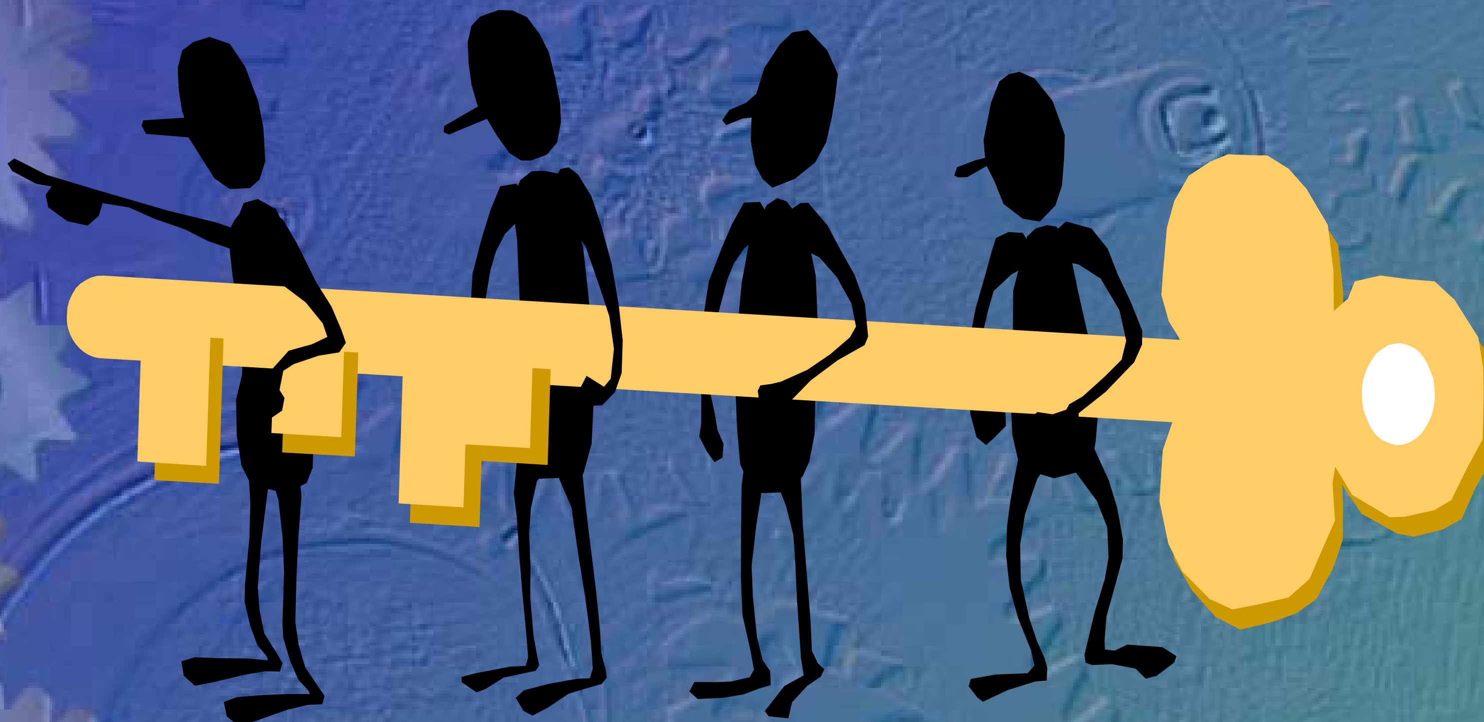
“MEETING THE CHALLENGE”

VIRGINIA JOBS INVESTMENT PROGRAM

November 30, 2006



DEPARTMENT OF BUSINESS ASSISTANCE

MISSION

Assist New and Expanding Businesses In Developing and Implementing The Highest Quality Recruiting and Training Programs for New Job Creation

GOALS

- Reduce up-front human resource development costs for new or expanding facilities in the Commonwealth of Virginia.

