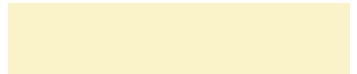
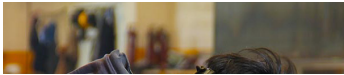


Report to the Governor and the General Assembly of Virginia

Virginia's Workforce Development Programs



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Director

Hal E. Greer

JLARC Staff for this report

Nathalie Molliet-Ribet, Associate Director

Tracey Smith, Team Leader

Susan Bond

Chris Duncombe

Liana Kleeman

Christine Wolfe



COMMONWEALTH of VIRGINIA

Joint Legislative Audit and Review Commission
201 North 9th Street, General Assembly Building, Suite 1100
Richmond, Virginia 23219

Hal E. Greer
Director

(804) 786-1258

October 16, 2015

The Honorable John C. Watkins, Chair
Joint Legislative Audit and Review Commission
General Assembly Building
Richmond, Virginia 23219

Dear Senator Watkins:

In 2013 and 2014, the General Assembly directed the Joint Legislative Audit and Review Commission to study the effectiveness of Virginia's workforce development programs at ensuring that Virginians possess the skills and credentials desired by the state's employers and to present recommendations to ensure entities with oversight responsibilities are provided access to information regarding programs' expenditures and outcomes (HJR 688, § 1-11(H) of the 2014 Appropriation Act). This report was briefed to the Commission and authorized for printing on December 8, 2014.

On behalf of Commission staff, I would like to thank the staff of the Virginia Department of Education, the Virginia Community College System, and the Virginia Employment Commission, as well as staff in the Office of the Secretary of Commerce and Trade and the Office of the Secretary of Education for their assistance during this review. I would also like to acknowledge staff of the Department of Aging and Rehabilitative Services, the Department of Labor and Industry, the Department of Social Services, and the Virginia Economic Development Partnership who provided information and assistance.

Sincerely,

A handwritten signature in blue ink that reads "Hal E. Greer".

Hal E. Greer
Director

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Abbreviations

Career and technical education	CTE
Commonwealth Consortium for Advanced Research and Statistics	CCARS
Commonwealth Transportation Board	CTB
Comprehensive Services Act	CSA
Virginia Department of Aging and Rehabilitative Services	DARS
Virginia Department for the Blind and Vision Impaired	DBVI
Virginia Department of Education	VDOE
Virginia Department of Social Services	DSS
U.S. Department of Labor	DOL
U.S. Department of Labor's Employment and Training Administration	ETA
Virginia Department of Labor and Industry	DOLI
Developing a Curriculum	DACUM
Maryland's Employment Advancement Right Now	EARN
Peninsula Council for Workforce Development	PCFWD
Science, technology, engineering, and math	STEM
Shenandoah Valley Partnership	SVP
Standards of Quality	SOQ
State Council of Higher Education for Virginia	SCHEV
Temporary Assistance for Needy Families	TANF
Virginia Community College System	VCCS
Virginia Economic Development Partnership	VEDP
Virginia Employment Commission	VEC
Virginia Information Technologies Agency	VITA
Virginia Jobs Investment Program	VJIP
Virginia Manufacturers Association	VMA
Workforce Innovation and Opportunity Act	WIOA
Workforce Investment Act	WIA
Workforce Investment Board	WIB

Summary: Virginia's Workforce Development Programs

WHAT WE FOUND

Employers have difficulty filling job openings and navigating workforce development programs

Workforce development programs do not appear to meet the expectations of many employers with respect to producing the workforce they need and providing services they value. Employers report difficulty filling job openings, including finding applicants who possess relevant work experience and job-specific skills as well as the basic skills needed to succeed in the workplace.

Many employers expressed frustration with navigating workforce development programs, which they described as complex and disjointed. Workforce development programs have tools and resources to address employers' workforce needs, including assistance with recruiting qualified applicants and customized training. However, only 16 percent of employers surveyed for this study sought the assistance of a public sector workforce development provider when they experienced difficulty filling a position.

Some programs for teaching in-demand skills do not reflect the state's labor market

Career and technical education (CTE) programs in high schools and community colleges do not always direct their resources toward courses that are related to occupations with the greatest employment potential. Misalignment between course offerings and job openings may be contributing to employers' difficulty finding qualified applicants. High school CTE programs across the state appear to prioritize courses in the science, technology, engineering, and math (STEM) and business fields, which offer a large number of current and future employment opportunities. In contrast, only three percent of high school CTE courses are in the health sciences, even though this field represented nearly 20 percent of all job openings in 2013. While underemphasizing health sciences, school divisions appear to overemphasize programs that provide less marketable skills, such as arts and communications and human services programs.

WHY WE DID THIS STUDY

The General Assembly directed JLARC to assess how effectively Virginia's workforce development programs meet the needs of employers and to examine the transparency of information on program expenditures and outcomes. Interest in this topic was prompted by perceptions that state and local workforce development efforts are not adequately coordinated and do not provide sufficient opportunities for job seekers to obtain the skills, credentials, and education desired by employers.

ABOUT VIRGINIA'S WORKFORCE DEVELOPMENT PROGRAMS

Workforce development programs are instrumental in supporting resilient regional and state economies and producing a high quality workforce valued by employers. In fiscal year 2013, Virginia's workforce development programs received \$341 million in state, federal, and local funding. Programs are intended to provide services that help individuals enter and advance in the workplace through job placement assistance, skills training, and education, and programs assist employers with recruitment and training. Federal laws govern most workforce programs, which are administered by nine state agencies and overseen by the Virginia Board of Workforce Development. Services are provided locally by a variety of agencies.

Community colleges appear to offer CTE courses for in-demand skills and credentials, but there are opportunities for colleges to more effectively shape their programs to match employers' needs. In particular, community colleges are not providing courses in subjects that would meet local employers' needs in certain regions of the state. A comparison of the individual courses offered at community colleges and occupations with open positions in the surrounding area identifies several regions where jobs are available, but there is no related instruction nearby.

CTE courses may not be consistently aligned with labor demand because high schools and community colleges do not effectively incorporate employer input and labor market data into the design of education and training programs. High schools and community colleges use advisory committees to gain input from employers, but the quality of their contributions varies greatly. Advisory committees do not meet regularly in all regions and are not always composed of employers. In addition, school divisions do not effectively use labor market information and employer input when determining which CTE courses to offer. The Virginia Department of Education requires school divisions to submit labor market information when seeking approval for a new CTE course, but the information submitted is too general to ensure that the department's approval of courses is predicated upon a labor market need.

Programs aimed at developing work experience are not fully utilized

Several workforce development programs exist for students and job seekers to gain work experience, but they are underutilized and, in some cases, have not been effectively marketed. For example, the programs funded by the federal Workforce Investment Act (WIA) spent less than one percent of their funding to provide on-the-job training opportunities. As a result, workers in Virginia may miss opportunities to develop the work experience that employers report current job applicants lack.

Virginia's registered apprenticeship program appears more limited than programs in other states, which market their services to job seekers and employers and help promote apprenticeship opportunities. Although federal funds could be used to defray the cost of the program to employers, this practice is currently not in place in Virginia. The apprenticeship program is administered by the state Department of Labor and Industry, whose focus is not on workforce, and the classroom portion of the program is overseen by the Virginia Community College System.

Employer engagement efforts are uneven across regions

Although workforce development programs have increased efforts to engage employers through surveys, meetings, and conferences, these efforts are largely ad hoc and inconsistent across the state. Certain regions and certain programs have developed services without sufficient employer input. According to employers, such services are difficult to navigate or simply not useful, reinforcing their negative perceptions of the local workforce development system.

Lack of coordination and inconsistent participation by key local agencies undermines quality of workforce development efforts

The quality and effectiveness of workforce development programs can vary appreciably across Virginia's regions because local agencies have substantial discretion in their implementation of programs and services. Local agencies do not use consistent and effective approaches for coordinating their workforce development efforts, and in some cases, key workforce development entities are not sufficiently included. Effective coordination strategies have been developed in some regions, and these strategies may serve as examples for programs in other regions. At present, though, most of the regions examined for this study have not established a forum that brings together all key stakeholders for the purpose of coordinating workforce development services and collaborating on regional workforce development strategies.

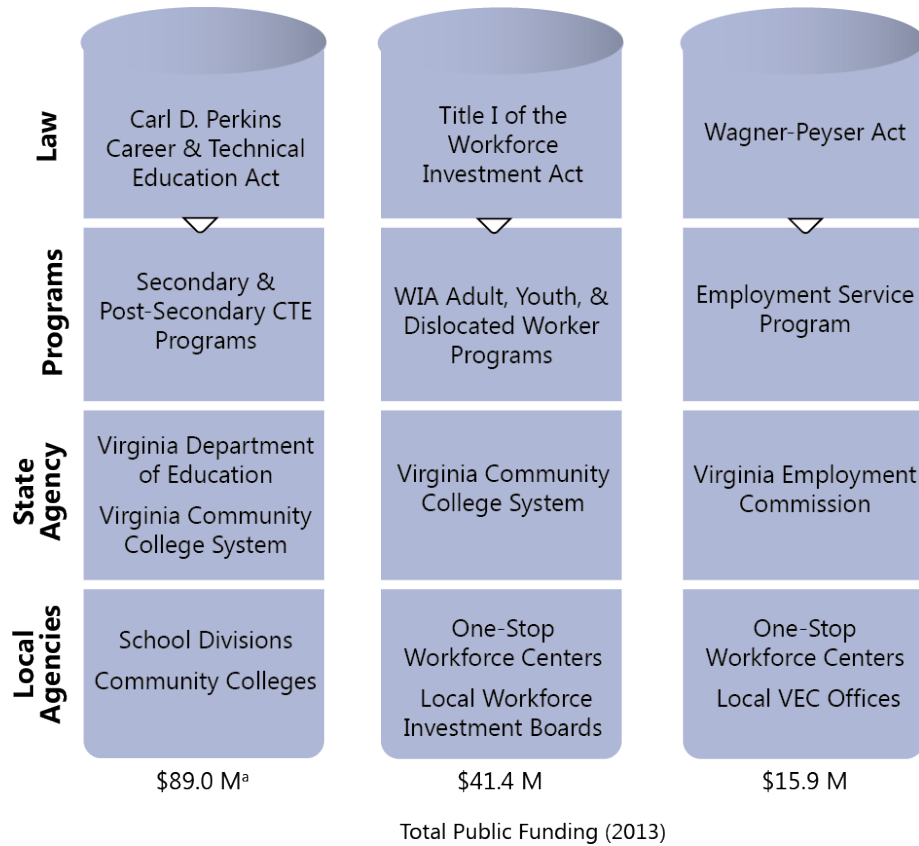
Local workforce development agencies have varying notions of their roles in workforce development and in regional partnerships. Agencies tend to focus on their own core missions, and some key agencies have been inconsistent and unreliable partners in local workforce development efforts. Staff of programs in several regions reported, in particular, a lack of cooperation by the Virginia Employment Commission (VEC), especially with regard to contributing staff resources to one-stop workforce centers. Eight of the 23 one-stop centers have little or no staff representation from the local VEC office. Workforce investment board directors and other staff interviewed for this study expressed concern that customers who go to a VEC office instead of a one-stop center may not learn about or be referred to other local workforce services, such as skills training or education.

In addition, despite the importance of CTE programs in workforce development, CTE program administrators reported varying levels of school division participation in and awareness of regional workforce development efforts. Further, workforce development programs do not consistently involve economic development agencies in workforce development efforts, despite their stated objective to assist employers with workforce needs.

Board of Workforce Development is not equipped to establish a system of workforce development programs

Given the fragmentation of the service delivery system at the local level, strong state-level governance and oversight are needed to achieve the state's vision for a coordinated and efficient system of workforce development programs and agencies. Currently, the Virginia Board of Workforce Development does not have sufficient statutory authority over the state agencies that administer workforce development programs to create a workforce development system in which all relevant agencies and programs operate according to a shared mission and priorities. Further, the board does not appear to have sufficient representation from key state agencies and local entities or sufficient capacity to carry out all of its responsibilities.

Decentralized nature of major workforce development programs underscores importance of coordination



Source: JLARC staff analysis of federal laws; *Mapping the Virginia Workforce System: A Status Report on Workforce Programs in the Commonwealth*, Virginia Commonwealth University (2013); *Workforce Development in Virginia*, The Commonwealth Institute (2013); and state agency websites.

^aIncludes federal Perkins funds and state general funds. Of the federal Perkins funds that are distributed locally, 85 percent are allocated to school divisions and 15 percent are allocated to community colleges.

Lack of uniform spending classification hinders meaningful spending review

Spending definitions and calculations are not standardized within and across programs. As a result, state-level oversight entities, such as the Board of Workforce Development, lack reliable spending data with which to evaluate whether key activities, such as training and education, are funded appropriately. Under the current system, it is difficult to compare the spending patterns of workforce development programs because of variation in how programs categorize their expenditures. For example, one program might define basic employment workshops as “training” while another program might classify them as “employment assistance.” Definitions also vary within a single program, such that costs for the same program are categorized and calculated differently from one locality to another.

Current performance measures do not provide comprehensive assessment of program performance

Many of Virginia's workforce development programs are evaluated against performance measures and goals assigned to them by the state and federal governments. However, performance measures do not reflect state workforce development priorities, such as employer satisfaction with the workforce or the programs, and the measures vary by program, which prevents a performance assessment of the workforce development system as a whole. Moreover, for some programs, performance measures or goals have not been developed at all. The Board of Workforce Development is currently working to establish additional, more standardized measures that would better reflect the state's workforce priorities.

WHAT WE RECOMMEND

Legislative action

- Require the Board of Workforce Development to annually evaluate the extent to which workforce development programs emphasize training and education opportunities that align with the needs of employers.
- Enhance the authority of the Board of Workforce Development to influence the workforce development policies of state agencies.
- Create a formal advisory council to the Board of Workforce Development, composed of key state and local entities not currently represented.
- Require state agencies to develop standard categories of program spending that can be reported to the Board of Workforce Development.
- Require the Board of Workforce Development to establish standard performance measures for all workforce development programs and ensure that all measures support the state's highest workforce development priorities.
- Designate a single entity in each workforce region to lead workforce development efforts, including the development of a local plan for employer engagement and the formation of a formal region-wide workforce development council.

Executive action

- Require school divisions and community colleges to include employers on CTE advisory committees and to meet at least every six months.
- Require community colleges to adopt a common curriculum development process that fully incorporates employer input.

- Develop criteria to measure whether new CTE courses proposed by school divisions are aligned with labor market demand.
- Require school divisions' CTE advisory committees to annually develop recommendations to improve the relevancy of CTE program offerings.
- Develop a plan to achieve full co-location of VEC offices and all one-stop workforce centers and, until the plan is implemented, ensure that VEC staff are present at each one-stop workforce center and WIA staff are present at each stand-alone VEC office.

See the complete list of recommendations on page vii.

Recommendations: Virginia's Workforce Development Programs

RECOMMENDATION 1

The General Assembly may wish to consider including language in the Appropriation Act to direct state agencies to collaborate with the Board of Workforce Development to develop and define standard categories of workforce development program activities to use when tracking workforce development program expenditures and reporting these expenditures to the board. The General Assembly may also wish to consider amending the Code of Virginia to require state agencies to adopt these categories. These agencies should include the Department for Aging and Rehabilitative Services, the Department for the Blind and Vision Impaired, the Department of Education, the Department of Labor and Industry, the Department of Social Services, the Virginia Community College System, the Virginia Employment Commission, and the Virginia Economic Development Partnership (Chapter 2, page 22).

RECOMMENDATION 2

The General Assembly may wish to consider including language in the Appropriation Act to direct state agencies that receive general funds for the administration of workforce development programs to collect data on the total amount of general funds spent by local entities, to distinguish between administrative and program-related expenditures, and to report data in the greatest possible detail (Chapter 2, page 24).

RECOMMENDATION 3

The Virginia Board of Workforce Development should, in collaboration with the Chief Workforce Development Advisor, establish goals and objectives that apply across all of Virginia's workforce development programs and that reflect the state's highest workforce development priorities. The board should also develop performance measures related to these goals and objectives, and the performance of all workforce development programs should be regularly assessed using these measures (Chapter 2, page 29).

RECOMMENDATION 4

The Virginia Board of Education should amend the regulations governing career and technical education to require school divisions to include a minimum number of employers on career and technical education advisory committees and to convene advisory committees at least every six months (Chapter 3, page 42).

RECOMMENDATION 5

The Virginia Community College System should require community colleges to include a minimum number of employers on career and technical education advisory committees and to convene advisory committees at least every six months (Chapter 3, page 42).

RECOMMENDATION 6

The Virginia Board of Education should amend the regulations governing career and technical education to require (i) local career and technical education advisory committees to submit to their school division any recommendations for improving the relevancy of career and technical education program offerings resulting from the committees' annual review of courses and (ii) school divisions to submit these recommendations to VDOE to verify that reviews of course relevancy are being undertaken (Chapter 3, page 43).

RECOMMENDATION 7

The Virginia Department of Education should develop specific criteria for determining whether new career and technical education courses proposed by school divisions are justified and only approve courses for which justification is demonstrated. The criteria should include demonstrating that there is employer demand for the course that is not sufficiently met through other nearby training and education programs and that there are or will be job openings in the region in occupations associated with the course (Chapter 3, page 44).

RECOMMENDATION 8

The Virginia Board of Education should amend the regulations governing career and technical education to require school divisions to incorporate labor market data in the criteria used to select the program areas that are the basis of their career and technical education programs (Chapter 3, page 45).

RECOMMENDATION 9

The Virginia Community College System should require community colleges to use a structured process, such as the Developing a Curriculum Process, for reviewing the relevance of their career and technical education courses and the curricula used in those courses at least annually. Community colleges should incorporate analysis of employer input and labor market data into these reviews (Chapter 3, page 45).

RECOMMENDATION 10

The General Assembly may wish to consider amending the Code of Virginia to require the employment services division of the Virginia Employment Commission to serve as a labor market analysis resource and to actively assist state and local workforce development entities in targeting their resources to programs that reflect the state's labor market (Chapter 3, page 46).

RECOMMENDATION 11

The General Assembly may wish to consider amending the Code of Virginia to require the Virginia Board of Workforce Development to evaluate the extent to which the state's workforce development programs emphasize education and training opportunities that align with employers' workforce needs. This evaluation should take place every two years (Chapter 3, page 47).

RECOMMENDATION 12

The General Assembly may wish to consider amending the Code of Virginia to designate the Virginia Community College System (VCCS) as the single state agency responsible for administering all aspects of the registered apprenticeship program, and to transfer these responsibilities to VCCS from the Virginia Department of Labor and Industry (Chapter 3, page 50).

RECOMMENDATION 13

The General Assembly may wish to consider including language in the Appropriation Act to create a competitive grant program that would award funds to local workforce development entities that propose to create and administer education and training services for a group of employers from the same industry for the purpose of reducing labor shortages in that industry (Chapter 3, page 52).

RECOMMENDATION 14

The General Assembly may wish to consider amending the Code of Virginia to require the Virginia Board of Workforce Development to designate a single entity in each region to lead the development of a local plan for employer engagement. The plan should, at a minimum: (i) specify the policies and protocols to be followed by all local workforce development agencies in the region, (ii) address how agencies will involve employers in the formation of new workforce development initiatives, (iii) identify what activities will be undertaken to address employers' specific workforce needs, and (iv) describe the format and content of a single, user-friendly resource that would help employers identify and access available workforce development services. Each regional entity should submit its employer engagement plan to the board for review at a minimum of every four years, and the board should recommend changes to the plans, if needed, to ensure consistency across the regions. Employer engagement plans should be developed by July 1, 2015 (Chapter 3, page 54).

RECOMMENDATION 15

The General Assembly may wish to consider amending the Code of Virginia to require the Virginia Board of Workforce Development to (i) direct each workforce investment region to designate a single entity to lead the region's workforce development efforts; (ii) direct each workforce investment region to create a single regional workforce development council for identifying initiatives that could be undertaken collaboratively; (iii) develop guidelines for regions to follow in establishing and operating regional councils, in collaboration with state and local entities that administer the state's workforce development programs; and (iv) amend existing eligibility criteria for Workforce Investment Act incentive funds to include each region's designation of a lead workforce development entity and formation of a regional workforce development council. All regions should be required to create regional councils by July 1, 2016 (Chapter 4, page 63).

RECOMMENDATION 16

The Virginia Community College System should, in consultation with the Virginia Board of Workforce Development and local Workforce Investment Board (WIB) directors, identify and share best practices that are being implemented by WIBs to expand their role beyond Workforce Investment Act programs in order to influence and advance broader workforce development initiatives in their regions (Chapter 4, page 66).

RECOMMENDATION 17

The Virginia Board of Workforce Development should, in consultation with the Secretary of Education and the Department of Education, develop a statewide policy emphasizing that school divisions are expected to regularly participate in workforce development initiatives being undertaken in the state's workforce investment regions. This policy should include guidelines for the manner in which school divisions are expected to participate and the types of initiatives in which school division participation is most expected (Chapter 4, page 67).

RECOMMENDATION 18

The Virginia Board of Workforce Development should, in consultation with the Secretary of Commerce and Trade and the Virginia Economic Development Partnership, develop a statewide policy emphasizing that regional economic development agencies are expected to regularly participate in workforce development initiatives undertaken in the state's workforce investment regions. This policy should include guidelines for the manner in which regional economic development agencies are expected to participate and the types of initiatives in which participation is expected (Chapter 4, page 70).

RECOMMENDATION 19

The Chief Workforce Development Advisor should create a working group composed of staff from the Virginia Employment Commission (VEC), Virginia Community College System (VCCS), and the U.S. Department of Labor to develop a plan by July 1, 2015 to achieve full co-location of VEC offices and all one-stop workforce centers. Until full-time co-location is achieved, VEC and VCCS should ensure that each one-stop workforce center has at least one full-time staff person from VEC on site, and each VEC office that is not co-located has a full-time WIA staff person on site (Chapter 4, page 75).

RECOMMENDATION 20

The Virginia Employment Commission (VEC) and Virginia Community College System should establish formal, written policies and procedures specifying how clients should be referred to other workforce development programs and how referrals should be monitored by the respective agencies. These policies and procedures should be followed by all local VEC offices and one-stop workforce centers (Chapter 4, page 75).

RECOMMENDATION 21

The General Assembly may wish to consider amending the Code of Virginia to delegate several responsibilities of the Board of Workforce Development to other state agencies, such as the Virginia Employment Commission and the Virginia Community College System. These responsibilities include those related to identifying the current and future workforce needs of employers and associated training requirements, reviewing and recommending industry credentials, developing Workforce Investment Act incentive grant applications, and administering the Career Readiness Certificate Program (Chapter 5, page 83).

RECOMMENDATION 22

The General Assembly may wish to consider amending the Code of Virginia to establish the Career Pathways Workgroup as a formal advisory council to the Board of Workforce Development and direct it to develop and recommend (i) new training strategies, (ii) strategies to match trained workers with jobs, (iii) cross-agency performance measures in coordination with other agencies, and (iv) workforce development strategies for veterans (Chapter 5, page 83).

RECOMMENDATION 23

The General Assembly may wish to consider amending the Code of Virginia to clarify the role of the Virginia Employment Commission in contributing to the state's development of a coordinated system of workforce development programs and specify the responsibilities that fall outside of the scope of the agency's program administration functions. These responsibilities should include collaborating with the Board of Workforce Development and other state agencies on initiatives to improve the coordination and efficiency of the state's workforce development programs, assisting the board with identifying the training and education requirements associated with the state's current and future labor market, and collaborating on statewide efforts to improve the effectiveness of programs' outreach and service delivery to employers (Chapter 5, page 84).

RECOMMENDATION 24

The General Assembly may wish to consider amending the Code of Virginia to authorize the Virginia Board of Workforce Development to hire a director and staff to support the board in fulfilling its most strategic and necessary responsibilities, especially those that span multiple agencies and programs (Chapter 5, page 85).

RECOMMENDATION 25

The General Assembly may wish to consider amending the Code of Virginia to require the Board of Workforce Development to meet at least once every three months (Chapter 5, page 86).

RECOMMENDATION 26

The Board of Workforce Development should designate a committee that focuses exclusively on the state's most important short-term and long-term workforce development priorities and that establishes the priorities of the board as a whole. This committee should be composed exclusively of the board's business members and be led by the board Chair. (Chapter 5, page 86).

RECOMMENDATION 27

The General Assembly may wish to consider amending the Code of Virginia to give the Board of Workforce Development responsibility for developing new policies related to the following aspects of workforce development for those state agencies that are responsible for administering workforce programs: (i) engagement with the business community, (ii) alignment of education and workforce training opportunities with the needs of the business community, (iii) coordination and collaboration between workforce programs intended to improve the efficiency and effectiveness of workforce programs, and (iv) accountability for and transparency of the expenditures of public funds for workforce programs and programs' performance. These policies should be developed in consultation with the governor and the governing boards of those state agencies and, when appropriate, should be implemented by promulgation of regulations through those boards to ensure that these policies do not conflict with federal or state requirements specific to those state agencies and their programs. When the promulgation of regulations is unnecessary, state agencies' boards should approve the Board of Workforce Development's policies before they are adopted (Chapter 5, page 88).

RECOMMENDATION 28

The General Assembly may wish to consider including language in the Appropriation Act to require the Chief Workforce Development Advisor to evaluate progress made by the Board of Workforce Development and the state and local workforce development agencies toward achieving a more coordinated, efficient, and responsive system. This evaluation should consider, at a minimum, (i) the effectiveness of efforts to ensure that training and education requirements match the state's labor market, (ii) the extent to which local workforce development programs have implemented strategies to coordinate their service delivery efforts in Virginia's workforce regions, (iii) the effectiveness of employer engagement strategies being followed by local workforce development programs in Virginia's workforce regions, (iv) employers' satisfaction with the state's workforce and its workforce development programs, and (v) the extent to which state agencies have adopted workforce development policies that are consistent across agencies and that reflect the Board of Workforce Development's priorities. A report on the findings of this evaluation should be submitted to the Governor and the Chairmen of the House Appropriations and Senate Finance committees no later than January 1, 2018. The report should include recommendations to make further progress in these areas, if needed, and should assess the advantages and disadvantages of consolidating programs and agencies, as well as their funding streams, under a single supervisory board (Chapter 5, page 88).

RECOMMENDATION 29

The General Assembly may wish to consider amending the Code of Virginia to include representatives of the information technology and science, technology, engineering, and math fields on the Board of Workforce Development (Chapter 5, page 89).

RECOMMENDATION 30

The General Assembly may wish to consider amending the Code of Virginia to require the Chief Workforce Development Advisor to appoint to an advisory council to the board (i) representatives of the Department of Education, Virginia Employment Commission, Virginia Community College System, State Council for Higher Education in Virginia, Virginia Economic Development Partnership, Department of Aging and Rehabilitative Services, Department for the Blind and Vision Impaired, and the Department of Social Services and (ii) representatives from local entities, including staff of one or more local workforce investment boards, one or more community colleges, one or more school divisions, and one or more local economic development representatives (Chapter 5, page 93).

1 Administration of Virginia's Workforce Development Programs

SUMMARY Virginia has 24 workforce development programs that provide services to job seekers, students, and employers. Programs for job seekers provide assistance with entering the workforce and obtaining new skills and credentials. Programs for employers provide assistance with recruiting employees and screening job candidates and customized training. These programs received \$341 million in government funds in state fiscal year 2013, the majority of which was federal (61 percent). Nine state agencies administer the services available through Virginia's workforce development programs, and numerous local entities provide the services directly to job seekers and employers. These local entities include "one-stop" workforce centers, Virginia Employment Commission offices, high schools, and community colleges. To ensure that employers' and job seekers' needs are met by this wide array of programs and agencies, the state aspires to produce a workforce development system that is coordinated and efficient, and that meets the needs of employers.

This study of workforce development programs was requested by the General Assembly through House Joint Resolution 688 (2013) and a budget amendment in the 2014 Appropriation Act (Appendix A). The resolution directs the Joint Legislative Audit and Review Commission (JLARC) to update its 2003 report, *Review of Workforce Training in Virginia*, examine the transparency of funding for Virginia's workforce development programs, and recommend measures to ensure that state workforce development agencies have access to information about workforce development program expenditures and performance. The budget amendment expanded the 2013 study mandate by directing JLARC staff to evaluate the success of the state's workforce development programs in ensuring that Virginians possess the skills and credentials to meet the workforce needs of the state's employers, consider what steps can be taken to produce a more coordinated and effective workforce development system, and examine whether existing governance and accountability structures facilitate such a system.

JLARC staff interviewed staff at the state agencies that administer major workforce development programs, including the Virginia Community College System (VCCS), Virginia Department of Education (VDOE), and Virginia Employment Commission (VEC); conducted interviews and site visits with numerous local workforce entities; interviewed numerous Virginia employers and several members of the Virginia Board of Workforce Development; conducted three surveys (one of Virginia employers, one of secondary career and technical education administrators, and one of state agencies); and analyzed labor market data, and program funding and expenditure data (Appendix B).

Review of Workforce Training in Virginia (JLARC, 2003)

This report focused on the state's implementation of the federal Workforce Investment Act (WIA). The report found that Virginia lacked a coherent, coordinated approach to administering WIA and that some areas of the state did not have a seamless system of local service delivery for WIA-funded programs. The report also found that there was a lack of specific information about how certain workforce development funds were spent.

Workforce development programs can help Virginians obtain high-wage occupations

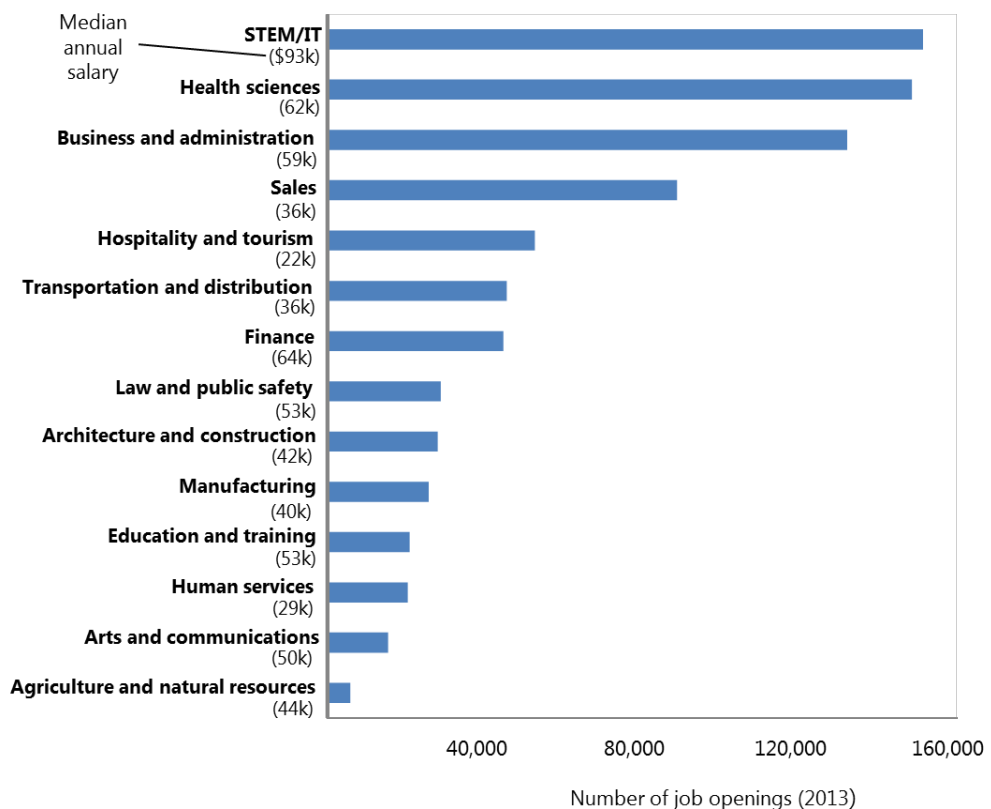
Workforce development programs can provide individuals with opportunities to obtain the skills, credentials, and education required in Virginia's labor market. More employment opportunities are available to job seekers who have a postsecondary degree or credential. In 2013, over half of the job openings in Virginia required a postsecondary degree or credential, and this proportion may increase as many of Virginia's growing occupations require education and training beyond high school. Occupations with the most job openings in 2013 were in science, technology, engineering, and math (STEM) and information technology (IT); health sciences; and business and administration (Figure 1-1). These fields have the highest projected employment growth by 2022. Occupations in arts and communications, education and training, finance, the health sciences, and STEM/IT typically require a postsecondary degree or credential.

Education and training can also lead to better-paying jobs. In 2012, over two-thirds of the jobs in Virginia that paid a median salary over \$40,000 required a postsecondary

Credentials

The U.S. Department of Labor defines an education- and work-related credential as "a verification of qualification or competence issued to an individual by a third party." Credentials can include educational certificates (such as ServSafe Food Handler), degrees (such as bachelor of science), certifications (such as certified welder), and government-issued licenses (such as Registered Nurse).

FIGURE 1-1
2013 Virginia job openings and median annual salaries



Source: JLARC staff analysis of VEC Online Advertised Jobs Data (2013); VEC Occupational Employment Statistics (2012); and the National Research Center for Career and Technical Education's Perkins IV Crosswalk (2010).

TABLE 1-1

Occupations that employ the most Virginians are in business and administration, and those projected to grow the most are in health sciences

	Employment 2012	Percent of total	Growth in employment by 2022	Percent of total
Business and administration	718,916	19%	74,209	14%
Hospitality and tourism	463,830	12	62,635	12
Sales	425,978	11	42,789	8
Health sciences	289,839	7	74,649	14
Architecture and construction	284,650	7	50,687	10
Manufacturing	271,372	7	12,752	2
Transportation and distribution	271,285	7	25,078	5
STEM/IT	267,023	7	59,444	11
Education	235,695	6	40,913	8
Finance	146,661	4	18,540	4
Human services	171,100	4	42,982	8
Law and public safety	157,222	4	23,941	5
Agriculture and natural resources	92,825	2	-9,922	-2
Arts and communications	57,032	1	4,701	1
Total	3,853,428		4,701	

Source: JLARC staff analysis of VEC Long-Term Occupational Employment Projections (2012-2022) and the National Research Center for Career and Technical Education's Perkins IV Crosswalk (2010).

Note: Employment estimates are based on nonfarm employment, which excludes private household and farm workers. Occupations related to career fields in government and public administration are not included, as the focus of the report is private sector employment.

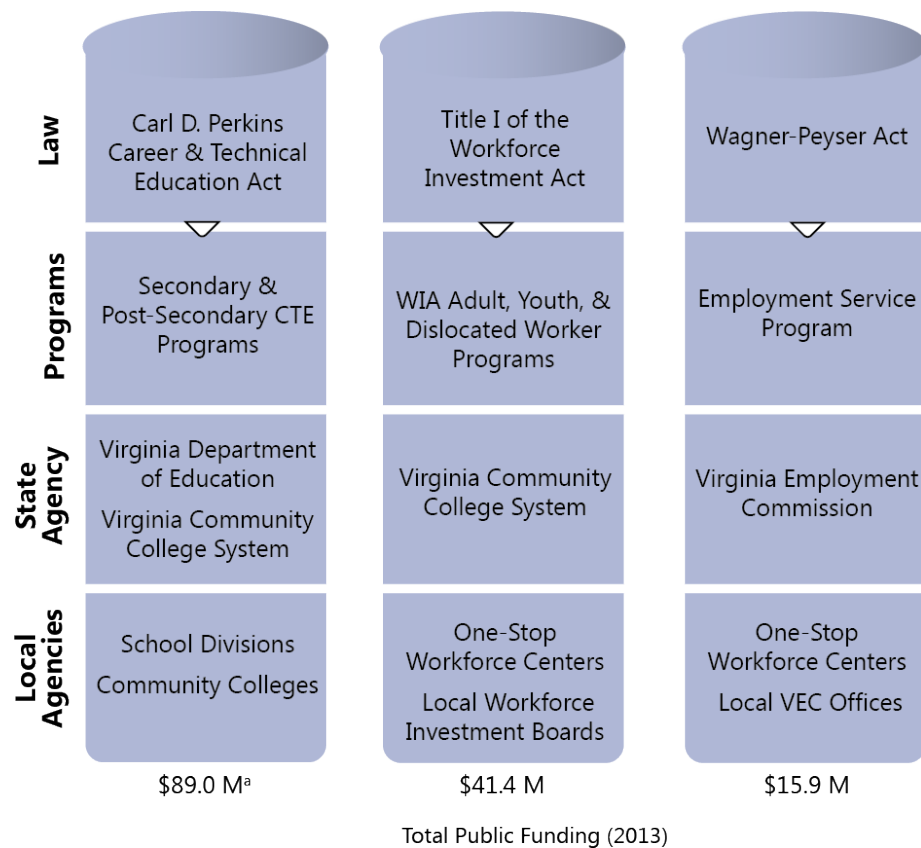
degree or credential. Many of these employment opportunities are in the health sciences and STEM/IT fields, pay over \$50,000, and require a postsecondary education.

Labor market projections for 2022 indicate that there will not be substantial changes in the state's labor market over the next decade and that fields requiring a postsecondary degree or credential will continue to represent a substantial portion of total employment. Some of the fields that employ the most Virginians now are also projected to grow the most, including business and administration and hospitality and tourism (Table 1-1). Several large fields, including health sciences, STEM/IT, and architecture and construction, are projected to represent an even greater portion of the labor market than they currently do.

Workforce development programs are designed to facilitate employment and enhance skills

There are 24 workforce development programs in Virginia, which were identified by a state agency workgroup in 2012. The major programs discussed in this report fall into three categories: (1) secondary and postsecondary career and technical education programs authorized by the Carl D. Perkins Career and Technical Education Act;

FIGURE 1-2
Major workforce development laws and programs



Source: JLARC staff analysis of federal laws; Mapping the Virginia Workforce System: A Status Report on Workforce Programs in the Commonwealth, Virginia Commonwealth University (2013); Workforce Development in Virginia, The Commonwealth Institute (2013); and state agency websites.

^a Includes federal Perkins funds and state general funds. Of the federal Perkins funds that are distributed locally, 85 percent are allocated to school divisions and 15 percent are allocated to community colleges.

(2) programs for adults, youth, and dislocated workers authorized by the Workforce Investment Act; and (3) the Employment Service program authorized by the Wagner-Peyser Act (Figure 1-2). While this report includes information related to other workforce development programs, these largest programs together account for more than 40 percent of the funding for workforce development activities.

As expressed in some of the state's key workforce development governing documents, the collective mission of Virginia's workforce development programs is to "prepare individuals for the careers of today and tomorrow, and connect business to a highly skilled workforce." These programs help job seekers enter the workforce, provide students and job seekers with new skills and credentials to enter and advance through the workplace, and help employers maintain a qualified, skilled workforce.

While job seekers have been the primary customers of workforce programs in the past, employers have recently become a growing focus of these programs.

