



VIRGINIA HOUSE
APPROPRIATIONS
COMMITTEE

CHAIRMAN BARRY D. KNIGHT

November 14, 2023

VIRGINIA'S WORKFORCE INVESTMENTS

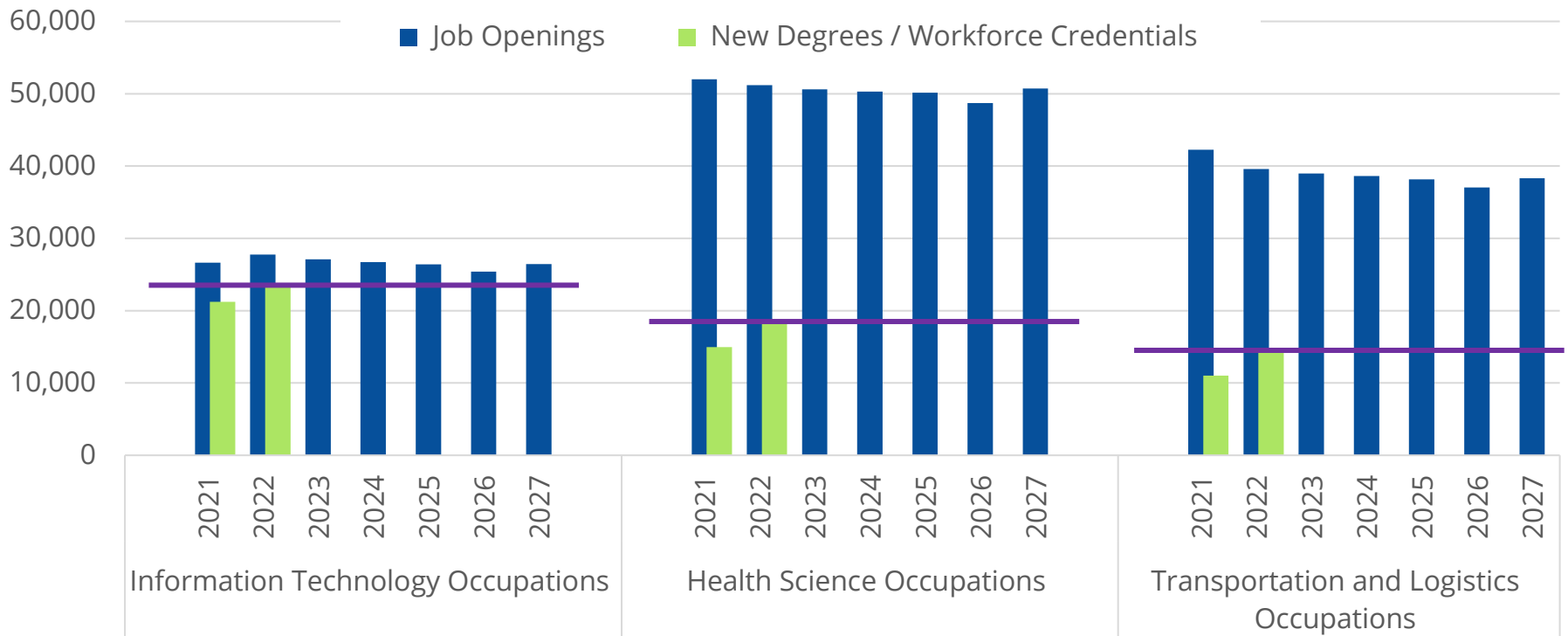
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House Appropriations Committee Staff

WHY WORKFORCE?

- Talent has become one of the most important factors for business expansion and relocation decisions
- Virginia's unemployment rate has returned to historically low levels creating a tight labor market, where there just aren't enough people to fill available jobs
- Critical Virginia industries continue to experience chronic shortages of workers for open jobs (health care, manufacturing, trades, etc.)
- Better alignment of workforce development services and education programs to available jobs leads to better outcomes for students, clients, state revenues, and the overall economy

AN UNDERSUPPLY OF TALENT

Projected New and Replacement Jobs Over 5 Years Compared to Degrees and Industry Certifications Produced



Source: Virginia Office of Education Economics.

Note: 2022 "New Degrees / Workforce Credentials" includes industry certification data from the Workforce Credential Grant / Fast Forward program.



VIRGINIA'S CURRENT STATE OF WORKFORCE INVESTMENTS

§2.2-2036, CODE OF VIRGINIA DEFINES VIRGINIA'S WORKFORCE SYSTEM

WORKFORCE DEVELOPMENT PROGRAM

- **Publicly funded** education, training, and support services program
- Designed and administered to prepare and enable participants to **enter and advance in careers**
- **May** lead to a **credential**, but not a requirement

WORKFORCE EDUCATION AND TRAINING PROGRAM

- Offered by an education provider with the goal of providing an individual with a **credential that leads to employment**

WORKFORCE SERVICES PROGRAM

- Focused on providing, coordinating, and supporting services to **assist individuals in attaining employment**

WHAT IS A CREDENTIAL?

