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## SENATE BILL NO. 494

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology  
on February 8, 2006)

(Patron Prior to Substitute—Senator Ruff)

A BILL to amend and reenact §§ 2.2-2269, 2.2-2670 and 2.2-2674.1 of the Code of Virginia, to amend the Code of Virginia by adding in Title 2.2 a chapter numbered 4.2, consisting of sections numbered 2.2-435.6 and 2.2-435.7, and to repeal Chapter 4.1 (§§ 2.2-435.1 through 2.2-435.5) of Title 2.2 of the Code of Virginia, relating to workforce development and training programs; Chief Workforce Development Officer.

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-2269, 2.2-2670 and 2.2-2674.1 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Title 2.2 a chapter numbered 4.2, consisting of sections numbered 2.2-435.6 and 2.2-435.7 as follows:

## CHAPTER 4.2.

## COORDINATION OF WORKFORCE DEVELOPMENT.

§ 2.2-435.6. Chief Workforce Development Officer.

A. The Governor shall serve as Chief Workforce Development Officer for the Commonwealth.

B. The Governor may designate a senior staff member from the immediate staff of the Governor's Office to be responsible for the responsibilities assigned to the Governor pursuant to this chapter and Article 25 (§ 2.2-2669 et seq.) of Chapter 26 of this title or other tasks as may be assigned to such person by the Governor.

§ 2.2-435.7. Responsibilities of the Chief Workforce Development Officer.

A. The Governor's responsibilities as Chief Workforce Development Officer shall include:

1. Developing a strategic plan for the statewide delivery of workforce development and training programs and activities. The strategic plan shall include performance measures that link the objectives of such programs and activities to the record of state agencies, local workforce investment boards, and other relevant entities in attaining such objectives.

2. To the extent permissible under applicable federal law, determining the appropriate allocation of funds and other resources that have been appropriated or are otherwise available for disbursement by the Commonwealth for workforce development programs and activities;

3. Ensuring that the Commonwealth's workforce development efforts are implemented in a coordinated and efficient manner by, among other activities, taking appropriate executive action to this end and recommending to the General Assembly necessary legislative actions to streamline and eliminate duplication in such efforts;

4. Facilitating efficient implementation of workforce development and training programs by cabinet secretaries and agencies responsible for such programs;

5. Providing independent staffing for the Workforce Council;

6. Developing, in coordination with the Virginia Workforce Council, (i) certification standards for programs and providers and (ii) uniform policies and procedures, including standardized forms and applications, for one-stop centers;

7. Monitoring, in coordination with the Virginia Workforce Council, the effectiveness of each one-stop center and recommending actions needed to improve their effectiveness;

8. Establishing measures to evaluate the effectiveness of the local workforce investment boards and conducting annual evaluations of the effectiveness of each local workforce investment board. As part of the evaluation process, the Governor shall recommend to such boards specific best management practices;

9. Conducting annual evaluations of the performance of workforce development and training programs and activities and their administrators and providers, using the performance measures developed through the strategic planning process described in subdivision 1. The evaluations shall include, to the extent feasible, (i) a comparison of the per-person costs for each program or activity, (ii) a comparative rating of each program or activity based on its success in meeting program objectives, and (iii) an explanation of the extent to which each agency's appropriation requests incorporate the data reflected in the cost comparison described in clause (i) and the comparative rating described in clause (ii). These evaluations, including the comparative rankings, shall be considered in allocating resources for workforce development and training programs.

10. Monitoring federal legislation and policy, in order to maximize the Commonwealth's effective use of and access to federal funding available for workforce development programs; and

11. Submitting biennial reports, which shall be included in the Governor's executive budget

60 *submissions to the General Assembly, on improvements in the coordination of workforce development*  
61 *efforts statewide. The reports shall identify (i) program success rates in relation to performance*  
62 *measures established by the Virginia Workforce Council, (ii) obstacles to program and resource*  
63 *coordination, and (iii) strategies for facilitating statewide program and resource coordination.*

64 *B. The Governor may delegate any of his responsibilities enumerated in subsection A to a senior*  
65 *staff member within his immediate office.*

66 § 2.2-2669. Virginia Workforce Council; purpose; membership; terms; compensation and expenses;  
67 staff.