Workforce development programs offer a variety of services to students and job seekers

Workforce development programs can be categorized according to their principal objectives. The first category—employment assistance programs—includes traditional workforce programs that help job seekers enter the workforce. The second category—education and training programs—focuses on providing students and job seekers with new skills and credentials to enter and advance in the workplace. Programs in this second category are a growing focus of the entities that provide workforce development services. Notably, most workforce development programs provide services aimed at both of these objectives, but have been categorized based on their *principal* objectives.

Employment assistance programs help job seekers enter the workforce

Virginia administers workforce development programs that are designed to help job seekers enter the workforce but that do not emphasize career advancement (Table 1-2). These “work first” programs primarily offer services such as job search assistance, assessments to determine a job seeker’s skills and employability, and résumé development. They are generally targeted at individuals for whom obtaining immediate employment is viewed as a higher priority than engaging in longer-term training and education programs, such as those who receive public assistance or unemployment benefits. The most used work-first program is the Employment Service administered by VEC.

Many employment assistance programs serve individuals with specialized needs or barriers to work. For example, the primary customers of programs funded by the Workforce Investment Act (WIA) include “dislocated workers”—adults who have lost their jobs due to layoffs, business closures, economic conditions, or natural disasters—and youth and adults who face barriers to obtaining or retaining employment, such as a physical or mental impairment or limited education. Some programs target the employment and training needs of veterans and also assist individuals with changing jobs and careers. Some workforce development programs provide supportive services that help job seekers look for work and maintain employment. Examples of these services include child care, transportation assistance, and career coaching.

Training and education programs provide students and job seekers with new skills for entering and advancing in the workplace

Virginia administers several workforce development programs that emphasize skill development and career advancement (Table 1-3). These programs provide opportunities for students and job seekers to learn more advanced skills and obtain industry

Workforce Investment Act of 1998 (WIA)

WIA is one of the largest sources of federal funding for workforce development activities. WIA creates a local service delivery system; authorizes local workforce programs for adults, youth, and dislocated workers; and amends three federal laws related to adult education and literacy, job placement services, and vocational rehabilitation programs.

TABLE 1-2**Employment assistance programs primarily serve individuals with specialized needs**

Program	Services provided & target population served	Total public funding 2013 (\$M)^a	Total users 2012	Primary federal law^b	State agency
Vocational Rehabilitation (through DARS)	Vocational counseling, adaptive equipment for training, and job placement for adults with disabilities	\$79.7 ^c	33,757	Rehabilitation Act	DARS
Virginia Initiative for Employment Not Welfare (VIEW)	Job preparation training and support services for TANF recipients	56.6	43,488	Deficit Reduction Act of 2005	DSS
WIA Dislocated Worker	Job placement assistance, counseling, one-on-one support, and training for workers who have lost jobs due to business closures	16.4	7,792	WIA Title I	VCCS
Employment Service	Job placement assistance for job seekers through a job match database	15.9	405,230	Wagner-Peyser Act	VEC
WIA Youth	Services to prepare low-income youth ages 14-21 for employment and/or postsecondary education	13.0	3,326	WIA Title I	VCCS
Vocational Rehabilitation (through DBVI)	Vocational counseling, adaptive equipment for training, and job placement for the blind and vision impaired	12.3 ^c	1,493	Rehabilitation Act	DBVI
WIA Adult	Job placement assistance, counseling, one-on-one support, and training for adults	12.0	5,124	WIA Title I	VCCS
Trade Adjustment Assistance	Re-training, job search, and relocation support for workers laid off due to jobs moving overseas	11.4 ^c	8,113	Trade Adjustment Assistance Extension Act of 2011	VEC
TANF Employment Advancement	Job preparation training and support services for TANF recipients	7.3	11,953	Deficit Reduction Act of 2005	DSS
SNAP Employment & Training	Job preparation training and support services for SNAP recipients	5.0	3,239	Agricultural Act of 2014	DSS
Jobs for Veterans State Grant	Job search, counseling, and training for veterans and separating service members	4.8 ^c	42,000	Uniformed Services Employment & Reemploy. Rights Act	VEC
Refugee Employment Services	Employment training and services for adult refugees	2.4 ^d	1,650	Refugee Act	DSS
Senior Community Service Employment	Employment preparation and placement in public and private organizations for low-income seniors	1.9 ^d	253	Older Americans Act	DARS
Total		\$238.7	405,230–567,418^e		

Source: JLARC staff analysis of *Mapping the Virginia Workforce System: A Status Report on Workforce Programs in the Commonwealth*, Virginia Commonwealth University (2013); *Workforce Development in Virginia*, The Commonwealth Institute (2013); and state agency websites.

Abbreviations: DSS (Department of Social Services), DBVI (Department for the Blind and Vision Impaired), and DARS (Department for Aging and Rehabilitative Services).

^a Includes funding from federal, state (general and non-general funds), and local governments. ^b The primary federal law is the most recent law upon which current policies are based. ^c Programs reported funding based on the federal fiscal year. ^d 2012 data. ^e Because individuals can be enrolled in multiple programs, JLARC staff calculated a range of total users. The low end of the range is the program with the most total users (Employment Service) and the high end of the range is the sum of total users for all programs in the table.

TABLE 1-3**Training and education programs are primarily targeted at students and employers**

Program	Services provided & target population served	Total public funding 2013 (\$M)^a	Total users 2012	Primary federal/state law or budget authorization^b	State agency
Secondary Career & Technical Education	Career and technical education for middle and high school students	\$85.9	262,952	Carl D. Perkins Act; Code of Virginia § 22.1-227	VDOE
Virginia Jobs Investment Program	Employee training and recruiting services to employers creating new jobs or upgrading technology, and to employers with workforce-related challenges	7.5	11,091	Code of Virginia § 2.2-2240.3	VEDP
Non-credit Training & Instruction	Training that is either customized for employers based on their workforce needs or that is offered to adults wishing to augment their skills and/or earn new credentials	4.8	87,197	2014 Approp. Act, Item 213	VCCS
Postsecondary Career & Technical Education	Career and technical education for community college students	3.1	82,266	Carl D. Perkins Act	VCCS
Microsoft IT Program ^c	Microsoft Suite training and certification testing for high school students	1.5	45,460	--	VDOE
Path to Industry Certification ^c	Courses that allow high school students to work toward an industry credential or state license while obtaining a high school diploma	1.1	51,192	2014 Approp. Act, Item 136	VDOE
Apprenticeship-Related Instruction	Classroom-based apprenticeship instruction for adults in a range of occupations	0.9	6,513 ^d	2014 Approp. Act, Item 213; Code of Virginia § 23-218	VCCS
Registered Apprenticeship	On-the-job training for adults in a range of occupations	0.9	14,987 ^d	2014 Approp. Act, Item 109; Code of Virginia §§ 40.1-117 to 40.1-147	DOLI
Institutes of Excellence	Education and training for adults in cutting-edge fields that support Virginia businesses	0.7	3,200	2014 Approp. Act, Item 213, F.1	VCCS
PluggedIn VA	Provides adults who do not have a high school diploma with a GED curriculum that is integrated with industry-specific technical training as a means to develop essential workplace skills	0.5	75	2014 Approp. Act, Item 213	VDOE
Workplace Readiness Skills Assessment ^c	Assessment of high school students' workplace readiness skills	0.3	13,653	2014 Approp. Act, Item 136	VDOE
Total		\$107.2	262,952–578,586^e		

Source: JLARC staff analysis of *Mapping the Virginia Workforce System: A Status Report on Workforce Programs in the Commonwealth*, Virginia Commonwealth University (2013); *Workforce Development in Virginia*, The Commonwealth Institute (2013); and state agency websites.

^a Includes funding from federal, state (general and non-general funds), and local governments. ^b The primary federal/state law or budget authorization is the most recent upon which current policies are based. ^c VCU identifies these as programs, but they are actually initiatives that received funding. ^d It is not possible to determine with available data the extent to which apprentices are co-enrolled. ^e Because individuals can be enrolled in multiple programs, JLARC staff calculated a range of total users. The low end of the range is the program with the most total users (Secondary CTE) and the high end of the range is the sum of total users for all programs shown.

credentials that employers desire. According to a 2013 Brookings Institution report, this approach to workforce development not only improves the long-term career prospects of individuals, but also enhances the economic competitiveness of states and localities.

The career and technical education (CTE) programs provided by middle and high schools and community colleges are the primary programs included in this category. CTE programs train students in a wide range of careers such as information technology, health care, law enforcement, automotive technology, engineering, and marketing. These programs not only teach academic and technical skills, but also incorporate workplace readiness skills that employers desire, including problem-solving and effective communication. They train students and job seekers in the skills needed for occupations in specific industries and allow employed individuals to obtain advanced skills needed to retain employment or advance in their careers. These programs also provide students and job seekers with the education and training needed to obtain credentials required for specific occupations.

There are other programs besides CTE that fall into this category. Some WIA programs offer short-term education and training to equip participants with the skills and credentials needed to pursue specific career paths. Apprenticeship programs provide on-the-job training and classroom instruction in occupations that require a high level of skill.

Virginia Workforce Connection

The main recruitment tool provided by the state is the Virginia Workforce Connection, an online employment exchange that allows employers to post job advertisements, search for job candidates, identify training providers, and review labor market information.

Several workforce development programs provide services that help employers maintain a qualified, skilled workforce

Employers are regarded as major customers of workforce development programs, and they have been a growing focus of these programs in recent years. Virginia's strategic plan for workforce development states that businesses are a "renewed focus" and "primary customer" of the local one-stop workforce centers through which many workforce development programs can be accessed.

Several of the workforce development programs that serve individual job seekers also provide services to employers. These services are aimed at providing employers with a pool of skilled, qualified employees, and include recruiting and screening potential employees on behalf of employers, helping employers determine their workforce needs, and providing customized training for current workers. Employers served by workforce development programs represent a wide spectrum of industries and include small, mid-sized, and large companies.

Workforce development programs are mostly federally funded and funding has declined

Virginia's workforce development programs are funded through a combination of federal, state, local, and private funds, with the federal government providing the largest contributions. Over the past decade, the total amount of funding for work-

force development programs has declined slightly, after adjusting for inflation. While funding decreased for training and education programs, it increased slightly for employment assistance programs.

Workforce programs are mostly funded through federal grants

In state fiscal year 2013, the 19 workforce development programs analyzed in this section received \$341.4 million in government funding, 61 percent of which was from federal sources (Figure 1-3). Five state agencies, which oversee 16 programs, received the bulk (94 percent) of workforce development funding from state and federal governments: VCCS, VEC, VDOE, Virginia Department of Social Services (DSS), and Virginia Department for Aging and Rehabilitative Services (DARS).

Funds for 12 programs are allocated to local agencies that deliver services and education and training opportunities directly to job seekers and employers. The state agencies that administer these programs allocate funds through competitive grants and formula grants. A majority of programs receive funds based partly or entirely on a formula. For instance, VDOE allocates federal funding for secondary CTE to local school divisions based on the number of students enrolled in the school system and child poverty rates. VCCS distributes funds to local colleges by formula (based on

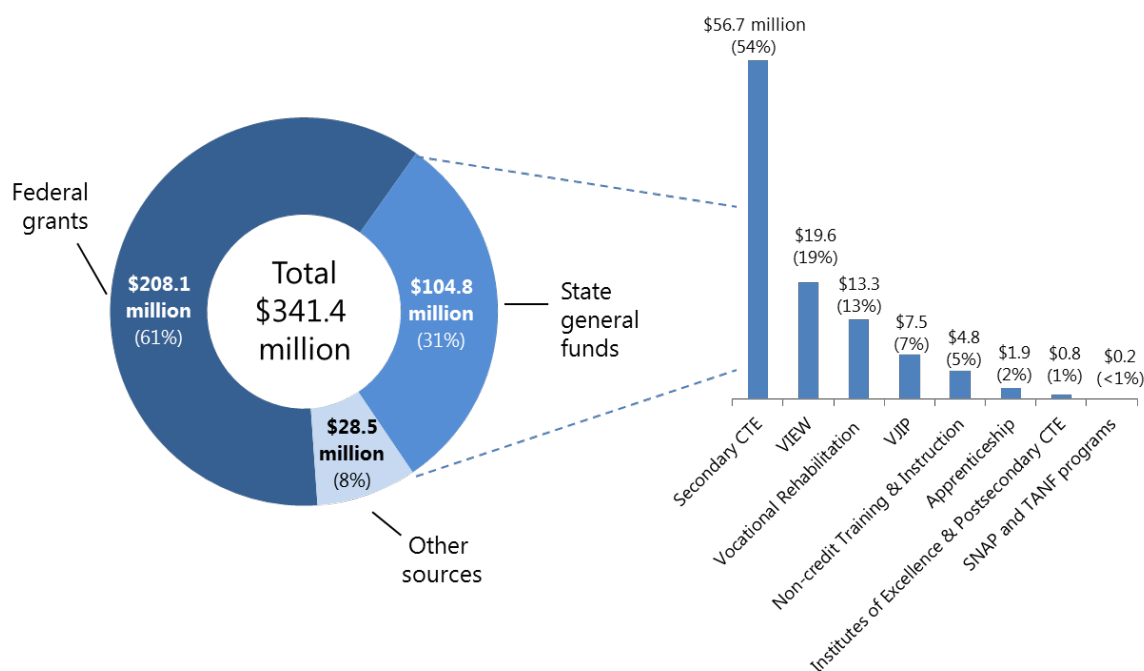
Programs excluded from, or consolidated in, funding analysis

Programs were excluded from efforts to collect data on funding if they were small (less than \$3.0 million in FY 2012) or received no state funds. Two of the state's 24 programs met these criteria and were therefore excluded from the analysis: the Senior Community Service Employment Program and Virginia Refugee Resettlement Program.

Funding for three programs (Microsoft IT program, Path to Industry Certification, and Workplace Readiness Skills Assessment) was consolidated and is included with secondary CTE.

FIGURE 1-3

Majority of funding for Virginia's workforce development programs is from the federal government



Source: JLARC staff analysis of programs' funding received from state agencies (FY 2013).

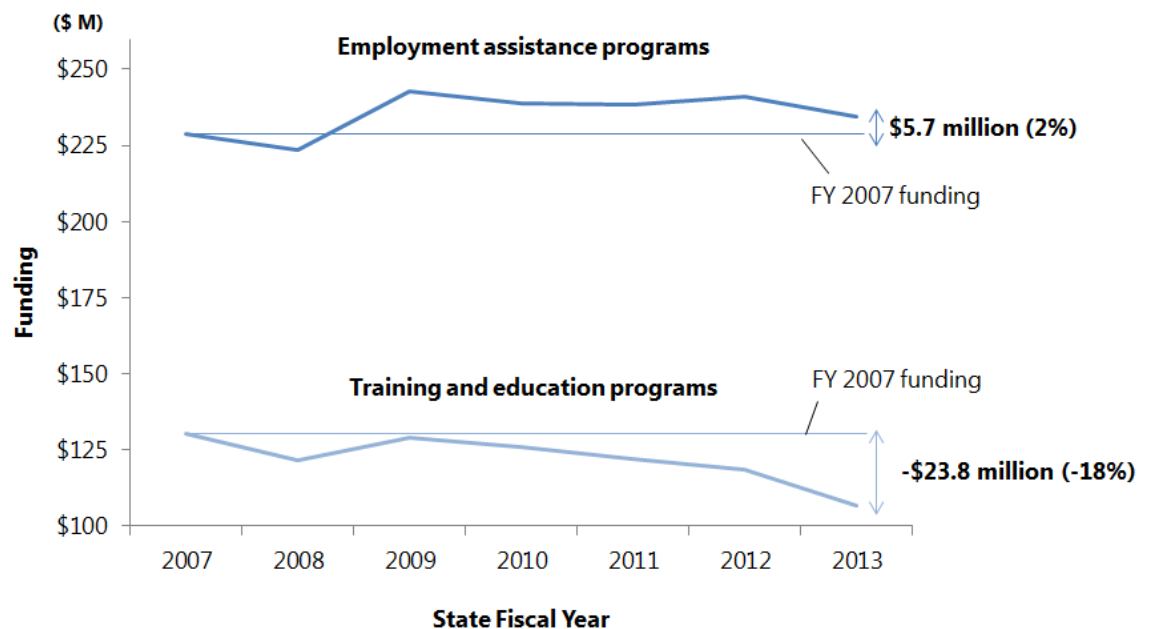
Note: Other sources of funding include state non-general funds and local government funds. Total funding represents 19 of the 24 workforce development programs included in Tables 1-2 and 1-3.

non-credit “contact hours”) as well as on a competitive basis, in which local colleges apply for funding to support specific projects.

Total funding for workforce development programs declined slightly over the past 10 years after adjusting for inflation

Although additional government funds have been invested in workforce development programs over the past decade, funding increases have not kept pace with inflation. Total funding for the 19 workforce development programs increased by \$47 million (16 percent) in nominal dollars between 2004 and 2013. After adjusting for inflation, total funding for the 19 programs actually declined by four percent. This trend was led by a decrease in funding for training and education programs (18 percent after adjusting for inflation), which was partially offset by a slight increase in funding for employment assistance programs (two percent) (Figure 1-4). Most of the increase in funding for employment assistance programs was due to additional federal dollars allocated to DSS programs and one VEC program. Although funding for most training and education programs declined, funding for non-credit training and instruction, which is state funded, increased by 35 percent.

FIGURE 1-4
Comparison of change in funding for employment assistance programs versus training and education programs (inflation adjusted)



Source: JLARC staff analysis of funding data reported by state agencies in 2014.

Note: Because several programs could not report total government funding received between 2004 and 2006, the change in funding over time is limited to 2007-2013. PluggedIn VA was a new program as of SFY 2013 and is not represented in the data.

Federal, state, and local entities are responsible for workforce development programs

Policies governing workforce development programs are set at the federal and state levels, and most workforce services are provided at the local level. Nine state agencies administer and oversee workforce development programs, and at least eight different local entities are involved in workforce development across the state. These local entities have considerable discretion in the way they administer programs, which results in a wide range of approaches to program administration and governance across Virginia.

Workforce development programs are governed primarily by five federal laws

Five federal laws provide funding and oversight for the majority of state and local workforce development programs. Two laws—the Workforce Investment Act (WIA) of 1998 and the Wagner-Peyser Act of 1933—authorize major employment programs and provide the overall framework for the way states deliver workforce development services. Two other laws—the Trade Adjustment Assistance Extension Act of 2011 and the Rehabilitation Act Amendments of 1998—authorize employment assistance programs for individuals who have lost their jobs as a result of foreign trade and individuals with disabilities, respectively. The Carl D. Perkins Career and Technical Education Act of 2006 provides funding and sets expectations for secondary and postsecondary career and technical education programs, which are the major state-administered workforce training and skills development programs.

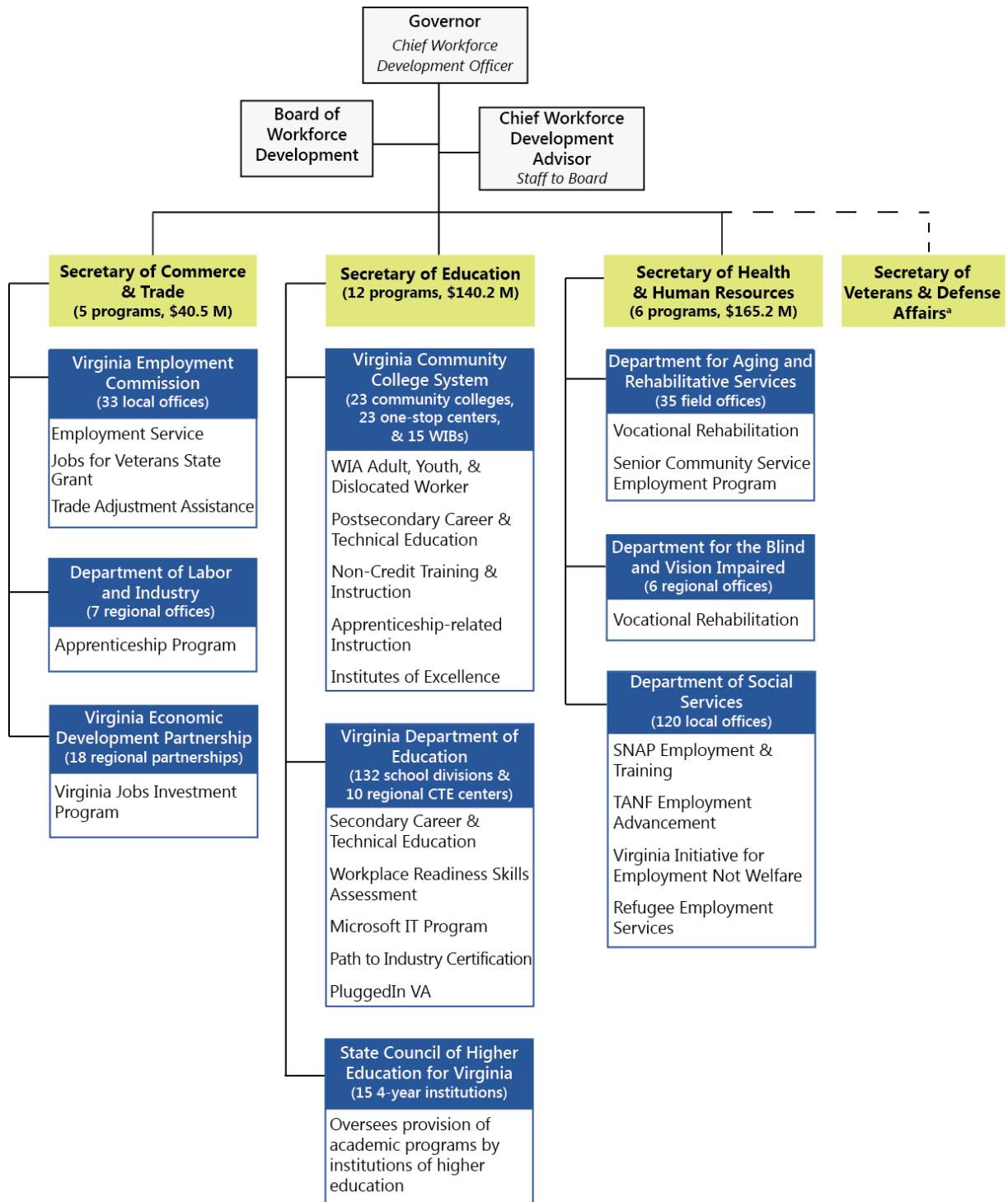
Several state entities oversee and administer Virginia's workforce development programs

Several state entities are responsible for overseeing and administering the workforce development programs authorized by federal laws. Virginia's workforce development programs are overseen by the governor, a state policy board, and four cabinet secretaries, and are administered by nine state agencies (Figure 1-5).

Governor of Virginia

The Workforce Investment Act gives the governor ultimate responsibility for complying with the act's provisions, including developing a statewide workforce development plan and delivery system and developing performance measures to assess the effectiveness of workforce development activities. The Code of Virginia designates the governor as the state's Chief Workforce Development Officer and authorizes the governor to appoint a Chief Workforce Development Advisor. Responsibilities of the advisor include statewide strategic planning for the delivery of workforce development services, taking executive action to ensure coordination and efficiency, and conducting annual evaluations of program performance. The advisor serves as the lead staff to the Virginia Board of Workforce Development.

FIGURE 1-5
Workforce development programs are overseen by several state entities



Source: JLARC staff analysis of *Mapping the Virginia Workforce System: A Status Report on Workforce Programs in the Commonwealth*, Virginia Commonwealth University (2013); *Workforce Development in Virginia*, The Commonwealth Institute (2013); and state agency websites.

^a The Secretary of Veterans and Defense Affairs does not directly oversee workforce development programs but is a member of the Board of Workforce Development.

Virginia Board of Workforce Development

The Virginia Board of Workforce Development is the state-level workforce investment board required by WIA. The Code of Virginia establishes the board as a policy board, the purpose of which is to

assist and advise the Governor, the General Assembly, and the Chief Workforce Development Advisor in meeting workforce training needs in the Commonwealth through recommendation of policies and strategies to increase coordination and thus efficiencies of operation between all education and workforce programs with responsibilities and resources for occupational training. (§ 2.2-2471)

The board membership is to include members of the General Assembly, state officials, business representatives, labor representatives, and local government officials. The board's powers and responsibilities range from the general, such as providing policy advice to the governor, to the very specific, such as forecasting and identifying training requirements for the new workforce. The Code also outlines numerous responsibilities for the board related to the local implementation of WIA programs and services and the programs' engagement with the business community.

Legislation passed by the General Assembly in 2013 and 2014 made several changes to the board. Key changes include decreasing the number of members, establishing two new committees to focus on military transition assistance and performance and accountability, and giving the board responsibilities related to secondary and post-secondary career and technical education activities, which had previously not fallen under the board's purview. The 2014 legislation also created the Chief Workforce Development Advisor position.

Four cabinet secretaries and nine state agencies

The secretaries of Commerce and Trade, Education, and Health and Human Resources oversee the state agencies that manage workforce development programs, and they serve on the Board of Workforce Development, as does the Secretary of Veterans and Defense Affairs. The Secretary of Commerce and Trade was appointed to the position of Chief Workforce Development Advisor by the governor and is currently taking the lead role in overseeing the state's workforce development programs and initiatives. The Secretary of Commerce and Trade also oversees three agencies with workforce development responsibilities: VEC, the Virginia Department of Labor and Industry (DOLI), and the Virginia Economic Development Partnership (VEDP). A total of nine state agencies have workforce development responsibilities in Virginia.

Workforce development services are provided locally by numerous entities

Most workforce development services are provided at the local level. To facilitate local service delivery, WIA requires states to establish workforce regions (Figure 1-6)

Policy boards

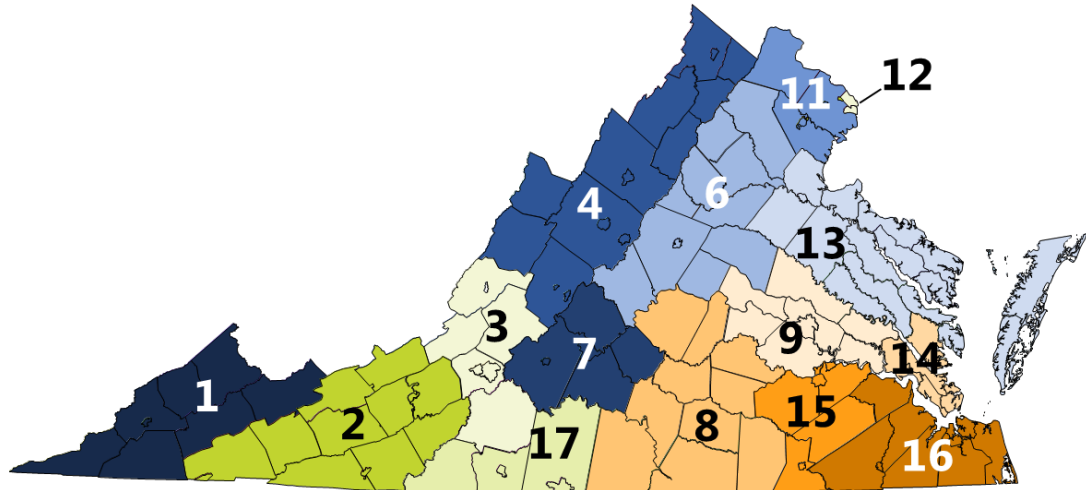
The Code of Virginia defines a policy board as a board that is "charged by statute to promulgate public policies or regulations. It may also be charged with adjudicating violations of those policies or regulations. Specific functions of the board ... may include, but are not limited to, rate setting, distributing federal funds, and adjudicating regulatory or statutory violations" (§ 2.2-2100).

Policy boards do not supervise agencies or employ personnel, but they may review and comment on agency budget requests.

FIGURE 1-6

Virginia's workforce investment regions

- | | |
|---|--------------------------|
| 1. Southwest Virginia | 11. Northern Virginia |
| 2. New River/Mt. Rogers | 12. Alexandria/Arlington |
| 3. Western Virginia | 13. Bay Consortium |
| 4. Shenandoah Valley | 14. Greater Peninsula |
| 6. Piedmont Workforce Network | 15. Crater Area |
| 7. Region2000/Central Virginia | 16. Hampton Roads |
| 8. South Central | 17. West Piedmont |
| 9. Capital Region Workforce Partnership | |



Source: JLARC staff analysis of Virginia Board of Workforce Development website (2014).

Note: Regions 5 and 10 no longer exist because they merged with other regions. Region 10 (City of Richmond) merged with region 9, and region 5 (counties of Shenandoah, Warren, Frederick and Clarke) merged with region 4.

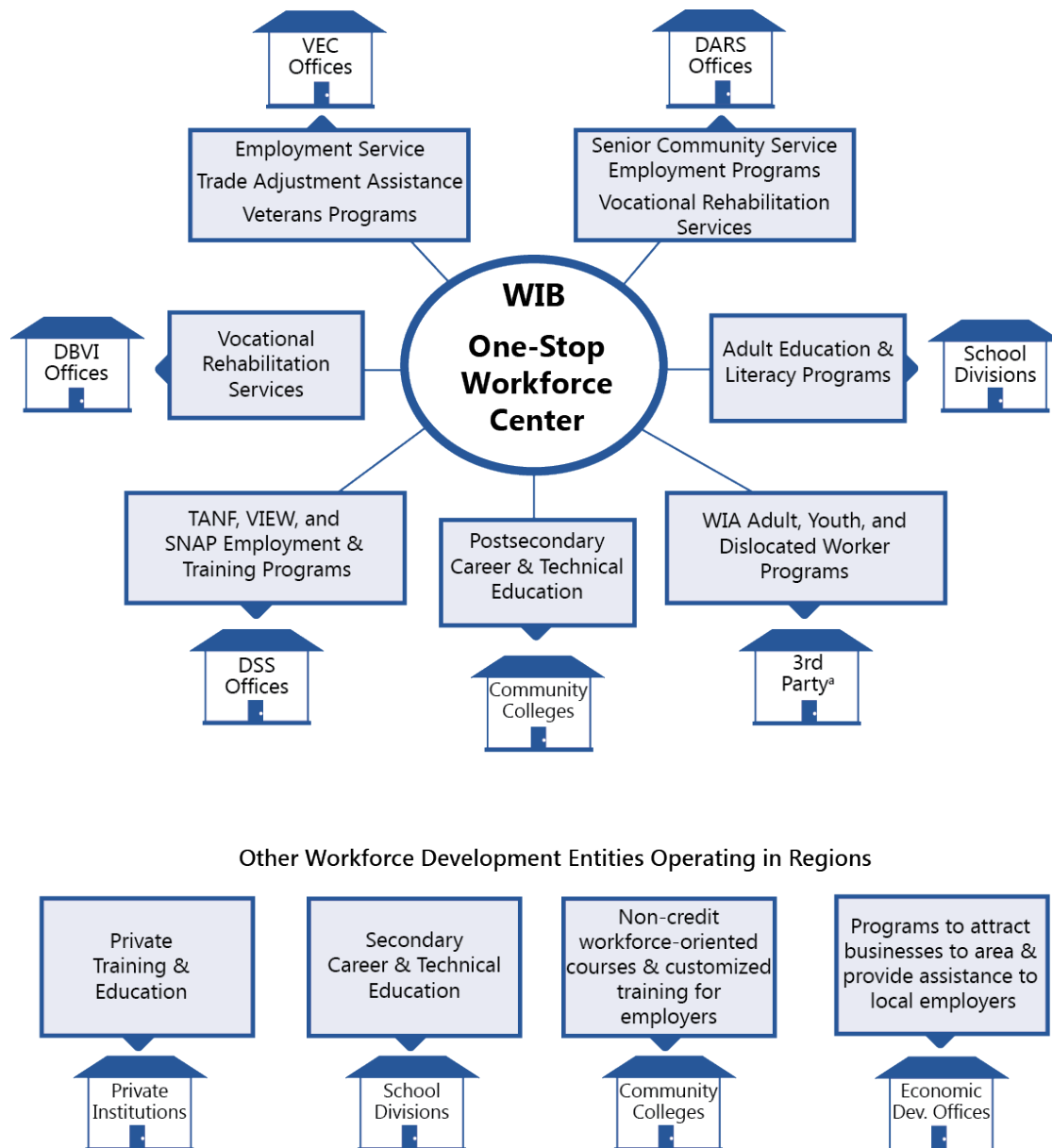
and requires each region to have a workforce investment board (WIB) to set policy for the region and at least one one-stop workforce center to make the services provided or administered by multiple local workforce development entities available to job seekers and employers in a single location.

WIBs are governing boards that oversee the local one-stop workforce centers and WIA programs in each region. The boards are mostly composed of business representatives, and they are also chaired by a business representative. WIBs have staff, including a director, but do not directly provide services.

The one-stop workforce centers overseen by the WIBs provide access to numerous workforce development programs, and programs must be accessible through physical co-location at the center or through referral processes established by local agencies. These programs, with the exception of the WIA programs, are overseen by their respective agencies, not the WIB. Agencies that administer programs in the one-stop centers also have standalone offices or institutions in each region through which services can be accessed.

Each of the workforce investment regions also includes workforce development entities that administer and provide key workforce development programs that do not fall exclusively under the purview of WIA and are not mandated by WIA to participate in the one-stop workforce centers. These include community colleges, school divisions, and economic development offices (Figure 1-7).

FIGURE 1-7
Local workforce development structure



Source: JLARC staff analysis of *Mapping the Virginia Workforce System: A Status Report on Workforce Programs in the Commonwealth*, Virginia Commonwealth University (2013); *Workforce Development in Virginia*, The Commonwealth Institute (2013); and state agency websites.

^a Third-party one-stop operator contracted by the WIB.

State aims for a coordinated, efficient, responsive workforce development system

Virginia has made changes to workforce development programs over the past several years to improve the delivery of services and to achieve a more coordinated and efficient “system” of programs. These changes have been aimed at improving coordination and collaboration, facilitating individuals’ ability to obtain new skills and credentials, changing the governance structure of workforce development programs, and improving students’ workplace and career readiness (Appendix C). Changes have also been made to federal workforce policies to improve the programs’ coordination and effectiveness. For example, the 2014 passage of the Workforce Investment Opportunity Act requires states to establish a unified strategic planning process that spans multiple agencies, promotes the use of specific strategies to meet employers’ workforce development needs, and places stricter requirements on the organization of workforce development programs at the local level.

Through the Code of Virginia, the 2012-2017 statewide strategic plan for workforce development, and other documents, the state sets the objective of producing a workforce development system in which education and workforce development programs align with employers’ workforce needs and create a supply of skilled workers. Two expectations are clearly identified: (1) the workforce system should be coordinated and efficient and (2) the system should focus on meeting the needs of Virginia’s employers.

This report is organized around four key themes related to the state’s ability to achieve a coordinated and efficient workforce development system that prioritizes and effectively meets the needs of the state’s employers:

- Programs’ ability to track and report their spending and evaluate the effectiveness of their spending decisions using meaningful and comparable methodologies.
- Programs’ prioritization of education and training opportunities that promote the acquisition of skills associated with in-demand and well-paying occupations.
- The effectiveness and efficiency of the administration and delivery of services within the state’s workforce regions.
- The ability of the state-level governance structure to influence the policies and protocols of state and local agencies and focus on the state’s highest workforce development priorities.

2 Spending and Performance of Workforce Development Programs

SUMMARY Legislators and the Virginia Board of Workforce Development do not have access to reliable and useful information on spending and performance, which they need to assess the efficiency and effectiveness of Virginia’s workforce development programs. Most programs appear to spend the vast majority of their funds on services rather than administrative activities. However, attempts to review program spending have been hampered by inconsistent spending definitions across programs and by variable methods of calculating costs. Standardizing spending definitions is necessary to allow adequate oversight of workforce development programs as a system. Oversight entities also need access to uniform and meaningful performance measures to determine whether spending on workforce development programs leads to more prosperous regional economies and positive employment outcomes for the many job seekers, students, and employers that utilize the workforce system. While most programs are meeting performance goals, current measures have limitations and do not allow for evaluations of the workforce development system as a whole.

Workforce development programs need to be held accountable for their spending and performance, given the magnitude of state and federal financial investments made in these programs (\$341 million in FY 2013). Government agencies responsible for overseeing and evaluating these programs, and ultimately determining funding allocations, should have ready access to information that will help them identify opportunities for more efficiently and effectively allocating funds. Additionally, because of the state’s desire to develop a coordinated and efficient system of workforce development programs, individual program spending and performance information should be maintained and reported in a comparable fashion across all programs so that system-level analysis is feasible.

Until recently, there has been no formal effort to collect comprehensive spending information for Virginia’s workforce development programs. In 2013, the General Assembly passed legislation requiring the Virginia Board of Workforce Development to conduct an annual review of budgets for agencies overseeing workforce development programs, including the “sources and spending of administrative, workforce training, and leadership funds” (§ 2.2-2472.10). While this was the most comprehensive effort to collect information on program spending to date, the utility of the data obtained by the board was limited. In particular, inconsistent interpretations by program administrators of the spending categories outlined in the Code of Virginia prevented the board from drawing accurate conclusions about spending by the system as a whole.

In an effort to collect more useful spending and performance information, state agencies were asked by JLARC staff to provide financial and performance data for fiscal year (FY) 2013. This research confirmed that spending definitions are inconsistent across programs, preventing a comparison of spending across programs, and that performance measures vary on a program-by-program basis, preventing comprehensive performance assessments.

Most spending appears to be on direct services, but record-keeping variations preclude comparisons

Eight state agencies that oversee 19 workforce development programs responded to a financial survey that requested information on funding allocations and spending behavior (Appendix B). Data reported by the agencies suggests that a majority of spending is on direct services rather than on indirect services or overhead. However, reliable evaluations of spending behavior are currently not feasible because programs do not have consistent definitions of spending categories and methods of calculating costs.

Spending on employment assistance services is twice as high as spending on training and education services

Federal and state spending by programs that primarily provide employment assistance services was approximately \$219 million in FY 2013, twice the amount spent by programs that primarily provide training and education services (\$109 million) (Table 2-1). While investment in training and education programs is substantially less than employment assistance programs, training and education programs are mostly state funded, suggesting that state spending on workforce development aligns with Virginia's policy priority of skill advancement. Total spending on training and education services likely exceeds \$109 million because, according to program staff, most employment assistance programs spend some funds on training and education, even though it is not their primary focus.

Most funds appear to be spent on direct workforce development program activities rather than administrative activities

Virginia's workforce development programs appear to spend a relatively high proportion of funds on program activities. The majority of programs (11 out of 19 programs, or 58 percent) reported spending 90 percent or more of program funds on program activities. The average proportion of funding spent on program activities did not differ much between programs focused on training and education and those focused on employment assistance. The training and education program that reported the least spending on program activities was the Institutes of Excellence program (68 percent) administered by the Virginia Community College System (VCCS). This program received less than \$1 million in general funds in FY 2013, and administrative costs are primarily attributable to state administrative personnel and their travel

Determination of program objective

For this study, programs were categorized as primarily focused on training/education (skill advancement) or on employment assistance (entering the workforce). However, in reality, most programs provide a combination of services.

