



# Virginia Board of Workforce Development 2015 Annual Report

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Sara J Dunnigan, Executive Director  
Sara.dunnigan@governor.virginia.gov  
(804) 663-7464

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## CHAIRMAN'S MESSAGE

We are pleased to present the 2015 Annual Report of the Virginia Board of Workforce Development. This report describes a subset of the Board's activities that occurred between July 1, 2014 - June 30, 2015.

This year, the Virginia Board of Workforce Development created a two-year strategic plan that sets out four strategic objectives, specifically addressing performance of the Board's critical functions described in legislation enacted in 2015.

The plan describes four priority objectives, which include: identifying current and future workforce needs, and related training and credentialing requirements; recommending and supporting strategies to better prepare and match trained workers with available and emerging jobs; providing strategic direction to improve service delivery to both job seekers and employers; and improving alignment and performance of the workforce system.

To accomplish these goals, the Board has reorganized to establish four standing committees: Advanced Technology, Military Transition Assistance, WIOA, and Performance and Accountability. These changes have empowered the Board to focus its efforts on areas where it can effect change that leads to high-impact outcomes.

In Advanced Technology, we're working to identify high priority demand occupations, and the skill sets and workforce requirements of Virginia's strategic industry sectors like advanced manufacturing and IT comparing them with the supply of graduates and program completers coming out of our universities, community colleges, school divisions, and workforce development programs.

To better establish a sense of private sector demand, the VBWD initiated a project, led by the Virginia Employment Commission and supported by the Virginia Chamber of Commerce and other partners to do a statewide 40,000 employer survey that will tell us much more about what industry is looking for in terms of skills and workforce credentials, such as certifications and licenses.

In the Workforce Innovation and Opportunity Committee, we're working to reimagine the state's One Stop Career Centers, encourage more cross-agency partnerships and collaboration while assessing and improving service delivery for workforce services to job seekers and employers.

In Military Transition Assistance, we're supporting increased expansion of Virginia's successful Virginia Values Veterans V3 program, but also developing new ways to more efficiently connect businesses to veterans, a unique Virginia asset.

Finally, the Performance and Accountability Committee is working to measure overall system performance to goals, including the degree to which training is aligned with demand occupations. This group is also providing advice for the development of an annual workforce budget review process.

The Board has joined the Governor in endorsing a set of common performance measures, embedding these metrics in their strategic plan. These measures include business engagement, workforce credential attainment, securing employment, increased wages, and generating a positive return on public investment. Moving forward, we envision twenty-four workforce programs contributing towards these common goals, ensuring alignment of resources and purpose.

I was pleased to lead the Virginia Board of Workforce Development during an exciting time of transition, and I am confident it is well positioned to be a catalyst for positive change in the future.

Respectfully Submitted,



*R. Danny Vargas*  
Chairman

## KEY BOARD ACTIONS AND DETERMINATIONS

The Code of Virginia (Sec 2.2-2472) clearly defines the powers and duties of the Virginia Board of Workforce Development and the response areas for this report. Much of the progress toward these accomplishments can be attributed to legislative action during the 2015 General Assembly session. The changes set forth by key language in HB 1986 resulted in new staff leadership for the Board operating under the direction of the Commonwealth's Chief Workforce Advisor, Secretary Maurice Jones.

### **PROVIDE POLICY ADVICE TO THE GOVERNOR ON WORKFORCE AND WORKFORCE DEVELOPMENT ISSUES TO CREATE A BUSINESS-DRIVEN SYSTEM, INSTILLING SKILLS IN INDIVIDUALS THAT MEET THE NEEDS OF BUSINESS AND INDUSTRY.**

The Board's new composition helps to ensure ongoing and active dialogue regarding Governor's policy around workforce issues. Cabinet level representation at board meetings and regular reports from the Governor create a dynamic feedback loop, allowing members to inquire and react to proposed actions, strategies, and initiatives.

This year, the Board added a policy discussion to its formal meeting agenda in the Spring; and it will provide policy advice to the Governor, as well as agency leadership that helps to remove barriers that impeded system performance, and advocate for policy changes when needed to achieve workforce system goals and drive high impact outcomes.

### **PROVIDE POLICY DIRECTION TO LOCAL WORKFORCE DEVELOPMENT BOARDS.**

The Board enacted a number of key policies to guide the operations of the One Stop System and Virginia's One Stop Career Centers, as directed by local workforce development boards.

As required by WIOA, the Governor, in consultation with the state board, reviewed requests and granted initial local area designation to fifteen local workforce areas.