Licenses	Academic Certificates	Registered Apprenticeship	Industry Certifications	2-Year Degrees	4-Year Degrees and beyond
DEFINITION					
Earned by completing pre-determined requirements set by a regulatory board	Awarded by completing requirements set forth by an education institution (credit hours)	Awarded by completing a program of study and on-the-job training developed by a business and approved by DWDA	Earned by completing and demonstrating knowledge on a test created by a third party	Awarded by completing requirements set forth by an education institution (credit hours)	Awarded by completing requirements set forth by an education institution (credit hours)
PREREQUISITE					
Varies, some require a degree or work experience	High school diploma or equivalent	High school diploma or equivalent	Varies, some require a degree or work experience	High school degree or equivalent or be dually enrolled	High school diploma or equivalent
REGULATION					
State regulated	State / Accreditor	Quasi-state regulated	Limited regulation	State / Accreditor	State / Accreditor
EXAMPLES					
Heating, Ventilation, and Air Conditioning Tradesmen Electricians Land Surveyors Pharmacy Technicians Registered Nurses	Accounting Health Sciences Electricity Welding Administrative Support Technology Computer Aided Drafting	Logistician Computer Programmer Land Surveyor Electrical Drafters Mechanical Engineering Technician	Adobe Certified Associate - Dreamweaver CS6 Certified Medical Assistant, American Association of Medical Assistants Certified	Associate of Arts in Psychology Associate of Applied Science in Nursing Associate of Science in Business Administration	Bachelor of Fine Arts in History Bachelor of Science in Chemistry Bachelor of Science in Computer Science



VIRGINIA'S WORKFORCE SYSTEM

- Virginia's Workforce System is complex with a variety of programs designed:
 - To provide services for individuals entering into the labor force
 - To train individuals for careers
 - To inform public policy makers, program administrators, and others of opportunities to connect program investments to labor market needs

6 Secretariats

15 State Agencies

9 Federal Agencies

51 Workforce Investments*

Notes (*): Number sums the total number of workforce investments in the state budget for FY 2023. It also combines several line items for state agencies into similar investment types within agencies.

VIRGINIA'S WORKFORCE SYSTEM

Secretariat	Agency	Program
Commerce and Trade	DHCD	GO Virginia (workforce training only)
	VEDP	Virginia Jobs Investment Program, Talent Accelerator Program, Advanced Manufacturing Talent Investment Program*, Tech Talent Investment Program, Virginia Office of Education Economics
	VIPA	Commonwealth Cyber Initiative (workforce training only)
Education	DOE	Secondary Career and Technical Education (Perkins V) and Equipment, CTE Capacity, Industry Certifications, Exams, and Licensure Tests, Targeted Workforce Investments, Innovation for Skilled Trades, Adult Education and Literacy (WIOA Title II), Race to the GED/Plugged In Virginia
	SCHEV	Workforce Credential Grant, Innovative Internship Program, Mental Health Workforce Pilot
	VCCS	Postsecondary Career and Technical Education (Perkins V), G3 Program and G3 Innovation Grants, Targeted Noncredit Workforce Training, General Support for Noncredit Workforce Training, Fast Forward, General Workforce Funding*
Labor	DWDA	Wagner-Peyser (WIOA Title III), Wagner-Peyser Workforce Information, Trade Adjustment Assistance Act, Jobs for Veterans State Grants, Reemployment Services and Eligibility Assessment Program, Registered Apprenticeship Program, Work Opportunity Tax Credit, WIOA Title I Programs (Adults, Dislocated Workers, Youth), Foreign Labor Certification, Network to Work, Hampton Roads Strong*