Definition of administrative and program activities

Administrative activities are not directly related to fulfilling a program's mission or objectives and include building leases, utilities, and administrative staff. Program activities are directly related to fulfilling a program's mission or objectives and include job placement assistance, training costs, and frontline staff.

TABLE 2-1

Workforce development programs spent \$328 million in FY 2013, the vast majority of which was for program activities

	Spending			Funding distribution		Primary funding source	Agency
	Program	Admin.	Total spent	State	Local		
Programs focused on training and education							
PluggedIn VA	100%	0%	\$460,113	0%	100%	State	VDOE
Non-credit Training and Instruction	99	1	4,832,562 ^a	20	80	State	VCCS
Secondary Career and Technical Education ^b	96	3	88,763,421	15	85	State	VDOE
Postsecondary Career and Technical Education	95	5	3,065,947	12	88	Federal	VCCS
Apprenticeship	88	12	911,732	100	0	State	DOLI
Virginia Jobs Investment Program ^c	83	7	8,873,296	100	0	State	VEDP
Apprenticeship	73	27	940,050	27	73	State	VCCS
Institutes of Excellence	68	32	664,647	32	68	State	VCCS
Subtotal and averages	88% ^b	11%	\$108,511,768				
Programs focused on employment assistance							
TANF Employment Advancement	95	5	7,078,542	0	100	Federal	DSS
Vocational Rehabilitation	94	6	11,418,636	100	0	Federal	DBVI
WIA Dislocated Worker	93	7	15,395,891	30	70	Federal	VCCS
SNAP Employment & Training	92	8	4,266,547	0	100	Federal	DSS
Virginia Initiative for Employment Not Welfare (VIEW)	92	8	49,070,681	1	99	Federal	DSS
WIA Adult	91	9	12,603,732	5	95	Federal	VCCS
WIA Youth	91	9	14,408,630	5	95	Federal	VCCS
Trade Adjustment Assistance ^d	89	11	4,170,000	100	0	Federal	VEC
Vocational Rehabilitation	89	11	80,262,767	100	0	Federal	DARS
Jobs for Veterans State Grant ^d	85	15	4,390,000	100	0	Federal	VEC
Employment Service	75	25	16,400,000	100	0	Federal	VEC
Subtotal and averages	90%	10%	\$219,465,426				
Total and averages	89%	11%	\$327,977,194				

Source: JLARC staff analysis of program funding and spending data received from state agencies, 2014.

Note: Seven programs retain 100% of funds at the state level and are considered centrally administered programs. Several programs reported that 100% of costs are distributed locally; however, some state-level costs are required to administer programs and are not shown.

Abbreviations: VCCS (Virginia Community College System), DARS (Department for Aging and Rehabilitative Services), DBVI (Department for the Blind and Vision Impaired), VDOE (Department of Education), DOLI (Department of Labor and Industry), DSS (Department of Social Services), VEC (Virginia Employment Commission), and VEDP (Virginia Economic Development Partnership).

^a VCCS reported \$4.8 million in spending, but the 2013 Appropriation Act specifies \$8.99 million allocated to VCCS for non-credit training and instruction. ^b Program and administrative costs do not total 100% because VDOE reported a third category of spending for correctional education programs and non-traditional training and employment services. Total spending includes the Microsoft IT program, the Workplace Readiness Skills Assessment, and Path to Industry Certification. ^c Program and administrative costs for VJIP do not total 100% because program staff could not provide data for how approximately \$800,000 was spent. ^d Programs reported spending from the most recent federal fiscal year.

costs. The employment assistance program that reported the lowest spending on program activities was the Employment Service (75 percent) administered by the Virginia Employment Commission (VEC). According to VEC staff, administrative costs are high relative to other programs because of technology and building costs.

Four broad categories were devised for specific program activities reported by state agencies: employment assistance activities, training and education activities, employer service activities, and supportive service activities (Figure 2-1). (Appendix D summarizes the specific types of program activities reported for each program.) Most workforce development programs perform all of these activities to some extent. All but two of the 19 programs reported costs associated with training and education services. Some programs provide training and education services directly while others refer individuals to service providers. Additionally, nearly every program reported costs associated with employer services, with outreach to and engagement with employers being the most frequently reported program activities.

FIGURE 2-1

Workforce development programs perform four types of program activities

Employment Assistance	Assistance with job search, resume development, or job applications Career advising or coaching Career fairs Workshops on basic employability skills	
Training & Education	Curriculum development On-the-job training Cost of assessments, tests for credentials/degrees Classroom-based training Training customized for specific employers	
Employer Services	Assisting employers with recruitment needs Outreach to and engagement with employers Technical assistance to employers	
Support Services	Case management Child care services Financial subsidies Travel costs	

Source: JLARC staff analysis of program services reported by state agencies on the financial survey.

Note: Several programs included other activities that did not relate to program activities shown (Appendix D).

Many programs also reported providing more than one type of employment assistance activity, such as job search assistance, career advising, or basic employability workshops.

Although workforce development programs perform similar activities, their specific offerings are more distinct and should not be interpreted as duplicative. For example, the Temporary Assistance for Needy Families (TANF) Employment Advancement program and the non-credit training and instruction program both provide customized training services for current or prospective employees of specific employers, but training content and objectives vary due to differences in target audiences and eligibility requirements. Whereas the TANF program serves only TANF eligible individuals who face barriers to employment, the non-credit training and instruction program serves a broad audience of adults enrolled in the postsecondary education system.

Variability in spending definitions and calculations reduces the reliability and usefulness of spending data

It is not possible to reliably report how much workforce development programs spend at a more detailed level than “program activities” and “administrative activities” because programs define expenditures for these activities differently. Spending data for specific activities, such as training and education, was not requested because Virginia Commonwealth University staff, who conducted the 2013 analysis for the board, indicated in an interview that programs define expenditures based on reporting requirements, and these definitions do not necessarily align across programs. Not only do definitions vary across programs, but they also vary within programs. For example, local offices that receive funding to administer the same program categorize and calculate expenditures differently.

Analysis of WIA Title I spending exemplifies the variability of program spending definitions. Costs associated with program activities for all WIA Title I programs are actually lower than VCCS reported for this study. This discrepancy is due to nuances in how spending categories are defined and calculated by the 15 local WIBs. In accordance with federal law, WIBs classify some indirect activities, such as infrastructure and supplies, as program activities if they directly benefit customers. For example, the cost of building leases for space that supports employability workshops would be classified as a cost for a program activity, not an administrative activity. Other programs do not categorize these types of activities as program activities.

Even when spending categories are defined by the state agency, local entities may interpret definitions and calculate costs differently. WIBs calculate training costs differently despite using the same VCCS financial reporting guidelines. For instance, one WIB calculates training expenditures by including only payments to institutions that provide the training, while another WIB calculates training expenditures by including the cost of frontline WIA staff that make training referrals. Consequently, it is not possible to determine whether differences in the percentage of funds spent on

Selection of WIA Title I spending data

Because of the availability of WIA Title I financial data, JLARC staff requested spending reports from VCCS to examine in greater detail how local WIBs categorize program and administrative activities for WIA Adult, Dislocated Worker, and Youth programs.

training across the 15 WIBs (which ranges from seven percent to 37 percent) are attributable to differences in spending behavior or cost classification.

Survey responses from other workforce development programs also suggest variability in expenditure calculations, particularly with regard to administrative activities. In some instances, administrative expenditures may have been underreported. As a result, it is difficult to draw conclusions about the appropriateness of program spending on administrative versus program-related activities. For example, the Department of Social Services reported no state-level administrative expenditures for two workforce development programs because a separate funding stream pays for staff to administer the programs. Similarly, the PluggedIn VA program did not report state-level administrative expenditures because it does not retain any of the program's funding for administrative activities.

Career Pathways Workgroup

This informal state-level workgroup meets monthly to discuss workforce issues. It is composed of representatives from eight state agencies. These eight agencies mirror those discussed in Chapter 2 except that the Department for the Blind and Vision Impaired is not represented, whereas the State Council of Higher Education for Virginia is.

The standardization of spending definitions and calculations within and across programs is essential if the board is to have reliable spending data with which to review budgets, as required by statute (§ 2.2-2472.10). Reliable spending data will allow the board to evaluate whether an appropriate amount of program funding is spent on key activities, such as training, and to hold programs accountable for meeting spending targets. Although several spending categories have been developed and are listed in the Code, these categories are not defined nor are they comprehensive or relevant to all programs. For instance, the Employment Service does not provide training but does offer employment assistance, which is not a spending category defined in the Code. The standardization of spending data will be challenging because programs must abide by federal reporting requirements if they receive federal funding. Responses to the financial survey (Appendix D) could serve as a resource for a collaborative group, such as the Career Pathways Workgroup, to use in standardizing spending definitions across programs.

RECOMMENDATION 1

The General Assembly may wish to consider including language in the Appropriation Act to direct state agencies to collaborate with the Board of Workforce Development to develop and define standard categories of workforce development program activities to use when tracking workforce development program expenditures and reporting these expenditures to the board. The General Assembly may also wish to consider amending the Code of Virginia to require state agencies to adopt these categories. These agencies should include the Department for Aging and Rehabilitative Services, the Department for the Blind and Vision Impaired, the Department of Education, the Department of Labor and Industry, the Department of Social Services, the Virginia Community College System, the Virginia Employment Commission, and the Virginia Economic Development Partnership.

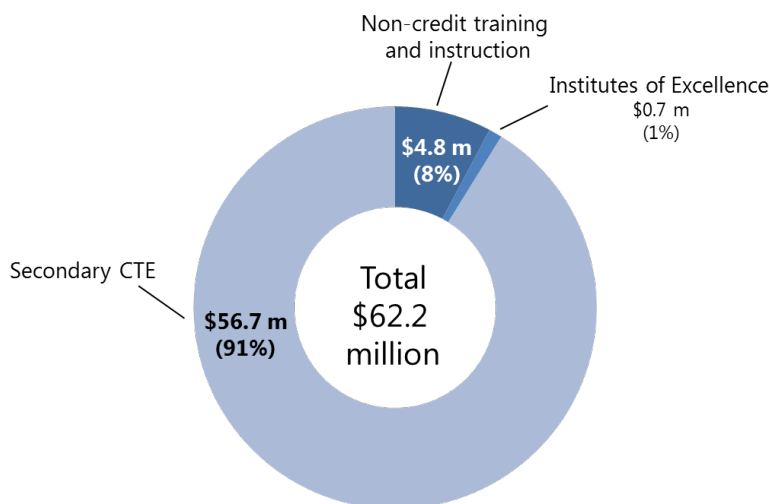
State agencies cannot provide detailed data on local general fund expenditures

In addition to the limitations imposed by the differences in cost calculations, certain state agencies do not have readily available spending data on program activities. Although all agencies track how much funding they allocate to local entities, several reported that it would be difficult to provide data on how these funds were spent after being distributed. The programs for which there is limited detailed information are non-credit training and instruction (VCCS), Institutes of Excellence (VCCS), and secondary career and technical education (VDOE). In FY 2013, these programs received a total of \$62.2 million in state general funds, which constituted 59 percent of all general funds allocated to the 19 workforce development programs. All three programs are primarily state-funded and provide training and education (Figure 2-2). State agencies that do not have readily available local spending data are not required to track this data nor have they instituted policies or practices to do so. In the absence of financial reporting requirements for these three programs, state agencies are not providing information that allows entities with oversight responsibilities to determine whether funds were spent as intended or in the most efficient manner.

Although not available centrally, local spending data does exist. Some local programs appear to exceed state requirements for tracking spending, as indicated by the detailed financial reports provided by WIBs, school divisions, and community colleges. Although some local programs can provide detailed information, this will not be the case for all programs unless statewide expectations are developed and enforced.

FIGURE 2-2

Secondary CTE general funds constitute most of the general funds for which spending data is not readily available



Source: JLARC staff analysis of VDOE and VCCS data on general fund spending in FY 2013.

Local expenditure data was considered to be “readily available” if:

(1) State agencies do not have to make a request to local offices/entities to retrieve expenditure data; and

(2) State agencies require formal reporting of expenditures by local offices/entities.

Because the centrally administered programs do not allocate funds locally, JLARC staff did not test the availability of funding and spending data for those seven programs.

Funding sources for secondary CTE

Secondary CTE programs rely on general funds, specifically, Standards of Quality (SOQ) funds, to support costs associated with CTE teachers.

General funds also cover the cost of some credential tests as well as the CTE Resource Center, which aids local school divisions in curriculum development. Remaining CTE costs, such as technology and equipment, are paid for with federal funds and state lottery funds.

Non-credit training and instruction and Institutes of Excellence

Non-credit training and instruction programs are administered by local community colleges' workforce services departments. Two types of courses are offered: courses customized to meet specific employers' needs and open-enrollment courses, which are available to all students and are not tailored to specific employers.

Institutes of Excellence programs operate at only a few of Virginia's community colleges. These programs are primarily non-credit and target high-growth industries.

Secondary CTE

School divisions report local CTE expenditures to VDOE through multiple mechanisms; however, reports do not differentiate general fund expenditures from other expenditures. As a result, general fund expenditures are not readily available.

School divisions separately report how federal funds are spent on CTE programs, and VDOE could build upon this existing reporting mechanism to require school divisions to report on the expenditures of general funds for CTE activities. Through VDOE's monitoring of reimbursement requests from schools, the agency could continue to ensure that general funds are spent as intended.

Non-credit training and instruction and Institutes of Excellence

VCCS is not required to track community colleges' spending on non-credit training and instruction or spending on the Institutes of Excellence program. However, VCCS is required to report annually to the Senate Finance and House Appropriations Committees on "the financing, activities, accomplishments, and plans" of both programs (Appropriation Act, 2013). Certain types of information are specified—such as the number of students trained and employers served—but information on spending is not. In light of these minimal reporting requirements, VCCS has not instituted a policy requiring local colleges to report how they spent their portions of state general funds for either non-credit training and instruction or the Institutes of Excellence program.

Because the General Assembly appropriates state general funds, it needs access to information on how these funds are being spent. Requiring all workforce development programs to report how general funds are spent will better inform the General Assembly as it makes future appropriation decisions.

RECOMMENDATION 2

The General Assembly may wish to consider including language in the Appropriation Act to direct state agencies that receive general funds for the administration of workforce development programs to collect data on the total amount of general funds spent by local entities, to distinguish between administrative and program-related expenditures, and to report data in the greatest possible detail.

Current measures do not provide a comprehensive assessment of program and system performance

Performance measures and related goals are essential for evaluating program effectiveness, and many of Virginia's workforce development programs are evaluated against performance measures and goals assigned to them by the state and federal governments. Of those workforce development programs that set performance goals, most reported meeting their goals in the most recent year. However, current measures and goals provide only limited information on programs' performance because they do not adequately capture whether programs are ultimately meeting employers' needs and do not reflect state workforce development priorities. Additionally, because measures differ by program, there is no consistent way to measure how Virginia's workforce programs are performing. Several programs focus on measuring outputs, such as the number of students served, rather than outcomes, such as the number of students who found a job upon graduation.

Most of Virginia's workforce development programs are meeting performance goals

Of the 15 programs that regularly set performance goals, 13 programs reported meeting all or most of the goals set for the most recent program year (Table 2-2). However, the Jobs for Veterans State Grant program met only one of its three goals, DOLI's apprenticeship program met one of its two goals, the postsecondary CTE program met four of its six goals, and the DARS vocational rehabilitation program met five of its seven goals. (See Appendix E for goals and actual performance as reported by each workforce development program.)

Training and education programs

Training and education programs are primarily state funded, and their performance relative to goals is an indicator of the effectiveness of state investments. These goals tend to focus on services to employers and increasing the number of credentials earned by students and job seekers, which, to some extent, reflect key state priorities. In FY 2013, over half of these programs met some or all performance goals. Several programs do not set performance goals or only track outputs, such as participation rates, rather than outcomes.

Employment assistance programs

Employment assistance programs are mostly or exclusively federally funded and are required by federal law to establish performance goals as a condition of their funding. In FY 2013, employment assistance programs met some or all performance goals. Common performance measures among these programs include the rate at which participants obtain and retain jobs and their average earnings.

TABLE 2-2
Summary of workforce development programs' performance measures

	Agency	Primary measures	Performance goals met
Programs focused on training and education			
Apprenticeship	DOLI	Cost per apprentice, visits to employers	1 of 2
Apprenticeship	VCCS	Apprentices served	No goals set
Institutes of Excellence	VCCS	Employers served, professional certifications/licensures awarded	2 of 2
Non-credit Training & Instruction	VCCS	Employers served	1 of 1
PluggedIn VA	VDOE	Program completion rates, GED and other credentials awarded	No goals set
Postsecondary Career & Technical Education	VCCS	Attainment of 2.5 or higher GPA, employment rate, retention/transfer rate, completion rate	4 of 6
Secondary Career & Technical Education	VDOE	Credentials earned, transition rate to postsecondary education/employment, technical skills attainment	8 of 8
Virginia Jobs Investment Program	VEDP	Incomplete data for FY 2013	---
Programs focused on employment assistance			
Employment Service	VEC	Entered employment, employment retention, average earnings	3 of 3
Jobs for Veterans State Grant ^a	VEC	Entered employment, employment retention, average earnings	1 of 3
SNAP Employment & Training	DSS	No performance measures tracked	---
TANF Employment Advancement	DSS	Work participation rate	1 of 1
Trade Adjustment Assistance	VEC	Entered employment, employment retention, average earnings	3 of 3
Virginia Initiative for Employment Not Welfare (VIEW)	DSS	Work participation rate	1 of 1
Vocational Rehabilitation	DARS	Rehabilitation rate, percent of jobs at/above the minimum wage, average earnings	5 of 7
Vocational Rehabilitation	DBVI	Entered employment, percent of jobs at/above the minimum wage, average earnings	7 of 7
WIA Adult	VCCS	Entered employment, employment retention, average earnings, employment and credential rate	4 of 4
WIA Dislocated Worker	VCCS	Entered employment, employment retention, average earnings, employment and credential rate	4 of 4
WIA Youth	VCCS	Placement in employment/education, degree/certificate attainment, literacy/numeracy gains	3 of 3

Source: JLARC staff analysis of 2012 and 2013 performance data reported by state agencies in 2014.

Note: Several programs track additional measures that have not been listed due to space constraints. See Appendix E for a detailed summary of all measures tracked by programs and actual performance.

^a VEC reported performance against these goals for specific populations served by this grant, which are included in Appendix E.

Performance measures are not standardized and do not adequately capture whether employers' needs are met

For the Virginia Board of Workforce Development to adequately evaluate program performance, it is essential that performance measures be standardized across programs and that they reflect state policy priorities. Currently, performance measures for Virginia's workforce development programs are neither standardized nor as meaningful as they could be because they do not fully measure participants' success or employers' satisfaction with the workforce or with workforce development programs.

Performance measures are not standardized across programs

Performance measures must be standardized across programs in order to evaluate how well the entire workforce development system is performing. A performance measure is considered standard if multiple programs define and calculate it using the same method. For example, multiple programs track employment retention, defined by the number of individuals who found a job and are still employed six months later. Currently, performance measures are not standardized across all workforce development programs, but there are some commonalities. Twelve workforce development programs track one or more standard measures, such as the proportion of program participants who enter employment and their average earnings.

There appears to be a desire for greater standardization of performance measures. A 2013 Virginia Commonwealth University report developed for the board recommended the development of system-wide performance measures that are compatible across programs. More recently, the Secretary of Commerce and Trade announced intentions to approve standard performance recommendations for all workforce development programs by the end of 2014.

Performance measures are not fully capturing whether programs meet participants' and employers' workforce needs

Some existing measures do provide a sense of programs' performance with respect to serving job seekers. Some measures are common across multiple programs, such as those that measure the number of program users who obtain employment and remain in their jobs for a certain amount of time. These common measures make it possible to assess whether job seekers who exit programs succeed in finding and maintaining employment. Nonetheless, most of these performance measures could be improved to better gauge the performance of the program against its key objectives. For example, while the "employment rate" performance measure indicates whether a program participant finds a job, it does not indicate whether the job is in an occupation that is related to the type of education or training provided by the program.

Recently, contracted researchers have conducted return on investment analyses for several workforce programs, which examine the long-term impacts of providing services to job seekers. Results indicate marginal positive 5- and 10-year returns for

Return on investment studies

Washington state conducts a return on investment study for each of its workforce development programs every four years. Costs of workforce services are compared with participant earnings, employee benefits, Unemployment Insurance benefits, and tax revenues.

WIA adult, WIA dislocated worker, and Employment Service programs but a negative return for the Trade Adjustment Assistance program. Return on investment analyses for Virginia's vocational rehabilitation programs are also underway, and preliminary findings suggest a positive return. While these efforts are not ongoing or common across all programs, they could be expanded.

In some cases, existing performance measures are of limited value because they do not capture the most relevant program outcomes and do not reflect some of the state's top workforce priorities. For example, apprenticeship programs administered by DOLI and VCCS track outputs in terms of participation, but they do not capture outcomes, such as whether apprentices remain in the industry after program completion and earn higher wages. Although Virginia's statewide strategic plan for workforce development identifies employers as the primary customers of these programs, few programs track employer-related performance measures. Such measures might include employer satisfaction with the quality of job applicants, the number of new hires, the increased productivity of retrained incumbent workers, or even the number of employers served. Further, performance measures could be adopted to assess how well training and education programs are meeting employer demand. For example, programs could be evaluated against whether individuals who receive training actually obtain jobs in the occupations for which they have been prepared.

Measures could be developed to track skill and credential attainment. The Secretary of Commerce and Trade has recently spearheaded a promising initiative to improve the utility of performance goals, which centers on tracking credential attainment across programs. Credentials include industry-recognized certifications, licensures, and other formal assessments of skills valued by employers. Programs that offer training and education services have begun to report the number of credentials earned by program participants and the barriers to earning credentials. To ensure that the credentials offered align with those required by employers, local WIBs have been tasked with identifying and prioritizing credentials that employers value. Additionally, VEC will analyze labor market data to evaluate employer demand for specific credentials.

Recent efforts and changes to federal workforce development laws and state public policy may improve the utility of performance measures. At the federal level, the Workforce Innovation and Opportunity Act of 2014 requires federally funded programs to track a new performance measure that relates to employers, but the exact measure has not yet been determined. At the state level, the Virginia Workforce System Report Card measures performance across workforce development programs relative to measures that reflect state policy priorities, such as increasing the number of students with manufacturing skills. Currently, a new employer demand measure is being developed that, according to the Council on Virginia's Future, will be adopted by the Board of Workforce Development in 2015 as a way to assess the progress of workforce development programs in meeting employers' workforce needs.

Outputs v. outcomes

Evaluators typically rely on outcome measures to assess a program's impact. Outputs are important for tracking the number of individuals served or the quantity of services provided, but they do not measure what happened as a result of an individual receiving a service.

Oregon's balanced score card

Consultants recommended that Oregon's Workforce Investment Board develop a "balanced score card" to measure workforce investment and performance. This tool would be designed for the purpose of state-level evaluations of the workforce system with the option to drill down to the local level.

The following recommendation is offered to ensure these promising efforts are completed and built upon as necessary so that performance goals tracked by programs are standardized and reflective of state policy priorities.

RECOMMENDATION 3

The Virginia Board of Workforce Development should, in collaboration with the Chief Workforce Development Advisor, establish goals and objectives that apply across all of Virginia's workforce development programs and that reflect the state's highest workforce development priorities. The board should also develop performance measures related to these goals and objectives, and the performance of all workforce development programs should be regularly assessed using these measures.

3 Effectiveness of Workforce Development Programs at Meeting Employers' Needs

SUMMARY Virginia's workforce development programs do not appear to be meeting the expectations of employers for supplying the qualified labor force they demand. Many employers report difficulty filling positions with qualified and experienced workers, and frustration navigating the workforce development programs that should be helping them with recruiting and training. These challenges may be attributable in part to some misalignment between the disciplines in which training and education are offered and those with the greatest labor demand, especially in high schools. Further, training programs that aim to build work experience are currently underutilized due in part to poor marketing. Efforts to engage employers in the workforce development system vary greatly in their effectiveness and may explain employers' lack of familiarity with programs.

The state, through language in the Code of Virginia and the statewide strategic plan for workforce development, has emphasized that one of the key objectives of Virginia's workforce development programs is to serve employers. Despite this emphasis, employers report being generally dissatisfied with the quality of the workforce and with workforce development programs. This appears largely due to the fact that the multiple agencies and programs that make up Virginia's workforce development system have failed to articulate a common vision for how programs should engage with employers and incorporate employers' input into the development of new classroom-based courses, on-the-job training programs, and other training and education opportunities.

Employers report difficulty filling job openings and navigating workforce development programs

Workforce development programs do not appear to meet the expectations of many employers with respect to producing the workforce they need and providing services. Employers report difficulty meeting their businesses' workforce needs, including finding applicants who are sufficiently trained in specific skills as well as the basic skills needed to succeed in the workplace. It also appears that employers have difficulty utilizing the resources available through workforce development programs to address their workforce needs. Many employers expressed frustration with navigating workforce development programs and described the programs as confusing. These experiences appear to be shared by employers from a wide spectrum of Virginia's business community.

Outreach by JLARC staff to employers in Virginia

To gain input from employers, JLARC staff surveyed employers statewide with the assistance of industry associations, local chambers of commerce, and local Workforce Investment Boards.

Responses were received from 232 employers representing every industry sector and each of Virginia's 15 workforce investment regions.

In addition, JLARC staff held interviews with groups of employers in five workforce investment regions (Appendix B).

Workforce development programs have tools and resources to address employers' workforce needs, including assistance with recruiting qualified applicants and training in skills that employers need. However, these services can only benefit employers if they know what services are available and whom to contact to receive them. The feedback from employers suggests that outreach and coordination from workforce development programs needs to be improved for employers to take advantage of these services.

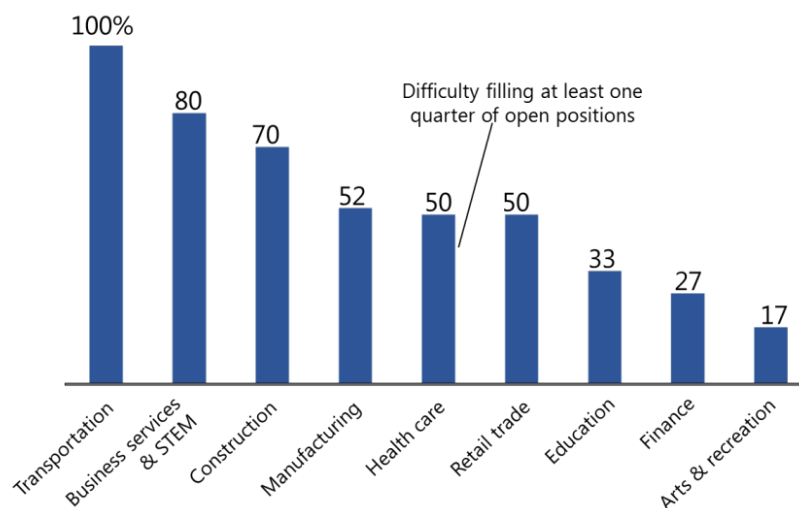
Employers of all sizes, industries, and regions of the state have had difficulty filling open positions

Many Virginia employers that have recently attempted to fill a position reported having difficulty finding a qualified applicant. Of employers who responded to a JLARC staff survey and who had an open position in the past year, 52 percent indicated that they had difficulty filling at least one-fourth of their open positions. Over a quarter of respondents had difficulty finding qualified applicants for the majority of their open positions, and 12 percent (23 separate employers) indicated that they had difficulty filling every open position in the past year. These difficulties were shared by employers of all sizes, in all areas of the state, and in most industries (Figure 3-1).

Employers most frequently reported difficulty filling positions for engineers (including mechanical, electrical, and industrial), industrial maintenance workers, machinists, nurses, truck drivers and truck mechanics, and welders. Many of these occupations require education beyond high school but less than a four year degree, and are therefore the types of occupations for which workforce development programs can be valuable.

FIGURE 3-1

Employers in different industries had difficulty filling at least one-fourth of positions in the past year



Source: JLARC staff analysis of a survey of Virginia employers, 2014.

Note: Industry designations correspond to NAICS sectors reported by employers and have been renamed for illustrative purposes. Not all sectors are shown.

Employers report dissatisfaction with applicants’ work experience, work readiness, and specialized skills

Employers responding to the JLARC staff survey expressed the most difficulty finding job applicants with relevant work experience and job-specific skills. In interviews, employers expressed frustration with graduates of degree programs having only classroom experience. One employer looking to hire electricians noted that graduates from a nearby community college lacked on-the-job industrial experience required for the positions. Several employers of skilled trade occupations noted that applicants lacked workplace experience and would require additional training before they could begin work.

Employers also reported difficulty finding applicants with basic work readiness skills, such as positive attitudes and work habits, critical thinking, and communication. Several employers offered additional instruction to newly hired employees on basic work readiness, because they could not find job seekers with these skills. In one example, the employer decided to include instruction on time management and oral communication within training provided to maintenance repairmen. Fifteen percent of school division career and technical education (CTE) administrators (representing 16 separate school divisions) who responded to a JLARC staff survey echoed employers’ concerns and reported that their high school seniors were “not at all ready” for the workplace.

In addition to dissatisfaction with applicants, employers expressed some dissatisfaction with the quality of employees hired in the past year: 44 percent of employers responding to the JLARC staff survey reported some dissatisfaction with recent new hires. Based on employer interviews, dissatisfaction with new hires tends to be with respect to the lack of job-specific skills and overall work-readiness.

Employers report difficulty navigating workforce development programs and use private training and recruitment services instead

Although workforce development programs are designed, in part, to help employers with recruiting and training, they are not widely utilized because employers find them difficult to navigate. Employers—even those in the workforce regions observed to be the most collaborative and strategic in Virginia—generally characterized their local workforce development programs as complex and disjointed. They reported being overwhelmed by the number of partners and programs and did not appear to have a clear understanding of how to access workforce development programs. Lack of information and an unclear point of contact were identified by survey respondents as the greatest barriers to partnering with education and training providers to meet workforce needs.

In part due to the challenges associated with navigating programs, many employers do not use the services available through workforce development programs. When experiencing difficulty filling a position, only 16 percent of survey respondents

Survey of school divisions

JLARC staff surveyed the career and technical education program administrator for each Virginia school division. Administrators were asked about a variety of topics, including school program offerings, use of advisory committees, and work-based learning programs.

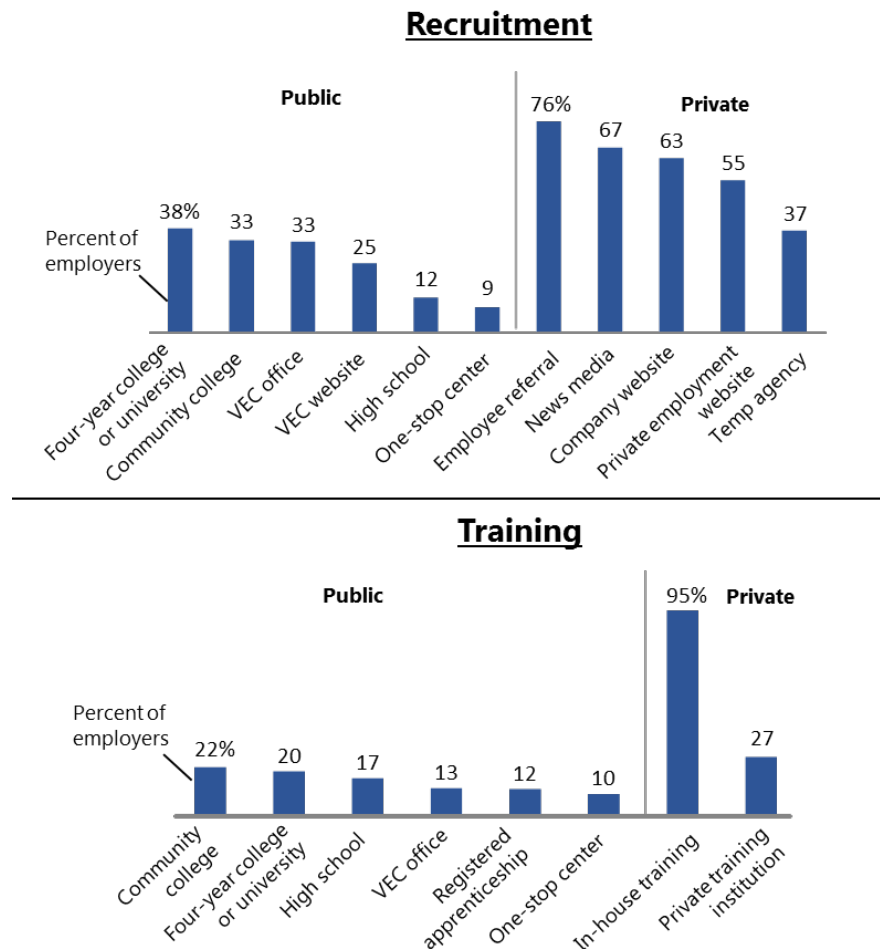
Administrators in 108 of the 132 school divisions, including divisions in all 15 workforce regions, responded to the survey.

Private training institutions

These include private colleges providing 2-year degree programs and vocational schools offering training in technical skills specific to a certain career field. Examples in Virginia include ECPI University and the Virginia Technical Institute.

sought the assistance of a public workforce development provider. Instead, many employers rely on internal recruitment and training methods to meet their workforce needs. According to survey responses, the most common recruitment methods used by employers were employee referrals, media postings, and their company's website (Figure 3-2). Public workforce development programs were less commonly used for recruitment. Several employers in group interviews reported using temporary staffing agencies, despite the additional cost of these services compared to free assistance from workforce programs, because of these agencies' ability to recruit qualified applicants quickly. For training, survey respondents often relied on in-house training or private training institutions rather than the education and training available through Virginia's workforce development programs (Figure 3-2).

FIGURE 3-2 Employers use internal or private recruitment and training methods more than those provided by public workforce development programs



Source: JLARC staff analysis of responses to a staff survey of Virginia employers, 2014.

Workforce development services provided through the Workforce Investment Act (WIA) at one-stop centers appear to be particularly underutilized by employers. Employers responding to the JLARC survey were less likely to use WIA services for recruitment or for training than any other method.

Employers appear to be unfamiliar with the roles and responsibilities of the different workforce development programs and have difficulty navigating them. More employers reported contacting a Virginia Employment Commission (VEC) office than a one-stop workforce center to meet their training needs, even though VEC does not provide training services.

Some CTE programs do not reflect state's labor market needs

CTE courses in high schools and some community colleges are not consistently aligned with the workforce needs of employers. This misalignment could partly explain why employers have difficulty filling certain positions, as CTE programs are the primary workforce development tool for occupation-specific education and training. High school CTE programs offer a disproportionately low number of courses in the health sciences, compared to the number of job openings. Statewide, community colleges generally offer courses in the subjects with the most employment opportunities, but some colleges lack coursework that would meet the needs of employers within their regions. Although resource constraints are a barrier to offering some of these courses, CTE programs are also not consistently using employer input and labor market data to effectively determine whether course offerings reflect employers' workforce needs.

High school CTE programs do not consistently emphasize fields with the greatest potential for employment

There is a mismatch between some of the courses offered in high school CTE programs and the needs of employers. High school CTE programs offer few courses in the health sciences, where many jobs are available and employers identify difficulty filling positions. High schools also offer many courses in fields with limited job openings, such as arts and communications and human services. This mismatch is due, in part, to school divisions placing a greater emphasis on student interest, rather than the workforce needs communicated by employers or available labor market information.

Alignment between high school CTE courses and state's labor market

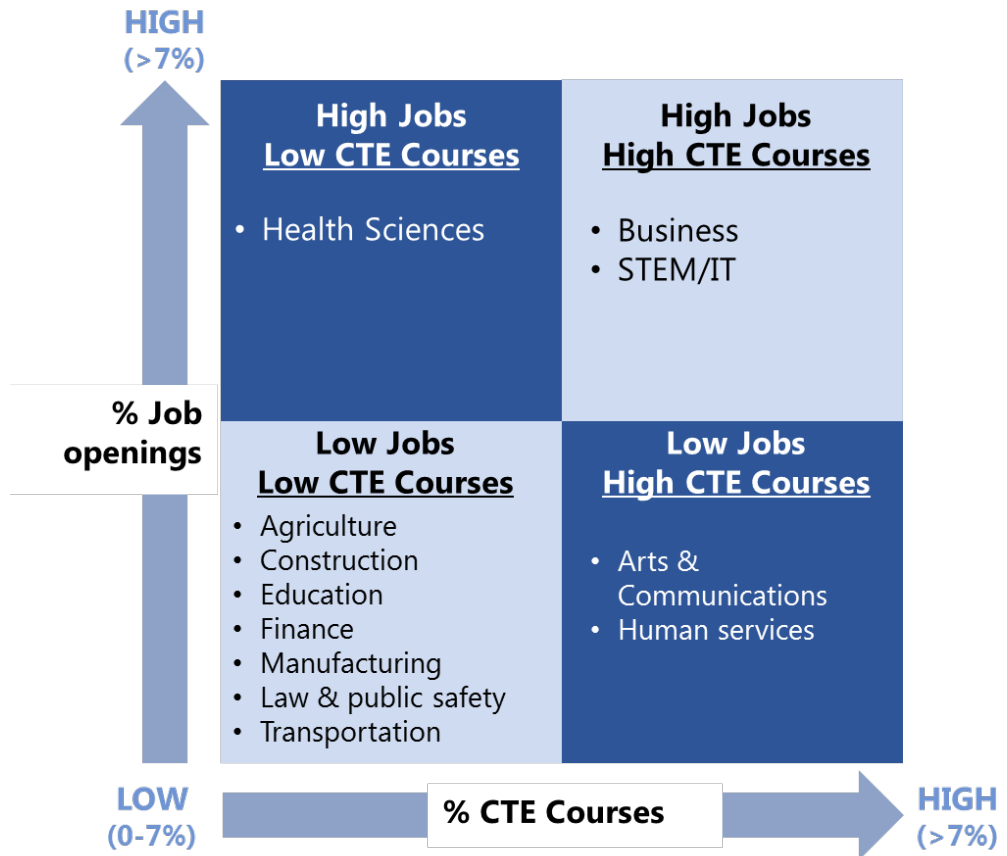
High school CTE programs focus on STEM/IT and business and administration, which are fields with the state's most job openings. During the 2012-13 school year, CTE programs offered the most courses in STEM/IT (25 percent) and business and administration (11 percent) (Figure 3-3). These fields represented a large proportion of the state's job openings, with STEM/IT accounting for 19 percent and business and administration accounting for 16 percent of job openings.