The state board established criteria for local board composition and a process for the certification of local boards, ensuring representation from various system partners, including the private sector and economic development.

Also this year, the Board adopted Quality Standards for One Stop Career Centers to address program access, cost sharing requirements, service level standards, integrated service delivery, and performance reporting.

### **ASSIST THE GOVERNOR IN THE DEVELOPMENT, IMPLEMENTATION, AND MODIFICATION OF ANY COMBINED STATE PLAN TO REALIZE THE FULL POTENTIAL OF THE WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA).**

In February of 2015, a team of workforce system partners including staff leadership from the Governor's Office and Virginia Board of Workforce Development (VBWD), VCCS (Title I WIOA and community colleges) VEC (Wagner-Peyser, Veterans Services, Trade Adjustment Act, Reemployment Service and Eligibility Assessments), DARS (Vocational Rehabilitation), DSS (TANF and SNAP-ET), DOE (Adult Basic Education and Secondary Perkins), and DOLI (Registered Apprenticeship), kicked off a series of meetings to begin the process of creating a combined state plan. Together they have reviewed required and desired elements of that plan and are now actively engaged in the development of that plan, which will be delivered in 2016.

### **IDENTIFY CURRENT AND EMERGING STATEWIDE WORKFORCE NEEDS OF THE BUSINESS COMMUNITY.**

The Virginia Board of Workforce Development supported the launch of a statewide Employer Survey, designed to determine the short term workforce needs of business in the Commonwealth, as well as the skills and credentialing requirements.

The Board, in collaboration with the Governor's office, the Virginia Economic Development Partnership (VEDP), and the Virginia Community College System competed successfully for a grant for the US Chamber foundation. This grant supported a pilot project in Northern Virginia with a group of VEDP's clients who shared common workforce needs and expressed that a workforce shortage could hinder their growth plans in Virginia.

## **FORECAST AND IDENTIFY TRAINING REQUIREMENTS FOR THE NEW WORKFORCE.**

The Board endorsed a methodology for determining High Priority Growth Occupations based upon three criteria: projected job growth, the total number of annual openings statewide (growth and replacement), and average wages. The Board received the list, grouped by typical entry-level educational attainment requirements, which prioritized occupations using a composite score.

This effort was foundational in concept and is setting the stage for cross-agency, cross-program labor demand planning that will engage the private sector.

## **RECOMMEND STRATEGIES TO MATCH TRAINED WORKERS WITH AVAILABLE JOBS TO INCLUDE STRATEGIES FOR INCREASING BUSINESS ENGAGEMENT IN EDUCATION AND WORKFORCE DEVELOPMENT.**

The Board adopted a number of key policies designed to support and encourage employer engagement. These policies include an incumbent worker training policy that enables local workforce areas to reserve 20% of their dislocated worker funds to support worker upskilling, and expanding resources to support on the job training and registered apprenticeship.

The Board continues to advocate for a stronger business strategy for the delivery of workforce services and resources. In addition to the standing Business Services Policy, which calls for the development of business service plans at the regional level, the Board also reviewed the evaluation criteria it had established for determining performance.

The Budget Review process now includes a business service array data collection element that will help to more clearly define the menu of services available to businesses across the workforce system.

## **EVALUATE THE EXTENT TO WHICH VIRGINIA'S WORKFORCE PROGRAMS EMPHASIZE TRAINING ALIGNED WITH INDUSTRY NEEDS.**

The Governor's Credentials to Compete campaign completed its first review and data collection of credentials aligned with STEM-H occupations, as called for in Executive Order 23. That activity found a 9% increase statewide in credentials aligned with occupations in science and technology-intensive industries.

The Elevate Virginia website now features an interactive dashboard that shows the relationship between the jobs posted by employers on the Virginia Workforce Connection and the training program completers from our Title I workforce programs which serve Adults, Dislocated Workers, and Youth. That resource can be accessed at [www.elevatevirginia.org](http://www.elevatevirginia.org).

In 2016, the Board intends to advance the High Priority Demand Occupation List mentioned above to review more broadly the degree to which the publicly-funded workforce training and education system is delivering skilled workers to meet the needs of Virginia businesses.

## **DEVELOP PAY-FOR-PERFORMANCE CONTRACT INCENTIVES FOR RAPID REEMPLOYMENT SERVICES CONSISTENT WITH WIOA AS AN ALTERNATIVE MODEL TO TRADITIONAL PROGRAMS.**

The Board continues to look for ways to encourage and reward innovative approaches that return individuals to employment quickly and that help to meet the needs of Virginia businesses.

