban areas. The remaining prime sponsor was the Virginia Employment Commission, which was termed the "balance-of-state" sponsor. The VEC administered training contracts for over half of the State's CETA clients.

In 1978, Congress amended CETA to incorporate more local control and more cooperation between the business community and the public sector. In this revision, private industry councils (PICs) were developed to advise prime sponsors in the use of CETA funds. The amendments to CETA required that a majority of the PIC members must represent the business sector.

The Job Training Partnership Act (JTPA) of 1982. In 1982, Congress passed the Job Training Partnership Act (JTPA), which departed from the approach of providing public service jobs and attempted to strengthen the role of local government. Although JTPA left intact the private industry councils (PICs), it did alter their role from advisory to policy making. Program and funding decisions had to be jointly agreed upon by the PIC and the local elected officials in the various localities served by the PIC. State governors were to resolve any disputes between local elected officials.

JTPA authorized funding to provide employment and training services to the following populations: dislocated workers, economically disadvantaged adults, and economically disadvantaged youth (in-school and out-of-school). Services included on-the-job training, education, and job search assistance. Fourteen local service delivery areas were established in Virginia and the private industry councils established under CETA remained to link private industry with public workforce training efforts. As before, at least half of the PIC members had to represent the business community.

New components of the workforce effort under JTPA included mandated national performance targets, with incentives for good performance and sanctions for poor performance. Funding was provided directly to the governors' offices to coordinate JTPA with related social programs. When JTPA was first implemented in Virginia, the Governor's Employment and Training Division (GETD) was created and given authority over the funds. Several years later, in 1987, the General Assembly changed the name of the GETD to the Governor's Employment and Training *Department*, which had the same responsibilities and acronym.

THE WORKFORCE INVESTMENT ACT OF 1998

With the passage of the Workforce Investment Act of 1998, Congress maintained the programs created under its predecessor, the Job Training Partnership Act (JTPA), but also provided unprecedented flexibility to states and localities to coordinate federal programs and facilitate a union between employers, training providers, and job seekers. Upon implementation in Virginia, then Governor Gilmore placed responsibility for administration of the legislation with the Virginia Employment Commission (VEC). With this assignment, the responsibility for administering workforce training was shifted from the Secretariat of Health and Human Resources to the Secretariat of Commerce and Trade, signaling a closer relationship between workforce training and economic development.

The goals of the WIA, according to the U.S. Department of Labor, are:

1. ***Streamlining services*** – by coordinating partners through one-stop centers, such that services are accessible to both clients and businesses.

2. ***Empowering individuals*** – through individual training accounts allowing customer choice, provision of information on the labor market and training providers, and guidance by one-stop system partners.
3. ***Universal access*** – by allowing all citizens to access “core” services, including information on labor market, job search assistance, and instruction on resume writing and interviewing.
4. ***Increased accountability*** – through negotiated performance measures focusing on an increase in employment, retention, and earnings.
5. ***Strong role for local workforce investment boards and the private sector*** – by strategic planning, developing policy, and overseeing the one-stop service delivery system.
6. ***State and local flexibility*** – with substantial authority for the Governor and the chief local elected officials.
7. ***Improved youth programs*** – linked to labor market needs.

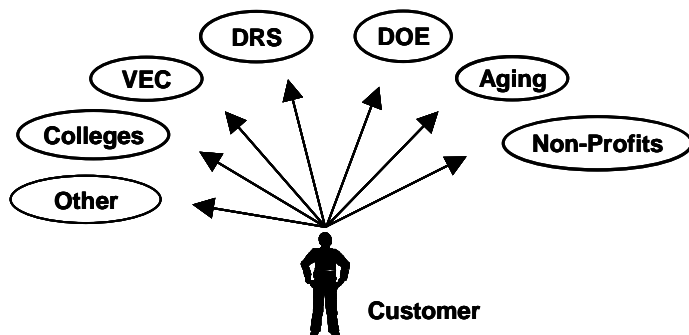
To accomplish the above goals, the WIA introduced a system of service delivery that focuses around “one-stop” centers, which act as brokers between clients and services. Figure 4 illustrates the substantial change in the model of service delivery. As shown on the upper left side of the graphic, there were multiple entry points to services in the former model, requiring clients to know where to access various services and then go to each of the points of entry. With WIA, access to the services is provided through a single location (one-stop centers) so that clients may go to one place and have access to multiple programs and information (bottom left side of graphic). The right side of the graphic illustrates that the one-stop center acts as a broker between clients (businesses or individuals) and programs (government agencies, non-profit organizations, and training providers).

Virginia began the process of implementing WIA in 1998 and the WIA system was considered implemented on the legislation’s effective date of July 1, 2000. Figure 5 illustrates the governance model adopted by Virginia to administer WIA. The State level organization consists of a lead agency, the Virginia Employment Commission (VEC), and a State board, the Virginia Workforce Council (the Council). The local level organization consists of 17 local workforce investment areas, each with a local workforce investment board to facilitate private sector involvement and development of a one-stop service delivery system. The following sections describe the components of the State governance in detail.

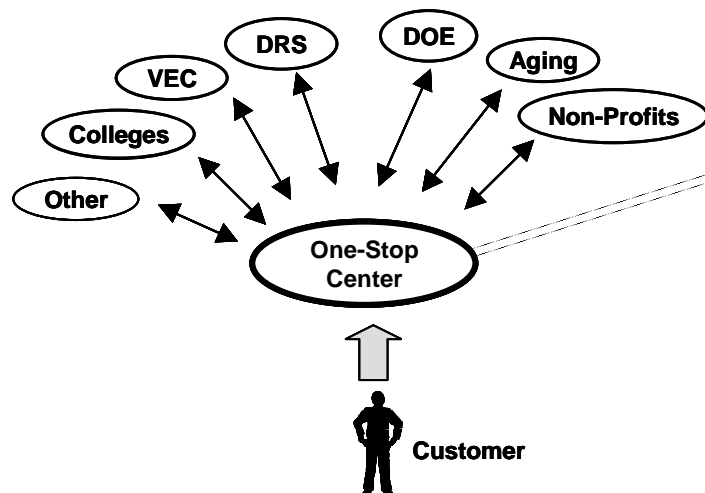
Figure 4

Transition to a One-Stop Service Delivery System Model

Prior to WIA, customers had to go to multiple places to access employment and training services . . .



The WIA service delivery model consolidates access for the customer at one-stop centers . . .

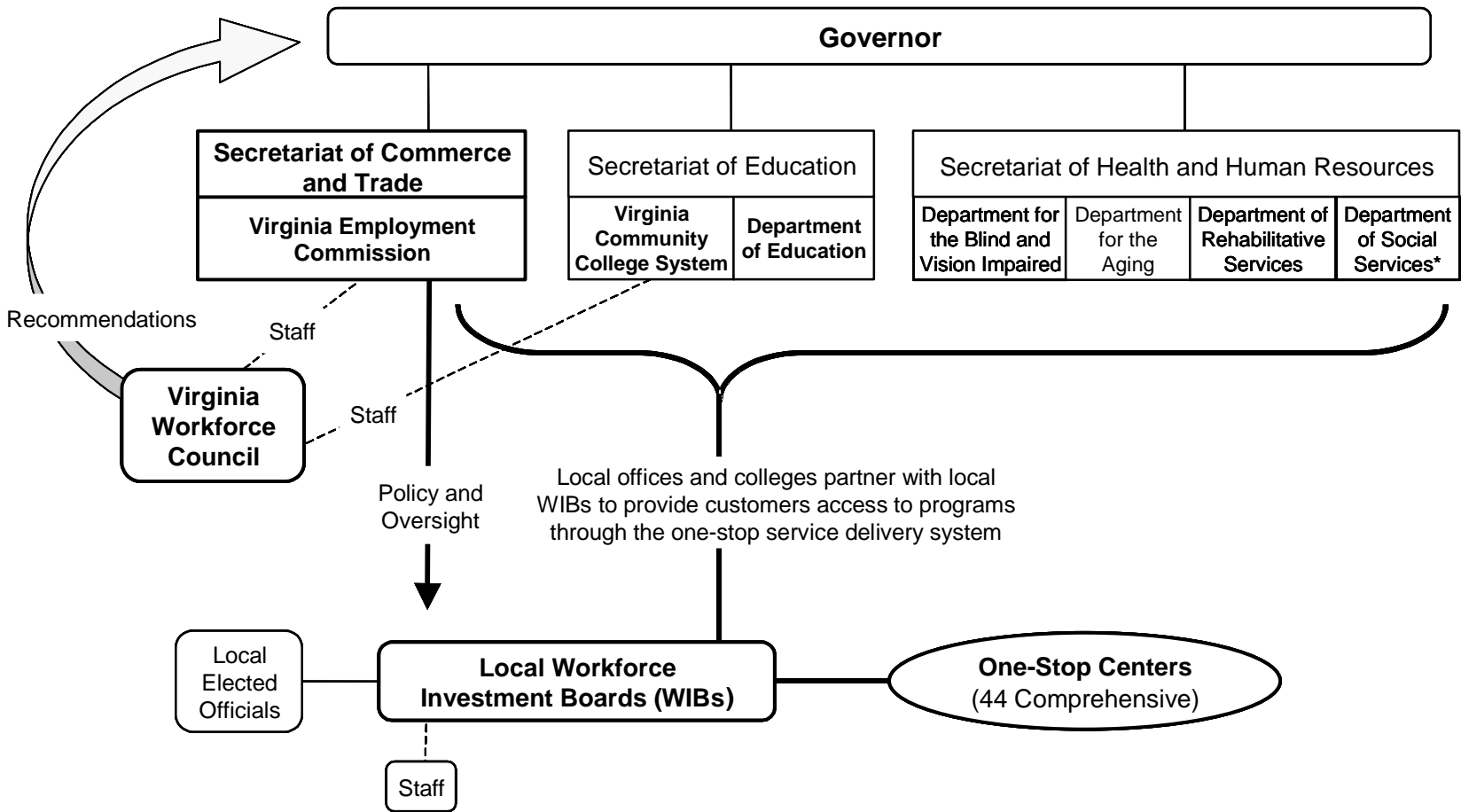


Source: JLARC staff analysis.



Figure 5

Current Model of WIA Governance in Virginia



* Local departments of social services are not mandated to partner with local boards. However, they are included on this graphic because many of them do partner, and JLARC staff recommend that they be mandated to participate in the system.

Note: Each of the agencies presented in this organizational chart (with the exception of DSS), administer programs mandated to partner with the WIA service delivery system.

Source: JLARC staff analysis.

State-Level Administration of the Workforce Investment Act

To facilitate state flexibility, the Workforce Investment Act gives considerable authority to the governor to make policy and spending decisions for the WIA grant money. To assist the governor, the WIA requires that each state designate an agency to act as lead for administering the WIA grants and a state board to guide the state's workforce training effort. Upon implementation, the Virginia Employment Commission became the lead agency for the WIA grants. The Governor's Employment and Training Department, which had administered WIA's predecessor, the Job Training Partnership Act, was disbanded. In addition, an existing council was expanded and renamed the Virginia Workforce Council (the Council) to act as the mandated state board for WIA.

Virginia Employment Commission. Since the early 1980s, the JTPA programs had been administered by GETD, an agency within the Secretariat of Health and Human Resources. Upon passage of the WIA, a decision had to be made whether to leave that responsibility with GETD or to move administration to a new agency. Ultimately, the GETD was disbanded and the implementation and administration responsibilities of the WIA were assigned to the Virginia Employment Commission, an agency within the Secretariat of Commerce and Trade. The VEC had been the balance-of-state sponsor under CETA, but had not administered a comprehensive workforce training program in 18 years.

Staff who were working at the VEC during the transition cite several possible reasons for the establishment of VEC as the lead agency. First, the VEC already administered five of the mandated partner programs. Second, the WIA legislation put a heavy focus on linking workforce training to economic development and the VEC was appropriately situated within the Secretariat of Commerce and Trade to facilitate such a relationship. Lastly, the U.S. Department of Labor originally classified the WIA as a "work first" program, which staff state was consistent with the VEC's mission.

As lead agency, VEC is the grant recipient for the federal WIA funds and completes eight activities that are mandated by the Workforce Investment Act, which are listed in Exhibit 2. These include four activities related to program oversight and four other activities, including assisting in the establishment of a one-stop service delivery system. In addition, during the 1999 General Assembly Session, the VEC was directed through the *Code of Virginia* to provide staff to the Virginia Workforce Council. The Virginia Community College System is also listed in the *Code* as staff to the Council.

Virginia Workforce Council. To establish the State board mandated by the WIA, then Governor Gilmore looked to an existing entity, the Workforce Training Council. Created during the 1998 General Assembly Session, this council had the charge of identifying current and emerging workforce needs, assessing potential markets, identifying training needs, creating strategies to match job seekers with employers, and certifying courses and training programs. It was staffed by the Virginia Community College System.

Exhibit 2**WIA-Related Responsibilities of the VEC****Responsibilities Mandated by the Workforce Investment Act****Activities Related to the Oversight of WIA Programs**

1. Maintain a list of eligible training providers.
2. Conduct performance evaluations at the State and local level.
3. Provide technical assistance to local areas that do not meet their negotiated performance measures.
4. Provide additional assistance to areas with high concentrations of eligible youth.

Other Activities

5. Assist in the establishment and operation of a one-stop delivery system.
6. Provide incentive grants.
7. Operate fiscal and data management systems.
8. Administer a Rapid Response program.

Responsibilities Mandated by the Code of Virginia

1. Serve as staff to the Virginia Workforce Council.

Source: JLARC staff analysis of the Workforce Investment Act and §2.2-2669 (F) of the *Code of Virginia*.

During the 1999 General Assembly Session, the name of this body was changed to the Virginia Workforce Council (the Council), and its membership was expanded to meet the requirements of the WIA. The WIA requires that at least a majority of the Council members be from the private sector. As shown in Exhibit 3, 23 of the 43 members of the Council represent the business community. In addition, the Governor sits on the Council along with ten other secretaries and agency heads. Four members are from the General Assembly, and the remaining members are from labor and local government. The Governor appoints all of the members with the exception of the two Delegates, appointed by the Speaker of the House, and the two Senators, appointed by the Senate Committee on Privileges and Elections.

The Council acts in an advisory capacity to the Governor and makes recommendations on WIA and other workforce issues. As shown in Exhibit 4, the WIA legislation states that the Council is responsible for assisting the Governor in multiple activities, including the development of a one-stop service delivery system, providing incentive grants, and creating a State plan for workforce training. In addition, Exhibit 4 lists the activities that are required of the Council through the *Code of Virginia*. As shown, the body is responsible for certifying non-credit courses that are offered by public, private, and proprietary schools and creating strategies to link potential employees to jobs.

Exhibit 3

The 43 Members of the Virginia Workforce Council

Executive Branch Members (11)

Governor
 Secretary of Commerce and Trade
 Secretary of Education
 Secretary of Health and Human Resources
 Secretary of Technology
 Director, Department of Business Assistance
 Chancellor, Virginia Community College System
 Director, State Council of Higher Education
 President, Center for Innovative Technology
 Executive Director, Virginia Economic Development Partnership
 Commissioner, Virginia Employment Commission

Legislators (4)

2 Delegates, appointed by the Speaker of the House
 2 Senators, appointed by the Senate Committee on Privileges and Elections

Members Appointed by the Governor***Business Representatives (23)***

President, Virginia Chamber of Commerce
 President, Virginia Manufacturer's Association
 1 representative of private non-profit institution
 1 representative of proprietary schools
 1 representative of health care employers
 18 other business representatives

Labor Representatives (2)

President, AFL-CIO
 1 other representative of labor

Other (3)

1 mayor
 1 chairperson of a county board of supervisors
 1 representative of a community-based organization delivering workforce activities

Source: Section 2.2-2669 (B) of the *Code of Virginia*.

Local-Level Administration of the Workforce Investment Act

Prior to implementation of the WIA, Governor Gilmore established 17 workforce investment areas based on the requests of local elected officials (Figure 6). One of the counties or cities in each area was designated as the grant recipient for the WIA funds. In some areas, the grant recipient also acts as the fiscal agent for the funds, while in other areas, the grant is written over to a nonprofit entity to act as fiscal agent. Local elected officials established local workforce investment boards in each area to assess needs, develop a one-stop service delivery system, and establish policies for the administration of the WIA Adult, Dislocated Worker, and Youth programs.

Local Workforce Investment Boards and Local Elected Officials.

The WIA legislation does not limit the number of members on local workforce investment boards, resulting in boards ranging from 29 to 53 members. However, it does require that a majority of the members represent the private sector. This facilitates involvement of local business in the development of a plan to provide workforce services that meet the needs of industry in the area through a one-stop service delivery system. In addition, the boards are responsible for implementing the WIA

Exhibit 4**Responsibilities of the Virginia Workforce Council****Responsibilities Mandated by the Workforce Investment Act**

Assist the Governor to:

1. Designate local areas
2. Oversee creation of local boards and the one-stop system
3. Establish policies, guidelines, interpretation
4. Develop five-year plan
5. Develop allocation formulas
6. Submit annual report to DOL
7. Develop performance measures
8. Develop incentive grants
9. Review local plans
10. Develop linkages in order to assure coordination and nonduplication among programs and activities
11. Certify courses for the Workforce Training Access Program and Fund
12. Develop a statewide employment statistics system

Responsibilities Mandated by the Code of Virginia

1. Identify current and emerging workforce needs.
2. Assess potential markets for increasing the number of workers available to business. Forecast and identify training requirements for the new workforce.
3. Create strategies that will match trained workers with available jobs.
4. Certify non-credit courses and programs of training.
5. Make alterations from time to time in such approved programs (non-credit).
6. Seek to identify specific and existing workforce needs with the assistance of regional workforce centers.
7. Meet with representatives of each regional workforce center at least annually.
8. Establish procedures for a Workforce Development Training Fund.
9. Provide an annual report to the Governor.

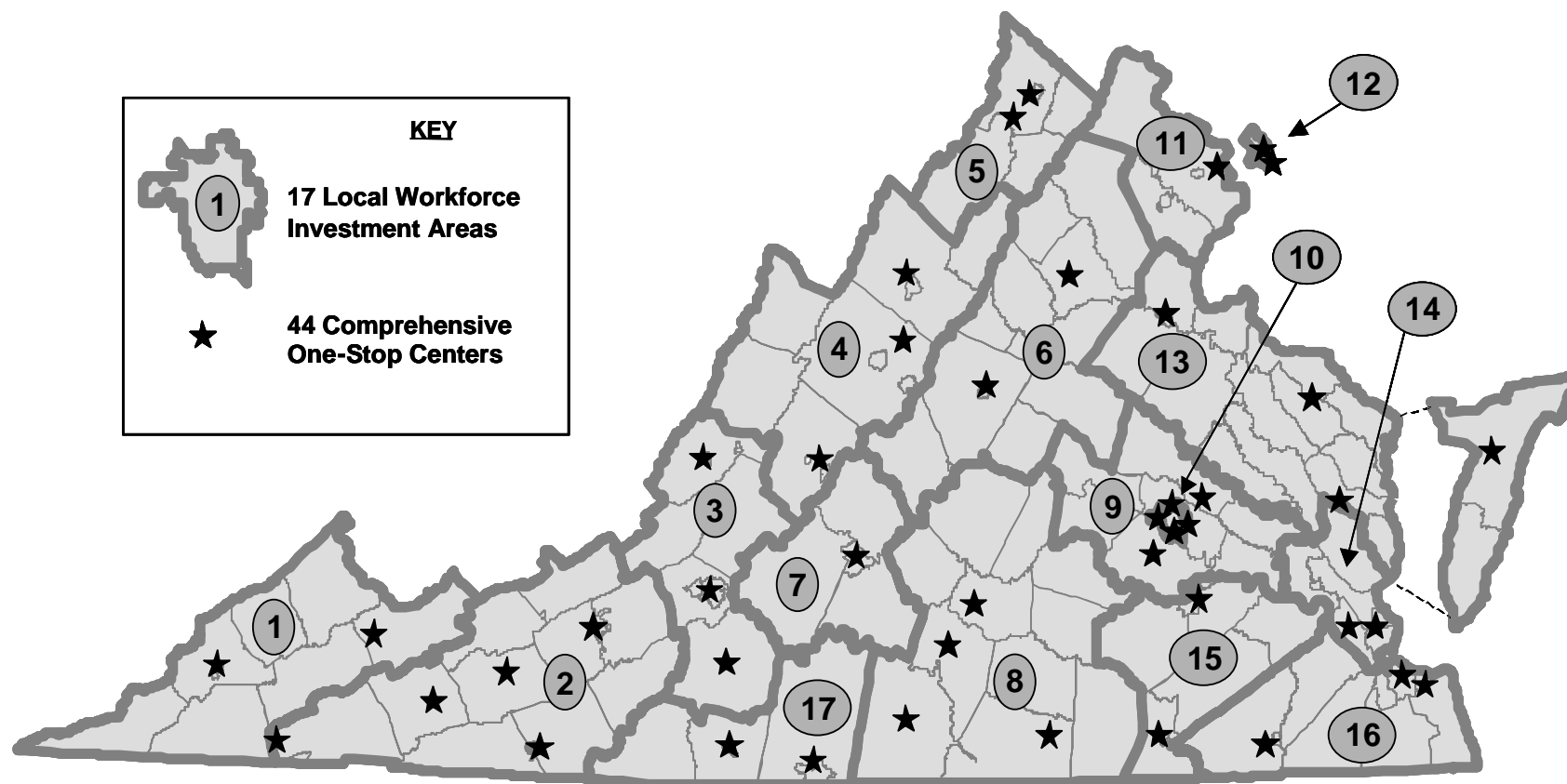
Source: JLARC staff analysis of the Workforce Investment Act and Section 2.2-2670 (A) of the *Code of Virginia*.

Adult, Dislocated Worker, and Youth programs, which are three of the programs mandated to partner with the one-stop service delivery system. The boards are not allowed to administer the programs, but they are responsible for selecting the providers and establishing policies for the programs.

Exhibit 5 lists the responsibilities of the local WIBs as mandated by the WIA. It is important to note that many of the activities must be completed with the partnership or approval of the chief local elected official (established as such by the local elected officials). The first group of activities support system development, such as selecting one-stop operators and entering into memoranda of understanding (MOUs) with partner programs. These MOUs are intended to outline the cost and resource sharing of the partner programs with the one-stop service delivery systems.

Figure 6

Local Workforce Investment Areas and Comprehensive One-Stop Centers



Note: See Appendix B for a list of localities within each local workforce investment area.

Source: JLARC staff analysis.

Exhibit 5

Responsibilities of the Local Workforce Investment Boards

Activities Related to System Development

1. Develop a five year plan in partnership with the chief elected official.
2. Select one-stop operators with the agreement of the chief elected official.
3. Assist the Governor in developing the statewide employment statistics system.
4. Coordinate activities with economic development strategies and develop employer linkages.
5. Promote private sector involvement in the one-stop system.
6. Appoint a youth council.
7. Enter into memoranda of understanding with partner programs.
8. Develop a budget subject to approval by the chief elected official.
9. Establish local policies and conduct oversight of the WIA programs.

Activities Related to the Administration of the WIA Programs

1. Select eligible Youth program providers, eligible intensive service providers for the Adult and Dislocated Worker program, and eligible training providers.
2. Negotiate performance measures with the chief elected official and the Governor.

Source: JLARC staff review of the Workforce Investment Act.

These partnerships will be discussed in more detail in Chapter III. The second group of activities in Exhibit 5 includes those necessary to administer the WIA Adult, Dislocated Worker, and Youth programs. Local WIBs are responsible for designating program providers and negotiating the level of performance expected of the programs.

One-Stop Centers. A one-stop center is a physical location where individuals or businesses may access various workforce services. There are three types of centers, comprehensive, satellite, and informational, which are defined below:

- A *comprehensive center* is one in which core services (for example, intake, job search assistance, labor market and training information) are provided and there is access to all mandated partners.
- A *satellite center* may be any entity that provides services as determined by the assessment of local needs by the local WIB. If any WIA money contributes to a *satellite center* operations, then core services must be provided.
- An *informational center* is one that provides information, electronic linkages, or referral to other centers in the system.

As mentioned above, the local WIBs are responsible for selecting the operators of the one-stop centers. Operators may be chosen through a competitive bidding

process or by establishing a “consortium operator,” which must include at least three entities that administer mandated partner programs. Three areas are now using the competitive bidding process, while the remaining areas have established consortium operators.

The WIA legislation requires that there be at least one comprehensive one-stop center in each local workforce investment area. There are currently 44 comprehensive one-stop centers in Virginia, which are illustrated in Figure 6 on page 17. In addition, there are currently 26 satellite centers and 15 informational centers in Virginia. Centers are located at a variety of places, as shown in Table 1. The majority of the comprehensive centers, 28 of the 44 centers, are located at VEC field offices. An additional seven comprehensive centers are located at community colleges. Other centers are located at local departments of social services and nonprofit organizations.

Mandated Partner Programs. The WIA requires that 17 federally funded programs partner with the one-stop service delivery systems. These programs are required by the WIA legislation to do the following:

- make core services available through the one-stop service delivery system,
- use a portion of program funds (to the extent not inconsistent with federal regulations) to create and maintain one-stop centers and provide core services,
- enter into a memorandum of understanding with local boards, and
- provide representation on local boards.

As shown in Exhibit 6, of the 17 mandated programs 11 are workforce training programs administered by the State. Three of the programs primarily pro-

| <p style="text-align: center;">Table 1</p> <p style="text-align: center;">Location of Comprehensive and Satellite One-Stop Centers</p> | | |
|--|----------------------|------------------|
| Location | Comprehensive | Satellite |
| Virginia Employment Commission field offices | 28 | 5 |
| Local community colleges | 7 | 2 |
| Sites operated by local government consortiums | 6 | 3 |
| Local departments of social services | 1 | 5 |
| For-profit organizations | 1 | 1 |
| Nonprofit organizations | 1 | 10 |
| Total | 44 | 26 |
| Source: JLARC analysis of survey of one-stop operators. | | |

| |
|--|
| <p style="text-align: center;">Exhibit 6</p> <p style="text-align: center;">17 Mandated Partner Programs</p> |
| <p>State Administered Workforce Training Programs</p> <ol style="list-style-type: none"> 1. Adult Education and Literacy Programs 2. Employment Service 3. Post-Secondary Career and Technical Education Perkins (Title I) 4. Senior Community Service Employment Program 5. Trade Adjustment Assistance Programs 6. Veterans Employment and Training Programs 7. Vocational Rehabilitative Services 8. Welfare-to-Work 9. WIA Adult Program 10. WIA Dislocated Worker Program 11. WIA Youth Program <p>State Administered Programs that Primarily Provide Supportive Services</p> <ol style="list-style-type: none"> 12. Community Services Block Grant 13. HUD Employment and Training Programs 14. Unemployment Insurance <p>Workforce Training Not Administered by Virginia</p> <ol style="list-style-type: none"> 15. Job Corps (administered by the U.S. Department of Labor) 16. Migrant and Seasonal Farmworkers Program (administered by a nonprofit organization) 17. Native Americans Employment and Training Programs (administered by a nonprofit organization) |
| <p>Source: JLARC staff analysis of the Workforce Investment Act.</p> |

vide supportive services and three of the programs are administered by either the federal government or a nonprofit organization.

WIA Adult, Dislocated Worker, and Youth Programs.

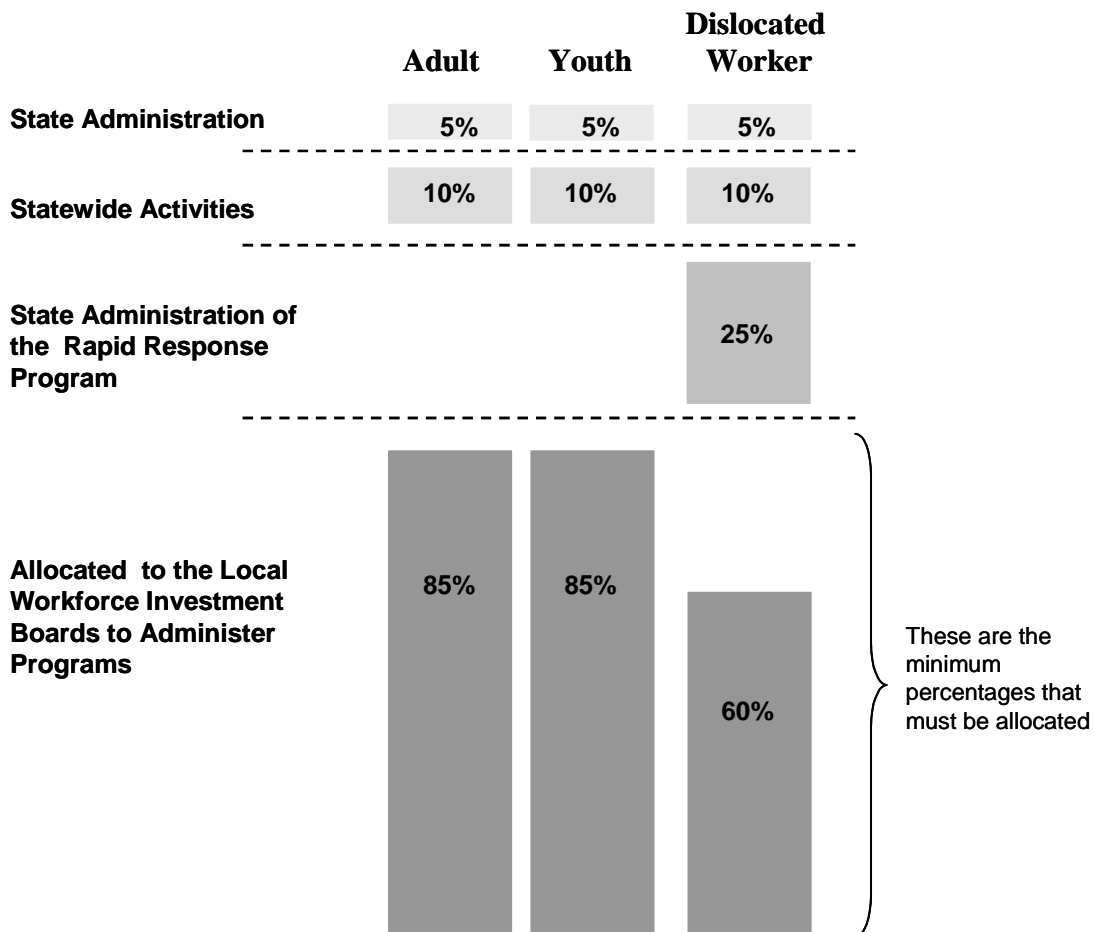
In addition to mandating a new approach to delivering workforce services, the WIA legislation authorized the Adult, Dislocated Worker, and Youth programs. These are three of the 17 programs mandated to partner with the one-stop service delivery system. The WIA grants used to administer these programs are received by the VEC, which acts as the Commonwealth's fiscal agent. As described below, a portion of the funds remain with the VEC for administration and statewide activities. The remainder is allocated to 17 local workforce investment areas through each area's grant recipient. The local WIBs, with agreement of the local elected officials, have authority over how those dollars are spent.

Funding. The federal allotments for the WIA program funding, which do not require a State or local match, are based on formulas that compare each state's unemployment rate and number of disadvantaged individuals to the same measures in other states. Appendix C provides a complete description of the formulas for each of the programs.

As Figure 7 illustrates, the WIA authorizes the lead agency, VEC, to retain up to 15 percent of each program's total allocation to provide administrative services (up to five percent) and statewide activities (10 percent). The 15 percent from each program is co-mingled at the State level, and no eligibility requirements or performance measurements are attached to the funds. In addition, the VEC is authorized to retain up to 25 percent of the Dislocated Worker dollars to administer a Rapid Re-

Figure 7

Funding Formula Allocations for WIA Adult, Youth, and Dislocated Worker Programs



Source: JLARC staff analysis of the Workforce Investment Act.

sponse program. This program provides information and services to employees facing a pending layoff. Currently, VEC retains the maximum amount allowed for state administration and statewide activities (15 percent) and Rapid Response (25 percent).

The WIA legislation requires that at least 85 percent of the Adult and Youth grant and 60 percent of the Dislocated Worker grant be allocated to the 17 local areas. For the Youth program, local WIBs designate the service provider based on a competitive bidding process. Local WIBs have more flexibility with the Adult and Dislocated Worker programs. For example, if the area has a consortium operator (as discussed on pages 18-19), the local board may choose to designate one or more of the consortium members as the program administrator. The board may also designate a provider through a competitive bidding process.

Adult and Dislocated Worker Programs. Eligibility for the Adult and Dislocated Worker programs differ, but the services are similar. To be eligible for the Adult program, an individual must be 18 years of age, able to work in the United States, and be in compliance with Selective Service requirements. In addition, local WIBs must establish a priority of service for the Adult program if it determines that funds for employment and training are limited in the area. If funds are determined to be limited, the WIA states that first priority must be given to low-income participants. Participants are eligible for the Dislocated Worker program if they have been laid off, have received notification of termination or layoff, or are dislocated homemakers.

Services offered by the Adult and Dislocated Worker programs are categorized into three tiers, as presented below:

- *Core services* include intake, outreach, orientation to the one-stop center, eligibility determination, initial assessment, job search and placement assistance, career counseling, information on supportive services, information on filing Unemployment Insurance claims, and information on programs and the labor market.
- *Intensive services* include group and individual counseling, comprehensive skills assessment, case management, career planning, and short-term prevocational services.
- *Training services* include funding for occupational skills training, on-the-job training, skills upgrading, entrepreneurial training, job readiness training, adult education and literacy activities, and customized training for an employer who commits to hiring.

Core services are typically provided through one-stop centers. As mentioned earlier in this chapter, comprehensive centers must provide core services and access to programs such as the WIA Adult and Dislocated Worker programs. In some areas, the entity managing the one-stop center, such as a VEC field office, also administers these programs. In other areas, a contractor provides the intensive services outside of the one-stop center.

The training services were established with a focus on customer choice. If an eligible participant moves into training, he or she is issued a voucher for a certain amount that may be used for any training program that has been certified by the local WIB. A statewide list of certified providers, such as community colleges and proprietary schools, maintained by the VEC, provides the participant information on the programs to assist the participant in his or her decision. Local WIBs determine the training voucher limit.

It is important to note that the WIA training vouchers are considered “funds of last resort.” This means that if the client is eligible for financial aid grants or other assistance, then those funds must be used towards training first. WIA funds may also be used to pay for supportive services. For example, if a client does receive a financial aid grant or other funds to pay for his or her skills training, WIA programs may provide funds for child care or transportation to support the client's training.

Youth Program. Eligibility for the Youth program requires that the individual is between the ages of 14 and 21, is low-income, and falls within at least one of the following categories:

- deficient in basic skills (reads, writes, speaks, or computes at less than the eighth grade level),
- school dropout,
- homeless, runaway, or foster child,
- pregnant or parenting,
- offender, or
- requires additional assistance to complete an education program or secure employment (such as disabled).

Instead of three tiers of services, each Youth program contractor must make available ten specific services, which are listed in Exhibit 7. As shown, these include a range of employment and training services, such as occupational skills training, supportive services, summer employment, and mentoring. The services provided to each youth participant may be determined by the program provider based on the objective assessment of the participant.

Program Performance. WIA mandates that states track 17 performance measures for clients enrolled in the WIA Adult, Dislocated Worker and Youth programs. The measures relate to job attainment, retention rates, change in earnings, and attainment of credentials, and rely on data from the program providers as well as earnings data collected by the Virginia Employment Commission. Exhibit 8 lists the performance measures for the three programs. It is important to note that the Youth program is measured by the performance for younger youth (ages 14 to 18)

Exhibit 7**Youth Program Services**

1. Tutoring, study skills training, and instruction leading to secondary school completion, including dropout prevention strategies
2. Alternative secondary school offerings
3. Summer employment opportunities
4. Paid and unpaid work experiences
5. Occupational skills training
6. Leadership development opportunities
7. Supportive services
8. Adult mentoring for at least twelve months
9. Follow-up services
10. Comprehensive guidance and counseling

Source: JLARC staff analysis of the Workforce Investment Act.

Exhibit 8**Performance Measures For the WIA Programs**

| WIA Program | Performance Measure |
|-------------------------------------|--|
| Adult | <ol style="list-style-type: none"> 1. Entered employment rate 2. Employment retention rate at six months 3. Average earnings change in six months 4. Entered employment and credential rate |
| Dislocated worker | <ol style="list-style-type: none"> 5. Entered employment rate 6. Employment retention rate at six months 7. Earnings replacement rate in six months 8. Entered employment and credential rate |
| Older youth (aged 19-21 years) | <ol style="list-style-type: none"> 9. Entered employment rate 10. Employment retention rate at six months 11. Average earnings change in six months 12. Entered employment/education/ training and credential rate |
| Younger youth (aged 14-18 years) | <ol style="list-style-type: none"> 13. Skill attainment rate 14. Diploma or equivalent attainment 15. Placement and retention rate |
| All types | <ol style="list-style-type: none"> 16. Customer satisfaction for participants 17. Customer satisfaction for employers |

Source: Section 666.100 of the *Code of Federal Regulations*.

and older youth (ages 19 to 21). The performance measures are discussed in detail in Chapter IV.

JLARC REVIEW

JLARC initiated the review of workforce training by a unanimous vote of the Commission in November of 2000. In addition to that directive, Item #130-E2 of the 2002-2004 Appropriation Act directed JLARC to evaluate the administration of the WIA by the Virginia Employment Commission and assess the feasibility of transferring administration to another State agency. At its May 2002 meeting, the Commission approved the basic study definitions and approach followed in this review.

JLARC staff identified several research issues on which to focus the review and satisfy the requirements of the study mandates. A discussion of the methods used to address these issues is presented in the remaining sections of this chapter.

Issue 1: How are workforce training programs organized and funded in Virginia?

Issue 2: Has the proliferation of training programs diluted Virginia's training effort, resulting in duplication and inefficiencies?

Issue 3: Are local areas effectively administering and coordinating workforce training?

Issue 4: Is the Virginia Employment Commission effectively administering the Workforce Investment Act?

Issue 5: Should the administration of the Workforce Investment Act be transferred to another State agency?

Review of Statewide Workforce Training Programs (Issues 1 and 2)

This section explores the many workforce training programs administered by the Commonwealth. As part of this review, JLARC staff identified a set of programs that would be considered workforce training for the purposes of this review and surveyed the appropriate program administrators. Once information on funding, eligibility, services offered, and location was provided through the surveys, JLARC staff conducted an analysis to determine each program's potential for duplication and inefficiency.

Defining Workforce Training Programs. JLARC staff identified 22 State-administered workforce training programs in Virginia. However, it is important to note that definitions of workforce training vary between administrators. At the start of this review, JLARC staff interviewed 25 Secretaries and agency heads,

asking for the definition of workforce training. The definitions varied. Some definitions included all education programs, kindergarten through post doctorate education. Other definitions focused only on specific training for the disadvantaged or unemployed.

JLARC staff used the following methodology, approved by the Commission in May 2002, in selecting workforce training programs for review on the issue of organization and funding:

- First, the programs had to primarily provide education, employment, and/or training services that would advance an individual's ability to obtain or sustain employment. (Of the WIA mandated partner programs, two were excluded due to this rule, HUD-employment and training programs and the Community Development Block Grant. The administrators of these programs informed JLARC staff that these programs provide primarily supportive services).
- Second, the programs had to be administered by the State, meaning that the funds for the program flowed through the State treasury at one point. (Of the WIA mandated partner programs, three were excluded because they are not administered by the State: Job Corps, which is federally administered, and programs for Native Americans and programs for migrant and seasonal farmworkers, which are both administered by nonprofit agencies, directly funded by the U.S. Department of Labor.)
- Third, all primary and secondary school education and training were excluded. (One exception to this rule is the WIA Youth program, because JLARC staff were specifically requested by the General Assembly through the 2002-2004 Appropriation Act to examine WIA programs.)
- Fourth, all programs serving Virginia's inmates were excluded.
- Fifth, higher education degree programs were excluded.

As a result of applying these rules, JLARC staff established the list of 22 programs presented in Exhibit 9. Due to the limitations JLARC staff placed on the programs under review, there are training services available to Virginia's citizens besides those listed in Exhibit 9. In addition to the excluded programs, there are privately funded education and training providers as well as programs that are funded by local governments. These various programs were not included in the analysis of statewide coordination because the State does not have authority over the administration of these programs.

| Exhibit 9 State Administered Workforce Training Programs Identified by JLARC Staff | | |
|---|---|----------------|
| Program Name | Administering Agency/Agencies | Mandate |
| Senior Community Services Employment Program | Department for the Aging | Federal |
| Adult Education and Literacy | Department of Education | Federal |
| Education for Independence | Department of Education | Federal |
| Vocational Rehabilitation Services | Department of Rehabilitative Services Department for the Blind and Vision Impaired | Federal |
| Centers for Employment and Training | Department of Social Services | Federal |
| Economic Employment Improvement Program for Disabled Persons | Department of Social Services | Federal |
| Food Stamp Employment and Training Program | Department of Social Services | Federal |
| Opportunity Knocks | Department of Social Services | Federal |
| Virginia Initiative for Employment not Welfare | Department of Social Services | Federal |
| Welfare-to-Work | Department of Social Services | Federal |
| Post-Secondary Career and Technical Education (Perkins Title I) | Virginia Community College System | Federal |
| Employment Service | Virginia Employment Commission | Federal |
| Trade Adjustment Assistance Programs | Virginia Employment Commission | Federal |
| Veterans Employment and Training Programs | Virginia Employment Commission | Federal |
| WIA Adult Program | Virginia Employment Commission | Federal |
| WIA Dislocated Worker Program | Virginia Employment Commission | Federal |
| WIA Youth Program | Virginia Employment Commission | Federal |
| Workforce Services | Department of Business Assistance | State |
| Occupational Adult and Career and Technical Education | Department of Education | State |
| Workforce Services for Regional Competitiveness Partnerships | Department of Housing and Community Development | State |
| Virginia Registered Apprenticeship Program | Department of Labor and Industry Virginia Community College System | State |
| Workforce Development Services | Virginia Community College System | State |
| Source: JLARC staff analysis. | | |

Survey of Program Directors. JLARC staff discovered that prior to this review, there was no regularly updated, central source of information on funding, eligibility, and clients served for workforce training programs in Virginia. To establish a summary of information, JLARC staff surveyed the program director for each of the 22 workforce training programs administered by the State. Some of the information collected from the survey is presented in comparison form in Chapter II. Appendix D presents detailed information on each program in a consistent format.

Program Data Were Collected and Analyzed to Assess the Potential for Duplication, But Client File Reviews to Assess Actual Duplication Was Beyond the Scope of the Review. With the information collected in the surveys, JLARC staff reviewed the eligibility requirements, services provided, and service delivery locations to examine whether any of the programs have the potential for duplication and inefficiency. JLARC staff then reviewed the current level of coordination at the local and State level. In addition, JLARC staff examined case examples identified through interviews and surveys that suggested duplication. Chapter II discusses the JLARC staff findings and identifies programs that have the potential for duplication and inefficiencies if not effectively coordinated.

To determine whether programs are truly duplicative, JLARC staff would have to compare client lists and examine files of clients enrolled in multiple programs. File reviews could reveal whether programs actually provided similar services to the same clients. However, due to data and time constraints, JLARC staff did not conduct this analysis.

Review of Local Implementation of the Workforce Investment Act (Issue 3)

As directed by the 2002-2004 Appropriation Act, JLARC staff reviewed the implementation of the WIA system and WIA programs as part of the overall review of the Virginia Employment Commission as State administrator of the WIA. To examine the one-stop service delivery system, JLARC staff requested and reviewed multiple documents, surveyed and interviewed local staff in all areas, and conducted site visits in nine of the 17 workforce investment areas. To examine the WIA programs, JLARC conducted file reviews for a sample of WIA participants in the Adult and Dislocated Worker programs. In addition, JLARC staff compared pre- and post-program earnings for the population of participants in all WIA programs and the sample of participants in the Adult and Dislocated Worker programs. The findings for this section are presented in Chapters III and IV.

Document Review. Each local WIB has considerable flexibility in establishing their service delivery system and contracting for intensive and training services for the WIA Adult, Dislocated Worker, and Youth programs. Therefore, JLARC staff requested local plans, memoranda of understanding, budgets, and training materials from each local workforce investment board (WIB). Through an in-house data collection instrument, the system and funding were systematically recorded in order to compare between areas. The findings from this analysis are presented in Chapter III.

Interviews with WIB Directors. To contribute to the understanding of how local systems operate, JLARC staff interviewed each of the 17 local WIB directors. The chairs of the local WIBs were also invited to participate in the interview, and in many areas, the chair chose to participate. Of the director interviews, 11 were conducted in person and six were completed over the telephone.

Survey of One-Stop Operators. JLARC staff identified all satellite and comprehensive one-stop centers that were providing services during FY 2002 or were

providing services starting on July 1, 2002. Each of the identified one-stop centers were surveyed to explore the types of services available, the flow of participants, the source of funding, the level of staffing, and the type of partnerships that had been established. Of the 76 center operators surveyed, 75 responded.

Survey of Local Workforce Investment Board Members. Local workforce investment boards (WIBs) are the central entity designing and coordinating workforce training activities for each area. Therefore, JLARC staff selected a sample of past and current board members to survey regarding a broad range of WIA issues. As part of a data request, local WIB directors provided the names and status of every board member since the start of WIA. The list of over 900 members was stratified into three groups: past members, current business members, and current non-business members.

For all members, the survey addressed issues such as the challenges faced during implementation, difficulties administering the legislation, and the relationship of the local board to the Council and State staff. For past members, the survey asked why the individual left the board. As Table 2 illustrates, the response rate was about 36 percent overall.

Site Visits. JLARC staff selected nine local workforce investment areas in which to conduct site visits. The areas were selected to account for as much variation between areas as possible. Such variation includes:

- unemployment rate,
- region of the State,
- presence of Coordinated Economic Relief Centers, and
- best practices and unique system characteristics.

Table 3 shows the nine areas that were chosen for review and the criteria that allowed the area to be selected. As shown, five areas were visited due to unique system characteristics. Areas 1 and 6 were suggested to JLARC staff as areas that appear to be operating well-organized systems that effectively meet the needs of their citizens. Therefore, they were reviewed as possible best practices systems. Areas 9 and 10 are unique in their physical design, as the City of Richmond (Area 9) is surrounded completely by the Capital Area (Area 10). In addition, the WIBs in Area 9 and 10 have the same chairman and many of the same members. Lastly, Area 2 is unique in that it is one of only two areas that selected its one-stop centers based on a competitive bidding process when establishing the WIA system in FY 2001.

Each visit involved interviewing the local WIB director, attending a local board meeting (seven areas) or an executive committee meeting (one area), visiting at least one comprehensive one-stop center, talking to one-stop staff, and conducting file reviews (seven areas). During the site visits, JLARC staff also visited the four Governor's Coordinated Economic Relief Centers (CERCs) located in three workforce investment areas.

| Table 2 Response Rate for the JLARC Survey of Local Workforce Investment Board Members | | | |
|---|----------------------------|------------------------------------|--------------------------|
| Sample Group | Number Surveyed | Number of Re- spondents | Response Rate |
| Past Members | 97 | 24 | 25% |
| Current Non-Business Members | 102 | 53 | 52% |
| Current Business Members | 105 | 33 | 31% |
| Total | 304 | 110 | 36% |
| Source: JLARC staff analysis. | | | |

| Table 3 Population and Unemployment Rates of Local Workforce Investment Areas Visited by JLARC Staff | | | | | |
|---|--------------------------|-------------------------|----------------------|---------------|--------------------------|
| WIA Area* | Unemployment Rate | | Region | CERC** | Unique System |
| | High above 7% | Low under 4% | | | |
| 1 – Southwestern Virginia | | | Southwest | | ✓ |
| 2 – New River/Mount Rogers | | | Southwest | ✓ | ✓ |
| 6 – Workforce Today! | | ✓ | Central | | ✓ |
| 8 – South Central | ✓ | | Southside | ✓ | |
| 9 – Capital Area | | ✓ | Central | | ✓ |
| 10 – City of Richmond | | | Central | | ✓ |
| 11 – Northern Virginia | | ✓ | Northern Virginia | | |
| 16 – Hampton Roads | | | Tidewater | | |
| 17 – West Piedmont | ✓ | | Southside | ✓ | |
| * See Figure 6 for location of WIA areas. ** Coordinated Economic Relief Center. | | | | | |
| Source: JLARC staff analysis. | | | | | |

File Reviews. JLARC staff reviewed the case files for participants in the WIA Adult and Dislocated Worker programs to examine the flow of participants through the WIA programs and the outcomes for those participants. Participants who were enrolled in WIA during the first program year (July 2000 to June 2001) were selected for review. Some local staff argue that this time period was during implementation of a brand new program and is not reflective of how the programs currently operate. However, choosing this time period was necessary in order to al-

Review of the Administration of the Workforce Investment Act by the Virginia Employment Commission (Issues 4 and 5)

To study the administration of the Workforce Investment Act by the VEC, JLARC staff identified the activities that the legislation requires of a lead agency. JLARC staff evaluated whether these activities have been sufficiently completed by reviewing budgets, documents, and conducting a WIA Division staff survey. In addition, through various research activities, JLARC staff examined the ability of the VEC to build a coordinated system of workforce training.