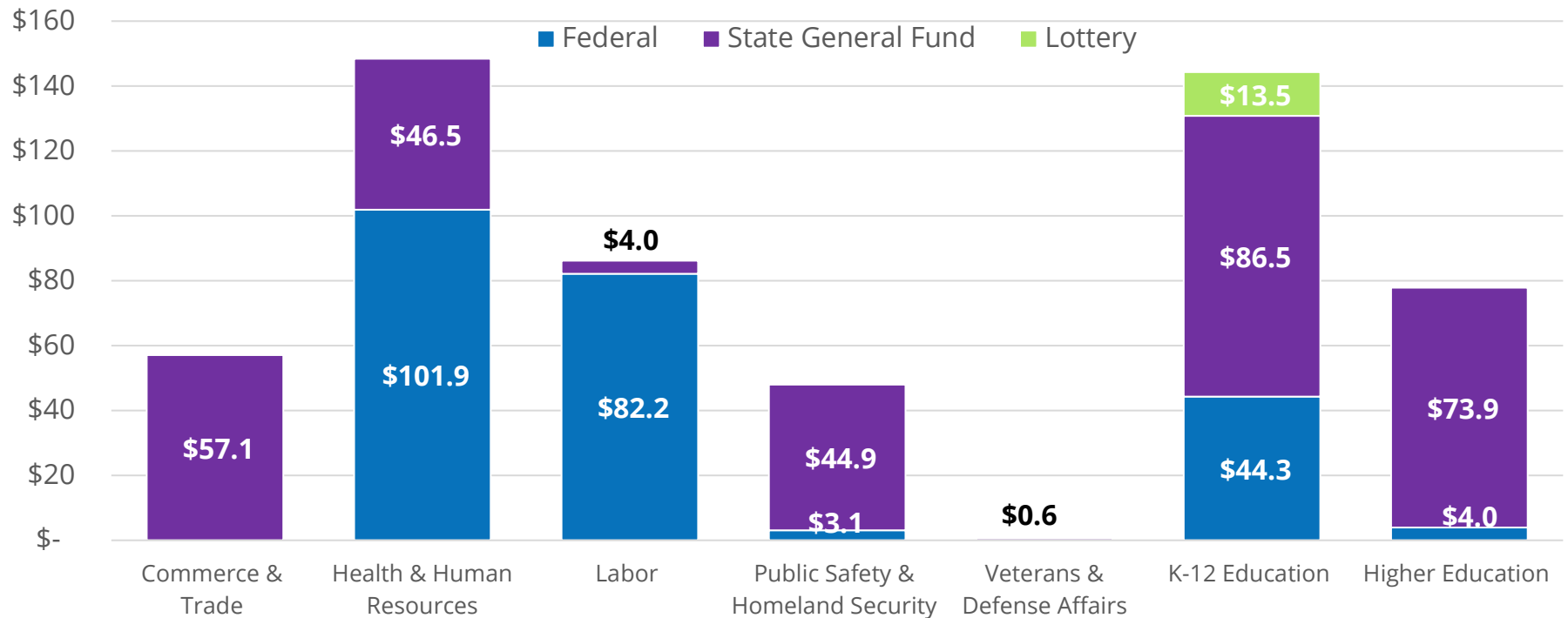
VIRGINIA'S WORKFORCE SYSTEM CONTINUED

Secretariat	Agency	Program
Health and Human Resources	DARS	Vocational Rehabilitation (WIOA Title IV), Extended Employment Services, Long-term Employment Support Services, Community Service Employment Program
	DBVI	Vocational Rehabilitation (WIOA Title IV)
	DMAS	Psychiatric Residency Slots
	DSS	TANF Employment and Training, SNAP Employment and Training, Virginia Refugee Resettlement Program
	VDH	Virginia Behavioral Health Repayment Program, Virginia Nursing Preceptor Incentive Program, Nursing Scholarship and Loan Repayment Programs, Virginia State Loan Repayment Program, Earn to Learn*
Public Safety and Homeland Security	DJJ	Career and Technical Education
	DOC	Career and Technical Education
Veterans and Defense Affairs	DVS	Military Education and Workforce Initiative, Military Medics and Corpsmen Program, Virginia Values Veterans (V3)

Notes: Programs with a (*) are new programs in FY 2024. Excludes direct investments in 4-year colleges, Richard Bland College, and higher education centers.

\$562 MILLION IN WORKFORCE INVESTMENTS

FY 2023 State Workforce Budget Allocations by Secretariat and Fund Source (\$ in millions)



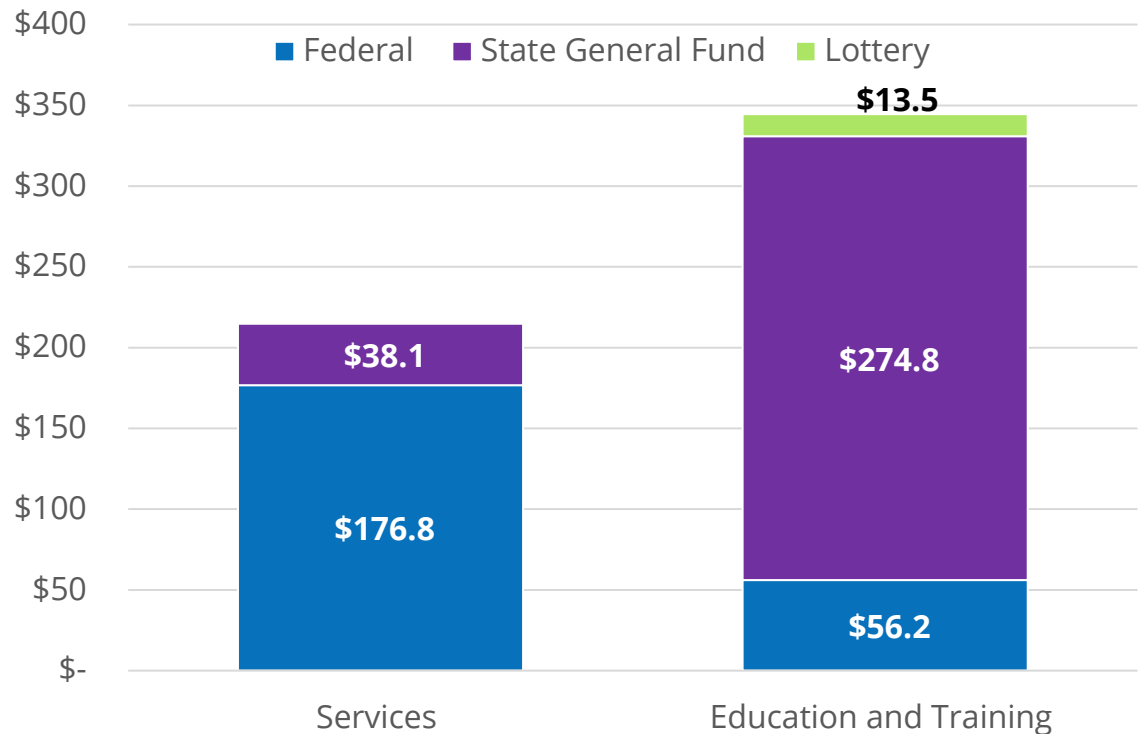
Notes: Program funding data comes from Federal Fiscal Year 2023, Federal Program Year 2022, or State Fiscal Year 2023 where possible. Higher Education shows investments in specific workforce programs at SCHEV and VCCS. It excludes investments at 4-year colleges, Richard Bland College, and higher education centers for workforce development.

