JLARC
JOINT LEGISLATIVE AUDIT
AND REVIEW COMMISSION

Virginia's Workforce Development Programs

October 5, 2015

Study Mandate

JLARC to evaluate workforce development programs

- transparency of spending and performance
- success in ensuring that Virginians possess skills and credentials desired by employers
- adequacy of governance and accountability structures

For full text see HJR 688 (2013) and Item #31 of 2014 Appropriation Act

In Brief

Employers have difficulty filling job openings and navigating workforce programs for assistance.

Key workforce programs do not emphasize training in all fields with the greatest employment potential, and programs could make better use of labor market data and employer input.

The Board of Workforce Development needs more authority to develop state policies and set priorities to create a coordinated and responsive system.

Strategic decision-making hindered by lack of reliable information on program spending and performance.

In This Presentation

Background

Effectiveness at meeting employers' needs

Challenges with local program implementation

Challenges with state oversight

Transparency of programs' spending and performance

Virginia's Workforce Programs Fall into Two Broad Categories

Employment Assistance Programs

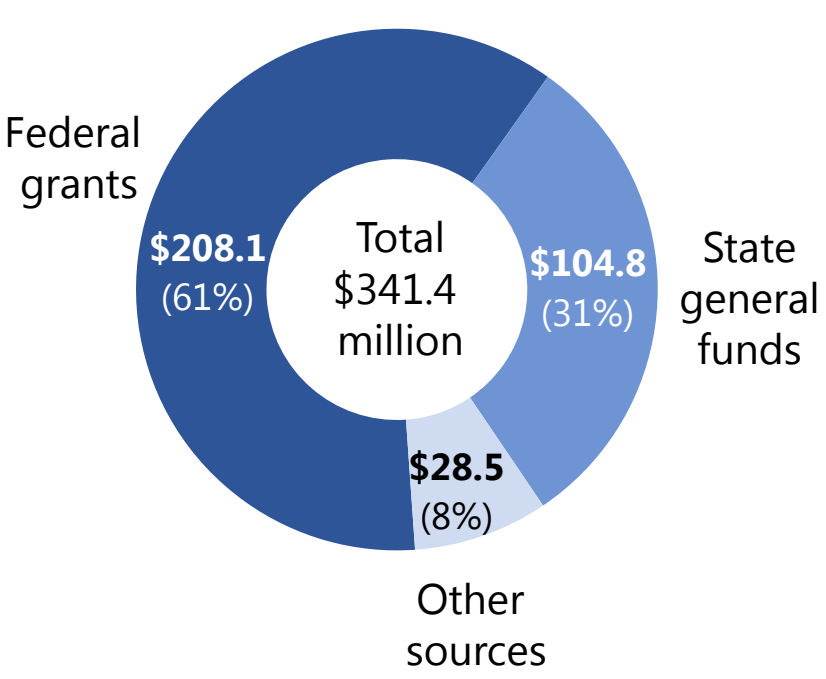
- WIA Title I
- Employment service
- Trade adjustment assistance
- Vocational rehabilitation
- SNAP
- TANF
- VIEW

Training & Education Programs

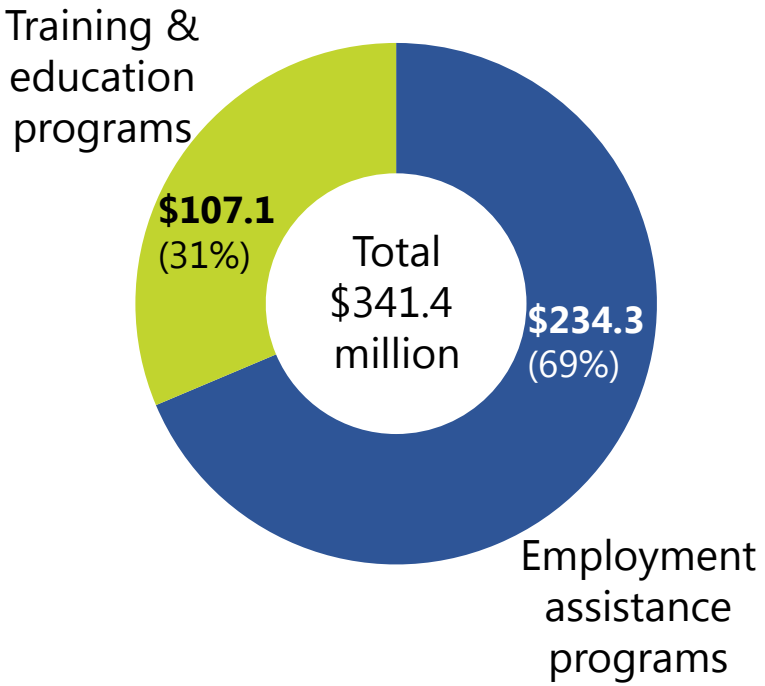
- Career & technical education
- Non-credit training
- Apprenticeships
- Institutes of Excellence
- PluggedIn VA
- VJIP