Review of Budget and Documents. To explore exactly how WIA dollars are spent by the VEC, JLARC staff examined its budget and expenditure documents. Although the VEC does not record expenditures through the State's Centralized Accounting and Reporting System (CARS) in enough detail for the purposes of this review, VEC does maintain internal expenditure spreadsheets. These were requested and provided by VEC staff along with other documents, such as policies, timelines for the new data system, and the budget for the new fiscal year.

Survey of the WIA Division Staff of the VEC. The staff overseeing the WIA system and programs are housed within the WIA Division of the VEC. Only four of the WIA Division staff members have been with the Division since implementation, while the remaining 12 have joined the VEC over the last two years. JLARC staff surveyed the WIA Division staff regarding such issues as implementation, challenges to administering the WIA, and their perceptions of whether the Division is effective in providing guidance and leadership to the system. All sixteen staff who were surveyed responded.

Survey of Virginia Workforce Council Members. JLARC staff sent a letter to each of the 43 members of the Virginia Workforce Council inviting them to participate in a three question telephone survey regarding the work of the Council and the state of workforce training in the Commonwealth. JLARC staff followed-up each letter with a phone call and conducted interviews with 36 members of the Council.

Surveys and Interviews of Local Staff. As explained in the previous section, JLARC staff interviewed WIB directors and surveyed one-stop operators and local WIB members. Through these instruments, local staff and board members were questioned as to their relationship with VEC staff and were asked to rate the agency on responsiveness and timeliness. Also, the local staff were asked what types of additional assistance would be welcomed from the State WIA Division of VEC.

Review of Other States. JLARC staff conducted a review of several states to examine how they have implemented the WIA legislation. States included Pennsylvania (which is in Virginia's DOL region), Texas, Florida, and Michigan. These states were chosen because they all implemented WIA earlier than Virginia and they each have components of governance that are different from Virginia's model. Research activities for the review of other states included a document review and at least one telephone interview with lead agency staff in each state.

REPORT ORGANIZATION

The remaining chapters in this report present the results of JLARC's staff review of workforce training in Virginia. Chapter II discusses the organization of 22 State-administered workforce training programs. This chapter also addresses how these programs coordinate and whether there is a potential for duplication and inefficiencies among the many programs. Chapter III provides information on how the local workforce investment boards have implemented the one-stop service delivery systems and best practices for system development. In addition, this chapter discusses the various ways local WIBs have implemented the WIA Adult, Dislocated Worker, and Youth programs.

Chapter IV presents an evaluation of outcomes for all WIA program participants. In addition, it presents the findings from a review of case files for a sample of participants in the WIA Adult and Dislocated Worker programs. Chapter V discusses the administration of WIA by the Virginia Employment Commission. This chapter also provides a discussion of alternative structures to govern workforce training programs, including a review of other states.

II: Workforce Training Programs

Workforce training programs in Virginia consist of a patchwork of primarily federally funded programs administered by ten State agencies over three secretariats. Fragmentation and limited coordination between State agencies have reportedly caused confusion and frustration for both employers and individuals seeking services. Concerned that the proliferation of programs may create inefficiencies through duplicative service delivery, the Joint Legislative Audit and Review Commission (JLARC) directed its staff to review the issue.

Currently, there is no formal State-level coordination among all of the 22 State-administered programs, which provide a variety of employment and training services ranging from basic job search assistance to specific skills training. Approximately \$255.8 million was allocated for these services in fiscal year 2002, of which over two thirds was federal funding. The majority of the funds were targeted towards programs serving the economically disadvantaged and the disabled, as mandated by federal legislation.

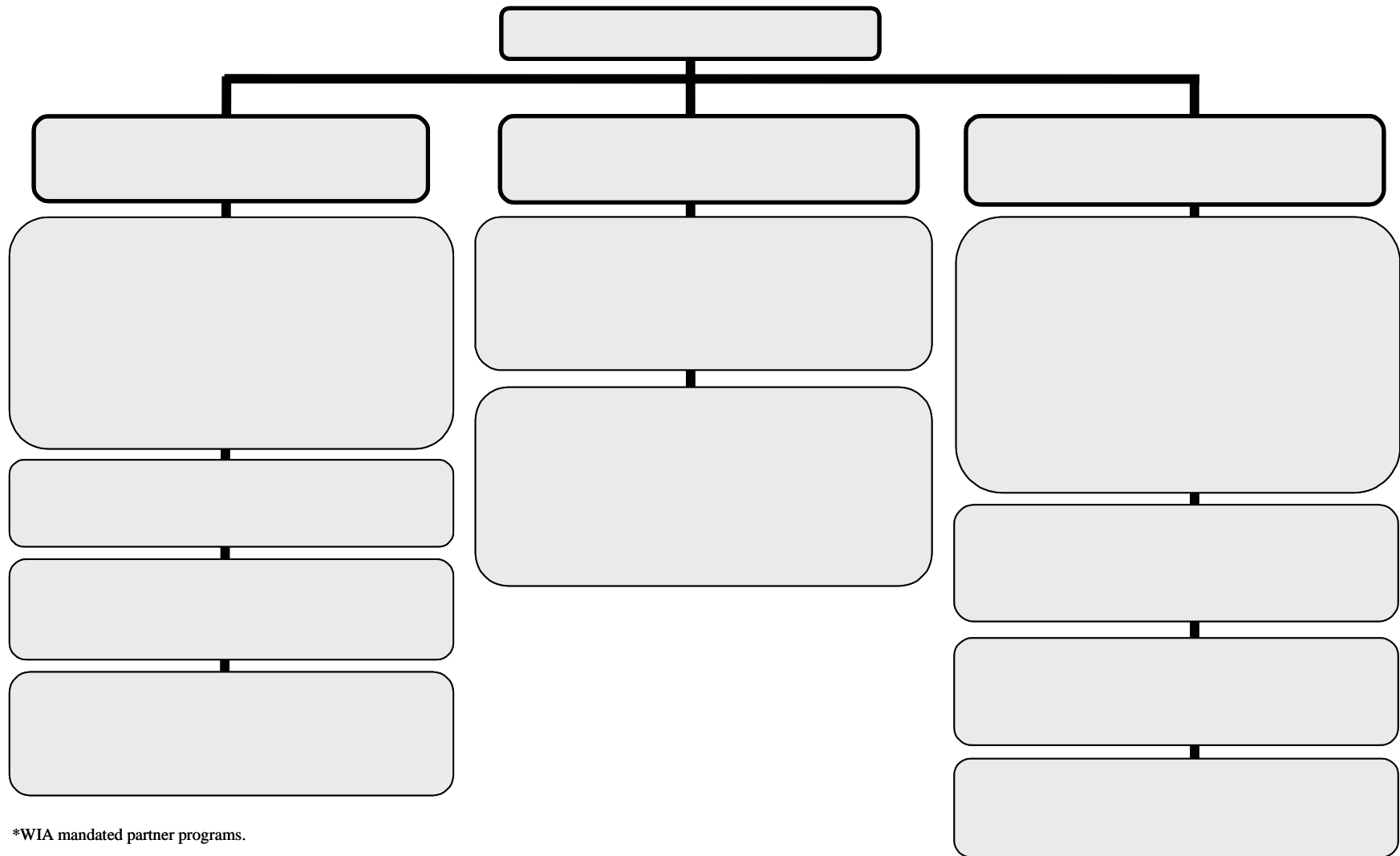
Although the Workforce Investment Act (WIA) provides a framework to streamline and coordinate workforce training programs by creating a one-stop service delivery system and mandating certain programs to partner with the system, effective coordination of services has not been achieved in Virginia. One primary reason for the lack of coordination is that the legislation requires only half of the 22 identified workforce training programs to partner with the system statewide, while the others may coordinate services at the discretion of the Governor or the local workforce investment boards. Thus far, the Governor has not mandated any additional programs to work with the system, and formal local coordination is limited. As a result, the fragmentation of programs at the State and local level without full coordination means that there is still potential for duplication and inefficiency in the system, despite the provisions of the WIA.

This chapter provides information on the 22 State-administered workforce training programs identified by JLARC staff. The first section explains how these programs are funded and organized within State government. In addition, this chapter explores the potential for duplication and inefficiency among these programs. The second section describes workforce training programs that appear to provide similar services to a similar target group and how these programs are or are not coordinated.

ORGANIZATION AND FUNDING OF STATE-ADMINISTERED WORKFORCE TRAINING PROGRAMS

As explained in Chapter I, JLARC staff identified 22 State-administered workforce training programs currently operating in Virginia. As Figure 8 illustrates, the workforce training programs are administered by ten different State

Figure 8
Organization of State-Administered Workforce Training Programs



*WIA mandated partner programs.

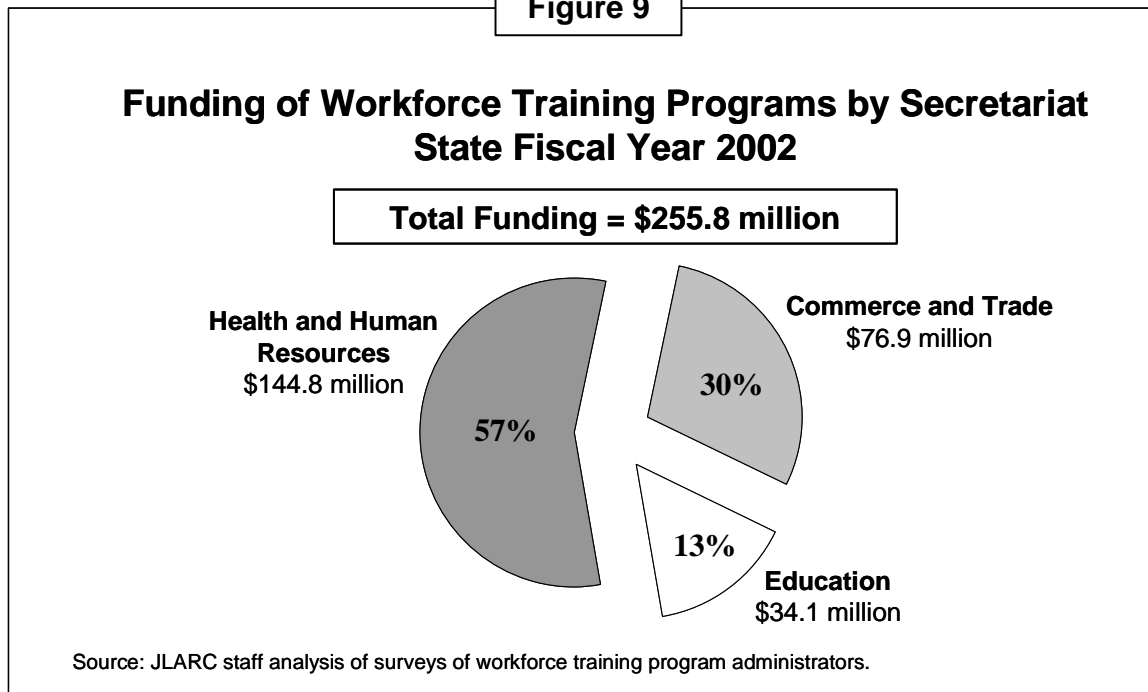
Source: JLARC staff analysis of State administered workforce training programs.

agencies under three secretariats. In FY 2002, the State allocated \$255.8 million for these programs, of which two thirds was federal funding for federally mandated programs. The agencies within the Secretariat of Health and Human Resources received over half of the total funding (Figure 9) to administer workforce training programs that are primarily targeted to the disabled and the economically disadvantaged.

Most workforce training programs provide services to individuals and businesses statewide. However, the location of the services at the local level varies by program. For example, some services are provided at local departments of social services, while others are provided at local Virginia Employment Commission (VEC) field offices, or through nonprofit organizations that receive program funds. In addition, some of the services may be accessed through one-stop centers.

The following sections describe State-administered workforce training programs in Virginia. The first section discusses the current and past funding and the second section discusses program services. In addition to the description of program services presented in this chapter, detailed information on each program is provided in Appendix D.

Figure 9



State-Administered Workforce Training Programs Are Primarily Funded by Federal Dollars

In FY 2002, Virginia allocated \$255.8 million to administer 22 workforce training programs. Of those funds, \$173 million, or over two thirds, were federal dollars. State General Fund dollars and local government contributions made up the remaining \$83 million, with over 70 percent of those funds serving as a required match to federal grants. Programs that are primarily funded by federal dollars are

each guided by their own federal legislation with individual missions, performance measures, and outcomes. As a result, programs operate independently, which creates barriers for states attempting to coordinate programs that may offer similar services or serve similar populations.

Table 5 provides a detailed list of the funds allocated by source for each of the workforce training programs. Two programs, the Virginia Registered Apprenticeship and the Vocational Rehabilitation Services programs, are each listed twice in the table because they are administered by multiple agencies. In addition, the Education for Independence (EFI) program received \$1.5 million in FY 2002 from WIA Adult, Dislocated Worker, and Youth programs. Therefore, the funding amount for EFI is not included in Table 5 to avoid double counting.

Changes in Annual Funding. Overall funding for the identified workforce training programs has steadily declined over the last four years. From FY 1999 to FY 2002, allocations have decreased 10 percent, from \$284.2 million to \$255.8 million (Figure 10). The primary causes for the decrease include the cut-backs in federal funding with the transition from JTPA to WIA, a short-term influx of Welfare-to-Work dollars during FY 1999 and FY 2000, and a decrease in State General Fund support.

Most Workforce Training Programs Provide Targeted Services

Workforce training dollars are typically directed to three types of workforce training programs, which may be categorized as: (1) training providers, (2) programs targeting businesses, and (3) programs targeting individuals. Training providers, such as the Post-Secondary Career and Technical Education program at the community colleges, typically provide education or occupational skills training. Programs targeting businesses provide funding and support directly to businesses in their training effort. Programs targeting individuals primarily provide comprehensive employment and training services. It is important to note that one program, Workforce Services for Regional Competitiveness Partnerships, is not included in this analysis as the program was established in the 2002-2004 Appropriation Act and remains in the development phase. Therefore, the program design has not been determined.

Training Providers. Five of the 22 workforce training programs fall into the training provider category. Training provider services are generally open to everyone. Recipients of services offered by training providers typically must meet only one eligibility requirement—the education necessary to be able to participate in the training. For example, if the training requires basic reading and writing skills, then the participant must be literate. Some training providers offer services free to the participant, while many charge a fee. There are three types of services provided by training providers: basic education for adults, on-the-job training, and education and skills training.

| Table 5 Funding Allocated to State Administered Workforce Training Programs by Funding Source (FY 2002) | | | | | |
|--|--|--------------------------------|----------------------------------|--------------------------------|--------------------------------|
| Agency | Program Name | Total (in millions) | Federal (in millions) | State (in millions) | Local (in millions) |
| Secretariat of Health and Human Resources | | | | | |
| DRS | Vocational Rehabilitation Services * | \$67.9 | \$53.4 | \$14.4 | - |
| DSS | Virginia Initiative for Employment not Welfare | \$50.8 | \$30.1 | \$20.7 | - |
| DSS | Welfare-to-Work* | \$10.9 | - | \$0.5 | \$10.4 |
| DBVI | Vocational Rehabilitation Services* | \$9.2 | \$7.2 | \$2.0 | - |
| Aging | Senior Community Services Employment Program* | \$3.2 | \$3.0 | - | \$0.2 |
| DSS | Food Stamp Employment and Training Program | \$1.3 | - | \$1.3 | - |
| DSS | Centers for Employment and Training | \$0.7 | \$0.8 | - | - |
| DSS | Opportunity Knocks | \$0.5 | \$0.5 | - | - |
| DSS | Economic Employment Improvement Program for Disabled Persons | \$0.2 | \$0.2 | - | - |
| Subtotal | | \$144.8 | \$95.3 | \$38.9 | \$10.6 |
| Secretariat of Commerce and Trade | | | | | |
| VEC | Employment Service* | \$16.8 | \$16.8 | - | - |
| VEC | WIA Youth Program* | \$16.5 | \$16.5 | - | - |
| VEC | WIA Adult Program* | \$11.3 | \$11.3 | - | - |
| VEC | WIA Dislocated Worker Program* | \$11.1 | \$11.1 | - | - |
| DBA | Workforce Services | \$13.5 | - | \$13.5 | - |
| VEC | Transition Adjustment Assistance Programs* | \$3.8 | \$3.8 | - | - |
| VEC | Veterans Employment and Training Programs* | \$3.2 | \$3.2 | - | - |
| DOLI | Virginia Apprenticeship Program | \$0.7 | - | \$0.7 | - |
| Subtotal | | \$76.9 | \$62.8 | \$14.2 | \$0 |
| Secretariat of Education | | | | | |
| DOE | Adult Education and Literacy Programs* | \$17.4 | \$12.0 | \$2.8 | \$2.9 |
| VCCS | Workforce Development Services | \$4.5 | - | \$4.5 | - |
| DOE | Occupational Adult in Career and Technical Education | \$7.8 | - | \$2.4 | \$5.4 |
| VCCS | Post Secondary Career and Technical Education (Perkins Title I)* | \$3.3 | \$3.3 | - | - |
| VCCS | Virginia Registered Apprenticeship Program | \$1.0 | - | \$1.0 | - |
| DOE | Education for Independence † | - | - | - | - |
| Subtotal | | \$34.1 | \$15.2 | \$10.5 | \$8.4 |
| Total Funding FY 2002 | | \$255.8 | \$173.2 | \$63.6 | \$19.0 |

* WIA mandated partner programs.

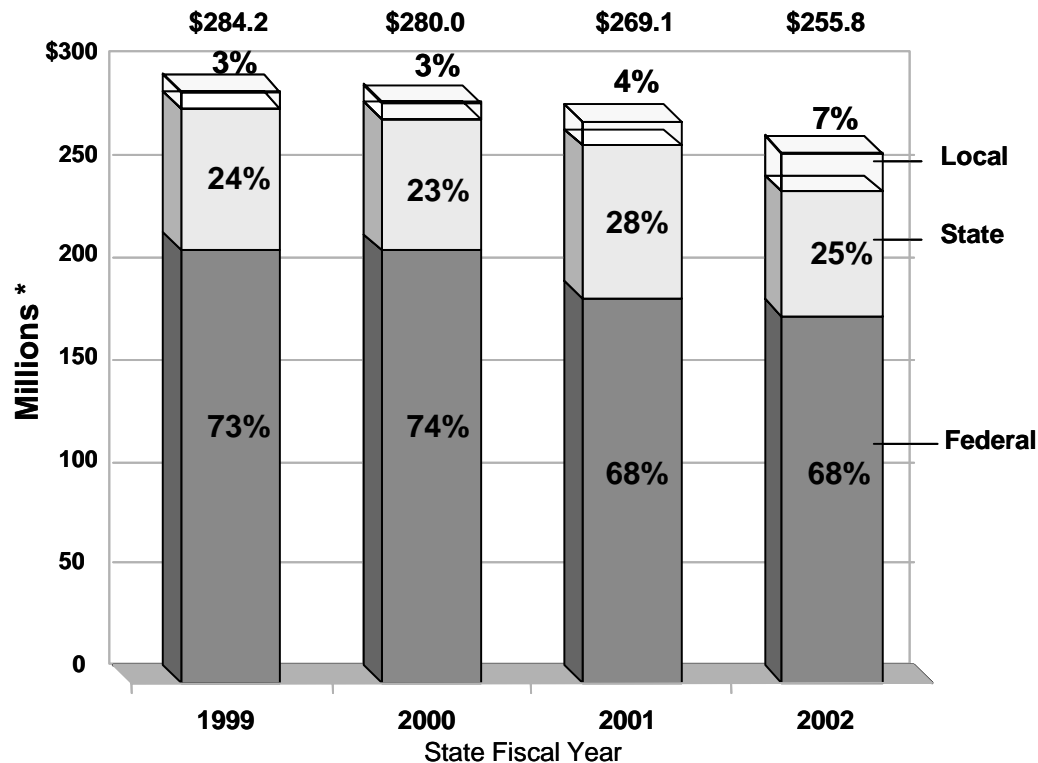
† The Education for Independence program is funded by the WIA program funds.

Notes: Amounts do not add up to the subtotal and totals due to rounding. The Workforce Services for Regional Competitiveness Partnerships program was established in FY 2003. Therefore, funding data are not available for FY 2002.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Figure 10

Trend in Funding of Workforce Training Programs



Note: Percents are rounded to add up to 100 percent.

*Funding shown in unadjusted dollars.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

As Table 6 shows, basic education for adults is primarily provided by the Adult Education and Literacy programs, which offer adult basic education, adult secondary education, English as a second language, and literacy courses. These courses are free of charge and available to any citizen of the Commonwealth.

The Virginia Registered Apprenticeship program is a provider of on-the-job training. This program, which is jointly administered by Department of Labor and Industry (DOLI) and the Virginia Community College System (VCCS), provides a combination of classroom education and on-the-job training, where participants learn the skills necessary to be certified in a particular field, such as welding, plumbing, or firefighting. Individuals receive on-the-job training through employers, who are termed worksite “sponsors.” DOLI is responsible for registering sponsors and ensuring that they adhere to federal standards of apprenticeship training. For example, an apprentice must work a minimum of 2,000 hours in order to complete the program. The sponsor pays wages to the registered apprentice and typically pays for the classroom education, which is administered by VCCS.

| Table 6 State-Administered Workforce Training Programs That are Training Providers | | | |
|---|--|--------------------|---|
| Program Name | Primary Location of Services | Eligibility | Program Services and Description |
| Provider of Basic Education for Adults | | | |
| Adult Education and Literacy Programs* | Local School System | Open to all | Adult education classes and programs to adults who lack a high school diploma, are not proficient in the English language, or who need help in reading, writing, math, or basic computer literacy |
| Provider of On-the-Job Training | | | |
| Virginia Registered Apprenticeship Program | Businesses (On-the-job training component) | Open to all | Support to businesses (sponsors) and individuals who provide paid on-the-job training to individuals in a specific trade |
| Providers of Education and Skills Training | | | |
| Occupational Adult in Career and Technical Education | Local School System | Open to all | Post-secondary career and technical education |
| Post-Secondary Career and Technical Education* | Community Colleges | Open to all | Post-secondary vocational and technical education programs leading to certificate, degree, or industry certification |
| Workforce Development Services | Community Colleges | Open to all | Non-credit courses through the community college system |
| *WIA mandated partner programs. | | | |
| Source: JLARC staff analysis of surveys completed by workforce training program administrators. | | | |

The remaining programs, which provide education and skills training, include Workforce Development Services, Post-Secondary Career and Technical Education, and Occupational Adult in Career and Technical Education. These programs are provided through the community colleges or local public school systems, are open to the public, and are provided at a cost to the participant.

Programs Targeting Businesses. The only identified workforce training program exclusively targeting businesses is Workforce Services, which is administered by the Department of Business Assistance. This program provides an economic incentive for businesses to expand or relocate in Virginia. Services provided include financial assistance to train new workers and supportive services to assist businesses in developing training programs. Although the services and funding are provided to businesses, new workers ultimately benefit because they receive training subsidized by State payments to the company.

There are two programs that are unique in that they are training providers but they each have a component that also provides services to businesses. They are Workforce Development Services (WDS), administered by VCCS, and the Virginia Registered Apprenticeship Program. Through community colleges, WDS works with companies to customize training services for their employees. This training may be provided onsite for convenience or at the community college. The Apprenticeship program works with businesses to establish apprenticeship fields of practice at their work site. Despite their assistance to businesses, these programs primarily provide training services, and therefore are categorized as training providers.

In addition, a component of the Employment Service program, which is discussed in more detail in the next section, provides services to businesses. The program assists employers in finding qualified workers through a job matching or job screening process.

Programs Targeting Individuals. The remaining 15 of the 22 State administered workforce training programs provide services to individuals and often target a specific population, such as low-income individuals, veterans, or the disabled (Table 7). These programs typically offer more comprehensive services and have the goal of helping the participant move into self-sustaining employment. Programs provide services such as job search assistance, training vouchers, and subsidies for child care and transportation.

| <p>Table 7</p> <p>State-Administered Workforce Training Programs That Target Individuals*</p> | | | |
|---|---|---|--|
| Program Name | Primary Location of Services | Eligibility | Programs Services |
| Senior Community Service Employment Program | Area Agencies on Aging | Low-income individuals 55 and older | Subsidized part-time employment in community service positions |
| Education for Independence | Community colleges | Low-income custodial or non-custodial parents | Career and technical education and training, career counseling, job development, and support services |
| Vocational Rehabilitative Services | DRS and DBVI field offices | Disabled | Services to assist individuals to prepare for, secure, retrain, or regain employment |
| Welfare-to-Work | Varies by local workforce investment area | Hard-to-serve welfare recipients | Assistance in locating unsubsidized employment |
| Virginia Initiative for Employment not Welfare | DSS field offices | Welfare recipients | VIEW is the employment component of Virginia's Temporary Assistance to Needy Families (TANF) program. The program provides job search assistance, job readiness, and training services |

Table continues onto next page

| Table 7 (continued) | | | |
|--|---|---|--|
| Program Name | Primary Location of Services | Eligibility | Programs Services |
| Food Stamp Employment and Training | DSS field offices | Food stamp recipients | Job search, job search training, education, training and work experience |
| Opportunity Knocks | Limited areas* | Parents ages 18-30 with an income below 200 percent of the poverty level | Provides job search, individual career counseling, and funding for education and skills training |
| Centers for Employment and Training | Limited areas* | Individuals with a minor child and living at or below 200 percent of poverty level | Individual career counseling, case management, occupational skills training |
| Economic Employment Improvement Program for Disadvantaged Persons | Limited areas* | Disadvantaged parents, including non-custodial parents with an income below 200 percent of the poverty level | Education and job-training services in order to promote self-sufficiency |
| WIA Adult Program | Varies by local workforce investment area | Open to all for basic services—intensive and training services may be limited to low income and other special populations | Job search, job readiness, career counseling, and funding and assistance for training |
| WIA Dislocated Worker Program | Varies by local workforce investment area | Dislocated workers and displaced homemakers | Job search, job readiness, career counseling, and funding and assistance for training |
| WIA Youth Program | Varies by local workforce investment area | Low-income at-risk youth ages 14-21 | A variety of education and job readiness services |
| Transitional Adjustment Assistance Programs | VEC field offices | Workers who are laid off or whose hours of work and wages are reduced as a result of increased imports | Job search and relocation allowances, income support and other assistance, and funding and assistance for training |
| Veterans Employment and Training Program | VEC field offices | Individuals who were enrolled in military service | Job counseling, job training, and job placement services |
| Employment Service | VEC field offices | Open to all | Job counseling, job placement and services primarily provided through an on-line database |
| <p>* See Appendix D for more information.</p> <p>Note: The Workforce Services for Regional Competitiveness Partnerships was created in FY 2003. The program remains in the development phase, and therefore is not included in this analysis.</p> <p>Source: JLARC staff analysis of surveys completed by workforce training program administrators.</p> | | | |

One common characteristic of these programs (with the exception of the Rehabilitative Services program) is that they are provided free of charge to participants. As long as the individual meets the eligibility requirements, he or she may access the services authorized by the program. Most of the programs focusing on individuals target the disabled and economically disadvantaged populations. Economically disadvantaged individuals are those who have low-incomes or are recipients of public assistance. Programs targeting this population are primarily offered through the Department of Social Services, although the WIA Youth and Education for Independence programs also target the economically disadvantaged. In addition,

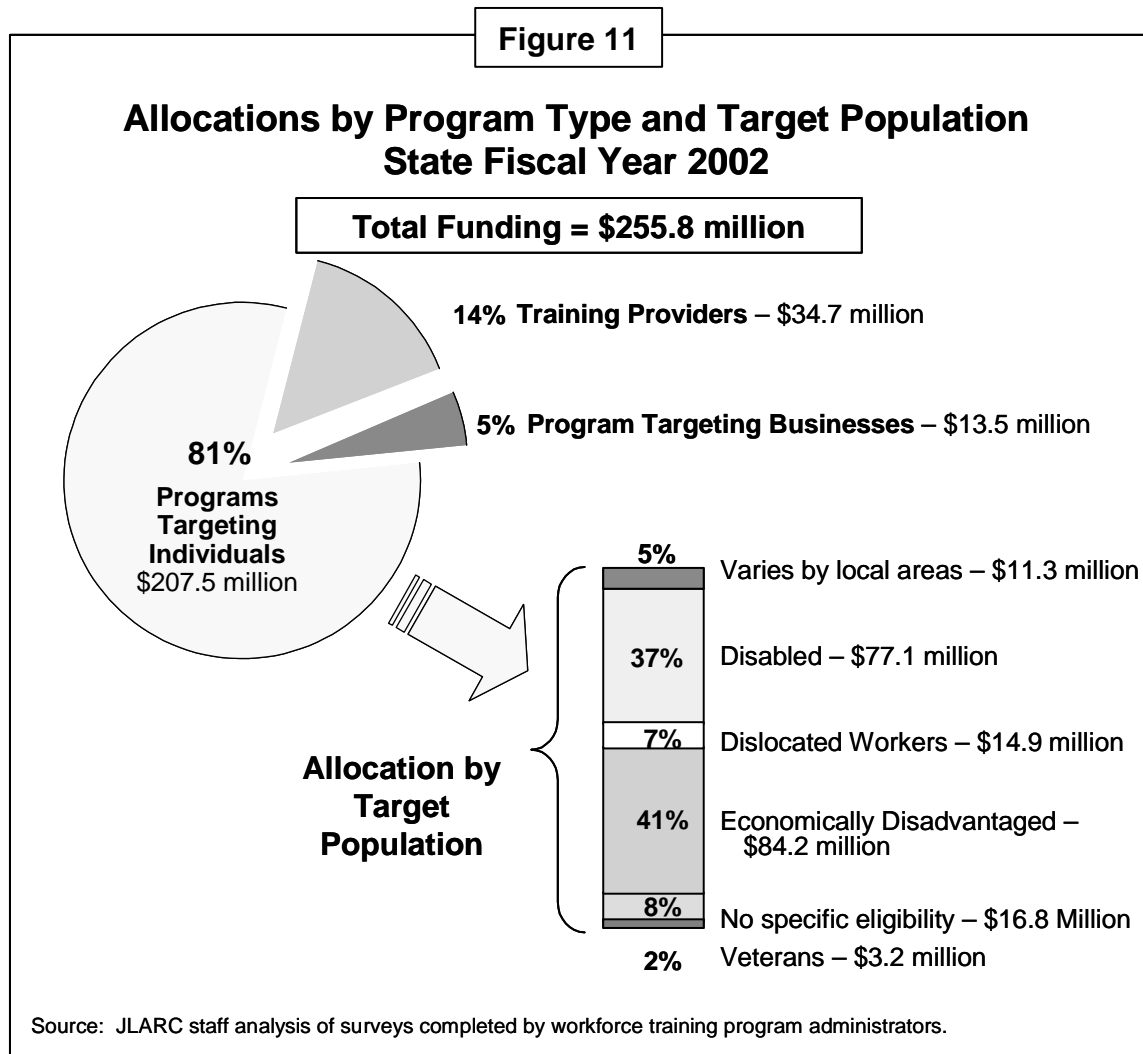
the WIA Adult program targets the economically disadvantaged in some local workforce investment areas. Other programs and the target populations they serve are summarized in Exhibit 10.

The WIA Adult program is unique because eligibility criteria for the program vary among local workforce investment areas. In all areas, basic core services such as self-directed job search and job search assistance are open to the general public. Intensive services, such as individual counseling or the development of an employment plan, and training services are limited to adults aged 18 or older. The WIA legislation allows local WIBs to further restrict services if the local WIB determines that funds for employment and training are limited in the area. Several local WIBS determined that funds are limited and established a “priority of service” that targets low-income individuals first. Priority of service differs by area and is discussed in detail in Chapter III.

| Exhibit 10 Target Population of Programs Providing Employment and Training Services to Individuals | |
|---|--|
| Target Population | Program |
| Varies by local workforce investment area* | WIA Adult Program |
| Disabled | Vocational Rehabilitation Services |
| Dislocated Worker | Trade Adjustment Assistance Programs WIA Dislocated Worker Program |
| Economically Disadvantaged | Centers for Employment and Training Economic Employment Improvement Program for Disadvantaged Persons Education for Independence Food Stamp Employment and Training Program Opportunity Knocks Senior Community Services Employment Program Virginia Initiative for Employment not Welfare Welfare-to-Work WIA Youth Program |
| No specific eligibility criteria | Employment Service |
| Veterans | Veterans Employment and Training Programs |
| <small>* According to the WIA legislation, local workforce investment boards may target services based on the special needs of individuals in the area through priority of service plans. Also, if the WIB determines that funds are limited, the low-income and other public assistance recipients must receive priority of service.</small> | |
| <small>Source: JLARC staff analysis of surveys completed by workforce training program administrators.</small> | |

Allocation of Funds by Program Type and Target Population. Of the three program types, programs targeting individuals receive the most funding. In FY 2002, 81 percent of the workforce training funds were allocated to programs that

provide services to individuals. As shown in Figure 11, 78 percent of those funds were allocated to programs targeting the economically disadvantaged and the disabled.



DUPLICATION AND STATEWIDE COORDINATION

Duplication of services among workforce training programs has been an issue of concern for federal and State officials for many years. In 1985, the Governor requested a study of alternatives to further realign executive branch agencies, primarily in the area of workforce training. In 1989, the Virginia General Assembly formed a Joint Subcommittee to determine how well Virginia's training, re-training, vocational education, and placement programs were preparing individuals to meet labor force needs. Both studies found that potential duplication existed among State agencies and recommended additional State-level coordination. In addition, in the 1990s, the federal General Accounting Office (GAO) released a series of reports

finding that fragmentation and potential overlap of federally funded workforce training programs existed and may hinder individuals seeking services and frustrate employers and program administrators.

The Workforce Investment Act initiated a new method for coordination by mandating workforce training programs to provide access to services through a one-stop service delivery system. However, the WIA only mandated half of the identified State-administered workforce training programs to coordinate with the system. Additional non-mandated partnerships may be established through a State-level mandate from the Governor or if local partner agencies voluntarily coordinate with the local workforce investment boards (WIBs). Thus far, at the State level, the Governor has not mandated any additional coordination. Local level coordination, while occurring in some areas, is limited. As a result, there is a high potential for duplication of services between non-mandated and mandated partner programs. Further State-level coordination is needed to reduce the potential for duplication.

This section first discusses overlap between program eligibility and services and places each program on a spectrum of duplication potential based on the current level of coordination. The review does not identify the number of individuals dually enrolled and receiving duplicative services. However, case examples are used to discuss the existing duplication between programs. The final section discusses options to improve coordination among programs with the highest potential for duplication.

Without Effective Coordination, Overlap May Result in Duplication and Inefficiencies

Programs overlap if they provide similar services to the same target population or if individuals have characteristics that would qualify them for multiple programs that provide similar services. When programs that overlap do not effectively coordinate services, the potential for duplication exists. Effective coordination occurs when programs work together to provide services that are complementary rather than duplicative. For example, effective program coordination could include resource sharing, such that a participant receiving services by two programs is only required to fill out one application form and work with one case manager. Another way to coordinate programs is by electronic case management that allows caseworkers at different sites to communicate regularly to make sure that services are not duplicative. Essentially, the result of coordination is shared information between program providers, and seamless services to the participant, regardless of how many programs are actually funding or providing the services.

Programs that duplicate services also may be less efficient, according to a report by the General Accounting Office (GAO). The study found that employment and training programs with overlapping services may have higher administrative costs. If programs are coordinated effectively, staff costs to administer, monitor, and evaluate services may be reduced.

JLARC staff established two criteria that affect a program's potential for duplication and inefficiency: (1) level of overlap, and (2) level of coordination. If a

program has a “high” level of overlap and a “low” level of coordination, then there is a strong potential for duplication. The following sections discuss each criterion and then rate each program’s potential for duplication.

Level of Overlap. JLARC staff examined the level of overlap based on program type. For example, programs that exclusively target businesses would have no overlap because there is only one program in this category. However, overlap does exist among training providers and programs serving individuals. Among training providers, the level of overlap is low. Among programs serving individuals, the level of overlap is high.

Workforce training programs that are training providers overlap services in that they may hold similar classes. For example, a Microsoft® Office course may be offered at the community college, through the Post-Secondary Career and Technical Education program, or at a local public school, through the Occupational Adult in Career and Technical Education program. However, this overlap is minimal because it is the choice of the individual to participate in the course and he or she often must pay to attend. A participant may choose to pay more than once to take a similar course through multiple programs. This overlap may not necessarily be detrimental, as it offers different ways in which an individual may obtain skills training. Moreover, the cost is borne by the participant.

Overlap is high among programs that serve individuals, as these provide many similar services with overlapping eligibility criteria, as shown in Table 8. For example, all but one program, Vocational Rehabilitation Services, provide job search and placement assistance. Most programs provide some funding for supportive services, such as child care or transportation. All but one program, Employment Services, provide assistance and funding for training. Although most programs provide similar services, many target a specific population. For example, the Veterans Employment and Training programs and the Trade Adjustment Assistance programs provide similar services, but they target different populations.

There are many programs targeting the economically disadvantaged population that provide similar services. For example, the Virginia Initiative for Employment not Welfare (VIEW) and the WIA Adult program provide similar employment and training services. Most individuals who receive welfare are mandated to participate in the VIEW program (there are some exceptions, which are further discussed in Appendix D) and are also eligible for the WIA Adult program. In fact, 414 of the WIA Adult program participants in FY 2001 were co-enrolled in VIEW. Both programs provide job search assistance, career counseling, training, and supportive services. As explained earlier, data on whether the co-enrolled participants actually received duplicative services were not available and would require an extensive manual file review.

| Table 8 Overlap of Services: Workforce Training Programs Providing Employment and Training Services by Specific Target Population | | | | | |
|--|--|-------------------------------------|---|---|--|
| Program Name | Job Search and Placement Assistance | Individual Career Counseling | Funding and Facilitating Skills Training | Funding and Facilitating On-the-Job Training | Funding for Supportive Services** |
| Veterans | | | | | |
| Veterans Employment and Training Program* | ✓ | ✓ | ✓ | ✓ | |
| Disabled | | | | | |
| Vocational Rehabilitation Services* | ✓ | ✓ | ✓ | ✓ | ✓ |
| Dislocated Worker | | | | | |
| Trade Adjustment Assistance Programs* | ✓ | ✓ | ✓ | ✓ | ✓ |
| WIA Dislocated Worker Program* | ✓ | ✓ | ✓ | ✓ | ✓ |
| Economically Disadvantaged | | | | | |
| WIA Youth Program* | ✓ | ✓ | ✓ | ✓ | ✓ |
| Education for Independence | ✓ | ✓ | ✓ | | ✓ |
| Welfare-to-Work* | ✓ | ✓ | ✓ | ✓ | ✓ |
| Opportunity Knocks | ✓ | ✓ | ✓ | ✓ | ✓ |
| Senior Community Services Employment Program* | ✓ | ✓ | | ✓ | |
| Virginia Initiative for Employment not Welfare | ✓ | ✓ | ✓ | ✓ | ✓ |
| Food Stamp Employment and Training Program | ✓ | ✓ | ✓ | ✓ | ✓ |
| Centers for Employment and Training | ✓ | ✓ | ✓ | | ✓ |
| Economic Employment Improvement Program for Disadvantaged Persons | ✓ | ✓ | ✓ | ✓ | ✓ |
| No Specific Eligibility Criteria | | | | | |
| Employment Service* | ✓ | | | | |
| Differs by Local Workforce Investment Area | | | | | |
| WIA Adult Program* | ✓ | ✓ | ✓ | ✓ | ✓ |
| *WIA mandated partner programs. ** Supportive services can include child care, transportation, health services, etc. | | | | | |
| Source: JLARC staff analysis of surveys completed by workforce training program administrators. | | | | | |

Another example of a high potential for overlap is between the Education for Independence (EFI) program and the WIA Adult program. The EFI program provides career and technical education and training, career counseling, job development, and support services to low-income custodial or non-custodial parents. In FY 2001, based on JLARC file reviews (see Chapter IV) of the WIA Adult program, 49 percent reported they were single parents and 97 percent reported low incomes upon entering the program. These data indicate that there is high potential for individuals to qualify for both programs.

Level of Coordination. The only existing formal coordination is that required at the local level by the Workforce Investment Act. Specifically, if a program is a WIA partner that must provide access to services through the one-stop service delivery system, then coordination is considered high. Seventeen programs, listed in Exhibit 6 (Chapter I, page 20) meet this criterion. Whether or not the formal coordination is effective is discussed in Chapter III.

Potential for Duplication. Based on duplicative services and formal coordination, programs vary in their potential for overlap and inefficiency. As shown in Figure 12, the six programs that target individuals and are not mandated by WIA to partner with the service delivery system have the highest potential for duplication. Five of the programs that fit this description target the economically disadvantaged and are administered by the Department of Social Services. The sixth program, Education for Independence, also targets the economically disadvantaged, but is administered by the Department of Education. The following case examples illustrate the kind of inefficiencies that occur.

The VIEW program requires participants to complete a documented job search and assistance is provided in this effort. In addition, the WIA Adult program in one workforce area requires a documented job search to move into more intensive services and offers assistance in this effort. However, because these programs do not coordinate in this area, the participant must provide documentation of a job search for both programs, and travel to two different locations to receive services.

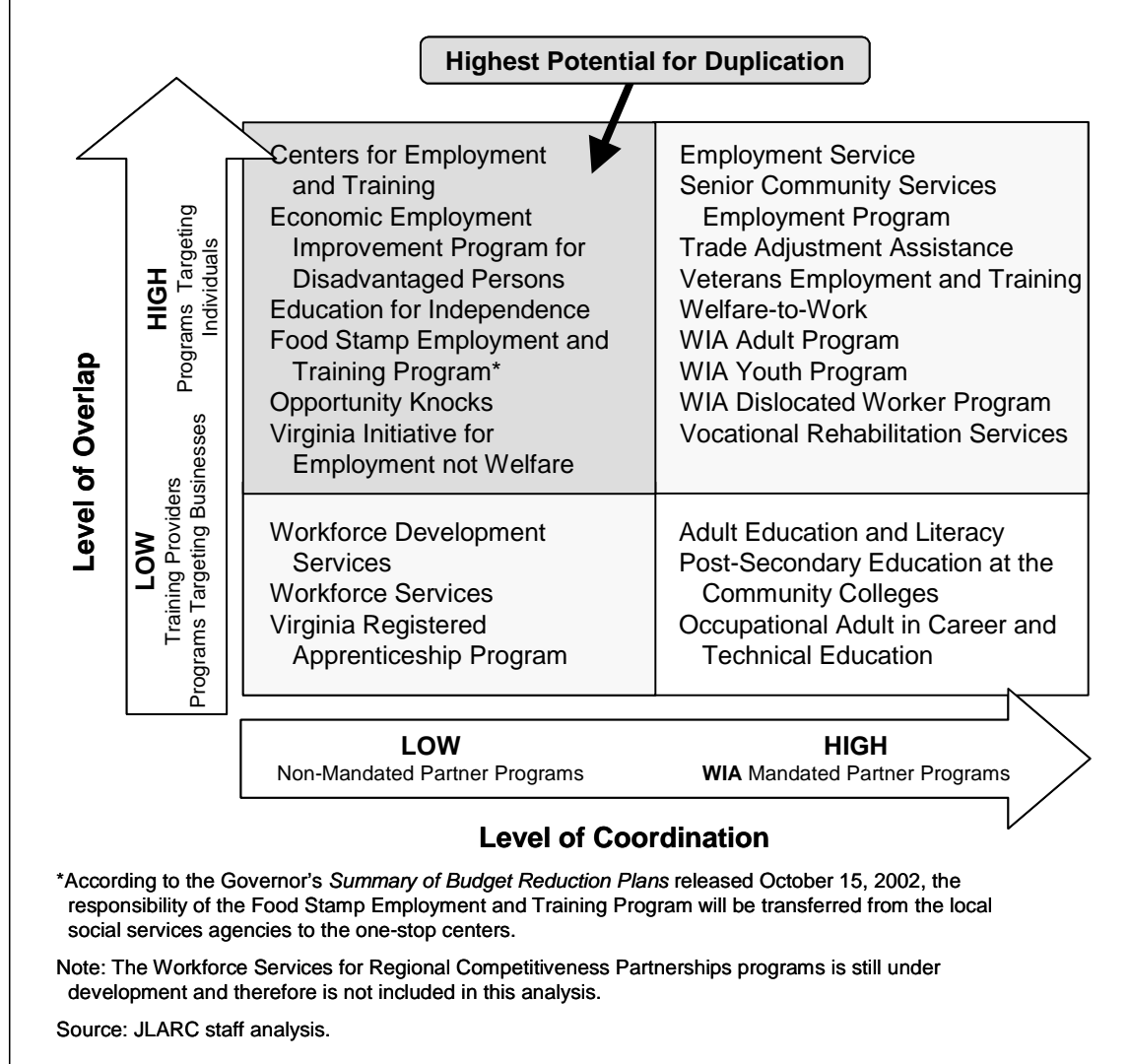
* * *

Some local DSS offices contract out job search assistance for the VIEW participants. There are several one-stop centers in each area that provide core services, including job search assistance, free of charge to all residents.

In addition to the case examples provided above, there exists the potential for participants in one program to be unaware of their eligibility for services through another program. For example, a participant in the Opportunity Knocks program, administered by DSS, may be eligible to receive a training voucher under the WIA Adult program, administered through local WIBS, but may not know about the service because there is limited communication between the two programs.

Figure 12

Potential for Duplication Among State Administered Workforce Training Programs



Programs that overlap but have a high level of formal coordination will only be duplicative if the coordination is ineffective. For example, the Employment Service program and the WIA Adult and Dislocated Worker programs all provide basic job search services. These programs are mandated by the WIA legislation to coordinate through the one-stop service delivery system. However, if local WIBs are ineffective in their coordination, then inefficiencies can occur. This is addressed further in Chapter III.

Coordination Between WIA Mandated and Non-Mandated Partner Programs May Reduce Potential Duplication

The WIA legislation allows non-mandated, or “optional”, partner programs to work with and through the one-stop service delivery system at the discretion of the Governor by a State-level mandate or by voluntary program partnering at the local level. At the State level, the Governor has not mandated any additional programs to partner with the system. At the local level, several areas have formal partnerships with local departments of social services, but statewide, this coordination has not been achieved. One of the main barriers to this partnership, as stated by several local staff at one-stop centers, is the lack of a clear mandate from the State DSS office to work with the local WIBs and one-stop centers to coordinate services. Although the intent of the WIA is to allow areas flexibility in the coordination of services, it appears that a State-level initiative is necessary to send a clear message to State agencies and their local offices that coordination should take place, particularly for programs that provide services to the economically disadvantaged.

