

Virginia Ship Repair Association



150 Boush Street, Suite 802 Norfolk, VA 23510

Voice : 757.233.7034 Fax : 757.233.7035

September 1, 2016

The Honorable Terry McAuliffe
Office of the Governor
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, VA 23219

Members of the General Assembly of Virginia
General Assembly Building
201 North 9th Street
Richmond, VA 23219

RE: Chapter 732 Item 101, H.1. through H.4. (Regular Session, 2016) "Report on the success of the expansion of the Pre-Hire Immersion Training Program for ship repair skilled workers."

Dear Governor McAuliffe and Members of the General Assembly,

On behalf of the Virginia Ship Repair Association, I submit the following report regarding the status of the Pre-Hire Immersion Training Program, as required in Chapter 732 Item 101, H.1. through H.4. (Regular Session, 2016). This program is facilitated by Virginia's Community Colleges, in partnership with the Virginia Ship Repair Association.

Currently, the Virginia Ship Repair Association and VCCS, led by Tidewater Community College, lacking a contract vehicle on which to base the processing of the Pre-Hire Immersion Training Program, are undergoing negotiation of a Memorandum of Understanding to implement a proper structure for this program. In addition, the Ship Repair Industry, having faced a well-documented workload downturn in FY2016, has faced a lack of immediate need for the program. This has allowed all parties involved to continue planning, and construct foundational agreements that will support the program through its duration.

As of today, no funding from the State of Virginia has been spent on this program. A pilot course in Maritime Welding has been planned for later this year, at the end of October. Following this pilot, the program will be run in cycles of industry demand, as determined by Virginia Ship Repair Association Member Companies through an electronic demand-signal portal. Although no additional workers have been trained through this program since the initial test pilot-courses in 2014, the Association and its Members are now facing an increased demand for skilled workers in the applicable trades – Maritime Welding, Electrical, and Coatings – and remain confident that the Pre-Hire Immersion Training Program will fill these workforce needs.

I respectfully submit the attached documents, which outline the outcomes of the initial pilot courses in 2014, as well as the constructed foundational plan for moving forward to meet the goals of training and achieving entry-level employment for skilled workers, as well as ensuring the Pre-Hire Immersion Training Program remains self-funded through employer pay-back provisions.

Should you have any questions, or require any further information, please do not hesitate to contact me.

Sincerely,

Barbara A. Washer
Development and Events Strategist
Virginia Ship Repair Association (VSRA)

**VIRGINIA SHIP REPAIR PRE-HIRE MARINE SKILLS TRAINING PROGRAM
2 - 3 Year Annual Demand-Supply Plan***

The following chart lays out the current plan for delivering approximately 800 skilled technicians to meet the anticipated needs of VSRA Members:

CAREER FIELD	Hours/ Course	Estimated Demand	TOTAL Students	TCC	TNCC	PDCCC	TOTAL Classes
Marine Electrical	80	72	72	5	10	0	15 (8/class)
Marine Coatings	80	120	120	25	0	15	40 (8/class)
Marine Welding	120	120	120	20	20	0	40 (8/class)
SUBTOTAL NCRED		312	312	50	30	15	95

***Note:** This plan partially meets the hiring needs of VSRA's member organizations. Exact course offerings and specific training will be based on industry demand, as measured through a portal on VSRA's member website; this information is subject to change in accordance with industry demand.

COST MODEL – MARINE ELECTRICAL TRAINING

The following chart demonstrates the total cost per student for each Marine Electrical Training Course held via the Pre-Hire Immersion Training Program. This cost, along with administrative expenses, will be offset via the Employer Pay-Back Provision, agreed upon by VSRA's Member Companies using this training program.