- Enhance the job opportunities for citizens of Virginia by training individuals for specific employment opportunities.

VIRGINIA JOBS INVESTMENT PROGRAM

VIRGINIA JOBS INVESTMENT PROGRAM

HISTORY

- Started in 1965
- Virginia's Second Oldest Economic Development Incentive Program
- Grown From 30 to Over 575 Programs Per Year

SCOPE OF THE PROGRAM

- **Train for Specific Jobs**
- **Retraining for Technological Change (FY06 Funded $1.14M)**
- **Total New Jobs Program (FY06 funded 5.22M)**
- **Small Business New Jobs Program (FY06 funded $1.02M)**
- **Avoid Duplication of Virginia's Formal Education Structure and federal programs**
- **Assist in Virginia's Economic Development Efforts - 325 Prospect Presentations in FY06**

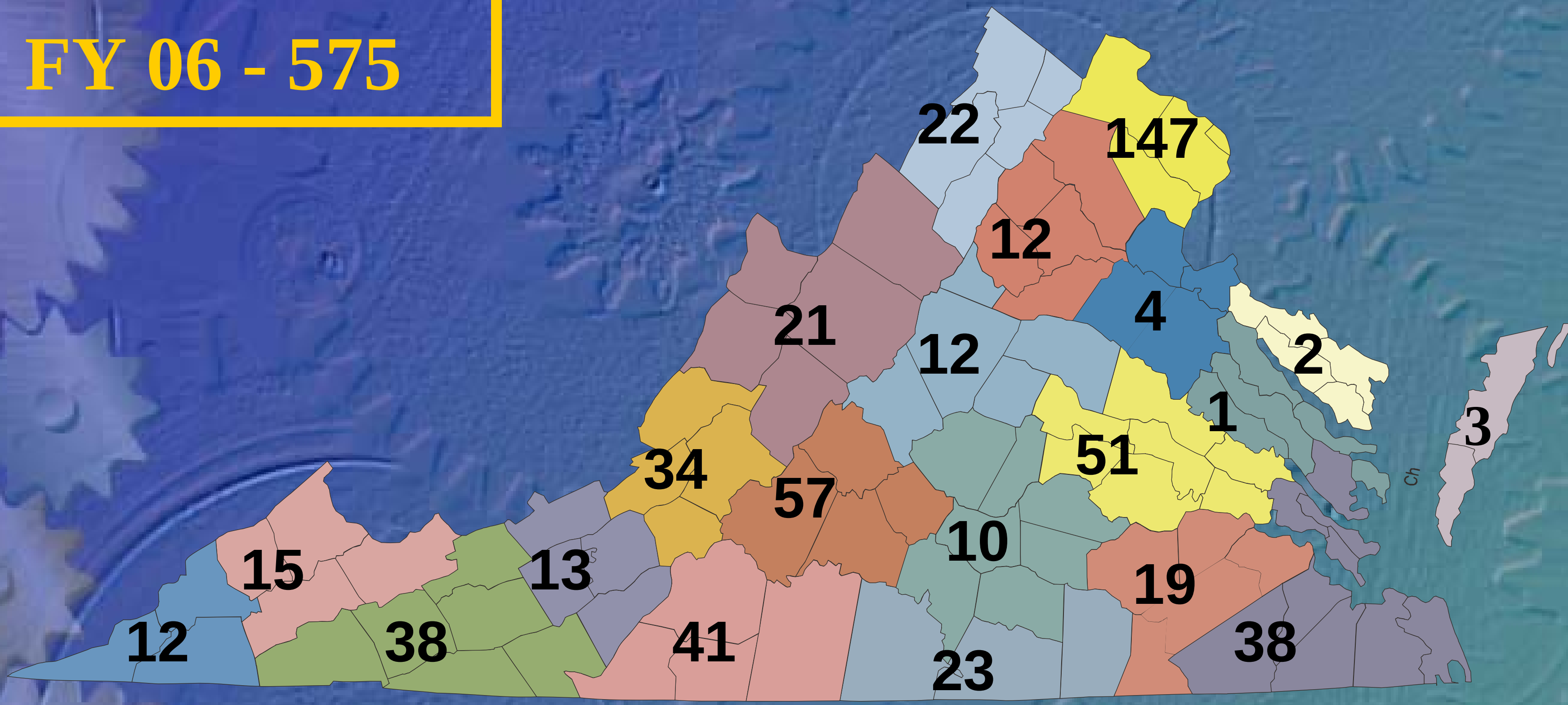
CULTURAL VALUES

- Customer Service
- Quality of Services
- Continuous Improvement

VIRGINIA JOBS INVESTMENT PROGRAM

PROJECTS BY PDC

FY 06 - 575



VIRGINIA JOBS INVESTMENT PROGRAM

TYPE OF PROJECTS

	FY06	Last Six Years (FY01-06)
New	77	564
Existing	125	942
Small Business	309	803
Retraining	64	289