Unlike Virginia, many states currently require some level of coordination with non-mandated programs, particularly those programs funded with Temporary Assistance to Needy Families (TANF) dollars, which target the economically disadvantaged. A survey conducted in February of 2002 by the U.S. Department of Labor (DOL) found that 26 state governments require TANF-funded employment and training programs to partner with the one-stop service delivery system in all local areas. TANF is a block grant authorized by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. In Virginia, TANF-funded programs include VIEW, Opportunity Knocks, Centers for Employment and Training, and Economic Employment Improvement Programs for Disadvantaged Persons.

In addition, the coordination of TANF-funded programs with the one-stop service delivery system currently is being considered at the federal level during re-authorization of TANF (2002) and WIA (2003). DOL is in the process of collecting public comments on WIA re-authorization and potential linkages with TANF-funded programs. Also, the House of Representatives has already passed a bill that would allow states to apply for a waiver of TANF restrictions to improve coordination of services with the one-stop centers.

Virginia State agency administrators and the Governor appear willing to move towards coordination of programs targeting the economically disadvantaged with the WIA system. In the Governor's *Summary of Budget Reduction Plans* released on October 16, 2002, the Governor transferred the responsibility of the Food Stamp Employment and Training program from the local social service agencies to the one-stop centers. In addition, DSS and VEC administrators both support coordination of TANF-funded employment and training programs with the one-stop service delivery system.

A clear message needs to be sent by the Governor or by the General Assembly that employment and training programs funded by TANF need to become partners in the State's total workforce training effort. The programs have a high potential for duplication and inefficiencies because there is no required coordination with

other, similar programs. Federal, state, and local governments are moving towards further coordination of these programs and DSS administrators support this initiative.

Recommendation (1). Employment and training programs funded through Temporary Assistance for Needy Families and the Education for Independence program should be mandated to partner with the one-stop service delivery system as defined by the Workforce Investment Act. The Governor should make this declaration or the General Assembly should consider amending the *Code of Virginia* to reflect this mandated partnership.

III. Local Implementation of the Workforce Investment Act

As discussed in Chapter I, the Workforce Investment Act (WIA) established a service delivery system that requires consolidated access points to a multitude of employment and training programs through one-stop centers. These centers are intended to provide “seamless” access to customers (both individuals and businesses) by minimizing bureaucracy and maximizing services. The WIA mandates this basic framework and allows states and localities to customize the system to meet the needs of their customers.

Local workforce investment boards (WIBs), in cooperation with local elected officials, are responsible for assessing an area’s needs and developing the mandated service delivery system through the designation of one-stop centers. Based on a review of area practices, it appears that local WIBs have successfully established the minimum structural requirements of the one-stop service delivery systems. However, most areas have had difficulty establishing effective partnerships to support the development of an integrated, coordinated system due to a lack of State leadership, contradictory federal guidelines, and inadequate information sharing. In addition, the WIA states that mandated programs are required to enter into partnerships with local WIBs, but it appears that those partners that are State or local government agencies are not held accountable for their participation in the one-stop system.

Many of these challenges may be overcome with State-level coordination and guidance, as demonstrated by the creation of the Coordinated Economic Relief Centers (CERCs). Established through Executive Order, these temporary one-stop centers have been able to bring together multiple partners, both mandated and non-mandated, to a single location in under six weeks. The CERCs, with their clear mandate from the Governor, are an example of successful partnerships. A similar model of service delivery could facilitate the types of partnerships and service envisioned by the WIA.

Although the “seamless” service delivery has not been fully realized, many areas have implemented unique and innovative approaches to system development and service delivery. These best practices include improving access to services, systematically identifying industry needs, and leveraging additional funds. Local WIB members and staff should meet regularly to share these ideas for the betterment of the statewide system.

In addition to developing the one-stop service delivery system, local WIBs, in conjunction with local elected officials, are responsible for designating providers and establishing policies for the WIA Adult, Dislocated Worker, and Youth program services. The WIA gives states and localities considerable flexibility in administering these programs. Due to a “hands-off” approach by the Virginia Employment Commission, most of the flexibility rests with local WIBs. A review of the local implementation of these programs suggests that, because of this flexibility, eligibility

and enrollment policies vary across the State. In addition, it appears that some service providers may be out of compliance in terms of exiting participants from the programs, a policy which federal regulations clearly define.

This chapter presents JLARC staff findings on how local WIBs, in conjunction with local elected officials, have developed one-stop service delivery systems and implemented WIA programs. The first section focuses on the implementation of the one-stop service delivery system, including the difficulty faced by local WIBs in developing partnerships and best practices of local areas and one-stop centers. The second section discusses how local WIBs have implemented the WIA programs and the need for additional guidance and monitoring from the VEC.

WIA ONE-STOP SERVICE DELIVERY SYSTEMS

To address the fragmentation and lack of coordination of workforce training programs, the Workforce Investment Act provides a mechanism to coordinate multiple programs by mandating a system of service delivery focused on “one-stop” service access. Through one-stop centers, customers should be able to access 17 federally funded programs. Local workforce investment boards (WIBs) are responsible for implementing the new one-stop service delivery system, and the Virginia Employment Commission (VEC) is responsible for providing State-level guidance and oversight to the local areas.

To facilitate coordinated service delivery, the WIA requires mandated partners to enter into formal memoranda of understanding (MOUs) to describe how their programs will contribute to the establishment of a one-stop system and provide access at one-stop centers. JLARC staff reviewed the formal MOUs, as well as the actual resources and services provided at one-stop centers. The results of this review suggest that while formal partnerships have been established in most local areas, systemic barriers have prevented those partnerships from translating into seamless service through one-stop centers.

Barriers to effective system development include a lack of commitment and coordination at the State level, inadequate data management systems to facilitate information sharing, and contradictory federal regulations. At the State level, there is no apparent accountability for partners that do not participate in the system. Further, the VEC, which is the WIA administering agency, does not have the authority to require partnership by any program other than those it already administers. Information sharing is a barrier because a “system” approach rests on the philosophy that success in obtaining employment may be the result of services from multiple programs, rather than from programs operating independently.

Lastly, the federal regulations guiding workforce training programs provide a systemic barrier. The WIA legislation guides only three of the 17 programs required to partner with the system. The remaining programs are guided by other legislation. The WIA requires each program to contribute to the one-stop system and provide access through one-stop centers, to the extent allowed by each program’s guiding legislation. However, each program still needs to report performance based

on services provided by their program funds. This makes it difficult to contribute to a “system” approach, especially without sufficient information and data sharing.

Despite these barriers in developing effective partnerships, some local WIBs have developed innovative practices to provide more comprehensive services through the one-stop centers. These methods include extended operating hours at one-stop centers, the use of video conferencing to provide remote access to services, gathering business input to provide employment and training services that meet the current workforce needs, and leveraging additional funds to expand and improve services.

Local WIBs Have Experienced Difficulty in Establishing Partnerships

Local WIBs have established at least one comprehensive one-stop center in each of the 17 local areas, as required by the WIA legislation. As Chapter I discussed, these one-stop centers have been designated at various locations, such as VEC field offices, community college campuses, and nonprofit organizations. VEC policy states that comprehensive one-stop centers must provide “access” to all mandated partner programs. There is considerable room for interpretation as to what “access” means in different areas. Therefore, this section attempts to clarify what types of partnerships have been established and what types of program services are available at centers across the State.

To study these partnerships, JLARC staff developed an initial status report (Table 9), which measures the presence of the following in each area: (1) a memorandum of understanding (MOU) between the local WIB and each mandated partner, (2) an MOU with at least one non-mandated partner, and (3) at least one

| Table 9 Status Report on Partnerships Established by Local WIBs and Services Provided at One-Stop Centers | | |
|--|--|--|
| Criteria | Number of Areas Where Criteria Are <u>Met</u> | Number of Areas Where Criteria Are <u>Not Met</u> |
| An MOU has been established between the local WIB and each of the mandated partners | 13 | 4 |
| An MOUs has been established with at least one non-mandated partner | 13 | 4 |
| At least one comprehensive one-stop center operator responded to a JLARC survey that access to each mandated partner* is provided through either colocation, part-time onsite staff, or referral | 12 | 5 |
| * Only mandated partners that provide services in each area of the State were included in this analysis. | | |
| Source: JLARC analysis of information provided by workforce investment board directors and surveys of one-stop center operators. | | |

comprehensive one-stop center that provides access to mandated programs through co-location, part-time onsite staff, or referral.

As shown in Table 9, some local areas have not been able to establish partnerships based on the three described criteria. It is important to note that the areas “not meeting criteria” are different for each criterion. Based on interviews with local WIB directors and a survey of one-stop center operators, it appears that some informal partnerships are occurring, which may not be captured in the status report. The following provides information, with case examples, on the challenges and concerns local areas face based on the three defined criteria used to assess the status of partnerships under WIA.

MOUs with Each Mandated Partner. WIA legislation requires each entity that administers one of the 17 mandated partner programs to establish a memorandum of understanding (MOU) with the local WIBs. The purpose of an MOU is to establish how the program services will be accessed through the one-stop system and what resources the program will contribute to the system to support the one-stop centers. As demonstrated in Table 10, 13 of the 17 WIB directors stated that they had established an MOU with each of the mandated partner programs.

| <p>Table 10</p> <p>Local Workforce Investment Areas with Signed MOUs from all Mandated Partner Programs</p> | |
|---|--|
| Area | MOUs with All Mandated Partners |
| 1. Southwest Virginia | ✓ |
| 2. New River/New Mount Rogers | ✓ |
| 3. Western Virginia | |
| 4. Shenandoah Valley | ✓ |
| 5. Northern Shenandoah Valley | |
| 6. Workforce Today! | |
| 7. Region 2000/Central Virginia | ✓ |
| 8. South Central Virginia | ✓ |
| 9. Capital Area/Greater Richmond | ✓ |
| 10. City of Richmond | ✓ |
| 11. Northern Virginia | ✓ |
| 12. Alexandria/Arlington | |
| 13. Bay Consortium | ✓ |
| 14. Greater Peninsula | ✓ |
| 15. Crater Area | ✓ |
| 16. Hampton Roads | ✓ |
| 17. West Piedmont | ✓ |
| Total | 13 |
| Source: JLARC staff analysis of interviews with local workforce investment board directors. | |

According to the WIA, if a local WIB is unable to establish an MOU with the administrator of a mandated program, then it must report this difficulty to the WIA Division staff at the VEC. However, according to the WIA Division director, none of the four WIB directors in areas where MOUs with mandated partners had not been established have reported this difficulty to the VEC.

It appears that some MOUs are not reliable measures of actual partnerships. Based on interviews with WIB directors, it appears in some cases that MOUs are viewed as formalities to meet federal regulations and are not used in any practical way. One WIB director went as far as stating that “MOUs are just paperwork exercises.” After reviewing MOUs submitted by WIB directors, it appears that the agreements are often vague in describing how each partner program will provide access to services at each of the one-stop centers. For example, some partners stated in their MOUs that access would be provided “as needed” at each of the one-stop centers and did not specifically define what would be provided or what criteria would constitute a “need.”

It also appears that, in some cases, the lack of a formal agreement or MOU is not an indicator of whether a partner program actually provides services at the one-stop centers. The following are examples of informal partnerships occurring without signed MOUs.

The Alexandria/Arlington WIB (Area 12) does not have a formal MOU with the Vocational Rehabilitation Services program provided through the local Department of Rehabilitative Services (DRS). However, DRS does provide part-time staff at the one-stop center to provide access to the program. According to the WIB director, a formal MOU has not been signed, but the relationship between the WIB and the local DRS is strong.

* * *

In the Northern Shenandoah Valley (Area 5), there are currently no signed MOUs with any mandated partner programs. According to the new WIB director, MOUs were developed under the previous director, but had not been signed upon his departure. They are currently in the process of revising the MOUs for signature. However, according to one-stop center operators, many of the mandated partners are providing access to services at the one-stop centers through part-time onsite staff or referral.

In addition to agreements with mandated partners, some local areas have established working relationships with non-mandated partners in the area. As discussed in the next section, many of these partnerships occur with the local department of social services.

Partnerships with Non-Mandated Programs. In addition to the 17 mandated partner programs, there are a host of other employment and training pro-

grams currently operating in Virginia. Some are administered by the State, and some are administered by private providers. Although the WIA does not require these programs to partner, further coordination of workforce training programs is beneficial to increase service options and avoid potential duplication.

As Table 11 demonstrates, 13 local WIBs have established MOUs with at least one non-mandated partner. Among the thirteen programs that had an MOU with at least one non-mandated partner program, the types and number of partnerships varied. For example, in Northern Virginia (Area 11), the WIB Director stated that it had established 27 mandated and non-mandated partnerships. The following case examples illustrate the types of non-mandated partnerships that have been developed through formal MOUs.

Eleven local WIBs had established MOUs with local departments of social services, which administer Temporary Assistance to Needy Families (TANF) funded employment and training programs.

* * *

| <p>Table 11</p> <p>Local Workforce Investment Areas with Signed MOUs with at Least One Non-Mandated Partner Program</p> | |
|---|---|
| Area | MOU With At Least One Non-Mandated Partner |
| 1. Southwest Virginia | ✓ |
| 2. New River/New Mount Rogers | |
| 3. Western Virginia | |
| 4. Shenandoah Valley | ✓ |
| 5. Northern Shenandoah Valley | ✓ |
| 6. Workforce Today! | |
| 7. Region 2000/Central Virginia | ✓ |
| 8. South Central Virginia | ✓ |
| 9. Capital Area | ✓ |
| 10. City of Richmond | ✓ |
| 11. Northern Virginia | ✓ |
| 12. Alexandria/Arlington | ✓ |
| 13. Bay Consortium | ✓ |
| 14. Greater Peninsula | ✓ |
| 15. Crater Area | ✓ |
| 16. Hampton Roads | ✓ |
| 17. West Piedmont | |
| Total | 13 |
| Source: JLARC staff analysis of interviews with local workforce investment board directors. | |

Two local WIBs have developed partnerships with local chambers of commerce, primarily to provide assistance with the development of a strategic plan and to assist with employer-related services.

* * *

Two local WIBs have developed partnerships with local, nonprofit organizations that assist ex-offenders in transitioning back into the community.

As discussed in the previous section, informal partnerships also occur, which are not captured in a formal MOU. For example, the Southwest Virginia (Area 1) and City of Richmond (Area 10) local boards have not established MOUs with the local department of social services, but the WIB directors told JLARC staff that many of the one-stop centers in those areas have informal working relationships with DSS offices. In addition, as explained earlier, MOUs are sometimes vague and, therefore, it is unclear how the agreements translate into practice, which is addressed in the next section.

There may be many reasons why local WIBs have not entered into partnerships with non-mandated programs. For example, the non-mandated program administrators may be unwilling to participate in the system. Some local WIBs may be concentrating first on establishing the mandated partnerships before moving to other, additional partnerships. As discussed in Chapter II, JLARC staff recommend that TANF-funded employment and training programs become mandated partners, as defined by WIA. This may assist in the development of coordinated, non-duplicative service delivery.

Access to Services at One-Stop Centers. Although an MOU is an agreement that may detail service delivery and cost sharing, these documents are often vague. For example, an MOU may say only that the partner program agrees to provide access, without indicating how that access will occur. Other times, access is provided through one-stop centers without a formal MOU being developed.

Therefore, to determine what services are actually provided at one-stop centers, JLARC staff surveyed each comprehensive one-stop center operator, asking how access is provided to various mandated programs. It is important to note that areas vary on the definition of "access." VEC policy states only that comprehensive one-stop centers must provide access to all mandated programs, but does not further define what access means. The WIA Division Director stated that this was left intentionally vague to allow local WIBs flexibility in designing their one-stop service delivery systems.

As a result, local WIBs may interpret access differently. For example, it is clear that co-location, part-time onsite staff, or a referral process would provide access to program services. However, in some areas, it is interpreted that providing information on the program is sufficient for access, such as having a brochure in the

resource room with contact information. Other areas may consider access to be more formal, such as an established referral process.

In addition, it may be counter-productive to attempt co-location. As an example, the Vocational Rehabilitation Services program, which serves the disabled population, is provided at local departments of rehabilitative services. These centers have considerable infrastructure and equipment necessary to serve their customers. Therefore, it may not be productive to put that program under the roof of a one-stop center. It is the responsibility of local WIBs and partner programs to facilitate how access is to be provided.

The JLARC survey asked one-stop operators whether the mandated program services were available at the center through: (1) full-time onsite staff at the center (co-location), (2) part-time program staff onsite at the center, or (3) a referral process. Figure 13 provides a summary of their responses. The last column in the table, "No Access," indicates that the one-stop center does not provide access through co-location, part-time onsite staff, or referral. The center could provide access through information, such as pamphlets or other handouts, in their resource centers.

The WIA Dislocated Worker program and programs administered by local VEC field offices have the highest rate of co-location. This is to be expected since 62 percent of comprehensive one-stops are located at VEC field offices and VEC is the service provider for 45 percent of the Dislocated Worker programs. The partner programs with the lowest occurrence of co-location tend to have pre-existing field offices, such as the Post-Secondary Career and Technical Education program, which provides services through the local community colleges.

As Figure 13 illustrates, the Vocational Rehabilitation Services program and the WIA Adult program had the highest rate of part-time staff onsite at one-stop centers. Based on site visits, it appears that part-time staff from various programs visit one-stop centers at scheduled times to provide consistency for individuals seeking services. Based on the survey responses, the number of hours staff were present each week varied from as few as 1.5 to as many as 30 hours. In addition, it appears that many centers have established office space and provided computers for partner programs that provide part-time onsite staff. Some centers charge the partner programs rent, while others allow the partners onsite free of charge.

Programs with low occurrences of co-location or part-time onsite staff appeared to have higher occurrences of providing access through a client referral process. However, it is important to note that one-stop centers responded based on how they interpret a referral. A referral may involve a one-stop center staff person contacting the partner program, facilitating an appointment, and sharing customer information. Or, as one operator stated, a referral may exist if there is a brochure on the partner program available with contact information. Based on these responses, it appears that the definition of referral differs based on the amount of staff involvement in the process.

Figure 13

Method of Providing Access to Program Services at the 44 Comprehensive One-Stop Centers

| | Onsite Staff | | Referral | No Access* |
|---|--------------|-----------|----------|------------|
| | Full-time | Part-time | | |
| WIA Dislocated Worker Program | 70% | | 18% | 11% |
| Employment Service | 61% | | 18% | 20% |
| Trade Adjustment Assistance | 61% | | 9% | 30% |
| Veterans programs | 61% | | 3% 9% | 27% |
| WIA Adult Program | 52% | | 34% | 14% |
| Welfare-to-Work | 36% | 9% | 20% | 34% |
| WIA Youth Program | 32% | 7% | 29% | 32% |
| Adult Education and Literacy | 18% | 27% | 11% | 43% |
| Post-Secondary Career and Technical Education | 16% | 16% | 32% | 34% |
| Vocational Rehabilitation Services Program | 30% | | 30% | 41% |

* Some one-stop centers may have information available in the form of pamphlets or other handouts at their resource centers.

Note: The percents are calculated using the 44 current comprehensive one-stop centers with 100 percent response rate. The programs included are State-administered workforce training programs that provide services in each area of the State.

Source: JLARC staff analysis of a survey of comprehensive one-stop center operators.

Finally, for some programs, the one-stop center operator indicated in the survey that the program did not provide co-location, part-time onsite staff, or referral. These are noted in Figure 13 as “No Access.” If a comprehensive one-stop center falls into this category, it does not mean that access is not provided. As explained above, the center may provide information and literature on the program, which could be interpreted as access. The VEC, in collaboration with the Virginia Workforce Council, should consider clarifying what access means for different part-

ner programs, in order to establish a minimum service delivery that may be expected by customers. This is explained in more detail in Chapter V, which discusses the branding of the one-stop service delivery system.

Based on the responses from the survey, JLARC staff found that 12 of the 17 areas have established at least one comprehensive one-stop center with access to all of the workforce training programs, when access is defined co-location, part-time onsite staff, or referral. It is important that many areas rely on referral to provide access. As Table 12 shows, there are only four areas that have a one-stop center that provides access through co-location or part-time onsite staff for all statewide mandated partner programs.

Challenges to Establishing an Integrated One-Stop Service Delivery System

There are four main challenges to developing an integrated one-stop service delivery system, which may contribute to difficulties in developing effective partner-

| <p>Table 12</p> <p>Progress Report of Local Workforce Investment Area Service Delivery Implementation</p> | | |
|---|---|---|
| Area | At Least One Comprehensive One-Stop Provides Access to Mandated Programs* | |
| | Access defined as co-location, part-time onsite staff, or referral | Access defined as co-location or part-time onsite staff |
| 1. Southwest Virginia | ✓ | ✓ |
| 2. New River/New Mount Rogers | ✓ | |
| 3. Western Virginia | ✓ | ✓ |
| 4. Shenandoah Valley | | |
| 5. Northern Shenandoah Valley | | |
| 6. Workforce Today! | ✓ | |
| 7. Region 2000/Central Virginia | | |
| 8. South Central Virginia | ✓ | |
| 9. Capital Area | ✓ | ✓ |
| 10. City of Richmond | ✓ | |
| 11. Northern Virginia | ✓ | |
| 12. Alexandria/Arlington | ✓ | |
| 13. Bay Consortium | ✓ | |
| 14. Greater Peninsula | ✓ | |
| 15. Crater Area | ✓ | ✓ |
| 16. Hampton Roads | | |
| 17. West Piedmont | | |
| Total | 12 | 4 |
| * This analysis only includes mandated programs that are State-administered and available in each local area. | | |
| Source: JLARC analysis of WIB director interviews and survey of one-stop center operators. | | |

ships. These challenges include: (1) the lack of State-level coordination and accountability, (2) apparent contradictions among guiding federal legislation of partner programs, (3) the lack of an integrated data management system that could track performance of all mandated partner programs, and (4) area specific program implementation challenges.

Lack of State-Level Coordination and Accountability. As discussed in Chapter II, there is no formal State-level structure to coordinate services of workforce training programs in Virginia. For example, the ten identified agencies that provide employment and training programs (Chapter II) have not been organized to meet and develop a strategy on how services could be integrated and costs shared to develop a one-stop service delivery system. This State-level planning would help each agency establish guidance to pass along to their local agency offices. In addition, it would establish accountability for mandated programs to work with and through the system.

One example of successful coordination based on State-level leadership is the creation of the Coordinated Economic Relief Centers (CERCs). Through Executive Order 2, Governor Warner created the Governor's Economic Crisis Strike Force to respond quickly to economic disasters. The Strike Force is chaired by the Secretary of Commerce and Trade and includes high-level representatives from twelve State agencies. This Strike Force has established four CERCs that bring together multiple partners at single sites in a relatively short period of time. These temporary one-stop centers are unique in that partners came together and established centers with shared staff and resources in under six weeks. These partnerships were able to occur quickly and comprehensively because of leadership by the Governor, who sent clear directives to agency administrators.

Various Pieces of Federal Legislation Have Not Been Reconciled to Meet the Purposes of the WIA. The WIA only provides funding and performance requirements for three of the 17 mandated partner programs. The remaining 14 programs are guided by other federal legislation. The WIA does mandate that all 17 programs coordinate with the one-stop service delivery system, but it does not alter each program's federal funding and performance requirements or basic program structure. According to a recent General Accounting Office (GAO) report on the implementation status of the WIA, many state and local mandated program officials struggle with how to meet their own program requirements while fulfilling the demands of the one-stop service delivery system. The following are examples of conflicting legislation.

The Veterans program requires that staff funded by the program serve only veterans. In a comprehensive one-stop center in Southwest Virginia, a Veterans program staff member stated to JLARC staff that, even if the center was incredibly busy and there were no veterans to serve, he could not assist other, non-veteran customers.

According to the Wagner-Peyser Act, the Employment Service program services must be provided by "merit-based" government em-

ployees. Therefore, staff at one-stop centers that are operated by a nonprofit or for-profit organization could not provide services funded by the Employment Service program.

Lack of an Integrated Data Management System. An integrated data management system could assist in easing the barrier created by federal legislation requiring each program to report program specific performance measures. If programs shared a common data system, then enrollment could be tracked. In addition, services provided to participants could be tracked for multiple programs. Michigan currently has a system that consolidates data tracking and performance measurement for four programs: TANF-funded employment and training programs, WIA, Welfare-to-Work, and Wagner-Peyser (Employment Service). It is important to note that in Michigan, a single agency administers all four of these programs.

The Virginia Employment Commission has entered into a consortium with four other states, the District of Columbia, and the regional DOL office to develop a data management system. Initially, this system will collect data and track program performance for the WIA Adult, Dislocated Worker, and Youth programs. According to a WIA Division staff member, the data management system will have the flexibility to be customized to accommodate the data and case management needs of multiple programs. Virginia should consider using the capabilities of this system to facilitate consolidated data tracking.

Area Specific Challenges. In addition to the systemic challenges to developing a one-stop service delivery system, local WIBs are also dealing with area specific challenges, such as limited funding, high WIB director turnover, and “turf battles.” The following are examples of these challenges.

Six local WIBs receive under \$1 million in WIA grant funds to provide Adult, Dislocated Worker, and Youth program services as well as pay for board operations and develop a one-stop service delivery system. By comparison, four WIBs receive over \$3 million. One board (Area 5) only received \$500,000 in FY 2001. As a result, the WIB in Area 5 only has a single staff member, as compared to other areas, which have as many as 21 staff members. The WIB director in Area 5 stated that it is difficult to accomplish all of the tasks required to establish the one-stop system with the limited support. One option for correcting this problem would be to consolidate local workforce investment areas that are relatively small.

* * *

The Northern Shenandoah Valley WIB (Area 5) is also dealing with considerable turnover in the WIB director position. The current director is the fifth since July of 2000. This area had been operating without a budget until this year.

* * *

Several WIB directors cited difficulties in implementing the one-stop service delivery system, because many people who were involved in the previous JTPA program were slow to embrace the concept of WIA. This resulted in subsequent "turf battles," as some programs were unwilling to partner, and some local elected officials were unwilling to give up authority over program administration which was allowed under JTPA (in conjunction with the Private Industry Councils that WIBs replaced).

* * *

Eight WIB directors indicated that their areas have faced high turnover of business members on the board. Four of the eight directors indicated administrative burdens as a reason for the turnover.

Despite Challenges, Some Local WIBs Have Implemented Unique, Innovative Approaches to Service Delivery and System Development

Despite the challenges described above, local WIBs and one-stop centers have developed and implemented some best practices that should be shared with other areas. This section describes the practices that were brought to the attention of JLARC staff through site visits, interviews, and surveys of local area staff. It is important to note that there may be other best practices or other areas that have already implemented the approaches discussed in this section. The best practices have been organized in three categories: (1) service delivery, (2) assessment of industry needs, and (3) leveraging funds.

Best Practices in Service Delivery. Several areas have adjusted their one-stop delivery systems to better address customer needs. The following case examples show how local areas have made services available to more citizens.

The Southwest Virginia WIB (Area 1) recognized that the availability of two comprehensive one-stop centers for the entire area would mean that some individuals would have to travel more than 75 miles to access services. Therefore, five satellite centers were established to bring services closer to customers.

* * *

In the Capital Area/Greater Richmond (Area 9), teleconferencing equipment has been installed at the four comprehensive one-stop centers and one satellite one-stop center. This allows participants to remotely access services, which may be available at another site. For example, individuals at one center can participate in a job readiness class occurring at another center.

* * *

Region 2000/Central Virginia (Area 7) and Hampton Roads (Area 16) are developing "virtual" one-stops that may be accessed through the Internet.

* * *

The Crater Area (Area 15) recently expanded its bus line so that all one-stop centers are on a bus route.

* * *

In several areas, one-stop centers remain open one or two nights a week, to allow individuals with daytime commitments to access services.

Best Practices in Assessing the Needs of the Workforce. The WIA legislation emphasizes the need to integrate industry demands with the provision of employment and training services. As part of this process, local WIBs are required to evaluate industry needs in the area and establish a strategic plan to address those needs through employment and training services provided through the one-stop service delivery system. In addition to the plan, several areas conduct community audits, develop partnerships with economic development organizations, and organize focus groups and roundtable discussions in the community. The following three case examples show how areas assess the needs of industry.

The Northern Virginia WIB (Area 11) sponsors annual focus groups on the needs of business and industry.

* * *

The Region 2000/Central Virginia (Area 7) and Northern Virginia (Area 11) WIBs have entered into MOUs with local chambers of commerce.

* * *

The Workforce Today! WIB (Area 6) regularly facilitates business and education roundtables to assess the needs of particular industry clusters. The roundtables promote discussion on how those needs could be addressed.

Best Practices in Leveraging Funds. Each year, local WIBs receive an allotment of WIA grants to administer the WIA Adult, Dislocated Worker, and Youth programs. In addition, the Department of Social Services transfers Welfare-to-Work funding to the local WIBS. A portion of these combined funds may be used to support the one-stop service delivery system (as they are four of the 17 mandated partners), and the remaining funds are dedicated to the provision of services.

Local WIBs may apply to receive grants or other program funding. For example, many boards have applied for and received State and federal grants for eco-

conomic crises, such as National Emergency Grants or local grants provided with rapid response funds. Private funding may also be leveraged if the fiscal agent for the local WIB is a nonprofit organization. The Northern Virginia WIB (Area 11) is currently working towards establishing a nonprofit organization called The Skills-Source Group, Inc. to act as fiscal agent for WIA. This organization will be responsible for staffing the board and conducting and overseeing workforce activity for the entire region. Currently, the chair and vice-chair of the local WIB also serve as the chair and vice-chair of the new organization. Including Area 11, seven areas use nonprofit organizations as fiscal agents for WIA.

One source of funding that has not yet been leveraged is the funding administered by the Virginia Tobacco Indemnification and Community Revitalization Commission. This commission will receive \$75 million in FY 2003 year to “make payments to farmers to compensate for the decline of tobacco quotas and to promote economic growth and development in tobacco-dependent communities.” According to the Executive Director of the Commission, payments to farmers this year will be about \$30 million, leaving the remaining funds for economic development activities. The director told JLARC staff that workforce training and development are consistent with the Commission’s charge.

The director supports a collaborative effort with the local WIBs to coordinate workforce training, but has not yet been approached by any of the local WIBs in the seven areas eligible for assistance. Local WIBs in Areas 1, 2, 3, 7, 8, 15, and 17 should consider applying for these funds. In addition, all local WIBs should continue to seek additional funding to support the one-stop service delivery system.

Recommendation (2). Local workforce investment boards in Southwest Virginia (Area 1), New River/Mount Rogers (Area 2), Western Virginia (Area 3), Central Virginia (Area 7), South Central Virginia (Area 8), Crater Area (Area 15), and West Piedmont (Area 17) should apply for workforce training funding through the Virginia Tobacco Indemnification and Community Revitalization Commission.

WORKFORCE INVESTMENT ACT PROGRAMS

Each year, local workforce investment boards (WIBs) receive WIA grants to administer the Adult, Dislocated Worker, and Youth programs. These are three of the 17 programs mandated to provide access to services through the one-stop service delivery system. Local WIBs are responsible for designating service providers, ensuring the expenditure of funds, and establishing policies for these programs.

For the most part, local WIBs have spent their WIA funds within two years, as required by the legislation. However, neither local WIBs nor the State have consistently tracked how the WIA funds are spent. Currently, local WIBs are only required to report whether the expenditures were for program or administrative related activities. However, the category of program activities is broad, including training vouchers, supportive services payments, staff for intensive service pro-

vision, and other activities. Policy makers need to have information on how funds are spent in order to make other funding decisions. Therefore, the VEC should collect additional information from local WIBs on how funds are expended.

Local areas have considerable flexibility in developing policies for delivering the Adult and Dislocated Worker programs. The WIA gives the flexibility to the State and local areas, and the VEC has transferred much of the flexibility to the local WIBs. As a result, eligibility, enrollment, and service policies for the programs differ between areas. While this is allowed by the WIA legislation, the VEC should take a more active approach to clarifying State policies and monitoring the program policies.

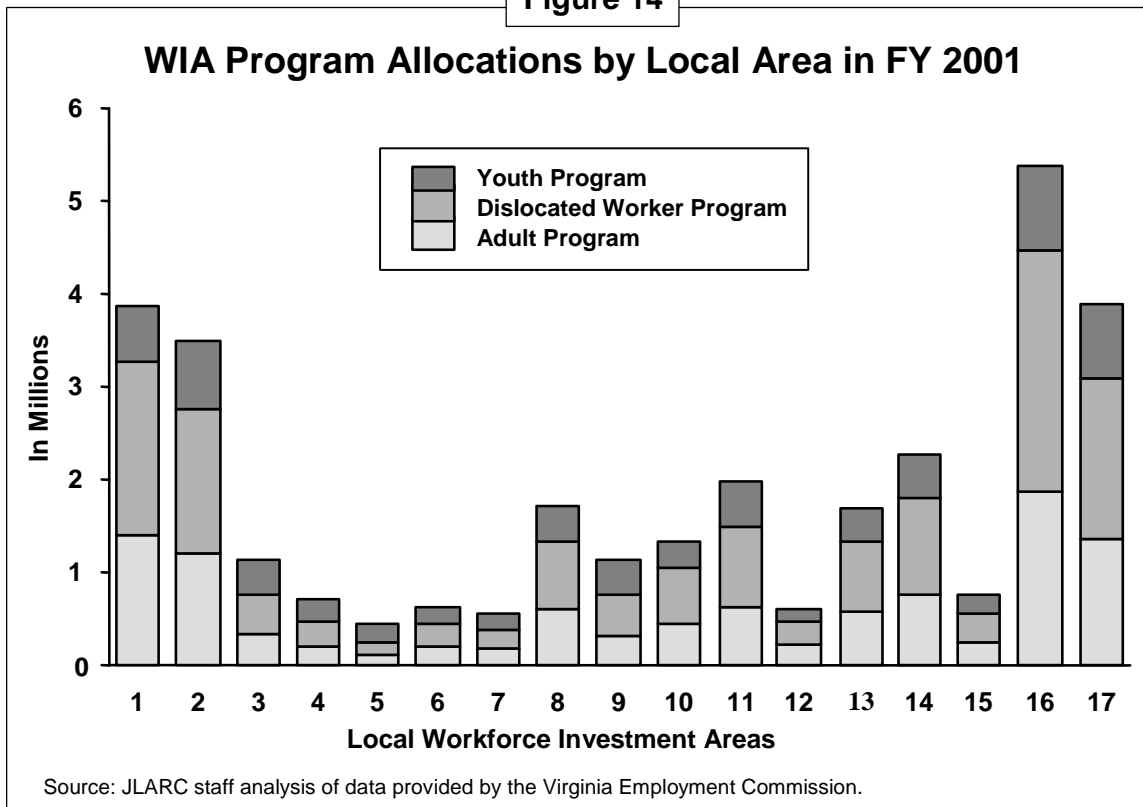
The following presents JLARC staff findings based on a review of how local WIBs have implemented the WIA programs. The first two sections discuss the expenditure and reporting of WIA funds. The third section addresses eligibility, which varies across the State. The fourth section provides information on enrollment and exiting policies.

Most Local Workforce Investment Areas Have Spent their WIA Funds

Each year, local WIBs receive an allotment of funds for the WIA Adult, Dislocated Worker, and Youth programs. In FY 2001, local WIBs were allocated between \$450,000 and \$5.3 million in WIA funds to administer the Adult, Dislocated Worker, and Youth programs (Figure 14). Allocation formulas (Appendix C) are determined based on the economic conditions of the local area. Ten percent of the funds may be used for administration, while the remaining 90 percent must be used for program services.

Local WIBs have two years to spend or obligate their WIA Adult, Dislocated Worker, and Youth funds. After two years, any funding that has not been spent or obligated may be recaptured by the VEC. The recaptured funds may not be returned to the same area from which they came, but may be used for statewide activities or in areas that did not have to return money to the State.

At the end of the FY 2002, the VEC recaptured a total of about \$760,000 from six areas (Table 13). According to the VEC, this money will be co-mingled with the statewide activities funding, rather than being re-designated to other areas. Reasons for the return of WIA funding vary. According to the Director of Finance at VEC, several areas failed to adhere to a policy of spending FY 2001 dollars before spending the new allocations in FY 2002 and FY 2003. Therefore, some areas may have already spent some of their new funding instead of using FY 2001 dollars first. The Northern Shenandoah Valley (Area 5) WIB director stated that the area did not start serving WIA participants until the spring of 2002, which affected its ability to expend the funds on time.

Figure 14**Table 13**

**Recaptured Funds from WIA Adult, Dislocated Worker,
and Youth Programs**

| Area | Area's Total Allocation | Amount Re-captured | Percent Recaptured |
|---------------------------------|-------------------------|--------------------|--------------------|
| 3. Western Virginia | \$1,142,000 | \$ 235 | 0.2 |
| 5. Northern Shenandoah Valley | 454,000 | 165,844 | 36.5 |
| 7. Region 2000/Central Virginia | 557,000 | 2,718 | 0.5 |
| 13. Bay Consortium | 1,692,000 | 115,474 | 6.8 |
| 15. Crater Area | 961,000 | 268,986 | 28.0 |
| 17. West Piedmont | 3,879,000 | 209,069 | 5.4 |
| Total | 8,685,000 | 762,326 | 8.8 |

Source: JLARC staff analysis of data provided by the Virginia Employment Commission.

The VEC Does Not Sufficiently Track How Local WIBs Spend their WIA Funds

As mentioned, local WIBs are allotted three WIA grants for the Adult, Dislocated Worker, and Youth programs. The fiscal agent for the local WIB may request reimbursements from the VEC up to the allotted amount. Currently, the VEC tracks only whether the reimbursements are for program expenses (at least 90 percent) or expenses related to administration (up to 10 percent).

In order for policy makers to make informed decisions about funding areas of training that need additional resources, they must first have information on how current funds are spent. For example, it would be important to know if program participants are typically eligible for training funds from other sources, resulting in the use of most of the WIA funds for supportive services. It would also be important to know if there are limited training dollars, and if participants are not being sent to training because the area is out of money.

During a recent meeting of the Virginia Workforce Council, members requested that VEC determine the amount of the WIA funds that were spent on training vouchers for the last two years. However, VEC could not readily provide the information because it does not require local WIBs to report these expenditures. Local WIB directors reported training voucher expenditures over two years to JLARC staff. This information has not been independently confirmed or audited, as this approach would require the review of individual invoices. This was not feasible given the time frame for this study. It is important to look over two years because several areas did not start serving WIA participants until the second fiscal year.

As shown in Table 14, overall, 19 percent of the Adult program expenditures and 34 percent of the Dislocated Worker program expenditures were for training vouchers during fiscal years 2001 and 2002. However, these percentages vary by area. For example, the percent of expenditures for the Adult program ranged from 4 percent in Area 4, to 65 percent in Area 15. For the Dislocated Worker program, expenditures on training vouchers ranged from 2 percent in Area 4, to 84 percent in Area 15. Reasons for the variation include various record-keeping practices (as three areas were unable to provide any data on training expenditures), other sources of training funds, local WIB philosophies, and characteristics of the participants.

WIA funds are considered “funds of last resort,” therefore other available funding must be leveraged for training before WIA funds are used. For example, low-income participants may be eligible for federal grants and dislocated workers may be eligible for Transitional Adjustment Assistance grants if they were laid off due to increased imports. As a result, some WIA participants attend training funded by other sources and WIA may pay mostly for supportive and case management services. This would be an appropriate use of multiple funding sources. In

| Table 14 Percent of WIA Program Expenditures Spent on Training Vouchers During Fiscal Years 2001 and 2002 | | | | | | |
|---|--|--------------|------------|--|--------------|------------|
| | Adult Program Expenditures (in thousands) | | | Dislocated Worker Program Expenditures (in thousands) | | |
| | Total | Training | Percent | Total | Training | Percent |
| 1. Southwest Virginia | 2,314 | 372 | 16% | 815 | 404 | 50% |
| 2. New River/New Mount Rogers | 1,608 | 402 | 25% | 1,361 | 716 | 53% |
| 3. Western Virginia | 621 | 132 | 21% | 550 | 197 | 36% |
| 4. Shenandoah Valley | 532 | 20 | 4% | 453 | 11 | 2% |
| 5. Northern Shenandoah Valley | 88 | * | * | 115 | * | * |
| 6. Workforce Today! | 347 | 120 | 35% | 505 | 207 | 41% |
| 7. Region 2000/Central Virginia | 207 | 44 | 21% | 288 | 72 | 25% |
| 8. South Central Virginia | 855 | * | * | 730 | * | * |
| 9. Capital Area/Greater Richmond | 489 | 37 | 8% | 546 | 92 | 17% |
| 10. City of Richmond | 965 | 116 | 12% | 645 | 163 | 25% |
| 11. Northern Virginia | 881 | 230 | 26% | 1,073 | 524 | 49% |
| 12. Alexandria/Arlington | 509 | 214 | 42% | 399 | 161 | 40% |
| 13. Bay Consortium | 812 | * | * | 482 | * | * |
| 14. Greater Peninsula | 1,160 | 266 | 23% | 1,128 | 506 | 45% |
| 15. Crater Area | 468 | 303 | 65% | 106 | 89 | 84% |
| 16. Hampton Roads | 3,412 | 727 | 21% | 2,032 | 857 | 42% |
| 17. West Piedmont | 846 | 246 | 29% | 612 | 182 | 30% |
| TOTAL | 16,114 | 3,014 | 19% | 11,841 | 4,018 | 34% |
| <p>* Training expenditure data were not provided for these areas.</p> <p>Note: Data were not received by areas 5, 8, and 13. Some areas did not start serving participants until FY 2002. It is important to note that WIA participants may have attended training that was funded by other sources.</p> <p>Source: JLARC staff analysis of training expenditure data provided by workforce investment board directors and total program expenditure data provided by the Virginia Employment Commission.</p> | | | | | | |

other areas, for example, layoffs may not have occurred due to increased imports and the participants may not be largely low-income. Therefore, these areas may have turned to WIA grants to pay for training. Most local WIB directors were unable to provide information on the source and amount of funding for training by participant to determine the extent of the use of other funds for training. This information was also not consistently available in the case files.

Another reason for variation in expenditures on training may be the various philosophies of workforce investment boards. For example, some areas require that participants spend a certain amount of time looking for a job before they are eli-

gible for training. Therefore, more of the expenditures may be for case management and job search assistance, rather than training. In other areas, participants move through the tiers of services and become eligible for a training voucher in the same day. This is discussed further in this section, which describes the different eligibility requirements for WIA program services.

The characteristics of participants may also affect the expenditures on training. The WIA program is only two years old. Many of the participants who enrolled during those first two years may have limited basic skills, and are therefore working through a job readiness program before going into skills training that would be paid for using training vouchers.

In order for the State to audit how local areas spend their program dollars and for the Virginia Workforce Council to make spending recommendations to the Governor, accurate information must be available. Currently, data are not consistently collected by the VEC on how WIA program funds are expended. Therefore, the fiscal agents for local workforce investment boards should be required to request reimbursements for program-related expenditures based on several sub-categories, which should include training vouchers and supportive services payments.

Recommendation (3). **The Virginia Employment Commission should require fiscal agents of local workforce investment boards to provide detailed and consistent expenditure data, which should include expenditures on training vouchers and supportive services. These data should be reported to the Virginia Workforce Council at its quarterly meetings.**

Eligibility for Intensive and Training Services within the WIA Adult and Dislocated Worker Programs Varies by Area

As explained in Chapter I, the WIA Adult and Dislocated Worker programs provide three tiers of services: core, intensive, and training. Core services are considered universal, and are open to the public through the one-stop centers. However, minimal federal eligibility requirements apply upon enrollment into the WIA Adult or Dislocated program for intensive and training services. Adult participants are eligible if they are at least 18 years of age, eligible to work in the U.S., and in compliance with Selective Service requirements. Dislocated Worker participants are eligible if they have been terminated, laid off, received notification of a termination or layoff, or are displaced homemakers. In addition, WIA legislation and State guidance allow local WIBs to establish a priority of service that could limit eligibility beyond the basic federal requirements.

Priority of Service. The WIA legislation states that if a local WIB determines that funds to provide employment and training services in the area are limited, then the board may establish a priority of service for the Adult program that targets low-income individuals first. The priority of service does not exclude other individuals from receiving services, but it does target limited funds to low-income individuals.

In addition, the VEC developed guidance that allows local WIBs to prioritize intensive and training services for both the Adult and the Dislocated Worker programs regardless of whether an area determines that funds are limited. For example, an area with a high demand for training in English as a Second Language may prioritize services to non-English speaking individuals. Or, an area with a large military population may prioritize services to military citizens and their spouses. In addition, State policy allows local WIBs to establish that residents of the local area receive priority of service over non-residents. Guidance requires that if a local WIB develops a priority of service plan, all one-stop centers and service providers in the area must administer the policy consistently.

Twelve of the 17 local WIBs have determined that funds are limited and, therefore, services are targeted to low-income participants first. Five of these WIBs also give priority of service to residents. In addition, local WIBs may establish priority of service “plans” that list various target populations in addition to low-income. The following case studies provide two examples of priority of service plans in areas that determined that funds were limited.

The Northern Virginia WIB (Area 11) has determined that funds are limited. The priority of service plan states that 30 percent of the Adult funds will be used to serve individuals under 200 percent of the Lower Living Standard Income Level (LLSIL) or approximately 280 percent of federal poverty level. The remaining 70 percent will be used to serve individuals under 100 percent of the LLSIL (140 percent of the federal poverty level). For the Dislocated Worker program, priority goes to individuals under 200 percent of LLSIL (280 percent of federal poverty level).

* * *

The Region 2000/Central Virginia WIB (Area 7) has determined that funds are limited and identified the following target groups to receive priority of services: older individuals, those who are basic skills deficient, high school dropouts, offenders, long-term unemployed, individuals with disabilities, displaced homemakers, food stamp recipients, those with limited English speaking skills, members of a single parent family receiving TANF, and members of a family lacking economic self-sufficiency.

The City of Richmond WIB (Area 9) is an example of an area that has determined that funds for employment and training services are not limited, but has still developed a priority of service plan, as allowed by State policy. The plan describes the priority of services for both the intensive and training tiers.

Priority for intensive services goes to an individual who meets one of the following: (1) can document unsuccessful job search efforts, (2) is a TANF recipient, (3) has established a service plan with Vocational Rehabilitation Services or other partner program, (4) has

exhausted unemployment benefits, or (5) whose case manager recommends intensive services.

Priority for training services goes to an individual who meets one of the following: (1) receives public assistance, (2) lives below federal poverty line or 70 percent of Lower Living Standard Income Level, (3) receives food stamps, (4) is homeless, (5) has a foster child, (6) is an older worker (over 55) and living below 125 percent of poverty, or (7) is a resident of the area.

Although the legislation clearly provides local areas with the flexibility to define eligibility based on the needs of the area, variation in how different areas prioritize services may be confusing to customers, especially in terms of the residency requirement. For example, an individual may live closer to a one-stop center that is located in an adjoining area that prioritizes services to residents of the area. Some local areas have created policies to address both limited funds and customer convenience. For example, two of the local WIBs in the Northern Virginia region (Areas 11 and 12) have an agreement to provide WIA intensive and training services to anyone who lives in the region. Services provided to participants are charged to the local WIB where the participant lives.

Time Restrictions. Another type of eligibility requirement is one linked to the time an individual must spend in one tier of services, such as core or intensive services, before becoming eligible for the next tier of services. The WIA legislation states that a participant may move to intensive services if at least one core service has been provided. However, it does not preclude local WIBs from establishing stricter guidelines, including time restrictions. State guidance also allows this eligibility restriction.

One example of time restrictions is the policy established by the Greater Peninsula WIB (Area 14). This WIB places a restriction on the amount of time an individual must spend in one tier before moving on to the next tier based on the number of barriers the individual may have (such as low-income, basic skills deficiencies, or disabilities). The standard operating procedures require that individuals spend up to 90 days in core services before becoming eligible for intensive services, and from 15 to 90 days in intensive services before becoming eligible for training depending on the number of barriers reported by the participant. According to the policy documents, the time restrictions are in place to support a “work-first” philosophy adopted by the local WIB.