68 A. The Virginia Workforce Council (the Council) is established as a policy council, within the  
69 meaning of § 2.2-2100, in the executive branch of state government. The purpose of the Council shall be  
70 to assist the Governor in meeting workforce training needs in the Commonwealth.

71 B. The Council shall consist of 29 members as follows:

72 1. The Council shall include two members of the House of Delegates to be appointed by the Speaker  
73 of the House of Delegates; and two members of the Senate to be appointed by the Senate Committee on  
74 Rules. Legislative members shall serve terms coincident with their terms of office and may be  
75 reappointed for successive terms.

76 2. The Governor; the Secretaries of Commerce and Trade, Education, and Health and Human  
77 Resources; the Chancellor of the Virginia Community College System; the Commissioner of the Virginia  
78 Employment Commission; and the president of the Virginia AFL-CIO shall serve as members.

79 3. The Governor shall appoint members as follows: one mayor and one chairperson of a county  
80 board of supervisors; one representative of labor in addition to the president of the Virginia AFL-CIO;  
81 and 15 nonlegislative citizen members representing the business community, to include the presidents of  
82 the Virginia Chamber of Commerce and the Virginia Manufacturer's Association, one representative of  
83 proprietary employment training schools, one representative of health care employers, and the remaining  
84 members who are business owners, chief executive officers, chief operating officers, chief financial  
85 officers, senior managers or other business executives or employers with optimum policy-making or  
86 hiring authority and who shall represent diverse regions of the state, to include urban, suburban, and  
87 rural areas, at least two of whom shall be members of local workforce investment boards. Nonlegislative  
88 citizen members may be nonresidents of the Commonwealth.

89 Members appointed in accordance with this subdivision shall serve four-year terms, subject to the  
90 pleasure of the Governor, and may be reappointed.

91 C. If one person appointed to fill one of the enumerated positions in subsection B also qualifies to  
92 fill any other of the enumerated positions, such person may, at the discretion of the Governor, be  
93 deemed to fill any or all of the enumerated positions for which such person qualifies.

94 D. The Governor shall select a chairman and vice-chairman from among the 15 members  
95 representing the business community appointed in accordance with subdivision 3 of subsection B. The  
96 Council shall meet upon the call of the chair or the Governor.

97 E. Compensation and reimbursement of expenses of the members shall be as follows:

98 1. Legislative members appointed in accordance with subdivision B 1 shall receive such  
99 compensation and reimbursement of expenses incurred in the performance of their duties as provided in  
100 §§ 30-19.12, 2.2-2813 and 2.2-2825.

101 2. Members of the Council appointed in accordance with subdivision B 2 shall not receive  
102 compensation but shall be reimbursed for all reasonable and necessary expenses incurred in the  
103 performance of their duties as provided in §§ 2.2-2813 and 2.2-2825.

104 3. Members of the Council appointed in accordance with subdivision B 3 shall not receive  
105 compensation but shall be reimbursed for all reasonable and necessary expenses incurred in the  
106 performance of their duties as provided in §§ 2.2-2813 and 2.2-2825.

107 Funding for the costs of compensation and expenses of the members shall be provided from federal  
108 funds received under the Workforce Investment Act of 1998 (P.L. 105-220, as amended) and  
109 administered by the Virginia Employment Commission.

110 F. ~~The Virginia Employment Commission, the Virginia Community College System, and the~~  
111 ~~Department of Business Assistance Governor, or a senior staff member within his immediate office to~~  
112 ~~whom the Governor has delegated such function, shall serve as lead staff to the Council as directed by~~  
113 ~~the Secretary of Commerce and Trade. The Council's lead staff shall supervise the subordinate staff of~~  
114 ~~the Council. The subordinate staff of the Council shall be independent of any other state agency that~~  
115 ~~provides workforce services. The Virginia Employment Commission shall act as fiscal agent for the~~  
116 ~~Council and the WIA.~~

117 § 2.2-2670. Powers and duties of the Council; Virginia Workforce Network created.