VIRGINIA'S WORKFORCE INVESTMENTS: SERVICES V. TRAINING

Over 82% of the service-oriented workforce development programs are supported by federal funding streams with programs in the Health and Human Resources and Labor Secretariats dominating this category

80% of investments in workforce and education training programs are supported by state general funds, primarily in the Education Secretariat

FY 2023 Workforce Budget Allocations by Program Type and Fund Source (\$ in millions)



Notes: Excludes data-related investments, totaling \$2.9 million.

10 OUTLAYS ACCOUNT FOR **73%** OF STATE GF INVESTMENTS IN WORKFORCE TRAINING (FY 2023)

Secondary Career and Technical Education

\$111.3M | \$71.3M (GF) | \$40.0 M (NGF)

- Skills based career preparation programs in Virginia's secondary schools
- Funded through federal Perkins funds, state SOQ resources, and local money

G3 and G3 Innovation Funds (credit)

\$42.5M | \$42.5M (GF) | \$0.0 M (NGF)

- Last dollar financial aid at Virginia's Community Colleges for high demand programs
- Local implementation

Workforce Credential Grant / Fast Forward (noncredit)

\$13.5M | \$13.5 M (GF) | \$0.0 M (NGF)

- Pay for performance model for industry certifications
- State covers 2/3 of the cost once student passes the certification exam
- Student covers 1/3 of the cost

Targeted Noncredit Workforce Programs

\$7.5 M | \$7.5M (GF) | \$0.0 (NGF)

- Support for specific workforce training efforts at Virginia Community Colleges at the direction of current and prior budgets

Noncredit Workforce Training

\$4.9M | \$4.9M (GF) | \$0.0 M (NGF)

- Workforce funding distributed to community colleges based on 3-year enrollment
- General Assembly policy sets expectation of 30% GF support for workforce programs (1994)

Note: Chart color reflects program agency owner. Key on Slide 19.

10 OUTLAYS ACCOUNT FOR **73%** OF STATE GF INVESTMENTS IN WORKFORCE TRAINING (FY 2023)

Talent Accelerator Program

\$9.0M | \$9.0M (GF) | \$0.0 M (NGF)

- Custom training program for business expansion and recruitment projects
- Must meet job and capital investment thresholds for program services

Tech Talent Investment Program

\$31.8M | \$31.8M (GF) | \$0.0 M (NGF)

- Performance funding designed to increase the number of computer science degrees produced by higher education institutions by 25,000 over 25 years

Virginia Jobs Investment Program

\$4.7M | \$4.7M (GF) | \$0.0 M (NGF)

- Grant for employers to manage workforce training needs for new business expansion and recruitment projects
- Must meet job, wage, and capital investment thresholds

Innovative Internship Program

\$5.0M | \$5.0 (GF) | \$0.0 M (NGF)

- Competitive grant programs for 4-year colleges to expand internships for students, redesign federal work study, and provide resources for employers

GO Virginia Workforce Related Investments

\$9.7M | \$9.7M (GF) | \$0.0 M (NGF)

- Grants for regional programs aligned to regional demand
- Vetted and approved through a multi-step process
- Requires the development of performance metrics

Note: Chart color reflects program agency owner. Key on Slide 19.

HOW ARE THESE STATE GF INVESTMENTS ALIGNED TO LABOR MARKET NEEDS?

Secondary Career and Technical Education

- Career Clusters: 16 federally designated occupational groupings and 1 state designated cluster
- Includes areas such as agriculture, food and natural resources, business management and administration, health science, information technology, transportation distribution and logistics

Tech Talent Investment Program

- Focused on degree programs to support one industry
- Includes programs such as computer science, computer engineering, computer software engineering, and computer and information sciences

GO Virginia Workforce Investments

- Focused on industries identified by regions with the potential to drive economic growth
- Includes industries such as manufacturing, life sciences, information technology, cyber security, and transportation

Workforce Credential Grant Program / Fast Forward

- Focused on occupations with positive projected job growth (5 years), wages at least 200% of the federal poverty level, and at least a high school degree
- Includes occupations such as health care, computer and mathematical, transportation and material moving

G3

- Targets degree programs that are aligned to in-demand occupations on an annual basis by the Virginia Office of Education Economics
- Includes programs such as computer information and sciences, health professions, and construction trades

Note: Chart color reflects program agency owner. Key on Slide 19.