WIA Participants Are Enrolled and Exited Inconsistently Across Areas

The Department of Labor (DOL) has provided guidance to the states on when to enroll and exit WIA participants. The guidance on enrollment has been challenged by the GAO as confusing and providing substantial room for interpretation by State or local staff. Therefore, lacking a clear State policy, it is not unexpected that local staff interpret the guidance differently and therefore enroll individuals inconsistently. The exiting policy is more straightforward, and it appears that some providers may not be following the federal policy.

Enrollment. According to federal guidance, participants should be enrolled into the WIA Adult or Dislocated Worker program when there is “significant staff involvement in terms of resources or time.” Intensive services always involve significant staff time and therefore participants must be determined eligible and enrolled to receive these services. However, core services may require eligibility and enrollment depending on the level of staff involvement. According to DOL, there are two levels of core services: (1) self-directed core services (self-service and information) where no enrollment is required, and (2) staff-assisted core services (with significant staff involvement) where enrollment is required. To assist local areas in distinguishing between the two types of core services, DOL provided case examples, such as:

- Job development, where a staff member acts as a liaison between the employer and the individual, is considered a self-directed core service and therefore does not require enrollment.
- Job referral, where a staff member administers basic tests and conducts background checks, is considered a staff-assisted core service and therefore requires enrollment.

Despite these case examples, the guidance provided remains vague. A review of participant files in several workforce investment areas provided evidence that participants are enrolled inconsistently across the State. In several files, case managers consistently documented three to four written contacts with an individual before enrolling him or her into WIA. However, in other files, participants were often determined eligible and enrolled on the same day of the initial consultation. It appears that case managers may have a different interpretation of what constitutes “significant” staff involvement.

When JLARC staff asked local WIB directors what the enrollment policy was, the answers varied. Some indicated that participants were enrolled upon receiving staff-assisted core services. Other directors indicated that participants are enrolled upon receipt of intensive services, and did not use the staff-assisted core distinction. Based on these observations, it appears that local WIBs and service providers may need further clarification of enrollment policies.

Exiting. Exiting refers to closing a participant’s case file, at which time the participant’s outcomes are included in measuring the program’s performance. DOL guidance states that participants may be exited if: (1) the participant has completed WIA-funded or non-WIA funded partner services, or (2) the participant has not received any WIA-funded or non-WIA funded partner service for 90 days and is not scheduled for future services except follow-up. Participants may have a “planned gap” of service over 90 days if the gap is due to a delay before the beginning of training or due to a health/medical condition.

Based on file reviews and a survey of one-stop center operators, it appears that participants are not exited on a consistent basis. When a participant is exited from the program is important because upon exit, the participant’s outcomes are included in measuring the program’s performance. Therefore, there may be an incen-

tive for providers to leave cases open that did not have positive outcomes to avoid their inclusion in performance measures.

Several other factors may contribute to this inconsistency, including confusion regarding follow-up services, inability to re-open a closed case, and non-compliance. Follow-up services and case management are similar, except that follow-up occurs after a person is exited. In some of the case files reviewed by JLARC staff, the participant had taken an unsubsidized job and was not receiving additional services (which is a trigger for exiting), but the case was kept open for more than 90 days for the case manager to do follow-up. In other files, the case managers exited the participants immediately when they took an unsubsidized job and continued follow-up services after the case was closed.

Case managers also may not exit a participant because the current data system does not allow that case to be re-opened by the case manager. According to the WIA Division director, this is done intentionally so that VEC can monitor changes made after a case is closed. To re-open a case, a case manager has to submit a request to staff at the VEC. If a participant takes a job and the case manager has reason to believe that the individual may be back for services, he or she may keep the case open.

Another reason for the inconsistency in exiting participants may be non-compliance with the 90-day federal policy. A review of case files revealed that some participants were not exited even though there had been no contact with the participant for over a year. When asked why this occurred for several of the files, the case managers stated that it was simply an oversight. In addition, in a survey of one-stop centers, ten of the respondents who also administer a WIA program reported an exiting policy that is inconsistent with the 90-day federal policy. Four respondents have a policy of exiting participants after 30 or 60 days without contact with the participant. Six respondents waited 180 days before exiting participants. Further clarification and monitoring should be provided to ensure that service providers are exiting WIA participants according to federal policy.

Recommendation (4). The Virginia Employment Commission should clarify and monitor the policy for exiting participants from the WIA programs.

IV. Adult, Dislocated Worker, and Youth Program Participant Outcomes

In the 2002-2004 Appropriation Act, the General Assembly directed the Joint Legislative Audit and Review Commission (JLARC) to review the administration of the WIA by the Virginia Employment Commission (VEC). This chapter examines the three programs authorized by the WIA: the Adult, Dislocated Worker, and Youth programs. These programs provide employment and training services through local program providers.

Local workforce investment boards (WIBs) receive grant funding and designate service providers for the Adult, Dislocated Worker, and Youth programs, as authorized by the Workforce Investment Act (WIA). Local WIBs are held accountable for outcomes of participants who receive employment and training services through these three programs. The Department of Labor (DOL) evaluates participant outcomes through 17 performance measures that include job attainment, job retention, credential attainment, and customer satisfaction.

In FY 2001, Virginia did not meet five of the 17 mandated performance measures. Four of the five measures were related to the attainment of a credential by participants in the Adult, Dislocated Worker, and Youth programs. Performance appeared to be low for these measures due to an insufficient data management system that was unable to capture credential information during FY 2001. The VEC has since corrected this problem. The fifth measure not met was related to the retention rate of a portion of Youth program participants. Preliminary data suggest that the State improved performance in FY 2002.

Data maintained by the Virginia Employment Commission suggest that adult and dislocated worker participants are successfully meeting their goal of obtaining employment. Of those who have exited the programs, 75 percent of adults and 79 percent of dislocated workers had unsubsidized employment upon exiting. However, these outcomes are point-in-time benchmarks and it is also important to evaluate the long-term employment and earnings trends for program participants. In addition, without a control group, the outcomes cannot be attributed to program services with certainty. Preliminary findings from this analysis show that, on average, employment rates and earnings for participants in the Adult and Dislocated Worker programs increased during the first few quarters after enrolling in WIA. As these programs are only two years old, the long-term effect is yet to be determined. These trends should be reviewed again as the programs mature.

In addition to outcomes, JLARC staff evaluated the types of services WIA programs provided to participants by reviewing case files for 438 participants who enrolled in the Adult and Dislocated Worker programs during FY 2001. The information collected shows that participants in each program moved through the three tiers of service (core, intensive, and training) in a similar path. About 63 percent of the participants in each program accessed training through the WIA programs. Of

the 241 participants that have exited the programs, 62 percent of adults and 87 percent of dislocated workers had unsubsidized employment upon exiting.

This chapter discusses the JLARC staff findings of the performance outcomes for the participants in the three WIA programs. The first section describes the population of participants in the Adult, Dislocated Worker, and Youth programs and illustrates the differences in the employment and earnings trends for those who enrolled in the first program year of WIA, FY 2001. The second section discusses the services participants received based on the review of case files for participants in the JLARC sample. The third section describes the 17 federal performance measures and why Virginia performed poorly on several of the measures in FY 2001.

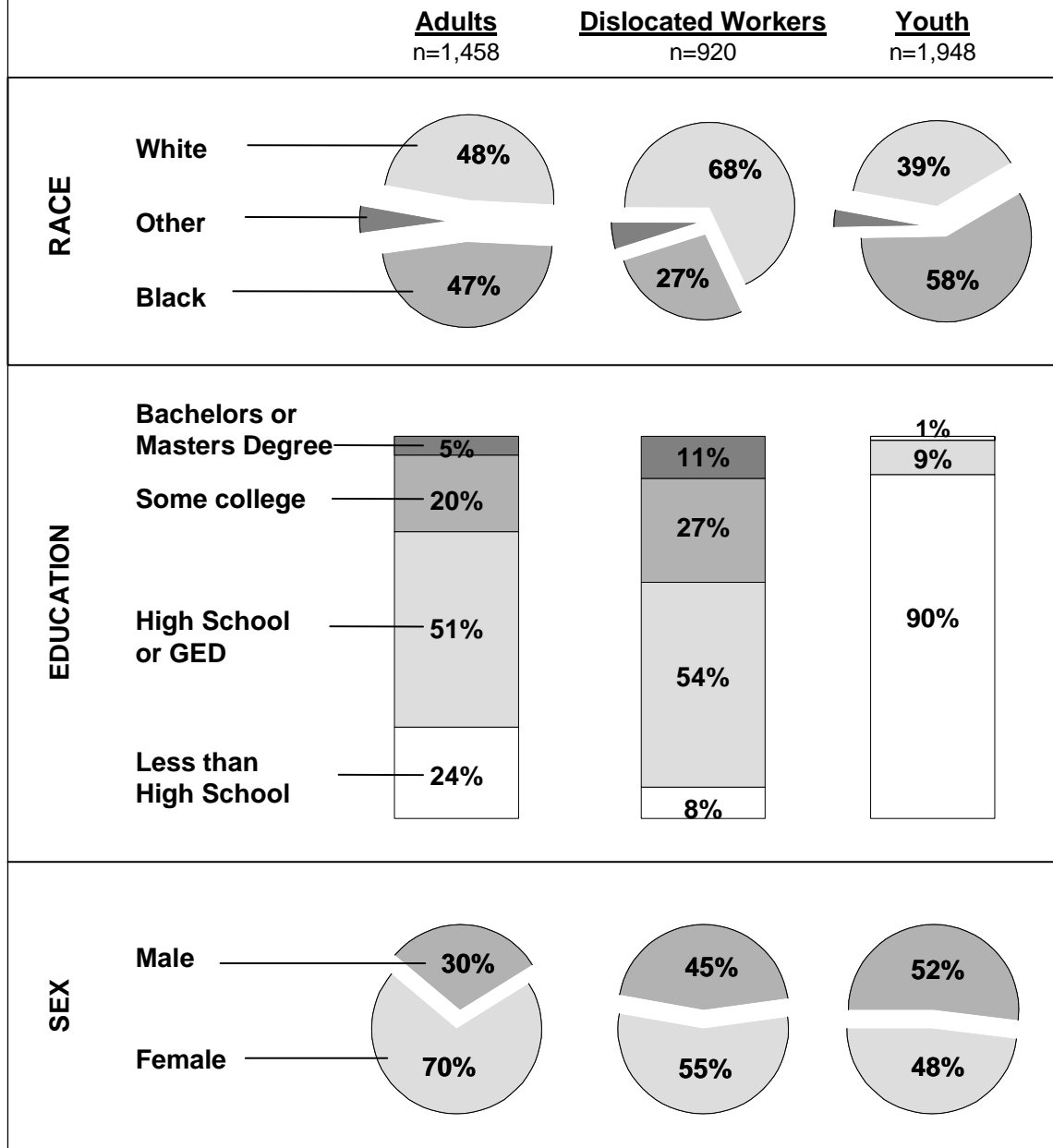
Participants in the WIA Adult, Dislocated Worker, and Youth Programs

The WIA Adult, Dislocated Worker, and Youth programs replaced similar programs in existence under the Job Training Partnership Act (JTPA). When WIA was implemented, about 12,000 JTPA participants were rolled over into the WIA programs (Table 15). Since July of 2000, over 14,000 new participants have been enrolled into the programs. The largest number of enrollments occurred in the Adult program, which enrolled over 6,500 new participants in FY 2002.

| <p>Table 15</p> <p>Participants Enrolled in WIA Programs</p> | | | | |
|--|---------------|---------------------------|--------------|--------------|
| | Adults | Dislocated Workers | Youth | Total |
| FY 2001 JTPA rollovers | 3,218 | 5,349 | 3,299 | 11,866 |
| FY 2001 New participants | 1,458 | 920 | 1,948 | 4,326 |
| FY 2002 New participants | 6,571 | 846 | 2,284 | 9,701 |
| Total Participants | 11,247 | 7,115 | 7,531 | 25,893 |
| Source: JLARC staff analysis of participant data maintained by the Virginia Employment Commission. | | | | |

This section focuses on the characteristics, outcomes, and earnings experiences of the 4,326 participants who enrolled in WIA during FY 2001. It is necessary to focus on participants who enrolled during this year in order to have sufficient data after participants enrolled to examine employment and earnings trends. However, FY 2001 was an implementation year and results of the outcomes analysis should be considered preliminary.

Demographics. Figure 15 summarizes the demographics of the WIA participants who enrolled in FY 2001. As shown, the education level between program participants varies greatly. For example, three quarters of the Adult program participants have a high school education (51 percent) or less (24 percent). Dislocated Worker program participants more often have at least some college education (38 percent), and less often have below a high school education (8 percent). Ninety percent of the Youth program participants have not yet completed their high school ed-

Figure 15**Demographics of Participants Who Enrolled in WIA in FY 2001**

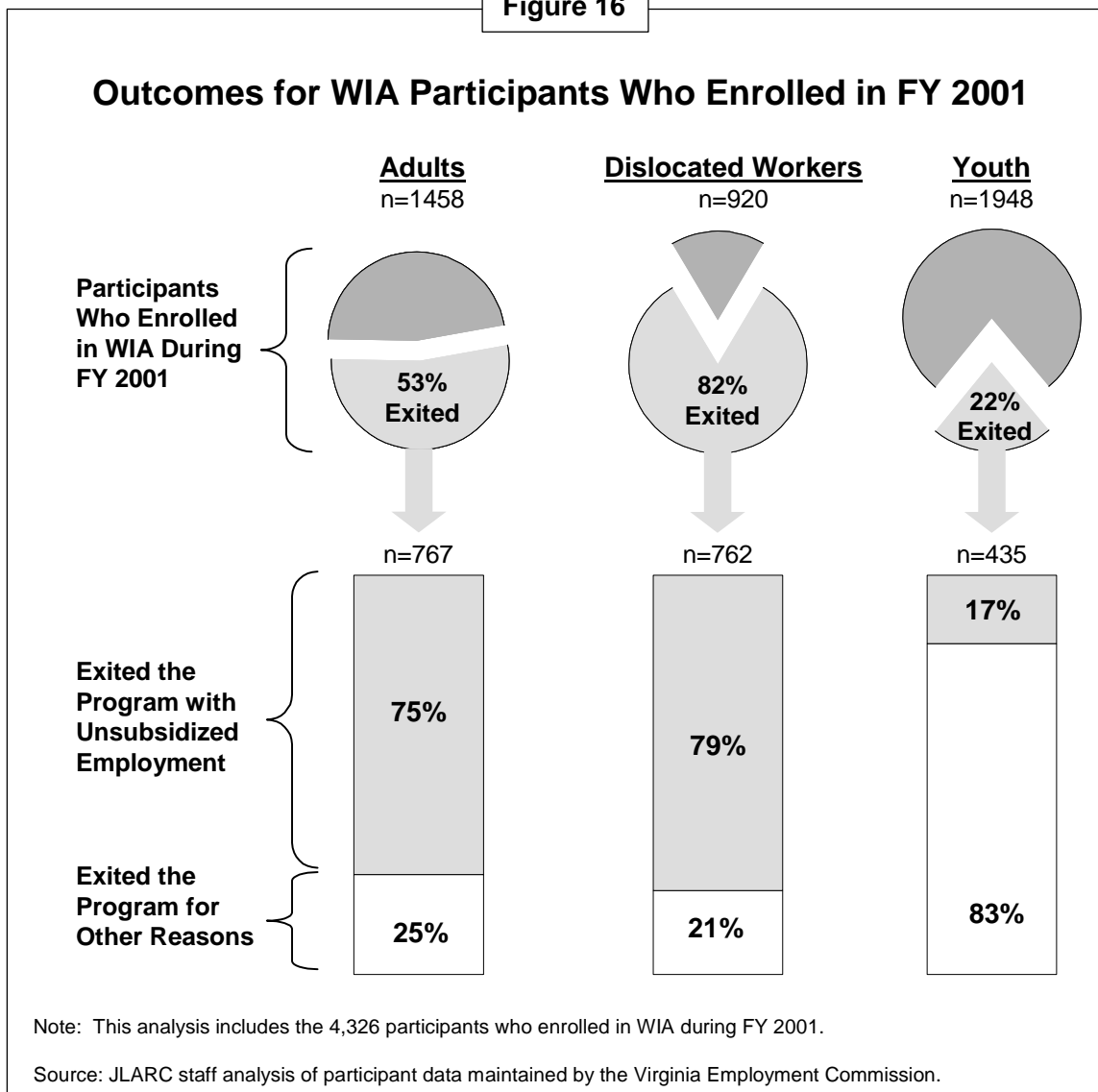
Note: This analysis includes the 4,326 participants who enrolled in WIA during FY 2001.

Source: JLARC staff analysis of participant data maintained by the Virginia Employment Commission.

ucation, which is expected as most of the youth are school age (18 or under), or have barriers to employment, which may include being a high school dropout.

Outcomes. As explained in Chapter III, there are several reasons for participants exiting the WIA programs, including the attainment of an unsubsidized job or not participating in services for over 90 days. Of the 4,326 participants who enrolled in WIA in FY 2001, almost 2,000 participants (45 percent) had exited by June of 2002. As Figure 16 illustrates, participants in the three programs have different reported outcomes. For example, 82 percent of the dislocated workers have exited, of which 79 percent were reported to have an unsubsidized job upon exit. Only 53 percent of the adult participants have exited, but three quarters of those who exited did so with an unsubsidized job. Less than a quarter of the youth participants have exited. This may be because the services provided to youth are long-term and focused on assisting the youth with completing their high school

Figure 16



education and obtaining work experience. Those who exited within a short time period may not have received all of the services offered by the Youth program.

These outcomes suggest that the participants enrolled in the Adult and Dislocated Worker programs are successful in the goal of obtaining employment. However, it is also important to look at whether individuals remain employed and whether their earnings after participating in the program are greater than before enrolling. Therefore, JLARC staff examined the employment and earnings experiences for these participants. The findings of this analysis are presented in the next section.

Employment and Earnings Trends of FY 2001 Enrolled Participants

Federally mandated performance measures typically relate to point-in-time benchmarks. Another approach to measuring participant outcomes is an analysis of earnings trends both before and after enrollment into WIA programs. As is the case with the federal performance measures, this approach cannot link earnings changes to program services with certainty due to the lack of a control group. However, it does provide some additional information on the experiences of WIA participants.

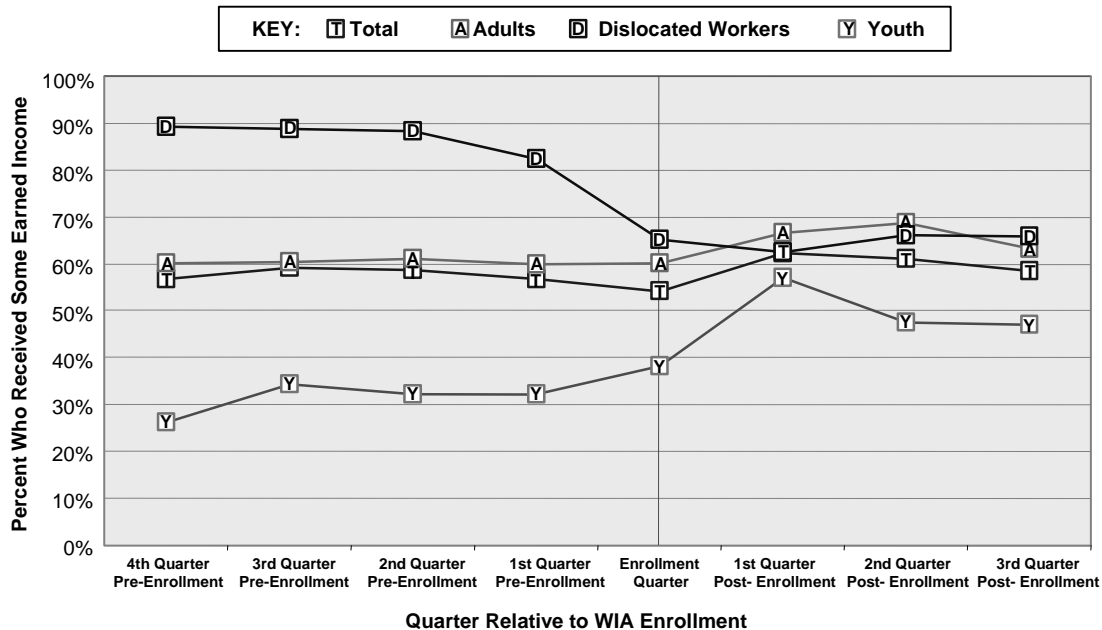
As explained in Chapter I, JLARC staff matched WIA participant data with corresponding wage records maintained by the VEC. The following provides the results of this analysis for all WIA participants enrolled during the program year ending in June 2001. Because the WIA programs are relatively new, there are only three quarters of wage data available in the time period after participants were enrolled. Therefore, these findings should be considered preliminary and these trends should be re-examined as the programs mature.

On average, the WIA participants who enrolled in WIA during FY 2001 experienced an increase in employment and earnings after enrolling in the programs, as shown in Figure 16. Adults and youth experienced this increase in the first quarter after enrolling in WIA. Dislocated workers continued to experience decreasing employment and earnings until the second quarter after enrolling in WIA, when the trends turned upwards. This is expected since workers may enroll in WIA once they have received notification that they will be laid off. The actual layoff may not occur until the quarter after enrollment.

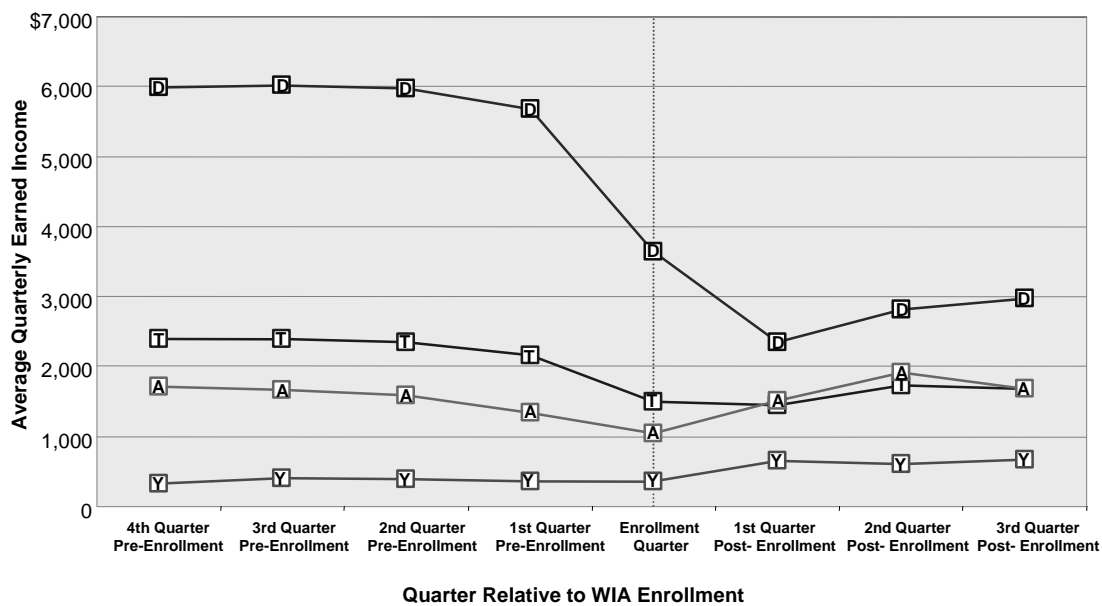
As shown in Figure 17, almost 90 percent of dislocated workers were employed one year before entering WIA and were earning an average of \$6,000 per quarter. By the first quarter after enrollment, only 60 percent were employed and average earnings were below \$3,000. This is not entirely unexpected as dislocated workers are often relatively highly paid employees who were laid off from noncompetitive jobs or industries. By the second and third quarter after enrollment, the participants' employment and earnings were increasing, but were still well below what they were making prior to enrollment. As shown in Figure 18, 80 percent of Dislocated Worker participants were earning less in the third quarter after enrolling in WIA than they were prior to enrollment.

Figure 17

Pre- to Post- Program Changes in the Percent of Participants Who Received Some Earned Income (WIA Participants Who Enrolled in FY 2001)



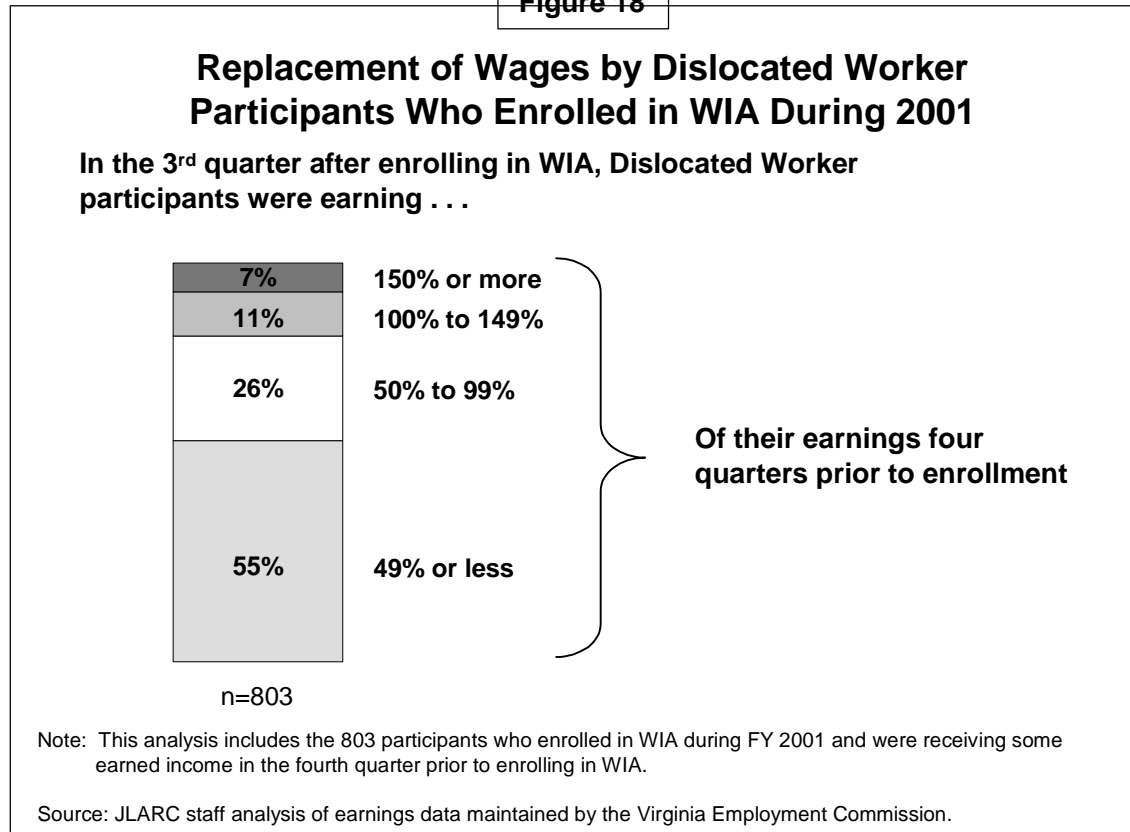
Pre- to Post Changes in Average Quarterly Earned Income (WIA Participants Who Enrolled in FY 2001)



Notes: This analysis includes the 4,326 WIA participants who enrolled in WIA during FY 2001 (1,458 adults, 920 dislocated workers, and 1,948 youth).

Source: JLARC staff analysis of participant data maintained by VEC provided by the Virginia Employment Commission.

Figure 18



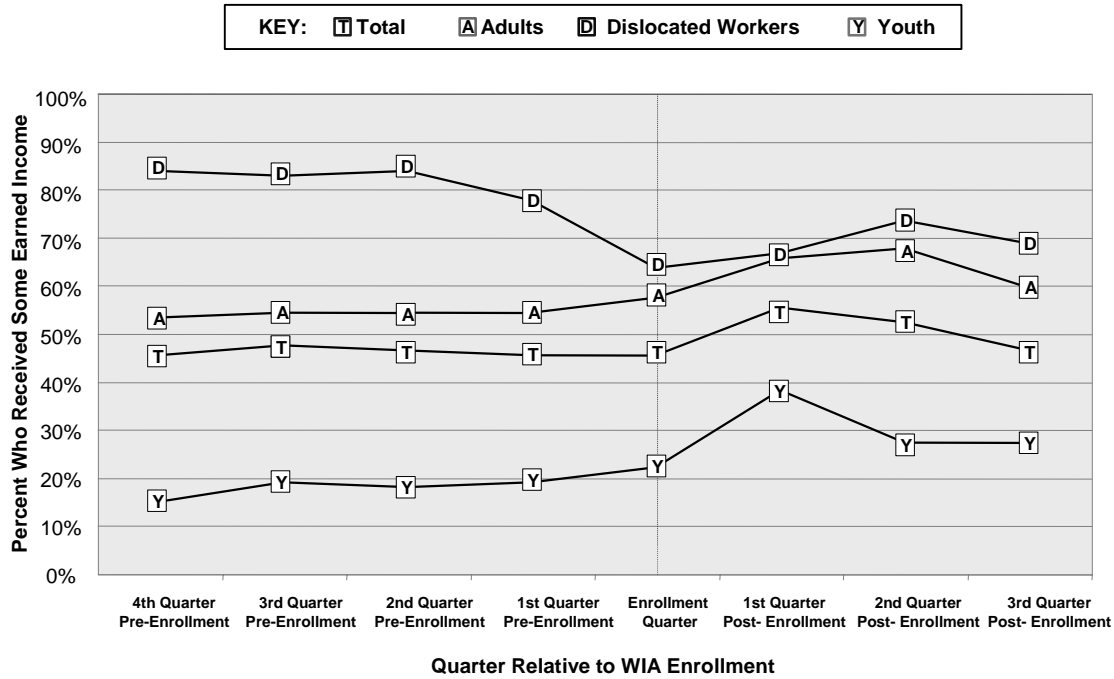
The Adult program participants experienced an increase in employment and earnings in the first quarter after enrollment. As shown in Figure 17, adults had average earnings of \$1,500 in their first quarter after enrollment, which is a 15 percent increase from the quarter prior to enrollment. However, by the third quarter after enrollment, the average earnings were roughly equal to the average earnings four quarters prior to enrollment. Both the employment and earnings of adult participants decreased in the third quarter after enrollment.

The Youth program operates differently than the Adult and Dislocated Worker programs. It is focused on long-term support and work experience to assist youth in completing their education and moving into a self-sustaining career. Therefore, it is expected that earnings may not substantially increase during the first year or two of involvement with the WIA program. This is exactly what is shown in Figure 17. There is a temporary increase in employment in the first quarter after enrollment, but this may be due to temporary summer employment experiences.

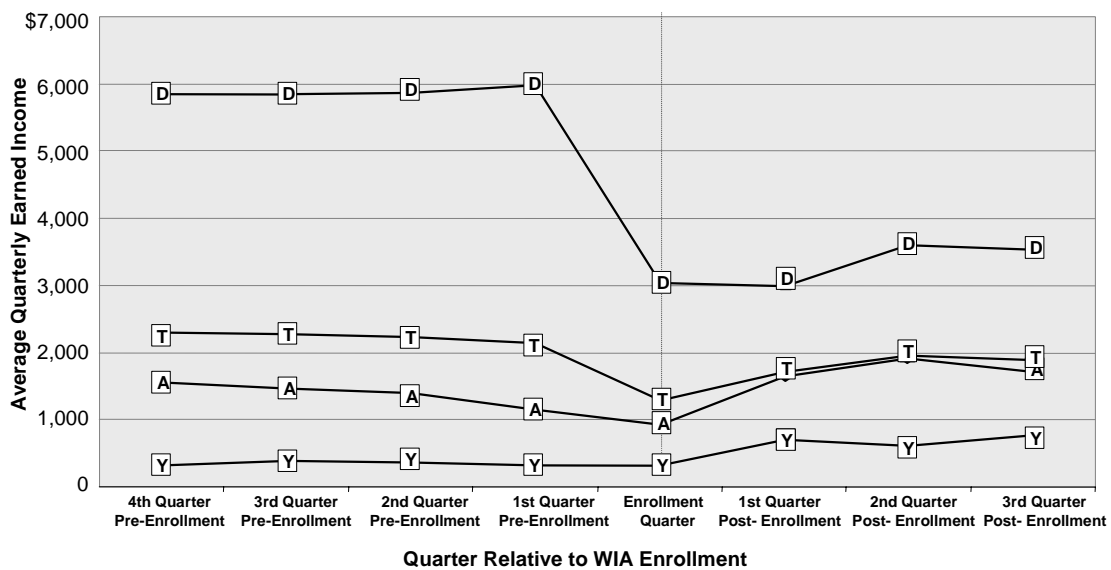
JLARC staff also looked at employment and earnings for the WIA participants who enrolled in the program during FY 2001 *and* had exited by June of 2002. Outcome and performance measurement do not apply for these programs until participants have stopped receiving services, or exited. As shown in Figure 19, the experiences of these 1,964 participants are similar to that of the population of participants who enrolled in WIA. Dislocated workers and adults show increasing em-

Figure 19

Pre- to Post- Program Changes in the Percent of Participants Who Received Some Earned Income (WIA Participants Who Enrolled in FY 2001 and Exited by June of 2002)



Pre- to Post Changes in Average Quarterly Earned Income (WIA Participants Who Enrolled in FY 2001 and Exited by June of 2002)



Note: This analysis includes the 1,964 participants who enrolled in WIA in FY 2001 and exited by June of 2002 (767 adults, 435 dislocated workers, 762 youth).

Source: JLARC staff analysis of participant data maintained by the Virginia Employment Commission.

ployment and earnings in the first few quarters after enrolling in WIA and then the employment and earnings start to decrease in the third quarter after enrollment. The youth participants who exited, which was only 17 percent of the enrolled youth, had a temporary spike in employment, most likely due to summer work opportunities.

It is important to note that this analysis cannot single out the WIA program as the cause of any increases in employment and earnings. As shown in Chapter II, program participants may be enrolled in multiple programs, receiving services in addition to those provided through these programs. As the State works towards consolidating data collection for the multitude of workforce training programs, this analysis could be replicated, controlling for the totality of services received by participants through the State's workforce training effort.

SERVICES AND OUTCOMES OF PARTICIPANTS IN THE JLARC SAMPLE

The Virginia Employment Commission (VEC) maintains participant data for the WIA programs. However, these data do not include complete information on the services received by participants enrolled in FY 2001 due to constraints of the data management system and untimely updates by local areas. Therefore, in order to examine the services received by WIA participants and the outcomes based on those services, JLARC staff reviewed case files for a stratified random sample of 438 Adult and Dislocated Worker program participants.

As explained in Chapter I, participants move through three tiers of services: core (self-directed and staff-assisted), intensive, and training. Based on the review of participant files, it appears that, on average, participants from each program move through the tiers of service in a similar way. For example, 63 percent of both the adults and dislocated workers attended training while enrolled in the programs. However, it is also clear from the review that some areas differ in how they move participants through the tiers of services. As explained in Chapter III, the discretion for determining eligibility for each tier of service currently rests with the local WIBs.

The review of case files also revealed that adults and dislocated workers differ in their outcomes, as was seen in the population of participants discussed earlier in this chapter. Of the participants in the JLARC sample who exited WIA, 62 percent of adults and 87 percent of dislocated workers were reported to have unsubsidized employment upon exiting. In addition, the percent of participants who exited with unsubsidized employment was similar regardless of whether the participants exited after receiving intensive services or exited after completing

training. This may suggest that those participants who do not need additional training to find unsubsidized employment are taking a job and exiting the program before receiving any training. However, based on the available data, it is not possible to determine whether the participants who did attend and complete training would have found an unsubsidized job without being provided those services.

The following sections provide the JLARC staff findings based on the review of participant case files. The first section discusses the participant demographics and reported barriers. The second section describes the types of services received and reported outcomes for participants.

Demographics and Reported Barriers for the Participants in the JLARC Sample

JLARC staff conducted file reviews for 438 participants in the Adult and Dislocated Worker programs in seven local workforce investment areas. The goal of these reviews was to collect information on participants, the services they received, the type of training they attended, and their outcomes. The data instrument used to conduct the review is provided in Appendix E. This section summarizes the information on demographics and reported barriers collected through the file reviews.

Figure 20 presents the demographics of the participants in the JLARC sample. The race, sex, and education of the participants are similar to that of the population. Of the adult participants, 73 percent are female and 21 percent do not have a high school education or its equivalent. Of the dislocated workers, 56 percent are female and only nine percent have less than a high school education. As discussed previously, the different education levels between the two groups may affect the types of services needed.

Adults and dislocated workers are also different in terms of the barriers to employment they face. The WIA lists fourteen characteristics that could be considered barriers to employment, such as having a disability, having a deficiency of basic skills, or being a single parent. All of the participants have at least one barrier because of the eligibility requirements for the Adult and Dislocated Worker program. For example, only individuals who are dislocated workers (which is one of the barriers) are eligible for the Dislocated Worker program, and in most areas, low-income individuals receive priority for the Adult program.

As shown in Figure 21, adult participants have more reported barriers to employment than dislocated workers. For example, 54 percent of the adult participants had three or more barriers while only 30 percent of the dislocated workers had three or more barriers. Individuals who have multiple barriers to employment may have more difficulty finding self-sustaining employment. As a result, they may need additional services, such as basic education or supportive services, which could include child care or transportation allowances.

The bottom half of Figure 21 shows the percent of adult and dislocated workers with each of the barriers identified in the WIA. As shown, adults more often have each barrier, with the exception of the dislocated worker barrier. Moreover, almost 49 percent of the adult participants are single parents, 33 percent are long-term unemployed (15 or more weeks), and 33 percent are basic skills deficient,

Figure 20

Demographics of Participants in the JLARC Study Sample

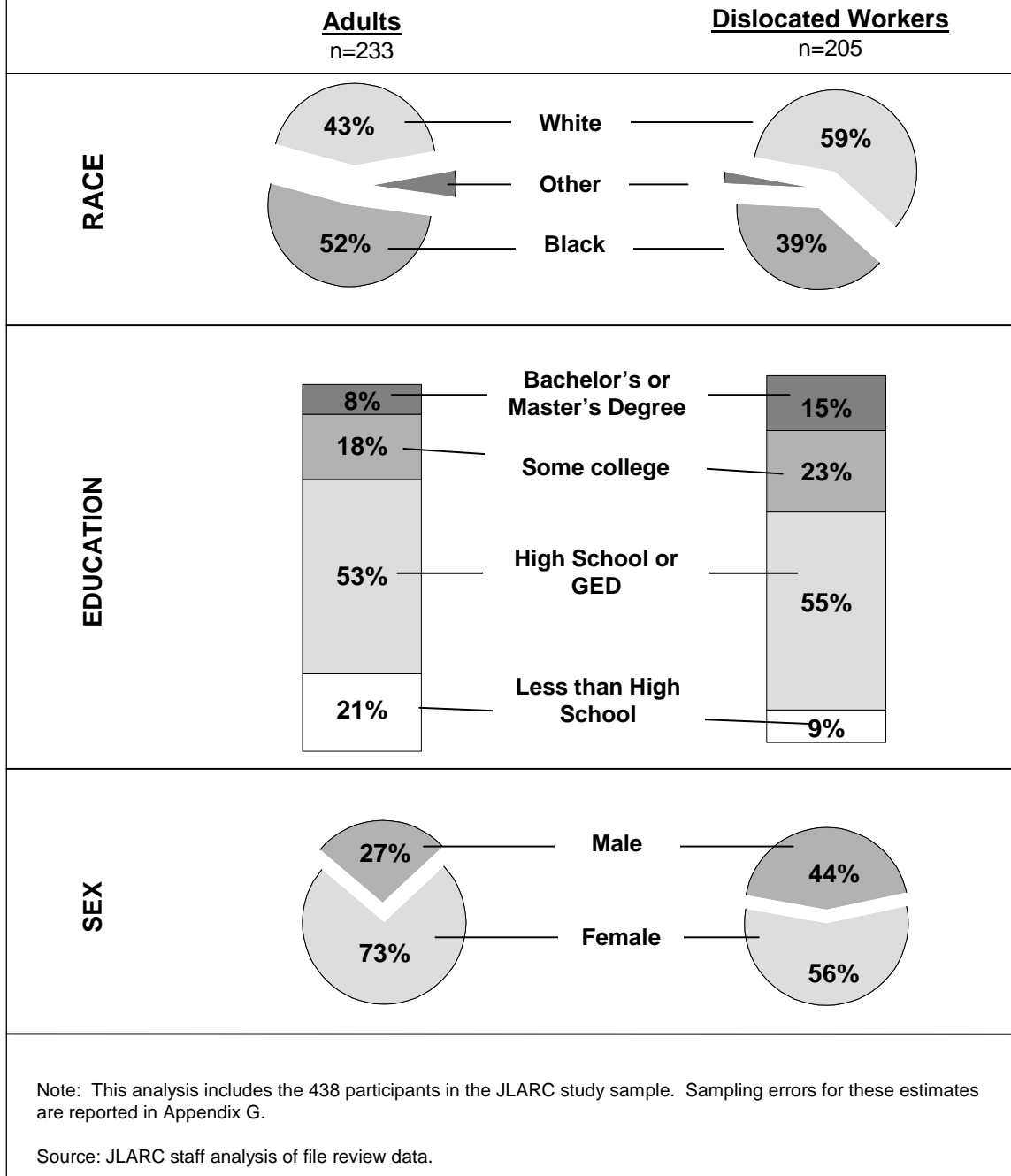
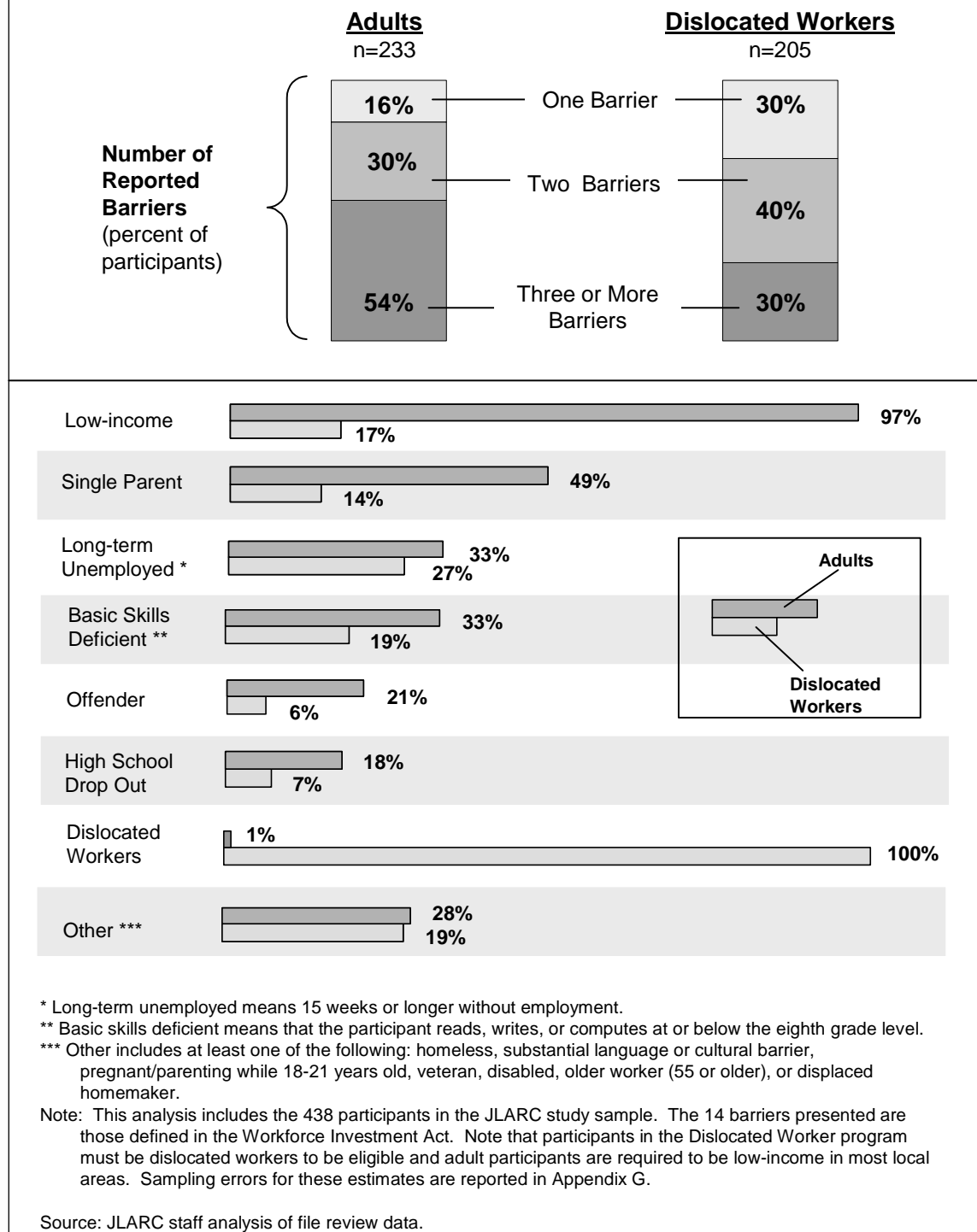


Figure 21

Barriers to Employment for WIA Participants in the JLARC Study Sample



which means that they read, write, or compute at or below the eighth grade level. It is important to note that the same participant may fall into multiple barrier categories.

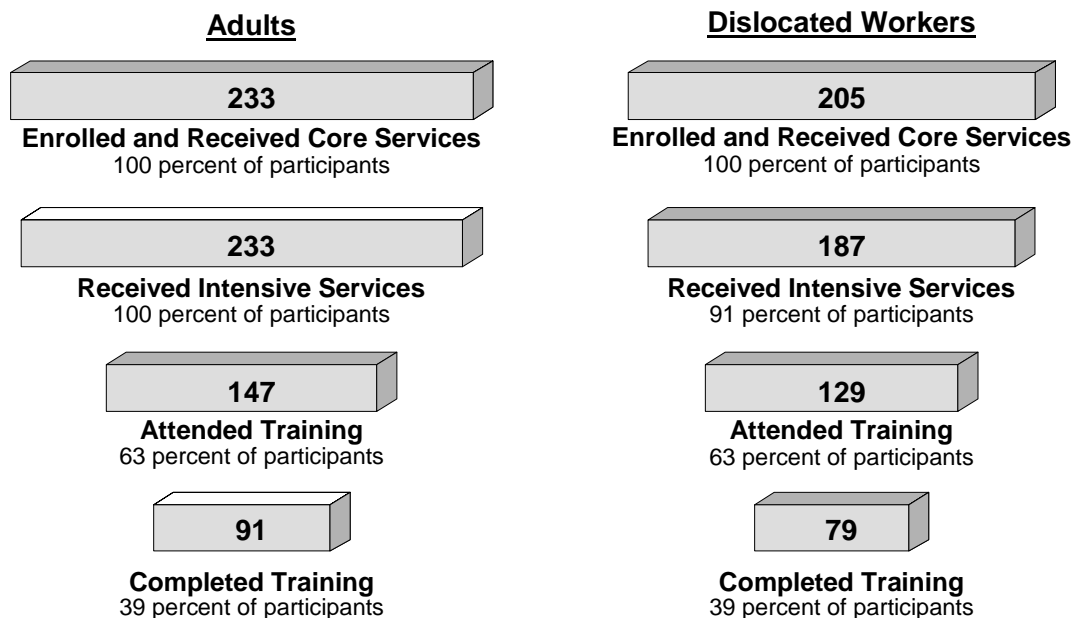
Sixty-Three Percent of the Participants in the JLARC Sample Attended Training While Enrolled in the WIA Programs

Participants move through three tiers of program services categorized as core (self-directed and staff-assisted), intensive, and training. WIA requires that individuals must receive at least one service in a tier in order to move into the next tier of services. Figure 22 illustrates how participants in the JLARC study sample moved through the three tiers of service. As shown, 63 percent of both adults and dislocated workers in the sample attended training while enrolled in the WIA programs. About 62 percent of those who attended training successfully completed their studies. The remaining participants either stopped attending or their completion of training is pending.