Use of career clusters to assess alignment

JLARC staff compared the alignment of academic course offerings to employment opportunities using "career clusters" to classify courses into groups that closely align with industry classifications. The career clusters classification system for educational programs was developed by the US Department of Education. JLARC staff used a methodology developed by the National Association of Career and Technical Education Directors to link career clusters to specific occupations. This allowed JLARC staff to estimate employment opportunities by career cluster (Appendix B).

FIGURE 3-3

High school CTE programs do not offer health sciences courses in proportion to job openings in the field



Source: JLARC staff analysis of VDOE data on CTE course offerings, 2012-13, VEC Online Advertised Jobs data, 2013.
 Note: VDOE classified some of the course offerings in multiple educational programs.

Health sciences academies

Twenty school divisions currently partner with postsecondary institutions and employers to offer health sciences academies. Partners collaborate to develop coursework and share resources. There are currently nine academies in seven different workforce investment regions. Academies were initiated with planning grants from the General Assembly.

The proportion of CTE courses in the health sciences appears disproportionately low relative to the number of job openings in health sciences occupations. The health sciences accounted for 18 percent of the job openings in the state in 2013, but only three percent of the CTE courses. Employers participating in the JLARC staff survey reported difficulty filling job openings for health sciences occupations such as nurses, nursing assistants, physical therapists, and physicians.

The number of courses in arts and communications and human services appears disproportionately high given the limited employment opportunities in these fields. Occupations in these fields accounted for less than five percent of the job openings in the state, yet CTE programs offered almost 20 percent of their classes in these fields during the 2012-13 school year. Fashion design is one example of a course that is frequently offered but has limited employment potential: in 2012-13, high school CTE programs across Virginia offered 254 courses in fashion design, while labor market data indicates there were only 44 job openings across the state. In contrast,

only 51 high school CTE courses were offered in nursing, which accounted for nearly 45,000 of the state's job openings. CTE administrators attribute the disproportionately high number of courses in fields with limited employment potential to school divisions' reliance on student interest to develop CTE program offerings.

Although manufacturing did not arise as an area of misalignment in the analysis, high school CTE programs may not sufficiently emphasize courses in manufacturing. Although manufacturing occupations represent a small proportion of the job openings in the state, many employers appear to have difficulty filling these positions. In interviews and on the JLARC staff survey, employers frequently reported difficulty filling open positions for occupations in manufacturing, which include industrial maintenance mechanics, machinists, and welders. These occupations are particularly relevant for high school CTE programs, because they do not require a bachelor's degree but do require specialized training. However, high schools only offered two percent of CTE courses in manufacturing in the 2012-13 school year.

Causes of misalignment in high school CTE programs

CTE administrators appear to be aware of the need from employers for additional course work but report that resource constraints prevent them from offering these courses. Seventy percent of CTE administrators responding to the JLARC staff survey indicated that schools in their divisions were unable to offer courses that are in demand by employers. The problem was most frequently identified for courses in the health sciences, followed by STEM/IT, and manufacturing. CTE administrators report that the costs associated with purchasing new equipment and difficulties finding qualified instructors are the factors that most commonly prevent schools from offering courses in these fields. One CTE administrator estimated that the cost of outfitting equipment for some classes can be as high as \$1 million, which would likely be followed by significant ongoing costs related to equipment maintenance. Some school divisions have been able to use CTE resources more efficiently, and therefore offer more courses, by operating regional CTE centers.

School divisions may also be prioritizing student interest over the needs of employers when determining which courses to offer. When asked to select one factor that has the most influence on adding or eliminating a course, CTE administrators responding to the JLARC staff survey most frequently selected student interest (35 percent). In an interview, one CTE administrator confirmed that the number of people interested in the class is the factor that usually determines what the school division offers.

Employers are not sufficiently involved in determining what courses CTE programs offer. Fewer than half (46 percent) of CTE administrators responding to the JLARC staff survey indicated that local employers are involved in their school division's decision to add or remove courses. Only eight percent of CTE administrators reported that feedback from employers was the one factor with the most influence on what CTE courses their division offered. Employers also reported limited contact with

Regional CTE Centers

The 2012 JLARC report *Encouraging Local Collaboration Through State Incentives* found that regional CTE centers were able to offer more courses and be more cost effective than CTE programs provided by one division. During that study, 66 divisions expressed interest in collaborating to provide these services. JLARC staff identified that planning and operating grants from the state could help to establish more regional programs.

high schools; only seven percent of employers responding to the JLARC staff survey had been contacted by a high school in the past year.

High school CTE administrators also reported making limited use of labor market information when determining course offerings. Only 15 percent of CTE administrators responding to the survey indicated that labor market data was the most influential factor in the decision to add or eliminate a CTE course. One CTE administrator indicated that staff only look at labor market information in compliance, and that it does not influence their decision to offer a course.

Community colleges generally offer courses in occupations with the most employment opportunities, but not in some regions

Compared to high schools, community colleges appear to better match education and training opportunities with employer needs. Statewide, they offer the most courses in fields that have the most job openings. However, in certain regions, community colleges lack coursework for occupations with the largest demand from local employers. As with high schools, the absence of these in-demand courses is due in part to resource constraints and insufficient input from employers in course selection and development. Additionally, like high schools, community colleges appear to overemphasize some types of courses relative to their employment potential.

Alignment between community college courses and state's labor market

At the state level, community college courses are generally aligned with the labor market. Community colleges devote the largest percentage of courses to the fields with the most job openings, offering the most courses in business and administration (21 percent of courses), STEM/IT (19 percent), and the health sciences (13 percent) (Figure 3-4). In addition, courses for specific in-demand occupations within each of these fields are available throughout the state. For example, community college courses for management (business), computer science (STEM/IT), and nursing (health sciences) are available in each region of the state.

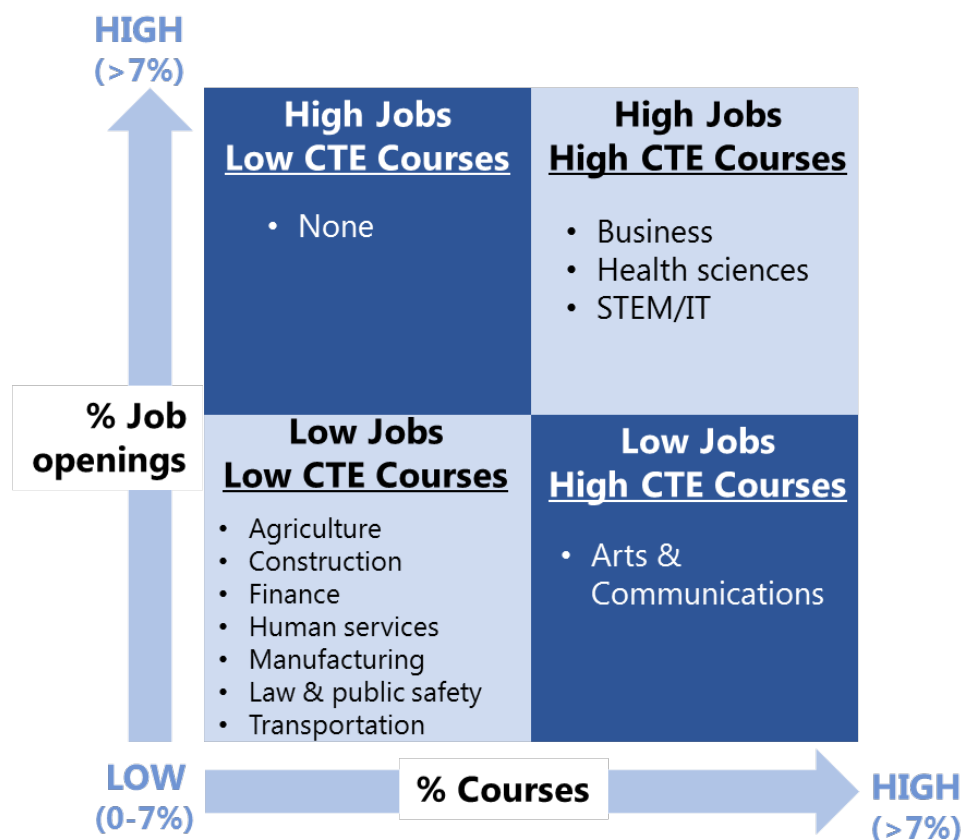
Similarly, community colleges offer the most credentials in fields with the greatest number of employment opportunities. Community colleges offer the most credentials in the health sciences (23 percent of total credentials), architecture and construction (21 percent) and STEM/IT (18 percent). Credentials are available for in-demand occupations, including registered nurses, certified nursing assistants, pharmacy technicians, electricians, and computer programmers. Community colleges also offer many credentials (17 percent) in business and administration, such as the credential for project manager and accountant.

Community colleges provide courses for several occupations that employers describe as being challenging to fill. Employers regularly identified difficulty finding qualified applicants for welding and industrial maintenance positions, yet community colleges provided 81 courses for welding, with courses available in each region of the state,

Postsecondary credentials

Some community college courses can lead to a credential that can be useful for employers in recognizing the knowledge and skills of job applicants and can facilitate the hiring process. Credentials include degrees, certifications, and government-issued licenses.

FIGURE 3-4
Community colleges offer the most courses in business and STEM/IT



Source: JLARC staff analysis of VCCS course offerings, 2013-14, VEC Online Advertised Jobs data, 2013.

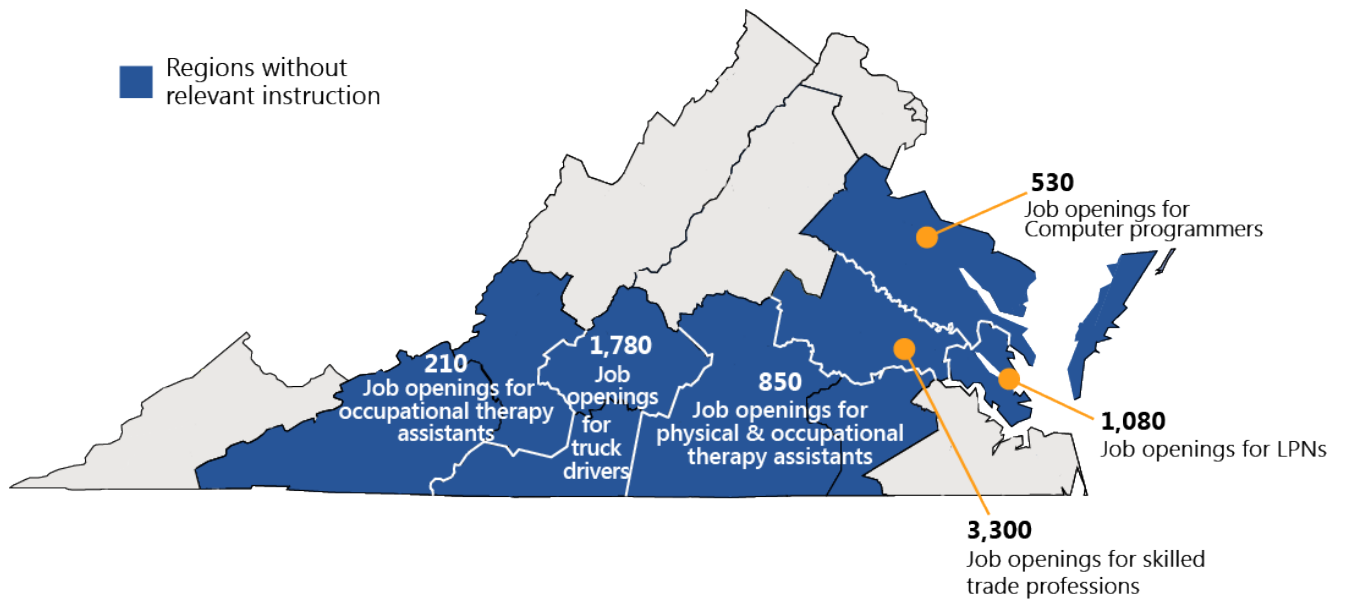
Note: Community college courses include both credit and non-credit classes. Some non-credit classes are continuing education courses that may be taken primarily for personal enrichment rather than employment purposes.

and 26 courses for industrial maintenance, with courses available in most regions of the state. This suggests that there may be an insufficient number of graduates from these programs or that the content of training is not well matched to employers' needs.

While community college programs are emphasizing coursework that generally aligns with in-demand occupations in the aggregate, some community colleges are not providing courses that are aligned with workforce needs in their region. A comparison of the individual courses offered at community colleges and occupations with a large number of open positions in the surrounding area identifies several regions where jobs are available, but there is no related instruction nearby (Figure 3-5). Employers in these regions may be able to recruit graduates from outside of the area, but this can be challenging, particularly if the position is in demand across the state.

FIGURE 3-5

Regions in which community colleges do not provide instruction for occupations with a large number of job openings



Source: JLARC staff analysis of VCCS course offerings, 2013-14 and VEC Online Advertised Jobs data, 2013.

Note: Skilled trade professions refer to carpenters, electricians, and heating and air conditioning mechanics.

Regional availability of education and training

JLARC staff performed a regional analysis of the course offerings for select occupations.

These positions were determined by employer demand (based on online advertised job openings) and difficulty experienced by employers filling open positions (based on responses to the JLARC staff survey) (Appendix B).

Additionally, the number of community college courses in the fields of arts and communications and education is disproportionately high compared to the limited employment opportunities in these fields, suggesting that resources for these programs may need to be reprioritized, particularly in regions where there are limited course offerings related to in-demand occupations. Eight percent of coursework in community colleges is in arts and communication, but this field represents less than two percent of state's employment and job openings.

Causes of misalignment in community colleges

Staff at community colleges identify resource constraints as the greatest barrier to offering courses that are in demand by employers. For example, staff of one community college reported being aware of a need from local employers for physical therapy assistants, but the college has been unable to afford the costs of necessary equipment and instructors, which staff estimated to be approximately \$500,000. Some community colleges have been able to provide courses with expensive equipment by obtaining funds from outside sources. For example, some community colleges have received funding from the VCCS equipment trust fund, through outside grants, or by partnering with employers.

Community colleges do not consistently involve employers in the development of their CTE course curricula. VCCS does not require colleges to use a standardized process for incorporating employer input into CTE coursework decisions. Feedback

from one employer suggests that, unless there are standard expectations for how community colleges should solicit and incorporate employers' input when developing course curricula, courses may not sufficiently meet employers' needs. Another employer interviewed by JLARC staff described being left out of the development of a course, which ultimately did not meet their training needs.

CASE STUDY

Welding program did not meet employer's training needs

A large Virginia employer has traditionally provided internal training for its welders at a substantial cost to the company. The employer agreed to assist a nearby community college in developing a new welding course, with the expectation that the course would reduce the company's future training costs. The employer agreed to serve on the college's employer advisory committee for this course, but the company reported that the committee held only one or two meetings, after which the employer's input was no longer solicited. The course that the community college ultimately developed was not relevant to this particular employer, which had to continue to rely on internal training. According to this employer, being able to rely on the community college for some of its training for welders could save the company tens of thousands of dollars annually.

Education and training opportunities could better match in-demand occupations through greater employer engagement and use of data

High schools and community colleges use advisory committees that include employers in their processes for determining what CTE coursework to offer and how it should be taught, but improvements in their composition and how they are used could ensure that programs produce qualified job candidates to meet employers' workforce needs. Some high schools and community colleges appear to use available labor market data in their CTE program development, but generally, it does not appear to be used effectively. More rigorous requirements and specific guidance for how high schools and community colleges should use labor market data could ensure that workforce development resources are invested in education and training opportunities that will prepare students and job seekers for the most in-demand occupations.

Employers could be better engaged through CTE advisory committees

Advisory committees could be better used to provide valuable employer input into high school and community college CTE curricula. High schools and community colleges currently use advisory committees to gain input from employers on the relevance of their courses to in-demand occupations. However, the requirements for how many and what types of employers are included on the committees does not ensure that they will contribute meaningfully to the development of new courses or the review of existing course offerings.

Current use of advisory committees

VDOE requires each school division to establish an advisory committee that provides recommendations on the current job needs in the region and the relevance of CTE courses. Similarly, VCCS requires community colleges to use local advisory committees to establish and evaluate all CTE programs and certificates.

Input from CTE program administrators indicates that several school divisions have active advisory committees that meet monthly and serve a wide range of functions, such as finding work-based learning programs for students and facilitating donations of funding and equipment. Other committees meet once or twice a year, and their primary responsibility is to sign off on the annual CTE plan. Further, CTE administrators responding to the JLARC staff survey reported that advisory committees for 20 percent of school divisions do not have participation from employers in the largest or fastest growing industries in the region.

Similarly, community college staff indicated that some of their advisory committees meet regularly, and employers are active participants. Staff at several community colleges described these committees as “critical” and as the college’s “contact with the real world.” However, staff at other community colleges reported that their committees are less influential, meeting infrequently and having poor attendance.

To improve the value of employer advisory committees, VDOE and VCCS could offer more specific guidance on expectations for employer participation on these committees. VDOE and VCCS could require school divisions and community colleges to include a larger number of employers on advisory committees and to convene the committees on a regular basis. VDOE requires that advisory committees have at least one representative from business and industry and instructs school divisions to meet at least twice a year. Responses from CTE administrators to the JLARC staff survey indicate that not all divisions comply with this requirement. VCCS gives community college presidents the authority to appoint members to committees but does not require members to be from particular businesses or industries. VCCS does not provide guidance on how frequently the advisory committees should meet.

Regional advisory committees

School divisions having difficulty recruiting employers for advisory committees can partner to form regional advisory committees. DOE staff indicate that this strategy could be particularly effective for rural school divisions. Regional committees could reduce the burden on employers to participate on multiple committees.

RECOMMENDATION 4

The Virginia Board of Education should amend the regulations governing career and technical education to require school divisions to include a minimum number of employers on career and technical education advisory committees and to convene advisory committees at least every six months.

RECOMMENDATION 5

The Virginia Community College System should require community colleges to include a minimum number of employers on career and technical education advisory committees and to convene advisory committees at least every six months.

High school CTE advisory committees should consistently review relevancy of courses

Many advisory committees for high school CTE programs do not provide services that are required by VDOE policy and that are designed to better align course content with employer needs. State regulations require CTE advisory committees to

provide recommendations to school divisions on the current job needs from employers and the relevancy of CTE program offerings. This process can assist programs in removing courses that are no longer relevant to employers and replacing them with ones that are. However, in interviews, VDOE staff indicated that VDOE does not provide oversight of this process, and CTE administrators responding to the JLARC staff survey indicate that many advisory committees do not provide these services for their school division. Specifically, 41 percent of CTE administrators report that advisory committees do not make recommendations on course content, and 16 percent do not advise the division on current and projected workforce needs.

RECOMMENDATION 6

The Virginia Board of Education should amend the regulations governing career and technical education to require (i) local career and technical education advisory committees to submit to their school division any recommendations for improving the relevancy of career and technical education program offerings resulting from the committees' annual review of courses and (ii) school divisions to submit these recommendations to VDOE to verify that reviews of course relevancy are being undertaken.

High school CTE courses should undergo a more rigorous approval process

High school CTE courses could be better aligned with employers' needs if decisions regarding CTE course offerings were better informed by labor market information. School divisions must obtain approval from VDOE to add a new CTE course. To receive approval, school divisions have to show that the course is related to an employment need, based on labor market data. However, the application does not provide useful guidance to school divisions on what information to submit, requiring school divisions to provide "data on labor market and/or employment needs for this program/course." Schools are not given useful parameters for reporting this information, such as benchmarks for determining employer demand relative to other occupations or a time period or geographic area over which to measure employer demand.

Only 11 of the 26 applications reviewed by JLARC staff for the previous school year clearly illustrated a need from employers for the course. These applications included information on the current and projected job openings in occupations related to the course. Most applications included general summaries of employment that did not address the relationship between these occupations and the course. VDOE staff approved 25 of the 26 applications.

VDOE should develop criteria for determining whether labor market information submitted by school divisions actually indicates a need from employers. These criteria could include:

- occupation(s) for which the course will prepare students for employment.
- number of job openings in the region or locality for the related occupation(s) from the previous year or projected for the following year.
- an explanation of how the requested course is different from existing courses provided within the school division or by nearby school divisions.
- direct requests from individual employers for the coursework.

RECOMMENDATION 7

The Virginia Department of Education should develop specific criteria for determining whether new career and technical education courses proposed by school divisions are justified and only approve courses for which justification is demonstrated. The criteria should include demonstrating that there is employer demand for the course that is not sufficiently met through other nearby training and education programs and that there are or will be job openings in the region in occupations associated with the course.

VDOE should require school divisions to offer courses that reflect labor market

VDOE does not require high school CTE programs to provide specific types of courses based on employer demand. The Board of Education's regulations governing CTE programs require high schools to offer at least 11 CTE courses in a minimum of three different program areas. However, these regulations do not require that these program areas be selected based on current and future employer demand. As a result, high schools can meet existing requirements without providing a single course in the most in-demand fields. For instance, high schools in 26 school divisions where occupations in the health sciences had the most job openings did not offer a single CTE class in this field during the 2012-13 school year.

These regulations could be amended to include criteria that school divisions must follow in selecting CTE program areas in which to offer courses to ensure that their programs reflect employer demand. Criteria could include a combination of the following: number of current or projected job openings in the region, limited availability of instruction from nearby institutions, and interest expressed by employers. VDOE could coordinate with VEC to assist school divisions in identifying these program areas.

RECOMMENDATION 8

The Virginia Board of Education should amend the regulations governing career and technical education to require school divisions to incorporate labor market data in the criteria used to select the program areas that are the basis of their career and technical education programs.

There should be a more structured process for obtaining and using employer input in community colleges' CTE curriculum development

Employers could also be more engaged in CTE curriculum development to ensure the content of courses will qualify students to fill their positions. High schools and community colleges solicit employers' input into the curricula used to teach their CTE courses. However, this is more structured for high schools than for community colleges. VCCS policy states that advisory committees need to be "consulted" in the development of new CTE course curricula, yet the extent to which colleges consult committees is not defined and is left to the discretion of the colleges.

To ensure that community colleges use employers in the development of new courses, VCCS could require colleges to use a structured process. VDOE develops curricula using a structured process that has been adopted by schools across the country, called the "Developing a Curriculum" (DACUM) process, which relies almost exclusively on employer input. Some community colleges in Virginia, such as Tidewater Community College, have elected to use the DACUM process and report it to be effective for developing curricula for specific occupations.

"Developing a Curriculum"

In the DACUM process, a trained facilitator meets with a panel of employees of local businesses to identify the duties and tasks necessary in their occupations.

The facilitator then meets with instructors to develop the coursework needed to teach students the skills needed to fulfill these duties and tasks.

RECOMMENDATION 9

The Virginia Community College System should require community colleges to use a structured process, such as the Developing a Curriculum Process, for reviewing the relevance of their career and technical education courses and the curricula used in those courses at least annually. Community colleges should incorporate analysis of employer input and labor market data into these reviews.

Labor market data could be used more effectively to shape programs

VEC collects and reports information that could be used by school divisions and other workforce development programs to assess the needs of local employers in a systematic way and prioritize their education and training resources. This data includes job openings, current employment, and future employment projections, which are collected in collaboration with the federal government. However, there appears to be limited use of this information by state agencies and local workforce development programs.

VEC has a division dedicated to labor market analysis—the economic services division—but it is not being fully utilized by workforce development programs, and it does not appear that the state has sufficiently advertised this unit's capabilities to lo-

Example of agency required by statute to be a data resource

The Geographic Information Network Division of VITA was established in the Code of Virginia and directed to “foster the creative utilization of geographic information and oversee the development of a catalog of GIS data available in the Commonwealth” (§ 2.2-2026).

cal workforce development programs. Staff of the workforce development programs who reported using labor market information as their primary resource for identifying employers' workforce needs did not uniformly use the VEC website to obtain this information.

The Code of Virginia requires VEC to support workforce development programs by conducting labor market research studies and publishing data on in-demand occupations, but the Code does not clearly state that VEC should actively assist workforce development programs in using labor market data to shape their education and training services. The state of Oregon has implemented more prescriptive expectations for its employment department than Virginia has. Oregon's state statute requires that the employment department, through labor market and economic analysis, support efforts by local workforce investment boards to align economic development, education, and training with workforce development investments and services “to efficiently address local labor market needs and statewide workforce development priorities.” Other parts of the Oregon statute clearly state that the employment department is expected to be an active resource for workforce development stakeholders' labor market needs, responding to individual analysis requests and assisting with research and evaluation studies of workforce development programs.

Requiring VEC to assist workforce development programs in their utilization of labor market data could ensure that this information is used to its full potential and improve the extent to which school divisions and other entities are basing their education and training decisions on employers' demands. For example, VEC staff could customize analysis for WIBs, community colleges, and school divisions based on their specific programs' needs. Further, the VEC Commissioner could establish goals for the number of labor market analysis requests from state and local entities that the economic services division fulfills.

RECOMMENDATION 10

The General Assembly may wish to consider amending the Code of Virginia to require the employment services division of the Virginia Employment Commission to serve as a labor market analysis resource and to actively assist state and local workforce development entities in targeting their resources to programs that reflect the state's labor market.

Statewide monitoring of the alignment of education and training opportunities with labor market demands is not being done

No state agency currently compares the types of education and training offered in workforce development programs to indicators of demand from employers, such as job openings or projected employment growth. Such analysis, similar to the analysis performed for this study, could be conducted at regular intervals to ensure that CTE courses offered by high schools and community colleges are aligned with employers'

needs. VDOE, VCCS, and VEC maintain the data that is needed to conduct this analysis, such as the specific courses offered by high schools and community colleges. This data can be categorized by the career clusters JLARC staff used in its analysis and then further divided into specific occupations to be compared to VEC's labor market data on current and projected job openings.

A recent initiative for improving alignment will help address questions about the supply of workers to meet employers' demands. In 2014 the governor signed an executive order calling for the creation of the Commonwealth Consortium for Advanced Research and Statistics (CCARS) to provide "real-time" information about "human capital, regional skills gaps, local and state wage data, university research and talent, and availability of local and state workforce programs." This will be accomplished through a website that provides information about the supply of workforce and academic credentials. This initiative is promising, and is similar to efforts taken in other states. However, it appears to be primarily focused on the supply of workforce credentials. CCARS has not yet been implemented, and it would be beneficial to ensure that a state-level entity has statutory responsibility for conducting a broad examination of alignment focused on the availability of programs to produce qualified job seekers.

The Board of Workforce Development may be best suited to monitor the alignment of education and training opportunities with labor market demand, which would be consistent with its responsibility for evaluating workforce development efforts across agencies and programs. Additionally, the board would be the most objective entity to conduct this alignment analysis. However, with its current structure and staffing resources, the board does not have the capacity to conduct this analysis comprehensively, and so relying on an independent third-party expert to evaluate alignment on behalf of the board is an approach that could be considered. This analysis should rely on information provided by VCCS, VDOE, VEC, and the State Council for Higher Education in Virginia.

This analysis should be supplemented with input from a cross-section of Virginia employers about the extent to which their workforce needs are being met and the specific occupations that they are having difficulty filling. The board could designate an entity in each workforce region to survey the region's employers about their workforce needs. To ensure that regions collect and report data in a consistent manner, the economic services division of VEC could develop a survey of the business community for all regions to use.

RECOMMENDATION 11

The General Assembly may wish to consider amending the Code of Virginia to require the Virginia Board of Workforce Development to evaluate the extent to which the state's workforce development programs emphasize education and training opportunities that align with employers' workforce needs. This evaluation should take place every two years.

Workplace readiness skills in high schools

VDOE has recently implemented an initiative to offer instruction on 21 workplace readiness skills, such as positive work ethic and teamwork, in every CTE course to better prepare graduates for the workplace.

VDOE developed the readiness skills in partnership with the University of Virginia and the CTE Resource Center.

VDOE has also developed assessments for students on their workplace readiness skills.

Programs to develop work experience are not fully utilized

Certain technical skills that job seekers should possess in order to be considered qualified job candidates are best taught in a workplace setting rather than a classroom. Employers often rely on internal training to instruct workers in the application of knowledge learned in the classroom, yet this can be costly to the business. Several workforce development programs provide opportunities for students and job seekers to gain workplace experience, but they have not been effectively marketed to job seekers or funded strategically. As a result, students and job seekers are missing opportunities to gain the work experience that employers describe as lacking in job applicants.

Several on-the-job training programs appear to be underutilized

Several of Virginia's workforce development programs provide on-the-job training, such as job shadowing, internships, and apprenticeships that can provide job seekers with skills that are difficult to learn in the classroom. Examples of programs with on-the-job training include WIA training services accessed at one-stop workforce centers, high school CTE programs, and the registered apprenticeship program. These training programs offer students unique opportunities to gain technical skills that are best learned on the job. However, many of these programs are underutilized and poorly marketed to students and job seekers.

Work-based instruction in high schools

High schools offer a variety of work-based instruction opportunities. Some programs include both classroom instruction at the local high school and on-the-job training provided by a partnering employer. Examples include cooperative education, clinical experience, internships, and apprenticeships.

Other programs involve general workplace experience without technical training. Examples include job shadowing, service learning, and mentoring.

On-the-job training for WIA programs

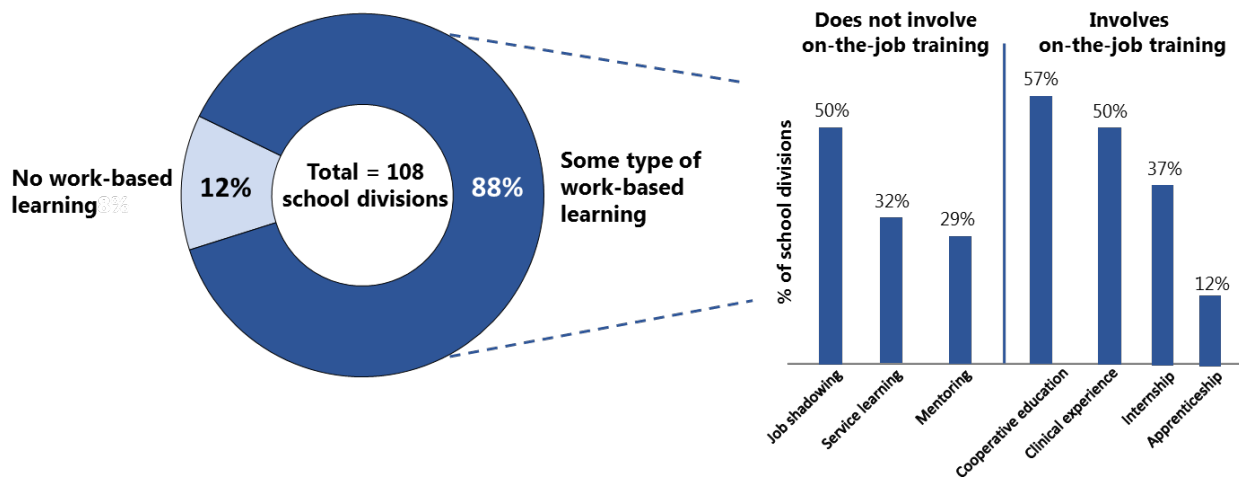
WIBs can fund on-the-job training opportunities for eligible WIA participants. In this arrangement, employers provide training to WIA participants in the workplace and are reimbursed for up to 50 percent of the wage paid to the participant during the training. However, on-the-job training does not appear to be a priority for WIBs. In FY 2012, WIBs spent \$246,000 for on-the-job training through WIA, equal to just three percent of WIA spending on training and less than one percent of WIA spending overall. Rather than on-the-job training, most WIA training dollars are used by WIBs for individual training accounts with training providers, many of which provide training in a classroom environment. Federal law does not limit the amount of training dollars that one-stop centers can spend for on-the-job training.

Work-based learning for high school CTE programs

Work-based learning opportunities provided by high school CTE programs are not available in every school division, and the type of instruction that is available varies by school (Figure 3-6). Schools in 13 school divisions responding to the JLARC staff survey do not provide any work-based learning opportunities. In divisions where work-based instruction is available, even the most frequently provided services, such as cooperative education and job shadowing, are only available in about half of school divisions. Other types of work-based learning, such as internships, are only

FIGURE 3-6

High school CTE programs provide a variety of work-based instruction but opportunities are not available in every school division



Source: JLARC staff analysis of survey responses from high school CTE program administrators.

Note: Percentage of school divisions providing services is based on the number of school divisions responding to the JLARC staff survey.

available in a third of school divisions. Moreover, apprenticeships are available in only 12 percent of school divisions across the state. The few schools that do offer all of these services are located in Hampton Roads and Northern Virginia.

Registered apprenticeship program

Virginia's registered apprenticeship program appears to be more limited and less well-integrated with other workforce development programs than is the case in other states. Employers seeking to establish an apprenticeship can use the registered apprenticeship program. The apprenticeship program offers instruction targeted to an occupation, combining on-the-job training with related classroom instruction. Participants earn a wage while participating in the program, and employers have the opportunity to develop the technical skills and knowledge of new hires. The registered apprenticeship program is administered by the Department of Labor and Industry (DOLI), and community colleges provide the required classroom-based instruction.

Virginia employers in the apprenticeship program typically have to pay for the full costs of training and instruction, and this could be a deterrent to participation. Although WIA funds are available to offset some of these costs, this practice is not used in Virginia because DOLI does not currently verify with local WIBs the WIA eligibility of apprentices and because Virginia does not use WIA discretionary funds to offset apprenticeship costs. Many states have used discretionary WIA funding to subsidize their apprenticeship programs, including Idaho, Kansas, Maryland, South Dakota, and South Carolina.

In several other states, the registered apprenticeship program assumes more responsibilities than in Virginia, such as assisting job seekers in finding open apprentice-

Funding apprenticeships with WIA dollars

In 2007, South Carolina used \$1 million from the state's WIA reserve to fund a competitive grant to employers of high-wage and high-growth occupations in their registered apprenticeship program.

WIA regions had to demonstrate a 14 percent increase in registered apprenticeships in order to receive funding beyond the first year.

The number of registered apprentices in South Carolina has increased from 777 to 3,068 since the program began.

Marketing apprenticeships to job seekers

In Kansas, the registered apprenticeship program distributes lists of active apprenticeships to one-stop workforce centers along with instruction for promoting the program. Oregon's state bureau of labor and industry provides job seekers with lists of employers taking applications for apprenticeship.

Federal grant encourages partnerships between apprenticeship and community colleges

The American Apprenticeship Grant, to be launched by US DOL in the fall of 2014, will make \$100 million in federal grant dollars available to states for funding apprenticeships. The US DOL notes that community colleges could be an integral partner in developing these programs and that applicants focused on accelerated degree paths for apprentices will be given priority.

ships, marketing the program to individuals, and referring those with an interest to relevant apprenticeship opportunities. DOLI does not refer individuals interested in apprenticeship to employers taking applications and does not publish information on participating employers with active apprenticeships.

The registered apprenticeship program does not appear to be as integrated in the workforce development system as other programs. Agency staff indicate that they are not consistently included in state workforce development initiatives and that community colleges will recruit employers to provide apprenticeships without their involvement. Employers also report having limited interaction with DOLI. Only three percent of employers responding to the JLARC staff survey had been contacted by DOLI in the past year, which was less frequently than any other workforce development program.

Transferring the administration of the registered apprenticeship program from DOLI to VCCS—which already administers the classroom-based instruction part of the program—could be beneficial. This change would consolidate the program under a single agency, which would reduce the number of state and local entities involved in workforce development and help simplify employers' interactions with workforce programs. Transferring the program to VCCS would also better integrate the program with community colleges, who have demonstrated a strong capacity to build relationships with employers and whose involvement in apprenticeship has been recognized as beneficial by the U.S. Department of Labor. In addition, VCCS administers the WIA Title I programs and could ensure that WIA funding is used to offset employers' costs for WIA-eligible apprentices. Most states that administer the registered apprenticeship program do so jointly under the same agency that administers the WIA program, including those states identified by the federal Employment and Training Administration as using best practices for coordinating the two programs.

Historically, the federal government has required states to administer the registered apprenticeship program through the states' designated labor department. However, this requirement was removed in 2008, and states now have the flexibility to administer the program through any agency, as long as the welfare of apprentices is safeguarded, and the agency can demonstrate linkages to the state's public workforce system. The apprenticeship program is the only workforce development program that DOLI administers, and appropriations to this program account for less than 10 percent of the agency's funding.

RECOMMENDATION 12

The General Assembly may wish to consider amending the Code of Virginia to designate the Virginia Community College System (VCCS) as the single state agency responsible for administering all aspects of the registered apprenticeship program, and to transfer these responsibilities to VCCS from the Virginia Department of Labor and Industry.

Funding for community colleges' technical training could be awarded more strategically

Virginia's community colleges provide technical training specific to the needs of individual employers. This technical training is intended to serve as a cost-effective alternative to employers' internal training, and state funding is provided to help offset employers' costs for this training. The types of training provided by community colleges vary—some courses are focused on soft-skills training and off-the-shelf courses to employers (such as leadership training) while others are more technical in nature and are designed to boost occupation-specific skills.

In spending the funds awarded by VCCS, community colleges are not guided by state policies directing them to target training opportunities to particular industries or occupations, with the exception of funds for the Institutes of Excellence. Of the nine million awarded to colleges for this training in FY 2013, over half (\$4.8 million) was designated by the General Assembly for specific initiatives. The remaining funds (\$4.2 million) were awarded by VCCS to individual community colleges using a formula based on instructional hours for non-credit courses or in response to an application from community colleges. VCCS staff indicate that they currently prioritize training that leads to an industry certified credential, but they do not have priorities for the types of employers receiving funds or the types of training being funded.

A competitive grant program in Maryland offers an example of how this funding could be spent more strategically. The Employment Advancement Right Now (EARN) program in Maryland awards grants to associations composed of employers and training providers for the purpose of providing education and training to a group of employers representing a specific industry sector. To qualify for funding, associations must demonstrate that there is a shortage of qualified employees in their industry sector. Funding is awarded initially for planning grants and then for developing and delivering customized training courses, apprenticeships, and career pathway programs to address the relevant labor shortages. For example, a regional partnership in manufacturing used funding to develop a six week "boot camp" for job seekers to develop skills in the field of manufacturing. Maryland established the program in 2013 with \$4.5 million in state general funds.

By awarding funding in a manner that is designed to benefit multiple employers in a single industry sector, as opposed to individual employers from multiple sectors, the state could strategically target key industries for workforce development assistance and increase the pool of qualified workers for an entire industry. According to the National Governor's Association, these "sector strategies" are "the most consistently adopted approach to meeting businesses' need for skilled workers and workers' need for good jobs." This strategy has already been effective in Virginia. The Peninsula Advanced Manufacturing Career Pathways Initiative received a combination of federal and state funding to perform a needs assessment in advanced and precision manufacturing in their region. The partnership, which includes the community col-

Institutes of Excellence

The General Assembly designates a portion of non-credit funding for Institutes of Excellence. This program funds training for employment in high demand and high growth occupations. VCCS has awarded funds to colleges for programs in advanced manufacturing, health care, construction trades, among others.