INVESTMENTS ALIGNED TO LABOR NEED CAN BE UNCLEAR DUE TO DIFFERENT PROGRAM LANGUAGES

Workforce Credential Grants / Fast Forward Occupations:

- Production
- Installation, Maintenance, and Repair
- Healthcare Practitioners
- Architecture and Engineering
- Construction and Extraction
- Computer and Mathematical
- Educational Instruction and Library
- Office and Administrative Support
- Healthcare Support
- Business and Financial Operations
- Life, Physical, and Social Sciences
- Transportation and Material Moving

GO VIRGINIA INDUSTRY SECTORS:

- All Types of Manufacturing
- Energy, Minerals, High Value Natural Resource Products
- Information, Emerging Technologies, Data Centers
- Life Science and Health Care
- Business, Professional, and Financial Services
- Transportation and Logistics
- Cybersecurity, Data Analytics, Modeling and Simulation
- Unmanned Systems and Aerospace
- Water Technologies
- Aquaculture, Seafood, Commercial Fishing
- Consulting Services
- Computer and Engineering Services
- Research Services

G3 Instructional Programs:

- Business, Management, Marketing
- Computer and Information Sciences and Support Services
- Construction Trades
- Education
- Engineering/Engineering Related Technologies/Technician
- Family and Consumer Sciences/Human Sciences
- Health Professions and Related Programs
- Homeland Security, Law Enforcement, Firefighting and Protective Services
- Mechanic and Repair Tech.
- Precision Production
- Science Technologies/Tech.
- Multi-disciplinary studies

BETTER DATA TO DRIVE DECISION MAKING

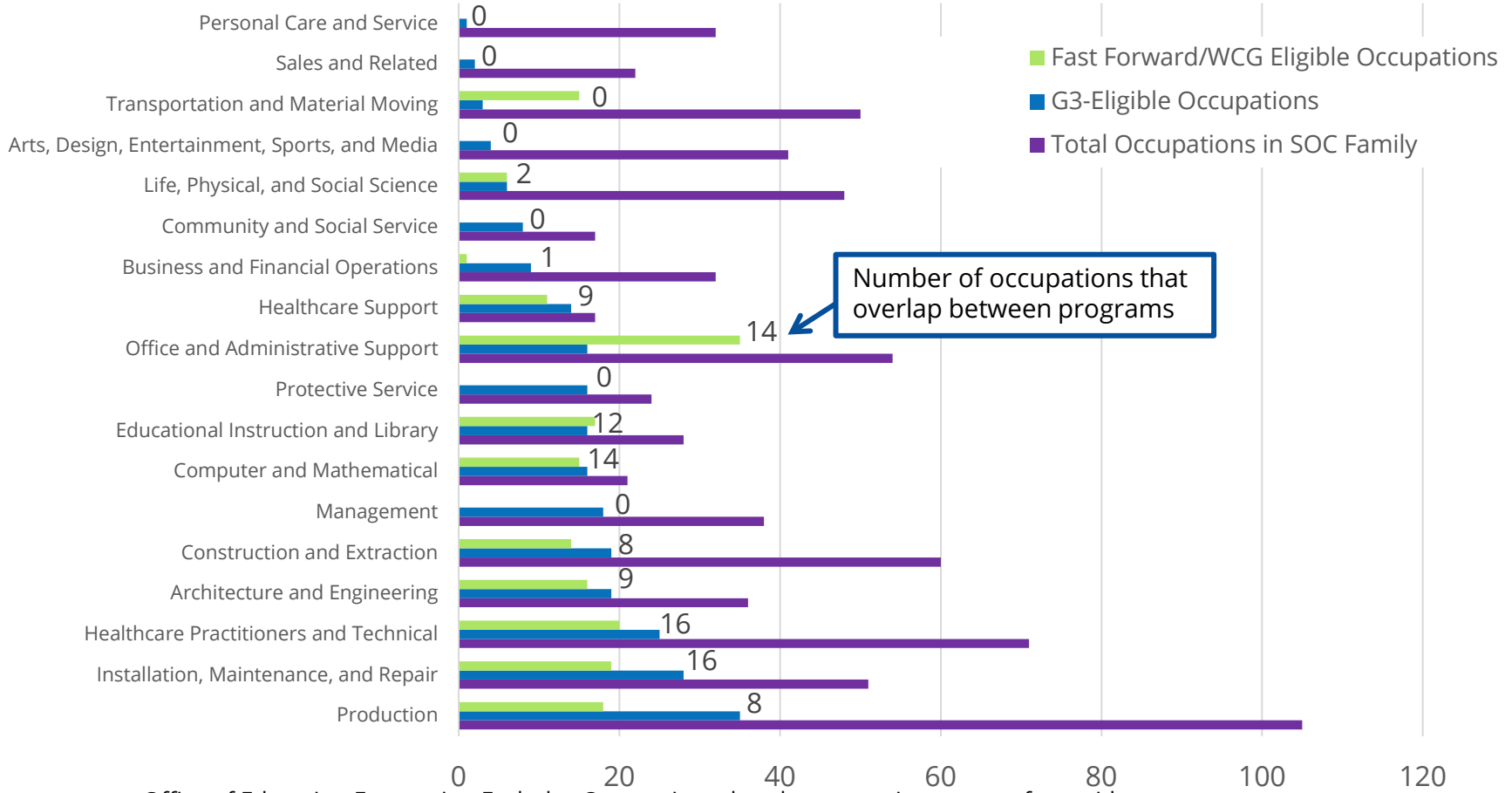
- Virginia created the Office of Education and Labor Market Alignment in 2021
 - Currently, it is doing business as the Virginia Office of Economics Education (VOEE)
- VOEE was designed to provide a non-biased source of information on the alignment between Virginia's education and workforce training system and labor market needs to public policy makers, program administrators, and workforce and education professionals throughout Virginia

