Commonwealth of Virginia
Workforce Investment Act Title I Programs Annual Report for July 1, 2009 – June 30, 2010

Introduction:

As with the rest of the nation, the recent difficult economic times have directly impacted and placed challenges on the Commonwealth's Workforce Investment Act programs; and the workforce development system as a whole, during program year 2009. Virginia's unemployment rate has reached levels not experienced in at least a decade, with the current rate over double what it was in 2007. The combination of regular formula Workforce Investment Act (WIA) funds and American Recovery and Reinvestment Act resources has allowed Virginia to serve more individuals who have lost their jobs, or are seeking to enter the job market. Despite the challenges presented in meeting the increased demand for "traditional" services, Virginia has also taken the opportunity to explore new strategies that might better serve our citizens in the long term. Among other items, this report highlights our performance results, offers some success stories about those that we served, and provides some examples of new strategies.

I. Summary overview of performance and spending results

A. WIA Formula Activities

In its service to nearly 20,000 WIA participants during PY2009, Virginia met or exceeded all negotiated performance levels for the adult and dislocated worker programs. Most notably, on average, 74.5% of our adult and dislocated workers were placed into employment; with 85% being retained in employment. Credential rates for these participants averaged at about 55%. While Youth program performance results fell short in some areas for the year, employment retention for older youth and high school diploma or equivalent rates for younger youth were both within negotiated levels. With respect to the lower-than-negotiated levels for entered employment for the older youth population, this is likely a result of more competition for limited job openings in the currently contracted economy; with the adult and dislocated worker population taking jobs that perhaps were more typically filled by younger populations in the past. With respect to the other three youth measures where performance fell below negotiated levels, a possible explanation could be related to the fact that there was an extensive focus driven from many levels on summer youth employment programs. As the system responded to that focus, with the required outcomes attached primarily to work readiness, it is possible that the re-focus to an activity that had not been conducted at any great level in 10 years inadvertently had unintended impacts on other desired outcomes. Virginia is already devoting targeted attention in the form of state-staff deployment to assist all local area youth providers in the design and

operation of youth programs in the coming year to lay the groundwork for improved youth performance outcomes.

The following table illustrates the distinct participant counts for PY2009; along with the per-participant cost breakdown of local WIA formula funds in servings those individuals. Of note, there was over a 30% increase in the number of WIA dislocated workers enrolled in PY2009 over PY2008; which can likely be attributed to the economic situation. The average cost of serving WIA participants among the three funding streams was $1,353. As would be expected, the youth program saw the highest participant costs due to the more extensive range and types of services provided to that population, followed by the adult program. The dislocated worker program exhibited the lowest per participant cost of WIA funds; likely due to the availability of other resources such as Trade, as well as the fact that dislocated workers may require fewer interventions to re-enter the job market as opposed to those that are entering the job market for the first time.

	PY09 Participants	Cost per Participant
Adults	4,472	$1,466
Dislocated Worker	10,346	$637
Youth	3,281	$1,957
Total	18,098	

B. Statewide Rapid Response

During PY 2009, the State Rapid Response Unit (RRU) received 50 notices in response to the Worker Adjustment and Retraining Notification (WARN) Act. Compared to the previous year, the number of WARN notices decreased by 65. The decrease in WARNs reflected an even greater decrease in the numbers of impacted workers, decreasing from 19,896 the previous program year to 7,520 for PY 2009.

	PY09	**PY08**	**PY07**
WARN Notices	**50**	**115**	**68**
# of Workers affected	**7,520**	**19,896**	**9,842**
Average # of workers per event	**150**	**173**	**145**

Further, the data indicates a wide range in the size of impacted companies, ranging from only 1 worker to 1,128 in one case. Of the 50 companies submitting a WARN, two (4%) had more than 500 workers impacted by the event, accounting for 1,653 of the State's 7,520 impacted workers. Five companies, or 10%, had 50 or fewer workers impacted by an event.

