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HOUSE BILL NO. 2106

House Amendments in [] — January 27, 2017

A BILL to amend and reenact §§ 2.2-2471, 2.2-2471.1, and 2.2-2472 of the Code of Virginia, relating to the Virginia Board of Workforce Development.

Patron Prior to Engrossment—Delegate Byron

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-2471, 2.2-2471.1, and 2.2-2472 of the Code of Virginia are amended and reenacted as follows:

§ 2.2-2471. Virginia Board of Workforce Development; purpose; membership; terms; compensation and expenses; staff.

A. The Virginia Board of Workforce Development (the Board) is established as a policy board, within the meaning of § 2.2-2100, in the executive branch of state government. The purpose of the Board shall be to assist and advise the Governor, the General Assembly, and the Chief Workforce Development Advisor in meeting workforce development needs in the Commonwealth through recommendation of policies and strategies to increase coordination and thus efficiencies of operation between all education and workforce programs with responsibilities and resources for employment, occupational training, and support connected to workforce credential and job attainment.

B. The Board shall consist of the following:

1. Two members of the House of Delegates to be appointed by the Speaker of the House of Delegates and two members of the Senate to be appointed by the Senate Committee on Rules. Legislative members shall serve terms coincident with their terms of office and may be reappointed for successive terms;

2. The Governor or his designee who shall be selected from among the cabinet-level officials appointed to the Board pursuant to subdivision 3;

3. The Secretaries of Commerce and Trade, Education, Health and Human Resources, and Veterans Affairs and Homeland Security, or their designees, each of whom shall serve ex officio;

4. The Chancellor of the Virginia Community College System or his designee, who shall serve ex officio; and

5. One local elected official appointed by the Governor;

6. Two representatives nominated by state labor federations and appointed by the Governor; and

7. Fourteen nonlegislative Additional members appointed by the Governor as are required to ensure that the composition of the Board satisfies the requirements of the WIOA. The additional members shall include:

a. Two local elected officials;

b. Eight members who shall be representatives of the workforce, to include [(i)] three representatives nominated by state labor federations, of which one shall be a representative of a joint-labor apprenticeship program; [and (ii) at least one representative of a private career college;] and

c. Twenty-one nonlegislative citizen members representing the business community appointed by the Governor, to include the presidents of the Virginia Chamber of Commerce and the Virginia Manufacturers Association; one representative of proprietary employment training schools, or their designees and the remaining members who are business owners, chief executive officers, chief operating officers, chief financial officers, senior managers, or other business executives or employers with optimum policy-making or hiring authority who represent life sciences and health care, information technology and cyber security, manufacturing, and other industry sectors that represent the Commonwealth's economic development priorities. Business members shall represent diverse regions of the state, to include urban, suburban, and rural areas, and at least two members shall also be members of local workforce development boards.

Nonlegislative citizen members may be nonresidents of the Commonwealth. Members appointed in accordance with this subdivision shall serve four-year terms, subject to the pleasure of the Governor, and may be reappointed.

C. The Governor shall select a chairman and vice-chairman, who shall serve two-year terms, from among the 14 nonlegislative citizen members representing the business community appointed in accordance with subdivision B 7 5 c. The Board shall meet at least every three months or upon the call of the chair or the Governor as stipulated by the Board's bylaws. The chairman and the vice-chairman

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59 shall select at least five members of the Board to serve as an executive committee of the Board, which
60 shall have the limited purpose of establishing meeting agendas, reviewing bylaws and other documents
61 pertaining to Board governance and operations, approving reports to the Governor, and responding to
62 urgent federal, state, and local issues between scheduled Board meetings.

63 D. Compensation and reimbursement of expenses of the members shall be as follows:

64 1. Legislative members appointed in accordance with subdivision B 1 shall receive such
65 compensation and reimbursement of expenses incurred in the performance of their duties as provided in
66 §§ 2.2-2813, 2.2-2825, and 30-19.12.

67 2. Members of the Board appointed in accordance with subdivision B 2, B 3, or B 4 shall not
68 receive compensation but shall be reimbursed for all reasonable and necessary expenses incurred in the
69 performance of their duties as provided in §§ 2.2-2813 and 2.2-2825.

70 3. Members of the Board appointed in accordance with subdivision B 5; ~~B 6;~~ ~~or B 7~~ shall not
71 receive compensation but shall be reimbursed for all reasonable and necessary expenses incurred in the
72 performance of their duties as provided in §§ 2.2-2813 and 2.2-2825.