	575	2,598

Over 300 Projects in FY06 were with manufacturing firms

AVERAGE COST PER TRAINEE

- FY06 $577
- Performance Driven Program (Reimbursement made after trainee employed for 90 days).
- We Do Not Reimburse for Turnover.
- The range of reimbursement for the initial training costs per job created is 10% to 40%.

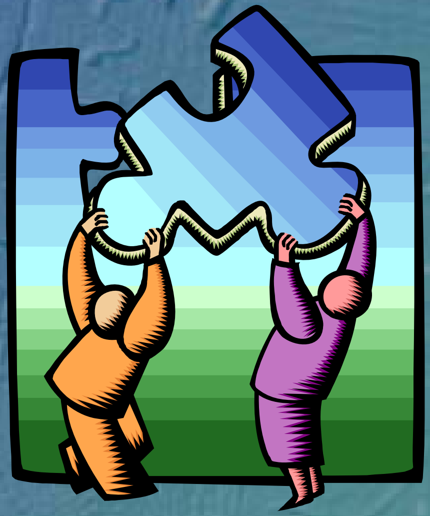
RETURN ON INVESTMENT

FY 2006 Projects

3.9-Month Payback

INTERFACE WITH THE ECONOMIC DEVELOPMENT COMMUNITY

- ➢ **Requests for Presentations**
- ➢ **Requests for Proposals**
  - **Letter of Commitment**
  - **Cost Avoidance**

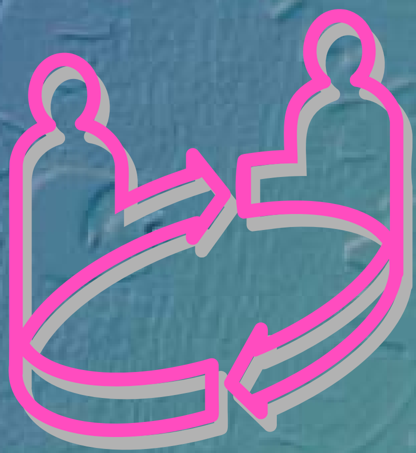


PROGRAMS

- New Jobs
- Small Business
- Retraining

NETWORKING

- Secretary's Office, Governor’s Office, General Assembly
- Virginia Economic Development Partnership
- Regional And Local Economic Development Offices
- Virginia Community Colleges
- Virginia Employment Commission
- Workforce Investment Boards
- Vocational Education
- Virginia Colleges & Universities
- Social Services
- Center For Innovative Technology
- Virginia Companies