Programs Are Primarily Funded By Federal Grants, Focus on Employment Assistance

By funding source



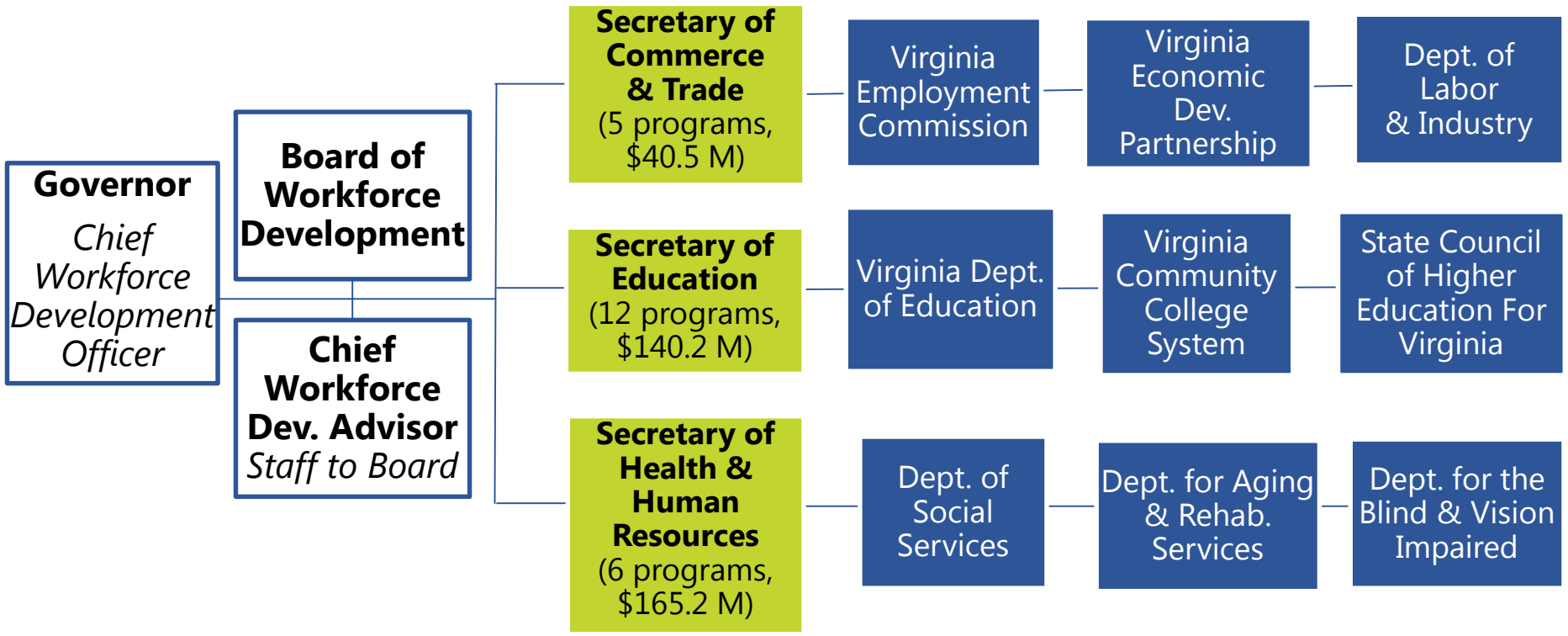
By program category



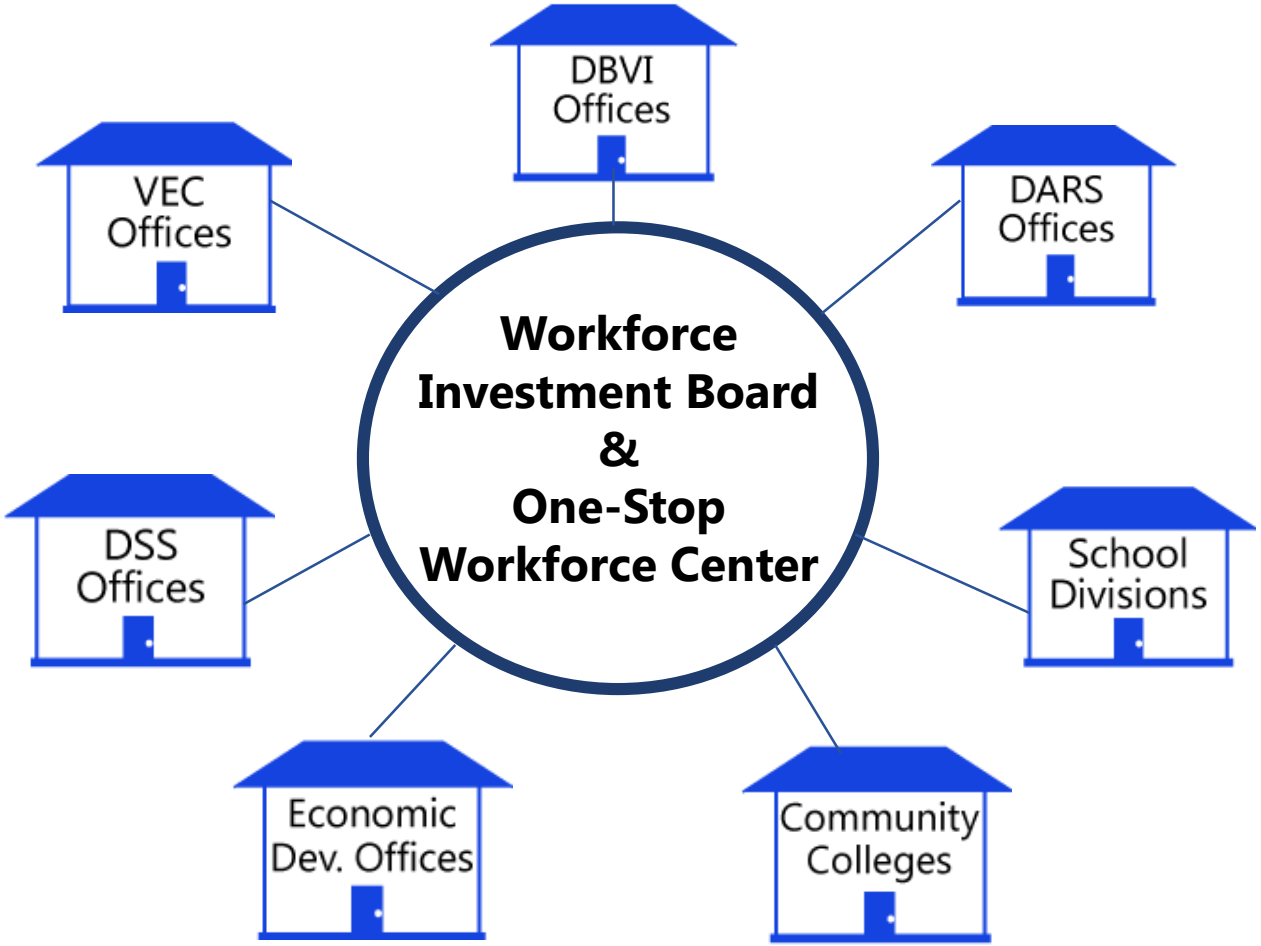
Funding Has Grown for Employment Assistance, Declined for Training

- Historical data for all programs back to 2007
- For employment assistance programs, funding increased by $5.7 million (2%)
- For training and education programs, funding decreased by $23.8 million (−18%)

