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SENATE BILL NO. 1523

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology
on January 21, 2019)

(Patron Prior to Substitute—Senator Ruff)

A *BILL to amend and reenact §§ 2.2-200, 2.2-204, 2.2-205.1, 2.2-435.6, 2.2-435.8, 2.2-435.9, 2.2-435.10, 2.2-2471, 2.2-2471.1, 2.2-2472, and 2.2-2472.2 of the Code of Virginia; to amend the Code of Virginia by adding in Chapter 2 of Title 2.2 an article numbered 12, consisting of sections numbered 2.2-234 and 2.2-235; and to repeal § 2.2-435.7 of the Code of Virginia relating to Governor's secretaries; Secretary of Workforce Development created.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-200, 2.2-204, 2.2-205.1, 2.2-435.6, 2.2-435.8, 2.2-435.9, 2.2-435.10, 2.2-2471, 2.2-2471.1, 2.2-2472, and 2.2-2472.2 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 2 of Title 2.2 an article numbered 12, consisting of sections numbered 2.2-234 and 2.2-235, as follows:

§ 2.2-200. Appointment of Governor's Secretaries; general powers; severance.

A. The Governor's Secretaries shall be appointed by the Governor, subject to confirmation by the General Assembly if in session when the appointment is made, and if not in session, then at its next succeeding session. Each Secretary shall hold office at the pleasure of the Governor for a term coincident with that of the Governor making the appointment or until a successor is appointed and qualified. Before entering upon the discharge of duties, each Secretary shall take an oath to faithfully execute the duties of the office.

B. Each Secretary shall be subject to direction and supervision by the Governor. Except as provided in Article 4 (§ 2.2-208 et seq.), the agencies assigned to each Secretary shall:

1. Exercise their respective powers and duties in accordance with the general policy established by the Governor or by the Secretary acting on behalf of the Governor;
2. Provide such assistance to the Governor or the Secretary as may be required; and
3. Forward all reports to the Governor through the Secretary.

C. Unless the Governor expressly reserves such power to himself and except as provided in Article 4 (§ 2.2-208 et seq.), each Secretary may:

1. Resolve administrative, jurisdictional, operational, program, or policy conflicts between agencies or officials assigned;
2. Direct the formulation of a comprehensive program budget for the functional area identified in § 2.2-1508 encompassing the services of agencies assigned for consideration by the Governor;
3. Hold agency heads accountable for their administrative, fiscal and program actions in the conduct of the respective powers and duties of the agencies;
4. Direct the development of goals, objectives, policies and plans that are necessary to the effective and efficient operation of government;
5. Sign documents on behalf of the Governor that originate with agencies assigned to the Secretary; and

6. Employ such personnel and to contract for such consulting services as may be required to perform the powers and duties conferred upon the Secretary by law or executive order.

D. Severance benefits provided to any departing Secretary shall be publicly announced by the Governor prior to such departure.

E. As used in this chapter, "Governor's Secretaries" means the Secretary of Administration, the Secretary of Agriculture and Forestry, the Secretary of Commerce and Trade, the Secretary of Education, the Secretary of Finance, the Secretary of Health and Human Resources, the Secretary of Natural Resources, the Secretary of Public Safety and Homeland Security, the Secretary of Technology, the Secretary of Transportation, and the Secretary of Veterans and Defense Affairs, and the Secretary of Workforce Development.

§ 2.2-204. Position established; agencies for which responsible; additional duties.

The position of Secretary of Commerce and Trade (the Secretary) is created. The Secretary shall be responsible to the Governor for the following agencies: Virginia Economic Development Partnership Authority, Virginia International Trade Corporation, Virginia Tourism Authority, ~~Department of Labor and Industry~~, Department of Mines, Minerals and Energy, ~~Virginia Employment Commission~~, Department of Professional and Occupational Regulation, Department of Housing and Community Development, Department of Small Business and Supplier Diversity, Virginia Housing Development Authority, Tobacco Region Revitalization Commission, and Board of Accountancy. The Governor, by executive order, may assign any state executive agency to the Secretary, or reassign any agency listed in

60 this section to another Secretary.

61 The Secretary shall implement the provisions of the Virginia Biotechnology Research Act (§ 2.2-5500
62 et seq.).

63 **§ 2.2-205.1. Economic Crisis Strike Force.**

64 A. There is hereby established the Economic Crisis Strike Force (Strike Force) for the purpose of
65 serving as a working group to respond as needed to economic disasters in Virginia communities by (i)
66 immediately providing a single point of contact for citizens in affected communities to assist with
67 accessing available government and private sector services and resources, (ii) assisting localities in
68 developing short-term and long-term strategies for addressing the economic crisis, and (iii) identifying
69 opportunities for workforce retraining, job creation, and new investment.