118 A. The Council shall ~~work with the Special Advisor for Workforce Development pursuant to Chapter~~  
119 ~~4.1 (§ 2.2-435.1 et seq.) of this title to undertake the following actions to implement and foster~~  
120 ~~workforce training, exclusive of the career and technical education programs provided through and~~  
121 ~~administered by the public school system:~~

1. Provide policy advice to the Governor on workforce and workforce development issues;
2. Provide policy direction to local workforce investment boards;
3. Identify current and emerging statewide workforce needs of the business community;
4. Forecast and identify training requirements for the new workforce;
5. Create strategies that will match trained workers with available jobs;
6. Provide an annual report to the Governor concerning its actions and determinations under subdivisions 1 through 5;
7. Create procedures, guidelines, and directives applicable to local workforce investment boards and the operation of one-stops, as necessary and appropriate to carry out the purposes of this article; and
8. Perform any act or function in accordance with the purposes of this article.

The Special Advisor for Workforce Development shall assist the Council in carrying out the powers and duties enumerated by this subsection.

B. The Council shall establish at least two committees as follows: one committee to accomplish the aims of the WIA and one committee to focus on high-technology workforce training needs.

C. The Secretary of Commerce and Trade, the Council and the Special Advisor for Workforce Development Governor's cabinet secretaries shall assist the Governor in complying with the provisions of the WIA, including the creation of a Virginia workforce development system to be known as and ensuring the coordination and effectiveness of programs and providers comprising elements of the Virginia Workforce Network.

D. The Council and the Special Advisor for Workforce Development shall assist the Governor in the following areas with respect to workforce development: development of the WIA State Plan; development and continuous improvement of a statewide workforce development system; development of linkages to ensure coordination and nonduplication among programs and activities; review of local plans; designation of local areas; development of local discretionary allocation formulas; development and continuous improvement of comprehensive state performance measures including, without limitation, performance measures reflecting the degree to which one-stop centers provide comprehensive services with all mandatory partners and the degree to which local workforce investment boards have obtained funding from sources other than the WIA; preparation of the annual report to the U.S. Secretary of Labor; development of a statewide employment statistics system; development of incentive grant applications; and development of a statewide system of one-stop centers that provide comprehensive workforce services to employers, employees, and job seekers.

The Council shall share information regarding its meetings and activities with the public.

E. Each local workforce investment board shall develop and submit to the Special Advisor for Workforce Development Governor and the Virginia Workforce Council an annual workforce demand plan for its workforce investment board area based on a survey of local and regional businesses that reflects the local employers' needs and requirements and the availability of trained workers to meet those needs and requirements; designate or certify one-stop operators; identify eligible providers of youth activities; identify eligible providers of intensive services if unavailable at one-stop; develop a budget; conduct local oversight of one-stop operators and training providers in partnership with its local chief elected official; negotiate local performance measures, including incentives for good performance and penalties for inadequate performance; assist in developing statewide employment statistics; coordinate workforce investment activities with economic development strategies and the annual demand plan, and develop linkages among them; develop and enter into memoranda of understanding with one-stop partners and implement the terms of such memoranda; promote participation by the private sector; actively seek sources of financing in addition to WIA funds; report performance statistics to the Virginia Workforce Council; and certify local training providers in accordance with criteria provided by the Virginia Workforce Council.

Each local workforce investment board shall share information regarding its meetings and activities with the public.

F. Each chief local elected official shall consult with the Governor regarding designation of local workforce investment areas; appoint members to the local board in accordance with state criteria; serve as the local grant recipient unless another entity is designated in the local plan; negotiate local performance measures with the Governor; ensure that all mandated partners are active participants in the local workforce investment board and one-stop center and collaborate with the local workforce investment board on local plans and program oversight.

G. Each local workforce investment board shall develop and enter into a memorandum of understanding concerning the operation of the one-stop delivery system in the local area with each entity that carries out any of the following programs or activities:

1. Programs authorized under Title I of the WIA;
2. Programs authorized under the Wagner-Peyser Act (29 U.S.C. § 49 et seq.);
3. Adult education and literacy activities authorized under Title II of the WIA;