Key VOEE Deliverables

- ✓ Created the High Demand Occupation List
- ✓ Reviewed the alignment of G3 programs to labor market needs
- ✓ Launched a dashboard to demonstrate labor market alignment
- ✓ Managed Tech Talent Investment Program
- ✓ Fielded requests during the higher education 6-year planning process
- ✓ Developing a collaborative research agenda with legislative input (coming soon)

WORKFORCE TRAINING PROGRAMS ARE FUNGIBLE

G3 Overlap with Workforce Credential Grant/Fast Forward Occupations

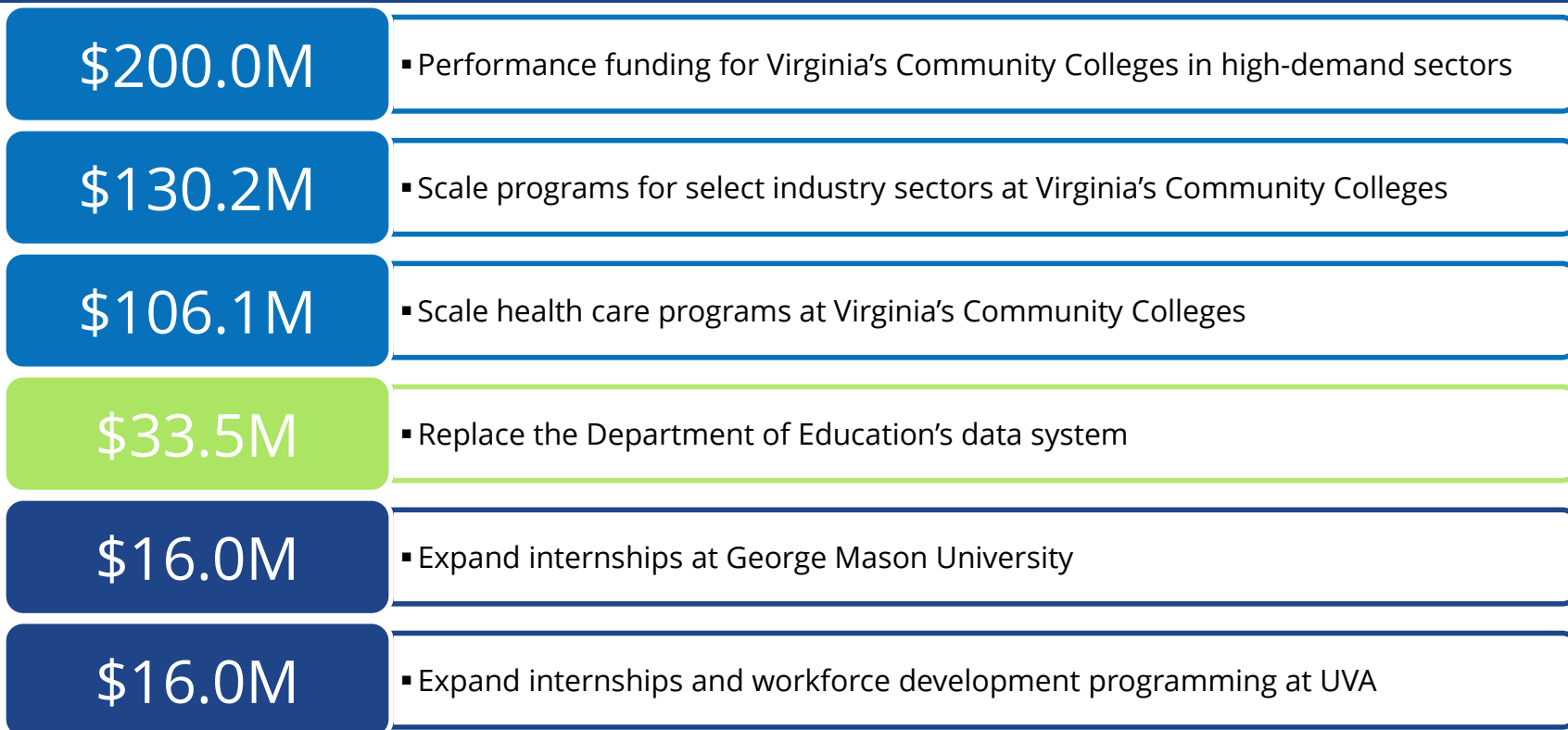


Source: Virginia Office of Education Economics. Excludes Occupations that do not receive support from either program.



