



MEETING CRITICAL WORKFORCE NEEDS FOR THE REGION 2000 WORKFORCE SYSTEM

A Whitepaper on the Future Structure of the Region 2000 Workforce
Development Board



BACKGROUND

The Workforce Innovation and Opportunity Act (WIOA) has created a renewed effort to retool the public workforce system so that it is more flexible and responsive to meeting employer needs. Workforce policies and investments need to be reimagined, because labor markets are changing in fundamental ways. The Regional Workforce System must develop policies, funding, and service models that align with challenges posed by labor markets in the twenty-first century—an era characterized by perpetual volatility. Disruptive forces are everywhere; whole industries are being transformed by innovation, automation and changes in technology at a pace that continues to accelerate. The result is increased uncertainty and turbulence in the scale and nature of employment in many industries, and often dramatic shifts in skill requirements and how occupations are defined. Workforce resources and organizations must become more nimble, responsive and evolve as needed in response to these powerful forces. This brief paper identifies some issues and offers some ideas about potential new models that would better align workforce investments to needs within an economy in transformation.

Region 2000 has some promising growth areas directly impacting the future knowledge economy. Liberty University has experienced phenomenal growth, especially in distance learning, making it the largest non-profit educational organization in the country. Liberty University is likely the largest information technology employer in the region. Career and technical education at the high school level and technically focused colleges and schools such Central Virginia Community College, American National University, and Virginia Technical Institute are extremely valuable workforce contributors since at least 70% of the region's workforce requires an associate's degree or less. Liberty University, Lynchburg College, Randolph College, Sweet Briar College and Virginia University of Lynchburg offer significant strength to the region's total postsecondary effort and contribute toward this region having access to more college talent per capita than most regions of Virginia.

Healthcare, manufacturing, retail, education and construction account for significant sectors of the workforce in Region 2000. Sectors with the highest average wages per worker are Professional, Scientific, and Technical Services (\$68,677), Wholesale Trade (\$60,904), and Management of Companies and Enterprises (\$60,122). Regional sectors with the best job growth (or most moderate job losses) over the last 5 years are Accommodation and Food Services (+1,118 jobs), Health Care and Social Assistance (+562), and Retail Trade (+295). Over the next 10 years, employment in the Region 2000/Central VA (WDA 7) is projected to expand by 1,977 jobs. The fastest growing sector in the region is expected to be Health Care and Social Assistance with a +1.4% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Health Care and Social Assistance (+2,503 jobs), Construction (+614), and Retail Trade (+569). (Source: JobsEQ) Manufacturing is a unique opportunity for Region 2000 because it offers some of the best opportunities for living wage careers. This region is uniquely positioned to capitalize on the continued growth in healthcare, education and the new era of science and technology driven advanced manufacturing because of the substantial number of manufacturing businesses in the area that currently employ and will continue to need highly skilled workers. Traditional manufacturing jobs are not projected to increase significantly in the region, largely due to automation reducing the number of workers required, however there will be an ongoing need for

a highly skilled, technical workforce. Higher education is and will be a significant driver for the knowledge economy with a major influence on many other employment sectors. This is especially true for Virginia's Region 2000 and establishes the need to develop an adaptable, efficient and transformation workforce system that will make this region: *Virginia's Talent Region*.

THE NEED

One of the primary challenges to effective implementation of WIOA is developing a common regional vision for workforce development that supports career pathways for the critical employment sector needs of all employers within the region. This vision and workforce system should fully engage all secondary/postsecondary education providers (both private and public), related community organizations and business throughout the region. In Virginia's Region 2000, over 70% of this workforce preparation should take place in the K-14 education system with the remaining workforce needs addressed by four-year college or university preparation. Developing, supporting and coordinating a regional career pathway system is the role of the Region 2000 Workforce Development Board and the stakeholders that comprise the board. Given the multiple stakeholders involved in workforce development in government and the private sector, the Workforce Development Board could benefit from a structure that creates better communication and resource availability to meet unique employer needs through an effective workforce system connected to all appropriate resources throughout the region.

Two of the most critical areas facing the workforce for Region 2000 are work ethic and finding employees with mid to high-level technical skills. These are key concerns expressed by regional employers. Work ethic and career awareness is something that starts at elementary age as children observe their parents and other adults. Children without positive role models or supportive family systems frequently become disengaged from the educational resources that can prepare them for a positive career. A high-quality, responsive, workforce system engages not only the public and private educational sectors but most importantly, businesses, community organizations and the faith community in a regional talent development system. Non-profit organizations and the faith community are very important in the Lynchburg region and must be appropriately engaged as an access point for job seekers and provide mentoring or support services for youth and adults with employment challenges. A nongovernmental entity may be the best vehicle for building this new workforce system.