183 4. Programs authorized under Title I of the Rehabilitation Act of 1973 (29 U.S.C. § 720 et seq.);  
184 5. Welfare-to-work programs authorized under § 403 (a) (5) of the Social Security Act (42 U.S.C.  
185 § 603 (a) (5));  
186 6. Activities authorized under title V of the Older Americans Act of 1965 (42 U.S.C. § 3056 et seq.);  
187 7. Postsecondary vocational education activities authorized under the Carl D. Perkins Vocational and  
188 Applied Technology Education Act (20 U.S.C. § 2301 et seq.);  
189 8. Activities authorized under chapter 2 of Title II of the Trade Act of 1974 (19 U.S.C. § 2271 et  
190 seq.);  
191 9. Activities pertaining to employment and training programs for veterans authorized under chapter  
192 41 of title 38, United States Code;  
193 10. Employment and training activities carried out under the Community Services Block Grant Act  
194 (42 U.S.C. § 9901 et seq.);  
195 11. Employment and training activities carried out by the United States Department of Housing and  
196 Urban Development;  
197 12. Programs authorized under Title 60.2, in accordance with applicable federal law;  
198 13. Workforce development activities or work requirements of the Temporary Assistance to Needy  
199 Families (TANF) program known in Virginia as the Virginia Initiative for Employment, not Welfare  
200 (VIEW) program established pursuant to § 63.2-608; and  
201 14. The workforce development activities or work programs authorized under the Food Stamp Act of  
202 1977 (7 U.S.C. § 2011 et seq.).  
203 H. ~~The Virginia Secretary of Commerce and Trade, and at his direction, the Virginia Employment~~  
204 ~~Commission, Governor~~ shall be responsible for the coordination of the Virginia Workforce Network and  
205 the implementation of the WIA.  
206 § 2.2-2674.1. Definitions.  
207 As used in this article:  
208 "Local workforce investment board" means a local workforce investment board established under  
209 § 117 of the WIA.  
210 "One-stop center," "one-stop operator," or "one-stop" means one or more centers that provide  
211 comprehensive workforce services to employers, employees, and job seekers, and includes entities  
212 designated or certified under § 121 (d) of the WIA.  
213 "One stop" means a conceptual approach to service delivery intended to provide a single point of  
214 access for receiving a wide range of workforce development and employment services, either on-site or  
215 electronically, through a single system.  
216 "One-stop center" means a physical site where core services are provided, either on-site or  
217 electronically, and access to intensive services, training services, and other partner program services are  
218 available for employers, employees, and job seekers.  
219 "One-stop operator" means a single entity or consortium of entities that operate a one-stop center or  
220 centers. Operators may be public or private entities competitively selected or designated through an  
221 agreement with a local workforce board.  
222 "Virginia Workforce Network" includes the programs and activities enumerated in subsection G of  
223 § 2.2-2670.  
224 "WIA" means the federal Workforce Investment Act of 1998 (P.L. 105-220).  
225 2. That by December 1, 2006, the Governor shall develop a statewide strategic plan addressing the  
226 need for reforms in workforce policy, including the implementation of workforce development and  
227 training initiatives and policies. The statewide strategic plan shall address, among such other issues  
228 as may be deemed appropriate, (i) the potential advantages and disadvantages of instituting a  
229 single statewide local workforce investment board, (ii) the need for reforms at the local workforce  
230 investment board level, (iii) concerns of rural communities, (iv) measures to maintain the active  
231 participation of local business interests in local workforce investment boards, and (v) means of  
232 reducing the amount of time expended by members of local workforce investment boards on  
233 administrative matters. The strategic plan shall be provided to the Chairmen of the House  
234 Appropriations and Senate Finance Committees for review prior to final adoption.  
235 3. That by December 1, 2006, the Governor, in conjunction with his development of the statewide  
236 strategic plan addressing the need for reforms in workforce policy, shall identify and implement  
237 strategies to optimize the role of the Virginia Community College System in workforce  
238 development. The Governor shall identify and implement the strategies in consultation with the  
239 Chancellor of the Virginia Community College System and the Board of the Virginia Community  
240 College System. The strategies shall include, but not be limited to, opportunities for cooperative  
241 curricula between secondary and postsecondary educational entities to improve workforce  
242 development. The Governor shall report to the chairmen of the House Committee on  
243 Appropriations and the Senate Committee on Finance on the identified strategies prior to  
244 implementation.

245 4. That Chapter 4.1 (§§ 2.2-435.1 through 2.2-435.5) of Title 2.2 of the Code of Virginia is  
246 repealed.