Service Path. On average, the adult and dislocated worker participants in the JLARC sample moved in a similar way through the three tiers of service. Therefore, Figure 23 shows the service path collectively for participants in the two programs. All of the participants received self-directed core services (such as job search and information gathering) and staff-assisted core services (such as job clubs or job

Figure 22

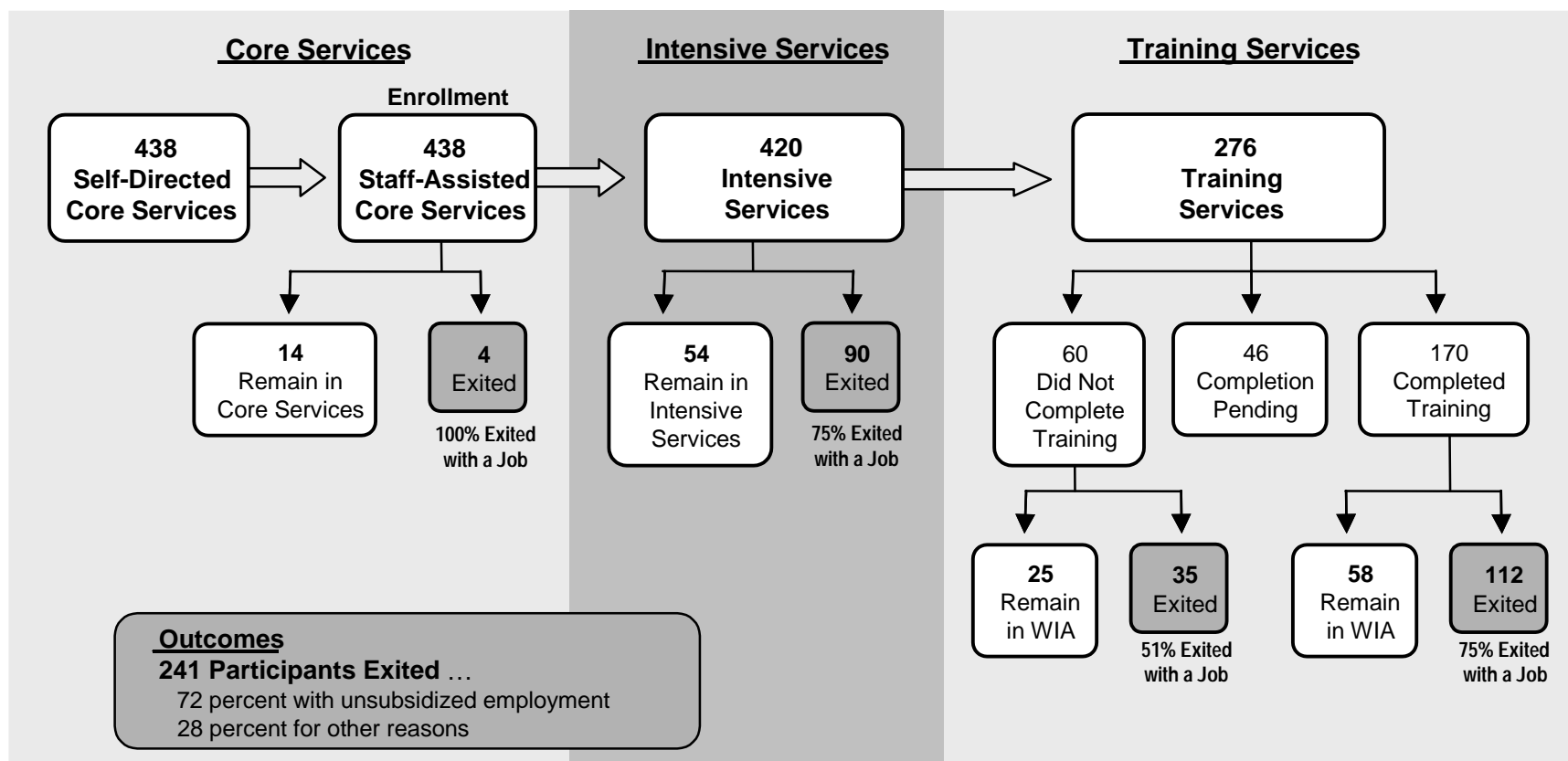
Services Received By WIA Program Participants in the JLARC Study Sample



Note: Sampling errors for these estimates are reported in Appendix G.

Source: JLARC staff analysis of file review data.

Figure 23
Service Path for Participants in the JLARC Sample



Note: Sampling errors for the percentage estimates are reported in Appendix G.

Source: JLARC staff analysis of information collected in participants case files.

search assistance). As discussed in Chapter III, enrollment should occur prior to staff-assisted core services or prior to intensive services (if no staff-assisted core services are received). Of those who received only core services, 14 participants (3 percent) were still in core services when the file review was conducted, 4 participants (1 percent) had exited, and 420 participants (96 percent) moved on to intensive services.

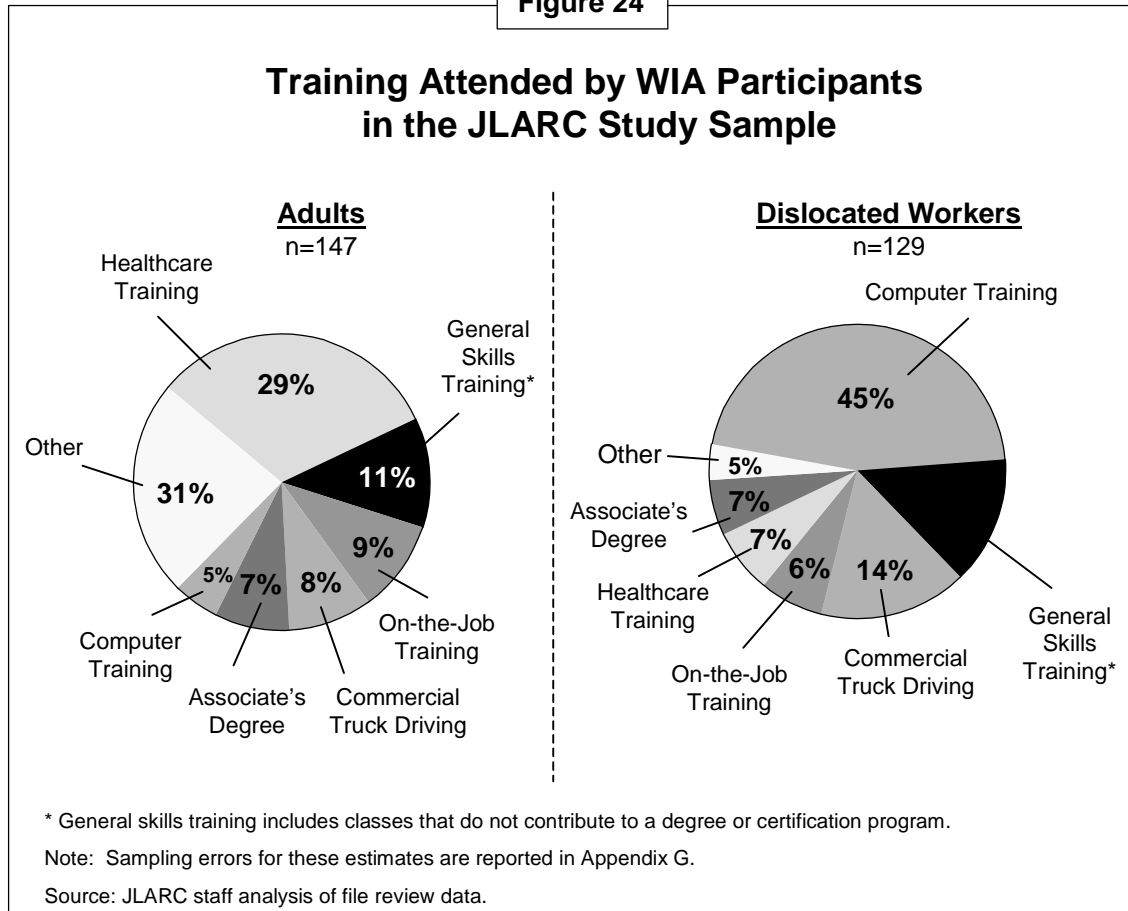
Participants who received intensive services primarily received skills assessment (72 percent), case management (82 percent), and individual employment planning services (82 percent). After receiving these services, 90 participants exited the program and 54 participants were still in intensive services at the time of the file review. The remaining 276 participants moved to the training tier. It is important to note that the case files only indicated that the participants attended training while enrolled in the WIA program. The files did not consistently indicate whether the WIA program funded the training. WIA training funds are considered “funds of last resort.” Therefore, participants may receive PELL grants (federal grants for low-income individuals to attend college) or other program funds (such as NAFTA-TAA) for training. If other funds do pay for training, the WIA program may pay for books, child care, or transportation. JLARC staff recommend that the expenditure of WIA funds be tracked in more detail, which is discussed in Chapter III.

The WIA focuses on customer choice, so participants who receive training vouchers may choose what program of training to attend. According to the case files, of the participants who attended training, 29 percent of adults attended healthcare training and 45 percent of dislocated workers attended computer training. Computer training ranged from basic computer application training to A+ training certification. Healthcare training included registered nursing, certified nursing assistant, or licensed nurse practitioner. Figure 24 illustrates that these were the fields that had the highest percentage of participants. Other training included general skills training, which includes courses or classes that do not lead to a specific degree or certification, commercial driving, on-the-job training and training towards an associate’s degree. Of those who attended training, 170 (62 percent) completed the training program. The remaining participants either did not complete training or are still in the training.

The case files also did not provide consistent information on whether a credential was achieved. Information was typically in the files when a credential was achieved at the time training was completed, such as attainment of an associate’s degree. However, some areas of study, such as nursing training, require the passage of a licensing exam for a certification. The follow-up information indicating whether the participant achieved certification was not systematically in the case files. As explained in Chapter III, this is an area of information gathering that the VEC needs to improve.

The file reviews revealed differences in the way services are provided in different areas. While adults and dislocated workers move among the tiers of service in a similar way, on average, local areas differ in the types of services provided to participants. As the following case examples show, adult participants in Area 11 ap-

Figure 24



pear to rarely receive training, while adult participants in Area 6 appear to almost always receive training.

Few of the Adult program participants in Northern Virginia (Area 11) attend training. In the file reviews, only three of the 35 adults entered a training program. One of the reasons for this practice may be that many of the adults have barriers to employment that include basic skills deficiencies. For many of these individuals, English is a second language, and they must attend English and other education classes before moving into training. In addition, one local staff member stated that the local WIB in this area is more focused on the dislocated workers and training them for the technology sector.

* * *

In the Workforce Today! area (Area 6), the Adult program is administered by and located at the Piedmont Virginia Community College. According to the program's director, most of the participants are referred to the program from the community college's financial aid office. As a result, almost all of the participants in the Adult program enter training, because they have typically expressed interest already and may even have registered in the college prior to

enrollment into the program. The program director is working with the one-stop center in the area to bring in more participants through the center's contact with the eligible population.

Outcomes. Based on the file review data, 87 percent of the dislocated workers who exited the WIA program were exiting with an unsubsidized job, as shown in Figure 25. Adult participants had less successful outcomes, with only 62 percent exiting with an unsubsidized job. The remaining participants exited for other reasons, which included no longer attending services, being out of contact for more than 90 days, moving out of town, or due to health reasons.

For dislocated workers, the point at which the participants exit does not appear to affect their outcome. As shown in Figure 26, regardless of when dislocated workers exit from the program, 81 to 100 percent of the participants exit with unsubsidized employment. However, the time of exit appears to affect the success of the Adult program participants. As shown, Adult participants who exit after starting, but not completing, training only exit with unsubsidized employment 30 percent of the time. However, 72 percent and 65 percent of the Adult participants who exit after receiving intensive services or after completing training exit with employment. As the programs mature, the VEC should consider looking at employment and earn-

Figure 25

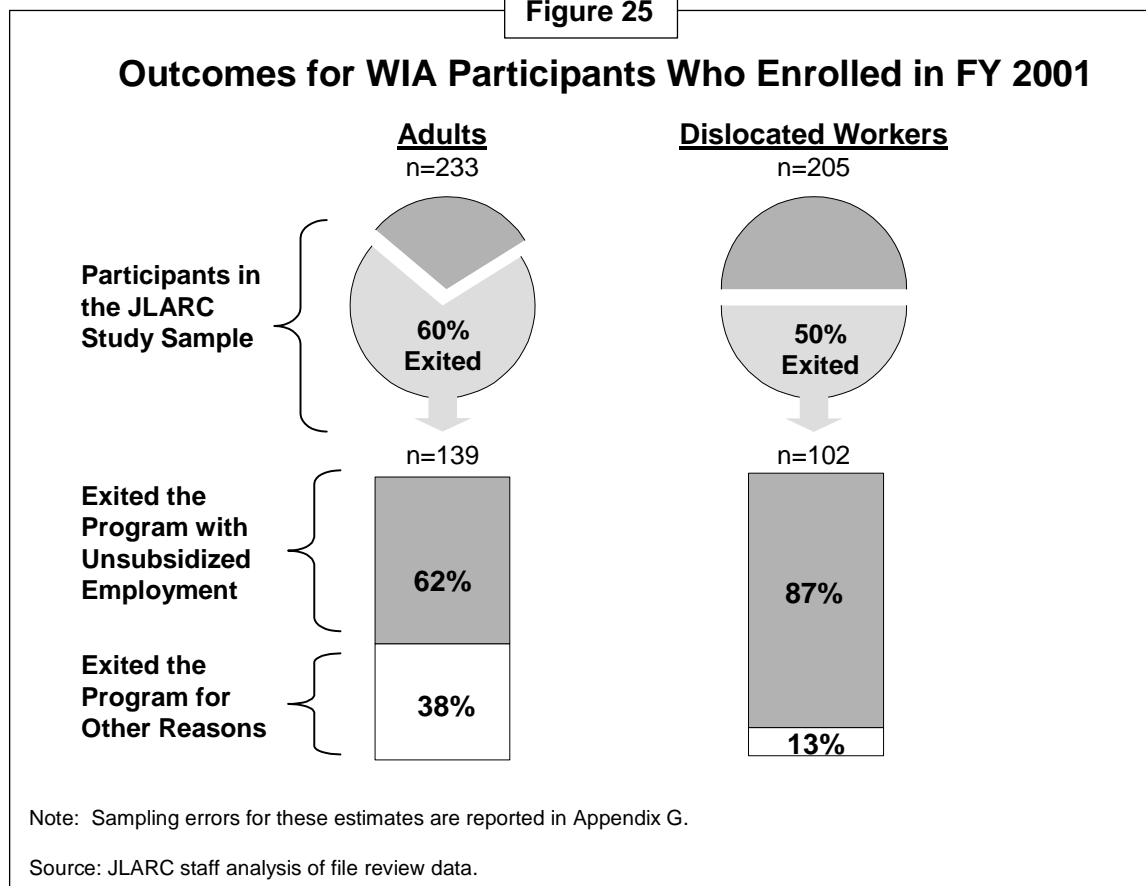
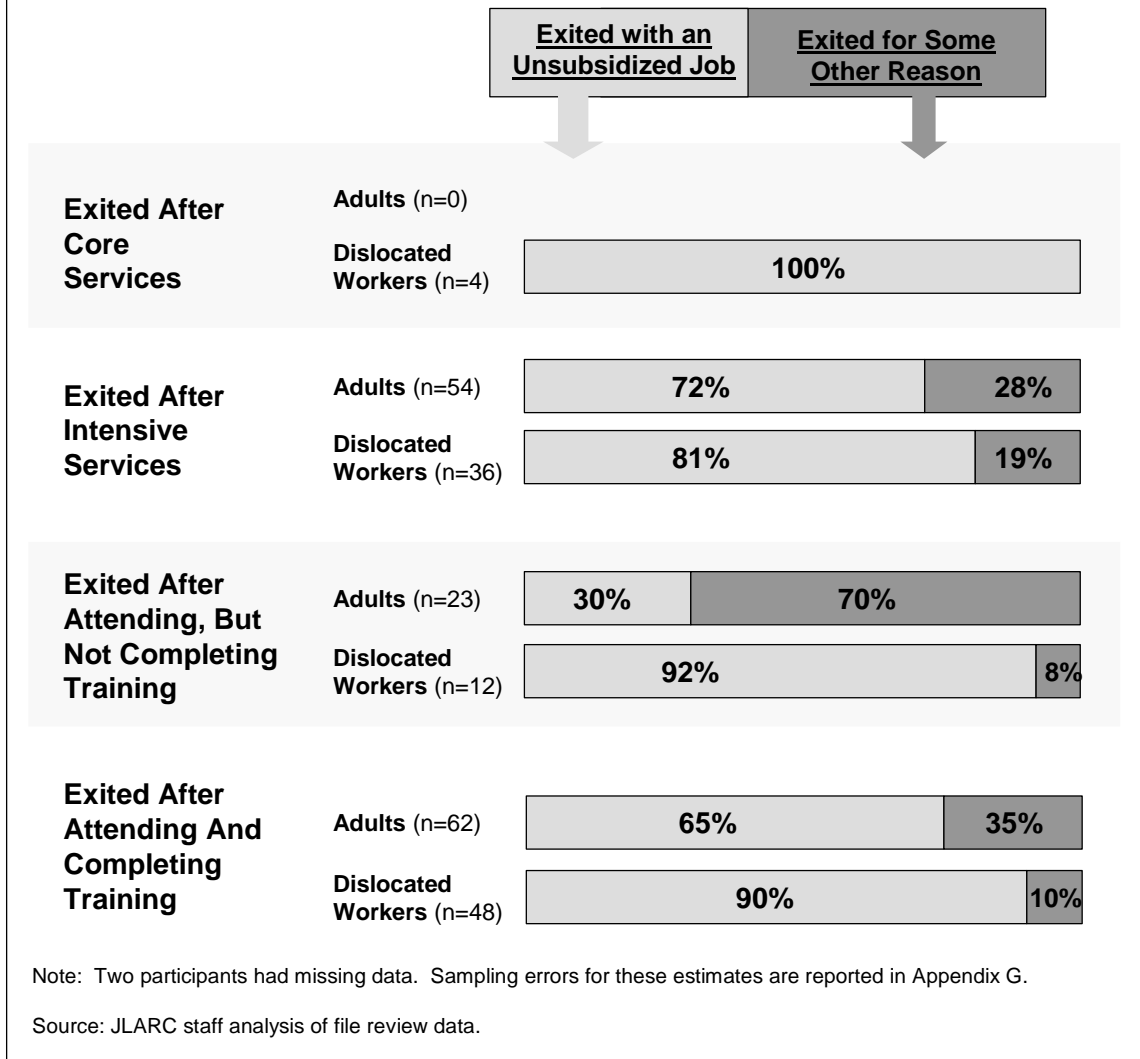


Figure 26

Outcomes for Participants in the JLARC Sample Based on When the Participants Exited



ings trends for participants based on the types of services they receive. For example, are the employment and earnings experiences more positive for participants who attended and completed training? Because the program is only two years old, many of the participants who completed training did so in the second or third quarter after enrolling in WIA. Therefore, any positive effect of that training on earnings could not yet be captured. This analysis should be considered as sufficient time passes to review participants' experiences.

FEDERAL PERFORMANCE MEASURES

The performance of the WIA Adult, Dislocated Worker, and Youth programs is measured by 17 federal performance measures that must be reported to the Department of Labor (DOL) each year. At the end of the fiscal year, states are evaluated based on their ability to meet the level for each measure, which is negotiated with DOL. Based on states' performance, DOL may reward good performance with incentive grants or sanction poor performance by reducing the WIA grant amounts.

During the first year of implementation of WIA, FY 2001, Virginia did not meet five of the 17 performance measures mandated by legislation. However, four of the five failed measures were related to credentialing for the Adult, Dislocated Worker, and Youth programs. The low performance on these measures occurred in part because the data management system did not track credentialing and the US Department of Labor (DOL) delayed the decision in determining whether or not to require the credentialing measures to be reported until well into the first year. These problems have been resolved, however, and the State is held "harmless" for performance in the first year of implementation. Preliminary data show that, in FY 2002, Virginia's performance has improved.

In addition, current State-negotiated levels of performance with the DOL are higher than the average negotiated levels of the 17 local workforce investment areas across the State. Therefore, the State has the potential to fail a federal negotiated rate, even though all of the local workforce investment areas may pass their local negotiated levels of performance. Therefore, local negotiated levels of performance should be re-visited to accurately reflect the State's federal negotiated levels of performance.

The following is a discussion of Virginia's performance of the three WIA programs. The first section describes the 17 federal performance measures. The second section explains how Virginia performed on those measures and what factors contributed to their seemingly poor performance. The third section discusses how local workforce investment areas performed on the various measures.

Federal Performance Measures for the Adult, Dislocated Worker, and Youth Programs

The WIA legislation established 17 total performance measures for the Adult, Dislocated Worker, and Youth Programs. Fifteen of the measures track rates at which participants enter employment, retain employment, increase earnings, and achieve credentials. In Virginia, the data for these measures are collected directly from service providers through an online data management system. The remaining two measures track overall participant and employer customer satisfaction. The data for these measures are collected through a contract with Virginia Commonwealth University (VCU). VCU conducts telephone surveys with both individuals and businesses served by the WIA programs. Appendix F provides the formula for determining each of these measures.

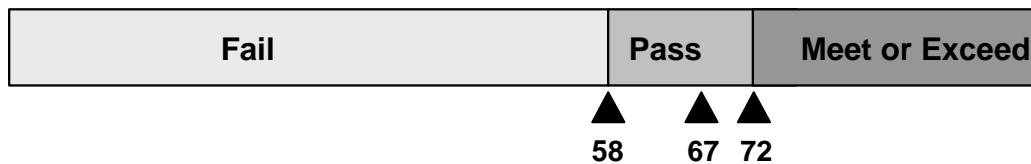
Levels of performance are negotiated between states and the DOL based on the economic conditions of each state. Negotiated levels are used by the DOL to determine if a state “meets or exceeds,” “passes,” or “fails” its performance measures. Exhibit 11 demonstrates how a state may pass a negotiated rate. A performance measure is met or exceeded if the actual level is equal to or greater than the negotiated level of performance. A state “passes” a measure if the actual level is at least 80 percent of the negotiated level, and a state “fails” a measure if the actual level is less than 80 percent of the negotiated level.

The example in Exhibit 11 is based on the *Entered Employment Rate* performance measure for the Adult program. Virginia’s negotiated level is 72, signifying that 72 percent of the population exiting the program will be employed. In FY 2001, Virginia participants experienced an actual rate of 67. Although the State did not “meet” its negotiated level of 72, it still “passes” the measure because it achieved a level of at least 58, or 80 percent of the negotiated level. Virginia would have “failed” the measure if the actual rate fell below 58.

Exhibit 11

Example of How a State Passes a Negotiated Rate

Performance Measure: Entered Employment Rate* for the Adult Program
 Negotiated Level: 72
 Actual Performance: 67
 Grade: Pass



* The Entered Employment Rate is defined by WIA as the percentage of participants who got a job by the end of the first quarter after exiting WIA. This measure does not include participants who were employed at the time of enrollment.

Source: JLARC staff analysis of information provided in the U.S. Department of Labor Training and Employment Guidance Letter (TEGL) 8-99.

WIA program performance measures are used by DOL to provide incentives to states that are performing well and to sanction states for poor performance. A state is eligible for an incentive grant when it cumulatively meets or exceeds the performance measures for each of the Adult, Dislocated Worker, and Youth programs and the customer satisfaction measures, and does not fail any of the 17 negotiated performance measures. In addition, a state must also meet the negotiated performance measures for the Adult Education and Literacy Act and the Post-Secondary Adult Career and Technical Education programs, which were also authorized under WIA. Incentive grants range from \$750,000 to \$3 million.

States that fail at least one of their measures for two consecutive years can be sanctioned and subject to a five percent maximum reduction in annual WIA allo-

cations. However, it is important to note that states were “held harmless” for their performance under WIA during their first year of implementation. Therefore, Virginia’s performance in FY 2001 will not result in the State being sanctioned.

Primarily Due to an Insufficient Data Management System, Virginia Did Not Pass Five of the 17 Federal Performance Measures in Fiscal Year 2001

In FY 2001, Virginia did not pass five of the 17 negotiated performance measures. As shown in Table 16, Virginia failed all four measures related to credentialing and also failed the retention rate for the younger youth component of the Youth program. It is important to note that all 17 local workforce investment areas failed these measures, as well.

Despite Virginia’s shortcomings, other states appear to experience similar difficulties among the same five failed performance measures (Table 16). For example, 28 percent of all states failed the Dislocated Worker credential attainment measure, which Virginia also failed. In addition, unlike Virginia, some states implemented the WIA program early, in FY 2000. Therefore, the FY 2001 performance data for some states is for their second year, rather than their implementation year, as it was for Virginia. According to preliminary data provided by WIA Division staff, Virginia’s performance appears to have improved in FY 2002. According to the WIA Division Director, final performance data will be available in December 2002.

Credential Rate Measures. The State did not pass the four credential rate measures in FY 2001 because the VEC was unable to report data regarding this measure to the DOL. During this year, the service providers were still using the data system that was used for tracking participants under the Job Training Partnership Act (JTPA), which WIA superseded. This system did not have a field for entering data on the attainment of a credential.

VEC may have chosen to continue with this data system because, according to the General Accounting Office (GAO), the DOL did not inform states until March of 2001 – eight months after program implementation – that the credential measures would indeed be included in the measuring of performance for the first year (FY 2001). According to the GAO report, many states, including Virginia, held off tracking this performance measure and developing the appropriate data management system for this reason.

VEC implemented a temporary data system used to capture performance data for FY 2002 that tracks whether a credential is attained before a participant exits WIA. However, a credential may be attained after a participant is exited from the WIA programs. For example, a participant may complete his or her nursing education, is exited from the program, and then takes the licensing exam. Currently, case managers do not have the ability to re-open closed cases remotely. Therefore, VEC is now in the process of requesting follow-up information on credential attainment from case managers. This information will be manually entered into the data system by VEC staff in Richmond.

| Table 16 | | | | |
|---|-----------------------------------|------|--------------------|-------------------|
| Virginia's Performance for the WIA Adult, Dislocated Worker, and Youth Programs FY 2001 | | | | |
| | Workforce Investment Areas | | Virginia | All States (n=50) |
| | (Number of Areas Receiving Grade) | | ✓ =Pass X =Fail | Percent Passing |
| | Fail | Pass | | |
| Adult | | | | |
| Entered Employment Rate | 2 | 15 | ✓ | 100 |
| Employment Retention Rate | 0 | 17 | ✓ | 100 |
| Earnings Change in Six Months | 1 | 16 | ✓ | 96 |
| Employment and Credential Rate | 17 | 0 | X | 76 |
| Dislocated Worker | | | | |
| Entered Employment Rate | 0 | 17 | ✓ | 100 |
| Employment Retention Rate | 0 | 17 | ✓ | 98 |
| Earnings Replacement Rate | 0 | 17 | ✓ | 100 |
| Employment and Credential Rate | 17 | 0 | X | 72 |
| Youth (Older) | | | | |
| Entered Employment Rate | 0 | 17 | ✓ | 94 |
| Employment Retention Rate | 1 | 16 | ✓ | 100 |
| Earnings Change in Six Months | 3 | 14 | ✓ | 94 |
| Credential Rate | 17 | 0 | X | 62 |
| Youth (Younger) | | | | |
| Skill Attainment Rate | 13 | 4 | ✓ | 88 |
| Diploma or Equivalent | 17 | 0 | X | 66 |
| Retention Rate | 17 | 0 | X | 74 |
| All Programs | | | | |
| Customer Satisfaction-Participants | 3 | 14 | ✓ | 100 |
| Customer Satisfaction-Employers | 0 | 17 | ✓ | 100 |
| Note: An area passes if 80 percent of the negotiated performance measure is met. | | | | |
| Source: JLARC staff analysis of the WIA annual report of adult, dislocated worker, and youth activities entitled, "Re-engineering Virginia's Workforce Development System." | | | | |

In the spring of 2003, VEC plans to implement a new data system it is developing in conjunction with several other states and the regional DOL office. According to a WIA Division staff member, this system will have more capabilities and provide better tracking of the credential measure.

The Younger Youth Retention Rate. The fifth measure Virginia did not attain was the younger youth retention rate. This may have occurred because the younger youth program (a component of the WIA Youth program) is a long-term program that helps youth complete school and find sustainable employment. Participants exiting after a year of services typically have not completed all of the ser-

vice activities and, therefore, may produce unsuccessful results. Consequently, during the first few years of implementation, a low retention rate in the younger youth component is likely to occur. However, it is important to note that 74 percent of states passed this measure. The Commissioner at VEC stated that this is an area that needs to be improved in Virginia.

Local Performance Levels Are Negotiated Such That the State May Not Pass a Measure Even Though All of the Areas Pass

After the VEC negotiates performance levels with the DOL, the agency negotiates performance levels with each of the local workforce investment areas. Based on local areas' attainment of those measures, they may receive incentive grants from the State, or be sanctioned if the area continues to fail measures over time.

Table 17 shows the number of performance levels that local areas passed in FY 2001 (as Exhibit 11 illustrated, a measure is passed if the actual rate is at least 80 percent of the negotiated rate). The most measures passed by any area was 12,

| Table 17 Performance Measures Passed by Local Workforce Investment Areas in FY 2001 | |
|---|----------------------------------|
| Area | Number of Measures Passed |
| 1. Southwest Virginia | 12 |
| 2. New River/New Mount Rogers | 9 |
| 3. Western Virginia | 9 |
| 4. Shenandoah Valley* | 12 |
| 5. Northern Shenandoah Valley | 10 |
| 6. Workforce Today! | 11 |
| 7. Region 2002/Central Virginia | 9 |
| 8. South Central Virginia | 10 |
| 9. Capital Area | 11 |
| 10. City of Richmond* | 11 |
| 11. Northern Virginia* | 11 |
| 12. Alexandria/Arlington | 11 |
| 13. Bay Consortium | 11 |
| 14. Greater Peninsula* | 11 |
| 15. Crater Area | 11 |
| 16. Hampton Roads* | 12 |
| 17. West Piedmont | 10 |
| <p>* The Virginia Workforce Council has recommended incentive awards for these areas. Note: Those areas in bold were eligible for State incentive grants because they passed at least 11 measures. An area passes if the actual performance rate is at least 80 percent of the negotiated performance rate.</p> <p>Source: JLARC staff analysis of Virginia's annual report of Adult, Dislocated Worker, and Youth activities entitled, "Re-engineering Virginia's Workforce Development System."</p> | |

which mirrors the statewide experience. The least number of measures passed was nine. The 11 areas that passed at least 11 measures were eligible to receive State incentive grants. The State established the 11-measures benchmark to take into consideration that local areas could not track the four credential measures and that FY 2001 was an implementation year.

Of the 11 boards eligible for incentive grants, only six submitted an application. The Virginia Workforce Council (the Council) has recommended that the local WIBs in areas 10, 11, 14, and 16 receive monetary awards for local and regional coordination. The Council also recommended that the local WIB in area 4 receive a non-monetary award for best practices. The Governor is currently considering these awards.

Negotiation of Local Rates. Virginia currently has the potential to not pass State performance measures even though all local areas may pass their own negotiated performance levels. When the local rates are negotiated, the average of the local levels should reflect the State's negotiated level. Therefore, if all of the local areas pass, then the State passes. However, this methodology was not used by VEC in negotiating local rates.

It appears that many local areas were allowed to set their own performance levels rather than negotiate a rate with the State. According to a WIA Division staff member, there was no consistency in how areas chose their levels of performance. For example, some areas that operated prior JTPA programs may have used JTPA data. Other areas relied on local area information such as unemployment rates or employment growth. In addition, given the other implementation demands of WIA, some local WIBs may not have considered negotiating performance levels as a priority and simply used the State negotiated level as their benchmark.

As a result, the average of the workforce investment areas' negotiated levels is lower than the State negotiated level for all performance measures. For example, the State's passing performance level for the rate of employment in the Adult program is 58 percent. However, the average of the negotiated rates for the workforce investment areas is 51 percent. Consequently, if all areas pass their negotiated levels, but do not exceed them, the State will have a 51 percent performance rate and fail the State measure. If this occurs over time, the State may be sanctioned and could receive up to a five percent reduction in funding and it will not be eligible for incentive grants. Despite the fact that the areas pass their performance levels, local areas would be affected by the funding cuts, as they are the primary recipients of the allocation. Therefore, the State should re-align the negotiated State levels of performance with the local area negotiated levels, so as to avoid the potential for areas to succeed while the State fails.

Recommendation (5). The Virginia Employment Commission should re-negotiate each of the local workforce investment areas' performance levels for the WIA Adult, Dislocated Worker, and Youth programs to ensure that the average of the local rates is at least equal to the rate negotiated for the State.

V. State Administration of the Workforce Investment Act

The Virginia Employment Commission (VEC) is responsible for implementing and monitoring the Workforce Investment Act (WIA) one-stop service delivery system. The VEC has made some progress in meeting its mandate to develop a new model for delivering workforce training services. However, the agency does not have the necessary authority to successfully re-structure the delivery of workforce services in the Commonwealth. In addition, the Commonwealth has not established sufficient accountability to ensure the development of a true statewide system. Consequently, a statewide system of workforce training has not yet been developed.

For the first two years of WIA implementation, the VEC took a “hands-off” approach to administration. According to the current VEC Commissioner, when the program was first implemented, the agency was directed to leave the system development and administration to the local workforce investment boards (WIBs) and local elected officials. While the WIA does provide considerable flexibility to local areas, statewide system building can only be accomplished with guidance and oversight from the State. Further, the WIA mandates that states complete monitoring and capacity-building activities necessary to support system development. The VEC has not sufficiently completed many of these mandated activities. The current commissioner of the VEC says that it has now taken a more proactive approach to administering the WIA. However, a structural lack of authority and accountability precludes the VEC, or any other existing State agency, from being successful in long-term system-building.

Therefore, based on this and other findings, such as the potential for duplication among workforce training programs, and the lack of authority and accountability in the current State structure, JLARC staff recommend that Virginia consider adopting a different model of governing workforce training programs. The new model should consolidate workforce training programs under one agency, which should be responsible for the administration of the WIA. In addition, the monitoring of the system and general policy direction should be the responsibility of the Virginia Workforce Council (the Council), which includes the Governor, members of his cabinet, and a majority of members from the business community. However, the Council should have independent staff through either the Governor’s office, the office of the Secretary of Commerce and Trade, or a public-private partnership. It is important to note that no new staff will be needed to implement the new model.

To establish authority and accountability, the director of the new agency should be the lead for administration of State workforce training programs, and the director of the Council should be the lead for strategic planning and system development. These two individuals should work closely to establish a system that uses funding in the most effective manner to provide comprehensive, seamless services in support of a quality workforce and sustained economic development.

This chapter addresses the effectiveness of the Virginia Employment Commission in administering WIA and explores other models of State governance. The first section describes the eight activities VEC is mandated to accomplish as administrator of WIA and its effectiveness in completing those activities. The second section provides information on how other states have implemented WIA and how Virginia could adopt some best practices to more efficiently and effectively coordinate its workforce training effort.

COMPLETION OF MANDATED ACTIVITIES BY THE VIRGINIA EMPLOYMENT COMMISSION

Each year, the VEC retains 22 percent of the total WIA grants for administration of eight mandated activities. Four of the activities VEC performs are directly related to administering and monitoring WIA programs. The remaining activities include assisting in the establishment of the one-stop service delivery system, providing incentive grants, maintaining fiscal and data management systems, and administering the Rapid Response program.

VEC has generally taken a “hands-off” approach to administering the WIA. As a result, while most all of the activities mandated by the WIA have been initiated, half have yet to be sufficiently completed. The agency does measure and report program performance, provide technical assistance to local staff, maintain a fiscal management system, and administer a Rapid Response program. In addition, incentive grants are pending approval by the Governor, and a data management system is currently being developed.

However, there are three activities that the VEC needs to improve. First, the State needs to set minimum standards for the performance of training providers. In addition, VEC needs to monitor how local workforce investment boards are recertifying training providers. These are the providers of training programs that participants may attend using a WIA voucher. Second, according to the VEC Commissioner, the agency has not yet initiated formal work on providing targeted technical assistance to areas with high concentrations of youth. Lastly, the VEC needs to develop a statewide one-stop service delivery system.

Successful completion of this last activity requires appropriate guidance and monitoring of local WIBs and one-stop centers, and “branding” a statewide system that is recognizable to citizens and employers. Accomplishing these tasks requires cooperation of the multiple State agencies that administer workforce training programs. The VEC does not have the authority to complete this charge. The agency has attempted to establish partnerships and provide additional assistance to staff in establishing a one-stop system over the last several months. However, the current State structure precludes the agency from establishing a coordinated, well-functioning system. Neither the VEC, nor any other existing State agency, has the authority needed to administer the WIA.

The next few sections describe the activities mandated by the WIA. The first section describes the funding and expenditures for these activities, and the remaining sections detail the VEC's progress on each of its eight mandated activities.

Overview of Funding for Mandated Activities

As the lead agency, the VEC receives three WIA formula grants, titled WIA Adult, WIA Dislocated Worker, and WIA Youth. In FY 2002, the VEC retained \$9 million, or 22 percent of the total grant amount, for State administration, statewide activities, and the Rapid Response program (Figure 27). The remaining 78 percent was allocated to the local workforce investment boards for administering the WIA Adult, Dislocated Worker, and Youth programs.

The State must expend or obligate 80 percent of each WIA grant within the first year of allocation and the entire grant within three years of allocation. At the end of three years, any funds that have not been expended or obligated may be recaptured by the U.S. Department of Labor. Thus far, the VEC has spent or obligated sufficient funds such that no money has been recaptured by the DOL. In addition, the VEC is on track to expend or obligate the FY 2001 grant funding, so it is not anticipated that the State will have to return any funds at the end of the current fiscal year (FY 2003).

Figure 27

WIA Grant Funding Retained by VEC in FY 2002

| | WIA Adult Grant | | WIA Youth Grant | | WIA Dislocated Worker Grant | |
|---|-----------------|---|-----------------|---|-----------------------------|--------------------|
| State Administration | 5% | + | 5% | + | 5% | = \$2 million |
| Statewide Activities (Governor's Discretionary Fund) | 10% | + | 10% | + | 10% | = \$4 million |
| Rapid Response Program | | | | | 25% | = \$3 million |
| | | | | | | \$9 million |

Source: JLARC staff analysis of data provided by the Virginia Employment Commission.

In FY 2001 and FY 2002, VEC expended \$9.8 million on State administration, statewide activities, and the rapid response program. This accounts for over half of the funding available for these functions. Figure 28 illustrates the total amount of expenditures and unexpended funds based on the year of the WIA grant. As of June 30, 2002, the VEC had \$14.9 million available for expenditure. This amount includes carry-over funding from previous grants and the entire FY 2003 grant. The following sections discuss the expenditure of funds by VEC for State administration, statewide activities, and Rapid Response.

State Administration. The VEC retains five percent of each WIA grant (Adult, Dislocated Worker, and Youth) to use for State administration. These funds are co-mingled and may be used for the following:

- general administrative functions such as accounting, payroll, and procurement,

Figure 28

Expenditure of WIA Funds Administered by VEC by Grant (as of June 30, 2002)

| <u>WIA Grant</u> | <u>Expenditures</u> (millions) | | <u>Unexpended Funds</u> (millions) | <u>Grant Expires</u> |
|-------------------------------|-----------------------------------|----------------|---|----------------------|
| | <u>FY 2001</u> | <u>FY 2002</u> | <u>FY 2003</u> | |
| FY 2000* | 0.6 | 1.0 | | |
| FY 2001 | 2.7 | 3.4 | 2.8 | June 30, 2003 |
| FY 2002 | | 2.2 | 6.7 | June 30, 2004 |
| FY 2003 | | | 8.6 | June 30, 2005 |
| \$9.8 million Expended | | | \$14.9 million Available for Expenditure (excluding \$3.2 million in obligations) | |

* This is carry-over from the FY 2000 JTPA Grant.

Notes: WIA program years are one year behind State fiscal years. For example, PY 2000 is the same as FY 2001, and so on. States have three years to spend grants. Amounts may not appear to add correctly due to rounding. Funding and expenditure includes dollars retained by VEC for statewide activities, State administration, and rapid response.

Source: JLARC staff analysis of allocation and expenditure data provided by the Virginia Employment Commission.

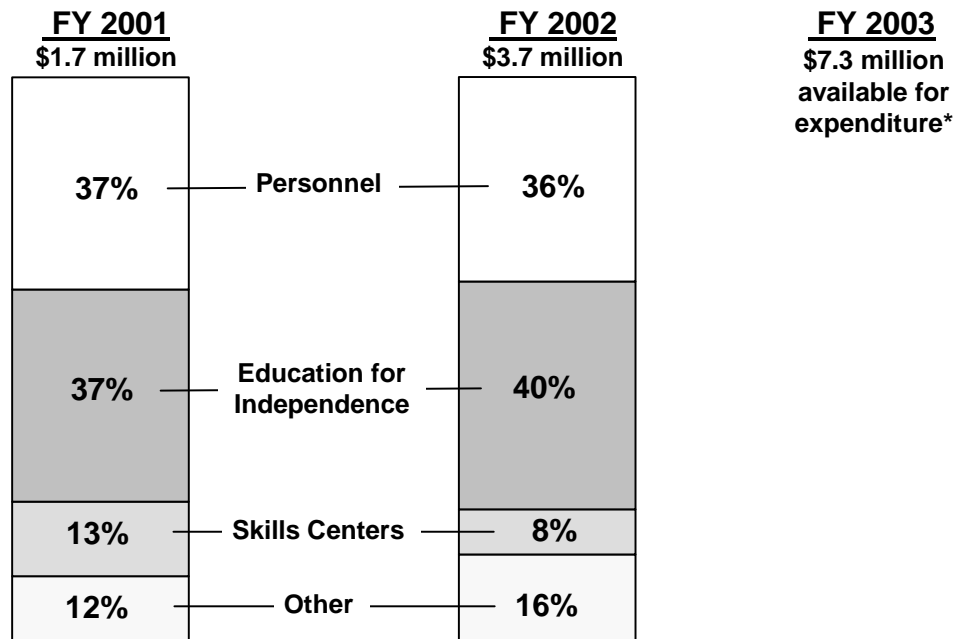
- oversight and monitoring of administrative functions,
- costs of goods and services required for administrative functions,
- travel costs incurred for officials for carrying out administrative functions, and
- costs of information systems related to administrative functions.

In FY 2001, VEC expended \$1 million on these activities, 69 percent of which was spent on personnel. In FY 2002, \$1.4 million was spent, of which 56 percent was used for personnel costs. If the State spends less than five percent on these activities, the balance may be transferred to the statewide activities fund, as long as the sum of the funds for State administration and statewide activities does not exceed 15 percent of the total WIA grant.

Statewide Activities. Ten percent of the Adult, Dislocated Worker, and Youth grants are co-mingled and retained by the VEC for statewide activities. This funding is also referred to as the Governor's Discretionary Fund because it is the most flexible funding stream within WIA. These dollars may be used to fund mandated activities, as well as statewide programs as determined by the Governor. In Virginia, the General Assembly has designated support for two programs out of this funding stream: Education for Independence and Skills Centers (Figure 29). In FY

Figure 29

Statewide Activities Expenditures by Fiscal Year



* This excludes \$800,000 obligated as of June 30, 2002.

Notes: WIA program years are one year behind State fiscal years. For example, PY 2000 is the same as FY 2001, and so on. States have three years to spend grants.

Source: JLARC staff analysis of allocation and expenditure data provided by the Virginia Employment Commission.

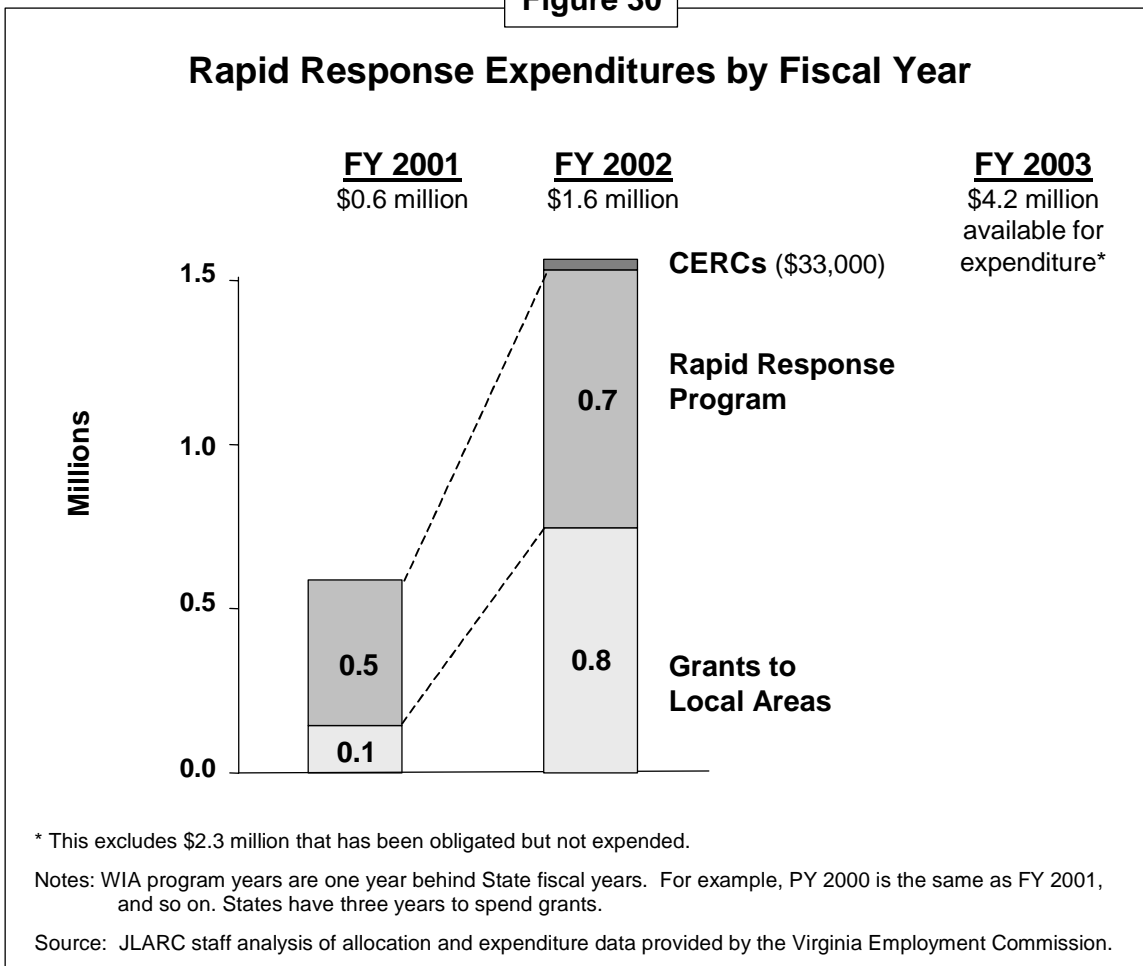
2002, \$1.8 million (48 percent) of the \$3.7 million spent from the statewide activities fund was spent on these two programs. The remaining expenditures were for personnel and other related costs, such as operating expenses.

Several members of the Virginia Workforce Council have expressed frustration that funds are obligated out of the statewide activities funds for these programs. One opinion expressed was that the programs should be funded by the local WIBs if the WIBs determine that the program supports the area's efforts and is not duplicative to other efforts. As discussed in Chapter II, the Education for Independence program appears to be duplicative in areas where the local WIB has established that the WIA Adult program targets low-income individuals first.

Another argument suggested to JLARC staff is that the funds should not be designated for these programs because the VEC needs the funds to complete mandated activities. However, this argument may not be palatable when it appears that the VEC continues to carry-over available funds instead of spending them on statewide activities.