Rapid Response staff contacted company officials within 48 hours of receipt of a WARN, followed by employer briefings held with management and planned employee briefings desired by the employer. Most briefings were held before the workers left their respective companies. Employee briefings, led by one of four Regional State Rapid Response Coordinators, were provided by a team of local workforce development partners who provided direct services. For program year 2009, data indicates that 45 of the 50 employers filing a WARN received management briefs; and 6,728 of the 7,520 employees were provided a briefing of available workforce services. Additionally, the Rapid Response Coordinators were instrumental in planning and resourcing four Job Fairs and eight onsite employer resource centers.

II. Success Stories – Adding Faces to the Numbers

Often, these types of annual report documents are dominated by raw numbers, and some discussion of what those numbers might mean. We are taking the opportunity in this year's report to provide some insights into how WIA impacts individuals to give the report a more personal view.

A career ladder in action

Customer H is one of the newest employees in the fast-growing health care field, thanks to the assistance of WIA assistance in Tazewell. With the increasing threat of a shortage of health care workers, she decided it was time to further her education and upgrade her skills from Licensed Practical Nurse to Registered Nurse. A single mother who worked full-time, she had been attending classes at Southwest Virginia Community College to complete the general education requirements for the RN program. Although she was elated when she received a letter formally accepting her into the nursing program, she knew tuition would put further strain on her limited budget. "I knew if I could get some assistance with the cost, I could put the time and effort needed into the program to succeed," she says. "I appreciate all the help I received from the WIA to help me gain the education I needed to obtain employment, become financially stable and provide for my family. Not only did they provide the financial assistance I needed, but I had a strong support system and encouragement along the way. "

Last year a summer youth participant; this year a full time employee

As a participant in the WIA In-School Youth Program, Customer G found a career. A graduate of Central Lunenburg High School, he had taken dual-enrollment classes in the automotive field at Southside Virginia Community College. During the summer of 2009, he found employment through the WIA American Recovery and Reinvestment Act Youth Summer Work Experience Program with the Town of Chase City. After the summer program, he was hired on a part-time basis working at the town's wastewater treatment plant. When a full-time opening for the position became available, he was hired. He now enjoys full-time pay, paid benefits and potential for a lifelong career. The town is currently paying for him to

attend additional classes to become certified in wastewater treatment, which will mean a small promotion.

Efforts to move the homeless to employment pay off

In Arlington County, the Culinary Skills Training Program was a 10-week pilot initiative designed to teach homeless individuals, or those at risk of becoming homeless, the skills necessary to begin careers in the culinary arts. Multiple funding streams were leveraged, including WIA. After a rigorous screening and assessment process, 18 people applied for the program and 11 were accepted. DC Central Kitchen, which has been providing culinary training to homeless people for the past 20 years, taught the students proper cooking techniques. New Hope Housing conducted workshops in life skills and money management. Nine of the 11 program participants have been placed into employment, with the remaining two continuing to work with staff from the employment center. Just as importantly, five of the clients have found permanent housing.

SNAP Network opens new doors

SNAPs are community gathering places such as churches, libraries and community organizations that are intended to provide additional entry points for individuals into the one stop delivery system who might not otherwise encounter its services. Virginia has established a network of approximately 100 such sites, and stories such as the following are not uncommon:

"By communicating with Customer D several times via phone and e-mails, I was able to assist him in developing a resume that reflected his training and job experiences as a civilian and during the time he served in the military. He had an associate's degree in the culinary arts and lots of experience in the culinary field which made him highly marketable. He just needed a resume and needed to learn interview techniques so he could present himself in a manner that reflected his qualifications. After being armed with an updated, professional resume and some leads on employment in his home area, he met with a job specialist at a One-Stop center near his home. He followed up on an ad for assistant manager of a fast food restaurant and was hired."