Programs Are Overseen by Numerous State Entities



Programs Are Administered Locally



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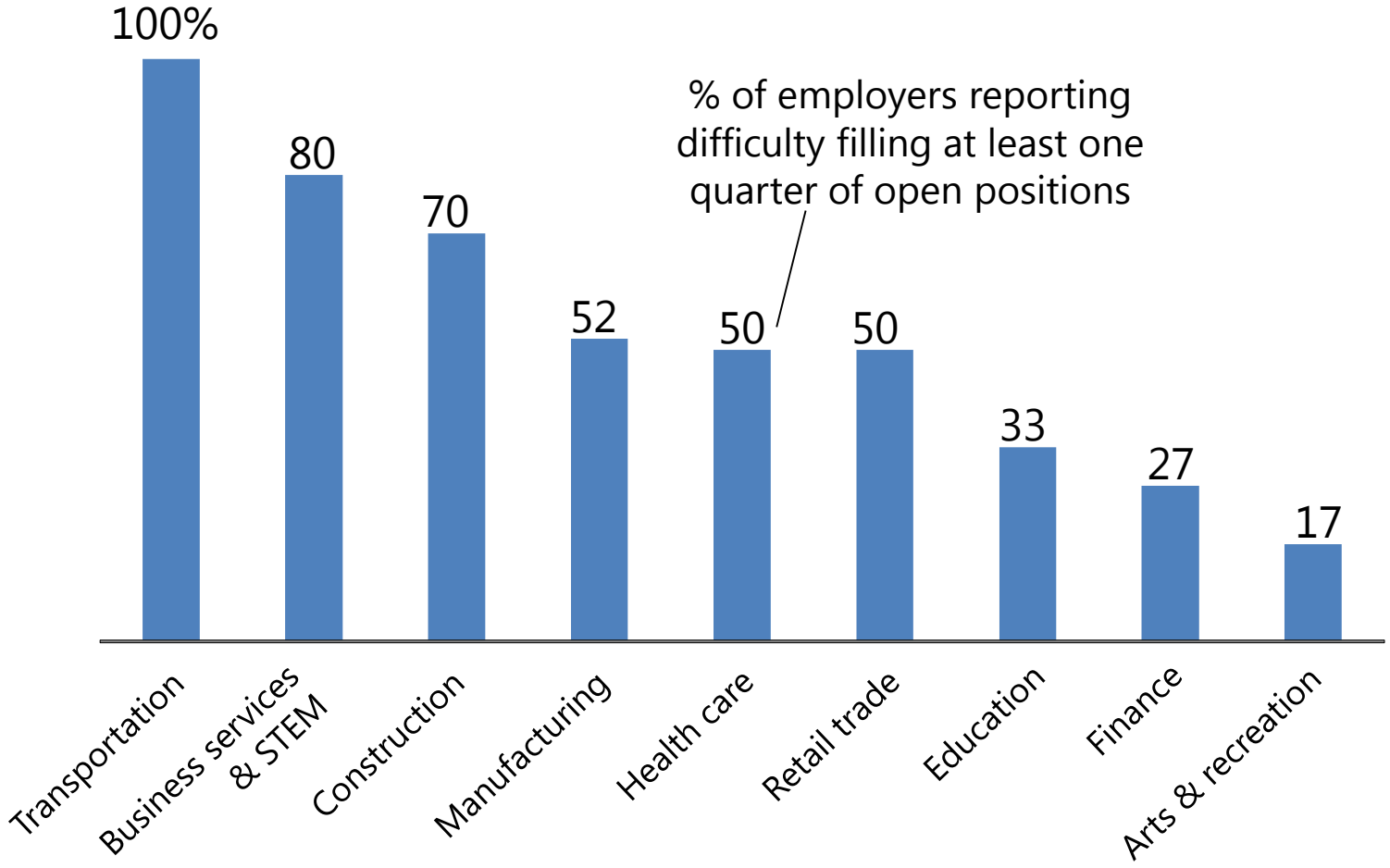
Employers in All Major Industries Had Difficulty Filling Positions in Past Year



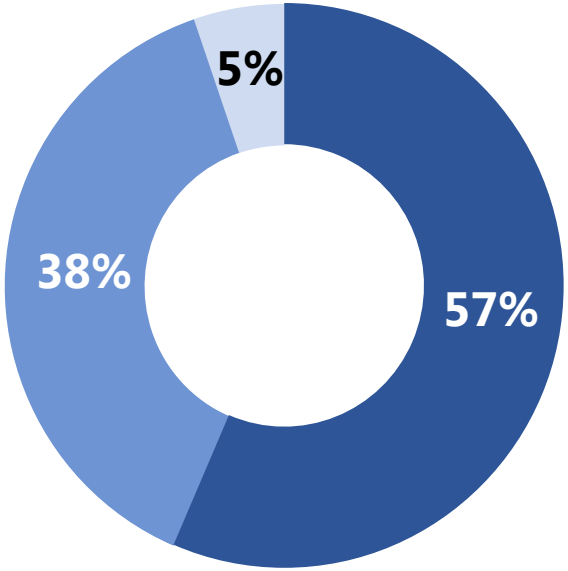
Source: JLARC analysis of survey responses from 232 Virginia employers, 2014.