AGENCY REQUESTS
RELATED TO
WORKFORCE
DEVELOPMENT

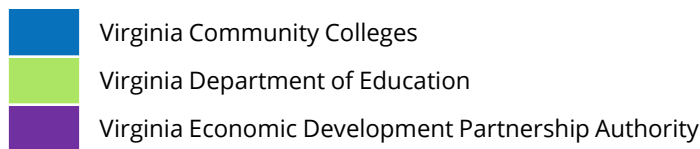
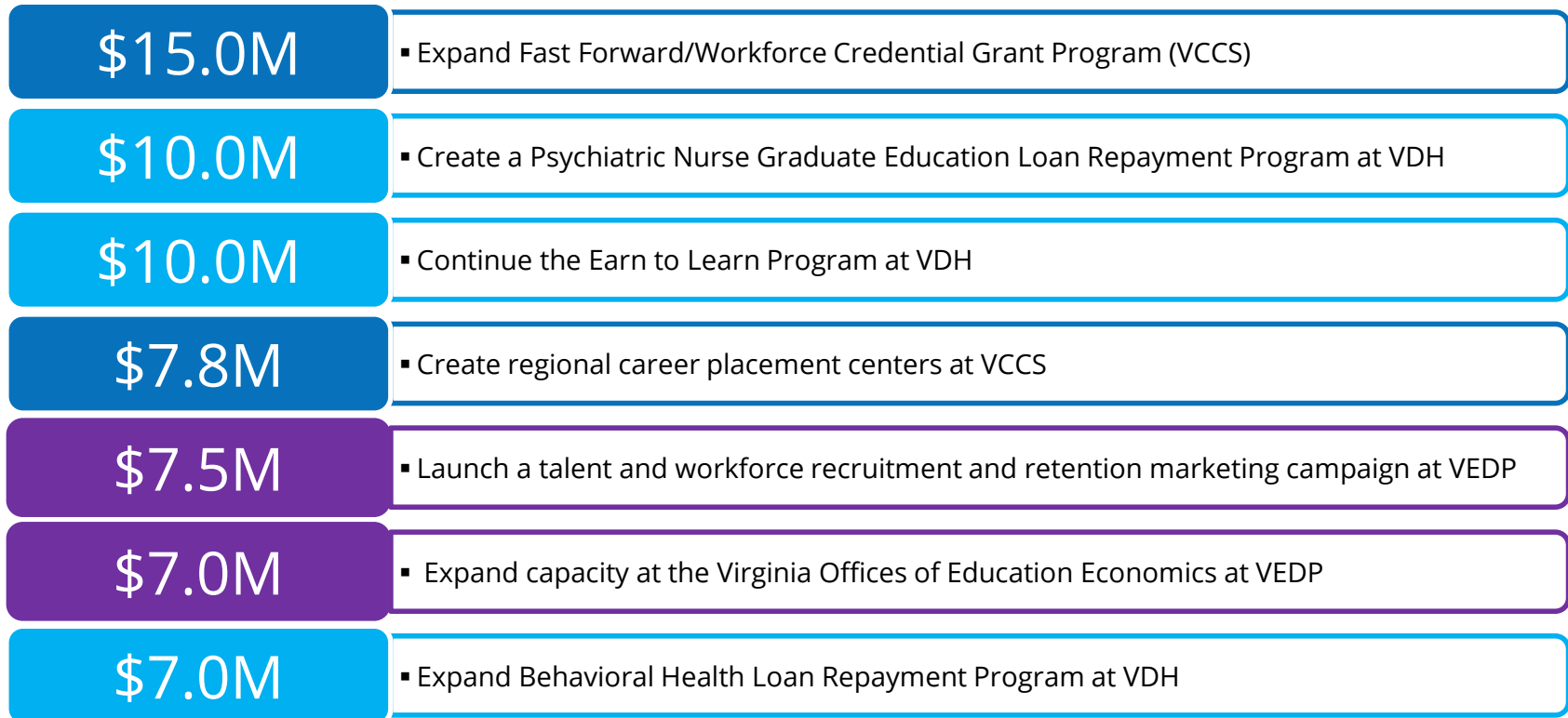
OVER **\$650 MILLION** IN BIENNIAL GF WORKFORCE REQUESTS



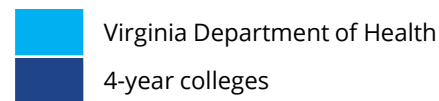
Key

- Virginia Community Colleges
- Virginia Department of Education
- Virginia Economic Development Partnership Authority
- Virginia Department of Health
- 4-year colleges