One Stop Center "adds value" to local employer hiring

Canon Virginia (CVI), a major private-sector employer in the Peninsula region of the state, recently announced expansion efforts. Thomas Nelson Community College, the Virginia Employment Commission and the Peninsula Worklink One-Stop Career Center partnered to recruit and screen more than 1,880 potential candidates, and to pare that list down to less than 600 people who met application requirements. CVI only reviewed these applications and eventually hired 181 new employees. The 'application to hire' ratio for this business customer was a little more than 3:1, providing considerable savings for the company when compared to the 'initial inquiry to hire' ratio of almost 10:1.

III. Innovative Service Delivery Strategies

This portion of the report focuses on efforts undertaken with WIA statewide funds, and other sources, to develop and drive new strategies in support of continued improvement of the workforce system.

a. Career Pathways Focus

With responsibility for the administration of WIA at the state level now assigned to the Virginia Community College System (VCCS), there are greater opportunities to more fully integrate the enhancement of skills and education into the WIA programs and one stop system created by the WIA. The VCCS and the Virginia Workforce Council (the state workforce investment board) are leaders in the development of career pathways in the Commonwealth. As defined in the state's first strategic plan for a career pathways system (at this link: Bridging Business and Education for the 21st Century Workforce), career pathways are connected education and training programs and support services that enable individuals to secure employment with a specific occupational sector and to advance over time to successively higher levels of education or employment in that sector. The importance of education is clearly documented as critical to success in the future economy and especially during this expected period of "jobless" recovery that our nation is experiencing. As the economy improves, if we can emerge with a better educated and skilled workforce, we will have done our job as a workforce system in connecting a supply of ready workers to what businesses demand. Some examples that either started in, or were supported by WIA funds during PY09 include:

i. On Ramp

In an effort to imbed career coaching and career pathways strategies into serving individuals; while also introducing and connecting post secondary college students to the public one stop service system, Virginia used statewide and rapid response funds to establish a pilot program called "On Ramp". The program features two components: (1) The creation a of career pathway advisor function for staff to provide education and career advising that places individuals on a pathway to success; and (2) Financial assistance for unemployed or underemployed students that afford the participants the ability to gain industry recognized and transferrable credentials. These funds can be used for tuition, fees, books, and supplies. Funding was made available for a year starting in March of 2010. Performance outcomes will be tracked in the following categories: number of students engaged in career advising and plan development activities supported by this program, number of students receiving financial aid under this program, course completion (credit or occupational non-credit) of students receiving financial aid under this program, and award or credential

attainment of students receiving financial aid under this program.

ii. Career Coaches

Career Coaches are based in local high schools to help high school students define their career aspirations and to recognize community college and other postsecondary programs, including apprenticeships and workforce training, that can help students achieve their educational and financial goals. Some selected outcomes include: 49% change in students without plans to continue to postsecondary education prior to meeting with the coach to having plans to continue to postsecondary education after meeting with a coach; 5% increase over three years in the number of recent graduates from high schools with a career coach that enroll in community college, as compared to enrollments before the high school had a career coach; 4% increase over three years in the number of recent graduates from high schools with a career coach that enroll in Career and Technical Education (CTE) programs at the community college, as compared to CTE enrollments before the high school had a career coach and 4% increase over three years in the number of Dual Enrollment students from high schools with a career coach, when compared to high schools without a coach.

iii. Middle College

Middle College allows individuals without a high school degree to increase their income and employability by simultaneously pursuing a GED, community college education, and a workforce certification in a college environment. The program offers targeted remedial courses, access to workforce readiness courses, enrollment in community college courses applicable to a degree or industry-based certificate, and comprehensive support services. Currently, eight programs exist and have demonstrated that the program works. Over 70% of active students have received a GED; over 50% of GED completers are enrolled in a post-secondary education program; and nearly 60% of the GED completers earned a Career Readiness Certificate.