Non-credit funding in other states

States have used different methods to fund customized training provided by community colleges. States award funding to community colleges by formula based on instructional hours, by a fixed amount determined by the state, bundled with other funds, and 22 states do not fund non-credit courses.

Virginia is among the states that appropriates a set amount determined annually by the state. Only Maryland, Oregon, and Texas fund non-credit courses using the same method as credit courses.

lege, local and regional high school CTE programs, local economic development agencies, and employers, has worked to develop career pipelines for the occupations identified in the report.

RECOMMENDATION 13

The General Assembly may wish to consider including language in the Appropriation Act to create a competitive grant program that would award funds to local workforce development entities that propose to create and administer education and training services for a group of employers from the same industry for the purpose of reducing labor shortages in that industry.

Ineffective employer engagement prompts employers' frustration with programs and the workforce

Workforce development programs' inability to consistently produce job seekers with appropriate classroom knowledge and work-based experience, and employers' frustrations in navigating workforce development programs for assistance, is due in part to ineffective approaches to collaborating with employers. While workforce development programs have increased efforts to engage employers through surveys, one-on-one meetings, conferences, and other methods, the quality and objectives of these efforts vary across agencies, programs, and regions of the state. Developing and standardizing objectives and methods for employer engagement and outreach would improve the collective efforts of all workforce development agencies to involve employers in their programs. This could help alleviate employers' negative perceptions of workforce development programs and their difficulty in navigating them to address their workforce needs. It could also help ensure that workforce development services are relevant to employers' workforce needs, increasing utilization by employers and broadening opportunities for job seekers.

Quality of employer engagement and assistance is inconsistent across the state

In some cases, workforce development programs have developed coordinated and strategic approaches to conducting employer outreach that have resulted in meeting employers' workforce needs. However, employer engagement efforts are ad hoc and inconsistent. Several local workforce development programs reported that they rely upon informal conversations with individual employers to identify needs and provide services. For example, a WIB in southern Virginia has staff dedicated to calling local employers without prior notice to inquire about their workforce needs. This function can be useful in identifying individual businesses' needs, but is inefficient. In addition, it does not involve other programs that may have resources that can more readily assist the employer.

The VEC has local advisory committees that are directed to provide a forum for employers to inform local VEC offices of their needs. However, the advisory committees have limited contact with other workforce development programs, the state does not provide oversight of these committees, and the state does not have expectations for services they should provide. Only 15 of the 33 local advisory committees are listed on the VEC website as currently active. VEC staff at the state level characterized these active offices as varying in both the types and quality of services provided to employers.

Some programs have been more proactive and formal in their employer engagement efforts. For example:

- The Halifax County school division convenes a monthly roundtable called Halifax Forward, at which employers discuss current and upcoming workforce needs. The school division superintendent attends these meetings as do a variety of employers in health care, construction, manufacturing, and retail. School division staff indicate that this discussion group helped lead to the development of a welding program in their high schools.
- Thomas Nelson Community College has developed a corporate advisory group of employers that meets bi-monthly to discuss the labor market and the community college's capacity to provide customized training.

Several programs have actively enlisted business and industry interest groups in employer outreach efforts. In some regions, WIB and community college staff serve on the boards of regional economic development agencies or chambers of commerce. In Northern Virginia, members from economic development agencies and local chambers of commerce serve on the WIB board and assist in their outreach to employers.

In some regions, these strategies have led to the formation of public-private partnerships. Several high schools and community colleges have developed customized coursework to meet the needs of individual employers. For example:

- Danville Community College and Halifax Public Schools partnered with Goodyear to develop coursework in precision machining. In this arrangement, the high school and community college offer training in precision machining to repair tire molds, and Goodyear provides instructors and equipment.
- Blue Ridge Community College has partnered with the air conditioning company Daikin Industries to provide eight courses in the 2013-14 school year for several non-technical skills such as leadership, conflict management, and value stream mapping and technical skills in mechatronics.

New federal requirement for programs to monitor employer satisfaction

The Workforce Innovation and Opportunity Act will require core programs to collect performance data on services provided to employers. Workforce development programs were not previously required to assess employer satisfaction under WIA. Federal agencies have not yet issued policy guidance to states on how they will be expected to implement these requirements.

Recent state efforts to improve uniformity of employer outreach are positive but not sufficient

The state has recently taken action to improve the quality and coordination of outreach to employers from workforce development programs, but these efforts have been challenging to implement. In October 2013, the Virginia Workforce Council approved “business services requirements” for local workforce investment regions to “improve outcomes for the business customer by enhancing system-wide performance.” The policy requires providers of WIA services and WIA partner programs to sign an agreement to develop a shared strategy for delivering services to businesses. The policy also directs local workforce investment regions to implement a single point of contact, standardize timeframes to respond to businesses, provide clear, convenient, and easily accessible content and outreach to businesses, and create a method to measure employer satisfaction. Some stakeholders have reported challenges to implementing this policy, including the absence of meaningful state-level requirements for participation on the business services teams, which results in inconsistent participation among entities in Virginia’s workforce regions.

A single state agency, like VCCS or VEC, does not have sufficient authority to develop and implement a cross-agency, multi-program employer engagement strategy. However, if given the authority, the Virginia Board of Workforce Development is potentially well positioned to do so.

RECOMMENDATION 14

The General Assembly may wish to consider amending the Code of Virginia to require the Virginia Board of Workforce Development to designate a single entity in each region to lead the development of a local plan for employer engagement. The plan should, at a minimum: (i) specify the policies and protocols to be followed by all local workforce development agencies in the region, (ii) address how agencies will involve employers in the formation of new workforce development initiatives, (iii) identify what activities will be undertaken to address employers’ specific workforce needs, and (iv) describe the format and content of a single, user-friendly resource that would help employers identify and access available workforce development services. Each regional entity should submit its employer engagement plan to the board for review at a minimum of every four years, and the board should recommend changes to the plans, if needed, to ensure consistency across the regions. Employer engagement plans should be developed by July 1, 2015.

4 Challenges with Local Implementation of Workforce Development Programs

SUMMARY Virginia’s workforce development programs are implemented locally by numerous entities, and the varied approaches to administering these programs can lead to uneven quality of services. Across the state, local entities do not use consistent and effective approaches for coordination, and key workforce development entities do not consistently participate. Coordination efforts can be hampered because entities have different funding streams, missions, service areas, and customers. Several workforce regions have implemented promising multi-agency efforts that are both strategic and efficient, and these approaches could be replicated in other regions. By issuing guidance to local workforce development entities on approaches to program implementation and coordination, the state could help ensure that job seekers, students, and employers have access to services that are of more uniform quality and that are organized more consistently statewide.

The state has set expectations through statute and a statewide strategic plan that state and local workforce development efforts should ultimately operate as a coordinated and efficient system. Specifically, the Code of Virginia tasks the Board of Workforce Development with developing “linkages to ensure coordination and non-duplication among programs and activities” and with increasing “coordination and thus efficiencies of operation between all education and workforce programs” (§ 2.2-2471). The most recent strategic plan identifies a “unified system to effect workforce solutions for Virginia’s current and future employers and employees” as a “core vision” of the state.

The fact that Virginia’s 24 different workforce development programs are primarily implemented at the local level presents an enormous challenge to the realization of this vision. Local entities have substantial discretion in the approach they take to program administration and service delivery, which means that local-level priorities and inter-agency relationships can substantially affect the quality and effectiveness of Virginia’s workforce development programs.

Lack of coordination undermines quality of regional efforts

The fact that several different local entities are involved in workforce development efforts reflects the complexity of the programs and the varied populations they serve, and underscores the importance of the state’s efforts to create a coordinated system of services. There are five different local entities whose services and resources are most critical to the workforce development efforts undertaken in Virgin-

Site visits to workforce regions

JLARC staff conducted site visits to eight different WIA regions during the study. Interviews were held with WIB staff and board members, community college workforce services staff and community college presidents, school division career and technical education administrators and school division superintendents, local Virginia Employment Commission offices, and regional economic development offices.

See Appendix B for more information.

ia's 15 local Workforce Investment Act (WIA) regions, and for whom coordination should be a priority:

- Workforce investment boards (WIBs),
- Virginia Employment Commission (VEC) local offices,
- Community colleges,
- K-12 public school systems, and
- Economic development agencies.

These entities collectively serve thousands of individuals and businesses annually and are important resources in the state's workforce development efforts, but program characteristics make coordination challenging. The programs have different funding sources, missions, and performance expectations, and their geographic boundaries differ. As a result, local workforce development entities have a tendency to operate independently of one another, creating the potential for duplication of services, inefficient use of limited resources, and confusion on the part of the job seekers and employers who seek their assistance.

Most WIA areas have not adopted a formal mechanism for bringing all of the key workforce entities together on a regular basis, and regional leadership varies. As a result, job seekers, students, and employers encounter programs whose quality and service delivery models differ across the state. In many regions there is no consensus on which of the key workforce entities should take a lead role and for what purpose, and these regions appear less prepared to respond to emerging workforce development needs.

Workforce regions struggle with coordinating efforts across programs

When entities do not have a defined strategy for coordinating workforce development activities, they are less likely to share resources and best practices, and they contribute to perceptions that the programs are fragmented and duplicative. Formal and informal partnerships appear to exist in all regions, but these partnerships do not typically include all key workforce development entities. Partnerships are not focused broadly on regions' workforce development challenges, and solutions are often temporary. Workforce development staff and employers consistently reported a lack of coordination across their regions' workforce entities, based on interviews conducted in the eight regions visited and the surveys administered for this study.

Entities may serve on one another's boards or co-participate in specific initiatives, but most regions do not have a formalized routine of collaboration on broad workforce development issues or a cross-program vision for the region. An employer in one region noted, "I believe that a general outsider's perception is that too many agencies or state funded groups are working on 'workforce development,' while little

results are provided that demonstrate that the groups work well together.” Though there may be several entities visibly involved in workforce development in each region, it is apparent to employers that they do not coordinate and collaborate as well as they should. Although there is the potential to work together, the lack of coordination appears to result in local entities operating less efficiently and duplicating one another.

CASE STUDY

Lack of coordination and duplication of welding programs

In the Shenandoah Valley, educators identified a need for programs that would train students to become welders. The community college and the two technical centers for high school students created separate welding programs that would prepare students at both the high school and post-secondary levels for pursuing careers that require welding skills. Given differences in credit requirements under the Virginia Department of Education (VDOE) and the Virginia Community College System (VCCS), the two schools were unable to coordinate curricula and instead are offering their own welding facilities with separate instructors, equipment, and classrooms. If there had been a mechanism and precedent for coordination, these entities may have been able to improve efficiency and cost-effectiveness by sharing these resources, even if the programs could not be fully combined.

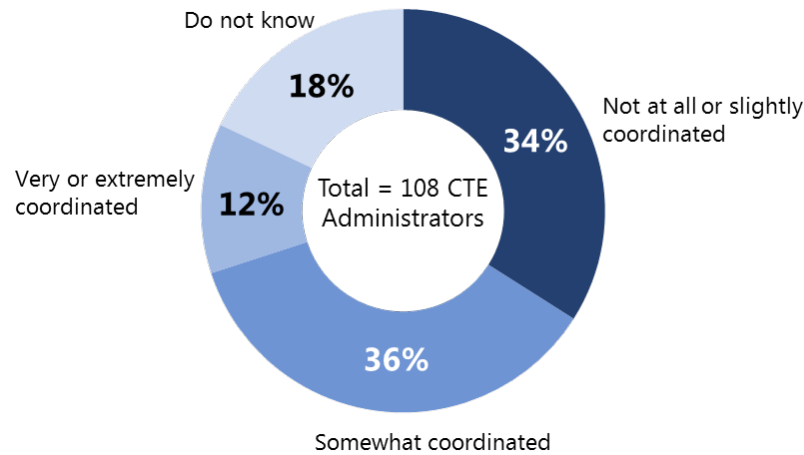
In interviews with staff from WIBs, community colleges, economic development agencies, and VEC offices, it was clear that local programs understand the importance of working with other entities in their region, but they lack a formal mechanism to do so. One WIB director explained,

The whole intent of WIA is to get organizations involved in similar things talking together, working together, and minimize infrastructure spending and put more money towards getting people to work. Unfortunately, there have been a lot of silos and challenges. I think the biggest challenge we’ve had in the past is that there’s not enough support given at the state level, in terms of requiring partners to come together.

Other workforce development staff expressed similar opinions. An economic development staff member indicated that he was unfamiliar with the Board of Workforce Development’s new business services requirements and had not been involved in any discussion of them. Another WIB director reported frustration with the lack of a formal policy regarding coordination on workforce initiatives; community colleges in the area are not explicitly encouraged to include the WIB in workforce development activities. When surveyed, career and technical education (CTE) administrators had mixed opinions regarding the extent of coordination across workforce development

FIGURE 4-1

Most secondary CTE administrators' perceptions of the coordination of workforce development efforts suggest that coordination could be improved



Source: JLARC staff analysis of survey responses from school division CTE program administrators, 2014.

programs. One-third reported that programs in their region were not at all or slightly coordinated. Another third indicated that programs were only somewhat coordinated (Figure 4-1).

Opinions were more consistent in certain areas of the state. In seven out of Virginia's 15 workforce development regions, 40 percent or more of school divisions reported that the workforce development efforts in their region were either "not at all" or only "slightly" coordinated. Eleven individual school divisions reported that their regions' efforts were "not at all coordinated."

Improved coordination would allow regions to more efficiently implement workforce development programs. In interviews, local entities and employers identified several potential benefits of coordinating workforce development efforts:

- Allowing entities to share resources and reduce the cost of programs they cannot offer on their own;
- Reducing per-client program costs, allowing workforce development entities to serve greater numbers of job seekers, students, and employers; and
- Improving employer perceptions of public workforce services, increasing the likelihood that businesses would support and make use of them.

In several regions, programs have developed coordination strategies that may serve as examples for other regions (Exhibit 4-1). However, most of the regions examined for this study have not established a forum which brings together all key stakeholders for the purpose of coordinating workforce development services and collaborating

on regional workforce development strategies. Likewise, regions lacked a defined lead for workforce development efforts that would facilitate and direct consistent coordination.

EXHIBIT 4-1
Example of an effective approach to establishing cross-agency coordination

Blue Ridge Career Pathways Consortium

The Blue Ridge Career Pathways Consortium operates an academic and technical training program for high school students. It meets monthly and is led by a steering committee that includes CTE administrators, local employers, and community college representatives. Steering committee members advise the program on the needs of the business community and help select the program’s areas of focus.

<p>KEY STRENGTHS</p> <p>Brings together multiple workforce entities on a regular basis</p> <p>Informs school administrators about workforce needs</p> <p>Engages parents by informing them of opportunities for students and sponsoring activities</p>	<p>EVIDENCE OF SUCCESS</p> <p>Characterized as useful by local entities for cross-agency collaboration</p> <p>Resulted in collaboration among public school and WIB staff to increase youth enrollment by finding students who could benefit from participation</p> <p>Helped to reverse negative perception of CTE, particularly among parents</p>	<p>APPLICABILITY</p> <p>Applicable across regions</p> <p>Requires entities to form a consortium by identifying members and objectives and establishing protocols</p>
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Source: JLARC staff analysis of information obtained during site visits to Virginia workforce investment regions and Blue Ridge Community College website.

Lack of consensus among entities on leadership roles hampers coordination efforts

WIBs are expected to lead their regions’ workforce development efforts, but most state and local-level stakeholders reported in interviews that WIBs rarely meet these expectations. Federal and state legislation, as well as policies set forth by the Virginia Board of Workforce Development and VCCS, designate local WIBs as the leaders of their region’s workforce development activities:

- WIA legislation requires that WIBs set policy for workforce development within their regions. The local boards are expected to create a strategic

plan, select one-stop operators and youth providers, and identify eligible training and intensive services providers.

- The Virginia Board of Workforce Development identifies the primary responsibility of WIBs as providing leadership for their regions.
- VCCS policy designates WIBs as the strategic leaders in addressing local workforce development.

Despite this direction, there is no consensus among stakeholders that WIBs are operating as the lead workforce development entities in Virginia's workforce regions. In four of the regions examined in site visits, WIB staff indicate that they assume only a portion of the lead role and share it with at least one other entity. In the other three regions, WIB staff expressed an interest in serving as the lead but do not have support from the other key entities to do so. Besides the WIB staff themselves, staff of other workforce development entities did not characterize WIBs as serving in a lead role in these regions.

Strong leadership and coordinated workforce development efforts are especially important in regions that are struggling economically. In some of these regions, many workers are unemployed despite the existence of desirable job opportunities. These regions could benefit from well-led and coordinated workforce development programs that would provide opportunities for job placement and skills enhancement.

CASE STUDY

Absence of a lead workforce development entity in a region with poor economic conditions

A workforce region in the southwestern portion of the state has experienced a confluence of high unemployment rates and low levels of educational attainment. In July 2014, 6.7 percent of adult residents in the region were unemployed, compared to the statewide average of 5.4 percent. Yet that same month, there were 10,544 job openings in that region. Moreover, 46 percent of adults in this region reported an education level of high school or below (compared to 39 percent statewide), and just 19 percent had obtained a bachelor's degree or higher (compared to 32 percent statewide).

There is no clear lead entity for the region's workforce development efforts, and there is also no formal means by which programs coordinate their efforts or collaborate on initiatives. The region's WIB staff are interested in leading workforce development efforts; they believe that they are well-equipped to coordinate and facilitate workforce activities. However, community college staff reported that the economic development agencies in the region most often lead workforce development efforts, while school division staff identified the community college as the lead workforce development entity. School

division staff reported that they are not involved in workforce development efforts initiated by the WIB.

Confusion regarding entities' roles and responsibilities inhibits the region's workforce development efforts. It impacts their interactions with each other, employers, and job seekers. The system appears to be insufficiently responsive to emerging workforce needs.

Strong leadership has led to effective coordination in some workforce regions. In regions where one or more workforce development entities have been established as the regional lead for workforce development initiatives, approaches to coordination and collaboration have been strong. Within each region, there are several local entities that could be well suited to lead workforce development activities, including WIBs, community colleges, and economic development agencies.

In some regions, there are already entities well suited to assume the lead role. For example, one employer in the western part of the state noted,

I think that the WIB is positioned with all the stakeholders of the region to play a vital role in workforce development. It has all the governmental, educational, service provider networks and economic development players of the region connected. It is the place where public and private entities can meet and partner for the mutual benefit of all in the community.

Workforce development entities could make use of existing models of good leadership and coordination across the state, while maintaining the flexibility to develop their own leadership approaches. Because of local variation in geography, industry interests, and population, different entities may be better suited to take the lead in different regions. Rather than mandating that the same entity be the designated lead in each region, the Virginia Board of Workforce Development may wish to provide guidance that helps regions develop their own leadership approaches. In addition to improving the efficiency and effectiveness of local workforce development efforts, having a designated lead for each workforce region would ensure a direct channel of communication with the board, which is currently lacking.

Once local areas have designated lead entities for their workforce development efforts, the lead entity could then take responsibility for regional workforce program coordination by establishing a workforce development council. Councils could include representatives from all key local workforce development entities, including WIBs, community colleges, local VEC offices, school divisions, and economic development agencies. They could meet regularly and be chaired by a representative from the entity that is designated as the region's lead for workforce development activities. Once councils are fully established and operational, regions may wish to include representation from local employers. The Workforce Innovation and Opportunity Act (WIOA) elevates expectations regarding regional coordination and leadership, and these councils could facilitate the state's compliance with the new legislation. For ex-

Oregon's experience with requiring one lead entity

In 2013 the governor of Oregon issued an executive order designating the state's local WIBs as the workforce development leads in their regions.

In some regions, other workforce entities are already serving as the lead and have built relationships with key stakeholders. They are hesitant to adopt the WIBs as the new leads when they feel the current ones are more appropriate.

ample, states will be expected to develop a strategic plan that aligns the efforts of multiple workforce development programs in order to achieve a common vision.

A similar structure is used by local agencies responsible for serving Virginia's youth through the Comprehensive Services Act (CSA), which is administered by five local agencies. Because all agencies are involved in reviewing the needs of and providing services to CSA clients, coordination is essential. The Code of Virginia mandates that each locality establish teams composed of staff from the five local agencies to manage their programs. The interagency coordination aspect of this model would be relevant for workforce development programs as well.

Given the number of local entities involved in workforce development at the regional level, these councils could be developed statewide using a two-phase process. In the first phase, certain regions would be selected to initiate the formation of new regional councils, establish their operating protocols, and identify ways, based on their own region's experience, to facilitate council development in other regions. The experiences of the phase-one regions would be used by the Board of Workforce Development to develop expectations and guidance that would apply to all regions. This would commence phase two, in which all regions would form these councils. The purpose of phase one would be to identify successful approaches as well as unforeseen challenges and potential solutions that would inform the board's efforts to foster the establishment of these council statewide, better ensuring an effective and enduring statewide effort in the second phase. Implementing this new initiative incrementally would also allow for time to fully understand the impacts of WIOA on workforce development programs and incorporate the Act's provisions into regions' efforts.

To ensure that regions comply with the board's requirements for formally designating a lead workforce development entity and forming regional workforce development councils, the board could consider making eligibility for WIA incentive funds contingent upon compliance with these requirements. States are permitted to use a portion of their federal WIA funds for statewide initiatives, and Virginia has awarded incentive grants to workforce regions in the past. In FY 2013, VCCS awarded nearly \$205,000 in incentive grants, which was five percent of the state's total WIA funds. Under WIOA, the federal government will permit states to use 15 percent of their total WIA funds for such statewide activities. Therefore, the amount of funding available for such incentive grants could be increased. Additionally, the General Assembly could make sector strategies grants contingent upon compliance with these requirements. (See Chapter 3, Recommendation 13.)

RECOMMENDATION 15

The General Assembly may wish to consider amending the Code of Virginia to require the Virginia Board of Workforce Development to (i) direct each workforce investment region to designate a single entity to lead the region's workforce development efforts; (ii) direct each workforce investment region to create a single regional workforce development council for identifying initiatives that could be undertaken collaboratively; (iii) develop guidelines for regions to follow in establishing and operating regional councils, in collaboration with state and local entities that administer the state's workforce development programs; and (iv) amend existing eligibility criteria for Workforce Investment Act incentive funds to include each region's designation of a lead workforce development entity and formation of a regional workforce development council. All regions should be required to create regional councils by July 1, 2016.

Several key entities do not sufficiently contribute to local workforce development efforts

Several entities are not consistently engaged in workforce development activities at the local level, and this reduces the overall effectiveness and efficiency of regions' workforce development efforts. Some programs are required by WIA to participate in their regions' workforce development efforts via the one-stop service delivery system. These entities include WIBs, VEC, and VCCS. Other important workforce development entities, including K-12 public schools and economic development agencies, are not required to participate under WIA.

Local workforce development entities have varying notions of their roles in a workforce development system and in regional partnerships. Entities tend to focus on their own core missions, which may or may not be directly related to the workforce development objectives of other entities. Consequently, some key entities are inconsistent and unreliable partners in local workforce development efforts.

The Code of Virginia specifies that WIBs must develop memoranda of understanding with entities that are required to participate in the one-stop system, but it makes no mention of coordination with other entities that also administer workforce development programs. VCCS policy states that WIBs are responsible for "the development of strategic partnerships and an integrated service delivery system." However, it does not indicate which partners should be involved and in what capacity.

In some regions, WIB involvement in workforce development efforts is limited to WIA programs

Local WIBs vary in terms of their capacity to administer workforce programs in addition to WIA, and those that are not able to leverage non-WIA funding may encounter challenges to operating in the broader workforce development system. WIBs have traditionally focused more on WIA programs and less on other workforce development

efforts, because WIA has historically been the WIBs' main funding stream. Under the Workforce Innovation and Opportunity Act of 2014, however, WIBs will be expected to focus more strategically on labor market needs and to take a more analytical approach to determining how to best serve individuals and employers.

In some workforce regions, such as the Greater Peninsula region (Exhibit 4-2), WIBs have obtained status as 501(c)(3) organizations in order to have flexibility to apply for a wider range of grant funding. This allows them to pursue workforce development initiatives that are not tied to WIA requirements or eligibility guidelines, and to serve a broader spectrum of workforce development interests, as well as clients who do not meet WIA eligibility requirements but who could benefit from workforce development services.

EXHIBIT 4-2

Example of a WIB expanding capacity beyond WIA

Peninsula Council for Workforce Development (PCFWD) The Greater Peninsula's WIB obtained status as a 501(c)(3) organization and as a foundation and developed a three-pronged strategy to address workforce needs. Each prong of the strategy is related to a different type of funding: 1) Programs that fall under funding for WIA Title I. At this level, the board ensures that it is meeting all WIA requirements and performance objectives. 2) Leveraging grant-funded activities within the one-stop delivery service system. Initiatives are operated in collaboration with a partner within the one-stop. 3) Encompasses workforce development funding streams and initiatives beyond the one-stop system.		
KEY STRENGTHS Offers the ability to leverage multiple funding resources Provides greater flexibility in terms of meeting employer and client needs	EVIDENCE OF SUCCESS Supports partnerships with other entities: PCFWD was able to partner with a WIB in another region to acquire funding that expanded several healthcare occupational skills training programs Engages employers: <i>"[The PCFWD] are great partners with employers and work to achieve the local workforce initiatives for meaningful and value added accomplishments."</i> <i>—Local area employer</i>	APPLICABILITY Applicable across regions Requires formal coordination and strong leadership and would be best facilitated by the WIB having already secured funding sources in addition to WIA

Source: JLARC staff analysis of information obtained during site visits to Virginia workforce investment regions and responses to a staff survey of Virginia employers, 2014.

In addition to the Greater Peninsula region, WIBs in two other regions—Shenandoah Valley and Northern Virginia—have organized in ways that allow them to seek funding from sources beyond WIA. The Shenandoah Valley WIB has been a 501(c)(3) organization since its establishment in 2000. It is also its own fiscal agent. Its tax and legal status have facilitated the procurement and implementation of \$19 million in grant funding since 2002. WIB staff explained that in recent years they have revised their model of service delivery. One staff member noted, “We were focusing on each person’s needs and trying to match them with an employer. We were contacting dozens of employers for one employee. It was like pushing a rope.” Now the WIB identifies employers’ needs first before identifying potential job candidates.

Similarly, the Northern Virginia WIB, also a 501(c)(3) organization, is seeking to alter the common perception that they are focused on social services. The WIB director and chair indicated that this shift toward an economic development-driven model is a high priority.

Without sources of revenue other than WIA, WIBs may encounter challenges to fulfilling a broader, more strategic role in their regions. Particularly in regions that are struggling economically, WIBs that are limited to WIA funding may have difficulty serving as an active partner in addressing the substantial challenges of the region.

CASE STUDY

WIB unable to assume leadership role despite need in region

A region in the southern portion of the state is among the regions with the highest unemployment rates in the state. In July 2014, the region reported an unemployment rate of 8.1 percent, compared to 5.4 percent statewide. In interviews, staff from multiple programs described the region’s economic conditions as stagnating, relative to other regions. Sixty percent of adults had attained an education level of high school or lower (compared to 39 percent of Virginia adults), and only 13 percent had obtained a bachelor’s degree or higher (compared to 32 percent of Virginia adults).

The WIB reported an interest in serving in a broader workforce development role, but identified several challenges, including having to compete with other local entities also trying to fill this role. In addition, the economic development agency does not engage with other workforce development entities, particularly the WIB. If a new business contacts the economic development agency, information about their needs from the workforce development system may not be shared with the WIB. Further, the local VEC office does not readily provide information on clients or businesses that the WIB requests. Despite the region’s struggling economy, the WIB, which wants to operate more strategically, is not making progress in addressing the region’s workforce challenges.

WIB involvement in programming initiatives beyond WIA may increase employers' interest in the work of the WIBs. Historically, employers have perceived that WIBs are only training individuals who face substantial barriers to employment and are unsuitable for middle or high skilled positions. WIBs that have become involved in a wider array of programs have had the opportunity to demonstrate their value to employers. VCCS currently has several mechanisms in place by which staff may solicit input and feedback from local WIBs, including conference calls, weekly updates, and public meetings of the Board of Workforce Development. These mechanisms could be used to formally compile replicable best practices regarding broadening WIBs' roles beyond WIA and to share these practices with other WIBs.

RECOMMENDATION 16

The Virginia Community College System should, in consultation with the Virginia Board of Workforce Development and local Workforce Investment Board (WIB) directors, identify and share best practices that are being implemented by WIBs to expand their role beyond Workforce Investment Act programs in order to influence and advance broader workforce development initiatives in their regions.

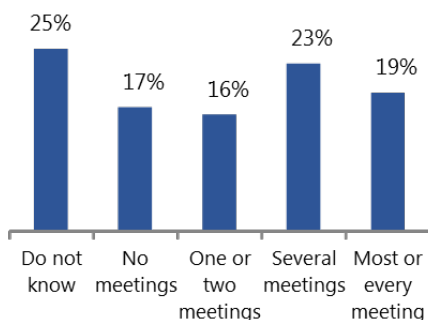
School divisions are not consistently participating as key strategic partners

Despite the importance of CTE in workforce development, K-12 schools' participation in broader workforce activities is inconsistent. CTE administrators reported varying levels of school division attendance in their regions' WIB meetings. Less than a quarter of survey respondents indicated that someone attends most or all meetings. Likewise, school divisions differed in terms of their awareness of the region's workforce development efforts (Figure 4-2).

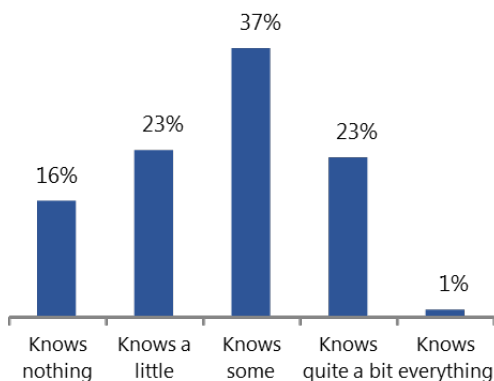
School divisions' varying levels of involvement in workforce development efforts may stem from different views on the role of secondary education and CTE programs in workforce development. Some school divisions appear to emphasize secondary coursework and CTE programs as avenues for career exploration. Others emphasize preparing students to enter the workforce directly after high school. High school programs have the potential to succeed at both of these objectives. However, depending on the view they embrace, divisions may vary in terms of the types of coursework and credentials that are offered, the strength of their partnerships with employers, and their level of interaction with other workforce development entities.

FIGURE 4-2**Schools' involvement with WIBs and other workforce partners varies statewide**

School attendance at WIB meetings during 2013-2014 school year (n=108)



Schools' knowledge of other regional workforce development efforts (n=108)



Source: JLARC staff analysis of survey responses from school division CTE program administrators, 2014.

School divisions may also have historically had difficulty engaging in regional workforce efforts due to the broader lack of coordination within the workforce development system. Virginia's Board of Workforce Development now has a role in overseeing K-12 CTE programs, but this change has not yet been applied at the local level. School divisions in only one region visited for this study appear well integrated in the workforce development system (Exhibit 4-3). Schools could benefit from guidance on the level and type of engagement they should have with other workforce development entities, and the expectation for engagement needs to be consistent across regions. Schools are largely unaware of other programs' workforce activities and how they should seek to be included.

RECOMMENDATION 17

The Virginia Board of Workforce Development should, in consultation with the Secretary of Education and the Department of Education, develop a statewide policy emphasizing that school divisions are expected to regularly participate in workforce development initiatives being undertaken in the state's workforce investment regions. This policy should include guidelines for the manner in which school divisions are expected to participate and the types of initiatives in which school division participation is most expected.

EXHIBIT 4-3**Example of effective engagement with K-12 schools**

Greater Peninsula K-12 public schools		
<p>The Greater Peninsula's WIB formally includes K-12 schools as a strategic partner through several mechanisms:</p> <ul style="list-style-type: none"> • New Horizons, a CTE center, serves as a nonvoting member on the WIB board and its executive committee. • New Horizons manages the WIA Youth grant. • The WIB hosts an annual Youth Career Expo in partnership with the region's six school divisions. Local businesses participate by offering mock interviews with students. 		
<p>KEY STRENGTHS</p> <p>Fosters collaboration between the WIB and the region's K-12 schools</p> <p>Informs school systems of the workforce needs of the region</p>	<p>EVIDENCE OF SUCCESS</p> <p>Expo attracted</p> <ul style="list-style-type: none"> • more than 2,200 students from 16 high schools and • more than 60 exhibitors from area businesses (2014) <p>Agreement among local entities and employers that the Expo is an especially effective and productive event</p>	<p>APPLICABILITY</p> <p>Applicable across regions and all local school divisions should be included</p> <p>Facilitated by school division superintendents' awareness of the region's workforce development efforts and their support</p>

Source: JLARC staff analysis of information obtained during site visits to Virginia workforce investment regions and from the Peninsula Council for Workforce Development website.

Economic development agencies could be stronger partners by viewing workforce development as related to their mission

Economic development agencies are often strategically and uniquely positioned to serve as liaisons between workforce development and the business community. However, economic development agencies may not view themselves as workforce development entities because they are not mandated partners in the one-stop system and work primarily with employers rather than with other partners.

Most regions reported that an economic development partner was in some way involved in broader workforce development efforts, but the type and frequency of this interaction varied. In three out of the seven regions examined in site visits, the WIBs share office space with economic development partners. WIB staff explained that this allows them to stay informed of business development in the region. WIB staff in three other regions reported some level of collaboration that did not involve sharing office space. Staff of one WIB reported that the local economic development agencies do not work with local workforce development partners at all.

The cooperation of economic development agencies with workforce development could strengthen the overall effectiveness of state and local efforts. For example, economic development agencies can make WIBs aware of emerging and expanding business needs, allowing them to tailor their initiatives and better prepare the workforce for these opportunities. Such collaboration has been an effective strategy for promoting public-private partnerships and soliciting employer input into program development and implementation in some regions. In several regions, economic development agencies have already built valuable relationships with major local employers, which could be important resources for workforce development entities.

In the Hampton Roads area, for example, the WIB convenes a meeting of economic development directors of eight localities and the regional economic development group. Economic development experts tell them about potential jobs and the WIB describes the available training. The WIB was one of the members of the business attraction team for Green Mountain Coffee. WIB staff explained, “we can’t get to the companies that we might hope to get to on our own. The economic development community expands the information flow to the WIBs.”

CASE STUDY

Limited interaction between a region’s economic development agency and WIB

The economic development agency in one workforce region has little interaction with other workforce development stakeholders. Staff of the region’s primary economic development agency explained that their service-delivery area spans multiple WIBs, community colleges and school systems, and it is difficult to coordinate efforts over such a large geographic area. In addition, some of these entities are more willing to partner with economic development than others. As a result, this economic development agency is often left out of broader workforce development efforts, and its staff believes that high school and community college courses are largely misaligned with the skills that the business community needs most, but the opportunity for economic development to advise the region’s schools and colleges on these matters is currently limited.

Economic development agencies are represented on local WIBs. This participation is currently required by WIA, and it will also be required under the Workforce Innovation and Opportunity Act of 2014, but regions need additional guidance on how economic development should be included beyond board membership.

Some regions reported participation from local economic development agencies, whereas engaging their regional economic development agencies would be more strategic for workforce regions. These agencies may be more knowledgeable of the broader economic climate, have more resources, and be more likely to specialize in economic development. Economic development staff at the local level often serve in multiple roles and many do not have the ability to focus solely on economic devel-

opment issues. Additionally, regional economic development agencies may engage local economic development staff at times and be able to represent them when interacting with other workforce development entities.

WIBs in some regions have strengthened their workforce development efforts by engaging a regional economic development agency. In the Shenandoah Valley, the WIB is represented on the regional economic development agency's committees and participates at the board level (Exhibit 4-4). This facilitates meaningful, routine collaboration that benefits the workforce development system overall.

RECOMMENDATION 18

The Virginia Board of Workforce Development should, in consultation with the Secretary of Commerce and Trade and the Virginia Economic Development Partnership, develop a statewide policy emphasizing that regional economic development agencies are expected to regularly participate in workforce development initiatives undertaken in the state's workforce investment regions. This policy should include guidelines for the manner in which regional economic development agencies are expected to participate and the types of initiatives in which participation is expected.

Absence or limited presence of VEC in some one-stop workforce centers may hinder service delivery and contribute to fragmentation

One-stop workforce centers are required to provide access to numerous workforce development services, including VEC employment services. However, WIB staff in several regions stated that VEC offices are not cooperating on workforce development initiatives, exemplified by VEC's inconsistent co-location at one-stop workforce centers. When VEC services are not directly accessible at all one-stop centers, one-stop clients may miss opportunities to obtain services that could help them obtain or regain better employment opportunities.

Co-location has two main benefits: (1) individuals and employers are more likely to have their workforce development needs comprehensively met because all services are in a single location; and (2) duplication and fragmentation of workforce development services and resources are reduced. One WIB director stated that the lack of co-location causes "a lot of confusion [among job seekers] about who is offering what."

State policy encourages local VEC offices and one-stop centers to be physically co-located. If full-time physical co-location is not possible, VEC offices and one-stop centers can make other arrangements to ensure that VEC services can be accessed at one-stop centers. This can include the use of part-time staff or a formal referral process.

Co-location can occur at one-stop centers or VEC offices

There are two main types of co-location arrangements: (1) a VEC office is leased or owned by the state and serves as the comprehensive one-stop center; and (2) a VEC office is located at a comprehensive one-stop center that is leased or owned by the local WIB or one-stop operator.