PROGRAM FUNDING STATUS

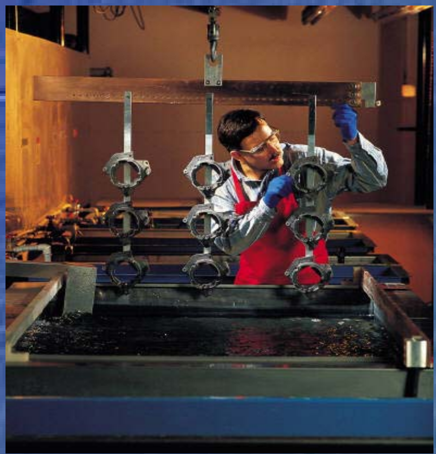
◆ Current Funding	$8.5MM
◆ Demand	$11.5MM
◆ Funding Needed	$3MM

Funding cut 37% since 2002

VIRGINIA JOBS INVESTMENT PROGRAM

Request for Virginia Jobs Investment Programs' Participation in Statewide Workforce Development Initiatives

Manufacturing Council's Sub-Committees' Report on Skilled Trades

COUNCIL'S GOAL

Within the next 5 years implement the structural enablers that will allow Virginia to be perceived as one of the best locations in the U.S. to manufacture products and headquarter manufacturing businesses.

SUB-COMMITTEES' TASK

Evaluate the needs of current and potential Virginia manufacturers with respect to skilled trades, and recommend steps to help ensure Virginia will have the needed *skilled* trades workforce over the next 10-15 years.

TASK FORCE MEMBERS

- **John Canfield**
  Mitsubishi Chemical
- **David Eberwine**
  Northrop Grumman
- **Bryce Jewett**
  Jewett Machine/Jewett Automation
- **Barbara Jones**
  Philip Morris
- **Bob Leber**
  Northrop Grumman
- **Leonard Sledge**
  VA Community College System
- **Preston Wilhelm**
  Dept. of Business Assistance
- **Lynn Wilson**
  Community College Workforce Alliance

SKILLED TRADES JOB TITLES

- Machinists
- Electricians
- Electronic and Instrument Techs
- Sheet Metal Mechanics
- Maintenance Mechanics
- CAD Operators / Designers
- Welders
- Millwrights
- Pipe fitters
- Electromechanical Techs
- Others…

RESEARCH PERFORMED

- Reviewed skilled trades labor projections available through the VEC.
- Completed an Internet search for other state and national information.
- Talked with organizations involved in economic and workforce development (e.g., NAM, NTMA, VEDP, VCCS).
- Polled manufacturers informally.

THE CRISIS IN SKILLED TRADES: VA

Based on projected annual openings by the VEC, anticipating retirement, turnover and growth, we need 4000-5000 new workers each year, or 40M to 50M over the next 10 years.

SOME GOOD EFFORTS IN PROGRESS

- **Partnerships with manufacturers and Community Colleges or technical programs in local high schools.**
- **Apprenticeship programs for skilled trades.**
- **Technical Centers across the State.**
- **KnowHowVirginia – Advanced Manufacturing is one of 16 clusters.**
- **Career Readiness Certificate**
- **Federal grant awarded to VMA/VA Biotech Association for advanced manufacturing job training initiatives**

FINDINGS AND RECOMMENDATIONS

- Plan
- Promote
- Participate
- Collaborate

RECOMMENDATION 1: PLAN

Develop a sustained statewide process for anticipating the specific needs for skilled labor and balancing our training resources accordingly.

RECOMMENDATION 2: PROMOTE

1. Promote manufacturing and skilled trades as an attractive option to middle/high school students.
2. Assign responsibility and accountability to a specific organization i.e. VCCS, VMA, DBA

RECOMMENDATION 3: PARTICIPATE

1. **Pay attention and get involved.**
2. **Private Companies/Government**

RESULTS

Secretary of Commerce and Trade committed funds for:

- **VMA - Assess shortage of skilled trades over next 5 years.**
- **VMA - Developing a statewide mfg. resource inventory.**
- **VCCS - to develop a mfg. Technician Curriculum.**

A LAST WORD

Regional Cooperation

Get Involved

Get Results!

Questions and Discussion