b. Common Intake Form

The Virginia Community College System, as WIA administrator, partnered during PY09 with the Virginia Employment Commission and the Department of Rehabilitative Services, two of our major state workforce partners, to make available in certain one stop centers a web-based resource aimed at easing the customer experience. Rather than require a customer to fill out multiple intake forms repeating the same basic information for each one stop program, this computer-based form stores all of the customer's basic information in a secure database and allows all partner program staff in a center to access, view, and update information as needed in a way that is unobtrusive to the customer. The use of this electronic form also allows the various partners within a one stop center to track the progress of customers thorough the center, and allows various reports to be generated such as customer wait times, the types of services received, the partners providing the services

and referrals between the partners. It is expected that such reports will provide good baseline information that has been difficult to obtain before and will also assist in the cost allocation process.

c. Enhanced One Stop Center Locations

During late 2009 and early 2010; new comprehensive one stop centers opened in Roanoke, Prince William County, South Boston, Danville and Martinsville. These facilities join one in Charlottesville (which opened in 2007) to provide an integrated one stop service delivery environment that extends beyond what is laid out in the language of the WIA. These "model" centers include a physical presence of multiple partners; a design and service flow that is function-based as opposed to organized by the agency that provides the service; and cost sharing occurs on a cash basis and not solely "in kind". As these targeted "models" move from "opening" to "operational", they can be evaluated to determine if there are learning models that can be used towards deployment of such centers in additional workforce areas, or if there may be other methods to consider in achieving the desired outcomes of more access to more services in an efficient and effective manner.

IV. **Waivers**

Virginia had six active WIA waiver approvals during PY09; two of which were new to the Commonwealth.

<u>The two new waivers allow Virginia to:</u>

- Report against the six common measure as opposed to the 17 separate program measures established in law.

  Virginia elected not to implement this waiver during PY09. We did provide technical assistance and training to the 15 local areas on common measure during the year, and the measures will be in place for PY10.

- Delay the requirement for local areas to follow the subsequent certification elements for eligible trainer providers after they have been initially certified.

  The waiver approval was not granted until November of 2009, nearly five months into the program year. Once approval was obtained, the Commonwealth enlisted the involvement of a voluntary working group of local Workforce Investment Board directors to develop a revised state eligible training provider policy which is now posted at this link:
  *http://www.vccs.edu/Portals/0/ContentAreas/Workforce/policy00_7_final%20posting_*

062910.pdf. While this policy development approach involved more time, using this inclusive process allowed for greater local input into the development of state policy. The policy was posted in June of 2010, so local areas will begin new procedures during PY10. It enables the local areas to determine what measures of success it will require to be documented from eligible training providers after their initial certification period in order to remain on the state eligible training provider list. We should be able to report on the effectiveness of this waiver after the new policy has been use.

<u>The four previously approved waivers are:</u>

- The ability for older and out-of-school youth to utilize Individual Training Accounts.

  The Department of Labor now recognizes that this waiver has become a "standard operating procedure". It also aligns with Virginia's focus on maximizing opportunities for increased educational and skills levels. The state guidance to local areas in implementing this waiver is posted at this link:
  http://www.vccs.edu/Portals/0/ContentAreas/Workforce/VWN/VWL0508_modnov2009.pdf
  During PY09, 179 older and out-of-school youth received training services via an individual training account. Only one of the 15 local workforce areas did not take advantage of this flexibility, and one local area accounted for 31% of such services to this population.

  - An increase in the amount that local areas can transfer between adult and dislocated worker funds up to 50%.

    State policy was issued outlining the requirements that must be met when making a transfer request to the state, along with the procedures to be followed. https://www.vccs.edu/Portals/0/ContentAreas/Workforce/VWN/VWL0204_modfeb2010.pdf. During PY09, only one local area submitted a transfer request that required use of this waiver. The Hampton Roads region transferred $608,481 from the dislocated worker to adult funding stream during PY09. (Five other areas transferred funds within the allowable 30% range. Three of those transfers were from the dislocated worker to adult funding stream).

- The ability for local areas to use up to 20% of their dislocated worker funds to provide incumbent worker training as part of a layoff aversion strategy.