Rapid Response. The VEC retains 25 percent of the WIA Dislocated Worker grant each year to administer the Rapid Response program, which provides on-site services to individuals facing a layoff (Figure 30). Administering this pro-

Figure 30



gram is one of the eight activities mandated by the WIA. In addition to funding this program, the 25 percent retained by VEC was also used to fund Coordinated Economic Relief Centers (CERCs), which were discussed in Chapter III, and grants to local areas that have faced an increase in unemployment since the start of the fiscal year. Figure 28 summarizes the expenditure of the Dislocated Worker funds retained by the VEC for rapid response activities. As shown, most of the expenditures over the two years (\$1.2 million) are for the Rapid Response program. The remaining funds were spent on CERCs and on grants to local areas.

Status of the WIA Mandated Activities Administered by the VEC

The VEC is responsible for completing eight activities mandated by the WIA legislation. These include activities related to WIA program oversight, one-stop service delivery system development, incentive grants, data and fiscal management systems, and the Rapid Response program. As Figure 31 illustrates, VEC has completed four activities and part of a fifth, while three activities and part of a fourth still need improvement. The following sections describe the status of the each activity.

1. Maintain a List of Certified Training Providers. The WIA requires that each state establish minimum standards of performance for training providers and maintain a state list of providers to be used by WIA program participants. As discussed in Chapter III, participants in the Adult and Dislocated Worker programs may receive vouchers to attend training at any of the training programs that are on the statewide list. The list should provide information on the cost and performance of each program to facilitate informed customer choice.










To be initially certified, a training provider must meet one of the criteria listed in Exhibit 12 and submit an application that describes the program to the local WIB. The local WIB is then required to report to the State any programs that are certified for inclusion on the statewide list. The VEC maintains the statewide list, which is available on its website. However, this list does not yet include performance information.

Each year, the WIA requires training providers to be re-certified based on performance. The WIA requires that six measures, which are presented in Exhibit 12 be used to evaluate the training providers' performance. As the following language from the *Code of Federal Regulations* illustrates, the State is responsible for setting the levels that must be met for each measure in order for the training provider to be re-certified:

The Governor must establish eligibility criteria for certain providers to become initially eligible and must set minimum levels of performance for all providers to remain subsequently eligible. (Section 663.51)

Local Boards may require higher levels of performance for local programs than the levels specified in the procedures established by the Governor. (Section 663.535)

Figure 31

| Status of State Activities Mandated by the WIA and Administered by VEC | | |
|---|--|-----------------------------|
| | | <u>Status</u> |
| Oversight of the WIA Programs | | |
| 1. Maintaining a list of certified training providers |  | Initiated, but Insufficient |
| 2. Conducting performance evaluations at the State and local level |  | Completed |
| 3. Providing technical assistance to local areas that do not meet their negotiated performance measures |  | Completed |
| 4. Providing additional assistance to areas with high concentrations of eligible youth |  | Not Initiated |
| Other Activities | | |
| 5. Assisting in the establishment and operation of a one-stop delivery system |  | Initiated, but Insufficient |
| 6. Providing incentive grants |  | Completed |
| 7. Operating a fiscal accountability system |  | Completed |
| Operating a data management system |  | Initiated, but Insufficient |
| 8. Administering a rapid response program |  | Completed |
| Source: JLARC staff analysis. | | |

The VEC has not yet provided the minimum standards necessary to be in compliance with these requirements. In addition, the VEC has not monitored whether local WIBs have established standards on their own, or whether they are applying those standards in the re-certification process. At least one local WIB, in Area 8, had not established standards as of July of 2002, when training providers were submitting re-certification applications. During their board meeting, members expressed frustration, stating that they felt uncomfortable judging training providers on standards that had never been set.

The VEC does require that local WIBs submit the names of training providers that were re-certified and those that were not in order to update the state-wide list. Of the 764 training providers requiring re-certification this year, 49 were

| Exhibit 12 Requirements for Certification and Data Required for Re-Certification of Training Providers | |
|---|--|
| Initial Certification | Re-Certification |
| <p>The provider/program must be one of the following:</p> <ol style="list-style-type: none"> 1. an accredited postsecondary educational institution, 2. an entity that carries out programs registered by the National Apprenticeship Act, 3. a program of training that results in skills recognized by the industry as meeting standards necessary for approval or accreditation, 4. a credit or non-credit program of customized training provided by community colleges, public schools, or public vocational technical schools for emerging and incumbent workers, 5. a provider that can demonstrate to the local WIB that the program is germane to local workforce development needs and provides quality training | <p>The provider/program must provide the following data:</p> <p>For all Participants Enrolled:</p> <ol style="list-style-type: none"> 1. rate of completion, 2. rate of certification or degree attainment, and 3. percent of participants that obtain unsubsidized employment and their wages at placement. <p>For all WIA Participants Enrolled:</p> <ol style="list-style-type: none"> 4. percent of participants who complete the program and are placed into unsubsidized jobs, 5. percent of dislocated workers who complete the program and are placed into unsubsidized jobs, and 6. retention rates after six months. |
| Source: Virginia Employment Commission, Workforce Investment Act Policy 00-7. | |

not re-certified because they either did not submit performance data, are no longer in business, or did not re-apply. However, as mentioned above, it is unclear what standards were used to re-certify the remaining providers.

It is clear in the federal regulations that the State should establish minimum levels of performance that should be met by training providers to be on the statewide list. Local areas may impose stricter standards if they choose. In Pennsylvania, for example, the state established minimum performance standards and requires that providers meet the standards for at least four of the six measures to be re-certified. Data are submitted through local WIBs to the State agency, which is responsible for certification decisions, based on the data. An online data system facilitates this process.

Recommendation (6). The Virginia Employment Commission should work with the Virginia Workforce Council establish minimum standards that training providers must meet in order to be re-certified. The Virginia Employment Commission should also monitor the re-certification process conducted by the local workforce investment boards.

Most of the training providers are certified based on the program of study. For example, a nursing program, or miners certification at a for-profit school, would be certified and re-certified independently from other programs at that organization. Community colleges and universities, however, are certified as a block, rather than by program. A VEC staff member explained that this was a decision made by the local WIBs and accepted by the agency. One argument for certifying these entities as a whole is that these schools, community colleges in particular, do not track students by program and do not typically perform follow-up on students. An argument for requiring individual program tracking is that some programs within a college or university may not perform as well as others, and as the WIA focuses on customer choice, WIA participants should have information on all programs of study. At least one other state, Pennsylvania, does require each program within colleges and universities to be certified independently. The VEC should submit this policy decision to the Virginia Workforce Council for further review.

2. Conduct Performance Evaluations at the State and Local Level. VEC is responsible for managing WIA participant information and reporting performance measures to DOL each year. As indicated in Chapter III, which discusses performance measures in detail, VEC did not meet five of the 17 WIA performance measures in FY 2001. In that year, the data management system did not track all of the information necessary for the State to report the performance measures on attainment of a credential. However, the system has been upgraded, and the VEC was able to report all performance measures for FY 2002 to DOL.

3. Providing Technical Assistance to Local Areas That Did Not Meet Performance Measures. The WIA legislation requires that technical assistance is provided to all areas that fail to meet their negotiated performance levels. Given this rule, all 17 areas require technical assistance because none of the WIBs met all of their performance measures. According to the VEC Commissioner, technical assistance to local areas is an activity that has needed improvement and is receiving attention. While the VEC has made improvements in this area over the last year, more could be done.

In the spring of 2002, the VEC started providing assistance to local areas through four monitor/consultants. Prior to establishing these positions, all assistance came directly through the staff at the central office. These individuals act as consultants in one group of areas and then conduct monitoring visits in another group of areas. As consultants, they provide areas with a point of contact to provide guidance on federal and State policy. As monitors, they spend a week at local WIBs and one-stop centers to monitor compliance with federal and State law. The first round of these reviews have been conducted and the second round is currently being conducted.

According to many of the staff at local WIBs and one-stop centers, the VEC has been more responsive and provided more technical assistance since the beginning of 2002. However, local area staff have suggested several areas of assistance that are still needed. These include:

- training opportunities for local staff,
- increased collaboration and communication between the central office and local staff,
- general guidance and direction from the central office, and
- guidance on performance measures and the data reporting system.

4. Providing Additional Assistance to Areas with High Concentrations of Eligible Youth. According to the VEC Commissioner and the WIA Director, no substantial action has been taken on this mandated activity. The monitor/consultants are available to answer questions on youth and there is a youth coordinator within the WIA Division. However, there has been no concerted effort to complete this responsibility.

5. Oversight of the Local Service Delivery Systems Developed by the Local WIBs. The fifth mandated activity is assisting in the establishment and operation of a one-stop service delivery system (Figure 31 on page 104). To complete this activity, VEC should be providing sufficient guidance and oversight to the local WIBs and one-stop centers to facilitate system development. However, the VEC has not fully completed this activity due to a “hands-off” approach early in implementation and a lack of authority over many of the workforce training programs that should be working with the one-stop system.

The VEC has started to take a more active approach to policy development and monitoring of local systems. The Commissioner of VEC and the Director of the WIA Division have indicated to JLARC staff that the agency plans to be more proactive in providing technical support and guidance. However, it is important to note that there are systemic obstacles related to the State governance structure and the way programs are administered that prevent the VEC from successfully establishing a statewide system of workforce training.

Guidance and Monitoring of Local WIBs. The VEC provides policy guidance, technical assistance, and oversight for local WIBs in the establishment of a one-stop service delivery system. Guidance is provided through policy statements, field guidance letters, staff who field questions, and monitor/consultants who provide onsite assistance. These are the same monitor/consultants who provide oversight and technical assistance for the WIA Adult, Dislocated Worker, and Youth programs.

In terms of guidance, local WIB staff suggest that staff in the WIA Division are generally timely and responsive to their questions and concerns, but that guidance is unsatisfactory. In interviews with local WIB directors, all but one director rated the WIA Division staff as responsive or highly responsive and 13 of the 17 directors rated the staff as timely. However, when asked whether the guidance provided by the VEC was acceptable, nine of the 17 stated that the guidance was unsatisfactory or highly unsatisfactory.

When the new program was initiated, according to the Commissioner of VEC, the agency transferred considerable flexibility for implementing the one-stop service delivery system to the local WIBs. Therefore, there was little policy direction, as the policy decisions were left to local WIBs. The Commissioner also stated that VEC has recently been directed to become more active in delivering guidance to local WIBs and that it is moving in that direction.

In terms of their monitoring function, the VEC is required to certify local WIBs every two years and conduct onsite visits annually. This process is required by the WIA legislation in order to ensure that local WIBs are in compliance with the federal law. The current re-certification process established by VEC requires that WIBs have the appropriate membership, have met performance measures for the three WIA programs, and have established the required substantive and process responsibilities. A local board will receive 100 points if all three categories of compliance are achieved. The VEC has established that a score of 80 is considered passing and boards with at least this score will be re-certified. The preliminary re-certifications have been completed and are pending the final WIA program performance information. In addition, local monitor/consultants have completed the required annual compliance reviews of local WIBs, which are used for evaluating re-certification.

It is appropriate to evaluate whether local boards are in compliance with the federal law. However, it is also important to evaluate the effectiveness of the WIB in assessing the needs of business and industry in the local area and establishing a one-stop service delivery system that addresses those needs. For example, local WIBs must create and submit to VEC a plan for accomplishing this task. However, there is no mechanism for evaluating whether the plans have been implemented or whether they have been effective. At a recent meeting of the Virginia Workforce Council, several of the members expressed frustration at the limited information they have from the VEC staff on the status of WIBs' implementation of their plans. Without this information, it is difficult to make recommendations about changes to policy or additional assistance.

The VEC should be evaluating whether the appropriate partnerships have been facilitated and whether the WIBs are completing the tasks outlined in their local strategic plans. By doing this, the VEC and the Council will know whether the WIBs operate as required by law, and whether those entities are successful in facilitating the one-stop service delivery systems envisioned by the WIA that meet both the needs of the citizens and the needs of employers.

JLARC staff evaluated whether the partnerships required by the WIA have been achieved by the local WIBs. As Chapter III indicated, most local WIBs have established the formal partnerships required by law, but many struggle to establish the working partnerships necessary to provide seamless access through the one-stop service delivery system. The WIA legislation requires that WIBs that are unable to establish formal partnerships through MOUs with mandated partner programs should inform VEC. There is clearly a communication issue between local WIBs and VEC because there are four boards that do not have the required MOUs, and the WIA Director informed JLARC staff that he has not been contacted by any of the

boards. If notified, the VEC could try to facilitate the partnership between the WIB and the program, including working with the State agency overseeing the partner program.

However, the agency has no authority to hold partner agencies accountable for participation in the system. The VEC only has authority over the programs it administers. The agency has attempted to create partnerships at the State-level to facilitate “trickle-down” partnerships at the local level. Thus far, two formal memoranda of understanding (MOU) have been established and signed, one with the Department of Social Services (DSS) and one with both the Department for Rehabilitative Services (DRS) and the Department for the Blind and Vision Impaired (DBVI). While it is a positive step to have established relationships with these agencies, it is important to note that the MOU with DSS is vague, stating only that the two agencies agree to work together to coordinate services. It is unclear how that is going to occur. The relationship with DRS and DBVI is stronger, with DRS providing assistance in verifying that one-stop centers are handicapped accessible and working with a group to facilitate MOUs at the local level.

Recommendation (7). The Virginia Employment Commission should work with the Virginia Workforce Council to establish measures to evaluate the performance of the local workforce investment boards.

Chartering of One-Stop Centers. One-stop centers are designated by the local workforce investment boards. If the board uses a competitive bidding process to select the center’s operator, and the center is not a government agency, then there is a clear line of accountability established by the contract between the local WIB and the center’s operator. When a consortium operator has been established (see Chapter I for a discussion of consortium operators), then government agencies, such as local VEC offices or local DSS offices, are typically designated as the one-stop centers. The line of accountability is not through the WIBs in this case, as the local entity already reports to another State or local agency.

As lead agency for WIA, the VEC is responsible for chartering one-stop centers, which is one way in which centers are monitored for consistent standards, regardless of what entity is designated as the center. According to VEC policy, chartering means that the center has met the initial standards to carry the name “Virginia Workforce Center.” Typically, chartering implies that the entity may receive funds. However, some one-stop centers receive no WIA money to operate the center.

The VEC has not yet completed the initial chartering process statewide. However, it is planned for completion by March of 2003. The initial chartering process measures three criteria at each center: (1) compliance with federal law, (2) presence of organizational behavior as measured by Malcolm-Baldrige Criteria, and (3) accessible to people with disabilities. Local WIB staff are responsible for measuring the first two criteria and were trained in the fall of 2002 for that responsibility. The third criteria, accessibility to people with disabilities, will be evaluated by staff from the Department of Rehabilitative Services, the Department for the Blind and Vision

Impaired, and the Department for the Deaf and Hard of Hearing. At least one local area, Northern Virginia (Area 11), has already completed the chartering process.

Each year, one-stop centers must be re-chartered. According to the VEC staff member responsible for chartering, this second phase will rely on criteria in addition to compliance, such as performance in providing access and services. As of October of 2002, these new criteria have not been established. The VEC should work with the Virginia Workforce Council to establish these criteria as soon as possible so that the centers chartered by the spring of 2003 know by what criteria they will be evaluated the following year. Establishing these criteria is part of the “branding” of the system, as explained in the next section.

Recommendation (8). The Virginia Employment Commission should work with the Virginia Workforce Council to develop the criteria to evaluate one-stop centers.

Branding a One-Stop System. Creating a statewide system requires statewide “branding.” This involves two components, establishing a brand that has certain qualities, and marketing the brand so that the public associates the brand with the established qualities. In the one-stop system, the brand would be attached to both the system and the centers, which should have certain services available. The system and centers should then be marketed to the public, including employers, to inform them of what they can expect by participating in the system or visiting the centers.

According to VEC policy, the statewide brand name for the one-stop service delivery system is the “Virginia Workforce System.” However, more recently, VEC has used the term “Virginia Workforce Network.” According to a VEC staff member, one-stop centers would receive the brand name of “Virginia Workforce Center” upon receiving their charter. Currently, one-stop centers use a variety of names, such as “WorkZone,” “Job Service Center,” and “Career Café.” It is also important to note that some one-stop centers already carry the State’s identified brand name because the VEC provided money to local WIBs for signs and provided a template for those signs before implementing a systematic chartering or branding process.

Once the one-stop centers are chartered and criteria have been established that dictate basic requirements and performance standards for the centers, then the first component of branding will be completed. However, there is no State-level initiative for marketing the system and centers to Virginia’s customers. A marketing campaign may be more economical if it is done statewide, rather than by area. Certainly, there are methods for marketing the system that are unique to each area that local WIBs should be able to utilize. However, there are economies of scale by marketing statewide. Other states have implemented campaigns that include statewide radio spots and advertisement on buses. The VEC should work with the Virginia Workforce Council and representatives from local WIBs to establish a marketing campaign once the “Virginia Workforce Center” brand has been appropriately identified.

6. Incentive Awards are Pending Approval by the Governor. The sixth activity mandated by the WIA legislation is the issuing of incentive awards to local areas that demonstrate best practices. The Virginia Workforce Council made recommendations to the Governor regarding incentive awards based on VEC guidance, which were approved by the Governor's. There are three possible awards in Virginia, two of which include a cash award:

- 1) monetary award for exemplary performance and local coordination,
- 2) monetary award for exemplary performance and regional coordination, and
- 3) non-monetary award for best practices in workforce development.

The original policy statement on incentive awards, dated December of 2000, stated that local boards would meet the "exemplary" performance requirement if the area passed all of the 17 negotiated performance levels for the Adult, Dislocated Worker, and Youth programs. However, under these conditions, none of the local boards would have been eligible based on the performance reported to the U.S. Department of Labor for FY 2001. In fact, the highest number of performance measures passed by any area was twelve. Therefore, at its May 2002 meeting, the Council approved a change to that policy, stating that areas meeting or exceeding 11 of their 17 performance measures would be considered exemplary.

In addition to meeting the performance requirements, the local WIB applying for a monetary grant must demonstrate that it has been successful at coordination at the local or regional level. Local level coordination involves the establishment of partnerships with other programs in the local area. There were five applicants for this award. Regional coordination involves partnerships with other local WIBs. There were two applicants for this award.

During the summer and fall of 2002, members of the Continuous Improvement and Evaluation Committee of the Virginia Workforce Council evaluated the incentive award applications and conducted onsite visits. At its October 1st meeting, the Council recommended to the Governor that the five local WIBs shown in Table 18 be the recipients of the incentive awards for their work in FY 2001. The Governor has approved these awards.

7. Operating Fiscal and Data Management Systems. As shown on Figure 31 on page 108, the seventh mandated activity is the maintenance of a fiscal management system to track the expenditure of WIA funds and a data management system to track performance of WIA program services. VEC successfully tracks expenditures and provided detailed information on the timing and source of expenditures to JLARC staff. The fiscal management system is sufficient to meet its needs, although the VEC should require that the fiscal management system collect more information on how WIA funds are spent by local WIBs, as recommended in Chapter

| Table 18 Incentive Awards Recommended by the Council | | |
|--|----------------------------------|------------------------|
| Type of Award | Recommended Recipient | Financial Award |
| Local Coordination Awards | WIB 11: Northern Virginia | \$234,000 |
| | WIB 10: Richmond | \$156,000 |
| Regional Cooperation Awards | WIB 16: Hampton Roads | \$105,000 |
| | WIB 14: Peninsula Bay Consortium | \$105,000 |
| Governor's Award for Best Practices in Workforce Development (non-monetary) | WIB 4: Shenandoah Valley | none |
| | Total Awards | \$600,000 |
| Source: Virginia Workforce Council Decision Brief Number 02-06. | | |

III. However, a sufficient data management system has not yet been established, although a new system is scheduled for implementation in the spring of 2003.

Local staff have two main complaints about the current data management system. First, it does not provide timely updates on local area performance. Local areas have to wait until almost six months after the end of the fiscal year to learn how they performed for the WIA programs, which is halfway through the new fiscal year. Staff in local areas argue that they need more timely updates in order to make adjustments to their system. Second, local staff complain that data entry is unreasonably cumbersome. According to several local staff members, the system requires case managers to spend as long as 45 minutes to enter a single WIA participant.

To address these and other issues, the VEC entered into a regional consortium with Maryland, Pennsylvania, West Virginia, Delaware, the District of Columbia, and the regional DOL to develop a new data management system that could be customized for each state. This consortium, the Mid-Atlantic Career Consortium (MACC), contracted with the Covansys Corporation to re-engineer and enhance the Pennsylvania *CareerLink* system. Virginia is scheduled to contribute \$1.2 million towards the development of the system, which is about one quarter of the cost to the entire consortium. Funding for Virginia's share has come largely from a federal CareerConnect grant awarded to the State. In addition, VEC staff expect to spend \$1.3 million to implement the system (a portion of this total has already been spent), of which 75 percent will come from the WIA statewide activities funds.

The new MACC system is currently being tested by two local areas in Northern Virginia, and VEC staff expect that all areas will be converted to the MACC system by late spring of 2003. The new system will have enhanced case management capabilities and reduced data entry for participants enrolled in WIA.

VEC recently received a \$1 million grant from DOL to fund development of management reports, which will be included in the system in the future.

8. Administering a Rapid Response Program. The WIA mandates that each state administer a statewide Rapid Response program, which is the eighth activity listed on Figure 31 on page 108. The program is intended to provide timely information and services to workers who have received notification of a layoff. The goal is to provide assistance to the workers in transitioning to a new position. Whenever possible, the services are provided onsite during the employees' work hours. The VEC administers this program through the Dislocated Worker Unit (DWU) of the WIA Division. Services are provided by four regional coordinators who are located in VEC field offices in four regions of the State (north, central, east, and west).

Companies that are offered services include those that file a Worker Adjustment Retraining Notification (WARN). Federal law requires WARNs to be filed at State employment commissions when the company is planning a mass layoff (50 or more workers) or closure. In FY 2002, 121 WARNs were filed with the VEC. In addition, it is the policy of the VEC that the regional coordinators may provide services to any other company that is facing a layoff of at least 25 workers. Regional coordinators identified 103 other such events in FY 2002. As shown in Figure 32, 44 percent of the events occurred in Northern Virginia and affected almost 12,500 workers.

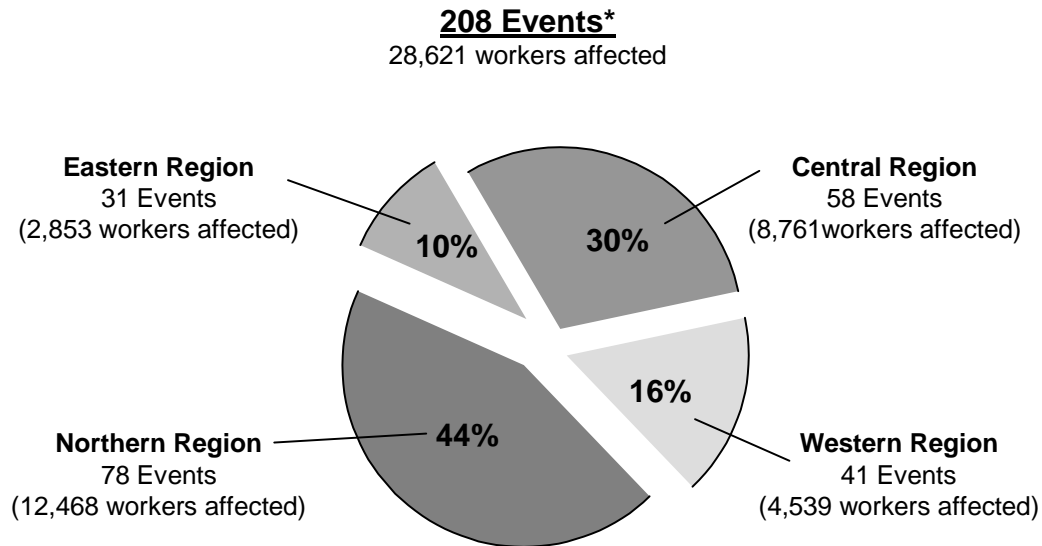
The key to the Rapid Response program is to begin providing services to affected workers before layoffs occur. State policy requires that the director of the DWU send a letter to companies filing WARNs within 24 hours indicating the services that are available through the Unit. Based on the JLARC staff review of records at the Unit, it appears that letters were sent to companies filing a WARN as required by State policy. In addition, the appropriate regional coordinator contacts the company personally within 24 hours to attempt to coordinate services.

It is important to note that companies do not always accept onsite services for their workers. This may occur because the company has hired an outsourcing agency to help displaced workers find new employment. Other times, regional coordinators have difficulty contacting the necessary company personnel, which may occur if the corporate headquarters are outside of Virginia. When the regional coordinators are unable to provide services onsite, they look for other options. For example, if the affected workers are part of a union, they may go through the union and provide services at the union headquarters. Other times, they set up resource centers and workshops at a location close to the company or plant, such as a nearby hotel.

Regional coordinators provided JLARC staff with information on services provided to workers for 217 of the 224 events. Coordinators were able to provide services either onsite or nearby for 71 percent of the 217 events. For the events

Figure 32

Layoff Events for Which Services Were Offered by Regional Coordinators During FY 2002



* Number of affected workers could not be identified for 16 of the 224 events.

Note: Regional coordinators were made aware of these events and offered services in FY 2002, but many of the layoffs may not have occurred until FY 2003.

Source: JLARC staff analysis of data provided by the Virginia Employment Commission.

where the coordinators were unable to provide services directly to the workers, packets of information were typically delivered to the site. The types of services provided to affected workers include employee briefings, onsite registration for Unemployment Insurance, employee surveys, resource rooms, job fairs, and workshops.

The most frequently provided services are the employee briefing and onsite registration for Unemployment Insurance (UI), as illustrated in Table 19. State-wide, employee briefings were provided to workers for 69 percent of the events and onsite registration for Unemployment Insurance was provided for 65 percent of the events. The role of the coordinator in setting up employee briefings is to bring various partners, such as WIA program providers, to the briefing to provide information about multiple services. In the central region, it is the policy of the regional coordinator to contact one-stop operators and request that they send a staff person to the briefing. Oftentimes, the onsite registration for Unemployment Insurance occurs during the employee briefing.

| <p>Table 19</p> <p>Services Provided by the Rapid Response Onsite Program, by Region</p> | | | | | |
|--|--------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------|
| Service | Northern Region n=82 | Central Region n=59 | Eastern Region n=36 | Western Region n=40 | Statewide n=217 |
| Employee Briefing | 44% | 73% | 81% | 78% | 69% |
| Onsite Registration for Unemployment Insurance | 20% | 69% | 75% | 98% | 65% |
| Employee Survey | 0% | 36% | 22% | 25% | 22% |
| Resource Center | 13% | 12% | 8% | 58% | 22% |
| Workshops | 17% | 3% | 3% | 55% | 19% |
| Job Fair | 10% | 10% | 6% | 3% | 7% |
| Note: Information was not provided for a total of 7 events. | | | | | |
| Source: JLARC staff analysis of data provided by the Virginia Employment Commission. | | | | | |

Based on the information provided to JLARC staff by regional coordinators, the onsite activity of the Rapid Response program appears to be providing valuable services to Virginia citizens affected by company closures and downsizing. However, there is little measurement of the program's performance, or assessment of possible improvements. For example, the Dislocated Worker Unit of the VEC does not maintain complete information on the companies approached and services provided or on the number of workers who took advantage of the program services.

Since the Rapid Response program focuses on the need to respond to events in a timely manner, the paperwork for the program should not be burdensome. However, the regional coordinators should provide basic information to the DWU on their work and that information should be provided regularly to the Council, as that body advises the Governor on the use of Rapid Response funds.

***Recommendation (9).* The State Dislocated Worker Unit should collect basic information on companies approached and services provided by the Rapid Response program in order to evaluate the performance of the program, suggest improvements, and report regularly to the Virginia Workforce Council.**

One reason why the central reporting may not be occurring is that the regional coordinators, who provide onsite services, do not report to the director of the Dislocated Worker Unit. Instead, they report to VEC regional marketing representatives. The VEC Commissioner stated that this reporting structure is in place only because the representatives are in the same office and able to provide day-to-day management of the regional coordinators. However, there is a precedent for regionally located staff to report to the WIA Division, as the monitor/consultants report directly to the WIA Division Director but are housed in VEC field offices. Changing

the reporting structure may assist in the oversight and tracking of the onsite program. In addition, the relationship to the WIA Division may assist regional coordinators in working with partner programs.

***Recommendation (10).* The Rapid Response regional coordinators should report to the Director of the Dislocated Worker Unit within the Workforce Investment Act Division of the Virginia Employment Commission.**

The Virginia Workforce Council Does Not Have the Appropriate Information to Make Informed Recommendations to the Governor

In addition to the eight activities mandated by federal law, the *Code of Virginia* requires the VEC to staff the Virginia Workforce Council (the Council), along with the Virginia Community College System (VCCS). The Council is responsible for establishing a statewide strategy for workforce training and making recommendations to the Governor on several issues, including the WIA programs and service delivery system.

For the first two years of WIA, VEC provided the substantive staff to the Council and VCCS provided a single staff member as a resource only. This summer, VEC entered into a memorandum of understanding (MOU) with the VCCS to share staffing responsibilities. The MOU states that the VEC is lead staff for the full Council, as well as three of the six committees. The VCCS is lead staff for the remaining three committees. For this task, the VEC transfers \$250,000 in WIA statewide activities dollars to the VCCS.

Generally, the VEC has not provided the Council with sufficient information to provide informed recommendations to the Governor on WIA administration. For example, for the first two years, the Council was rarely shown a budget or provided information on how much of the WIA grants have been spent. In addition, the VEC generally does not collect enough information or monitor the system sufficiently. This has been explained both in this chapter and in Chapter III. As a result, the Council does not have the information it needs to make recommendations to the Governor on the operation of the system.

This year, the VEC has made a more concerted effort to keep the Council informed. However, having staff to the Council who also have an administrative role over the system may not be the best option. This is because the agency has a vested interest in the recommendations of the Council, as it will be affected by them. This is addressed more in the next section.

DEVELOPMENT OF A STATE SYSTEM OF WORKFORCE TRAINING

Currently, Virginia lacks a coherent, coordinated system of workforce training. Programs are fragmented and spread out among ten State agencies with no formal method for coordination. As a result, there is a potential for duplication among many programs that provide similar services to similar populations. The

WIA legislation provided a framework to address this fragmentation, but Virginia has failed to initiate the workforce reform necessary to expand on that framework to develop a true, statewide workforce training effort.

The current State governance structure lacks both authority and accountability, resulting in fragmentation and “turf battles.” The agency or entity overseeing the statewide service delivery system must have the authority to direct State and local staff to coordinate their activities, and must facilitate the removal of barriers towards that end. In addition, State and local staff who are implementing the system on a day-to-day basis must be held accountable for system performance and be required to collect and provide sufficient information to evaluate the system. Neither the VEC, nor any other existing State agency, has the authority to direct partnerships and demand accountability.

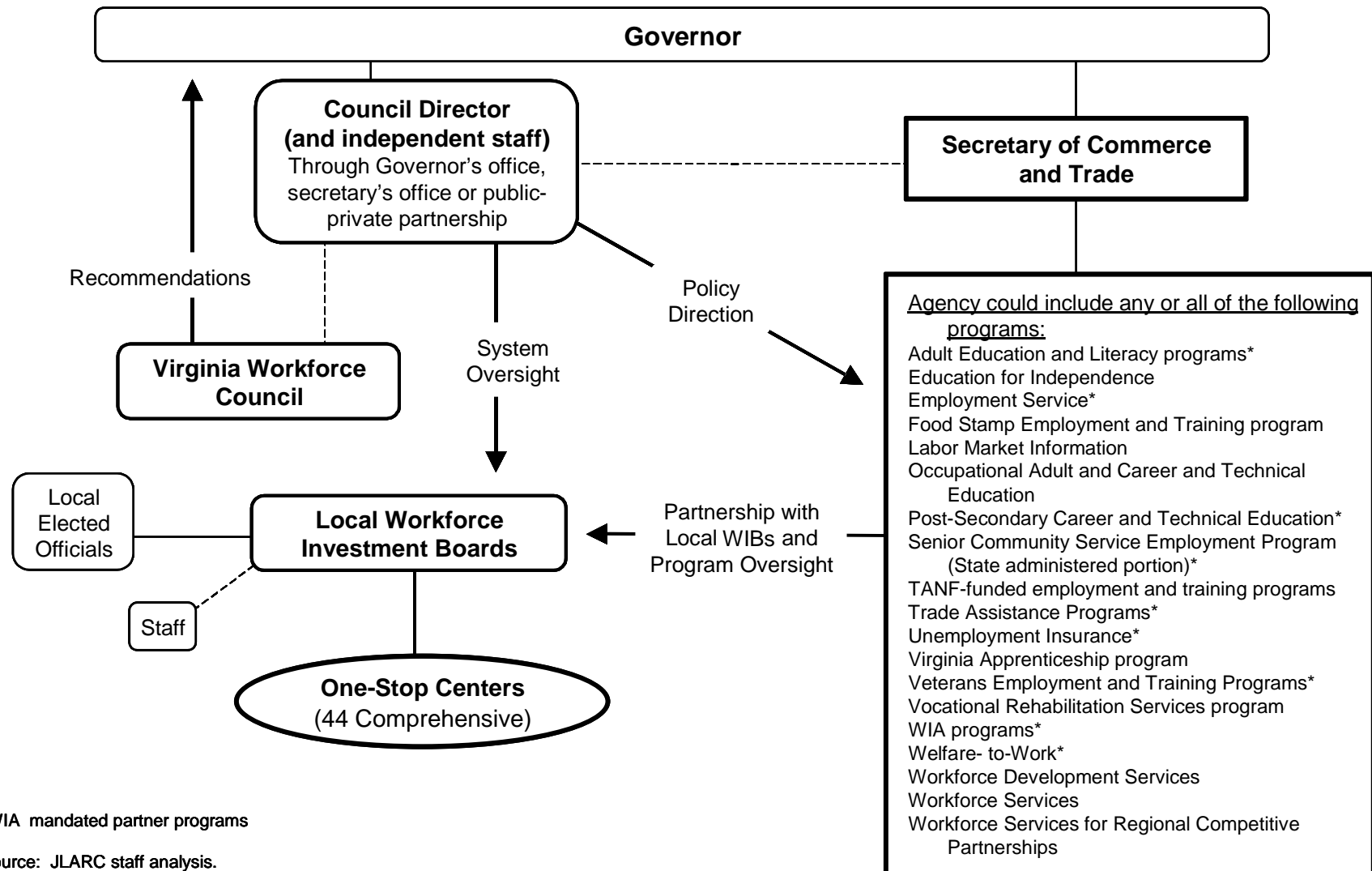
Based on the findings in this report, JLARC staff recommend that Virginia initiate workforce training reform by re-structuring the State governance of workforce training programs. The new governance model is shown in Figure 33. The model consolidates workforce training programs under a single agency. This agency will not require additional staff, but will include staff who are currently spread out among multiple agencies. The new agency could include the functions currently completed by the Virginia Employment Commission, such as Employment Service, Labor Market Information, and Unemployment Insurance, and also the TANF-funded and employment and training programs administered by the Department of Social Services. Cost savings could be realized through streamlining service delivery, removing duplication, and consolidating administrative functions, such as accounting, human resources, information technology, and procurement. During agency development, administrators should consider best practices by other states that have consolidated program administration under a single agency.

In addition, the monitoring of the system and general policy and strategic direction would remain the responsibility of the Virginia Workforce Council, through recommendations to the Governor. In the new model, however, the Council would have independent staff. The director of the Council should be appointed by the Governor and be separate from any program administration function. The staff could be situated within the Governor’s office, the office of the Secretary of Commerce and Trade, or through a public-private partnership. Assigning these staff would not require new positions. The positions would be funded from the funds currently used by VEC and VCCS to provide staff support to the Council. The director should be designated as the lead for workforce training in the State, and the point of contact for the business community who are interested in the State’s workforce effort.

These changes to the State’s governance of workforce training programs insert authority and accountability to the system by clearly defining responsibilities. The director of the new workforce agency and the director of the Council should work closely to establish a system that uses funding in the most effective manner to provide comprehensive, seamless services in support of a quality workforce and sustained economic development.

Figure 33

New Model of WIA Governance in Virginia Recommended by JLARC Staff



To summarize, JLARC staff recommend the following actions:

- Consolidate multiple workforce training programs within a new agency and assign that agency as the lead agency for WIA.
- Assign independent staff to the Virginia Workforce Council through the Governor's office, office of the Secretary of Commerce and Trade, or a public-private partnership.
- Designate the director of the Virginia Workforce Council as the lead for workforce training and development in the State.

The General Assembly Should Consider Establishing a New State Agency That Consolidates Workforce Training Programs

To address the lack of coordination among workforce training programs, JLARC staff have identified four options. They are: (1) leave the system as it is, (2) transfer responsibility of the WIA to another existing State agency, (3) require agency heads to meet regularly to discuss methods for coordination, or (4) consolidate workforce training programs under a single agency. The benefits and challenges to these options are summarized in Table 20.

Options #1 and #2. As this report demonstrates, the Virginia Employment Commission (VEC) does not have the authority to facilitate development of a statewide system of workforce training. The VEC has only the authority to coordinate the programs it administers with the one-stop service delivery system. It has no authority to hold other State agencies accountable for contributing to or coordinating with the statewide system. In addition, any other existing State agency would face the same barriers as the VEC. Therefore, while leaving the administration of the WIA to the VEC or assigning it to another existing State agency are options, they both support continued fragmentation that may result in inefficient, ineffective services for Virginia's citizens.

Option #3. The third option requires agency heads to meet on a regular basis to discuss ways to coordinate services and reduce inefficiencies. This method could work if the Governor strongly directs that the agencies cooperate. The Coordinated Economic Relief Centers (CERCs) illustrate that the Governor's directives can result in action. These centers were established in a relatively short period of time to consolidate access to services through four one-stop centers in three areas facing sharp increases in unemployment. However, CERCs are temporary. It is unclear whether this is a long-term solution, as it does not address the potential for duplication and inefficiencies among similar programs over time. In addition, this method of coordination relies on the Governor's willingness to direct coordination among agency directors on the issue of workforce training, which may not occur with new administrations.

| <p>Table 20</p> <p>Benefits and Challenges of Four Options for Coordinating Workforce Training Programs</p> | | |
|---|---|--|
| Option | Benefits | Challenges |
| #1: Maintain the current organization of workforce training programs | <ul style="list-style-type: none"> ▪ Non-disruptive to the current system. | <ul style="list-style-type: none"> ▪ The VEC does not have the authority to hold other State agencies accountable for their programs' participation in the statewide workforce effort. |
| #2: Transfer administration of the WIA to another, existing State agency | <ul style="list-style-type: none"> ▪ Transfer could result in a more training-oriented agency. | <ul style="list-style-type: none"> ▪ Any other existing State agencies would face the same challenges as the VEC in terms of system development. |
| #3: Require agency heads to meet regularly to discuss methods for coordination | <ul style="list-style-type: none"> ▪ Facilitates discussion of coordination issues. ▪ The Coordinated Economic Relief Centers demonstrate that Governor's directives result in action. | <ul style="list-style-type: none"> ▪ Not a long-term solution because it relies on the Governor's directives to agency heads to coordinate services. ▪ Agency heads still may be reluctant to share resources. |
| #4: Consolidate workforce training programs within a new State agency | <ul style="list-style-type: none"> ▪ Workforce training programs are accountable to the agency. ▪ Cost savings may be achieved as administrative functions are consolidated and duplicative services are streamlined. ▪ The agency's administration could coordinate programs and ease funding and bureaucratic barriers. | <ul style="list-style-type: none"> ▪ Approach will disrupt the current system. ▪ Other activities and functions of the VEC must be adapted to the new agency. ▪ Concern that the new agency will add a new bureaucratic entity, without achieving a net reduction or streamlining of administrative/program functions, needs to be addressed by a specific plan. |
| <p>Note: The option in bold is recommended by JLARC staff.</p> <p>Source: JLARC staff analysis.</p> | | |

Option #4. The fourth option, consolidating programs under the purview of a single agency, is a long-term solution that could facilitate coordination and cost efficiencies. This approach has been taken in several states that started initiating workforce reform before the WIA was passed. JLARC staff conducted a review of four states: Pennsylvania, which has not established a consolidated agency for workforce training, and Texas, Florida, and Michigan, which have consolidated state agencies. Pennsylvania was selected for review because it is one of the states in the same Department of Labor region as Virginia. The remaining states were selected

because they had initiated workforce reform prior to WIA, implemented WIA early, and were recommended to JLARC staff as states with best practices.

As Table 21 shows, Michigan, Texas, and Florida have all consolidated workforce training under a single agency. However, it is important to note that the programs consolidated within the agency differ between states. For example, only the Michigan Department for Community Development (MDCD) houses the Adult Education and Literacy programs and the Vocational Rehabilitation program. There are several programs that are consistently consolidated. Those include the WIA, Wagner-Peyser (Employment Service), Welfare-to-Work, TANF-funded employment and training programs, and Food Stamp Act programs. In addition, the consolidated agencies house other functions that are currently administered by the VEC in Virginia, such as Unemployment Insurance and Labor Market Information.

By consolidating programs within a single agency, savings may be achieved by combining administrative activities, such as human resources, information technology, procurement, and accounting. In addition, there may be savings realized from coordinating programs that appear to be duplicative (as described in Chapter II). By consolidating program resources, the State agency could also facilitate development of a data management system that could track “system” participants, not just “program” participants.

Other states have implemented innovative approaches for service delivery through their new, consolidated agencies. For example, in Florida, the Agency for Innovation (AFI) staff provide program services at one-stop centers. However, the day-to-day supervisory responsibilities have been transferred to the one-stop center operators, which are designated by the local workforce investment boards. Although hiring and firing decisions are made by the state agency, there is clear accountability of state staff to the workforce investment boards.

In Michigan, there are no local offices of the Michigan Department for Community Development (MDCD). The funding for WIA, Wagner-Peyser, Welfare-to-Work, and TANF funds for employment and training programs are allocated to local workforce investment boards. The WIBs designate one-stop operators through a competitive bidding process to provide the services. A clear line of accountability is established through the funding. One-stop centers are accountable to the local WIBs through a performance contract, and local WIBs are accountable to the MDCD. The one complication with this approach is that the Wagner-Peyser Act requires that the individuals providing services allowed by the Act (such as Employment Service in Virginia) must be “merit-based” government staff. Therefore, one-stop centers provide these services through staff of local governments, public schools, or State agencies.

To facilitate coordination, both Florida and Michigan have developed a single data management system to track participants in four programs (WIA, Welfare-to-Work, Wagner-Peyser, TANF). The data system produces the performance reports necessary for each program, while allowing participants to be co-enrolled and

| <p>Table 21</p> <p>Programs Administered by the Lead Agency For WIA In Five States, Including Virginia</p> | | | | | |
|--|---------------------------------|---|----------------------------------|----------------------------|--------------------------------|
| | Florida | Michigan | Pennsylvania | Texas | Virginia |
| Consolidated State Agency | ✓ | ✓ | | ✓ | |
| Name of State Agency | Agency for Workforce Innovation | Michigan Department for Community Development | Department of Labor and Industry | Texas Workforce Commission | Virginia Employment Commission |
| Adult Education and Literacy | | ✓ | | | |
| Apprenticeship | | ✓ | | ✓ | |
| Post-Secondary Career and Technical Education | | ✓ | ✓ | ✓ | |
| Food Stamp Act employment and training programs | ✓ | ✓ | | ✓ | |
| Labor Market Information | ✓ | ✓ | ✓ | ✓ | ✓ |
| Trade Adjustment Assistance | ✓ | ✓ | ✓ | ✓ | ✓ |
| Senior Community Service Employment Program | ✓ | | | ✓ | |
| TANF-funded employment and training programs | ✓ | ✓ | | ✓ | |
| Unemployment Insurance | ✓ | ✓ | ✓ | ✓ | ✓ |
| Veterans programs | ✓ | ✓ | ✓ | ✓ | ✓ |
| Vocational Rehabilitation | | ✓ | ✓ | | |
| Wagner-Peyser funded program | ✓ | ✓ | | ✓ | ✓ |
| Welfare-to-Work | ✓ | ✓ | | ✓ | |
| WIA Programs | ✓ | ✓ | ✓ | ✓ | ✓ |
| Source: JLARC staff analysis. | | | | | |

benefiting from multiple services through the one-stop centers. Through this approach, the states can evaluate the impact of the “system” in addition to the impact of individual “programs.”

Pennsylvania, like Virginia, has not established a consolidated state agency for workforce training. According to a Bureau Director at the Pennsylvania Department of Labor and Industry, the greatest challenge is working with other state agencies to coordinate services and share resources. This is the same challenge currently facing Virginia. By creating a single agency, “turf battles” are eased because the multiple programs would be under the same umbrella, working towards the same goal.

It is important to note that, if Virginia adopted this model, the functions that are currently the responsibility of the Virginia Employment Commission would be assumed by the new State agency. The main functions of the VEC include Unemployment Insurance, Labor Market Information, WIA, and Employment Service (Wagner-Peyser). As shown in Table 22, all of these functions were assumed by the new, consolidated agencies in Michigan, Florida, and Texas. In addition to these functions, the new State agency could include all of the 22 workforce training programs identified in this report (Chapter II). The Secretary of Commerce and Trade should develop a plan for the consolidation of workforce training programs as well as other functions currently performed by the VEC. It is important to note that this new agency should not require new staff. The agency would consolidate existing staff who are currently spread out in multiple agencies.

Recommendation (11). The General Assembly may wish to consider consolidating workforce training programs under a new State agency for workforce training and development. The new agency should also assume the functions currently completed by the Virginia Employment Commission. The new State agency head should be the lead for the implementation and administration of the one-stop service delivery system and the programs consolidated within the agency. The Secretary of Commerce and Trade should develop a plan for the consolidation into a single agency workforce training programs as well as other functions currently performed by the Virginia Employment Commission.

The Virginia Workforce Council Should Have Independent Staff Through the Governor's Office or a Public-Private Partnership

The Virginia Workforce Council has two main functions: (1) strategic planning for the State's workforce effort, and (2) oversight of the one-stop service delivery system. The Council has not succeeded in the second mission, because it has not been provided with sufficient information to provide oversight. The Council is not in a position to oversee the day-to-day administration of workforce training programs or the one-stop centers, given its membership and quarterly meeting schedule. However, it is in the position to evaluate whether the system is working and what policy changes could be made to improve service delivery and performance.

There are two options for staffing the Virginia Workforce Council: (1) allow the new State agency to staff the Council, or (2) assign the Council independent staff. The challenges and benefits of these options are summarized in Table 22.

Option #1: Allow New State Agency to Staff Council. Currently, the Council is staffed primarily by the Virginia Employment Commission, although the Virginia Community College System (VCCS) is designated in the *Code of Virginia* as staff to the Council as well. As discussed earlier in this chapter, the VEC recently

| <p style="text-align: center;">Table 22</p> <p style="text-align: center;">Benefits and Challenges of Two Options for Staffing the Virginia Workforce Council</p> | | |
|---|---|--|
| Option | Benefits | Challenges |
| #1: Establish staff of the new State agency as the staff to the Virginia Workforce Council | <ul style="list-style-type: none"> ▪ No additional staff costs. | <ul style="list-style-type: none"> ▪ There is a conflict of interest, as the Council is evaluating programs administered by the agency. |
| #2: Assign independent staff to the Virginia Workforce Council | <ul style="list-style-type: none"> ▪ There is a separation of administration and oversight. ▪ No additional staff costs. ▪ The director of the Council reports directly to the Governor or the Secretary of Commerce and Trade. ▪ The director of the Council is designated as the lead for workforce training in the State. | <ul style="list-style-type: none"> ▪ There would be a disruption to the current system. |
| <p>Note: The option in bold is recommended by JLARC staff.</p> <p>Source: JLARC staff analysis.</p> | | |

entered into an agreement with VCCS to provide the VCCS \$250,000 each year to provide staff support to the Council. There are no staff members reporting directly to the Council. For example, VEC staff that provide support to the Council report to the WIA Division Director and the VEC Commissioner. The VCCS staff that support the Council report in a similar fashion through their agency.