Employers Report Applicants Lack Job Skills and Work Readiness

- Insufficient technical skills and work experience
- Lack of general skills, such as good work habits, strong critical thinking, and communication skills

Skills for Majority of Hard-to-Fill Positions Can Be Attained Through Workforce Programs

Less than high school



High school diploma or equivalent

- Carpenters
- Construction supervisors
- Electricians
- Machinists
- Pipefitters
- Welders

Post-secondary degree or credential

- IT network specialists
- Dental hygienists
- Engineers
- HVAC technicians
- Physical therapists
- Registered nurses
- Truck drivers

Source: JLARC analysis of survey responses from Virginia employers and data from the Bureau of Labor Statistics.

Findings

Although career and technical education courses in high schools and community colleges generally match labor demand, some courses are not aligned with occupations that have the greatest potential for employment.

Health Sciences Underemphasized in High School CTE Programs

HIGH

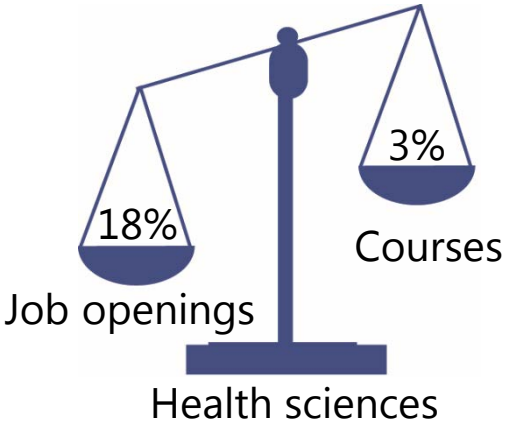
% Job openings

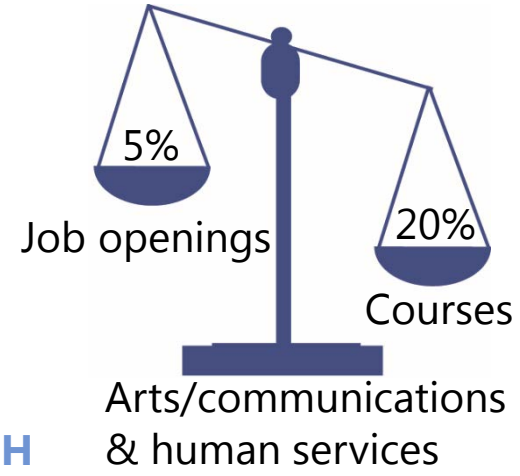
LOW

High Jobs **Low CTE Courses** • Health sciences	**High Jobs** **High CTE Courses** • Business • STEM/IT
Low Jobs **Low CTE Courses** • Agriculture • Construction • Education • Finance • Manufacturing • Law & public safety • Transportation	**Low Jobs** **High CTE Courses** • Arts & communications • Human services