EXHIBIT 4-4
Example of the value of including economic development in workforce efforts

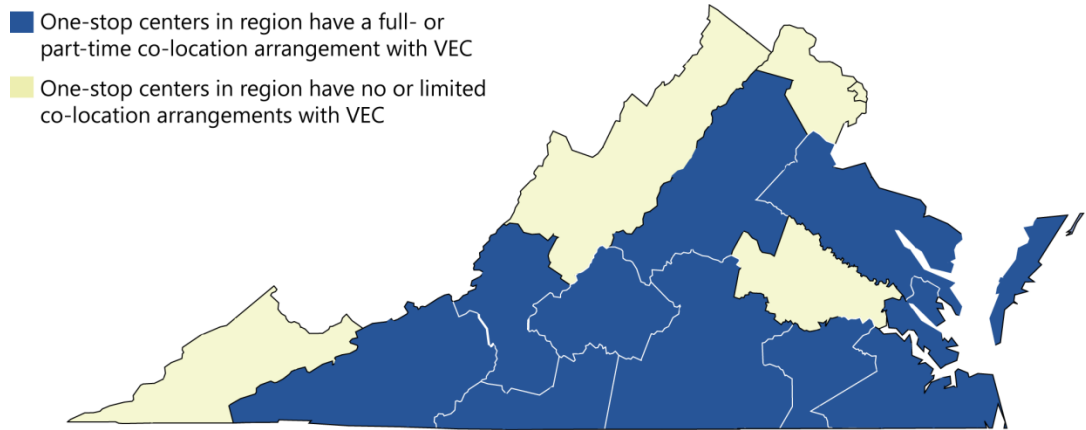
Shenandoah Valley Partnership		
The Shenandoah Valley Partnership (SVP) is often the first point of contact for employers in the Shenandoah Valley region. SVP works to bring together all of the appropriate partners within the workforce development system to meet the employers' needs.		
KEY STRENGTHS	EVIDENCE OF SUCCESS	APPLICABILITY
<p>Maintains a workforce database that catalogues all of the training and resource opportunities available, from K-12 through higher education</p> <p>Engages several key workforce stakeholders on its Education and Workforce Committee and provides a formal mechanism for different entities to communicate</p> <p>Tailors specific strategies for meeting each employer's needs</p>	<p>Announcement by advanced manufacturing company of a plan to invest \$65 million to expand in the City of Waynesboro</p> <p>Key partners assisted with expansion:</p> <ul style="list-style-type: none">• Local programs collaborated to post job descriptions, score applications, and select candidates for company to interview• Community college hosted assessments for candidates• Virginia Job Investment Program conducted trainings for company employees involved in the interview and new employee training processes <p>Resulted in successful multi-million dollar expansion of company</p>	<p>Applicable across all regions, particularly those served by a regional economic development agency like the Shenandoah Valley Partnership</p> <p>Requires economic development agencies having the capacity to coordinate workforce efforts and establish relationships with other workforce development entities</p>

Source: JLARC staff analysis of information obtained during site visits to Virginia workforce investment regions.

Extent of co-location

There are many different co-location arrangements between one-stop centers and VEC offices throughout the state. Fourteen of the 23 one-stop centers are fully co-located with a VEC office, and one center has a part-time co-location arrangement with VEC, leaving eight centers with either no VEC co-location arrangement at all or a limited arrangement in which staff are co-located one day or less per week.

The eight one-stop centers with no co-location arrangement, or a limited arrangement, are located in five workforce investment regions (Figure 4-3). The two regions in

FIGURE 4-3**Five workforce investment regions do not have VEC co-location arrangements at all one-stop centers**

Source: JLARC staff analysis of VEC office co-location arrangements provided by VEC. And Virginia Workforce Comprehensive & Satellite Centers: Statewide Listing, December 6, 2013.

Notes: In regions in which all one-stop centers are co-located with VEC, there may still be standalone VEC offices that have no relationship with a one-stop center.

“No wrong door” approach

The memorandum of understanding between the state’s workforce development agencies expresses the state’s desire to have a “no wrong door” approach for workforce development services, so that no matter where an individual goes for services, they can receive information about how and where other services may be obtained.

Northern Virginia each have one center that has a full-time co-location arrangement with VEC, but one or more other centers that do not. In the three other regions, there is no co-location arrangement at any of the one-stop centers, or there is a limited arrangement. WIB staff in three of the regions with limited or no co-location said the lack of co-location makes their jobs more difficult and time consuming and may result in job seekers not receiving all of the services available to them.

Potential impact on service delivery

Many job seekers and employers who could benefit from workforce development services interact with local VEC offices, as VEC administers unemployment insurance benefits. Co-location of VEC services and one-stop workforce centers would help ensure that job seekers and employers receive all of the workforce development services available to them.

WIB directors and other staff interviewed for this study expressed concern that customers who go to a VEC office instead of a one-stop center may not learn about the services available to them from the one-stop partners and may not be referred to these services by VEC staff. For example, WIB staff in a region where VEC is not co-located with the one-stop stated that “people don’t always find their way to the right opportunity” because VEC is not integrated with the one-stop. The WIB staff said they have to send staff to one of the local VEC offices to “fish” for clients because the VEC office does not refer its clients to the one-stop center. Staff from this region stated that the VEC offices in that region did not seem to “see themselves as part of the WIA system at all.” In one region where VEC has a part-time co-location

arrangement, WIB staff stated that the arrangement was unpredictable and that they never knew when VEC staff would be in the office or what their expertise would be.

VEC central office staff stated that the first priority of the local VEC offices is to get customers employed as quickly as possible. If VEC staff have the opportunity to match a client with an available job, they will typically prioritize the job opportunity over referring the client to a one-stop center for skills training services, even if additional training could lead to better employment prospects.

VEC central office staff also indicated that the agency does not currently have formal procedures for referring job seekers to partner agencies, and there is no formal definition among the one-stop partners as to what constitutes a referral. VEC staff expressed the opinion that formal procedures are unnecessary and may limit a local office's flexibility to deal with individual client needs. However, a lack of formal policies and procedures makes it difficult to hold local VEC offices and other one-stop partners accountable for making referrals to other workforce services.

Co-location would also help ensure that services are delivered efficiently and not duplicated. WIB staff in one region said the lack of co-location results in duplication of resources between the one-stop center and VEC. For example, the one-stop and VEC office, which are located about five miles apart, both have resource rooms with similar types of resources. Other local staff observed that some of the more basic services provided at one-stop centers through WIA are also provided at VEC offices.

The lack of co-location also hinders the effectiveness of workforce development services provided to employers. In interviews, employers frequently expressed frustration with the organization of workforce development programs at the local level, characterizing it as confusing and fragmented. In regions where VEC offices have only a limited or nonexistent presence at one-stop centers, and where VEC offices do not have other workforce development partners operating within their space, this perception of fragmentation and duplication is likely perpetuated. This may contribute to employers' negative views of the system and deter them from either using services or contributing time and resources to improving the quality and availability of services.

Challenges with co-locating VEC offices and one-stop centers

The specific reasons for the lack of co-location between VEC and other one-stop partners vary by region, but most VEC and WIB staff interviewed by JLARC staff indicated that cost is the main factor preventing co-location. There appear to be several main disincentives that would preclude VEC offices from either co-locating at one-stops or serving as the one-stop for other partners.

- Fair allocation of costs in one-stops: According to VEC staff, some one-stop centers allocate costs among partners based on the number of clients served, which causes VEC to pay a high proportion of the costs because

Cost allocation methodologies established in local MOUs

WIA requires the development of MOUs to govern the operation of the local service delivery structure and the comprehensive one-stop centers. The MOU describes the services provided at the center, the method for allocating costs among the partners, and the methods for referring individuals between the one-stop center and the partners.

Department of Real Estate Services

VEC's leases are negotiated by the Department of Real Estate Services, which is responsible for state agency leases.

The goal of the department is to negotiate cost-effective leases using the state's purchasing power, but there could be cases in which VEC lease rates are higher than what a one-stop center is currently paying or what they would pay elsewhere, especially for older leases that do not reflect current real estate market conditions.

they serve a high proportion of the center's customers, even though they may not use any more space than other partners.

- **Existing contract obligations:** VEC staff stated that some local VEC offices have tried to co-locate at one-stop centers, but they were unable to break their leases for their current office space. According to data provided by the Department of Real Estate Services, leases for seven VEC offices that are not co-located expire within the next two years. Five of these offices are located in regions with limited co-location, and co-location with a one-stop center would be feasible once these leases expire. Several other leases expire within the next five years.
- **Cost of office space in VEC offices:** In interviews, some WIB staff stated that it was not cost effective for one-stop centers to co-locate at VEC offices. One WIB was interested in co-locating their one-stop center at a VEC office, but the lease costs quoted by VEC were much higher than they were paying in their current space.

Co-location required under new federal workforce law

WIOA implementation dates

Most provisions of WIOA take effect July 1, 2015. Some provisions, including some related to one-stop centers, take effect July 1, 2016 or later.

WIOA requires co-location of VEC services and one-stop centers. At least one national stakeholder group—the National Association of State Workforce Boards—has interpreted the requirement as meaning that states can no longer have independent employment offices, and that employment services are required to be delivered at one-stop centers. The U.S. Department of Labor is developing regulations to implement the law, and it is uncertain how the department will interpret the co-location requirement.

Given the new co-location requirement and the fact that several of VEC's leases expire in the next two to five years, a statewide plan should be developed, with the goal of full-time physical co-location of all VEC offices and one-stop centers. Development of this plan would facilitate the state's compliance with the new WIOA legislation. In the interim, each one-stop workforce center that is not fully co-located should have at least one VEC staff person on site full time, and each VEC office that is not co-located should have a one-stop representative on site full time. In addition, VEC and VCCS should work to establish formal written policies and procedures for referrals in all local VEC offices and one-stop centers to ensure that appropriate referrals are made, documented, and monitored.

RECOMMENDATION 19

The Chief Workforce Development Advisor should create a working group composed of staff from the Virginia Employment Commission (VEC), Virginia Community College System (VCCS), and the U.S. Department of Labor to develop a plan by July 1, 2015 to achieve full co-location of VEC offices and all one-stop workforce centers. Until full-time co-location is achieved, VEC and VCCS should ensure that each one-stop workforce center has at least one full-time staff person from VEC on site, and each VEC office that is not co-located has a full-time WIA staff person on site.

RECOMMENDATION 20

The Virginia Employment Commission (VEC) and Virginia Community College System should establish formal, written policies and procedures specifying how clients should be referred to other workforce development programs and how referrals should be monitored by the respective agencies. These policies and procedures should be followed by all local VEC offices and one-stop workforce centers.

5 Challenges With State Oversight of Workforce Development Programs

SUMMARY The state has not realized its vision for a coordinated and efficient workforce development system. Although the newly created Virginia Board of Workforce Development has taken steps to enhance governance and oversight, some responsibilities should be delegated or shared to allow the board to focus on the state's most strategic and essential workforce development priorities. Changes should be made to the new board's structure and composition to ensure that the board benefits from the input of major industries, key state agencies, and local service providers. The board will also need more authority to influence state agency policies if Virginia is to achieve a coordinated and efficient workforce development system.

Effective local implementation of the state's many workforce development programs and the attainment of a true workforce development system require effective state-level governance and oversight. The Board of Workforce Development is the state-level entity responsible for advising the governor and the General Assembly on workforce development matters. The Virginia Workforce Council, the board's predecessor, did not effectively identify or implement a common statewide workforce development vision, and its oversight did not result in the realization of a true system of coordinated workforce development programs. The council reportedly did not have a clear, direct focus on high-level strategic workforce development matters, and consequently, state agency staff and members of the business community did not participate regularly and consistently.

When the Board of Workforce Development was created in 2014, changes to its composition and structure were enacted to improve upon the council's ability to oversee the performance and accountability of individual programs and to be more strategic in its efforts to elevate the prominence of workforce development policies. Because of the board's broad purview, the fact that it includes representatives from numerous types of stakeholders, and that it is directly accountable to the governor, it is well suited to monitor the performance of Virginia's workforce development programs and direct and oversee state agencies' development of a common state vision for workforce development. However, changes could be made to improve the board's capacity to advance the state's highest workforce development priorities.

Board of Workforce Development formerly the Virginia Workforce Council

In 2014, the General Assembly passed legislation to create the Board of Workforce Development. Prior to July 1, 2014, the Virginia Workforce Council served as the state workforce investment board required by WIA. While the new board has many of the same powers and duties of the council, its composition and structure are different.

Board's structure and limited authority could hamper its ability to focus on key responsibilities

The state has fallen short of attaining a coordinated and effective “system” of workforce development programs. While there is evidence at the state level that agencies and programs coordinate efforts and collaborate on some workforce development initiatives, agencies generally continue to operate in silos. For example, while the Virginia Employment Commission (VEC) administers one of the largest workforce development programs, it remains committed foremost to its individual agency mission and does not appear to sufficiently prioritize coordination and collaboration with other agencies on matters that it does not perceive to be directly relevant to the objectives of its own programs. This tendency may not be unique to VEC and is partially due to the fact that Virginia's workforce development programs are administered by multiple state agencies rather than a single agency. Many states have chosen to consolidate programs under a single agency, but most have chosen a decentralized approach that is similar to Virginia's. The most common form of consolidation that states have pursued involves consolidating the administration of WIA and the Employment Service program under one agency. The General Assembly considered, but did not pass, legislation in 2004 and 2005 to create a Department of Workforce Development to administer all workforce development programs.

While the newly created Virginia Board of Workforce Development holds promise, the General Assembly could help the board achieve its mission by strengthening its authority and expertise. This would allow a single state entity to directly influence the operations of the many state agencies involved in workforce development and facilitate the attainment of a true workforce development system in which agencies consistently recognize and emphasize their programs' roles in advancing a better coordinated workforce development system.

Policy boards

Established by law or executive order, boards are collegial bodies that may be classified as advisory, policy, or supervisory, according to their level of authority.

Policy boards promulgate policies and regulations and may review and comment on agency budget requests, but they do not supervise agencies or employ personnel.

Board does not have capacity to fulfill all of its responsibilities, some of which could be delegated to other entities

The Virginia Board of Workforce Development has numerous responsibilities regarding the state's workforce development programs, and its purview extends beyond WIA programs. The Code of Virginia designates the board as a policy board and grants it 28 separate powers and responsibilities, most of which apply to all workforce development programs. The board and its predecessor, the Virginia Workforce Council, were created to oversee the implementation of Workforce Investment Act (WIA) programs, but legislation enacted by the General Assembly in 2013 and 2014 extended the board's oversight to other workforce development programs, including secondary and postsecondary career and technical education programs and non-WIA training and employment programs. The board's powers and responsibilities range from the general, such as providing policy advice to the governor, to the very specific, such as forecasting and identifying training requirements for the new

workforce (Table 5-1). Several of these responsibilities are required by the Workforce Innovation and Opportunity Act (WIOA) of 2014, which reauthorizes the Workforce Investment Act.

TABLE 5-1
Summary of Virginia Board of Workforce Development's responsibilities

Responsibility	Associated individual responsibilities specified in statute
Broad or strategic responsibilities	
Provide policy advice to the governor, annual report to the governor, annual report to the U.S. Secretary of Labor	3
Provide recommendations on the policy, plans, procedures for programs that provide resources for training and employment	2
Develop the WIA-Wagner Peyser state plan and a career pathways system	2
Conduct a review of agencies' budgets to identify sources of expenditures on administrative, workforce training, and leadership	1
Identify employers' current and emerging workforce needs, identify training requirements for the future workforce, and establish a statewide employment statistics system	3
Recommend strategies to match workers with jobs	1
Recommend credentials that align with high-demand occupations and training solutions for high-tech workforce needs	2
Coordinate with other agencies to develop metrics for measuring workforce development programs' performance and to develop comprehensive state performance measures	2
Develop a statewide system of one-stop workforce centers	1
Narrow or technical responsibilities	
Develop WIA incentive grant applications, criteria for reallocating unexpended WIA funds, and local discretionary allocation formulas	3
Approve criteria for WIA incentive grant applications, for reallocating unexpended WIA funds, and local discretionary allocation formulas	3
Create procedures/guidelines/directives applicable to local WIBs and one-stop operations and designate local workforce areas	2
Review local workforce development plans	1
Other responsibilities	
Administer the Virginia Career Readiness Certificate program	1
Focus on military transition assistance	1
Total	28

Source: JLARC staff analysis of § 2.2-2472 of the Code of Virginia.

There are 26 members of the board, and a majority represent Virginia businesses, which is a requirement of WIA. Members of the legislature and the governor's cabinet also serve on the board (Table 5-2).

TABLE 5-2
Members of the Board of Workforce Development

Category	Additional statutory requirements	Number of board seats
Legislators	2 members of the House of Delegates 2 members of the Senate	4
Cabinet secretaries	Secretaries of Commerce & Trade; Education; Health & Human Resources; Veterans & Defense Affairs	4
State agencies	Chancellor of the Virginia Community College System	1
Local elected officials	None	1
Nominees from state labor federations	None	2
Representatives of the business community	President of the Virginia Chamber of Commerce; President of the Virginia Manufacturers Association; representative of a proprietary training school; one representative of health care employers; two members of workforce investment boards; and remaining members who are business owners or executives who represent diverse regions of the state, including rural, suburban, and urban regions	14
Total		26

Source: JLARC staff analysis of § 2.2-2471 of the Code of Virginia.

Note: The chair and vice-chair of the board are selected by the governor from the 14 business representatives.

The board does not appear to have the capacity to fulfill all of its responsibilities, some of which are of critical importance to developing a true system of workforce development programs. Several of these could involve complex, time-consuming, and potentially resource-intensive efforts. For example, the board is required to “identify the current and emerging workforce needs of the business community” and to “forecast and identify the training requirements for the new workforce.” These responsibilities are highly technical and complex and require an ongoing commitment of resources, because, among other reasons, the business community's workforce needs are not static. The majority of board members are executive-level staff from Virginia businesses who reported that they have limited time to carry out all of the board's responsibilities, and several board members expressed only vague knowledge of their responsibilities as board members.

Technical and resource-intensive responsibilities could be delegated to VEC and VCCS

One option that could be pursued to reduce the number of technical or time-consuming responsibilities would be to delegate some of the board's more complex and critical responsibilities to relevant state agencies, which are better staffed to carry them out. In turn, the state agencies could advise the board on these matters, allowing the board to enact related policies or provide pertinent recommendations to the governor.

The Virginia Workforce Council only focused on complex and time-intensive responsibilities to a limited extent. For example, the council did not adequately monitor and assess the alignment of training and education with the current and future needs of the state's businesses, although it was tasked with four responsibilities to that end:

- identify current and emerging statewide workforce needs of the business community,
- forecast and identify training requirements for the new workforce,
- assist in the development of a statewide employment statistics system, and
- create strategies that will match trained workers with available jobs.

The first three responsibilities could be delegated to a state agency, such as VEC, which is designated in statute as the agency responsible for coordinating and conducting labor market studies; publishing data needed by employers, economic development entities, and education and training entities; and determining and publishing a list of occupations for which there is a high demand. The VEC could also review and recommend industry credentials that align with high-demand occupations, which is a new responsibility given to the board. This information could be used to identify strategies to match trained workers with available jobs. By assigning the first three responsibilities to an agency that is equipped to carry them out, the General Assembly could better ensure that they are actually performed.

There are other responsibilities that may require more resources and time than the board can devote to them, and the Code could be amended to delegate these responsibilities to other agencies, which would then report back to the board. These responsibilities include developing WIA incentive grant applications and administering the Virginia Career Readiness Certificate program. The Code of Virginia could be amended to formally designate the VCCS as the agency responsible for these specific tasks.

The Code could be amended to delegate some responsibilities to an advisory council to the board, which would be composed of staff from the state agencies that administer workforce development programs as well as representatives of local workforce development entities, such as local workforce investment boards and community colleges. These responsibilities could include recommending strategies to match workers with jobs, recommending training solutions for high-tech workforce needs, and co-

Advisory committees in Texas and Washington

The "System Integration Technical Advisory Committee" of the Texas Workforce Investment Council consists of state agency staff and a local workforce investment board representative. The council is charged with ensuring implementation of the state strategic plan and addressing "barriers to system integration."

Washington state's Workforce Training and Education Coordinating Board is also supported by an interagency committee.

ordinating agencies' efforts to develop performance measures (Table 5-3). An informal council of state workforce development agencies already exists and could be formally recognized in statute and delegated some of the board's responsibilities. The Virginia Career Pathways Workgroup includes members from all of the state agencies that have significant roles in overseeing and administering the training and education programs that are central to the state's workforce development objectives.

TABLE 5-3
Summary of board responsibilities that could be delegated

	Board should lead	State agency could lead, advise board	Advisory council could lead
Broad or strategic responsibilities			
Provide policy advice to the governor	✓		
Provide recommendations on the policy, plans, procedures for programs that provide resources for training and employment	✓		
Develop comprehensive state performance measures	✓		
Develop the WIA-Wagner Peyser state plan and a career pathways system	✓		
Conduct a review of agencies' budgets to identify sources of expenditures on administrative, workforce training, and leadership	✓		
Identify employers' current and emerging workforce needs, identify training requirements for the future workforce, and establish a statewide employment statistics system		✓	
Recommend strategies to match workers with jobs			✓
Recommend credentials that align with high-demand occupations		✓	
Recommend training solutions for high-tech workforce needs			✓
Coordinate with other agencies to develop metrics for measuring workforce development programs' performance			✓
Narrow or technical responsibilities			
Approve criteria for WIA incentive grant applications and for reallocating unexpended WIA funds	✓		
Create procedures/guidelines/directives applicable to local WIBs and one-stop operations, designate local workforce areas, develop statewide system of one-stop workforce centers	✓		
Review local plans	✓		
Develop WIA incentive grant applications, criteria for reallocating unexpended WIA funds, and local discretionary allocation formulas		✓	
Other responsibilities			
Administer the Virginia Career Readiness Certificate program		✓	
Focus on military transition assistance			✓

Source: JLARC staff analysis of § 2.2-2472 of the Code of Virginia.

RECOMMENDATION 21

The General Assembly may wish to consider amending the Code of Virginia to delegate several responsibilities of the Board of Workforce Development to other state agencies, such as the Virginia Employment Commission and the Virginia Community College System. These responsibilities include those related to identifying the current and future workforce needs of employers and associated training requirements, reviewing and recommending industry credentials, developing Workforce Investment Act incentive grant applications, and administering the Career Readiness Certificate Program.

RECOMMENDATION 22

The General Assembly may wish to consider amending the Code of Virginia to establish the Career Pathways Workgroup as a formal advisory council to the Board of Workforce Development and direct it to develop and recommend (i) new training strategies, (ii) strategies to match trained workers with jobs, (iii) cross-agency performance measures in coordination with other agencies, and (iv) workforce development strategies for veterans.

VEC's role in contributing to the implementation of a coordinated, efficient, and responsive system should be clarified

VEC is the logical agency to perform workforce development responsibilities that rely on labor market information, but its role should be clarified to ensure that it can effectively carry out those responsibilities. Specifying VEC's roles and responsibilities outside of administering its federally mandated programs would improve the agency's effectiveness at assuming some of the board's more complex and critical responsibilities. Absent this clarification, the agency may not be an effective resource for the board. Currently, the agency's role is not as constructive as it could be. For example,

- VEC staff reportedly did not frequently attend meetings of the Virginia Workforce Council;
- VEC offices are not located in all comprehensive one-stop centers, as desired by the state and federal governments;
- VEC executive-level staff have indicated that the agency does not view the education and training initiatives pursued by other state agencies as aligned with its mission to find jobs for its clients; and
- Employers in various workforce investment regions expressed dissatisfaction with VEC's services and assistance.

VEC staff indicated that the agency's primary priorities are driven by the administration of its two major federal programs, the unemployment insurance program and the employment service program. Because these programs are "work-first" programs, the agency does not have a clear role in shaping the state's efforts to empha-

size education and training opportunities. Moreover, the agencies that administer WIA (VCCS) and unemployment insurance and employment services (VEC) are separate, perpetuating the tendency for these programs to operate in silos.

In order to effectively fulfill any new agency responsibilities that are intended to contribute to the attainment of a true statewide workforce development system, the Code of Virginia could be amended to specify those responsibilities of VEC that fall outside of the scope of its federal programs.

RECOMMENDATION 23

The General Assembly may wish to consider amending the Code of Virginia to clarify the role of the Virginia Employment Commission in contributing to the state's development of a coordinated system of workforce development programs and specify the responsibilities that fall outside of the scope of the agency's program administration functions. These responsibilities should include collaborating with the Board of Workforce Development and other state agencies on initiatives to improve the coordination and efficiency of the state's workforce development programs, assisting the board with identifying the training and education requirements associated with the state's current and future labor market, and collaborating on statewide efforts to improve the effectiveness of programs' outreach and service delivery to employers.

Board could be given authority to hire its own staff

In addition to requiring VEC and VCCS to carry out the day-to-day activities necessary for fulfilling certain board responsibilities, the General Assembly could increase the board's own staffing resources by authorizing the board to hire a director and staff and by appropriating funds for these staff. Currently, the Code of Virginia provides a staffing arrangement for the board to assist in its ability to carry out its responsibilities, but this arrangement partially relies on state agency staff whose ability to devote time to assisting the board is constrained by their other agency-related responsibilities. The Chief Workforce Development Advisor is designated as the lead staff person for the board, but this position is currently filled by the Secretary of Commerce and Trade who has numerous additional responsibilities related to overseeing the state's economic development initiatives and, as a result, relies on governor's office staff for carrying out board-related responsibilities.

The board's own staff could support it in fulfilling those responsibilities that span multiple agencies and could help ensure that the board can take on additional responsibilities as they arise. These staff would also coordinate with relevant state agency staff who are delegated by the General Assembly to fulfill existing board responsibilities. Between two and three full-time staff could be adequate to provide administrative support to the board and to carry out existing and future strategic re-

Prior JLARC report on workforce training

In a 2003 report, JLARC staff recommended that the General Assembly consider assigning staff to the Virginia Workforce Council.

The report observed that staff could be funded out of the WIA funds allotted by the federal government for state-level workforce development activities.

Review of Workforce Training in Virginia, 2003.

sponsibilities. This staffing level is similar to other state boards and councils that have independent staff, including the Council on Virginia’s Future.

States appear to have new latitude and resources to increase staffing support provided to their state-level workforce investment boards. WIOA newly authorizes state boards, such as the Virginia Board of Workforce Development, to hire a director and other staff. With the passage of WIOA, Congress has also increased the allocation of statewide activities dollars to 15 percent of states’ total WIA allotments. A portion of these funds could be used by the state to fund the cost of board staff.

If the General Assembly were to grant the board the ability to hire its own staff, it would also need to change its designation from policy board to supervisory board. According to the Code of Virginia, policy boards are not responsible for supervising agencies or employing personnel.

RECOMMENDATION 24

The General Assembly may wish to consider amending the Code of Virginia to authorize the Virginia Board of Workforce Development to hire a director and staff to support the board in fulfilling its most strategic and necessary responsibilities, especially those that span multiple agencies and programs.

Staffing arrangement for Texas Workforce Investment Council

The Texas Workforce Investment Council has 12 staff to support its work, but these staff are located at and funded by various state agencies and the governor’s office. A recent assessment of this arrangement by the council characterized this arrangement as “inefficient” and proposed the option of being assigned independent staff that would be funded through the state agencies’ budgets.

Current meeting protocols and committee structure do not facilitate the board’s ability to focus on highest priorities

The Virginia Workforce Council has been described as devoting too little attention to workforce development issues that matter most to the state’s employers. In interviews, members expressed frustration with the Virginia Workforce Council’s tendency to emphasize WIA programs during meetings and to devote significant time to WIA-specific technical or compliance-oriented matters rather than strategic matters that impact the workforce more broadly. Attendance reportedly waned as a result, particularly among members who represented the business community.

The Virginia Workforce Council’s limited focus on strategic workforce development matters was due, in part, to the fact that it typically met only three times each year. According to some council members, this did not allow enough time to carry out its most important responsibilities. The new Virginia Board of Workforce Development will reportedly meet four times each year, but a statutory requirement may be needed to ensure that the board consistently meets this frequently. This is consistent with the Commonwealth Transportation Board (CTB), which is required to meet at least once every three months. It appears that the CTB meets more frequently than required in some years. The state’s Board of Education and the State Board for Community Colleges—entities with significant responsibilities—both meet more frequently than quarterly.

RECOMMENDATION 25

The General Assembly may wish to consider amending the Code of Virginia to require the Board of Workforce Development to meet at least once every three months.

The Virginia Workforce Council was also not structured in a way that allowed it to focus foremost on strategic rather than technical issues, because all council matters—strategic and technical—were brought before the full council. The current board’s structure is not substantially different. Unless the new board develops an approach to ensuring that strategic issues become a greater focus, participation by members of the board may begin to diminish, as was the case with the Virginia Workforce Council. The board could create a business-led committee that focuses on the state’s most strategic workforce development goals and objectives, such as ensuring that the state’s workforce development programs are providing the skills and credentials needed by employers, that programs are coordinated and efficient, and that they are accessible to potential users. This committee would not need to focus on the details of the many programs and agencies involved. The board could use the existing Executive Committee, which is ad hoc, or the Performance and Accountability Committee, or create a new committee for this purpose. The full board would take up the recommendations of this committee just as it does other committees, ensuring that all board members devote attention to the most strategic workforce development matters and the priorities of the board’s business members.

RECOMMENDATION 26

The Board of Workforce Development should designate a committee that focuses exclusively on the state’s most important short-term and long-term workforce development priorities and that establishes the priorities of the board as a whole. This committee should be composed exclusively of the board’s business members and be led by the board Chair.

Board’s authority is insufficient to achieve a well-coordinated workforce development system

The board lacks sufficient authority over state agencies that administer workforce development programs to achieve a coordinated system in which programs operate according to a shared mission and priorities. The board is required to provide recommendations regarding agencies’ workforce development policies. However, it can exert only limited influence over state agencies because it is not tasked with approving or taking an active role in actually developing agencies’ workforce development policies and protocols.

The CTB is an example of a policy board to which other agencies are accountable. The CTB has direct authority to approve the policies of the Virginia Department of

Transportation and the Department of Rail and Public Transportation. The CTB also allocates funds to these and other agencies, such as the Virginia Port Authority. Although these agencies function independently of one another, as the workforce development agencies do, they are all accountable to the CTB through their reporting relationship to the Secretary of Transportation, who serves as the CTB chairman.

The Code of Virginia could be amended to strengthen the accountability of workforce development agencies to the board. Specifically, the board could be granted responsibility for creating the workforce development policies of individual state agencies. Statutory changes would be needed to ensure that the board's recommendations regarding agencies' workforce development priorities and actions do not conflict with the requirements created by each agency's respective governing board, such as the Virginia Board of Education or the State Board for Community Colleges. In the CTB example cited above, the agencies do not have separate boards from the CTB, so potential board conflicts are not an issue. This could be accomplished by requiring that the Board of Workforce Development's cross-agency policies be either promulgated through regulations adopted by the respective state agency boards when appropriate, or presented to the respective state agency boards for approval when that approach is appropriate. Statutory changes would also be needed to identify the specific agencies and programs over which the board would exercise this authority. Current statute does not identify individual agencies or programs over which the board has either authority or a responsibility for providing recommendations. At a minimum, these could include the 24 programs identified in 2012 by the Career Pathways Workgroup. Because new programs may be added, or existing ones removed, the Career Pathways Workgroup could be charged with periodically reviewing the relevancy of the list of programs.

Developing workforce policies and regulations that apply across state agencies may not enhance the board's authority to the degree that is needed to achieve a more coordinated and efficient system of programs, and so additional actions could be necessary in the future. These actions could include 1) consolidating the WIA, employment service, and career and technical education programs under a single agency to be supervised by the board and 2) giving the board control over the distribution of federal funds to workforce programs. By July 1, 2017, all portions of WIOA will have been in effect for one year, which would be an appropriate time to evaluate the degree of progress made toward improving Virginia's workforce development system and consider options for accelerating progress, if necessary.

Authority of workforce boards in other states

In Texas, state agencies are required to follow the workforce board's strategic plan as it relates to their workforce development operations.

In Washington, the authorizing statutes of the operating agencies do not all require that agencies comply with the workforce board's state plan, which can lead to inefficiencies and duplication across agencies.

Example of statutory language to prevent board conflicts

The State Executive Council for Comprehensive Services for At-Risk Youth and Families has the statutory authority to "provide for the establishment of interagency programmatic and fiscal policies developed by the Office of Comprehensive Services for At-Risk Youth and Families ... through the promulgation of regulations by the participating state boards or by administrative action, as appropriate" (§ 2.2-2648 of the Code of Virginia).

RECOMMENDATION 27

The General Assembly may wish to consider amending the Code of Virginia to give the Board of Workforce Development responsibility for developing new policies related to the following aspects of workforce development for those state agencies that are responsible for administering workforce programs: (i) engagement with the business community, (ii) alignment of education and workforce training opportunities with the needs of the business community, (iii) coordination and collaboration between workforce programs intended to improve the efficiency and effectiveness of workforce programs, and (iv) accountability for and transparency of the expenditures of public funds for workforce programs and programs' performance. These policies should be developed in consultation with the governor and the governing boards of those state agencies and, when appropriate, should be implemented by promulgation of regulations through those boards to ensure that these policies do not conflict with federal or state requirements specific to those state agencies and their programs. When the promulgation of regulations is unnecessary, state agencies' boards should approve the Board of Workforce Development's policies before they are adopted.

RECOMMENDATION 28

The General Assembly may wish to consider including language in the Appropriation Act to require the Chief Workforce Development Advisor to evaluate progress made by the Board of Workforce Development and the state and local workforce development agencies toward achieving a more coordinated, efficient, and responsive system. This evaluation should consider, at a minimum, (i) the effectiveness of efforts to ensure that training and education requirements match the state's labor market, (ii) the extent to which local workforce development programs have implemented strategies to coordinate their service delivery efforts in Virginia's workforce regions, (iii) the effectiveness of employer engagement strategies being followed by local workforce development programs in Virginia's workforce regions, (iv) employers' satisfaction with the state's workforce and its workforce development programs, and (v) the extent to which state agencies have adopted workforce development policies that are consistent across agencies and that reflect the Board of Workforce Development's priorities. A report on the findings of this evaluation should be submitted to the Governor and the Chairmen of the House Appropriations and Senate Finance committees no later than January 1, 2018. The report should include recommendations to make further progress in these areas, if needed, and should assess the advantages and disadvantages of consolidating programs and agencies, as well as their funding streams, under a single supervisory board.

Board composition does not adequately reflect key workforce development programs and stakeholders

The Board of Workforce Development lacks the representation it needs from key industries, state agencies, and local entities to best meet employer needs and achieve a coordinated system. The board's composition differs in several respects from its predecessor. The size of the board has been reduced to a more manageable size, following the removal of several entities that had previously been represented on the Virginia Workforce Council. Additionally, the Secretary of Veterans Affairs and Homeland Security has been added as a member. To ensure that the board is as informed as possible about the most important workforce development issues facing the state, it should include representatives from the most relevant industries and receive guidance from a separate council composed of representatives of state and local agencies.

Representation from industries with greatest workforce needs is not ensured

The state's statutory requirements for the board's composition do not ensure representation from key industries, although WIOA specifies that state workforce boards should include businesses (or organizations representing businesses) whose employment opportunities involve "high-quality, work-relevant training and development in in-demand industry sectors or occupations in the state." Fourteen of the 26 seats on the board are dedicated to employers or members of industry associations. State statute specifically requires that the manufacturing and health care industries be represented on the board, but some other major industries are not, including information technology and the science, technology, engineering, and math (STEM) fields. These two fields represent occupations that are state economic development priorities, with a sizeable proportion of total job openings in 2013 (18 percent), and are projected to account for more than 10 percent of the state's future job growth. The Code of Virginia does not prevent representatives of these industries from serving on the board, but requiring such representation would ensure a continued emphasis on these industries' workforce development needs.

RECOMMENDATION 29

The General Assembly may wish to consider amending the Code of Virginia to include representatives of the information technology and science, technology, engineering, and math fields on the Board of Workforce Development.

In addition, individual employers who are appointed to the board may exit the board at the end of their four-year term if they are not reappointed, which would negatively affect the continuity of board membership. Following the example of the manufacturers, who are represented through the Virginia Manufacturers Association

(VMA), additional industries, such as health care and information technology, could be represented on the board through their industry associations. While industry associations do not have direct experience with the workforce, they can convey the experience of numerous employers and can provide continuity on the board.

Recent modifications removed formal opportunities for key state workforce development agencies to contribute to board's work

In part because of changes made when the board replaced the Virginia Workforce Council, state agencies with expertise in workforce development do not have an avenue to provide input directly to the board. Many of these agencies could be valuable resources in the board's efforts to develop policies for meeting employers' workforce needs in a coordinated and efficient manner.

Virginia Employment Commission and Virginia Department of Education

After the most recent changes to the board, seats for VEC and the Virginia Department of Education (VDOE) were removed, although the secretaries of Commerce and Trade and Education remain members. This potentially reduces the degree of practical expertise in key workforce development topics among board members. For example, VEC staff have characterized the agency as being a major provider of services to employers. The removal of the VEC commissioner reduces the board's insight into the types of employer engagement activities that have been carried out and whether coordination opportunities exist. VDOE administers secondary career and technical education programs, workforce-based learning programs, and dual enrollment agreements with community colleges. Removing VDOE representation on the board could diminish the board's overall understanding of how career and technical programs can address employers' concerns about the skills and preparedness of Virginia's workforce.

Removing these agency staff also reduces the continuity of expertise present among voting board members, given the greater potential for turnover among cabinet officials than agency staff. Other states, including Oregon, North Carolina, Washington, Maryland, and Colorado, include on their state workforce boards representatives from the state agencies that administer their employment and education programs.

Virginia Economic Development Partnership

The Virginia Economic Development Partnership (VEDP) is another state-level entity that does not have membership on the board, but that could inform and influence state workforce development policies. VEDP could be an asset to the board because of its relationships with the business community and knowledge of their workforce priorities. VEDP also administers a key workforce training program that is exclusively funded with general funds, the Virginia Jobs Investment Program. According to VEDP staff, industry groups and current and prospective employers regularly identify a qualified workforce as an essential component of their businesses' success. At the local level, interactions between employers and programs appeared to

be facilitated when economic development agencies were heavily involved in a region's workforce development initiatives. In two regions examined during the study, the economic development agency was considered to be one of the lead entities for regional workforce development efforts.

Some other states require that a representative from the agency responsible for economic development serve on the state workforce board, including Maryland, Colorado, and North Carolina. Both WIA and WIOA permit states to include economic development agencies on state boards. Additionally, WIA and WIOA require that local workforce investment boards include a representative from an "economic and community development entity," which further emphasizes the importance of VEDP's involvement in setting the state's workforce development policies.

State Council for Higher Education in Virginia

The State Council for Higher Education in Virginia (SCHEV) is another entity that does not have a seat on the board, despite its role in overseeing Virginia's higher education programs. Given the proportion of high-skill occupations that are in demand by employers, many of which require at least a four-year degree, SCHEV could make an important contribution to workforce development policies and priorities set by the board. In other states, including Maryland and Colorado, the state-level entity that oversees higher education has a seat on the state's respective workforce boards.

Requiring board membership for these agencies would increase the number of board members by more than just the total number of those agencies, because WIOA requires that employer representatives make up the majority of a state's workforce investment board. An alternative approach would be for state agency staff to be a part of a formal advisory council to the board. The council would be a resource for the board on the technical aspects of workforce development programs and would advise the board on the development and implementation of policies and protocols developed by the board. Several state agencies that are not currently members of the board are members of the Career Pathways Workgroup, including VEC, VDOE, VEDP, and SCHEV, and some members of the workgroup provide staff support to the board. The Code of Virginia could be amended to require the Chief Workforce Development Advisor to appoint representatives from all state agencies that administer workforce development programs to the workgroup, which would become a formal advisory council if the previous recommendation were implemented. (See Recommendation 22.)