During FY 2001 and most of FY 2002, several VEC staff indicated that in order to provide information to the Council, they must first submit that information through the VEC. Therefore, information that the Council received was subject to VEC's perspective. The VEC has attempted to become more open and provide more information to the Council. However, information received by the Council is still subject to the interests and perspectives of the VEC, which is only one stakeholder in the WIA.

Option #2: Assign Independent Staff to the Council. Four of the five states reviewed by JLARC staff have independent staff through the Governor's office or a public-private partnership, as shown in Table 23. The benefit of this arrangement is that it separates the administration and oversight functions. According to the Deputy Director of the state board in Texas, who is appointed by the Governor, the benefit of independent staff is providing third-party monitoring of the system by staff who are not also responsible for administration. According to the Director of

| Table 23 Staff Support for the State Boards in Five States, Including Virginia | | |
|---|--|---|
| State | Staff to the State Board | Reporting Structure |
| Florida | Public-Private Partnership with a Quasi-Governmental Agency | <ul style="list-style-type: none"> • Director is appointed by, and reports to, the Governor • Several staff are classified • Several staff are privately funded through the nonprofit |
| Michigan | Michigan Department for Career Development (MDCD) | <ul style="list-style-type: none"> • Staff are all classified staff working for MDCD |
| Pennsylvania | Public-Private Partnership Administered By the Governor's Office | <ul style="list-style-type: none"> • Staff are all appointed by the Governor |
| Texas | Governor's Office | <ul style="list-style-type: none"> • Director and Deputy Director appointed by the Governor and funded by the Governor's office • Other staff positions are located/funded by various agencies, but staff report to the Director and Assistant Director |
| Virginia | Virginia Employment Commission (VEC) | <ul style="list-style-type: none"> • Staff are all classified staff working for the VEC |
| Source: JLARC staff analysis. | | |

Partnership Opportunities for the state board in Florida, having independent staff is crucial, because the board “needs its own identity.”

There are several models for providing independent staff. Staff could be provided within the Governor's office, the office of the Secretary of Commerce and Trade, or through a public-private partnership. The common themes to all of the models are that the director of the Council is appointed by the Governor and is designated as the lead for workforce training for the State.

The Council and its staff could be part of the Governor's office or the office of the Secretary of Commerce and Trade. Texas houses its state board and the board's staff within the Governor's office. The director and deputy director are appointed by the Governor. The remaining staff are funded by and their positions are seated within the state agencies that administer workforce training programs. The agencies contribute to the operating costs of the Council based on a formula that compares the agencies' financial contribution to the state's overall expenditure on workforce training.

Another option is providing staff through a public-private partnership, as is done in Florida and Pennsylvania. In Florida, a nonprofit organization acts as a quasi-governmental agency to staff the Council. The president of the organization is appointed by the Governor, several of the staff are classified, and several of the staff are private. The organization has a performance contract with the state to oversee the local WIBs and the one-stop service delivery system. The same nonprofit that staffs the Council is also involved in the state's economic development effort. Therefore, strategic planning for workforce development and economic development are linked.

The funding of independent staff is an important issue, especially in difficult economic times. Therefore, it is important to address how the independent staff would be funded. The first source would be the WIA statewide activities dollars. This is the funding currently used by the VEC to provide staff support to the Council. As mentioned earlier, \$250,000 is transferred to the VCCS and additional funds are spent by VEC on Council activities, including conferences, member travel, meeting expenses, and a full-time liaison position. These funds could be transferred to the Governor's office to staff the Council. Based on the availability of these existing funds, the establishment of independent staff should not cost the State additional dollars.

The Virginia Workforce Council recently recommended to the Governor that there be a single person in State government to act as the "lead" for workforce training. According to the Council, this person should be a high-level official, perhaps in the Governor's office or the office of the Secretary of Commerce and Trade. This concept could only be realized if the official was located within the Governor's office and operated the many workforce training programs from that venue. This is not a feasible option. However, JLARC staff suggest that the head of the new State agency and the staff Director of the Council are each accountable for different aspects of the system.

As shown in Exhibit 13, the staff Director of the Council is responsible for strategic planning, WIA policy guidance, and system oversight. In addition, this person should be the point of contact for issues such as jurisdiction, economic development, and coordination of issues that cut across agencies or Secretariats. This individual could bring such issues before the Council and facilitate discussions between multiple agencies. In contrast, the head of the new State agency is responsible for the implementation and administration of the policies recommended by the Council and approved by the Governor. This individual should be held accountable for the operation of the programs within the new agency and the one-stop service delivery system. Lastly, the head of the agency should be the point of contact on issues such as service delivery, and specific issues related to specific programs under the agency's control. These two individuals should work closely to establish a system that uses funding in the most effective manner to provide comprehensive, seamless services in support of a quality workforce and sustained economic development.

| |
|------------|
| Exhibit 13 |
|------------|

Roles and Responsibilities of the New State Agency Head and the Virginia Workforce Council Staff Director

Council Staff Director

- Make recommendations to the Governor on WIA policy guidance for the State agency and local WIBs.
- Monitor and evaluate the overall performance of the one-stop service delivery system.
- Provide strategic planning for the State's system of workforce training.
- Act as the point of contact for the business community, localities, WIBs, and staff from other agencies on policy issues such as:
 - Strategic planning
 - Economic development
 - Jurisdictional issues
 - Coordination of issues crossing agency/Secretarial boundaries

New State Agency Head

- Implement WIA policies recommended by the Council and approved by the Governor.
- Operate the one-stop service delivery system.
- Administer the workforce training programs within the agency.
- Act as the point of contact for citizens, employers, and WIBs on programmatic and operational issues such as:
 - Service delivery
 - Program management and administration
 - Issues related to specific programs administered by the new agency

Source: JLARC staff analysis.

Recommendation (12). The General Assembly may wish to consider assigning independent staff to the Virginia Workforce Council through the Governor's office, the office of the Secretary of Commerce and Trade, or a public-private partnership. The Virginia Workforce Council, through its staff Director, should be the lead for strategic planning, policy guidance, and coordination of issues crossing agency or Secretarial boundaries. Staff for this function should be assigned from existing, reconfigured agencies.

Appendixes

| | |
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Appendix A

In the Conference Report on House Bill 30, language was added to the 2002-2004 Appropriation Act requesting JLARC staff to evaluate the administration of the Workforce Investment Act as part of its review of workforce training. The biennial budget was passed by the General Assembly and approved by the Governor on May 17, 2002.

2002-2004 Appropriations Act

Item 130 E.2

E.1. It is the intent of the General Assembly that unobligated funds appropriated by the General Assembly for the use of local Workforce Investment Boards and returned to the Commonwealth shall be reallocated by the Governor to the same geographic areas from which unobligated funds were obtained. The reallocated funds shall be used for high-priority education programs, including allied health professions, plumbing, tractor-trailer driver training, industrial maintenance, heavy equipment operator training, automotive technician training, industrial machinist training, and high-skills manufacturing. The Secretary of Commerce and Trade shall report to the Chairmen of the House Appropriations and Senate Finance Committees by November 1 of each year on the amounts returned from the local Workforce Investment Boards and uses of the funds reallocated by the Governor.

2. As part of its current review of workforce training services in Virginia, the Joint Legislative Audit and Review Commission shall examine the effectiveness of the state's administration of the Workforce Investment Act and assess whether administration of the program would be improved by transferring responsibility from the Virginia Employment Commission to another state Agency.

JLARC Topic Selection Subcommittee Study Paper

In the fall of 2000, the JLARC Topic Selection Subcommittee approved the two-page study paper for workforce training attached in this appendix. In the November 2000 meeting, the Joint Legislation Audit and Review Commission as a whole approved the topic of workforce training for review.

WORKFORCE TRAINING STUDY

In its discussions of study topics, an issue was raised by the Commission regarding the number of workforce training services in the State, and whether the State is diluting its training efforts by dispersion of providers. This issue could be addressed by identifying and evaluating the types of workforce training services provided by the State, and whether streamlining or consolidating these services would result in increased efficiency and effectiveness. This paper discusses the potential scope for a study to address this issue.

Background

Workforce training services are services that are provided to allow the State's workforce to remain competitive and attract businesses to the State, and to allow certain disadvantaged groups to enter the workforce. Workforce training services provided by the State can be categorized into three groups: (1) services provided to persons with low incomes to allow them to enter the workforce, (2) services provided to the disabled to allow them to enter the workforce, and (3) services provided to the general population to ensure that the State's workforce is competitive and to attract new businesses to the State.

Workforce training services are critical to the State's economy because, as stated in the report of the Governor's Workforce Development Task Force, the competitive advantage of states and communities hinges on the skills of their work forces. A 1997 report stated that "in several regions, including Northern Virginia, Hampton Roads, and the Greater Richmond area, the projected growth of technology jobs is outstripping the State's current capacity to provide skilled workers." In addition, several social and demographic trends provide evidence for the need for a coordinated workforce training system.

In Virginia and in other states, traditional workforce training systems consist of a "patchwork" of federally funded programs that have been created over the past 40 years. This is confusing for both employers and the customers seeking services. Currently, workforce training services in Virginia cross over several secretariats and more than ten agencies, all of which have different funding streams and varying levels of flexibility in their administration. The agencies providing workforce training services include employment-related agencies such as the Virginia Employment Commission, Department of Business Assistance, and Department of Labor; education agencies such as the Community Colleges System; and human services agencies such as the Department of Social Services, Department of Rehabilitative Services, and Department for the Visually Handicapped. This dispersion of workforce training funds and programs can lead to unfocused and uncoordinated training efforts.

A recent federal act – the Workforce Investment Act of 1998 (WIA) – rewrites current federal statutes governing programs of job training, adult education and literacy, and vocational rehabilitation, replacing them with streamlined and more flexible components of workforce development systems. The goal of the act is to

improve coordination between the workforce investment system and the adult education, literacy, and vocational rehabilitation programs and make the system more customer friendly by implementing one-stop shops and providing customers with information on training providers' performance. According to the Virginia Employment Commission's (VEC) web site, the Secretary of Commerce and Trade has been given the responsibility of coordinating this effort and developing a strategic plan for all federal, state, and local workforce efforts. In addition, the VEC has been designated as the lead agency for implementation of the WIA. As a result, the Virginia Workforce Council was developed in 1999, which is charged with leading the broad-based workforce development efforts of the State.

Issue

This issue would likely be addressed by a study that focuses on analyzing the workforce training services provided by the State, and determining the feasibility of streamlining or consolidating these services. Potential research questions for this issue include:

1. Are the funds allocated to the State's workforce training being used effectively, or are they so fragmented and dispersed that they are limiting program effectiveness?
2. How can Virginia's workforce training programs be streamlined to achieve efficiencies and provide services in a more coordinated and effective manner?
3. What is the current status of Virginia's WIA implementation effort? What effect will the WIA have on Virginia's workforce training programs?
4. What risks or benefits would result from consolidating or streamlining workforce training activities?
5. If the workforce training services are consolidated, in which secretariat should they reside?

Proposed Study Approach

Specific plans and schedules for study completion would be presented to the Commission at its April 2001 planning meeting.

Appendix B

| Virginia Workforce Investment Act Local Workforce Area Designations | |
|---|---|
| Area | <i>Representing the Jurisdictions of:</i> |
| 1. Southwest Virginia | Counties of Buchanan, Dickenson, Lee Russell, Scott, Tazewell, and Wise. City of Norton |
| 2. New River/Mount Rogers | Counties of Pulaski, Montgomery, Giles, Floyd, Bland, Wythe, Carroll, Grayson, Washington, and Smyth. Cities of Galax, Radford, and Bristol. |
| 3. Western Virginia | Counties of Allegany, Botetourt, Craig, Franklin, and Roanoke. Cities of Clifton Forge, Covington, Roanoke, and Salem. |
| 4. Shenandoah Valley | Counties of Augusta, Bath, Highland, Page, Rockbridge, and Rockingham. Cities of Buena Vista, Harrisonburg, Lexington, Staunton, and Waynesboro. |
| 5. Northern Shenandoah Valley | Counties of Frederick, Clarke, Shenandoah, and Warren. City of Winchester. |
| 6. Workforce Today!/Northern Central Virginia | Counties of Culpeper, Fauquier, Madison, Orange, Rappahannock, Albermarle, Fluvanna, Greene, Louisa, and Nelson. City of Charlottesville. |
| 7. Central Virginia | Counties of Amherst, Bedford, and Campbell. Cities of Bedford and Lynchburg. |
| 8. South Central Virginia | Counties of Appomattox, Brunswick, Halifax, Mecklenburg, Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Prince Edward. |
| 9. Greater Richmond | Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, and Powhatan |
| 10. City of Richmond | City of Richmond |
| 11. Northern Virginia | Counties of Fairfax, Prince William, and Loudoun. Cities of Fairfax, Falls Church, Manassas and Manassas Park |
| 12. Northern Virginia | County of Arlington and City of Alexandria |
| 13. Bay Consortium | Counties of Accomack, Caroline, Essex, King William, King George, King and Queen, Lancaster, Matthews, Middlesex, Northampton, Northumberland, Richmond, Spotsylvania, Stafford, and Westmoreland. City of Fredericksburg |
| 14. Greater Peninsula | Counties of Gloucester, James City, and York. Cities of Hampton, Newport News, Poquoson, and Williamsburg |
| 15. Crater Area | Counties of Dinwiddie, Greensville, Prince George, Surry, and Sussex. Cities of Colonial Heights, Emporia, Hopewell, and Petersburg |
| 16. Hampton Roads | Counties of Isle of Wight and Southampton. Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, and Virginia Beach |
| 17. West Piedmont | Counties of Henry, Patrick, and Pittsylvania. Cities of Danville and Martinsville |
| Source: Virginia Employment Commission website: http://www.vec.state.va.us/pdf/recommnd.pdf | |

Appendix C

WIA GRANT ALLOCATION FORMULAS

WIA Federal Allocation Formulas

Adult Program (Sec. 132 (b)(1)(B)(ii))

33 1/3 percent shall be allotted on the basis of the relative number of unemployed individuals in “areas of substantial unemployment” in each state, compared to the total number of unemployed individuals in areas of substantial unemployment in all states.

33 1/3 percent shall be allotted on the basis of the relative “excess number” of unemployed individuals in each state, compared to the total excess number of unemployed individuals in all states.

33 1/3 percent shall be allotted on the basis of the relative number of “disadvantaged adults” in each state, compared to the total number of disadvantaged adults in all states.

Dislocated Worker Program

20 percent held in reserve at the federal level. The remaining 80 percent is allocated to the State as described below. (Sec. 132 (a)(2)(A))

80 percent allocated to the states based on the following formula: (Sec. 132 (b)(2)(B)(ii))

33 1/3 percent shall be allotted on the basis of the relative number of unemployed individuals in each state, compared to the total number of unemployed individuals in all states.

33 1/3 percent shall be allotted on the basis of the relative “excess number” of unemployed individuals in each state, compared to the total excess number of unemployed individuals in all states.

33 1/3 percent shall be allotted on the basis of the relative number of individuals in each state who have been unemployed for 15 weeks or more, compared to the total number of individuals in all states who have been unemployed for 15 weeks or more.

Youth Program (Sec. 128 (b)(2)(i))

33 1/3 percent shall be allotted on the basis of the relative number of unemployed individuals in “areas of substantial unemployment” in each state, compared to the total number of unemployed individuals in areas of substantial unemployment in all states.

33 1/3 percent shall be allotted on the basis of the relative “excess number” of unemployed individuals in each state, compared to the total excess number of unemployed individuals in all states.

33 1/3 percent shall be allotted on the basis of the relative number of “disadvantaged youth” in each state, compared to the total number of disadvantaged youth in all states.

WIA State Allocation Formulas**Adult Program**

5 percent retained at VEC for statewide administration

10 percent retained at VEC for statewide activities

85 percent allocated to local workforce investment boards according to the formulas listed below:

FY 2001 – allocated based on the federal formula presented above with hold harmless in effect

FY 2002 – Hold harmless not in effect

70 percent allocated based on the federal formula

30 percent allocated based on the Governor’s discretionary formula:

25 percent based on raw poverty numbers

75 percent based on raw unemployment numbers

FY 2003 – allocated based on the federal formula presented above with hold harmless in effect

Dislocated Worker Program (same for all three years)

5 percent retained at VEC for statewide administration

10 percent retained at VEC for statewide activities

25 percent shall be reserved for statewide rapid response activities.

60 percent shall be allocated to the local areas based on the following allocation formula prescribed by the Governor:

| <u>Factors</u> | <u>Percent</u> |
|----------------------------------|-----------------------|
| Unemployment Insurance Claimants | 20% |
| Excess Unemployed | 10% |
| MLS Initial Claimants | 10% |
| Declined Employment | 20% |
| Agricultural Employment Loss | 5% |
| 15 weeks+ Claimants | 15% |
| Final Payments | 20% |
| Total | 100% |

Youth Program (same for all three years)

5 percent retained at VEC for statewide administration

10 percent retained at VEC for statewide activities

85 percent allocated to local workforce investment boards based on the federal funding formula presented above, with hold harmless in effect.

Definitions

An “area of substantial unemployment” is an area that can sustain WIA activities and has an average unemployment rate of 6.5 percent for the last 12 months.

“Excess number” means the higher of (1) the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State or (2) the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment.

A “disadvantaged youth” is an individual who is age 16 through 21 who is a member of a family that received a total family income that does not exceed the higher of the federal poverty line or 70 percent of the lower living standard income level.

“Hold harmless” means that a local workforce investment area may not get less than 90 percent of the average allocation from the previous two years.

A “disadvantaged adult” is an adult (between the ages of 22 and 72) who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of the federal poverty line or 70 percent of the lower living standard income level.

Appendix D

This appendix contains detailed descriptions of the 22 State-administered workforce training programs.

Adult Education and Literacy Programs

| | |
|--------------------------------------|--|
| Administering Agency: | Department of Education |
| Year Established: | 1939 |
| Guiding Legislation: | Adult Education and Family Literacy Act as amended by the Workforce Investment Act of 1998 |
| Type of Provider: | Training provider |
| Target Population: | No specific target population |
| Program Description: | Adult Education and Literacy programs provide adult education classes and programs to adults who lack a high school diploma, are not proficient in the English language, or who need help in reading, writing, math, or basic computer literacy through General Education Development and Adult Basic Education courses. |
| Referral Process: | Local programs recruit participants via the media and publications. DSS and VEC may refer adults to programs. Those programs that are represented on workforce investment boards actively work with one-stop centers to provide services. |
| Eligibility Criteria: | Open to all individuals ages 17 or older. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide through local public school systems and contracted providers. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$8,754,392 | \$10,000,586 | \$11,065,506 | \$11,900,458 |
| <i>State</i> | \$2,530,000 | \$2,530,000 | \$2,530,000 | \$2,580,000 |
| <i>Local</i> | \$1,825,600 | \$1,941,802 | \$2,904,350 | \$2,931,682 |
| <i>Total</i> | \$13,109,992 | \$14,472,388 | \$16,499,856 | \$17,412,140 |

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Centers for Employment and Training (CETs)

| | |
|--------------------------------------|--|
| Administering Agency: | Department of Social Services |
| Year Established: | 2001 |
| Guiding Legislation: | Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (TANF reserve funds) |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Economically disadvantaged |
| Program Description: | CETs provide job placement and assistance services, skilled training, and the necessary educational skills for employment. The current curriculum include: training regarding computers and office equipment operation, nursing assistant, medical billing and coding, heating and air conditioning, building maintenance, and construction. |
| Referral Process: | Participants are referred to the program from a variety of sources. Many are referred by local departments of social services. Some are referred by other organizations and some simply hear about the program and volunteer. |
| Eligibility Criteria: | Eligibility varies depending on the funding source. However, individuals must be living at or below 200 percent of the federal poverty guidelines to receive services under the TANF funding source. |
| Cost of Services: | No cost for services provided in four of the five locations (The Alexandria CET charges a fee for services if the individual is unable to receive financial assistance through a Pell grant). |
| Primary Location of Services: | CET programs are located in five areas of the State: Abingdon, Alexandria, Lynchburg, Norfolk, and Roanoke. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$0 | \$0 | \$1,026,000 | \$750,000 |
| <i>State</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$0 | \$0 | \$1,026,000 | \$750,000 |

Note: Funding as reported by the Department of Social Services. However, Cats may receive other supplemental funding. The FY 2001 amount includes funding from the Department of Labor, the Community Development Block Grant and the TANF reserve fund. The FY 2002 allocation amount is from the TANF reserve fund.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Economic Employment Improvement Program for Disadvantaged Persons (EEIPDP)

| | |
|--------------------------------------|--|
| Administering Agency: | Department of Social Services |
| Year Established: | 1998 |
| Guiding Legislation: | Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (TANF reserve funds) and Chapter 7, Section 63.2-700 et seq. of the Code of Virginia |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Economically disadvantaged |
| Program Description: | EEIPDP provides education and job-training services to certain disadvantaged persons, including non-custodial parents, in order to promote self-sufficiency. |
| Referral Process: | Participants are referred via outreach activities, local departments of social services, the SAFE shelter (for battered women), colleges, court systems, and public schools. |
| Eligibility Criteria: | Participants in the programs must have at least one minor child and have an income below 200 percent of the federal poverty level. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | EEIPDP programs have eight locations throughout the State in the following workforce investment areas: Western Virginia (Area 3), Northern Central Virginia (Area 6), Greater Richmond (Area 9), Greater Peninsula (Area 14), and West Piedmont (Area 17). |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$0 | \$0 | \$200,000 | \$200,000 |
| <i>State</i> | \$150,000 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$150,000 | \$0 | \$200,000 | \$200,000 |

Note: EEIPDP was established in 1998 and administered by the Governor's Employment and Training Department (GETD) until 1999 when the GETD was disbanded. The program moved to the Department of Social Services in 2001. No information and funding was reported for FY 2000.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Education for Independence (EFI)

| | |
|--------------------------------------|---|
| Administering Agency: | Department of Education |
| Year Established: | 1984 |
| Guiding Legislation: | Workforce Investment Act of 1998 |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Economically disadvantaged |
| Program Description: | The EFI program provides career and technical education through career and personal counseling, other job preparation services, job development, and financial assistance for training and support services (such as child care and transportation) to enable participants to be self-sufficient. |
| Referral Process: | Local departments of social services, community college counselors or other staff members, public school staff, or other local/regional agencies. |
| Eligibility Criteria: | Single parents, displaced homemakers, and women in nontraditional career programs. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide primarily through community colleges. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$2,400,000 | \$2,400,000 | \$2,400,000 | \$1,600,000 |
| <i>State</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$2,400,000 | \$2,400,000 | \$2,400,000 | \$1,600,000 |

Note: The EFI program was established and funded under the Perkins Act until 2000. In FY 2000, the Perkins Act and the TANF reserve jointly funded the program. In FY 2001, TANF and WIA jointly funded the program. In FY 2002, WIA was the sole provider of EFI funding.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Employment Service

| | |
|--------------------------------------|---|
| Administering Agency: | Virginia Employment Commission |
| Year Established: | 1933 |
| Guiding Legislation: | Wagner-Peyser Act as amended by the Workforce Investment Act of 1998 |
| Type of Provider: | Provider of services to individuals |
| Target Population: | No specific target population |
| Program Description: | The Employment Service program assists jobseekers in finding jobs and employers in finding qualified workers. The program provides job counseling, job placement assistance, and general labor exchange services through the VEC's automated employment and labor exchange (ALEX) system. |
| Referral Process: | Most Unemployment Insurance claimants are referred to the Employment Service program when they file a claim. Participants may be referred from one-stop centers and one-stop partners. Referral information is available on the internet through the VEC home page. |
| Eligibility Criteria: | No specific eligibility requirement |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide through Virginia Employment Commission field offices. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$16,404,786 | \$16,201,763 | \$16,362,720 | \$16,820,479 |
| <i>State</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$16,404,786 | \$16,201,763 | \$16,362,720 | \$16,820,479 |

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Food Stamp Employment and Training Program (FSET)

| | |
|--------------------------------------|--|
| Administering Agency: | Department of Social Services |
| Year Established: | 1985 |
| Guiding Legislation: | Food Stamp Act as amended in 2000 |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Economically disadvantaged |
| Program Description: | The FSET Program is a multi-component employment and training program that provides job search, job search training, education, training and work experience to non-public assistance Food Stamp recipients. The program's role is to provide food stamp recipients with opportunities that will lead to paid employment and decrease dependency on assistance programs. Participation in the FSET program is a requirement of all Food Stamp recipients who are not exempt from the program. The program provides job search, job search training, education, training and work experience. |
| Referral Process: | The eligibility worker is responsible for determining if a recipient is a mandatory work registrant and referring the individual to the FSET program. |
| Eligibility Criteria: | Food Stamp recipients ages 18-50 who are not already working in an approved program, or are responsible for care of a child, or are pregnant, or are medically certified as unable to work, or meet other work registration exemption reasons, or live in an exempt locality. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide-there are 41 local departments of social services offering the program. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$3,876,939 | \$4,591,541 | \$4,591,541 | \$0 |
| <i>State</i> | \$1,073,030 | \$1,095,240 | \$1,290,298 | \$1,290,298 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$4,949,969 | \$5,686,781 | \$5,881,839 | \$1,290,298 |

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Occupational Adult in Career and Technical Education

| | |
|--------------------------------------|--|
| Administering Agency: | Department of Education |
| Year Established: | 1919 |
| Guiding Legislation: | No federal or State guiding legislation |
| Type of Provider: | Training provider |
| Target Population: | No specific target population |
| Program Description: | The Occupational Adult and Career and Technical Education program provides post-secondary career and technical education for persons who: (1) have already entered the labor market, (2) need training or retraining in preparation for a new occupation, or (3) need training updated or upgraded to achieve stability or advancement in their current employment. Services are provided through night courses at local public schools. |
| Referral Process: | Participants choose to attend adult occupational programs offered by a local school division. Participants usually are not referred. |
| Eligibility Criteria: | No specific eligibility criteria. |
| Cost of Services: | Services provided at a cost to individuals (such as course fees, books, and supplies). |
| Primary Location of Services: | Statewide through the public school system. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$0 | \$0 | \$0 | \$0 |
| <i>State</i> | \$1,910,000 | \$2,070,000 | \$2,430,060 | \$2,360,837 |
| <i>Local</i> | \$6,268,996 | \$6,154,991 | \$4,480,232 | \$5,446,296 |
| <i>Total</i> | \$8,178,996 | \$8,224,991 | \$6,910,292 | \$7,807,133 |

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Opportunity Knocks

| | |
|--------------------------------------|---|
| Administering Agency: | Department of Social Services |
| Year Established: | 1992 |
| Guiding Legislation: | Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (TANF reserve funds) |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Economically disadvantaged |
| Program Description: | The Opportunity Knocks program is designed to improve the employability of and provide assistance to disadvantaged young adult parents (including non-custodial parents) through the provision of education and skills training and by fostering marriage. |
| Referral Process: | Participants are referred via outreach activities, local departments of social services, correctional facilities, Head Start programs, homeless shelters, local health departments, the Virginia Employment Commission field offices, and the Workforce Investment Areas' local Youth Councils. |
| Eligibility Criteria: | The program is limited to individuals between ages 18 and 30. Participants must have at least one minor child and have an income below 200 percent of federal poverty level. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Services are located in five select areas of the State in the following workforce investment areas: New River/Mount Rogers (Area 2), Western Virginia (Area 3), Shenandoah Valley (Area 4), Greater Richmond (Area 9), and Hampton Roads (Area 16). |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$0 | \$0 | \$500,000 | \$500,000 |
| <i>State</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$0 | \$0 | \$500,000 | \$500,000 |

Note: In FY 1999 and FY 2000, the Opportunity Knocks programs were administered by the Governor's Employment and Training Department, which was disbanded with the establishment of WIA in FY 2001. Data for these two years were unavailable.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Post-Secondary Career and Technical Education

| | |
|--------------------------------------|--|
| Administering Agency: | Virginia Community College System |
| Year Established: | 1963 |
| Guiding Legislation: | Perkins Act as amended by the Workforce Investment Act of 1998 |
| Type of Provider: | Training provider |
| Target Population: | No specific target population |
| Program Description: | The Post-Secondary Career and Technical Education program provides assistance to community colleges for post-secondary vocational and technical education programs. Beneficiaries are students enrolled in the programs. |
| Referral Process: | Self, employers, school counselors, current and former students or clients, advertisements, other agencies. |
| Eligibility Criteria: | No specific eligibility criteria. |
| Cost of Services: | Services provided at a cost to individuals (such as course fees, books, and supplies). |
| Primary Location of Services: | Statewide through community colleges. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$3,056,522 | \$3,256,680 | \$3,318,664 | \$3,304,659 |
| <i>State</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$3,056,522 | \$3,256,680 | \$3,318,664 | \$3,304,659 |

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Senior Community Services Employment Program (SCSEP)

| | |
|--------------------------------------|--|
| Administering Agency: | Department for the Aging and five other federally contracted nonprofit organizations (AARP, Experience Works, National Asian Pacific Center on Aging, Urban League, U.S. Forest Service) |
| Year Established: | 1978 |
| Guiding Legislation: | Older Americans Act as amended in 2000 |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Economically disadvantaged |
| Program Description: | SCSEP provides subsidized part-time employment in community service positions. The goal of the program is to foster individual economic self-sufficiency by moving able participants into employment in the private and public sectors. |
| Referral Process: | Outreach and recruitment efforts include public service announcements, newspaper ads, distribution of literature in organizations in the community, articles in newsletters of area agencies on aging and/or other organizations, public TV or radio shows, etc. Enrollees are referred by other human services organizations, churches, one-stop centers, current and former enrollees. |
| Eligibility Criteria: | Low-income individuals age 55 years and older. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide through area agencies on aging and other contracted nonprofit organization provider offices. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$3,000,293 | \$3,002,468 | \$3,001,288 | \$3,003,098 |
| <i>State</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$211,065 | \$211,307 | \$211,209 | \$211,410 |
| <i>Total</i> | \$3,211,358 | \$3,213,775 | \$3,212,497 | \$3,214,508 |

Note: Funding includes only Department for the Aging allocations.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Trade Adjustment Assistance Programs, which includes Transitional Adjustment Assistance (TAA) and NAFTA- Trade Adjustment Assistance (NAFTA-TAA)

| | |
|--------------------------------------|--|
| Administering Agency: | Virginia Employment Commission |
| Year Established: | 1974 (TAA) 1993 (NAFTA-TAA) |
| Guiding Legislation: | Trade Assistance Act of 1974 (TAA) as amended by the Trade Act of 2002. North American Free Trade Agreement Implementation Act of 1993 (NAFTA-TAA) |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Dislocated workers |
| Program Description: | Trade Adjustment Assistance programs provide training, job search and relocation allowances, income support and other assistance to workers affected by increased imports. |
| Referral Process: | Company officials may file a petition for certification as an affected employer; or a petition may be filed by a group of three or more workers, by their union, or other authorized representatives. |
| Eligibility Criteria: | Workers who are laid off or whose hours of work and wages are reduced as a result of increased imports. To receive NAFTA-TAA funding, the workers must be affected as a result of increased imports from Mexico or Canada. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide through Virginia Employment Commission field offices. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$4,426,375 | \$4,119,875 | \$4,456,250 | \$3,763,375 |
| <i>State</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$4,426,375 | \$4,119,875 | \$4,456,250 | \$3,763,375 |

Note: Funding includes Transitional Adjustment Assistance (TAA) and NAFTA-Trade Adjustment Assistance (NAFTA-TAA) allocations. Funding allocations are determined based on need.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Veterans Employment and Training Programs

| | |
|--------------------------------------|---|
| Administering Agency: | Virginia Employment Commission |
| Year Established: | 1972 |
| Guiding Legislation: | Chapter 41 of Title 38 of the United States Code |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Veterans |
| Program Description: | The veterans employment and training programs provide statewide job counseling, job training and job placement services to eligible veterans of all periods of military service, as defined in Title 38 (Chapter 42) of the United States Code and all other appropriate and related legislation, such as the Workforce Investment Act of 1998. |
| Referral Process: | Participation in the benefits of these programs is largely based on job seekers who voluntarily come to the 39 VEC field offices across the State for job search assistance. There are a limited number of referrals from the U.S. Department of Veterans Affairs. The Transition Assistance Program (TAP) serves as a source of exiting military personnel who wish to remain in Virginia. The TAP program is a job search workshop that is presented on-site at military bases. |
| Eligibility Criteria: | Veterans of all periods of military service |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide through Virginia Employment Commission field offices. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$2,978,000 | \$2,965,250 | \$3,101,250 | \$3,188,250 |
| <i>State</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$2,978,000 | \$2,965,250 | \$3,101,250 | \$3,188,250 |

Note: Funding provided is for only veterans employment and training programs administered by the Virginia Employment Commission. These programs are the Disabled Veterans Outreach Program (DVOP) and the Local Veterans' Employment Representatives (LVERs).

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Virginia Initiative for Employment not Welfare (VIEW)

| | |
|--------------------------------------|--|
| Administering Agency: | Department of Social Services |
| Year Established: | 1995 |
| Guiding Legislation: | Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and Sections 63.2-608 through 63.1-615 of the Code of Virginia |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Economically disadvantaged |
| Program Description: | VIEW is the employment component of Virginia's Temporary Assistance to Needy Families (TANF) program. The goal is to provide employment and training opportunities to assist individuals in attaining the goal of self-sufficiency. The program provides job search assistance, job readiness, and training services to non-exempt TANF recipients. |
| Referral Process: | After a family applies for Temporary Assistance for Needy Families (TANF), the local department of social services has up to 45 days to process the application. During this time, the local department determines whether any adult is exempt from VIEW participation for reasons such as a disability or caring for a child under 18 months of age. Adults that not exempt are referred to the VIEW program. An automated referral is sent to the employment services worker upon case approval. |
| Eligibility Criteria: | The program is mandatory for all recipients of TANF who do not meet the exemptions described in 63.2-609 of the Code of Virginia. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide through local departments of social services. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$34,345,900 | \$29,395,192 | \$31,145,192 | \$30,110,192 |
| <i>State</i> | \$26,911,190 | \$20,658,359 | \$30,413,929 | \$20,708,359 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$61,257,090 | \$50,053,551 | \$61,559,121 | \$50,818,551 |

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Virginia Registered Apprenticeship Program

| | |
|--------------------------------------|--|
| Administering Agency: | Department of Labor and Industry (DOLI) and the Virginia Community College System (VCCS) |
| Year Established: | 1938 |
| Guiding Legislation: | The Apprenticeship Act as amended in 1997 and Sections 40.1-117 through 40.1-127 of the Code of Virginia |
| Type of Provider: | Training provider |
| Target Population: | No specific target population |
| Program Description: | The Virginia Registered Apprenticeship program provides formalized career training through a combination of on-the-job training and related technical instruction to train employees in occupations that demand a high level of skill. Participants receive paid on-the-job training (minimum of 2,000 hours) through businesses or sponsors (group of businesses). Related instruction is provided through local training providers such as community colleges, vocational education centers, or journeymen ("graduates" of an apprenticeship trade). DOLI is responsible for general program oversight and for registering businesses (or sponsors). VCCS is responsible for overseeing the related instruction component. |
| Referral Process: | Referrals come from the following sources: employers/sponsors, labor organizations, industry leaders, high school guidance counselors, apprenticeship program field representatives, apprenticeship related instruction coordinators, DOLI web-site visits, one-stop centers, other federal and State agencies, and parents and students. |
| Eligibility Criteria: | The program is open to all participants with appropriate qualifications for the job, such as a high school diploma. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide through registered businesses or sponsors. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$0 | \$0 | \$0 | \$0 |
| <i>State</i> | \$1,581,364 | \$1,758,070 | \$1,702,644 | \$1,703,965 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$1,581,364 | \$1,758,070 | \$1,702,644 | \$1,703,965 |

Note: Funding includes DOLI and VCCS allocations to operate the program.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Vocational Rehabilitation (VR) Services

| | |
|--------------------------------------|--|
| Administering Agency: | Department of Rehabilitative Services and the Department for the Blind and Hearing Impaired |
| Year Established: | 1920 |
| Guiding Legislation: | Rehabilitation Act of 1973, as amended under the Workforce Investment Act of 1998, and Section 51.5-9 of the Code of Virginia |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Disabled |
| Program Description: | The Vocational Rehabilitation Services program assists eligible individuals with disabilities to engage in employment that is consistent with their strengths, resources, priorities, concerns, abilities, and capabilities. The program provides individuals with disabilities with services that prepare for, secure, retrain, or regain employment. |
| Referral Process: | Referrals may come from any source. Generally, recipients are referred to the program by social workers, medical personnel, mental health professionals, teachers, family members, employers, one-stop center staff, or self-referral. |
| Eligibility Criteria: | Any individual that (1) has a physical or mental impairment which constitutes or results in a substantial impediment to employment for the individual and (2) can benefit from Vocational Rehabilitation Services. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide through the Department of Rehabilitative Services and Department of Blind and Vision Impaired offices. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$55,032,225 | \$58,176,342 | \$60,435,768 | \$60,687,497 |
| <i>State</i> | \$14,946,381 | \$16,011,622 | \$17,825,028 | \$16,409,305 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$69,978,606 | \$74,187,964 | \$78,260,796 | \$77,096,802 |

Note: Funding includes Department for the Blind and Vision Impaired and Department of Rehabilitative Services allocations to operate the program.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Welfare-to-Work (WtW)

| | |
|--------------------------------------|---|
| Administering Agency: | Department of Social Services (WtW funds are allocated to local workforce investment boards) |
| Year Established: | 1998 |
| Guiding Legislation: | Balanced Budget Act of 1997 |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Economically disadvantaged |
| Program Description: | Welfare-to-Work is intended to compliment and enhance the current State welfare reform efforts with an emphasis on work first, by facilitating placement of hard-to-employ welfare recipients into transitional employment opportunities that will lead to unsubsidized employment. |
| Referral Process: | Participants are referred to the program by local departments of social services and community-based organizations. |
| Eligibility Criteria: | TANF recipients are eligible if they have received assistance for at least 30 months, or if they are within 12 months of becoming ineligible for TANF due to time limits. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Location of services varies based on local workforce investment boards' designation of providers. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|----------------------------|----------------------------|---------------------------|----------------------------|
| <i>Federal</i> | \$16,500,000 | \$15,400,000 | \$0 | \$0 |
| <i>State</i> | \$2,500,000 | \$4,000,000 | \$500,000 | \$500,000 |
| <i>Local</i> | \$31,618 | \$1,141,524 | \$4,623,070 | \$10,394,221 |
| <i>Total</i> | <i>\$19,031,618</i> | <i>\$20,541,524</i> | <i>\$5,123,070</i> | <i>\$10,894,221</i> |

Note: Welfare-to-Work was established in FY 1998 and federal funding for the program was allocated in FY 1999 and FY 2000. However, the federal legislation allows states five years to spend their allocations. At the beginning of FY 2003, \$8.7 million of these funds were available for expenditure. WtW funds also require a 33 percent State or local match. A portion of the State and local allocations for each year represent the required match.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

WIA Adult Program

| | |
|--------------------------------------|--|
| Administering Agency: | Virginia Employment Commission (funds are allocated to the local workforce investment boards) |
| Year Established: | 2000 |
| Guiding Legislation: | Workforce Investment Act of 1998 |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Varies by local workforce investment area |
| Program Description: | The WIA Adult program provides job search, job readiness, career counseling, and funding and assistance for training through certified training providers. |
| Referral Process: | Eligible adults may be referred to the program through an initial assessment conducted at the one-stop center or through other WIA mandated partner programs. |
| Eligibility Criteria: | Self-directed core services, such as the use of a computer to search for a job and develop a resume, are open to all individuals. For staff-assisted services, individuals must be 18 years of age or older, eligible to work in the US, and comply with Selective Service registration and local or State residency requirements. If local workforce investment areas determine that funds are limited, then priority for services goes to low-income individuals. Local workforce investment boards may also develop plans to further prioritize services based on the special needs of their areas. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide through service providers designated by local workforce investment boards. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$0 | \$0 | \$12,478,418 | \$11,320,576 |
| <i>State</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$0 | \$0 | \$12,478,418 | \$11,320,576 |

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

WIA Dislocated Worker Program

| | |
|--------------------------------------|---|
| Administering Agency: | Virginia Employment Commission (funds are allocated to the local workforce investment boards) |
| Year Established: | 2000 |
| Guiding Legislation: | Workforce Investment Act of 1998 |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Dislocated workers |
| Program Description: | The WIA Dislocated Worker program provides job readiness, job search assistance, career counseling, and funding and assistance for training through certified training providers. The WIA Dislocated Worker allocations also funds (25 percent) the Rapid Response program, which provides information and services to employees facing a pending layoff. |
| Referral Process: | Eligible dislocated workers may be referred to the program through an initial assessment at the one-stop center or through other WIA mandated partner programs. |
| Eligibility Criteria: | To qualify for services, individuals must meet one of the following criteria: (1) must have been terminated or laid off, (2) received notice of termination or layoff, or (3) are displaced homemakers, no longer supported by family members for unpaid services in the home, and are experiencing difficulty in obtaining employment. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide through service providers designated by local workforce investment boards. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$0 | \$0 | \$12,424,713 | \$11,111,364 |
| <i>State</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$0 | \$0 | \$12,424,713 | \$11,111,364 |

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

WIA Youth

| | |
|--------------------------------------|---|
| Administering Agency: | Virginia Employment Commission (funds are allocated to the local workforce investment boards) |
| Year Established: | 2000 |
| Guiding Legislation: | Workforce Investment Act of 1998 |
| Type of Provider: | Provider of services to individuals |
| Target Population: | Economically disadvantaged |
| Program Description: | The WIA Youth program provides a variety of education and job readiness services to low-income youth ages 14-21 who are deficient in basic literacy skills; school dropouts; homeless, runaway, or foster children; pregnant or parents; or offenders. The WIA Youth program is divided into two groups: younger youth (in-school) and older youth (out of school). Youth program services offered include: (1) tutoring, study skills training, and instruction leading to secondary school completion, including dropout prevention strategies; (2) alternative secondary school offerings; (3) summer employment opportunities; (4) paid and unpaid work experiences; (5) occupational skills training; (6) leadership development opportunities; (7) supportive services; (8) adult mentoring for at least twelve months; (9) follow-up services; and (10) comprehensive guidance and counseling. |
| Referral Process: | Youth may be referred by their local school system, one-stop centers, Head Start programs, through the local workforce investment areas' Youth Councils, or other WIA mandated partner programs. |
| Eligibility Criteria: | Low-income youth ages 14-21. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide through service providers designated by local workforce investment boards. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$0 | \$0 | \$16,534,311 | \$16,534,311 |
| <i>State</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$0 | \$0 | \$16,534,311 | \$16,534,311 |

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Workforce Development Services

| | |
|--------------------------------------|---|
| Administering Agency: | Virginia Community College System |
| Year Established: | 1999 |
| Guiding Legislation: | Section 23.214-215 of the Code of Virginia |
| Type of Provider: | Training provider |
| Target Population: | No specific target population |
| Program Description: | Workforce Development Services (WDS) provides funding for the development of non-credit courses through the community college system and customized training courses to businesses. |
| Referral Process: | Self, employers, school counselors, current and former students or clients, advertisements, other agencies. |
| Eligibility Criteria: | No specific eligibility requirement. |
| Cost of Services: | Services provided at a cost to individuals or businesses (such as course fees, books, and supplies). |
| Primary Location of Services: | Statewide through community colleges. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$0 | \$0 | \$0 | \$0 |
| <i>State</i> | \$1,625,000 | \$2,850,000 | \$4,500,000 | \$4,500,000 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$1,625,000 | \$2,850,000 | \$4,500,000 | \$4,500,000 |

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Workforce Services

| | |
|--------------------------------------|---|
| Administering Agency: | Department of Business Assistance |
| Year Established: | 1965 |
| Guiding Legislation: | Section 2.2-902 of the Code of Virginia |
| Type of Provider: | Provider of services to businesses |
| Target Population: | Businesses expanding in or relocating to Virginia |
| Program Description: | Workforce Services is an economic development marketing incentive used to support new job creation by new and expanding businesses throughout the Commonwealth, and to enhance employment opportunities for Virginians. The program assists companies in providing recruiting and training for specific jobs and does not offer training to the general public. |
| Referral Process: | Businesses are referred from the following sources: State and local economic development organizations, direct calls from the companies, other State agencies, and economic development consulting firms. |
| Eligibility Criteria: | A company must be an employer investing at least \$1 million in capital and creating at least 25 new jobs in a 36 month period; there must be at least one other state or country competing for the company's business; wages must be at least \$8/hour per job; and the company must earn more than 50 percent of its revenue outside of Virginia. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | Statewide through the central office of the Department of Business Assistance and through field representatives. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <i>Federal</i> | \$0 | \$0 | \$0 | \$0 |
| <i>State</i> | \$15,797,074 | \$13,946,865 | \$13,625,313 | \$13,544,647 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | <i>\$15,797,074</i> | <i>\$13,946,865</i> | <i>\$13,625,313</i> | <i>\$13,544,647</i> |

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Workforce Services for Regional Partnerships

| | |
|--------------------------------------|--|
| Administering Agency: | Department of Housing and Community Development (DHCD) |
| Year Established: | 2002 |
| Guiding Legislation: | Appropriation Act of 2002-2004 |
| Type of Provider: | To be determined |
| Target Population: | To be determined |
| Program Description: | In the Appropriation Act of 2002-2004, the Department of Housing and Community Development received \$2 million each year for FY 2003 and FY 2004 to develop a workforce services program. However, in the Governor's Budget Reduction Plan for the 2002-2004 Biennium released on October 15, 2002, the grant was reduced by \$900,000 over the two year period. The program is in the development phase, but funding allocations will be distributed to regional competitiveness partnerships that submit a request for proposals (RFP) to DHCD. |
| Referral Process: | To be determined |
| Eligibility Criteria: | Recipients of the funding must be registered regional competitive partnerships. |
| Cost of Services: | No cost for services provided. |
| Primary Location of Services: | To be determined. |

Program Funding

| | <i>FY 1999</i> | <i>FY 2000</i> | <i>FY 2001</i> | <i>FY 2002</i> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Federal</i> | \$0 | \$0 | \$0 | \$0 |
| <i>State</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Local</i> | \$0 | \$0 | \$0 | \$0 |
| <i>Total</i> | \$0 | \$0 | \$0 | \$0 |

Note: The program was established in 2002. Current funding allocations (as of October 15, 2002) are \$1.6 million in FY 2003 and \$1.5 million in FY 2004 in State General Funds.

Source: JLARC staff analysis of surveys completed by workforce training program administrators.

Appendix E

This appendix contains the data collection instrument used for the WIA Adult and Dislocated Worker participant file reviews.