70 B. The Strike Force shall be chaired by the Secretary of Commerce and Trade and be deployed at
71 the direction of the Governor. Membership shall include high level representatives designated by the
72 Secretaries of Education and, Health and Human Resources, and Workforce Development and by the
73 respective heads of the following agencies: the Department of Agriculture and Consumer Services, the
74 Department of Education, the Department of Housing and Community Development, the Department of
75 Labor and Industry, the Department of Medical Assistance Services, the Department of Small Business
76 and Supplier Diversity, the Department of Social Services, the Virginia Community College System, the
77 Virginia Employment Commission, the Virginia Economic Development Partnership, and the Virginia
78 Tourism Authority. The Strike Force shall also include representatives from such other agencies as may
79 be designated by the Governor to meet the needs of a particular affected community. In addition, the
80 Governor may designate such citizens as he deems appropriate to advise the Strike Force.

81 C. Staff support for the Strike Force shall be provided by the Office of the Governor and the
82 Secretary of Commerce and Trade. All agencies of the Commonwealth shall assist the Strike Force upon
83 request.

84 D. On or before December 1 of each year, the Strike Force shall report to the Governor and the
85 General Assembly on its activities.

86 E. For the purposes of this section, "economic disaster" means an employment loss of at least five
87 percent during the immediately preceding six-month period, the closure or downsizing of a major
88 regional employer in an economically distressed area, a natural disaster or act of terrorism for which the
89 Governor has declared a state of emergency, or other economic crisis situations, which in the opinion of
90 the Governor adversely affect the welfare of the citizens of the Commonwealth.

91 **Article 12.**

92 *Secretary of Workforce Development.*

93 **§ 2.2-234. Position established; agencies for which responsible.**

94 *The position of Secretary of Workforce Development (the Secretary) is created. The Secretary shall*
95 *be responsible to the Governor for the following agencies: the Department of Labor and Industry and*
96 *the Virginia Employment Commission. The Governor, by executive order, may assign any state executive*
97 *agency to the Secretary.*

98 **§ 2.2-235. Responsibilities of the Secretary.**

99 A. *The Secretary of Workforce Development shall assist the Governor in his capacity as the Chief*
100 *Workforce Development Officer for the Commonwealth pursuant to § 2.2-435.6. The Secretary shall be*
101 *responsible for the duties assigned to him pursuant to this article, Chapter 4.2 (§ 2.2-435.6 et seq.), and*
102 *Article 24 (§ 2.2-2470 et seq.) of Chapter 24 and other tasks as may be assigned to him by the*
103 *Governor.*

104 B. *The Chief Workforce Development Officer's responsibilities as carried out by the Secretary of*
105 *Workforce Development shall include:*

106 1. *Developing a strategic plan for the statewide delivery of workforce development and training*
107 *programs and activities. The strategic plan shall be developed in coordination with the development of*
108 *the comprehensive economic development policy required by § 2.2-205. The strategic plan shall include*
109 *performance measures that link the objectives of such programs and activities to the record of state*
110 *agencies, local workforce development boards, and other relevant entities in attaining such objectives;*

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

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

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

120 5. *Developing, in coordination with the Virginia Board of Workforce Development, (i) certification*
121 *standards for programs and providers and (ii) uniform policies and procedures, including standardized*

forms and applications, for one-stop centers;

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

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

8. 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. These evaluations shall be submitted to the chairs of the House and Senate Committees on Commerce and Labor and included in the biennial reports pursuant to subdivision 10;

9. 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

10. Submitting biennial reports, which shall be included in the Governor's executive budget submissions to the General Assembly, on improvements in the coordination of workforce development efforts statewide. The reports shall identify (i) program success rates in relation to performance measures established by the Virginia Board of Workforce Development, (ii) obstacles to program and resource coordination, and (iii) strategies for facilitating statewide program and resource coordination.

§ 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 appoint a Chief Workforce Development Advisor who shall be responsible for the duties assigned to him pursuant to this chapter and Article 24 (§ 2.2-2470 et seq.) of Chapter 24 or other tasks as may be assigned to him by the Governor.

§ 2.2-435.8. Workforce program evaluations; sharing of certain data.