MARINE ELECTRICAL TRAINING Cost Model		
	FIXED COSTS	
	# of students	8
	Contact hours (CH)	80
Instructor	Prep hours	
	Instructor rate CH	\$ 35
	Instructor Costs - CH	\$ 2,800
	Instructor Costs - prep	\$ -
	Instructor Training	\$ 400
	<i>Instructor Costs</i>	\$ 3,200
	plus FICA @ 7.65	\$ 245
	<i>Total Instructor Costs</i>	\$ 3,445
	Room Rental	\$ 750
	Total Fixed costs	\$ 4,195
	VARIABLE COSTS	
Variables	Student PPE/toolkits	\$ 25
	KeyTrain	\$ 49
	Electrical Materials	\$ 75
	Additional Materials books and toolkits	\$ 5
	<i>Sub-total individual costs</i>	\$ 154
	Total Variable Costs	\$ 1,232
	Total Fixed & Variable Costs	\$ 5,427
	REQUIRED COLLEGE OPERATIONS	
Indirect	Commonwealth of VA Operations 30%	\$ 1,628
	Dept Ops: Prog/Admin Support & Marketing 30%	\$ 1,628
	TOTAL Overhead + Markup Amount	\$ 3,256
	Final Course Total	\$ 8,683
		\$ (2,000)
	Less Student Tuition	\$ 6,683
	Avg. Cost/Student	\$ 835.36

Note: Totals provided are rounded to an approximate cost.

COST MODEL – MARINE COATINGS TRAINING

The following chart demonstrates the total cost per student for each Marine Coatings Training Course held via the Pre-Hire Immersion Training Program. This cost, along with administrative expenses, will be offset via the Employer Pay-Back Provision, agreed upon by VSRA’s Member Companies using this training program.

MARINE COATING TRAINING Cost Model		
	FIXED COSTS	NNS Coatings
	# of students	8
	Contact hours (CH)	80
1st Instructor	Prep hours	
	Instructor rate CH	\$ 35
	Instructor Costs - CH	\$ 2,800
	Instructor Costs - prep	\$ -
	Instructor Travel Costs	\$ -
	Instructor Training	\$ 400
		<i>Instructor Costs</i>
	plus FICA @ 7.65	\$ 245
	Total Instructor Costs	\$ 3,445
	CONEX Box/ Room Rental	\$ 750
	Equipment Maintenance	
	Total CONEX/Room Costs	\$ 750
	Total Fixed Costs	\$ 4,195
	VARIABLE COSTS	
Variables	Student Manuals	\$ 80
	KeyTrain	\$ 49
	Instructor Manual	\$ 20
	Consumables	\$ 744
	Total Variable Costs	\$ 893
	Total Fixed & Variable Costs	\$ 5,088
	REQUIRED COLLEGE OPERATIONS	
Indirect	Commonwealth of VA Operations 30%	\$ 1,526
	Dept Ops: Prog/Admin Support & Marketing 30%	\$ 1,526
	TOTAL Overhead + Markup Amount	\$ 3,053
	Final Course Total	\$ 8,140
		\$ (2,000)
	Less Student Tuition	\$ 6,140
	Avg. Cost/Student	\$ 767.56

Note: Totals provided are rounded to an approximate cost.

COST MODEL – MARINE WELDER TRAINING

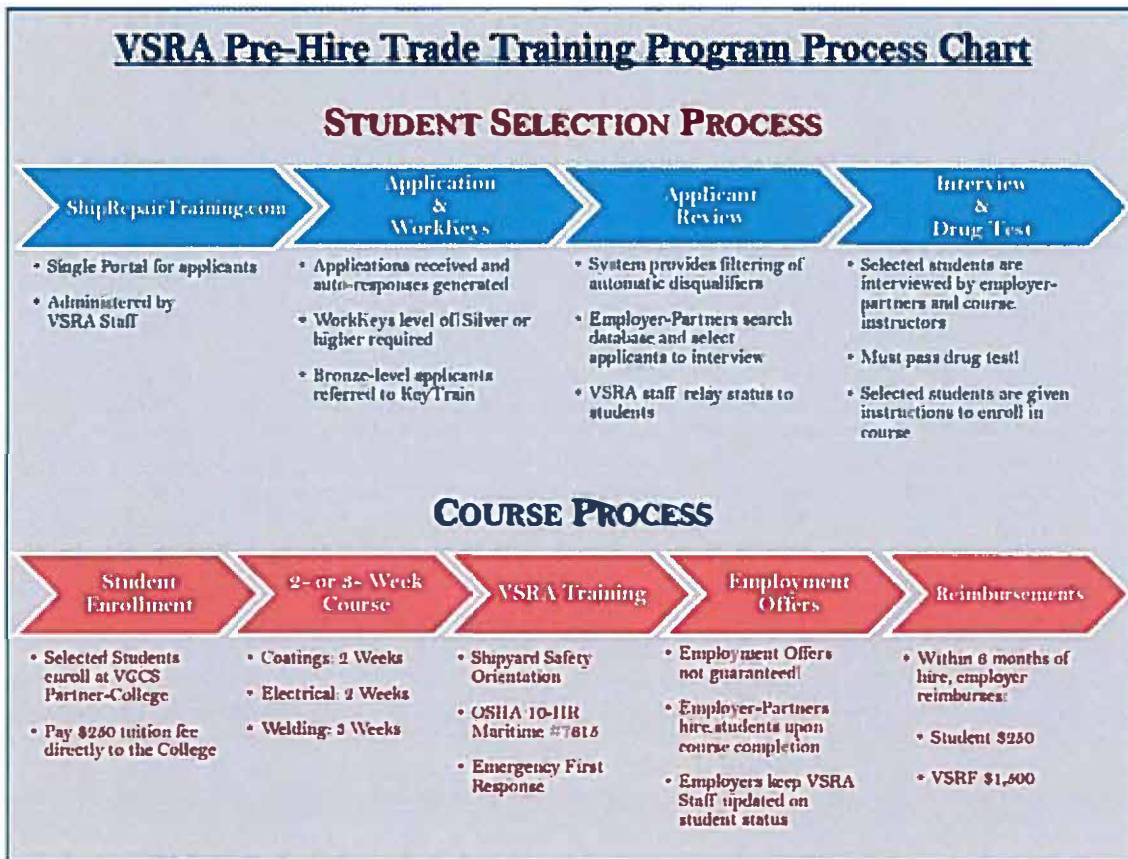
The following chart demonstrates the total cost per student for each Marine Welder Training Course held via the Pre-Hire Immersion Training Program. This cost, along with administrative expenses, will be offset via the Employer Pay-Back Provision, agreed upon by VSRA's Member Companies using this training program.