## **CONDUCT A REVIEW OF BUDGETS THAT IDENTIFY SOURCES AND EXPENDITURES OF ADMINISTRATIVE, WORKFORCE EDUCATION AND TRAINING, AND SUPPORT SERVICES FOR WORKFORCE PROGRAMS.**

In 2014, the Joint Legislative Audit and Review Commission prepared a comprehensive evaluation of the workforce system, which included a review of program budgets. The work of the 2015 Budget Review team is underway, with a report expected in January 2016.

## **REVIEW AND RECOMMEND INDUSTRY CREDENTIALS THAT ALIGN WITH HIGH DEMAND OCCUPATIONS.**

The Board received a review and evaluation of the impact of the 2013 board policy directive that required 25% of all Title I participants attain the Virginia Career Readiness Certificate. In 2016, we expect additional research, dialogue, and Board recommendations regarding the Virginia Career Readiness Certificate, an important credential for work readiness.

## **DEFINE THE BOARD'S ROLE IN CERTIFYING WIOA TRAINING PROVIDERS.**

The Board, working in close collaboration with a task force that included local workforce area leadership, developed a common, statewide application and eligibility criteria for the eligible training provider list. This eligibility criteria will apply statewide and supersedes any previously developed local provider lists. The policy allows for a wider variety of training providers and programs, including registered apprenticeship, that result in a workforce credential.

Further, this policy establishes performance standards for training providers in two key areas: completion rates and credential attainment. The policy establishes a framework to begin collecting data on post-completion outcomes such as employment and wages.

The policy calls for the development of a consumer dashboard that will support job seekers in their selection of programs and advise system leadership on programs with high impact outcomes. VCCS, in its role as the WIOA Title I Administrator will direct those efforts. The policy will take effect in July 2016.

## **NEXT STEPS**

The Virginia Board of Workforce Development will continue to advance these initiatives through the execution of its own strategic plan and its influence and oversight of the development and execution of the Combined State Plan for workforce development. The Board will make quality policy recommendations to the Governor based on sound data. The Board aspires to elevate the performance of the system to benefit both employers and job seekers in the Commonwealth and ensure efficient and effective use of resources to develop skills in Virginians that helps to advance the economic interests of the State and the businesses that operate in it.

## 2014-2015 BOARD MEMBERSHIP

**Sara J Dunnigan**

Executive Director  
Virginia Board of Workforce Development

**Danny Vargas, Chairman**

President  
Varcom Solutions

**Mark Herzog, Vice Chairman**

Vice President, Corporate Affairs  
Kaléo

**Jeanne S. Armentrout**

Executive Vice President  
Chief Administrative Officer  
Carilion Clinic

**William "Bill" Bell**

VP of Human Resources & Administration  
Newport News Shipbuilding

**The Honorable Kathy Byron**

Virginia House of Delegates  
22<sup>nd</sup> District

**Doris Crouse-Mays**

President  
Virginia State AFL-CIO

**Mark B. Dreyfus**

President  
ECPI University

**Barry DuVal**

President  
The Virginia Chamber of Commerce

**Leslie Frazier**

Policy Director  
Secretary of Veteran & Defense Affairs

**Secretary Anne Holton**

Secretary of Education

**The Honorable Mary Hynes**

Board Chair  
Arlington County Board

**Secretary Maurice Jones**

Secretary of Commerce and Trade

**The Honorable Daniel Marshall III**

Virginia House of Delegates, 14<sup>th</sup> District

**Nathaniel X. Marshall**

Human Resources Generalist  
The Babcock and Wilcox Company

**The Honorable John Miller**

Virginia Senate  
1<sup>st</sup> District

**Bruce Phipps**

President and CEO  
Goodwill Industries of the Valleys

**Carole Pratt**

Senior Advisor/Confidential Assistant  
Virginia Department of Health

**Edward "Ted" Raspiller**

President  
John Tyler Community College

**Toney Rigali**

President  
Virginia Building Trade Association

**Carrie Roth**

President and CEO  
Virginia Biotechnology Research Partnership Authority

**The Honorable Frank M. Ruff, Jr.**

Virginia Senate  
15<sup>th</sup> District

**Morton H. Savell**

President  
A-1 American Services

**Brett Vassey**

President & CEO  
Virginia Manufacturers Association

**Tom Walker**

President  
Web Teks

**Brian T. Warner**

Commonwealth Center for Advanced Manufacturing