WIA CLIENT INFORMATION

| | | | |
|-----------------------------|----------|------------------------------------|----------|
| Client name: _____ | | | |
| (FIRST) | (MIDDLE) | (LAST) | (SUFFIX) |
| Area number: _____ | | One-stop name: _____ | |
| Date reviewed: _____ | | JLARC ID: _____ | |
| Review analyst: _____ | | Number of training profiles: _____ | |
| Follow up needed? No Yes | | File review complete? No Yes | |
| Data entry complete? No Yes | | Who entered data? _____ | |

DEMOGRAPHIC INFORMATION

1. Social Security Number: _____
2. Date of Birth: _____
3. Sex: 0 Male 1 Female
4. What is the County or City of residence? _____
 - a. FIPS code: _____
5. Highest education level completed:

| | | |
|--------------------------|--------------------|-------------------------------|
| 1 Less Than H.S. Diploma | 4 Associate Degree | 7 Doctorate Degree |
| 2 H.S. Diploma/GED | 5 Bachelor Degree | 8 Vocational Technical School |
| 3 Some College | 6 Masters Degree | 9 Not in file |
6. List name and date of any certificates received before entering WIA:

7. Ethnicity:

| | | |
|--------------------|-------------------|---------------|
| 1 Asian | 4 Hispanic | 7 Other |
| 2 African-American | 5 Middle Eastern | 8 None Given |
| 3 White | 6 Native American | 9 Not in file |
8. What are the client's WIA barriers to employment? (Circle all that apply)

| | | | |
|--|-----------------------|---|---------------------------|
| 1 Recipient of public assistance or low income | 5 Displaced homemaker | 9 Homeless | 13 High school drop-out |
| 2 single parent | 6 Older worker | 10 Offender | 14 Basic skills deficient |
| 3 Long-term unemployed (15 weeks or more) | 7 Veteran | 11 Substantial language or cultural barrier | 15 Not in file |
| 4 Disabled | 8 Dislocated worker | 12 Pregnant / Parenting 18-21 year old | 0 No barriers provided |

WIA CLIENT INFORMATION

AREA # _____ LAST NAME _____ JLARC ID _____

9. What is the client's family status?

- 0 Not in file
- 2 Parent in one-parent family
- 3 Parent in two-parent family
- 4 Other family member
- 5 Not a family member

a. Number of dependents in family less than 18 years old? _____

ELIGIBILITY AND REGISTRATION INFORMATION

10. Client is qualified for the following types of WIA services: (Circle all that apply)

- 1 Adult
- 2 Dislocated worker
- 3 Youth

11. Client was registered for the following types of WIA services: (Circle all that apply)

- 1 Adult
- 2 Dislocated worker
- 3 Youth

12. On what date was the client registered in WIA?

13. Was the client laid off from a job before entering WIA?

- 0 No, *skip to question 14*
- 1 Yes
- 2. Terminated
- 3. Discharged from military

a. Date of layoff?

b. Was layoff permanent?

- 0 No
- 1 Yes

c. Was layoff due to plant closure?

- 0 No
- 1 Yes

d. From what company was the client laid off?

WIA CLIENT INFORMATION

AREA # _____ LAST NAME _____ JLARC ID _____

14. Does the client receive cash assistance?

- 0 No, *skip to question 15*
- 1 Yes
- 2 Not in file, *skip to question 15*

a. What kind of assistance?

- 0 Welfare, *skip to question 15*
- 1 Food Stamps, *skip to question 15*
- 2 Unemployment Insurance (UI) or unemployment compensation (UC)
- 3 Other: _____, *skip to question 15*

b. Did Unemployment Insurance expire before enrollment in WIA?

- 0 No
- 1 Yes
- 2 Not in file

c. Did TANF expire before enrollment in WIA?

- 0 No
- 1 Yes
- 2 Not in file

INFORMATION REGARDING CLIENT'S EXIT FROM WIA

15. Has the client exited WIA?

- 0 No, *skip to question 18*
- 1 Yes

16. On what date did the client exit WIA?

17. Why did the client exit WIA?

- 0 Client stopped visiting the one-stop
- 1 Client enrolled as a full-time student
- 2 Client took an unsubsidized job
- 3 Client took a subsidized job
- 4 Client was referred to another program
- 5 Other, please explain: _____

WIA CLIENT INFORMATION

AREA # _____ **LAST NAME** _____ **JLARC ID** _____

PARTNER SERVICES

18. Use the following table to identify if the client received services from partner programs, and if so, for what time period.

| Program Name | | Status of Services (Put a "1" in the column that applies) | | | |
|--------------------------------------|--|--|-----------------------|-----------------------|-------------|
| | | Received Services | Referred for Services | Eligible for Services | Not in file |
| WIA Mandated Partner Programs | | | | | |
| 1 | Employment Service or Job Service (Wagner-Peyser) | | | | |
| 2 | Unemployment Insurance | | | | |
| 3 | Trade Adjustment Assistance Training Program (TAA) | | | | |
| 4 | NAFTA - TAA | | | | |
| 5 | Employment and Training Services to Veterans | | | | |
| 6 | Migrant and Seasonal Farmworker Employment and Training Program | | | | |
| 7 | Native American Employment and Training Programs | | | | |
| 8 | Adult Career and Technical Education | | | | |
| 9 | Vocational Rehabilitation Services Program | | | | |
| 10 | Adult Basic and Adult Secondary Education | | | | |
| 11 | Carl D. Perkins Vocational Education Program | | | | |
| 12 | Community Services Block Grant | | | | |
| 13 | Welfare-to-Work Program | | | | |
| 14 | Senior Community Service Employment Program | | | | |
| 15 | HUD-administered employment and training | | | | |
| Other Non-Mandated Programs | | | | | |
| 16 | Virginia Initiative for Employment not Welfare (VIEW) | | | | |
| 17 | Food Stamp Employment Training Program (FSET) | | | | |
| 18 | Economic and Employment Program for Disadvantaged Persons (EEPDP) | | | | |
| 19 | Centers for Employment and Training (CET) | | | | |
| 20 | Non-credit Courses Provided through Workforce Development Services Centers | | | | |
| 21 | Virginia Apprenticeship Program | | | | |
| 22 | Other: | | | | |
| 23 | Other: | | | | |

WIA CLIENT INFORMATION

AREA # _____ **LAST NAME** _____ **JLARC ID** _____

19. COMMENTS ON CLIENT'S FILE AND SERVICES

☐

20. Check box if this client's file could be used for a case study in the final report and briefly describe the reason why below.

Use the service profile forms on the following pages to describe all of the core, intensive and training services that the client received.

WIA CLIENT INFORMATION

AREA # _____ **LAST NAME** _____ **JLARC ID** _____

- 21. Use the table below to summarize all core, intensive, and training services the client received.**
Note: Provide beginning and ending dates for training services only

Coding instructions for filling in the table below:

Service Type Code – See separate table that lists codes

Date Training Service Began – MM/DD/YY or NIF-Not if file

Date Training Service Ended – MM/DD/YY or NIF-Not if file

Provider Type Code – See separate table that lists codes

| | Service Type Code | Date Training Service Began | Date Training Service Ended | Provider Type Code |
|---|--------------------------|------------------------------------|------------------------------------|---------------------------|
| a | | | | |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |
| f | | | | |
| g | | | | |
| h | | | | |
| i | | | | |
| j | | | | |
| k | | | | |
| l | | | | |
| m | | | | |
| n | | | | |
| o | | | | |
| p | | | | |
| q | | | | |

- 22. Types of support services (*Circle all that apply*):**

Transportation Child Care Utilities Rent Other: _____

**FOR EACH TRAINING SERVICE LISTED, COMPLETE A TRAINING PROFILE BELOW
 IF A CERTIFICATE WAS ISSUED, FILL OUT THE TABLE FOR QUESTION 32**

WIA CLIENT INFORMATION

AREA # _____ LAST NAME _____ JLARC ID _____

TRAINING SERVICE PROFILE - A

23-A. Service type code: _____

24-A. Name of Service Provider: _____

25-A. Did service result in certification?

0 No 1 Yes 2 Not in file

26-A. Did client receive financial aid for this training?

0 No, *skip to question 32-A* 1 Yes 2 Not in file

27-A. Did a WIA voucher pay for some or all of this service?

0 No 1 Yes 2 Not in file

28-A. Was some of the WIA voucher spent on tuition?

0 No 1 Yes 2 Not in file

29-A. Was some of the WIA voucher spent on books, supplies, and fees?

0 No 1 Yes 2 Not in file

30-A. Were other funding sources used to pay for some or all of this service?

0 No, *skip to question 37-A* 1 Yes 2 Not in file

31-A. List types of other funding sources used to pay for this service below:

32-A. Did the client complete this training?

0 No 1 Yes 2 Completion is pending 3 Not in file

WIA CLIENT INFORMATION

AREA # _____ LAST NAME _____ JLARC ID _____

TRAINING SERVICE PROFILE - B

23-B. Service type code: _____

24-B. Name of Service Provider: _____

25-B. Did service result in certification?

0 No 1 Yes 2 Not in file

26-B. Did client receive financial aid for this training?

0 No, *skip to question 32-B* 1 Yes 2 Not in file

27-B. Did a WIA voucher pay for some or all of this service?

0 No 1 Yes 2 Not in file

28-B. Was some of the WIA voucher spent on tuition?

0 No 1 Yes 2 Not in file

29-B. Was some of the WIA voucher spent on books, supplies, and fees?

0 No 1 Yes 2 Not in file

30-B. Were other funding sources used to pay for some or all of this service?

0 No, *skip to question 37-B* 1 Yes 2 Not in file

31-B. List types of other funding sources used to pay for this service below:

32-B. Did the client complete this training?

0 No 1 Yes 2 Completion is pending 3 Not in file

WIA CLIENT INFORMATION

AREA # _____ LAST NAME _____ JLARC ID _____

TRAINING SERVICE PROFILE - C

23-C. Service type code: _____

24-C. Name of Service Provider: _____

25-C. Did service result in certification?

0 No 1 Yes 2 Not in file

26-C. Did client receive financial aid for this training?

0 No, *skip to question 32-C* 1 Yes 2 Not in file

27-C. Did a WIA voucher pay for some or all of this service?

0 No 1 Yes 2 Not in file

28-C. Was some of the WIA voucher spent on tuition?

0 No 1 Yes 2 Not in file

29-C. Was some of the WIA voucher spent on books, supplies, and fees?

0 No 1 Yes 2 Not in file

30-C. Were other funding sources used to pay for some or all of this service?

0 No, *skip to question 37-C* 1 Yes 2 Not in file

31-C. List types of other funding sources used to pay for this service below:

32-C. Did the client complete this training?

0 No 1 Yes 2 Completion is pending 3 Not in file

WIA CLIENT INFORMATION

AREA # _____ LAST NAME _____ JLARC ID _____

TRAINING SERVICE PROFILE - D

23-D. Service type code: _____

24-D. Name of Service Provider: _____

25-D. Did service result in certification?

0 No 1 Yes 2 Not in file

26-D. Did client receive financial aid for this training?

0 No, *skip to question 32-D* 1 Yes 2 Not in file

27-D. Did a WIA voucher pay for some or all of this service?

0 No 1 Yes 2 Not in file

28-D. Was some of the WIA voucher spent on tuition?

0 No 1 Yes 2 Not in file

29-D. Was some of the WIA voucher spent on books, supplies, and fees?

0 No 1 Yes 2 Not in file

30-D. Were other funding sources used to pay for some or all of this service?

0 No, *skip to question 37-D* 1 Yes 2 Not in file

31-D. List types of other funding sources used to pay for this service below:

32-D. Did the client complete this training?

0 No 1 Yes 2 Completion is pending 3 Not in file

WIA CLIENT INFORMATION**AREA #** _____ **LAST NAME** _____ **JLARC ID** _____**33. Use the table below to list the certifications the client received during training.**

| | Name of Training Certificate | Training code linked to certificate |
|---|-------------------------------------|--|
| A | | |
| B | | |
| C | | |
| D | | |
| E | | |
| F | | |
| G | | |
| H | | |
| I | | |
| J | | |
| K | | |
| L | | |
| M | | |
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WIA CLIENT INFORMATION

AREA # _____ LAST NAME _____ JLARC ID _____

DATA ENTRY CODES FOR USE WHEN COMPLETING SERVICE PROFILES

| SERVICE TYPE CODES | |
|--------------------|---|
| Code | Core services |
| 1 | intake, outreach, and orientation to the one-stop center |
| 2 | eligibility determination |
| 3 | initial assessment / objective assessment |
| 4 | job search and placement assistance |
| 5 | career counseling |
| 6 | information on supportive services |
| 7 | information on filing Unemployment Insurance (UI) claims |
| 8 | information on programs and the labor market |
| 9 | group resume assistance |
| 10 | individual resume assistance |
| 11 | job search |
| 12 | screened referrals |
| 13 | follow-up |
| 14 | employability development |
| 15 | service provider performance information |
| 16 | Individual job development |
| 17 | |
| 18 | |
| 19 | |
| 20 | |
| | Intensive services |
| 51 | group counseling |
| 52 | individual counseling |
| 53 | comprehensive skills assessment – career scoping, TABE, etc. |
| 54 | case management |
| 55 | career planning |
| 56 | short-term prevocational services |
| 57 | Individual counseling and career planning |
| 58 | individual employment plan development |
| 59 | youth services – summer employment and regular year work experience |
| 60 | adult mentoring |
| 61 | job readiness training |
| 62 | work experience |
| 63 | |
| 64 | |
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WIA CLIENT INFORMATION

AREA # _____ **LAST NAME** _____ **JLARC ID** _____

SERVICE TYPE CODES, continued

| | Training services |
|------------|--|
| 101 | occupational skills training – general or unspecified (no certification) |
| 102 | on-the-job training |
| 103 | skills upgrading |
| 104 | entrepreneurial training |
| 106 | adult education and literacy activities (taking ABE or GED courses) |
| 107 | customized training for an employer who commits to hiring |
| 108 | college course – general |
| 109 | OST – computer training (Cisco; Microsoft Programs such as Word, Excel, Access, and PowerPoint certificates, certificate in business computing applications, MSCE, webmaster, ITPro, network engineer, information systems technology (AA or certification)) |
| 110 | OST – health care training (CNA, LPN, RN, Nurse Aide, Direct Care, medical admin asst) |
| 111 | OST – truck driving (Commercial Driver's License-CDL) |
| 112 | Youth services – academic learning/tutoring |
| 113 | OST – heavy equipment (certificate) |
| 114 | OST – miner (certificate) |
| 115 | OST – customer service |
| 116 | OST – education (Teacher's Assistant, Associate or Bachelor's in Teaching) |
| 117 | OST – childhood development/child care certification |
| 118 | OST – machine shop (certificate) |
| 119 | OST – electronics technician (certificate) |
| 120 | OST – administrative support, admin clerk (certificate) |
| 121 | Youth services – internship |
| 122 | OST – accounting certificate, business associate degree, accounting associate |
| 123 | OST – HVAC |
| 124 | General coursework in preparation for transferring to a four year program |
| 125 | OST – liberal arts associate degree |
| 126 | OST – criminal justice associate degree |
| 127 | OST – Automotive (ASE – automotive service education cert, auto painter helper) |
| 128 | OST – Massage therapy |
| 129 | OST – Computer Graphic Design (Assoc Degree) |
| 130 | OST – Aviation (maintenance tech) |
| 131 | OST – real estate finance (B.A.) |
| 132 | OST – medical insurance specialist |
| 133 | OST – food service management |
| 134 | OST – building and maintenance |
| 135 | OST – paralegal |
| 136 | OST – guidance and counseling (M.A.) |
| 137 | OST – Electrician |
| 138 | OST – Human services associates degree |
| 139 | OST – cosmetology |
| 146 | OST – Barbering certificate |
| 147 | OST – police science associates degree |

WIA CLIENT INFORMATION

AREA # _____ **LAST NAME** _____ **JLARC ID** _____

SERVICE PROVIDER TYPE CODES

| | | |
|--|----------------------------------|------------------------|
| 1. Private, for-profit training provider | 7. Public college or university | 13. Private company |
| 2. Private, non-profit training provider | 8. Private college or university | 14. Private nonprofit |
| 3. Community college | 9. WIA mandated partner | 15. Skills center |
| 4. Proprietary school | 10. One-stop center | 16. Private contractor |
| 5. State government agency | 11. On-the-job trainer | 17. CATEC/HS |
| 6. Local government agency | 12. Private individual | |

FUNDING TYPE CODES

| | |
|-------------------------|-------------------------|
| 1. Pell grant | 7. FFELP loan |
| 2. WIA voucher | 8. Federal SEOG |
| 3. National Reserve | 9. COMA |
| 4. ConAgra | 10. TAA |
| 5. Federal student loan | 11. Unknown scholarship |
| 6. Stafford | 12. Social services |
| | 15. JABA |
| | 16. EFI |
| | 17. Scholarship |
| | 18. WtW |

Appendix F

Description of the 17 WIA Performance Measures

| Program | Definition |
|------------------------------------|---|
| All programs | |
| Customer Satisfaction-Participants | The average of three statewide survey questions rated 1-10 <ul style="list-style-type: none"> Was the participant satisfied with services? Did the service meet the expectations of the customer? How well did the service compare to the ideal set of services? |
| Customer Satisfaction-Employers | The average of three statewide survey questions rated 1-10 <ul style="list-style-type: none"> Was the employer satisfied with services? Did the service meet the expectations of the customer? How well did the service compare to the ideal set of services? |
| Adult | |
| Entered Employment Rate | Of those who did not have a job when they registered for WIA, the percentage of adults who got a job by the end of the 1 st quarter after exit. This measure <u>excludes</u> participants who are employed at the time of registration. |
| Employment Retention Rate | Of those who had a job in the 1 st quarter after exit, the percentage of adults who have a job in the 3 rd quarter after exit. |
| Earnings Change in Six Months | Of those who had a job in the 1 st quarter after exit, the post-program earnings increases as compared with pre-program earnings. |
| Employment and Credential Rate | Of those adults who received WIA training services, the percentage who were employed in the 1 st quarter after exit and received a credential by the end of the 3 rd quarter after exit. |
| Dislocated Worker | |
| Entered Employment Rate | The percentage of dislocated workers who got a job by the end of the 1 st quarter after exit. This measure includes dislocated workers who are employed at the time of registration. |
| Employment Retention Rate | Of those who had a job in the 1 st quarter after exit, the percentage of dislocated workers who have a job in the 3 rd quarter after exit. |
| Earnings Replacement Rate | Of those who had a job in the 1 st quarter after exit, the percentage of pre-program earnings being earned post-program. Since it may be difficult to find dislocated workers jobs with equivalent or better wages, this measure captures the percentage of earnings of the new job in relation to the old. |
| Employment and Credential Rate | Of those dislocated workers who received WIA training services, the percentage who were employed in the 1 st quarter after exit and received a credential by the end of the 3 rd quarter after exit. |
| Youth (Older) | |
| Entered Employment Rate | Of those who are not employed at registration and who are not enrolled in post-secondary education or advanced training in the 1 st quarter after exit, the percentage of older youth who have gotten a job by the end of the 1 st quarter after exit. This measure also excludes youth that move on to post-secondary education or advanced training and not employment. |
| Employment Retention Rate | Of those who are not employed at registration and who are not enrolled in post-secondary education or advanced training in the 3 rd quarter after exit, the percentage of older youth who have gotten a job by the end of the 3 rd quarter after exit. |
| Earnings Change in Six Months | Of those who had a job in the 1 st quarter after exit and who are not enrolled in post-secondary education or advanced training, the post-program earnings increases as compared with pre-program earnings. |
| Credential Rate | The percentage of older youth who are in employment, post-secondary education, or advanced training in the 1 st quarter after exit and received a credential by the end of the 3 rd quarter after exit. |

Table continues onto the next page

Description of the 17 WIA Performance Measures (continued)

| Program | Definition |
|---|---|
| Youth (Younger) | |
| Skill Attainment Rate | Of all in-school youth and any out of school youth assessed to be in need of basic skills, work readiness skills, and/or occupational skills, the percentage of the younger youth who attained a skill. |
| Diploma or Equivalent | Of those without a diploma or equivalent, the percentage of younger youth who attained a secondary school diploma or equivalent by the end of the 1 st quarter after exit. |
| Retention Rate | The percentage of younger youth found in one of the following categories in the 3 rd quarter after exit: post secondary education, advanced training, employment, military service, qualified apprenticeships. |
| Source: US Department of Labor TEGL 7-99. | |

Appendix G

Sampling Errors for Data Tables Presented in This Report

This appendix provides the sampling error for each of the estimates used in this study for the JLARC study sample. When working with sample proportions, the key issue is the precision of the statistic as an estimate of the population proportion. Sampling errors define the level of precision around the sample proportion and they are based on the size of the sample from which the proportion is calculated. The smaller the sampling error, the closer the true population parameter to the sample proportion.

| Table G-1 Sampling Errors Associated with Figure 18 | | | | |
|--|-------------------------|-------------------------------|-------------------------------------|-----------------------|
| Participants in the JLARC Study Sample | | Total Sample n=438 | | |
| | | <u>Percent</u> | <u>Sampling Error</u> | |
| | Adults | 53% | 6% | |
| | Dislocated workers | 47% | 7% | |
| | Adults n=233 | | Dislocated Workers n=205 | |
| | <u>Percent</u> | <u>Sampling Error</u> | <u>Percent</u> | <u>Sampling Error</u> |
| Race | | | | |
| White | 42% | 6% | 59% | 7% |
| Black | 52% | 6% | 39% | 7% |
| Education | | | | |
| Bachelor's or Master's degree | 8% | 3% | 15% | 5% |
| Some college | 18% | 5% | 23% | 6% |
| High school or GED | 53% | 6% | 55% | 7% |
| Less than high school | 21% | 5% | 9% | 4% |
| Sex | | | | |
| Male | 27% | 6% | 44% | 7% |
| Female | 73% | 6% | 56% | 7% |

| Table G-2 Sampling Errors Associated with Figure 19 | | | | |
|--|-------------------------|-----------------------|-------------------------------------|-----------------------|
| Total Sample n=438 | | | | |
| Participants in the JLARC Study Sample | <u>Percent</u> | | <u>Sampling Error</u> | |
| Adults | 53% | | 6% | |
| Dislocated workers | 47% | | 7% | |
| | Adults n=233 | | Dislocated Workers n=205 | |
| | <u>Percent</u> | <u>Sampling Error</u> | <u>Percent</u> | <u>Sampling Error</u> |
| Number of Barriers | | | | |
| One | 16% | 5% | 30% | 6% |
| Two | 30% | 6% | 40% | 7% |
| Three or more | 54% | 6% | 30% | 6% |
| Barriers | | | | |
| Dislocated worker | 1% | 1% | 100% | 0% |
| Low income | 97% | 2% | 17% | 5% |
| Single parent | 49% | 6% | 14% | 5% |
| Long-term employment | 33% | 6% | 27% | 6% |
| Basic Skills Deficient | 33% | 6% | 19% | 5% |
| Offender | 21% | 5% | 6% | 3% |
| High school dropout | 18% | 5% | 7% | 3% |
| Other | 28% | 6% | 19% | 5% |

| Table G-3 Sampling Errors Associated with Figure 20 | | | | |
|--|-------------------------|-------------------------------|-------------------------------------|------------------------------|
| Participants in the JLARC Study Sample | | Total Sample n=438 | | |
| | | <u>Percent</u> | <u>Sampling Error</u> | |
| Adults | | 53% | 6% | |
| Dislocated workers | | 47% | 7% | |
| | Adults n=233 | | Dislocated Workers n=205 | |
| | <u>Percent</u> | <u>Sampling Error</u> | <u>Percent</u> | <u>Sampling Error</u> |
| Services Received | | | | |
| Core services | 100% | 0% | 100% | 0% |
| Intensive services | 100% | 0% | 91% | 4% |
| Attended training | 63% | 6% | 63% | 7% |
| Completed Training | 39% | 6% | 39% | 7% |

| Table G-4 Sampling Errors Associated with Figure 21 | | | | |
|--|-------------------------------|-------------------------------|------------------------------|--|
| Participants in the JLARC Study Sample | | Total Sample n=438 | | |
| | | <u>Percent</u> | <u>Sampling Error</u> | |
| Adults | | 53% | 6% | |
| Dislocated workers | | 47% | 7% | |
| | Total Sample n=438 | | | |
| | <u>Percent</u> | | <u>Sampling Error</u> | |
| Exited with a job | | | | |
| After core services | 100% | | 0% | |
| After intensive services | 75% | | 4% | |
| After not completing training | 51% | | 5% | |
| After completed training | 75% | | 4% | |

| Table G-5 Sampling Errors Associated with Figure 22 | | | | |
|---|-------------------------------|-----------------------|---|-----------------------|
| Participants in the JLARC Study Sample Who Attended Training | | | Total Sample n=438 | |
| | <u>Percent</u> | <u>Sampling Error</u> | | |
| Adults | 34% | 8% | | |
| Dislocated workers | 29% | 8% | | |
| Types of Training Received | Adults n=147 | | Dislocated Workers n=129 | |
| | <u>Percent</u> | <u>Sampling Error</u> | <u>Percent</u> | <u>Sampling Error</u> |
| Health care training | 29% | 7% | 7% | 4% |
| General skills training | 11% | 5% | 16% | 6% |
| On-the-job training | 9% | 5% | 6% | 4% |
| Commercial Truck Driving | 8% | 4% | 14% | 6% |
| Associates degree | 7% | 4% | 7% | 4% |
| Computer training | 5% | 4% | 45% | 9% |
| Other | 31% | 7% | 5% | 4% |

| Table G-6 Sampling Errors Associated with Figure 23 | | | | |
|--|-------------------------|-------------------------------|-------------------------------------|------------------------------|
| Participants in the JLARC Study Sample | | Total Sample n=438 | | |
| | | <u>Percent</u> | <u>Sampling Error</u> | |
| Adults | | 53% | 6% | |
| Dislocated workers | | 47% | 7% | |
| Exited | Adults n=233 | | Dislocated Workers n=205 | |
| | <u>Percent</u> | <u>Sampling Error</u> | <u>Percent</u> | <u>Sampling Error</u> |
| | 60% | 6% | 50% | 7% |
| Exited with unsubsidized employment | Adults n=139 | | Dislocated Workers n=102 | |
| | <u>Percent</u> | <u>Sampling Error</u> | <u>Percent</u> | <u>Sampling Error</u> |
| | 62% | 8% | 87% | 7% |
| Exited for other reasons | 38% | 8% | 13% | 7% |

| Table G-7 Sampling Errors Associated with Figure 24 | | | | |
|--|------------------------|-------------------------------|------------------------------------|------------------------------|
| Participants in the JLARC Study Sample | | Total Sample n=438 | | |
| | | <u>Percent</u> | <u>Sampling Error</u> | |
| Adults | | 53% | 6% | |
| Dislocated workers | | 47% | 7% | |
| Exited after core services | Adults n=0 | | Dislocated Workers n=4 | |
| | <u>Percent</u> | <u>Sampling Error</u> | <u>Percent</u> | <u>Sampling Error</u> |
| | With a job | -- | 100% | 0% |
| | For other reasons | -- | 100% | 0% |
| | Adults n=54 | | Dislocated Workers n=36 | |
| | <u>Percent</u> | <u>Sampling Error</u> | <u>Percent</u> | <u>Sampling Error</u> |
| Exited after intensive services | With a job | 72% | 81% | 13% |
| | For other reasons | 28% | 19% | 13% |
| | Adults n=23 | | Dislocated Workers n=12 | |
| Exited after not completing training | <u>Percent</u> | <u>Sampling Error</u> | <u>Percent</u> | <u>Sampling Error</u> |
| | With a job | 30% | 92% | 15% |
| | For other reasons | 70% | 8% | 15% |
| Exited after completing training | Adults n=62 | | Dislocated Workers n=48 | |
| | <u>Percent</u> | <u>Sampling Error</u> | <u>Percent</u> | <u>Sampling Error</u> |
| | With a job | 65% | 90% | 8% |
| | | 35% | 10% | 8% |

Appendix H

GLOSSARY

| | |
|---|--|
| <i>Adult</i> | An individual over the age of 18 who is on public assistance, has barriers to employment, or is simply ready for a new job or career. |
| <i>Basic Skills Deficient</i> | A term used to refer to an individual that has English reading, writing, or computing skills at or below the 8 th grade level on a generally accepted standardized test. |
| <i>Case Management</i> | The provision of a client-centered approach in the delivery of services, designed to: (1) prepare and coordinate comprehensive employment plans, such as service strategies, for participants to ensure access to necessary workforce investment activities and supportive services, using, where feasible, computer-based technologies; and (2) provide job and career counseling during program participation and after job placement. |
| <i>Comprehensive One-Stop Center</i> | A center in which core services (for example, intake, job search assistance, labor market and training information) are provided and there is access to all mandated partners. |
| <i>Consortium Operator</i> | Three or more entities that administer WIA-mandated partner programs that are designated by a local WIB to operate the one-stop service delivery system in that area. |
| <i>Coordinated Economic Relief Center</i> | Center established by the Governor's Economic Crisis Strike Force. |
| <i>Core Services</i> | Services which include intake, outreach, and orientation to the one-stop center, eligibility determination, initial assessment, job search and placement assistance, career counseling, information on supportive services, information on filing Unemployment Insurance claims, and information on programs and the labor market. |
| <i>Dislocated Worker</i> | An individual who has been terminated or laid off from a job, or has received notification of a pending termination or layoff, or is a displaced homemaker. |

| | |
|---|--|
| <i>Displaced Homemaker</i> | An individual who has been providing unpaid services to family members in the home and has been dependent on the income of another family member, but is no longer supported by that income, and is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment. |
| <i>Individual With a Disability</i> | An individual with any disability (as defined in Section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)). |
| <i>Informational One-Stop Center</i> | A center that provides information, electronic linkages, or referrals to other centers in the system. |
| <i>Intensive Services</i> | Services that include group and individual counseling, comprehensive skills assessment, case management, career planning, and short-term prevocational services. |
| <i>Low-Income Individual</i> | An individual: (1) who receives income-based public assistance program, (2) whose family income is lower than the federal poverty line or 70 percent of the LLSIL, (3) who is eligible to receive food stamps, (4) who qualifies as a homeless individual, (5) who is a foster child, or (6) who has a disability and who is low-income, but whose family is not low-income. |
| <i>Lower Living Standard Income Level</i> | Income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary of Labor based on the most recent lower living standard issued by the Secretary of Labor. |
| <i>Malcolm Baldrige Criteria for Performance Excellence</i> | Nationally recognized standards for stimulating improvements in competitiveness and business performance. |
| <i>Mandated Partner Programs</i> | Seventeen programs that are mandated to contribute to and provide access to program services through the one-stop service delivery system. |
| <i>Memorandum of Understanding</i> | An agreement between two parties. |
| <i>Non-mandated Partner Programs</i> | Programs that are not mandated by the Workforce Investment Act to partner with the one-stop service delivery system. |

| | |
|---|---|
| <i>Offender</i> | Any adult or juvenile who is or has been subject to any stage of the criminal justice process and may have barriers to employment resulting from a record of arrest or conviction. |
| <i>On-the-Job-Training</i> | Training by an employer that is provided to a paid participant while the participant is engaged in productive work in a job. |
| <i>One-Stop Center</i> | A physical location where individuals or businesses may access various workforce services. |
| <i>One-stop Service Delivery System</i> | A system intended to provide seamless access to 17 federal programs, while at the same time incorporating the involvement of private industry to link workforce efforts to economic development. |
| <i>Participant</i> | An individual who has been determined to be eligible to participate in a program and who is enrolled in that program. |
| <i>Public Assistance</i> | Federal, State, or local government cash payments for which eligibility is determined by a needs or income test. |
| <i>Satellite One-Stop Center</i> | An entity that provides services as determined by the assessment of local needs by the local WIB. If any WIA funds are contributed to a satellite center operation, then core services must be provided. |
| <i>Supportive Services</i> | Services such as transportation, childcare, dependent care, housing, and needs-related payments, that are necessary to enable an individual to participate in training. |
| <i>Training Services</i> | Includes occupational skills training, on-the-job training, skills upgrading, entrepreneurial training, job readiness training, adult education and literacy activities, and customized training for an employer who commits to hiring. |
| <i>Unemployed Individual</i> | An individual who is without a job and who wants and is available for work. |
| <i>Veteran</i> | An individual who served in the active military, naval, or air service, and who was discharged or released from such service under conditions other than a dishonorable discharge. |

Youth

An individual between the ages of 14 and 21 who is low-income and has one or more of the following characteristics: (1) deficient in basic skills, (2) high school dropout, (3) homeless, runaway, or foster child, (4) pregnant or parenting, (5) offender, or (6) requires additional assistance to complete an education program or secure employment (such as disabled).

Appendix I

ACRONYMS USED IN THIS REPORT

| Acronym | Full Name |
|----------------|---|
| Aging | Department for the Aging |
| AFI | Agency for Innovation (Florida) |
| CERC | Coordinated Economic Relief Centers |
| CET | Center for Employment and Training |
| CETA | Comprehensive Employment and Training Act |
| DBA | Department of Business Assistance |
| DBVI | Department for the Blind and Visually Impaired |
| DHCD | Department of Housing and Community Development |
| DOE | Department of Education |
| DOL | United States Department of Labor |
| DOLI | Department of Labor and Industry |
| DRS | Department of Rehabilitative Services |
| DSS | Department of Social Services |
| DWU | Dislocated Worker Unit |
| EEIPDP | Economic Employment Improvement Program for Disadvantaged Persons |
| EFI | Education for Independence |
| EOA | Economic Opportunity Act |
| FSET | Food Stamp Employment and Training |
| GAO | General Accounting Office |
| GED | General Education Diploma |
| GETD | Governor's Employment and Training Department |
| HUD | United States Department of Housing and Urban Development |
| JLARC | Joint Legislative Audit and Review Commission |
| JTPA | Job Training Partnership Act |
| LLSIL | Lower Living Standard Income Level |
| MACC | Mid-Atlantic Career Consortium |
| MDCD | Michigan Department for Community Development |
| MDTA | Manpower Development and Training Act |
| MOU | Memorandum of Understanding |
| NAFTA | North American Free Trade Agreement |
| PIC | Private Industry Council |
| PSC | Public Service Careers |
| SCSEP | Senior Community Service Employment Program |
| TAA | Trade Assistance Act |
| TANF | Temporary Assistance to Needy Families |
| TAP | Transition Assistance Program |
| The Council | Virginia Workforce Council |
| UI | Unemployment Insurance |

VCCS Virginia Community College System

| Acronym | Full Name |
|----------------|--|
| VCU | Virginia Commonwealth University |
| VEC | Virginia Employment Commission |
| VIEW | Virginia Initiative for Employment not Welfare |
| VR | Vocational Rehabilitation Services |
| WARN | Worker Adjustment and Retraining Notification |
| WDS | Workforce Development Services |
| WIA | Workforce Investment Act |
| WIB | Workforce Investment Board |
| WTC | Workforce Training Council |
| WtW | Welfare to Work |

Appendix J

As part of the extensive data validation process, State agencies involved in a JLARC assessment effort are given the opportunity to comment on an exposure draft of the report. Appropriate technical corrections resulting from written comments have been made in this version of the report. This appendix contains the written responses from the Secretary of Commerce and Trade, the Secretary of Education, the Virginia Employment Commission, and the Department of Rehabilitative Services.



COMMONWEALTH of VIRGINIA

Office of the Governor

Michael J. Schewel
Secretary of Commerce and Trade

November 13, 2002

NOV 13 2002

Philip A. Leone
Director
Joint Legislative Audit and Review Commission
General Assembly Building, Suite 1100
Capital Square
Richmond Virginia 23219

Dear Mr. Leone:

Thank you for sending me a copy of JLARC's "Review of Workforce Training in Virginia." The study is very well-done. I congratulate your staff on producing such a strong and perceptive analysis of such a complex topic. I agree with the study's analysis and with most of its recommendations.

Yours very truly,

A handwritten signature in black ink that reads "Michael Schewel".

Michael J. Schewel

/vjn



NOV 12 2002

COMMONWEALTH of VIRGINIA

Office of the Governor

Belle S. Wheelan, Ph.D.
Secretary of Education

November 7, 2002

Mr. Philip A. Leone
Director
Joint Legislative Audit and Review Commission
General Assembly Building, Suite 1100
Richmond, Virginia 23219

Dear Phil:

I have received and reviewed the exposure draft of your report entitled Review of Workforce Training in Virginia. You and your staff have done a yeoman's job in reviewing the issue and developing a reasonable list of recommendations for consideration by the General Assembly. I especially commend the work of Kelly Bowman Gent for stepping in to complete the task.

I also appreciate the time you and your staff took to 'walk me through' the report and answer my questions regarding a few points made within it. Your patience was truly appreciated.

Again, thanks for all of your hard work in this area. I look forward to continuing a positive working relationship with you and your staff during my time in this administration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Belle".

Belle S. Wheelan, Ph.D.
Secretary of Education

BSW/jbh



NOV 13 2002

COMMONWEALTH of VIRGINIA

Virginia Employment Commission

703 East Main Street

Dolores A. Esser
Commissioner

Post Office Box 1358
Richmond, Virginia 23218-1358

November 12, 2002

Mr. Philip A. Leone
Director
Joint Legislative Audit and Review Commission
Suite 1100
General Assembly Building
Capitol Square
Richmond, Virginia 23219

Dear Mr. Leone:

I am in receipt of JLARC's exposure draft entitled Review of Workforce Training in Virginia dated October 31, 2002. Your solicitation of my review comments is genuinely appreciated. This letter serves as my response your solicitation. My initial comments focus on the study's recommendations on jobseeker/workforce training program administration. In the latter portion of this letter, I also provide you with specific comments offered by VEC staff on technical issues in the study. Please be advised that we have received the changes made to the study in a letter from Ms. Kelly Bowman Gent dated November 8, 2002 but have not submitted them to staff for review. We will review these changes and inform you next week if we have any comments on them.

The study's conclusions are fundamentally sound and supported by empirical data. It appears that JLARC has concluded that jobseeker/workforce training services, the subject matter of the study, are fragmented which leads to the following conclusions:

1. there is a wasteful duplication of services;
2. government agencies administering the services lack accountability;
3. there is an absence of adequate control mechanisms for the disbursement and monitoring of funds;

4. incomplete reporting requirements make performance monitoring and program development through data collection difficult; and
5. inconsistent eligibility criteria make it difficult for customers to obtain seamless service delivery.

Although the study's conclusions are credible, the solution they propose, i.e., the creation of another state agency to administer all jobseeker/workforce training programming in the Commonwealth, is not totally responsive to the root causes of systemic inefficiencies. The inefficiencies in jobseeker/workforce training service delivery are primarily attributable to patchwork legislative schemes that attempt to address the same concerns and render similar services. Such statutes are found in a variety of distinct and different contexts ranging from education to human services. Furthermore, they often impose mutually exclusive program performance and reporting requirements. However, the study's recommendation is an acceptable first step.

The JLARC study accurately observes that neither the Virginia Employment Commission (VEC) nor any other state agency possesses the requisite authority to develop the workforce system intended by the Workforce Investment Act (WIA). However, the creation of any new state agency without significant modification of the relevant statutes will not provide the requisite authority or accountability. The same position holds for consolidated data collection—although desirable, the contradictions cited in the study arise because of incompatibilities in underlying legislation.

Finally, staff review yielded the following comments with respect to errors, omissions, and questionable conclusions in the study.

1. (page iii) – The recommended new model of WIA governance illustrates that the VWC Director's Office would be responsible for system oversight. On page xiii, the study reads "The new agency would be held accountable for the performance of the system (emphasis added) in addition to the program measures."
2. (page iv) – In view of the volume of duplication of effort and inefficiencies cited in the study, why is it recommended that only TANF and Education for Independence be mandatory partners?
3. (page vii et al.) – Why is it recommended that only funding available through the Virginia Tobacco Indemnification and Community Revitalization Commission be solicited?
4. (page x et al.) – It is questionable whether the state should renegotiate local performance measures with local WIBs, or whether the state should renegotiate with the U.S. Department of Labor (DOL) on statewide performance measures. DOL recently commented that most states had unrealistic performance measures at

implementation because there was no performance history on which to base the standards. Since implementation, many states have renegotiated more realistic measures with DOL.

5. (page x et al.) – The VWC’s chartering policy may have already developed the criteria to evaluate one-stop centers.
6. (page xi) – The initial paragraph states “the VEC oversees the one-stop centers that are located at VEC field offices.” The physical location of a one-stop center at a VEC field office does not mean that the VEC is the one-stop operator. The VEC does not always have control over one-stop functions even if the one-stop is physically located at a VEC field office.
7. (page 16) – Section 111(d) of the WIA and Section 2.2-2670(D) of state law do not mandate two responsibilities of the VWC as stated by JLARC: (1) assisting the Governor in establishing and appointing members to the State Board; and (2) assisting the Governor in developing the budget.
8. (page 16) – Three mandated responsibilities should be added to Exhibit 4 under “Responsibilities Mandated by the Workforce Investment Act:” (1) assisting the Governor in the development of linkages in order to assure coordination and nonduplication among programs and activities; (2) certifying courses for the Workforce Training Access Program and Fund; and (3) assisting the Governor in the development of a statewide employment statistics system.
9. (page 18) – Re Exhibit 5, the WIA also requires that local WIBs establish local policy and conduct oversight of the system.
10. (page 19) – The text states that eight comprehensive one-stop centers are located at community colleges, however Table 1 cites only seven.
11. (page 22, line 4, “Adult and Dislocated Worker Programs”) – Change “may” to “must.” The WIA requires “priority” under conditions of limited funds.
12. (page 22, last paragraph) – It is implicit that only the one-stop operator or center “managing entity” provides core services. Partner entities that are not one-stop operators also provide core services.
13. (pages 24-32) – The magnitude and importance of an overarching policy structure for workforce development in the Commonwealth deserves equally exhaustive and rigorous research as did this study. JLARC’s recommendation regarding the VWC calls for further study which, at minimum, should address the following issues:

- a. Should the VWC be a policy board with final authority?
- b. What should be the range of the VWC's authority?
- c. What should be the size of the VWC if it is to function as a policy board? (Currently, the range of membership on State Boards across the nation is from nine to 78 members.)
- d. What should be the responsibility of the VWC for partner programs?
- e. Should other advisory boards be consolidated? (For example, in Kentucky, the State Board oversees Career and Technical Education and School-to-Work, whereas each used to have its own board; in Michigan, the State Board advises the Governor on Career and Technical Education, Work First, and Food Stamp Employment and Training.)
- f. What will be the relationship among the VWC and existing policy boards for consolidated programs (e.g., the State Rehabilitation Board)?
- g. How are continuity and consistency of policy implementation achieved within the limitations imposed by a single-term Governor?
- h. Because Virginia has a Cabinet structure, what should be the relationship among the VWC, and the Secretaries of Education, Health and Human Resources, and Public Safety in consultation with the Secretary of Commerce and Trade?

14. (page 41) – The Department of Business Assistance is not the sole program that targets businesses or employers. WIA provides services through resources, on-the-job training, customized training, etc. Additionally, Job Service is occasionally perceived as overlapping because its goal is to assist employers in finding matched employees.

15. (pages 63-64) – In general, the reader may infer that there were no systems developed and deployed for data collection/reporting. In fact, two have been deployed. The one currently in use is a web-based, stripped down version of the Pennsylvania CareerLink system which is the “model” system for the Mid-Atlantic Career Consortium. It is known as the Virginia Workforce Network (VWN) system and has some reporting capability that support's VEC's ability to comply with DOL reporting requirements. Prior to implementation of the VWN, there was an earlier version of a reporting system used in the first year of WIA operations that eventually was migrated into the VWN.

16. (page 70) – The study reads “WIA legislation and state guidance allow local WIBs to establish a priority of service that limits eligibility beyond the basic federal requirements.” Priority of service requires that local WIBs prioritize how funds are spent rather than limiting eligibility.

17. (page 71) – The VEC’s Priority of Service policy may have been misinterpreted. The policy requires that local WIBs develop a policy in the event that funds become limited and does not prevent them from prioritizing services even if funds are not limited.
18. (page 72) – Re “residency requirement,” the VWC policy allows local WIBs to give priority to residents where funds are limited for the adult funding stream. Policy does not require a “residency requirement” for receipt of intensive and training services, particularly for dislocated workers. There is a clear distinction between a “residency requirement” and “giving priority to residents.”
19. (page 103) – The Governor’s Discretionary Fund “must” (not “may”) be used to perform required activities, with remaining funds used for allowable purposes.
20. (page 106, Figure 29) – “Providing incentive grants” should be considered “completed.” The Governor has approved the \$600,000 awarded by the VWC.
21. (page 106, Figure 29) – “Operating a data system” should be considered “initiated but insufficient.” VWN is the current information system.
22. (page 118) – It should be clarified that the Virginia Community College System (VCCS) staffing of the VWC was not contingent on WIA funds, but rather brought the requirements of state law for VCCS Workforce Centers and other VCCS matters to the VWC.
23. (page 118) – The report reads “...the VEC generally does not collect enough information or monitor the system sufficiently.” Monitoring is a major activity and appears to be effective particularly with respect to financial expenditures.
24. (page 126) – Federal and state law do not provide for the VWC to evaluate VEC’s performance. The VWC is responsible for evaluating the performance of the “workforce investment system.” To imply otherwise minimizes the role of the Secretary of Commerce and Trade, and may demonstrate JLARC misunderstanding of the decisionmaking process regarding staff work for the VWC. The VEC is not the final authority in staffing the VWC.
25. (Financial issues located throughout the report) – In an attempt to facilitate the implementation of the WIA program, to encourage partnerships, and minimize burdens on partners, the VEC chose not to insist on reporting detail beyond that which is required to meet DOL standards. It is felt that this decision was appropriate considering the environment of a new program that imposed significant changes in the policies and procedures of mandated partners. In a more mature program, it would be appropriate to require greater detailed reporting.

Initiatives are currently underway at the VEC to obtain and have readily available more detailed data on statewide expenditures. VEC has also recently taken steps to have a more structured process and consistency in MOU/Agreement requirements.

26. (page D-13) – The Trade Assistance Act of 1974 is cited as guiding legislation. This has since been replaced with the Trade Act of 2002, effective November 6, 2002.

In conclusion, I again thank you for the opportunity to review and comment on JLARC's Review of Workforce Training in Virginia. Should you desire to discuss my review with me, I will be available at your convenience.

Sincerely,

A handwritten signature in cursive script, reading "Dolores A. Esser".

Dolores A. Esser
Commissioner

cc: The Honorable Michael J. Schewel
Secretary of Commerce and Trade

Mr. Michael Daniels
Chair, Virginia Workforce Council



COMMONWEALTH of VIRGINIA

James A. Rothrock, M.S., L.P.C.
COMMISSIONER

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January 20, 2003

MEMORANDUM

TO: Philip A. Leone, Director
Joint Legislative Audit and Review Commission

FROM: James A. Rothrock

A handwritten signature in black ink, appearing to read "James A. Rothrock", written over a light blue background.

RE: Draft Report on Review of Workforce Training in Virginia

The Department of Rehabilitative Services has reviewed the draft report entitled "Review of Workforce Training in Virginia" prepared by the Joint Legislative Audit and Review Commission. I would like to provide you with the following comments regarding the draft report.

- On page 43 of the draft report, there is a statement that the state administered workforce training program that target individuals share a common characteristic of providing services "free to charge to participants". The federal Rehabilitation Act, which governs the vocational rehabilitation program, allows states to implement a financial means test to have individuals who are receiving certain services to participate in the cost of these services. The vocational rehabilitation programs in Virginia administered by the Department of Rehabilitative Services and the Department for the Blind and Vision Impaired utilize a financial participation policy to determine the extent to which consumers must participate in the cost of certain services. Therefore, for many consumers, vocational rehabilitation services are not provided free of charge.
- In Table 8 on page 48 of the draft report, there is a listing of services provided by workforce training programs by specific target population. There also is a statement regarding these services on page 47 of the draft report. In contrast to what is listed and stated, job search and job placement assistance is a service provided by vocational rehabilitation. The service, however, is only provided to individuals with disabilities who have been determined eligible for vocational rehabilitation services.

Philip A. Leone, Director
January 20, 2003
Page Two

- On pages 113 and 114 of the draft report, there is information regarding the chartering of One-Stop Centers. On page 114, it is stated that "[t]he Department of Rehabilitative Services (DRS) will be evaluating the third criteria, accessibility to people with disabilities". The accessibility evaluation, however, is being done through a cooperative relationship with DRS, the Department for the Blind and Vision Impaired, and the Department for the Deaf and Hard of Hearing. Each agency has a role to play in evaluating the accessibility of the One-Stop Centers.

I hope these comments are helpful to you. If you have any questions, please contact me.

C:

Joseph A. Bowman

Commissioner, Department for the Blind and Vision Impaired

Ronald L. Lanier

Director, Department for the Deaf and Hard of Hearing

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