Local workforce development agencies have very limited means of providing input into board's work

Even though workforce development programs are mostly administered by local agencies, local program administrators do not have sufficient opportunities for these agencies to communicate concerns with the board or provide input into workforce development policies. The board's structure and protocols do not sufficiently recog-

nize the importance of local agencies in the administration of workforce development programs. The absence of input from local programs into the board's operations impedes the coordination of a statewide workforce development system in which all stakeholders are aware of and guided by a common vision and priorities.

The board has representation from local WIBs in that two of the board's 14 citizen-employer representatives must also be members of a local board. However, local board members—who are responsible for the local-level governance of WIA programs—are not involved in the day-to-day service delivery aspects of workforce development. WIB staff directors, on the other hand, tend to have first-hand knowledge of and experience with their own programs, other programs not administered by the WIB, and with the primary users of these programs and services. This is also true of school divisions' CTE program administrators and vice presidents for workforce development of community colleges. Local program staff, particularly WIB directors, expressed frustration at the limited opportunities they have to provide input to the board and reported that the public comment period during each board meeting is the only opportunity to speak to the entire board.

Under WIOA, state boards are required to identify and disseminate information on best practices, especially in the areas of business outreach and the development of effective local workforce investment boards and effective training programs that respond to “real-time labor market analysis.” This expectation could be better fulfilled by ensuring that local programs, as well as the state agencies that oversee them, have a formal means by which they can share best practices in these and other areas.

Mechanism for local input in Oregon

Oregon statute requires that the state's Education and Workforce Policy Advisor meet on a regular basis with local WIBs and other agencies to “ensure that local interests are represented” and to “seek input, advice, and feedback on policy issues that affect state, regional, and local education and workforce development from interested parties.”

As with adding state agency staff, adding local program representatives to the board would result in increasing the number of required employer members. If the General Assembly were to establish the existing Career Pathways Workgroup as a formal advisory council to the board, this council would be composed of both state and local agency representatives. (See Recommendation 22.) Specifically, this advisory group could include one or more representatives from community colleges, school divisions, WIBs, four-year higher education institutions, and regional economic development agencies.

This approach would be similar to the governance structure established for the Comprehensive Services Act, which is governed by a state-level council composed of members of the legislature, state agency heads, and other stakeholders and which is responsible for administering the Comprehensive Services Act program. This supervisory council is advised by a team composed of state and local agency program staff whose purpose is to advise the larger council on proposed policies and strategies to improve service delivery at the local level.

RECOMMENDATION 30

The General Assembly may wish to consider amending the Code of Virginia to require the Chief Workforce Development Advisor to appoint to an advisory council to the board (i) representatives of the Department of Education, Virginia Employment Commission, Virginia Community College System, State Council for Higher Education in Virginia, Virginia Economic Development Partnership, Department of Aging and Rehabilitative Services, Department for the Blind and Vision Impaired, and the Department of Social Services and (ii) representatives from local entities, including staff of one or more local workforce investment boards, one or more community colleges, one or more school divisions, and one or more local economic development representatives.

Appendix A: Study Mandates

2013 Study Mandate

HOUSE JOINT RESOLUTION NO. 688

Directing the Joint Legislative Audit and Review Commission to update its 2003 report on the Commonwealth's implementation of the Workforce Investment Act. Report.

Agreed to by the House of Delegates, February 4, 2013

Agreed to by the Senate, February 19, 2013

WHEREAS, the 1998 federal Workforce Investment Act (WIA) required states to establish a service delivery system that consolidates access to 17 federally funded programs through one-stop centers; and

WHEREAS, in 1999 the General Assembly established the Virginia Workforce Council and created the Workforce Development Program as required by the WIA; and

WHEREAS, the Commonwealth has implemented the WIA by establishing a framework for one-stop service delivery of workforce services; and

WHEREAS, in 2000 the Joint Legislative Audit and Review Commission directed its staff to review the efficiency and effectiveness of the Commonwealth's workforce training efforts; and

WHEREAS, item 130 E.2 of the 2002-2004 appropriation act directed the Joint Legislative Audit and Review Commission to review the administration of the WIA; and

WHEREAS, in 2003 the Joint Legislative Audit and Review Commission issued a comprehensive review of workforce training in Virginia, in which it assessed Virginia's implementation of the WIA and found that Virginia lacked a coherent, coordinated system of workforce training and that no formal coordination among the workforce training programs existed; and

WHEREAS, in 2005 the General Assembly adopted House Joint Resolution 713, which established a joint subcommittee to study the need for greater consolidation or coordination of the workforce development and training resources available in the Commonwealth; and

WHEREAS, the joint subcommittee observed that over \$250 million of federal and state funds are expended annually on workforce development and training efforts in Virginia, of which sum nearly \$60 million is appropriated by the Commonwealth; and

WHEREAS, the joint subcommittee further noted that two dozen workforce programs were administered by nine state agencies in three secretariats, and many of these programs partner with the one-stop delivery system that includes 39 comprehensive and 31 satellite one-stop centers; and

WHEREAS, the joint subcommittee's findings, which were presented to the General Assembly as House Document 24 of 2006, included five recommendations to improve the provision of workforce program services to the business community; and

WHEREAS, the General Assembly has adopted several changes to its workforce development and training program since the Joint Legislative Audit and Review Commission issued its report in 2003, including amendments in House Bill 1043 of the 2010 Session that require the Governor to submit annual workforce development and training program evaluations; and

WHEREAS, the complexity of the service delivery system, under which the various agencies employ different metrics or are unable or unwilling to make data available, makes it difficult to gauge the value the programs to the citizens of the Commonwealth and prevents the identification of inefficiencies and duplications within the programs administered by the relevant agencies; and

WHEREAS, the need exists to ensure that the Commonwealth's Chief Workforce Development Officer or other designated person is able to respond in a timely and understandable manner to requests for information made by state bodies responsible for overseeing the expenditure of state funds, including the staffs of the House Appropriations and Senate Finance Committees, regarding the use of governmental funds provided for workforce training and development programs and the outcomes generated by such expenditures; and

WHEREAS, the passage of 10 years since the Joint Legislative Audit and Review Commission's completion of its assessment of the WIA has necessitated an update and reexamination of that assessment; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to update its 2003 report on the Commonwealth's implementation of the Workforce Investment Act.

In conducting its study, the Joint Legislative Audit and Review Commission shall examine the level of transparency of funding of Virginia's workforce training and development programs and recommend measures to ensure that state agencies with oversight responsibilities are provided access to information regarding expenditures of workforce training and development funding and the outcomes generated by such expenditures.

All agencies of the Commonwealth shall provide assistance to the Joint Legislative Audit and Review Commission for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings for the first year by November 30, 2013, and for the second year by November 30, 2014, and the Chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether the Commission intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

2014 Study Mandate

2014

Virginia Acts of Assembly

Chapter 2

Approved June 23, 2014

Item #30 H. 1. As part of its review of the Commonwealth's implementation of the Workforce Investment Act mandated by House Joint Resolution 688, 2013 Session of the General Assembly, JLARC is hereby directed to evaluate the success of the workforce training and education systems in ensuring that Virginians possess the necessary skills and credentials to meet the workforce needs of Virginia's employers. The study shall consider what steps could be taken to produce a more coordinated and effective workforce development system. As part of this effort JLARC shall review the funding streams, priorities and allocations of these funds and whether the existing governance and accountability structures facilitate such a system.

2. JLARC shall complete its study and submit a final report by December 15, 2014.

3. All agencies of the Commonwealth shall provide assistance for this study upon request.

Appendix B: Research Activities and Methods

Key research activities performed by JLARC staff for this study included

- structured interviews with workforce development program staff and stakeholders in Virginia and other states, as well as large Virginia employers;
- group interviews with Virginia employers;
- site visits to Virginia's workforce investment regions;
- surveys of Virginia employers, school division career and technical education (CTE) administrators, and state-level workforce development program staff;
- quantitative analysis of workforce development programs' funding, spending, and performance data; labor market data; and secondary and post-secondary CTE course offerings;
- review of other states' workforce development initiatives; and
- document and literature reviews.

Structured interviews

Structured interviews were a key research method for this report. Interviews were conducted with state agency staff, employers, members of the Board of Workforce Development, and other workforce development stakeholders.

State agencies and officials

Interviews were performed with staff at a number of state agencies with workforce development responsibilities:

- Council on Virginia's Future,
- Department for Aging and Rehabilitative Services (DARS),
- Virginia Community College System (VCCS),
- Virginia Department of Education (VDOE), including staff from the Division of Career and Technical Education,
- Virginia Department of Labor and Industry (DOLI),
- Virginia Department of Social Services (DSS),
- Virginia Economic Development Partnership (VEDP), and the
- Virginia Employment Commission (VEC).

Some agency staff participated in multiple interviews, especially staff at VCCS, VDOE, and VEC.

State agency interviews focused on the types of workforce development programs administered by each agency and how they are coordinated with other workforce entities and programs, agency participation in state-level governance of workforce development programs, spending on workforce development activities, and the agency's role in local service delivery.

In addition to state agency staff, interviews were conducted with the Secretary of Commerce and Trade, Secretary of Education, and the Secretary of Commerce and Trade's Advisor for Workforce Development. These interviews focused on the state's workforce development governance structure and the coordination of workforce development entities at the state level. An interview was also conducted with the CTE Resource Center, which provides assistance to school division CTE programs.

Employers

Structured interviews were conducted with individual employers, as well as representatives of industry associations that represent numerous employers, to obtain employers' perspective on workforce development programs and the extent to which these programs are meeting their needs. Interviews were conducted with the state Chamber of Commerce, the Virginia Manufacturers Association, and the Virginia Hospital and Healthcare Association, all of which represent a large number of the state's employers. Individual employers interviewed included Newport News Shipbuilding, Rolls Royce, Huntington Ingalls, MeadWestvaco Corporation, Medical Facilities of America, Inc., Northrop Grumman, and Verizon.

The team also conducted five small group interviews with employers in five of Virginia's workforce regions. Some of the largest employers participating in these interviews included Canon, Dominion Virginia Power, and Sentara. Regional chambers of commerce assisted JLARC staff in identifying employers to participate by providing staff with lists of potential employers to interview. JLARC staff selected employers from the lists based on three criteria: (1) those that represent the current largest industries in each region, (2) those that represent industries with projected rapid growth in each region, and (3) those that represent industries that depend on "middle" skills occupations. Thirty-five employers participated in these interviews.

The interviews had three primary objectives: (1) documenting employers' expectations about the role of public-sector workforce development programs, their satisfaction with the quality of the workforce, and common areas of concern, (2) understanding the ways in which employers help to devise the public sector's workforce development priorities and curricula, as well as the extent to which employers deliver their own workforce training programs, and (3) identifying specific skill sets that employers have difficulty finding in the workforce and their associated occupations. Other topics discussed include employers' ideas on how the workforce system could produce more qualified job candidates; the extent to which employers use the workforce development system to recruit and train employees; and the quality of assistance the employers receive from the workforce system. The study team supplemented the interview with a closed-ended questionnaire that allowed those in attendance to provide input in a confidential manner.

The team also participated in several large gatherings of employers in different parts of the state, including a town hall meeting for the Virginia Manufacturers Association and an employer services conference organized by the Virginia Employment Commission.

Board of Workforce Development members

Structured interviews were conducted with nine members of the Board of Workforce Development. Topics discussed included recent changes to the board, roles and responsibilities of the board, governance and coordination of programs, and spending transparency and outcomes. In addition, if the board member represented the business community, questions were asked about the effectiveness of the workforce development system from the employer perspective.

Regional site visits

Site visits were conducted in eight of the 15 workforce investment act (WIA) regions (Table B-1). Site visit regions were selected based on several factors:

- Unemployment and educational attainment rates: JLARC staff visited regions with above average unemployment rates and both above and below average educational attainment levels, compared to the state as a whole.
- Industry and occupation size and growth: Projected industry and occupation growth, as well as size of current industry, were considered in selecting site visit regions.
- Characteristics of WIBs and CTE curricula: When selecting regions to visit, priority was given to WIBs that had obtained 501(c)(3) status and/or were co-located with an economic development agency or a community college, and community colleges or K-12 schools that were offering programs considered to be important to effective workforce development efforts. These characteristics were of interest to JLARC staff because they are associated with higher performing workforce development communities that could serve as models for other regions to replicate throughout the state.

During the site visits, structured interviews and focus group meetings were conducted with several local workforce development stakeholders, including:

- workforce investment board (WIB) directors and chairpersons,
- community college workforce development staff and, in some regions, community college presidents,
- K-12 school division representatives, such as CTE administrators and school superintendents,
- local employers (discussed above),
- VEC local office managers, and
- staff from economic development agencies.

Interview topics included services provided by each local workforce development entity and how they are coordinated, methods for engaging local employers and aligning workforce programs with their business needs, the availability and accessibility of services to job seekers, and state and local relations. Telephone interviews were conducted after the site visits with some individuals who were unable to be interviewed in person.

TABLE B-1
Site visit interviews conducted

Region	WIB	Community college	K-12 school system	Employer focus group	VEC local office	Economic development agency
New River/Mt. Rogers	✓	✓	✓	✓	✓	
Shenandoah Valley	✓	✓	✓	✓	✓	✓
Region 2000	✓	✓				
South Central	✓	✓	✓	✓	✓	✓
Capital Region ^a	✓				✓	
Northern Virginia	✓	✓	✓	✓	✓	
Greater Peninsula	✓	✓	✓	✓		
Hampton Roads	✓	✓				

Source: JLARC staff analysis.

^a Fewer interviews were conducted with agencies in the Capital Region because JLARC staff used these interviews to obtain a preliminary understanding of some key programs prior to conducting the more comprehensive site visits.

Surveys

Three surveys were conducted for this study: (1) a survey of Virginia employers, (2) a survey of school division CTE administrators, and (3) a survey of state-level workforce development program staff. The third survey was used to obtain financial data on workforce development programs and is described in the Quantitative Analysis section of this appendix.

Survey of employers

The employer survey was the primary method for obtaining employer input into the study issues. The survey was administered electronically and had the same three primary objectives as the employer group interviews discussed in the previous section. Several employer groups and industry associations assisted JLARC staff in publicizing and distributing the survey to their members, including the Virginia Manufacturers Association, the Virginia Hospital and Healthcare Association, and the Virginia Chamber of Commerce. JLARC staff received responses from 232 employers representing every major industry sector and each of Virginia's 15 workforce investment regions. (A response rate could not be calculated because the total number of employers who received the survey is unknown.)

Topics addressed in the survey included the workforce needs of employers, recruitment and training services used by employers, and partnerships between employers and education and training providers.

Survey of school division CTE administrators

An electronic survey was administered to CTE program administrators in each of Virginia's 132 school divisions. The survey was designed to supplement information on secondary CTE programs gathered through the regional site visits and to obtain data on the types of career and technical edu-

cation courses offered in each division. Administrators from 109 school divisions responded to the survey, for a response rate of 83 percent.

Topics addressed in the survey included: CTE course offerings (by career cluster and career pathway), administrators' perspectives on the degree of students' readiness for the workplace, challenges to offering CTE programs, alignment of programs with local employers' needs, the process used to add or eliminate CTE courses offered in the division, the extent of coordination between secondary and postsecondary CTE programs, and the division's role in regional workforce development activities.

Quantitative analysis

Several types of quantitative analyses were performed for this study. Staff obtained and analyzed workforce development program funding, spending, and performance data, as directed by HJR 688. Staff also analyzed data on CTE course offerings and the state's labor market to assess the alignment of CTE programs with employers' workforce needs.

Analysis of programs' funding and spending data

Financial data was requested from eight state agencies overseeing 19 workforce development programs to determine how total funding and spending vary across programs, including the purposes for which dollars are spent. The data request also enabled JLARC staff to analyze whether state agencies have readily available local spending data for workforce development programs.

Programs were included in the analysis if they met either of the following criteria: (1) they received at least \$3.0 million in federal or state funding in 2012 or (2) they received any amount of state funding in 2012 (Table B-2). Two workforce development programs did not meet criteria and were excluded from the analysis (the Senior Community Service Employment Program and Virginia Refugee Resettlement Program). Three other programs—Path to Industry Certification, Workplace Readiness Skills Assessment, and Microsoft IT—categorized as workforce development programs by Virginia Commonwealth University in its 2013 review of workforce development spending were excluded because VDOE staff indicated that these are better classified as subprograms of the secondary CTE program.

The financial survey covered a variety of funding and spending topics, such as

- federal and state government funding and spending totals for state fiscal year (SFY) 2013,
- primary sources of funding, including state general funds,
- the availability of funding and spending data, and
- the types of workforce development activities paid for by programs.

All 19 programs responded to the survey. Staff followed up by phone to clarify responses, if necessary.

Programs were asked to report spending data for two broad categories: administrative activities (indirect costs) and program activities (direct cost). A pretest of the survey included more detailed categories, such as spending for employment assistance services and supportive services. However, pre-

TABLE B-2
Nineteen programs met criteria for inclusion in the analysis

	Agency	Criterion #1: \$3M or more	Criterion #2: State funding received	Does not meet criteria
Apprenticeship	DOLI		✓	
Apprenticeship	VCCS		✓	
Employment Service	VEC	✓		
Institutes of Excellence	VCCS		✓	
Jobs for Veterans State Grant	VEC	✓		
Non-credit training and instruction	VCCS	✓	✓	
PluggedIn VA	VDOE		✓	
Postsecondary CTE	VCCS	✓		
Refugee Employment Services	DSS			✓
Secondary CTE	VDOE	✓	✓	
Senior Community Service Employment	DARS			✓
SNAP Employment and Training	DSS	✓	✓	
TANF Employment Advancement	DSS	✓		
Trade Adjustment Assistance	VEC	✓		
Virginia Initiative for Employment Not Welfare (VIEW)	VDSS	✓	✓	
VJIP	VEDP	✓	✓	
Vocational Rehabilitation	DARS	✓	✓	
Vocational Rehabilitation	DBVI	✓	✓	
WIA Adult	VCCS	✓		
WIA Dislocated Worker	VCCS	✓		
WIA Youth	VCCS	✓		

Source: JLARC staff analysis of total funding received by programs in 2012.

test responses revealed significant variability in how programs define spending categories, which indicated that agencies would not be able to accurately report their programs' actual expenditures according to these categories. Consequently, the final version of the survey asked programs to report spending data for only the two broad categories of administrative activities and program activities in an effort to reduce reliability error.

In completing the survey, state agency staff reported:

- the total government dollars spent in SFY 2013 (broken out by federal dollars, state dollars, and other government dollars),

- total administrative and program costs,
- specific administrative and program activities considered when calculating costs,
- administrative and program activities relevant to programs but not included on the survey,
- state general funds spent on administrative and program activities, and
- the availability of local spending data on administrative and program activities at state agencies.

Follow-up phone calls were made to confirm whether local spending data was not collected at all or if state agency staff simply tracked spending using different terminology. If locally administered programs for which state agencies reported local spending data was not readily available, sample spending reports were requested. If state agencies did not have reports available or if they would have to request spending data from local programs, then data was deemed “not readily available.” In these instances, spending data was requested from program staff interviewed during regional site visits. By requesting this information, the goal was to determine whether local programs maintained detailed accounts of spending even though state agencies do not require it. These data requests included total funds received and total funds spent on program versus administrative costs. Most, but not all, local programs responded to these requests for data, but the varied level of detail prevented further analysis.

Analysis of programs’ performance data

Performance data for 19 workforce development programs was analyzed to provide a summary of how programs performed overall in the most recent program year. Performance data originated from three sources: (1) the Advisor for Workforce Development provided data for nine programs, (2) a direct request to state agency staff resulted in data for eight programs, and (3) online resources were used for the remaining two programs. Data collected included performance targets or goals as well as actual performance from 2013 or the most recent year for which data was available. Follow-up phone calls with several programs were conducted to understand how performance measures were used. Performance was evaluated based on whether programs met some or all of their performance goals. JLARC staff also noted which programs could not report data, did not establish performance goals, or primarily tracked outputs instead of outcomes.

Assessing the alignment of CTE programs with employer needs

JLARC staff assessed the alignment of education and training opportunities in high school CTE programs and community colleges with labor market demand. This analysis was performed by determining whether schools and colleges offered the most courses in educational fields with the most employment opportunities. To make this assessment, JLARC staff determined the relative number of courses available in each educational field and compared these percentages to their relative number of employment opportunities (Table B-3). Estimates of job openings and total employment from VEC were used to measure current employment opportunities and the projected employment growth to estimate future employment opportunities. For job openings and total employment, annualized data was used for the most recent calendar year available. For projected employment, estimates prepared by VEC for 2022 were used.

TABLE B-3
Data collected to assess the alignment of available CTE courses with labor market demand

Career cluster	High school classes	Percent of total	Community college classes	Percent of total	Job openings	Percent of total
Agriculture	901	5%	143	2%	6,005	1%
Arts	1,780	10	549	8	15,549	2
Business	1,851	11	1,390	21	132,207	16
Construction	925	5	404	6	28,164	3
Education	837	5	813	12	21,045	3
Finance	719	4	46	1	44,901	6
Health sciences	506	3	876	13	148,670	18
Hospitality & tourism	851	5	115	2	52,856	7
Human services	1,593	9	161	2	20,577	3
Law & public safety	693	4	190	3	28,957	4
Manufacturing	293	2	474	7	25,900	3
Sales & marketing	902	5	16	0	89,003	11
STEM/IT	4,408	25	1,216	19	151,427	19
Transportation	1,100	6	147	2	45,661	6

Source: JLARC staff analysis of DOE course offerings 2012-2013, VCCS course active courses 2013-2014, and VEC Advertised Online Jobs data, 2013.

Employment opportunities for each educational field were calculated, as no state agency collects this information. The VEC reports employment by occupation and industry, as required by the federal government, but not for educational fields. There are, however, methods developed by the federal government and national associations that link educational fields to specific occupations. The U.S. Department of Education (USDOE) has developed 16 “career clusters” that categorize high school and community college CTE courses into groups that lead to similar career options. These career clusters have been linked to specific occupations by the U.S. National Association of State Directors for Career and Technical Education Consortium (NASDCTE). Their crosswalk allowed JLARC staff to use the Occupation Employment Statistics reported by VEC to calculate current and projected employment for each career cluster and the Online Advertised Jobs data collected by the VEC to measure job openings for each career cluster.

VDOE and VCCS provided information on the career cluster(s) of each course offered in high school CTE programs and community colleges. VDOE requires local school divisions to assign each course to a relevant career cluster or multiple career clusters if applicable. These duplicated counts of courses were provided for the 2012-2013 school year. For community colleges, VCCS staff had assigned each credit course offered in the 2013-2014 academic year to an individual career cluster. For non-credit courses, VCCS provided courses by a subject category that JLARC staff linked to a career cluster. This data was used to identify the relative availability of courses in each career cluster within high school CTE programs and community colleges.

Certain career clusters are less relevant for secondary and post-secondary CTE programs and were excluded from the analysis. Most employment opportunities in hospitality and tourism and sales typically do not require education beyond a high school as determined by the US Bureau of Labor Statistics. Specifically, more than 90 percent of the employment in each career cluster only required a high school degree, and did not require a specialized degree or certificate. The occupation with the most employment in hospitality and tourism is a fast food server and in sales is a retail salesperson.

Two career clusters were combined to limit confusion. The career clusters developed by the USDOE separately categorize information technology (IT) from science, technology, engineering, and math (STEM). However, in the literature, there does not appear to be a clear distinction between the two groups. Articles on STEM often include discussion of technology courses, such as computer science, and occupations, such as software developers and computer programmers, yet these courses and occupations would be categorized as IT, not STEM using the NASDCTE crosswalk. To reduce this confusion, IT was merged with STEM. Most employment in this combined group is for technology occupations.

Feedback from employers about their difficulty filling certain types of positions was also taken into consideration. Employers responding to JLARC's employer survey frequently identified difficulty filling positions for several occupations in construction and manufacturing, such as electricians, industrial maintenance mechanics, machinists, and welders. Neither construction nor manufacturing represent a large proportion of the available job openings based on VEC data, but the difficulty experienced by employers in these industries suggest that they have an unmet employment need.

Regional analysis of CTE programs with employer needs

JLARC staff also examined the regional availability of CTE course offerings at community colleges for occupations with employment opportunities. This analysis was performed by identifying occupations with a large number of employment opportunities for each WIA region and identifying the number of courses available from community colleges serving the region. Annualized job openings data from 2013 was used to determine occupations with the largest numbers of employment opportunities for the area. JLARC staff used broad discretion to link courses to specific occupations; for example, when determining the availability of courses providing instruction for carpenters, any course for building construction, carpentry, or woodworking was included.

Research in other states

Interviews with staff from national associations and workforce development stakeholders in other states were conducted to better understand the workforce development landscape nationwide and report on promising practices in other states. Staff interviewed the program director for the Economic, Human Services & Workforce Division at the National Governors Association; workforce development researchers at the National Conference for State Legislatures; and the program manager for fiscal and economic policy at the Council of State Governments. These interviews provided insight into key workforce development topics for further research. Recommendations were also solicited from these groups regarding which other states to pursue for more in-depth interviews.

Workforce development staff in Washington, Oregon, Maryland, and Texas were also interviewed. All states were recommended for interviews because of the strength and success of their workforce

development programs. Washington's state-level workforce development structure is viewed as particularly effective because the board, as a separate, independent agency, oversees the administration and outcome reporting of locally implemented workforce programs. Oregon has recently undertaken initiatives to respond to some challenges that are similar to those in Virginia. Maryland's Employment Advancement Right Now (EARN) is viewed as a highly effective sector strategies program. Texas has had success with their Workforce Commission, which consolidates workforce development activities under one agency. These topics were of particular interest to JLARC staff, because they relate to workforce development issues that staff had prioritized for study research.

Document and literature review

Numerous documents and literature pertaining to workforce development were reviewed throughout the course of the study, such as:

- prior studies and reports on Virginia's workforce development system, including a 2013 report by Virginia Commonwealth University titled *Mapping the Virginia Workforce System: A Status Report on Workforce Programs in the Commonwealth*;
- state policy and strategic planning documents, such as *Building Career Pathways to Success: Workforce Investment and Wagner-Peyser State Plan*; *A Strategic Review of Work-based Learning in Virginia*; and *Taking Roots: the Virginia Career Pathways System*;
- federal and state laws and regulations pertaining to workforce development; and
- a sample of recent school division applications (26) submitted to VDOE for offering new CTE courses.

Appendix C: Summary of Key State Initiatives to Improve Workforce Development Programs

Virginia has made changes to workforce development programs over the past several years to improve the delivery of services and to achieve a more coordinated and efficient “system” of programs. These changes have been aimed at improving coordination and collaboration, facilitating individuals’ ability to obtain new skills and credentials, changing the governance structure of workforce development programs, and improving students’ workplace and career readiness.

Initiative and date	Description of initiative
Coordination and Collaboration	
Implementation of career pathways system (initiated December 2008)	The career pathways system is a series of connected education and training programs and support services. The goal of the system is to enable individuals to obtain employment in a specific industry and to advance over time to higher levels of education or employment in a specific industry. A key characteristic of the system is coordination between programs and agencies at the state and local levels.
Development of the Virginia Plan for Dual Enrollment (most recent plan signed in March 2008)	The Virginia Plan for Dual Enrollment provides a statewide framework to facilitate development of dual enrollment agreements between community colleges and public schools. Dual enrollment allows high school students to earn college credit and facilitates their ability to further their education and skills training at the postsecondary level. While this plan is not specific to career and technical education (CTE) dual enrollment, it does include CTE dual enrollment agreements.
Establishment of jointly operated high school with CTE focus (HB 887, 2014)	This 2014 legislation requires the Virginia Board of Education (VBOE) to develop criteria and procedures for establishing a jointly operated high school with a CTE focus. The intent is to recommend the school to the governor and General Assembly for funding as a Governor’s CTE school.
Obtaining Skills and Credentials	
Establishment of the New Virginia Economy Workforce Initiative (August 2014)	Executive order 23 establishes the New Virginia Economy Workforce Initiative. Goals of this initiative include: adding 50,000 credentials in science, technology, engineering, math and health; securing employment for veterans (and having 10,000 businesses sign a pledge of commitment to hire more veterans; and aligning education with the needs of businesses.
Creation of a credential requirement for students earning standard diploma (SB 489 / HB 1061, 2012)	Beginning with first-time ninth graders in 2013-2014, students earning a standard diploma are required to earn a career and technical education credential (such as the completion of an industry certification, a state licensure examination, a national occupational competency testing institute [NOCTI] assessment, or the Virginia workplace readiness skills assessment). The goal is to strengthen postsecondary education and workplace readiness opportunities for high school students.
Implementation of increased credential requirements for CTE teachers (HB 758, 2014)	This 2014 legislation requires teachers seeking licensure for a CTE program area to possess an industry credential in that CTE program area. Specifically, the teacher must pass a VBOE-approved industry certification exam, be issued a state professional license, or pass a NOCTI assessment.

Development of High School to Work Partnerships (HB 2101 / SB 1248, 2013)	This 2013 legislation requires the VBOE to establish guidelines for a High School to Work Partnerships program. The program is geared toward high school students who may not pursue postsecondary education, and includes partnerships between high schools and businesses to create apprenticeships, internships, and job shadow programs in trade and skilled labor positions.
Governance	
Expansion of Board of Workforce Development responsibilities (SB 1177 / HB 2154, 2013)	This 2013 legislation requires the Board of Workforce Development to review the state's annual plan for secondary and postsecondary career and technical education activities authorized under the Perkins Act, and provide recommendations on CTE plans, policies, and procedures. This expands the focus of the Board of Workforce Development beyond Workforce Investment Act (WIA) programs to include programs that are critical to preparing the workforce to meet employers' needs, and ensures that the state's Perkins plan is aligned with the state's plan for coordinating programs authorized under Title I of WIA.
Changes to Board of Workforce Development (HB 1009, 2014)	This 2014 legislation retools the state policy board to better meet the needs of the state's workforce development system. The legislation changed the membership of the board, added two new committees, and gave the board additional responsibilities.
Workplace and Career Readiness	
Development of the workplace readiness assessment (April 2011)	The Workplace Readiness Skills for the Commonwealth Examination is an online examination for secondary CTE students designed to measure current workplace readiness skills that are a required component of each career and technical education course. It was approved by the VBOE in 2011 as a "standalone" examination towards a student-selected verified credit.
Implementation of increased CTE requirements for standard diploma (2009)	Beginning in 2009-10, all students earning a standard high school diploma are required to earn at least one credit in career and technical education or the performing arts.
Development of academic and career plans (2007; implementation delayed by legislation in 2010 and 2012)	Beginning in the 2013-14 school year, all schools are required to begin development of a personal academic and career plan for each seventh-grade student, with completion by the fall of the student's eighth-grade year. The plan must include the student's program of study for which school graduation and a postsecondary career pathway.
Development of the Career Readiness Certificate (CRC)	The CRC is an assessment-based credential offered by the state's community colleges and one-stop centers. The CRC is a standardized tool to assess the workplace skills of potential and current employees in three areas: (1) reading for information, (2) applied mathematics, and (3) locating information. The purpose of the CRC is to give employers and job seekers a uniform measure of key workplace skills.

Source: JLARC staff analysis of Virginia Network State Partner Memorandum of Understanding, Virginia Plan for Dual Enrollment, Code of Virginia, Executive Order 23, workforce development-related legislation passed by the General Assembly, and state agency web sites .

Appendix D: Direct Program Costs

State agency staff reported total administrative and program costs for 19 workforce development programs in state fiscal year 2013. Staff then selected from a list the specific administrative and program activities they included in their calculations. This appendix highlights reported program costs, or direct costs, provided by employment assistance programs (Table D-1) and training and education programs (Table D-2).

TABLE D-1
Direct program costs reported by employment assistance programs

	Vocational Rehabilitation (DARS) (\$80.3M)	VIEW (\$49.1M)	Employment Service (\$16.4M)	WIA Dislocated Worker (\$15.4M)	WIA Youth (\$14.4M)	WIA Adult (\$12.6M)	Vocational Rehabilitation (DBVI) (\$11.4M)	TANF Employment Advancement (\$7.1M)	Jobs for Veterans State Grants (\$4.4M)	SNAP Employment and Training (\$4.3M)	Trade Adjustment Assistance (\$4.2M)
Employer Services											
Assisting employers with recruitment	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Outreach to and engagement with employers	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Technical assistance on workforce topics	✓		✓	✓	✓	✓	✓	✓	✓		
Employment Assistance Services											
Assistance with job search activities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Assistance with resumes and job applications	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Career advising/coaching	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Career fairs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Employability workshops (such as interviewing, interpersonal skills and work habits)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Supportive Services		Vocational Rehabilitation (DARS) (\$80.3M)	VIEW (\$49.1M)	Employment Service (\$16.4M)	WIA Dislocated Worker (\$15.4M)	WIA Youth (\$14.4M)	WIA Adult (\$12.6M)	Vocational Rehabilitation (DBVI) (\$11.4M)	TANF Employment Advancement (\$7.1M)	Jobs for Veterans State Grants (\$4.4M)	SNAP Employment and Training (\$4.3M)	Trade Adjustment Assistance (\$4.2M)
Case management		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Child care for program participants		✓			✓	✓	✓	✓			✓	
Financial subsidies (such as tuition assistance)		✓							✓		✓	
Travel costs for program participants		✓	✓		✓	✓	✓	✓	✓		✓	✓
Training and Education Services												
Curriculum development		✓						✓				
Dual enrollment by program participants in secondary or postsecondary education		✓	✓					✓	✓		✓	✓
GED and/or adult basic education services		✓	✓		✓	✓	✓	✓	✓		✓	✓
On-the-job training and other work-based learning		✓	✓		✓	✓	✓	✓	✓		✓	✓
Reimbursement/subsidization of assessment tests and tests for earning a credential/degree		✓	✓		✓	✓	✓	✓	✓		✓	✓
Technology and equipment for education or training		✓	✓		✓	✓	✓	✓	✓		✓	
Training that is customized for specific employers		✓			✓	✓	✓	✓	✓		✓	✓
Training that is not customized for specific employers		✓	✓		✓	✓	✓	✓	✓		✓	✓

Other (Write-in)^a	
SNAP Employment and Training	Other supportive services, such as books, work boots, and uniforms
TANF Employment Advancement	Medical assistance for non-Medicaid clients
Vocational Rehabilitation (DARS)	Diagnostics/testing, medical services, durable medical equipment and assistive technology, attendant care, independent living services, self-employment including tools, supported employment and job coach training.
	Diagnostics/evaluation, physical restoration services, durable medical equipment and assistive technology, attendant care, independent living services, self-employment including tools, supported employment and job coach training, reader services, adjustment to blindness skills training (field/residential), assistive technology assessment and services, low vision assessment and aids, rehabilitation teaching and IL skills training, deaf-blind services, orientation and mobility training (travel), disability specific vocational guidance and counseling, and business enterprises program
Vocational Rehabilitation (DBVI)	"Youth Ten Program Elements" as defined by federal WIA law, including tutoring, leadership development, summer employment, etc.
WIA Youth	

Source: JLARC analysis of programs' spending in FY 2013.

^a State agencies had the opportunity to write in program activities relevant to their programs if the list JLARC staff provided was not comprehensive.

TABLE D-2
Direct program costs reported by training and education programs

	Secondary CTE (\$88.8M)	VJIP (\$8.9M)	Non-credit training and instruction (\$4.8M)	Postsecondary CTE (\$3.1M)	Apprenticeship (DOL) (\$0.9M)	Apprenticeship (VCCS) (\$0.9M)	Institutes of Excellence (\$0.7M)	Plugged-in VA (\$0.5M)
Employer Services								
Assisting employers with recruitment			✓					✓
Outreach to and engagement with employers	✓		✓		✓		✓	✓
Technical assistance on workforce topics			✓		✓		✓	
Employment Assistance Services								
Assistance with job search activities			✓					✓
Assistance with resumes and job applications								✓
Career advising/coaching				✓				✓
Career fairs				✓	✓			✓
Employability workshops (such as interviewing, interpersonal skills and work habits)			✓					✓
Supportive Services								
Case management								✓
Child care for program participants								
Financial subsidies (such as tuition assistance)								✓
Travel costs for program participants	✓			✓				

Training and Education Services		Secondary CTE (\$88.8M)	VJIP (\$8.9M)	Non-credit training and instruction (\$4.8M)	Postsecondary CTE (\$3.1M)	Apprenticeship (DOLI) (\$0.9M)	Apprenticeship (VCCS) (\$0.9M)	Institutes of Excellence (\$0.7M)	PluggedIn VA (\$0.5M)
Curriculum development		✓		✓		✓		✓	✓
Dual enrollment by program participants in secondary or postsecondary education		✓			✓				✓
GED and/or adult basic education services									✓
On-the-job training and other work-based learning				✓				✓	✓
Reimbursement/subsidization of assessment tests and tests for earning a credential/degree		✓		✓	✓			✓	✓
Technology and equipment for education or training		✓		✓				✓	✓
Training that is customized for specific employers				✓				✓	✓
Training that is not customized for specific employers		✓		✓					✓
Other (Write-in)^a									
Apprenticeship (DOLI)	Management of employer sponsor case load, including quality assurance assessments								
Apprenticeship (VCCS)	Registering and tracking of apprenticeship participants								
PluggedIn VA	Books, materials, supplies for program participants								
Postsecondary CTE	Education customized and not customized to meet employers' needs								
VJIP	Consultations with employers on organizational development (such as recruitment and selection of new employees, professional development tools) and the availability of workforce development resources and training opportunities. Economic development financial incentives awarded to employers to be used for training purposes								

Source: JLARC analysis of programs' spending in FY 2013.

^a State agencies had the opportunity to write in program activities relevant to their programs if the list JLARC staff provided was not comprehensive.

Appendix E: Performance by Program

Virginia's workforce development programs reported performance data for the most recent program year (FY 2013). Tables E-1 and E-2 contain the performance measures tracked by each program, the goals that have been set, and actual performance.