  The Commonwealth has observed that few local areas seemed to be taking advantage of the flexibility afforded through this waiver that was originally made available in 2005. As envisioned, there was an expectation that this waiver would provide local WIBs the

ability to expand their portfolio of services to offer something that might engage and interest the business community. While there are likely many factors preventing local areas from using this waiver to any great extent, local leadership may be determining that in the face of the current economic situation and the increased demands on WIA funds, the more "traditional" service strategies and customer populations may be taking precedent. Five years after the original waiver approval, only 6 out of 15 local areas have implemented a local incumbent worker training activity; while five other areas have indicated they plan to offer the activity in PY10.

- The ability for the state to use up to 20% of Rapid Response funds for other allowable statewide activities.
  This waiver was not utilized by the Commonwealth during the program year.

V. Evaluations

a. Background Discussion

Evaluation of the workforce development system as a whole, above and beyond the WIA program, has emerged as an important effort to be regularly undertaken in Virginia. WIA is but a component of a dynamic system with multiple programs that are brought together and leveraged within the one stop delivery system. Evaluating WIA along with these partners is likely to provide a more beneficial evaluation, as opposed to evaluation of WIA alone. State legislation enacted in 2006 called for the annual evaluation of the performance of all workforce development and training programs and activities administered by the Commonwealth, as well as their administrators and providers. The Upjohn Institute was contracted to conduct the first such evaluation in 2008. Due to cost constraints, only the nine largest programs, including WIA, were included in the scope of the contract. Upjohn based their evaluations on six common performance indicators adopted by the Virginia Workforce Council to apply to all workforce programs. These include: short-term employment rate; long-term employment rate; short-term earnings level; long-term earnings level; credential completion rate; and repeat employer customers. Administrative records were used, and matched against Unemployment Insurance information to provide comparative information on the impacts of services among the programs. In terms of employment, there was positive net impact for WIA adults, but not for youth. On the earnings side, WIA adult and youth programs both yielded positive impacts for the period studied. (The full report can be found at: http://www.upjohninst.org/publications/tr/tr08-024.pdf) In their conclusions, Upjohn also indicated that some data accessibility issues should be addressed to enhance abilities for more comprehensive workforce system evaluations.

b. New data legislation and grants

In part to address the one of the Upjohn recommendations discussed above, addition evaluation legislation was adopted in the 2010 General Assembly to specifically allow the agencies that administer workforce programs to share data from within their respective databases to (i) provide the workforce program evaluation and policy analysis required by state code and (ii)

conduct education program evaluations that require employment outcomes data to meet state and federal reporting requirements. The absence of this language prevented some agencies from believing that they were able to exchange data for such purposes in the past. This legislation provides the legal basis for doing so, and addresses security issues by requiring that all such data be encrypted so that personal identifier information is removed.

In addition to this legislative clarification to aid in evaluation of workforce programs, Virginia was recently the recipient of a $17 million grant from the US Department of Education to expand an existing longitudinal data system, with the end result of linking all levels of the secondary educational system to postsecondary education and beyond that, to workforce programs. It will be possible to anonymously link individual-level records from multiple sources throughout the K-20 and workforce systems, providing a powerful base to enhance evaluative efforts. The VCCS is among the leaders in this grant process and has multiple interests in participating with the implementation, including its role as state WIA administrator. The grant will also allow for the development of a web-based portal to provide access to education and workforce data by policymakers, educators, the public, program directors, researchers and the like. This will further enhance evaluation of WIA and other education and workforce partners with different levels of access for publicly-available data and reports, as well as access to non-public data for authorized users.

c. Creation of a State-level Workforce Research and Evaluation Unit within the VCCS (WIA Administrative Organization).

During the course of PY09, the VCCS completed an organizational restructuring to include a new functional unit charged with Workforce Research and Evaluation. This will allow for WIA to be incorporated into the more regular evaluation process that the VCCS had conducted on its existing programs and services prior to assuming responsibility for administering the WIA. This will greatly impact the ability for Virginia to provide WIA-specific evaluations and resulting strategies that promote, establish and implement methods for continuous improvement in efficiency and effectiveness.

VI. Required Tables A – N (Attached)