OVER **\$650 MILLION** IN BIENNIAL GF WORKFORCE REQUESTS

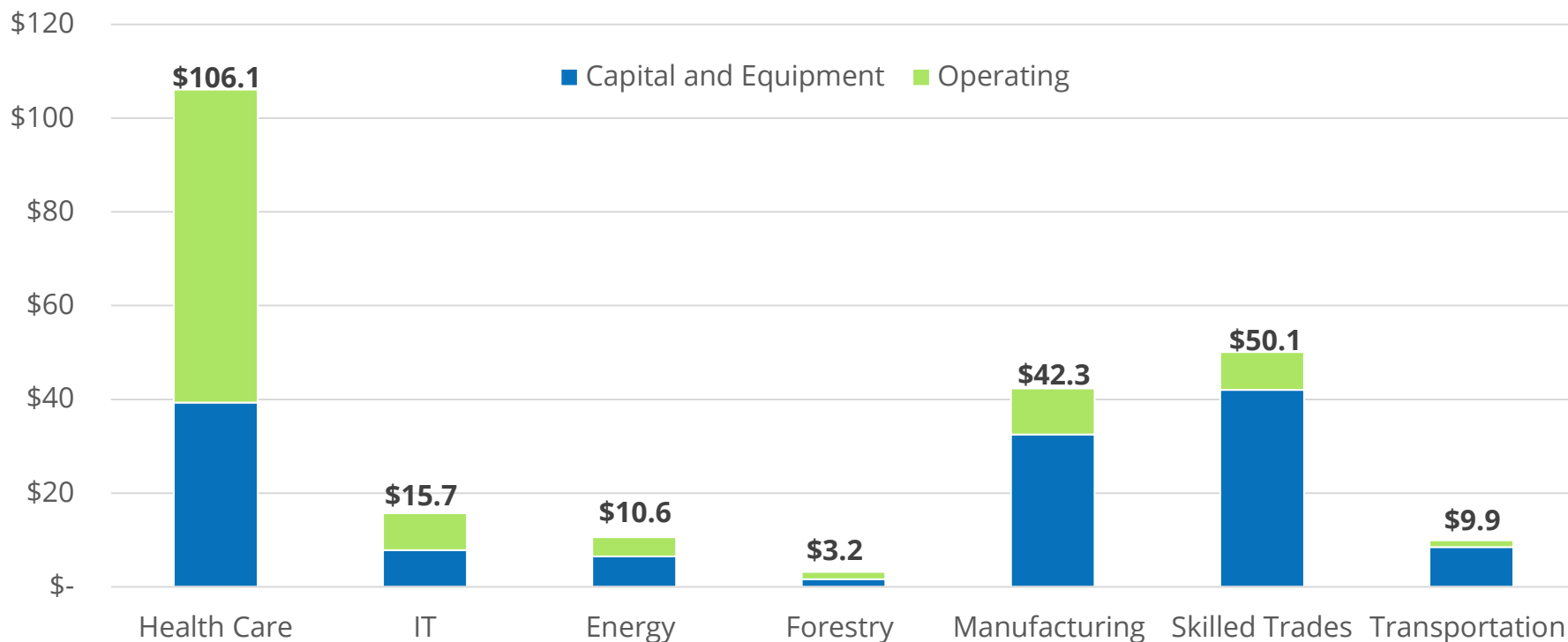


Key



A PROPOSAL FOR NEW DEMAND RELATED WORKFORCE INVESTMENTS

Community College Sector Based Capacity Building Requests, FY 2024 – FY 2026 Biennium (GF \$ in millions)



Source: HAC staff analysis of Virginia Community College System requests.

CONCLUSION

KEY TAKEAWAYS

- More and more workforce development and education initiatives are becoming inextricably linked, but from a budget perspective our workforce system remains siloed each with diverse and multiple funding streams with most state GF investments in education programs
- Virginia has started to execute incentives and pay for performance models aligned to labor demand within its workforce system, and incorporating these principals into new funding for areas like secondary and postsecondary career and technical education could led to better results for labor market alignment and state workforce development efforts
- Statewide goals for demand-focused workforce development programs can be unclear, and often disconnected between programs, especially where the state spends GF resources
- Strong data collection and building a framework for decision-making based on these data are critical elements to ensuring alignment between labor market needs and funded education and training programs

IDEAS TO CONSIDER FOR NEW WORKFORCE INVESTMENTS

- Clear long-term strategic vision for state investment priorities based on workforce shortages in the labor market, especially for areas with chronic needs (i.e., health care)
- Performance incentives aligned to state priority industries, especially for higher cost education and training programs where there is a clearly defined need across occupations (i.e., tech talent)
- Ability to understand outcomes delivered for the state's investment in a workforce initiative (i.e., employment outcomes, wage growth, completion, retention in the state)
- Investment decisions based on consistent reliable, non-biased data from a state entity (i.e., VOEE)
- Leverage existing programs to avoid one-off investment strategies within the system and avoid duplication of efforts (i.e., VOEE)