A. Notwithstanding any provision of law to the contrary, the agencies specified in subsection D may share data from within their respective databases solely to (i) provide the workforce program evaluation and policy analysis required by subdivision A B 8 of § 2.2-435.7 2.2-235 and clause (i) of subdivision A B 10 of § 2.2-435.7 2.2-235 and (ii) conduct education program evaluations that require employment outcomes data to meet state and federal reporting requirements.

B. Data shared pursuant to subsection A shall not include any personal identifying information, shall be encrypted, and shall be transmitted to the Governor or his designee. Upon receipt of such data, the Governor or his designee shall re-encrypt the data to prevent any participating agency from connecting shared data sets with existing agency files. For the purposes of this section:

1. "Identifying information" means the same as that term is defined in § 18.2-186.3; and

2. "Encrypted" means the same as that term is defined in § 18.2-186.6.

C. The Governor or his designee and all agencies authorized under this section shall destroy or erase all shared data upon completion of all required evaluations and analyses. The Governor or his designee may retain a third-party entity to assist with the evaluation and analysis.

D. The databases from the following agencies relating to the specific programs identified in this subsection may be shared solely to achieve the purposes specified in subsection A:

1. Virginia Employment Commission: Unemployment Insurance, Job Service, Trade Act, and Veterans Employment Training Programs;

2. Virginia Community College System: Postsecondary Career and Technical Education, Workforce Innovation and Opportunity Act Adult, Youth and Dislocated Worker Programs;

3. Department for Aging and Rehabilitative Services: Vocational Rehabilitation and Senior Community Services Employment Program;

4. Department for the Blind and Vision Impaired: Vocational Rehabilitation;

5. Department of Education: Adult Education and Family Literacy, Special Education, and Career and Technical Education;

6. Department of Labor and Industry: Apprenticeship;

7. Department of Social Services: Supplemental Nutrition Assistance Program and Virginia Initiative for Employment Not Welfare;

8. Virginia Economic Development Partnership: Virginia Jobs Investment Program;

9. Department of Juvenile Justice: Youth Industries and Institutional Work Programs and Career and

183 Technical Education Programs;

184 10. Department of Corrections: Career and Technical Education Programs; and

185 11. The State Council of Higher Education for Virginia.

186 **§ 2.2-435.9. Annual report by publicly funded career and technical education and workforce**
187 **development programs; performance on state-level metrics.**

188 Beginning November 1, 2016, and annually thereafter, each agency administering any publicly
189 funded career and technical education and workforce development program shall submit to the Governor
190 and the Virginia Board of Workforce Development a report detailing the program's performance against
191 state-level metrics established by the Virginia Board of Workforce Development and the *Chief Secretary*
192 *of Workforce Development Advisor*.

193 **§ 2.2-435.10. Administration of the Workforce Innovation and Opportunity Act; memorandum**
194 **of understanding; executive summaries.**

195 A. The *Chief Secretary of Workforce Development Advisor*, the *Commissioner of the Virginia*
196 *Employment Commission*, and the Chancellor of the Virginia Community College System shall enter
197 into a memorandum of understanding that sets forth (i) the roles and responsibilities of each of these
198 entities in administering a state workforce system and facilitating regional workforce systems that are
199 business-driven, aligned with current and reliable labor market data, and targeted at providing
200 participants with workforce credentials that have demonstrated value to employers and job seekers; (ii) a
201 funding mechanism that adequately supports operations under the federal Workforce Innovation and
202 Opportunity Act of 2014 (P.L. 113-128) (WIOA); and (iii) a procedure for the resolution of any
203 disagreements that may arise concerning policy, funding, or administration of the WIOA.

204 B. The *Chief Secretary of Workforce Development Advisor*, the *Virginia Employment Commission*,
205 and the Virginia Community College System shall collaborate to produce an annual executive summary,
206 no later than the first day of each regular session of the General Assembly, of the interim activity
207 undertaken to implement the memorandum of understanding described in subsection A and to administer
208 the WIOA.

209 **§ 2.2-2471. Virginia Board of Workforce Development; purpose; membership; terms;**
210 **compensation and expenses; staff.**

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

218 B. The Board shall consist of the following:

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

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

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

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

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

231 a. Two local elected officials;

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

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

244 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 nonlegislative citizen members representing the business community appointed in accordance with subdivision B 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 shall select at least five members of the Board to serve as an executive committee of the Board, which shall have the limited purpose of establishing meeting agendas, reviewing bylaws and other documents pertaining to Board governance and operations, approving reports to the Governor, and responding to urgent federal, state, and local issues between scheduled Board meetings.

