

**Proposed Modifications to 2016-2020 Local Plan for
Virginia's Capital Region Workforce Development Board
Posted for Public Review and Comment**

1) Changes in labor market and economic conditions

The region's unemployment rate has dropped year over year and is now at less than 3%; however, wages have generally remained flat. With the tightening of the labor market, some upward adjustment is probable as employers compete for a workforce, or to retain employees. Although the unemployment rate is low, the amount of discouraged jobseekers or those in low-wage jobs is significant and there is constant churning in some of the occupations with the lower wages, such as retail and hospitality.

Current employment demand and projected growth industries continue to support the target industries that the Board adopted in 2016: advanced manufacturing, educational services, healthcare, logistic and professional, scientific and technical in the first tier and construction, finance, hospitality and retail in the second tier.

2) Changes to financing available to support WIOA and partner provided services

From PY16 to PY18, the local area's federal funding has decreased 20%. This has necessitated a significant (\$900,000) reduction in the adult and dislocated worker youth contract as carry-over funds were largely depleted in PY17. As a result, staffing levels in those contracts has dropped from 22 to 11 because staffing is the only area where cuts could be absorbed given the state's 40% training expenditure requirement.

The local area is fortunate to be among the few in Virginia that receive local government funding in addition to federal resources, and that amount has increased slightly in the most recent budget cycle. Area funding is also enhanced through the rent paid by various partners in all three workforce centers as the local Grant Recipient/Fiscal Agent holds the leases. There have also been a series of grant opportunities made available.

The local board has started coalition building efforts with Goodwill of Central and Coastal Virginia, the Community College Workforce Alliance and the City of Richmond Office of Community Wealth Building as the four largest, prominent workforce development entities in the region to better coordinate services and leverage funding. This work to create a "system of care" is being done under the umbrella of the Community Foundation, a significant philanthropic leader in the region.

3) Changes to Local Board Structure

The local board bylaws have been amended to create an officer structure that more readily provides for leadership succession by having a Chairman, First Vice-Chairman and Second Vice-Chairman. With term limits established, the First Vice-Chairman is elevated to Chairman within two years, the Second Vice-Chairman is elevated to First Vice-Chairman and a new Second Vice-Chairman is elected.

The Board has also created an Operations Committee that serves in an advisory capacity on issues related to out-of-school youth and other targeted populations (homeless, disabled, elderly, basic skills deficient etc.), as well as to make recommendations of service delivery process and procedures.

4) The need to revise strategies to meet local performance goals

In the initial four-year plan period, the local area met or exceeded performance goals in all categories. The current program year is the first full year for the new WIOA measure to be fully implemented and we only have first quarter data available so it is difficult to project where needed adjustments may be needed. However, to be proactive, we will be arranging training and technical assistance to the service providers on managing to performance, particularly with measurable skills gains which is the most dramatic change to the measures.