Marine Welder Cost Model		
	FIXED COSTS	
	# of students	8
	Contact hours (CH)	120
Instructor	Prep/Firewatch hours	15
	Instructor rate CH	\$ 35.00
	Prep/Firewatch Rate	\$ 20
	Instructor Costs - CH	\$ 4,200
	Instructor Costs-Prep/Firewatch	\$ 300
	Instructor Training	\$ 400
		<i>Instructor Costs</i>
	plus FICA @ .0765	\$ 375
	Total Instructor Costs	\$ 5,275
	Equipment Maintenance	
	Room Rental	
	Total Fixed Costs	\$ 5,275
	VARIABLE COSTS	
Variables	Student PPE and Basic Equipment	\$ 135
	KeyTrain	\$ 49
	Consumables	\$ 413
	<i>Sub-total individual costs</i>	\$ 597
	Total Variable Costs	\$ 4,777
	Total Fixed & Addt'l Variable Costs	\$ 10,052
	REQUIRED COLLEGE OPERATIONS	
IDC	Commonwealth of VA Operations 30%	\$ 3,015
	Dept Ops: Prog/Admin Support & Marketing 30%	\$ 3,015
	TOTAL Overhead + Markup Amount	\$ 5,026
	Final Course Total	\$ 15,077
		\$ (2,000)
	Less Student Tuition	\$ 13,077
	Avg. Cost/Student	\$ 1,634.68

Note: Totals provided are rounded to an approximate cost.