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

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

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

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

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

§ 2.2-2471.1. Executive Director; staff support.

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

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

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

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

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

2. Provide policy direction to local workforce development boards;

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

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

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

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

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

8. Advise and oversee the development of a strategic workforce dashboard and tools that will inform the Governor, policy makers, system stakeholders, and the public on issues such as state and regional labor market conditions, the relationship between the supply and demand for workers, workforce program outcomes, and projected employment growth or decline. The Virginia Employment Commission, along with other workforce partners, shall provide data to populate the tools and dashboard;

9. Determine and publish a list of jobs, trades, and professions for which high demand for qualified

workers exists or is projected by the Virginia Employment Commission. The Virginia Employment Commission shall support the Virginia Board of Workforce Development in making such determination. Such information shall be published biennially and disseminated to employers; education and training entities, including associate-degree-granting and baccalaureate public institutions of higher education; government agencies, including the Department of Education and public libraries; and other users in the public and private sectors;

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

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

12. Review and recommend industry credentials that align with high demand occupations, which credentials shall include a credential that determines career readiness;

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

14. Provide an annual report to the Governor concerning its actions and determinations under subdivisions 1 through 13;

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

16. 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.

H. Each chief local elected official shall consult with the Governor regarding designation of local workforce development 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 development board and one-stop center; and collaborate with the local workforce development board on local plans and program oversight.

I. Each local workforce development 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 WIOA;
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 WIOA;
4. Programs authorized under Title I of the Rehabilitation Act of 1973 (29 U.S.C. § 720 et seq.);
5. Postsecondary career and technical education activities authorized under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. § 2301 et seq.);
6. Activities authorized under Chapter 2 of Title II of the Trade Act of 1974 (19 U.S.C. § 2271 et seq.);
7. Activities pertaining to employment and training programs for veterans authorized under 38 U.S.C. § 4100 et seq.;
8. Programs authorized under Title 60.2, in accordance with applicable federal law;
9. Workforce development activities or work requirements of the Temporary Assistance to Needy Families (TANF) program known in Virginia as the Virginia Initiative for Employment, Not Welfare (VIEW) program established pursuant to § 63.2-608;
10. Workforce development activities or work programs authorized under the Food Stamp Act of 1977 (7 U.S.C. § 2011 et seq.);
11. Other programs or activities as required by the WIOA; and
12. Programs authorized under Title I of the WIOA.

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

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

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

§ 2.2-2472.2. Minimum levels of fiscal support from WIOA Adult and Dislocated Worker funds by local workforce development boards; incentives.

A. Each local workforce development board shall allocate a minimum of 40 percent of WIOA Adult and Dislocated Worker funds to training services as defined under § 134(c)(3)(D) of the WIOA that lead to recognized postsecondary education and workforce credentials aligned with in-demand industry sectors or occupations in the local area or region. Beginning October 1, 2016, and biannually thereafter, the ~~Chief Secretary of Workforce Development Advisor~~ shall submit a report to the Board evaluating the

429 rate of the expenditure of WIOA Adult and Dislocated Worker funds under this section.

430 B. Failure by a local workforce development board to meet the required training expenditure
431 percentage requirement shall result in sanctions, to increase in severity for each year of noncompliance.
432 These sanctions may include corrective action plans; ineligibility to receive state-issued awards,
433 additional WIOA incentives, or sub-awards; the recapturing and reallocation of a percentage of the local
434 area board's Adult and Dislocated Worker funds; or for boards with recurring noncompliance,
435 development of a reorganization plan through which the Governor would appoint and certify a new local
436 board.

437 C. The Virginia Community College System, in consultation with the Governor, shall develop a
438 formula providing for 30 percent of WIOA Adult and Dislocated Worker funds reserved by the
439 Governor for statewide activities to be used solely for providing incentives to postsecondary workforce
440 training institutions through local workforce development boards to accelerate the increase of workforce
441 credential attainment by participants. Fiscal incentive awards provided under this section must be
442 expended on training activities that lead participants to a postsecondary education or workforce
443 credential that is aligned with in-demand industry sectors or occupations within each local workforce
444 area. Apprenticeship-related instruction shall be included as a qualifying training under this subsection if
445 such instruction is provided through a postsecondary education institution.

446 **2. That § 2.2-435.7 of the Code of Virginia is repealed.**