Financial resources for the Region 2000 Workforce Development Board are very limited with only 1.3 million dollars allocated to serve the entire region for the 2017-18 budget year. These funds are 100% federal funds with very specific guidance on use. For example, of the total youth funding allocation, (\$519,913.00) 75% must be spent on out of school youth between the ages of 16-24 years old and only 25% can be spent on in school youth. Ideally, career development needs to start in middle school and include hands on career exploration with family involvement throughout the secondary school years. In Virginia, public schools are required to have academic and career plans in place for all students before the 9th grade to guide student choices in career and technical courses. It is a tremendous challenge providing opportunities for career exploration and awareness during the middle and high school due to current academic requirements. Our regional workforce system needs to find resources for creating hands on career exploration opportunities after school, on weekends and during the summer to bring real world career experiences into the lives of our youth and create meaningful career pathways. With existing funding, the workforce system has very limited resources to connect students with career exploration before age 14 which is a critical stage in life/career development. Additional resources

beyond existing federal funds are critical for building the partnerships with employers and early career pathway system to meet future employer needs. One of the missions of the Region 2000 Workforce Development Board is to work with all appropriate partners to create career pathways with living wage careers in high demand occupations. Creating an operational structure with more flexibility in policy and funding will provide resources to accomplish this mission

SOLUTION

The need for a more flexible organizational structure is probably best illustrated through the role of Industrial Development Authority's (IDA) or Economic Development Authorities (EDA) that serve many localities. The purpose of an Industrial Development Authority (IDA) or EDA is to promote industry and develop trade by inducing manufacturing, industrial, governmental, non-profit, commercial and other enterprises to locate, remain and expand for the benefit of citizens in the form of employment opportunities and economic growth. IDAs' and EDAs' are authorized to acquire, own, lease and dispose of properties to the end that such activities may promote industry and develop trade by inducing enterprises to locate, remain and expand in the locality they represent. IDA's and EDA's provide the localities they serve with the flexibility to move as quickly as necessary to meet the needs of businesses seeking to locate, expand or maintain productivity. *In our knowledge and technology driven economy workforce has become as important as land and buildings to attracting and retaining businesses*, thus the need to consider establishing a non-profit and/or aligned benefit corporation that promotes flexibility and speed for meeting the skill needs generated by rapidly changing technology in the workplace.

Many Workforce Development Boards in Virginia are already established as a non-profit (501c3) organization and have additional funding streams beyond WIOA federal dollars. It is now written into WIOA law (*Title 29 › Chapter 32 › Subchapter 1 › Part A › Subpart 2 › § 3123*) that one of the expectations of local boards is "identifying non-Federal expertise and resources to leverage support for workforce development activities." Creating a non-profit organization aligned with the Region 2000 Workforce Development Board would create opportunities for alternative funding from private foundations, businesses or individuals. These funds can be leveraged to create strong business education/ partnerships and possibly serve as venture capital funds to establish a business enterprise also prepares a high-skill workforce that is not reliant completely upon government funding.

The Region 2000 Workforce Development Board and Chief Elected Officials have an opportunity to develop a new operational structure that creates more flexibility to meet local and regional workforce needs. As staff to Workforce Development Board I encourage both the Region 2000 Workforce Development Board and Chief Elected Officials to support developing a nonprofit organization aligned with the Workforce Development Board that would position our region to develop a more flexible and efficient workforce system. For existing examples and models for consideration please review the attached information and visit the websites presented in the following listing of resources:

Attachment A: Shenandoah Valley Workforce Development Board-Draft Articles of Incorporation

Attachment B: Pioneer Human Services Overview

ADDITIONAL RESOURCES/BACKGROUND INFORMATION ON EXISTING MODELS FOR CONSIDERATION

1. [Maxx Potential](#): Information Technology Company in Richmond, VA using the apprenticeship model to train IT workers utilizing real world projects. Employees can be hired by the project business
2. [Pioneer Human Services](#): Human services non-profit in Spokane, Washington with manufacturing and other business enterprises utilizing the apprenticeship model to prepare employees for living wage careers.
3. [4P Foods](#): A Virginia Benefit Corporation (B-Corp). New corporate structure in Virginia creating a stock corporation whose articles of incorporation provide that it is a benefit corporation and that has, as one of its purposes, the purpose of creating a general public benefit on society and/or the environment.
4. [Center for Design and Manufacturing Excellence](#)- Ohio State University- Business support with paid student internship opportunities