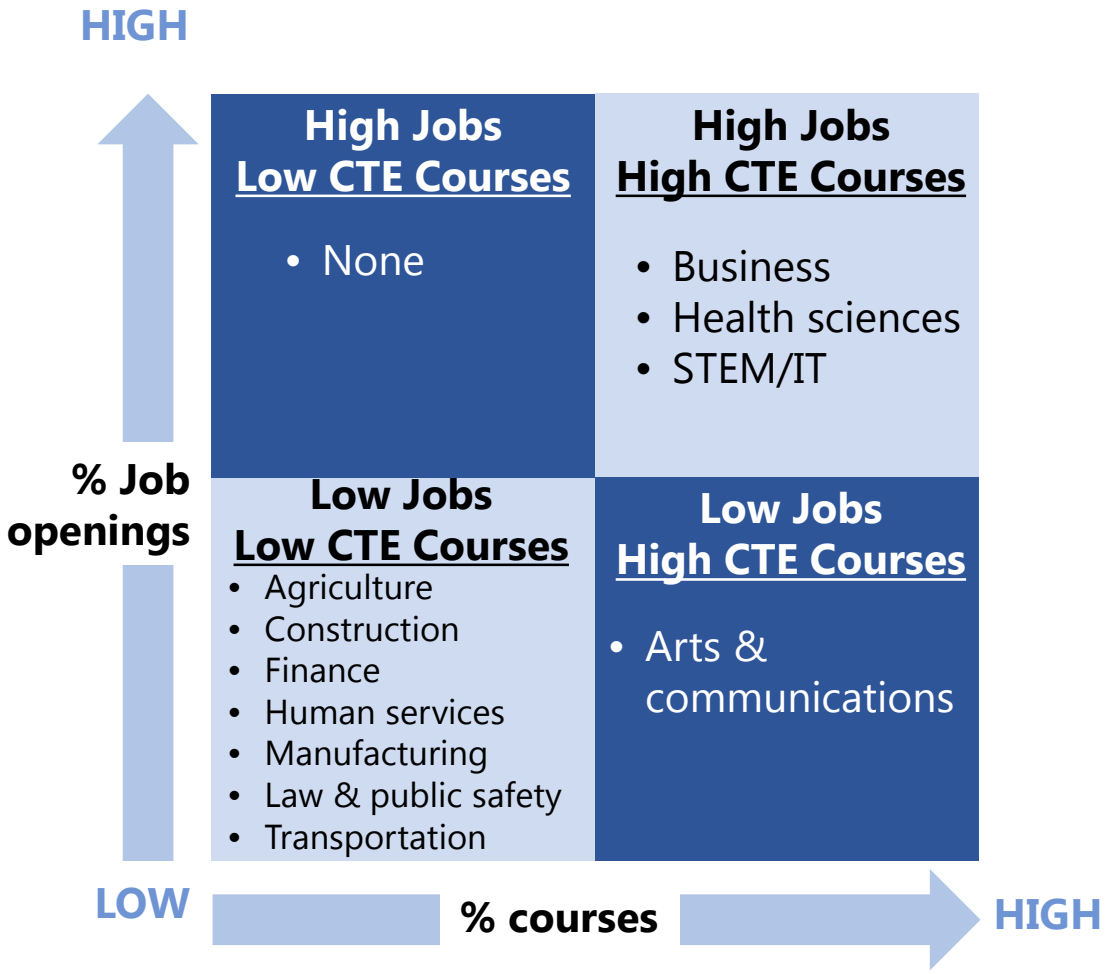
% CTE courses

HIGH





Statewide, Community College CTE Programs Generally Align with Labor Market



In Some Regions, Community College Courses in High-Demand Subjects Are Unavailable

- Computer programmers (region 13)
- Licensed practical nurses (region 14)
- Occupational therapy assistants (regions 2 and 3)
- Physical therapy assistants (regions 8 and 15)
- Some skilled trades (region 9)
- Truck drivers (regions 7 and 17)

Finding

Career and technical education programs are based more on student interest than labor market data and employer input.

Labor Market Data and Employer Input Are Not Consistently Used to Shape Programs

- Labor market data and employer input are used by about 1/4 of high school CTE administrators
- Advisory committees are not always an effective source of employer input

VDOE's Approval of New Courses Is Insufficiently Informed by Labor Market Data

- Regulations do not require school divisions to factor market demand into CTE program design
- No standard exists to determine whether a proposed new course is in demand

VEC Collects Labor Market Data That Could Inform Design of CTE Programs

- Data includes current job openings and projected employment growth by industry, occupation, and salary
- Programs do not make the best use of VEC's data, and VEC could be a more proactive resource

VEC = Virginia Employment Commission

No State Entity Monitors Alignment of Workforce Programs With Employers' Needs

- Data is available to compare training and education opportunities to employers' workforce needs
- Alignment must be assessed on regular basis to remain current

Finding

Programs to develop job-specific skills and work experience exist but are underutilized and could be better targeted.