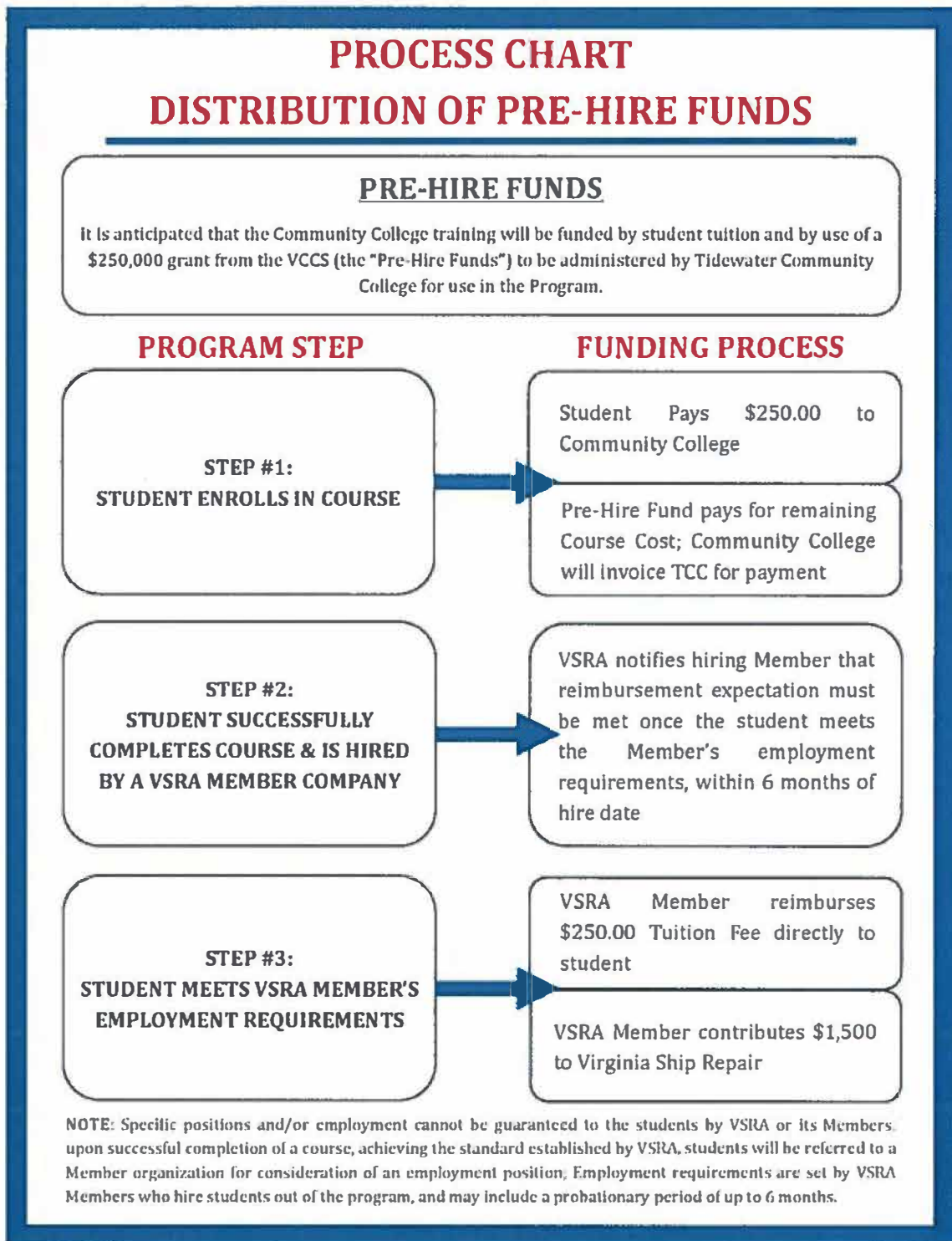
PROGRAM PROCESS CHART

The following chart demonstrates the agreed-upon Student Selection Process and Course Process for the Pre-Hire Immersion Training Program, as outlined in the newly-developed Memorandum of Understanding between the Virginia Ship Repair Association, Virginia's Community Colleges, Tidewater Community College, Thomas Nelson Community College, and Paul D. Camp Community College.



DISTRIBUTION OF FUNDS PROCESS CHART

The following chart demonstrates the agreed-upon process for Distribution of Pre-Hire Funds for the Pre-Hire Immersion Training Program, as outlined in the newly-developed Memorandum of Understanding between the Virginia Ship Repair Association, Virginia's Community Colleges, Tidewater Community College, Thomas Nelson Community College, and Paul D. Camp Community College.



PILOT PROGRAM RESULTS

In 2014, six classes were piloted through the Virginia Ship Repair Association, with the purpose of testing curriculum, determining demand, and identifying best-practices to sustain the program through the future to meet the needs of the Ship Repair Industry in Hampton Roads. Of those six courses, four were held in the trade of Marine Coatings, and two were held in the trade of Marine Electrical. The following chart details the results of those courses.

<i>2014 Pre-Hire Immersion Training Program Pilot Course Results</i>			
	Marine Coatings	Marine Electrical	Total
# Students Completing Course	19	12	31
# Students Hired from Course	15	5	20
# Students Still Working in Industry 180 Days after Hiring from Course	9	5	14

Since these pilot courses, several changes have been made to the program process to ensure that the best candidates are selected, the planning of courses is based on industry demand, and the curriculum provided will ensure the best entry-level skilled workers emerge from the program.