73 Funding for the costs of compensation and expenses of the members shall be provided from federal
74 funds received under the WIOA.

75 **§ 2.2-2471.1. Executive Director; staff support.**

76 A. Board staffing shall be led by a full-time Executive Director to be supervised by the Chief
77 Workforce Development Advisor. Additional staff support, including staffing of standing committees,
78 may include other directors or coordinators of relevant education and workforce programs as requested
79 by the Chief Workforce Development Advisor and as in-kind support to the Board from agencies
80 administering workforce programs.

81 B. The Chief Workforce Development Advisor shall enter into a written agreement with agencies
82 administering workforce programs regarding supplemental staff support to Board committees and other
83 logistical support for the Board. Such written agreements shall be provided to members of the Board
84 upon request. Funding for a full-time Executive Director position shall be provided by *Title I* of the
85 WIOA, and such position shall be dedicated to the support of the Board's operations and outcomes and
86 the Board's operational budget as agreed upon and referenced in a written agreement between the Chief
87 Workforce Development Advisor and the agencies administering workforce programs.

88 **§ 2.2-2472. Powers and duties of the Board; Virginia Workforce System created.**

89 A. The Board shall implement a Virginia Workforce System that shall undertake the following
90 actions to implement and foster workforce development and training and better align education and
91 workforce programs to meet current and projected skills requirements of an increasingly technological,
92 global workforce:

93 1. Provide policy advice to the Governor on workforce and workforce development issues in order to
94 create a business-driven system that yields increasing rates of attainment of workforce credentials in
95 demand by business and increasing rates of jobs creation and attainment;

96 2. Provide policy direction to local workforce development boards;

97 3. Assist the Governor in the development, implementation, and modification of any combined state
98 plan developed pursuant to the WIOA;

99 4. Identify current and emerging statewide workforce needs of the business community;

100 5. Forecast and identify training requirements for the new workforce;

101 6. Recommend strategies to match trained workers with available jobs to include strategies for
102 increasing business engagement in education and workforce development;

103 7. Evaluate the extent to which the state's workforce development programs emphasize education and
104 training opportunities that align with employers' workforce needs and labor market statistics and report
105 the findings of this analysis to the Governor every two years;

106 8. Develop pay-for-performance contract strategy incentives for rapid reemployment services
107 consistent with the WIOA as an alternative model to traditional programs;

108 9. Conduct a review of budgets, which shall be submitted annually to the Board by each agency
109 conducting federal and state funded career and technical and adult education and workforce development
110 programs, that identify the agency's sources and expenditures of administrative, workforce education and
111 training, and support services for workforce development programs;

112 10. Review and recommend industry credentials that align with high demand occupations, which
113 credentials shall include ~~the Career Readiness Certificate~~ *a credential that determines career readiness*;

114 11. Define the Board's role in certifying WIOA training providers, including those not subject to the
115 authority expressed in Article 3 (§ 23.1-213 et seq.) of Chapter 2 of Title 23.1;

116 12. Provide an annual report to the Governor concerning its actions and determinations under
117 subdivisions 1 through 11;

118 13. Create quality standards, guidelines, and directives applicable to local workforce development
119 boards and the operation of one-stops, as necessary and appropriate to carry out the purposes of this
120 article; and

14. Perform any act or function in accordance with the purposes of this article.

B. The Board may establish such committees as it deems necessary including the following:

1. A committee to accomplish the federally mandated requirements of the WIOA;

2. An advanced technology committee to focus on high-technology workforce training needs and skills attainment solutions through sector strategies, career readiness, and career pathways;

3. A performance and accountability committee to coordinate with the Virginia Employment Commission, the State Council of Higher Education for Virginia, the Virginia Community College System, and the Council on Virginia's Future to develop the metrics and measurements for publishing comprehensive workforce score cards and other longitudinal data that will enable the Virginia Workforce System to measure comprehensive accountability and performance; and

4. A military transition assistance committee to focus on workforce development and employment of veterans and on reducing process and qualification barriers to training and employment services.

C. The Board and the Governor's cabinet secretaries shall assist the Governor in complying with the provisions of the WIOA and ensuring the coordination and effectiveness of all federal and state funded career and technical and adult education and workforce development programs and providers within Virginia's Workforce System.