Workforce Programs to Teach Job-Specific Skills Are Underutilized

- WIBs spend less than 1 percent of WIA funds for on-the-job training
- 12 percent of school divisions do not provide any work-based learning opportunities
- State does not utilize available federal funds to offset employers' costs for apprenticeships

Funding for Customized Employer Training Could Be Awarded More Strategically

- Community colleges provide training for individual employers
- Funding could be used for customized training to groups of employers in high-need industries
  - Such approaches have been adopted in other states

Finding

Lack of coordination deters employers from using workforce programs, and programs' efforts to engage employers are ad hoc and inconsistent.

Most Employers Do Not Use Workforce Programs

- Only 16% of employers with hiring difficulties sought assistance from workforce programs
- Employers are more likely to use private-sector resources, even when the cost is higher

Employers Frequently Expressed Difficulty Navigating Workforce Programs

"The various players involved in developing the workforce seem to be disjointed. It would be nice to have one central point of contact to discuss and develop solutions."

– Large health care company

"Too many agencies are working on workforce development while little results are provided that demonstrate that the groups work well together."

– Large manufacturing company

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Finding

Most regions struggle with coordinating efforts across workforce entities and a true “system” of programs has not been realized in any of Virginia’s regions.

Case Study: Lack of Coordination Leads to Duplication of Welding Programs

In a particular workforce region in Virginia, local educators identified a need for programs to train welders.

Because the state Department of Education and community college system have different credit requirements, the schools were unable to coordinate curricula. Local schools could have shared resources, but instead, three entities—a community college and two high school technical centers—created three separate welding programs, each with separate facilities, instructors, and equipment.

Finding

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

Uneven Participation by WIBs, Schools, Economic Development, VEC

- Many WIBs tend to focus on WIA programs rather than broader workforce efforts
- Many school divisions reported knowing nothing or only a little about their region's workforce efforts
- Economic development is proactive in some regions, but not most
- VEC offices reported as not cooperating on workforce development efforts in several regions

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2014 Legislation Created Board of Workforce Development as New Oversight Entity

- New board has many of the same powers and duties as its predecessor
- Board has fewer public-sector members, resulting in a greater proportion of employer members
- Majority of board's 26 members represent Virginia employers

Finding

The Board of Workforce Development does not have sufficient authority over state agencies to achieve a well-functioning, coordinated system.

Board Can Suggest, but Not Require, Changes to Agencies' Policies

- Required to make recommendations on agencies' workforce development policies
- Lacks authority to approve policies or take an active role in developing them
- Could be given authority to develop agencies' workforce policies in coordination with agencies' respective governing or advisory boards and governor

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Finding

Information on program spending cannot be used for decision making due to variability in spending definitions and reporting of administrative expenditures, and a lack of detailed data on general fund spending.

Spending Definitions Vary Across Programs, and Within the Same Programs

- Different programs categorize the same activities differently
- Different regions categorize activities for the same program differently
- Different definitions cause inconsistency in how administrative expenditures are calculated

Detailed Spending Data Not Readily Available for Majority of General Funds

- Three programs cannot provide detailed data on local general fund expenditures
  - Secondary CTE ($56.7M GF)
  - Non-credit Training and Instruction ($4.8M GF)
  - Institutes of Excellence ($0.7M GF)
- Data is maintained locally but not collected by state agencies

Recommendations

The General Assembly may wish to consider

- directing state agencies and the Board of Workforce Development to develop standard categories for tracking expenditures,
- requiring state agencies to adopt these categories, and
- directing agencies that receive general funds for workforce development to collect more detailed spending data.

Finding

Current performance measures do not adequately capture whether programs meet employers' needs and do not allow for a system-wide assessment.

Performance Measures Do Not Reflect State Priorities, Are Not Standardized

- Do not measure employers' satisfaction with the state's workforce or its programs
- Provide limited sense for how well programs serve job seekers
- Not comparable across programs; some programs have no measures

Recommendation

The Board of Workforce Development should, in collaboration with the Chief Workforce Development Advisor, establish goals and objectives and related performance measures that apply across all programs.

Key Findings

- Employers have difficulty filling job openings and find it challenging to navigate workforce programs for assistance, and programs' efforts to engage employers are inconsistent.
- Key workforce programs do not emphasize training in all fields with the highest employment potential or opportunities to gain work experience.
- Workforce programs could use labor market data and employer input more effectively.
- Board of Workforce Development has insufficient authority to establish a well-functioning workforce development system.
- Strategic decision-making hindered by lack of reliable information on program spending and performance.

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