TABLE E-1
Performance of employment assistance programs

Performance measures tracked	Performance goals	Actual performance
Employment Service and Trade Adjustment Assistance programs^a (VEC)		
Entered employment rate	50%	61%
Employment retention rate	66%	85%
Six-month average earnings	\$14,000	\$14,315
Jobs for Veterans State Grant^b (VEC)		
<i>Performance for veterans served by Disabled Veterans Outreach Program (DVOP) staff</i>		
Number of individuals receiving intensive services provided by DVOP staff compared to total served by DVOP staff in the state	55%	45%
Entered employment rate	70%	66%
Employment retention rate	84%	84%
Six-month average earnings	\$18,603	\$16,923
Disabled veterans' entered employment rate	56%	54%
Disabled veterans' employment retention rate	84%	83%
Disabled veterans' six-month average earnings	\$21,721	\$18,998
<i>Performance for veterans using the Employment Service</i>		
Entered employment rate	60%	58%
Employment retention rate	84%	85%
Six-month average earnings	\$19,405	\$19,068
Disabled veterans' entered employment rate	57%	55%
Disabled veterans' employment retention rate	85%	85%
Disabled veterans' six-month average earnings	\$22,763	\$22,109
SNAP Employment & Training (DSS)		
No performance measures tracked		
TANF Employment Advancement (DSS)		
Work participation rate ^c	32%	43%
Virginia Initiative for Employment Not Welfare (VIEW) (DSS)		
Work participation rate ^c	32%	43%
Employment attainment	No goal set ^d	49%

Performance measures tracked	Performance goals	Actual performance
Vocational Rehabilitation (DARS)		
Employment closures	Equal or exceed previous year	3,141 (goal met)
Entered employment rate (referred to as the rehabilitation rate)	56%	54%
Percent of employed participants who earn at or above the minimum wage	73%	97%
Percent of individuals with significant disabilities who gain employment and earn at least the minimum wage	62%	100%
Average hourly earnings at or above the minimum wage as a ratio to the state's average hourly earnings for all employed	0.52	0.43
Earnings from work as primary income source	53%	58%
Minority service rate as a ratio to the service rate for all non-minority individuals with disabilities	0.8	1.30
Vocational Rehabilitation (DBVI)		
Employment closures	159	195
Entered employment rate (referred to as the rehabilitation rate)	69%	67% ^e
Percent of employed participants who earn at or above the minimum wage	35%	92%
Percent of individuals with significant disabilities who gain employment and earn at least the minimum wage	89%	99%
Average hourly earnings at or above the minimum wage as a ratio to the state's average hourly earnings for all employed	0.59	0.9
Earnings from work as primary income source	30.4	42.2
Minority service rate as a ratio to service rate for all non-minority individuals with disabilities	0.8	0.9
WIA Adult^f (VCCS)		
Entered employment rate	58%	67%
Employment retention rate	67%	85%
Six-month average earnings	\$8,800	\$11,182
Employment and credential rate	49%	55%
WIA Dislocated Worker^f (VCCS)		
Entered employment rate	65%	81%
Employment retention rate	72%	92%
Six-month average earnings	\$13,600	\$17,245
Employment and credential rate	52%	56%
WIA Youth^f (VCCS)		
Placement in employment or education	48%	60%
Attainment of a degree or certificate	48%	68%
Literacy and numeracy gains	41%	55%

Source: JLARC staff analysis of programs' performance data from 2012 and 2013.

^a Both programs track the same performance measures. VEC does not report performance for each program separately. ^b VEC reported performance for the third quarter of 2014 instead of the full fiscal year. ^c Both TANF Employment Advancement and VIEW programs track this performance measure. DSS does not report performance for each program separately. ^d DSS recently established this performance measure. Performance in FY 2013 serves as a benchmark for developing future performance goals. ^e Although actual performance is less than the performance goal, by federal standards the measure has been met because it falls within 90 percent of the negotiated rate. ^f VCCS reported performance for WIA Title I programs from FY 2012.

TABLE E-2
Performance of training and education programs

Performance measures tracked	Performance goals	Actual performance
Apprenticeship (DOLI & VCCS)		
Registered apprentices served (VCCS)	No goal set	6,326
Apprenticeship productivity (cost per apprentice) (DOLI)	\$70/apprentice	\$80/apprentice
Visits to participating employers and employers that may potentially participate (DOLI)	6,871	7,862 ^a
Institutes of Excellence (VCCS)		
Employers served	Goals vary by college	246 ^b
Professional certifications/licensures earned	Goals vary by college	1,547 ^b
Non-credit Training and Instruction (VCCS)		
Employers served	13,000 ^c	12,413 ^d (on track)
Non-credit contact hours ^e	No goal set	2,031,098
Non-credit headcount (number of students served)	No goal set ^f	78,782
Workforce completers (students served by open-enrollment and customized courses)	No goal set	105,442
Industry certifications and workforce credentials earned ^g	No goal set ^g	10,327
PluggedIn VA (VDOE)		
Cohorts completed	No goal set	14
Students completing cohorts	No goal set	120
GED attainment	No goal set	100%
Industry-recognized credentials earned	No goal set	100%
Career Readiness Certificates earned	No goal set	91%
Microsoft digital literacy certifications earned	No goal set	98%
Postsecondary Career & Technical Education (VCCS)		
Technical skills attainment (GPA of 2.5 or higher)	68%	75%
CTE completers	37%	42%
Re-enrollment rate (includes students who transfer to another college or university)	59%	64%
Employment attainment	69%	69%
Non-traditional enrollment (based on the number of minority gender students)	18%	15%
Non-traditional gender completion	16%	14%

Performance measures tracked	Performance goals	Actual performance
Secondary Career & Technical Education (VDOE)		
English-reading attainment	85%	99%
Math attainment	61%	99%
Technical skills attainment (GPA of 2.5 or higher)	75%	79%
CTE completers	88%	99% (40,671 students)
Graduation rate	83%	99%
Rate of transition to postsecondary education, employment, or military	88%	94%
Non-traditional enrollment (based on the number of minority gender students)	25%	37%
Non-traditional gender completion	22%	31%
Credentials earned	No goal set	67,035
Percentage of passed versus attempted credentialing exams	No goal set	69%
CTE completers with standard or advanced studies diplomas	No goal set	40,761
Virginia Jobs Investment Program (VEDP)		
Incomplete data for FY 2013		

Source: JLARC staff analysis of programs' performance data from 2012 and 2013.

^aNumber reflects interactions (either in person or electronic) between DOLI staff and employers, rather than the total number of employers served by DOLI. ^bNumbers reflect total performance from all community colleges with Institutes of Excellence programs. VCCS reported that all community colleges met their performance goals in FY 2013. ^cVCCS set several system-level goals with a target date of 2015. Actual performance has been evaluated according to whether colleges are on track to achieve these goals. ^dAlthough VCCS classifies this measure as a workforce goal, beginning in FY 2012, the definition of "employers served" has expanded to include employers served by academic departments as well as workforce development services departments. While other workforce programs contribute to this performance goal, JLARC staff has only listed it once under non-credit training and instruction. ^eVCCS uses contact hours to determine annual funding amounts for local community colleges to operate non-credit training and instruction programs. ^fLocal community colleges are required to set performance goals for total headcount and credentials earned across all programs, but there are no requirements that community colleges develop performance goals specific to non-credit training and instruction. ^gCurrently, this measure only includes Career Readiness Certificates.

Appendix F: Regional CTE Course Offerings

LWIA I: Southwest Virginia

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	32	10%	38	4%	49	1%
Construction	44	13	54	6	352	5
Arts and communications	9	3	75	8	60	1
Business	39	12	115	13	1,161	16
Education	27	8	27	3	104	1
Finance	1	0	33	4	330	5
Health sciences	61	18	29	3	1,696	24
Human services	13	4	109	12	173	2
Law and public safety	22	7	35	4	197	3
Manufacturing	41	12	14	2	208	3
STEM/IT	25	8	202	23	262	4
Transportation	11	3	68	8	414	6
Total	330		891		7,090	

LWIA II: New River/Mt. Rogers

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	12	2%	173	14%	248	1%
Construction	49	8	76	6	888	4
Arts and communications	29	5	82	7	329	1
Business	109	19	115	10	3,664	15
Education	78	13	41	3	1,041	4
Finance	4	1	51	4	1,060	4
Health sciences	88	15	49	4	5,463	23
Human services	21	4	94	8	610	3
Law and public safety	23	4	33	3	478	2
Manufacturing	44	7	26	2	1,410	6
STEM/IT	116	20	286	24	1,875	8
Transportation	11	2	60	5	1,517	6
Total	588		1,203		24,223	

Note: The tables in this appendix exclude career clusters for government administration, hospitality and tourism, and sales. These clusters were excluded due to the focus of the report on private sector employment in middle and high skill occupations. The total row includes all 16 career clusters.

LWIA III: Western Virginia

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	11	5%	31	4%	288	1%
Construction	23	11	40	6	1,362	4
Arts and communications	8	4	65	9	514	2
Business	19	9	80	11	4,683	15
Education	14	7	28	4	661	2
Finance	0	0	32	5	1,980	6
Health sciences	43	21	17	2	7,737	24
Human services	4	2	37	5	1,046	3
Law and public safety	7	3	21	3	709	2
Manufacturing	28	13	25	4	1,467	5
STEM/IT	42	20	162	23	1,962	6
Transportation	5	2	45	6	3,167	10
Total	208		702		31,837	

LWIA IV: Shenandoah Valley

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	10	1%	196	13%	374	1%
Construction	63	6	96	6	1,692	5
Arts and communications	50	5	117	8	462	1
Business	234	24	127	8	4,535	13
Education	138	14	53	4	924	3
Finance	2	0	54	4	1,769	5
Health sciences	132	14	45	3	7,301	21
Human services	10	1	152	10	942	3
Law and public safety	32	3	16	1	802	2
Manufacturing	60	6	29	2	1,858	5
STEM/IT	216	22	429	29	1,443	4
Transportation	20	2	46	3	3,831	11
Total	975		1,498		34,096	

Note: The tables in this appendix exclude career clusters for government administration, hospitality and tourism, and sales. These clusters were excluded due to the focus of the report on private sector employment in middle and high skill occupations. The total row includes all 16 career clusters.

LWIA VI: Piedmont Workforce Network

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	45	4%	93	9%	571	2%
Construction	73	6	64	6	1,538	5
Arts and communications	106	9	115	11	559	2
Business	327	27	107	10	4,467	13
Education	184	15	45	4	1,548	5
Finance	5	0	37	3	2,084	6
Health sciences	142	12	42	4	5,986	18
Human services	20	2	94	9	1,331	4
Law and public safety	27	2	31	3	1,082	3
Manufacturing	56	5	9	1	1,099	3
STEM/IT	215	18	247	23	3,059	9
Transportation	10	1	53	5	2,540	8
Total	1,222		1,088		33,595	

LWIA VII: Region 2000/Central Virginia

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	2	1%	43	8%	100	1%
Construction	19	6	35	7	714	4
Arts and communications	21	7	44	8	284	2
Business	94	31	52	10	2,678	16
Education	14	5	20	4	590	3
Finance	6	2	24	5	1,002	6
Health sciences	31	10	25	5	2,790	16
Human services	5	2	37	7	587	3
Law and public safety	11	4	16	3	503	3
Manufacturing	35	12	10	2	969	6
STEM/IT	46	15	129	25	1,448	8
Transportation	0	0	28	5	1,733	10
Total	301		523		17,084	

Note: The tables in this appendix exclude career clusters for government administration, hospitality and tourism, and sales. These clusters were excluded due to the focus of the report on private sector employment in middle and high skill occupations. The total row includes all 16 career clusters.

LWIA VIII: South Central Virginia

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	3	2%	73	11%	178	2%
Construction	19	11	38	6	328	4
Arts and communications	1	1	52	8	98	1
Business	25	14	61	9	866	10
Education	14	8	41	6	201	2
Finance	0	0	27	4	353	4
Health sciences	27	15	32	5	3,315	39
Human services	7	4	15	2	231	3
Law and public safety	12	7	41	6	187	2
Manufacturing	21	12	21	3	424	5
STEM/IT	32	18	153	22	161	2
Transportation	11	6	45	7	552	7
Total	176		684		8,491	

LWIA IV: Capitol Region Workforce Partnership

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	3	1%	58	3%	1,010	1%
Construction	5	1	94	5	6,943	5
Arts and communications	37	9	209	10	2,218	2
Business	79	20	222	11	23,104	16
Education	81	20	82	4	3,283	2
Finance	5	1	79	4	10,732	7
Health sciences	49	12	60	3	32,992	23
Human services	12	3	192	10	4,578	3
Law and public safety	10	3	79	4	4,979	3
Manufacturing	20	5	30	1	3,882	3
STEM/IT	83	21	507	25	18,966	13
Transportation	7	2	111	6	9,200	6
Total	397		2,018		144,978	

Note: The tables in this appendix exclude career clusters for government administration, hospitality and tourism, and sales. These clusters were excluded due to the focus of the report on private sector employment in middle and high skill occupations. The total row includes all 16 career clusters.

LWIA XI & XII: Northern Virginia & Alexandria/Arlington

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	5	1%	22	1%	1,600	0%
Construction	29	4	92	3	5,171	2
Arts and communications	150	19	375	12	7,383	2
Business	160	21	347	11	57,451	18
Education	74	9	145	5	7,516	2
Finance	8	1	143	5	24,729	8
Health sciences	95	12	59	2	29,801	9
Human services	11	1	357	11	4,965	2
Law and public safety	13	2	129	4	14,493	4
Manufacturing	13	2	40	1	6,499	2
STEM/IT	194	25	798	25	103,582	32
Transportation	10	1	190	6	8,175	3
Total	780		3,153		323,615	

LWIA XIII: Bay Consortium

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	13	2%	59	4%	260	1%
Construction	37	6	99	6	1,142	3
Arts and communications	16	3	169	11	740	2
Business	157	27	158	10	5,002	14
Education	92	16	61	4	1,264	4
Finance	5	1	71	4	1,851	5
Health sciences	71	12	42	3	8,276	23
Human services	12	2	137	9	1,109	3
Law and public safety	15	3	57	4	1,085	3
Manufacturing	39	7	20	1	1,294	4
STEM/IT	99	17	396	25	4,692	13
Transportation	14	2	91	6	2,702	7
Total	582		1,579		36,048	

Note: The tables in this appendix exclude career clusters for government administration, hospitality and tourism, and sales. These clusters were excluded due to the focus of the report on private sector employment in middle and high skill occupations. The total row includes all 16 career clusters.

LWIA XIV: Greater Peninsula

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	1	0%	5	0%	517	1%
Construction	19	5	42	4	2,407	5
Arts and communications	14	4	118	11	736	2
Business	89	24	110	11	6,811	15
Education	59	16	50	5	1,260	3
Finance	2	1	39	4	2,217	5
Health sciences	50	13	26	3	11,312	24
Human services	13	3	81	8	1,670	4
Law and public safety	8	2	58	6	1,356	3
Manufacturing	36	10	9	1	1,590	3
STEM/IT	62	16	248	24	4,003	9
Transportation	10	3	79	8	2,606	6
Total	376		1,032		46,851	

LWIA XV: Crater Area

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	1	0%	12	2%	96	1%
Construction	9	2	32	6	497	3
Arts and communications	40	11	54	10	175	1
Business	74	20	55	10	1,992	12
Education	83	23	44	8	278	2
Finance	5	1	16	3	521	3
Health sciences	25	7	13	2	7,502	44
Human services	12	3	35	6	510	3
Law and public safety	8	2	33	6	406	2
Manufacturing	26	7	12	2	636	4
STEM/IT	81	22	109	19	850	5
Transportation	2	1	49	9	1,155	7
Total	366		563		17,184	

Note: The tables in this appendix exclude career clusters for government administration, hospitality and tourism, and sales. These clusters were excluded due to the focus of the report on private sector employment in middle and high skill occupations. The total row includes all 16 career clusters.

LWIA XVI: Hampton Roads

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	6	1%	26	1%	632	1%
Construction	35	6	128	6	4,765	5
Arts and communications	33	6	247	11	1,916	2
Business	137	25	210	9	14,506	15
Education	34	6	140	6	2,214	2
Finance	2	0	76	3	5,838	6
Health sciences	85	16	40	2	21,413	23
Human services	20	4	179	8	2,437	3
Law and public safety	14	3	87	4	2,378	3
Manufacturing	48	9	37	2	3,998	4
STEM/IT	75	14	540	24	8,882	9
Transportation	32	6	165	7	6,981	7
Total	539		2,230		93,643	

LWIA XVII: West Piedmont

<u>Career cluster</u>	<u>Community colleges</u>		<u>High school CTE</u>		<u>Job openings</u>	
	<i>Courses</i>	<i>Percent</i>	<i>Courses</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Agriculture	5	1%	72	8%	82	1%
Construction	40	8	36	4	362	4
Arts and communications	72	15	61	7	75	1
Business	96	20	93	10	1,283	13
Education	39	8	60	6	161	2
Finance	1	0	37	4	421	4
Health sciences	56	12	29	3	3,072	31
Human services	11	2	74	8	388	4
Law and public safety	9	2	58	6	299	3
Manufacturing	43	9	12	1	564	6
STEM/IT	86	18	209	22	241	2
Transportation	12	2	71	8	1,085	11
Total	485		932		10,004	

Note: The tables in this appendix exclude career clusters for government administration, hospitality and tourism, and sales. These clusters were excluded due to the focus of the report on private sector employment in middle and high skill occupations. The total row includes all 16 career clusters.

Source: JLARC staff analysis of DOE data on CTE course offerings, 2012-2013, VCCS data on course offerings, 2013-2014, and VEC Online Advertised Jobs data, 2013.

Appendix G: Jobs in demand from employers

The following tables identify occupations in Virginia that appear to be in-demand from employers based on their advertised job openings. Information on job openings is available on the VEC website that can be a useful resource for education and training providers in targeting their material to the needs of employers. Several data sources available on the VEC website, including Online Advertised Jobs data and Occupational Employment Statistics, were combined to summarize the information in this appendix. The occupations included in the tables have a median salary of at least \$35,000 and are projected to experience increased employment through 2022.

Top High-Skill Jobs in Virginia, 2013

Occupations	Advertised job openings	Entry-level salary	Median salary	Percent growth 2012–2022
Computer Programmers	35,107	\$52,776	\$74,586	12%
Computer Systems Analysts	15,137	59,862	93,673	30
Management Analysts	14,650	61,102	93,191	22
General and Operations Managers	14,296	60,008	114,199	15
Physical Therapists	13,708	61,065	83,619	48
Network and Computer Systems Administrators	13,579	55,009	86,668	21
Software Developers, Applications	12,596	66,887	103,186	32
Software Developers, Systems Software	10,126	76,400	114,616	34
Occupational Therapists	9,730	59,261	84,925	33
Sales Managers	8,815	67,348	115,354	11
Database Administrators	7,241	55,549	94,183	25
Lawyers	5,100	67,611	118,001	13
Personal Financial Advisors	4,836	41,770	74,616	36
Medical and Health Services Managers	4,741	62,850	90,809	21
Financial Analysts	4,681	53,537	81,936	20

Source: VEC Online Advertised Jobs Data, 2013, VEC Long-term Occupational Employment Statistics 2012–2022, VEC Occupational Employment Survey 2012, and BLS Occupational Employment Statistics, 2012–2022.

Note: “Top jobs” list occupations with the most job openings in Virginia in 2013 that earned a median annual salary of at least \$35,000 and employment is projected to increase by one percent per year by 2022.

Top Middle-skill Jobs in Virginia, 2013

Occupations	Advertised job openings	Entry-level salary	Median salary	Percent growth 2012–2022
Registered Nurses	44,717	\$47,515	\$63,859	13%
Heavy and Tractor-Trailer Truck Drivers	17,294	26,498	36,568	9
Computer User Support Specialists	9,007	33,056	49,686	25
Licensed Practical and Vocational Nurses	8,929	32,169	39,979	27
Web Developers	3,917	48,024	73,658	21
HVAC Mechanics and Installers	3,805	28,976	41,315	18
Occupational Therapy Assistants	3,680	42,673	62,964	62
Physical Therapist Assistants	2,767	36,407	54,362	55
Paralegals and Legal Assistants	2,051	32,393	47,953	19
Dental Assistants	1,944	25,480	35,371	37
Health Information Technicians	1,742	25,327	35,666	21
Critical care nurses	1,454	47,515	63,859	13
Massage Therapists	1,102	29,857	52,676	35
Surgical Technologists	1,083	32,546	43,997	23
Computer Network Support Specialists	1,043	39,796	61,402	16

Top Low-skill Jobs in Virginia, 2013

Occupations	Advertised job openings	Entry-level salary	Median salary	Percent growth 2012–2022
Bookkeeping, Accounting, & Auditing Clerks	6,126	\$24,666	\$36,534	15%
Insurance Sales Agents	5,350	29,463	45,363	13
Electricians	3,963	31,560	44,827	16
Supervisors of Administrative Support Workers	3,688	34,546	51,014	15
Property & Real Estate Association Managers	3,175	47,853	81,660	12
Automotive Specialty Technicians	2,721	27,041	41,183	11
Carpenters	2,487	27,616	37,071	24
Truck Mechanics & Diesel Engine Specialists	2,160	31,317	41,936	10
Sales Representatives	2,067	31,454	57,473	16
Plumbers	2,020	30,993	43,219	17
Supervisors of Mechanics & Installers	1,772	42,751	62,930	11
Machinists	1,596	30,783	41,855	11
Loan Interviewers and Clerks	1,469	24,278	35,719	9
Maintenance and Repair Workers	1,435	23,997	35,655	11
Tax Preparers	1,106	23,165	38,295	13

Source: VEC Online Advertised Jobs Data, 2013, VEC Long-term Occupational Employment Statistics 2012-2022, VEC Occupational Employment Survey 2012, and BLS Occupational Employment Statistics, 2012-2022.

Note: "Top jobs" list occupations with the most job openings in Virginia in 2013 that earned a median annual salary of at least \$35,000 and employment is projected to increase by one percent per year by 2022.

Appendix H: Agency Responses

As part of an extensive validation process, state agencies and other entities involved in a JLARC assessment are given the opportunity to comment on an exposure draft of the report. JLARC staff provided an exposure draft of this report to the Secretary of Commerce and Trade, the Secretary of Education, and the following state agencies:

- Virginia Community College System
- Virginia Department of Education
- Virginia Department of Labor and Industry
- Virginia Employment Commission

Appropriate corrections resulting from technical and substantive comments have been made in this version of the report. This appendix provides written response letters provided by: Secretary of Commerce and Trade, Virginia Community College System, Virginia Department of Education, Virginia Department of Labor and Industry, and Virginia Employment Commission.



COMMONWEALTH of VIRGINIA

Office of the Governor

Maurice A. Jones
Secretary of Commerce and Trade

November 24, 2014

Mr. Hal E. Greer
Director
Joint Legislative Audit and Review Commission
General Assembly Building
201 North 9th Street, Suite 1100
Richmond, Virginia 23219

Dear Mr. Greer:

Since the enactment of HB 1009 in July 2014, and the issuance of Executive Order 23 in August 2014, as the Governor's Chief Workforce Advisor and Secretary of Commerce and Trade, my team and I have been working with state agencies and regional workforce investment boards on policy and administrative actions to create a private sector, business driven workforce system in which publicly funded programs and the credentials attained through those programs are aligned with regional and state industry needs and demands. Executive Order 23, with its call for 50,000 STEM-H workforce credentials, was a first step in harnessing the focus and resources of all 24 federal and state funded programs in Virginia's workforce system to the primary goal of producing more Virginians with credentials to compete for good paying, readily available technician, technologist, and trades jobs. Included in that Executive Order, for the first time in any gubernatorial administration, the Governor also called for development of common performance measures across all publicly funded workforce programs.

To assist agencies in meeting forthcoming negotiated performance standards for those measures, the Governor's Office has, for several months, been researching and working with cross-agency, cross-program state and local teams to identify opportunities that exist within and across Virginia's 24 workforce programs to "free" more money for education, training, and essential support services for job seekers by reducing unnecessary costs. We have identified policies and strategies for reducing administrative overhead and replication and duplication of program services, and for more clearly assigning responsibility and accountability for essential workforce and training services so as to streamline and simplify the system. Opportunities have been found for merging workforce programs and thus reducing administration, and for changing the administrative structure of some key workforce programs that have not generated consistently satisfactory outcomes. In fact, of the 29 recommendations for legislative or administrative action proposed in **Virginia's Workforce Development Programs**, a report by

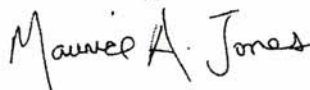
Mr. Hal E. Greer
November 24, 2014
Page Two

the Joint Legislative Audit and Review Commission, the Governor's Office is currently working on new policies or plans addressing 22 of them. As for the others, 5 do not require legislation and are specific to single agencies, and those agencies have indicated a willingness to move on the recommendation or an alternative strategy to address the desired outcome.

With respect to Recommendations 23 and 26, with Executive Order 23 requiring all career and technical education and workforce programs to escalate efforts and outcomes relevant to the goal of meeting industry needs for a skilled workforce and getting Virginians into careers that afford access to middle class lifestyles and beyond, the Commonwealth has an unprecedented opportunity to create an unparalleled workforce system: one that meaningfully engages business and integrates education and training at all levels, economic and workforce development, and human services and community based organizations. Recently passed federal legislation, the Workforce Innovation and Opportunities Act (WIOA) will help the Commonwealth achieve that goal, as it unifies core workforce programs under one state plan and set of performance metrics, thus aligning with Virginia's vision for an integrated workforce system. The Governor is clearly established in that federal legislation, as in state Code, as the primary leader for Virginia's Workforce System with additional authority to ensure effective performance from local workforce investment act regions. This administration is committed to exercising strong leadership for the overall system and for each of the federal grants for career and technical education and workforce for which the Governor is responsible. In July, the Governor's staff assumed responsibility for staffing the Virginia Board of Workforce Development, and in the two meetings held since then has already organized a cross-program, cross-agency staff to the Board's committees that includes state and regional subject matter experts in career and technical education, non-credit workforce training, WIOA, longitudinal data systems and workforce data, and military affairs. This team will be supplemented in the future with additional staff dedicated to improving Board operations and relations.

The close alignment of most of the JLARC recommendations with the current policy and administrative work of the Governor's Office affords a unique opportunity to create the high performing, highly visible workforce system (and story) on which the Commonwealth's economic future depends. Thank you for your significant work and recommendations.

Sincerely,

A handwritten signature in dark ink, reading "Maurice A. Jones". The signature is written in a cursive, flowing style. The first name "Maurice" is written with a large, stylized "M" and "A" for "Aurice". The last name "Jones" is written in a more standard cursive script.

Maurice A. Jones

cc: Tracey Smith



November 21, 2014

Mr. Hal E. Greer
 Director, Joint Legislative Audit and Review Commission
 201 N. 9th Street
 Richmond, VA 23219

Dear Mr. Greer:

Thank you for the opportunity to review and comment on the exposure draft of JLARC's forthcoming report, *Virginia's Workforce Development Programs*. In addition to addressing some technical items in an earlier communication, VCCS would like to comment about two issues raised by the report – the expansion of the authority of the Virginia Board of Workforce Development (Recommendations 25-27) and the absence of a consideration in the report as to the capacity for Virginia's workforce development system to effectively achieve many of the outcomes proposed within the report and by other recent policies.

The report sends a clear signal of the importance and urgency of improving the awareness of, and participation in, Virginia's public workforce development system among businesses and the unemployed, expanding the system's capacity to train current and future employees, and coordinating the services of the various education and training providers. In this, the report echoes many recent communications from Governor McAuliffe and his cabinet, including Executive Order 23, which established clear goals and actions to advance our workforce development system. The report does not, however, provide a compelling case that implementation of Recommendations 25, 26, and 27, which would alter the Virginia Board of Workforce Development's structure and expand its policy and monitoring authority, will drive more businesses to the system, improve services, and put more people to work. VCCS appreciates the opportunity to touch on a few issues that suggest implementation of these recommendations would be premature, unneeded, and potentially problematic.

Appendix C details the legislative and programmatic approaches that have been undertaken in recent years to improve the system, including the passage during the 2014 General Assembly of House Bill 1009, which altered the membership of the Board and expanded its responsibilities by charging it to review budgets and provide recommendations on the policy, plans, and procedures for all of the workforce development programs in Virginia. The Board has met only twice since the provisions of this legislation became effective and has not had adequate time to demonstrate how these new responsibilities will allow it to influence positive change in the system. Additionally, the Governor, the Board, and multiple state agencies are responsible for preparing for and implementing the new federal workforce law, WIOA, over the next two years. That work will not occur in a vacuum, and answering the requirements of

Mr. Hal E. Greer
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Recommendation 26 would jeopardize the effective implementation of WIOA by significantly restructuring the leadership and policy responsibilities in the midst of that work. The resultant upheaval and confusion would, no doubt, adversely affect efforts to prepare for and implement the far-reaching and complex transition to a new federal law and the opportunity that the new law brings for improving the workforce system. In light of these facts, and without strong evidence that such a change would produce the benefits sought by the General Assembly and Governor, VCCS believes that implementation of Recommendation 26 would be premature. Beyond the timing, though, current language in the Code of Virginia renders these changes both unneeded and potentially problematic.

With the passage of House Bill 1009, the structure is already in place for the Office of the Governor and the Board to achieve the priorities and outcomes referenced throughout the report. Recommendation 25 suggests that a greater focus by the Board on specific priorities is needed and that engaging the Board in strategic rather than technical issues is called for. Current statute establishes a structure whereby the Governor sets the workforce development agenda and goals for the Commonwealth and the Board advises and recommends policy to achieve those goals. Representation on the board reflects cabinet-level leadership of each of the agencies responsible for implementing such policies as may be passed. In light of these facts, VCCS believes that the path toward achieving stronger outcomes in those areas referenced in Recommendation 27: better alignment of education and training with business demands; regional program coordination; employer engagement and satisfaction; and effective policy is neither a matter of legislative action, nor Board authority. All of these are critical to driving performance of the public workforce development system in Virginia, and all are within the current authority and purview of the Governor's office and the Board without any further legislative action. It is not modification to the Code that is needed, but rather the utilization of the existing authority of the Governor's office and the Board to establish a focus on those things that will accrue benefits to the system, followed by definitive action by the Board and the agencies responsible for workforce development activities.

Finally, instilling the Board with the authority and responsibilities outlined in the report would undermine the authority of the Office of the Governor under Code, usurp the authority of other policy boards, such as the Board of Education and the State Board for Community Colleges, and add yet another layer of bureaucracy between state government and workforce development outcomes. When considering the language in Recommendation 26 that requires other boards to approve policies passed by the Board of Workforce Development, it is unclear what would occur if one policy board does not approve of policies issued by another policy board.

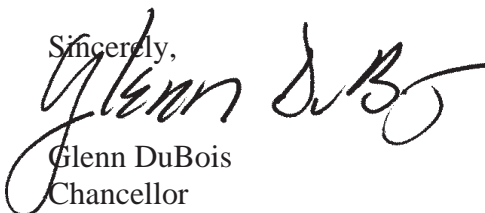
On another note, in addressing the purpose for the report, it is stated that there is a perception that state and local workforce development efforts do not offer "sufficient opportunities for job seekers to obtain the skills, credentials, and education desired by employers." This perception, coupled with the clear call for more credentialing in Executive Order 23 and a related memo to state workforce agencies issued by the

Mr. Hal E. Greer
November 21, 2014
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Secretary of Commerce and Trade, raises a concern as to the capacity for education and training providers to fulfill this need without any additional resources to do so. While it may not have been the specific charge for JLARC to address funding and infrastructure needed to achieve significant increases in the amount of training needed to drive related increases in credentialing, VCCS believes that a discussion about capacity is indicated by the findings and recommendations included in the report.

Again, VCCS appreciates the opportunity to respond and hopes that the analysis and suggestions included here help to advance the effectiveness and efficiency of workforce development efforts in the Commonwealth.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn DuBois". The signature is fluid and cursive, with the first name "Glenn" being more prominent and the last name "DuBois" following in a similar style. The signature is positioned above the printed name and title.

Glenn DuBois
Chancellor

GD/ph



COMMONWEALTH of VIRGINIA

Steven R. Staples, Ed.D.
Superintendent of Public Instruction

DEPARTMENT OF EDUCATION
P.O. BOX 2120
Richmond, Virginia 23218-2120

Office: (804) 225-2023
Fax: (804) 371-2099

November 21, 2014

Mr. Hal E. Greer, Director
Joint Legislative Audit and Review Commission
General Assembly Building, Suite 1100
201 N. 9th Street
Richmond, Virginia 23219

Dear Mr. Greer:

Thank you for the opportunity to review and comment on the draft report on *Virginia's Workforce Development Programs*. We appreciate the thorough research that was conducted, as well as the insightful findings. The draft report highlights critical issues that work force development programs and employers face in meeting the goal of creating potential employees with the knowledge and skills required by today's and tomorrow's jobs.

We have provided comments and information in reference to the draft report under separate cover that we trust will be useful in this examination of the preparation of Virginia's work force for the diverse needs of our employers.

Sincerely,

A handwritten signature in black ink, appearing to read "S.R. Staples", with a long horizontal line extending to the right.

Steven R. Staples

SRS/SBW/kfg



COMMONWEALTH of VIRGINIA

DEPARTMENT OF LABOR AND INDUSTRY

C. RAY DAVENPORT
COMMISSIONER

MAIN STREET CENTRE
600 EAST MAIN STREET, SUITE 207
RICHMOND, VA 23219
PHONE (804) 371-2327
FAX (804) 371-6524

November 21, 2014

Mr. Hal E. Greer, Director
Joint Legislative Audit and Review Commission
201 North 9th Street
General Assembly Building, Suite 1100
Richmond, VA 23219

Dear Mr. Greer:

The Department of Labor and Industry (DOLI) has reviewed the draft report entitled "*Virginia's Workforce Development Programs*" prepared by the Joint Legislative Audit and Review Commission. The agency is providing the following comments related to Recommendation 11 (below) included in the report.

Recommendation 11: The General Assembly may wish to consider amending the Code of Virginia to designate the Virginia Community College (VCCS) as the single state agency responsible for administering all aspects of the registered apprenticeship program, and transferring those responsibilities to VCCS from the Virginia Department of Labor and Industry (Chapter 3, page 51).

The Department is in agreement with the designation of a single state agency responsible for administering all aspects of the registered apprenticeship program. Our long history of cooperation and support for employers and apprentices, our strong relationship with the federal Department of Labor and its Office of Apprenticeship, and our position in the Secretariat of Commerce and Trade along with the Economic Development Partnership make us the logical place where an effective registered apprenticeship program belongs.

Prior to 1996, DOLI was the sole entity employers needed to come to about registered apprenticeship. DOLI is in the best position today to reassume that role. The divided nature of the system forces employers and apprentices to go to two separate agencies to answer their questions or address their concerns about registered apprenticeship. Currently Virginia is the only state in the nation with such a divided system.

All other recognized agencies for registered apprenticeship around the country are under one umbrella. A single entity with both responsibilities would make it easier on Virginia employers wishing to set up or grow their own registered apprenticeship program.

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Registered Apprenticeship is a training system that produces workers with high skill levels to meet the needs of Virginia employers competing in our global economy. Since 1938, the Department of Labor and Industry (DOLI) has been the recognized agency for Registered Apprenticeship in Virginia. Over those 76 years, the Department has maintained a successful registered apprenticeship program built on the trust of employers who are the sponsors and the apprentices they employ. The Department has also developed a solid relationship with the federal Department of Labor and its Office of Apprenticeship who oversees registered apprenticeship programs and approves us as the recognized agency. As such, it is the DOLI's responsibility to register Virginia apprenticeship sponsors and apprentices for the apprenticeship program.

Registered apprenticeship has two important components administered by State entities, on the job training and related instruction (theoretical classroom instruction). DOLI's Registered Apprenticeship Program, as the recognized registered apprenticeship agency, signs up sponsors and apprentices for those sponsors programs. We oversee the on the job training component of the program. The related instruction component is currently administered through the Virginia Community College System (VCCS).

Our apprenticeship consultants have been working closely with the employer sponsors to understand the technical aspects of the apprenticeable occupations and understand the needs of the employer and the apprentice. The individual sponsors' apprenticeship programs are registered by the Department and the apprenticeship agreements between sponsor and apprentice are approved by DOLI. For the related instruction component, the employer and apprentice must then go to the VCCS to arrange for the classroom side of the learning experience.

As stated in your report summary on page ii, "Career and technical education (CTE) courses may not be consistently aligned with labor demand because high schools and community colleges do not effectively incorporate employer input and labor market data into the design of education and training programs." Our apprenticeship consultants are intimately familiar with the workings of the sponsored registered apprenticeship programs and on the job training involved in them. This knowledge puts them in a good position to work with the employer to set up a related instruction program that is properly tailored to the needs of the apprentice in his occupation. There are four avenues to receiving the related instruction in use in Virginia, community college courses, technical centers, on-line classes and employer provided programs. DOLI consultants would be in a position to work with the employer to determine which method would best meet the needs of the employer and the apprentice because of their knowledge of the classroom learning needed to complement the registered apprentice's job duties. DOLI has a database that tracks the apprentices currently in the sponsored programs. With some minor upgrade, this database would allow the Department to keep track of the related instruction component as well and monitor the progress of the employee through both related instruction and on the job learning. The unified program under the Department of Labor and Industry would allow both educational aspects to flourish and grow the number of credentialed workers in Virginia.

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Finally, the Department of Labor and Industry is an agency under the Secretary of Commerce and Trade as is the Virginia Economic Development Partnership. The Department's Registered Apprenticeship program is a vital resource in Virginia's economic development strategy. Businesses need a steady stream of qualified workers. Registered Apprenticeship is a proven, cost effective program, which prepares skilled workers for American industry. Further, Registered Apprenticeship provides workers career options and lifelong skills. Support for apprenticeship incentives generally results in better and more secure jobs, a stronger tax base, and a more stable work force. A key component of economic development is to create job skills, which attract business investment in the state; and to create better jobs for Virginia's working men and women. Apprenticeship is an investment in tomorrow's workforce and business prosperity and should reside at the Department of Labor and Industry within the Secretariat of Commerce and Trade along with the Virginia Economic Development Partnership.

Sincerely,



C. Ray Davenport
Commissioner

cc: The Honorable Maurice Jones
Secretary of Commerce and Trade



NOV 21 2014

COMMONWEALTH of VIRGINIA
Virginia Employment Commission

November 19, 2014

Post Office Box 1358
703 East Main Street
Richmond, Virginia 23218-1358

Mr. Hal E. Greer
Director
Joint Legislative Audit and Review Commission
201 North Ninth Street
General Assembly Building, Suite 1100
Richmond, Virginia 23219

Dear Mr. Greer:

Thank you for the opportunity to comment on the Joint Legislative Audit and Review Commission (JLARC) exposure draft of your report, *Virginia's Workforce Development Programs*. We have two sets of thoughts we would like to share.

On page iii of the exposure draft, there is a reference to the fact that staff of programs in several regions reported "...a lack of cooperation by the Virginia Employment Commission (VEC), especially with regard to contributing staff resources to one-stop workforce centers." The VEC is committed to effective and efficient delivery of services to our customers. However, funding and resource limitations preclude our maintaining a presence at all potential service locations.

With respect to the discussion about co-location on pages 71 to 72, we agree that co-location of partners is desirable and works to the benefit of customers. The VEC encourages co-location and tailors co-location arrangements to the needs of specific customer groups. However, the same resource limitations discussed in the preceding paragraph necessarily pose a potential limit to the extent and nature of co-location.

Thank you again for the opportunity to provide these brief comments. Please let us know if we can be of any further assistance to you in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read "Salvatore Lupica".

Salvatore Lupica
Acting Commissioner

JLARC.VIRGINIA.GOV

General Assembly Building, Suite 1100
201 N. 9th Street, Richmond, VA 23219