D. The Board shall assist the Governor in the following areas with respect to workforce development: development of any combined state plan developed pursuant to the WIOA; development and continuous improvement of a statewide workforce development system that ensures career readiness and coordinates and aligns career and technical education, adult education, and federal and state workforce programs; development of linkages to ensure coordination and nonduplication among programs and activities; 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 development boards have obtained funding from sources other than the WIOA; preparation of the annual report to the U.S. Secretary of Labor; development of a statewide employment statistics system; and development of a statewide system of one-stop centers that provide comprehensive workforce services to employers, employees, and job seekers.

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

E. Each local workforce development board shall develop and submit to the Governor and the Board an annual workforce demand plan for its workforce development 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. Local boards shall also designate or certify one-stop operators; identify eligible providers of youth activities; 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 development 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 WIOA funds; report performance statistics to the Board; and certify local training providers in accordance with criteria provided by the Board. Further, a local training provider certified by any workforce development board has reciprocal certification for all workforce development boards.

F. Each workforce development board shall develop and execute a strategic plan designed to combine public and private resources to support sector strategies, career pathways, and career readiness skills development. Such initiatives shall include or address (i) a regional vision for workforce development; (ii) protocols for planning workforce strategies that anticipate industry needs; (iii) the needs of incumbent and underemployed workers in the region; (iv) the development of partners and guidelines for various forms of on-the-job training, such as registered apprenticeships; (v) the setting of standards and metrics for operational delivery; (vi) alignment of monetary and other resources, including private funds and in-kind contributions, to support the workforce development system; and (vii) the generation of new sources of funding to support workforce development in the region.

G. Local workforce development boards are encouraged to implement pay-for-performance contract strategy incentives for rapid reemployment services consistent within the WIOA as an alternative model to traditional programs. Such incentives shall focus on (i) partnerships that lead to placements of eligible job seekers in unsubsidized employment and (ii) placement in unsubsidized employment for hard-to-serve job seekers. At the discretion of the local workforce development board, funds to the extent permissible under §§ 128(b) and 133(b) of the WIOA may be allocated for pay-for-performance partnerships.

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

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

191 1. Programs authorized under Title I of the WIOA;

192 2. Programs authorized under the Wagner-Peyser Act (29 U.S.C. § 49 et seq.);

193 3. Adult education and literacy activities authorized under Title II of the WIOA;

194 4. Programs authorized under Title I of the Rehabilitation Act of 1973 (29 U.S.C. § 720 et seq.);

195 5. Postsecondary career and technical education activities authorized under the Carl D. Perkins
196 Vocational and Applied Technology Education Act (20 U.S.C. § 2301 et seq.);

197 6. Activities authorized under Chapter 2 of Title II of the Trade Act of 1974 (19 U.S.C. § 2271 et
198 seq.);

199 7. Activities pertaining to employment and training programs for veterans authorized under 38 U.S.C.
200 § 4100 et seq.;

201 8. Programs authorized under Title 60.2, in accordance with applicable federal law;

202 9. Workforce development activities or work requirements of the Temporary Assistance to Needy
203 Families (TANF) program known in Virginia as the Virginia Initiative for Employment, Not Welfare
204 (VIEW) program established pursuant to § 63.2-608;

205 10. Workforce development activities or work programs authorized under the Food Stamp Act of
206 1977 (7 U.S.C. § 2011 et seq.);

207 11. Other programs or activities as required by the WIOA; and

208 12. Programs authorized under Title I of the WIOA.

209 J. The quorum for a meeting of a local workforce development board shall consist of a majority of
210 both the private sector and public sector members. Each local workforce development board shall share
211 information regarding its meetings and activities with the public.

212 K. For the purposes of implementing the WIOA, income from service in the Virginia National Guard
213 shall not disqualify unemployed service members from WIOA-related services.

214 L. The Chief Workforce Development Advisor shall be responsible for the coordination of the
215 Virginia Workforce System and the implementation of the WIOA.

216 **[2. That the provisions of this act shall not become effective if prior to July 1, 2017, the U.S.**
217 **Department of Labor grants to the Commonwealth a waiver of the State Board membership**
218 **composition requirements under § 101(b) of the federal Workforce Innovation and Opportunity**
219 **Act of 2014 (P.L. 113-128) that permits the membership of the Virginia Board of Workforce**
220 **Development to continue to be composed as provided in § 2.2-2471 of the Code of Virginia as in**
221 **effect on January 1, 2017.]**