

Credentials to Compete

By MAURICE A. JONES, SECRETARY OF COMMERCE AND TRADE

In less than a decade, Virginia will need to replace over 930,000 retiring workers and fill another 500,000 new jobs. About 50-65% of those opportunities will be specialized, skilled, and technical jobs. These are jobs that require competencies usually acquired through post secondary education - they are accessible with the right industry certifications, licenses, apprentice credentials or postsecondary level occupational certificates. Private sector employers are counting on Virginia's publicly funded workforce system to play a significant role in eliminating current and future "skills gaps" between industry demand for workers with competencies to fill these jobs, and the supply of workers with the right competencies and credentials to compete for these jobs.



This is why, in August 2014, with the signing of Executive Order 23, Governor McAuliffe made dramatically increasing the number of Virginians attaining workforce credentials the top priority for Virginia's publicly funded workforce system, comprised of 15 local Workforce Investment Boards (WIBs) and 24 state programs administered by eight state agencies that serve about a million Virginians each year, from middle school to retirement age.

The Governor's challenge to workforce agencies and programs, in Executive Order 23, to achieve an additional 50,000 STEM-H workforce credentials in the next three years responds to the human capital needs of key industry sectors such as advanced manufacturing, energy, information technology, cyber security, life sciences and health care. The importance and timeliness of workforce credentials to business and economic growth was underscored, last September, when I announced, on behalf of the Governor's Office, the Virginia Business-Higher Education Council, the Virginia Chamber of Commerce and the Council on Virginia's Future, a first ever long term state goal of having nearly 500,000 employees in Virginia with business demanded workforce credentials by no later than 2030. Our current number is around 165,000. When realized, the goal will make the Commonwealth the nation's #1 state for percentage of population holding a workforce credential. And that's a ranking that will draw more high tech and other business to the Commonwealth!

For these reasons, workforce credentials, or Credentials to Compete, is the centerpiece of our legislative workforce agenda in 2015. Already, in response to Executive Order 23, agencies have created three year plans for driving workforce credential attainment; our community colleges launched a new "pay for performance" program to incentivize colleges to deliver an additional 500 industry certifications; and a statewide team is busily working to design supply and demand dashboards that would compare the demand for credentials with the supply in each region of the Commonwealth. In 2015, we also anticipate working with the Commonwealth's business leaders to execute a public awareness campaign for Credentials to Compete, so that students, parents, teachers and counselors understand the opportunities for good wages and career growth that are available to those with workforce credentials aligned to available and projected jobs.



Below is a summary of the Governor's legislative proposals:

Accountability: To ensure a supply of the workforce skills the private sector needs to grow, we propose to repurpose nearly \$4.5 million in available federal funds to regional education and training programs for credentials to compete in the 21st century workforce. Also, using available, state level federal funds, our proposal establishes the workforce system's first pay for performance program, rewarding regions for workforce credential attainment. Finally, we provide common performance metrics that all 24 workforce programs in Virginia's system must pursue to support economic development and business needs.

Apprenticeships: Apprenticeships offer job seekers immediate employment opportunities, at higher than averages wages, while also providing skills development through related instruction. We propose to double the number of registered apprentices (currently around 14,000) by consolidating administrative responsibilities for the program from two agencies, the Virginia Department of Labor and Industry (DOLI) and the Virginia Community College System, to DOLI alone. Moving administrative functions to one agency will provide business with a single point of contact and expedite the process through which businesses establish an apprentice program. The move will also realize \$400,000 in cost efficiencies by eliminating duplication of administrative personnel and processes. Businesses will be able to select their choice of training provider for their apprentices, including career and technical education centers and community colleges.

Virginia Board of Workforce Development: Major new federal legislation, the Workforce Innovations and Opportunities Act (WIOA) provides the Commonwealth an unprecedented opportunity to drive major state goals like Credentials to Compete through a single, combined state plan for all of Virginia's federally funded workforce programs. The Governor and the Virginia Board of Workforce Development are charged to develop this plan. Our proposal authorizes a full-time Executive Director, adds key agency members and prioritizes the creation of a business driven plan.

Budget: The Governor's Workforce Agenda also includes two groundbreaking budget proposals. \$1 million in state funds will be matched with federal and private funds to provide incentives for business-led, regional consortia to create or expand workforce pipelines in high value industry sectors. Another \$1 million will provide a first ever student financial aid program for community college non-credit programs targeted to industry certifications aligned with regional workforce needs.

Our workforce is arguably our most valuable asset when it comes to resilient economic growth and prosperity. Working with our legislative partners, and with other stakeholders, it is our aspiration to make the changes necessary to ensure that Virginia has the most prepared and relevant workforce for the 21st Century. [7]