

**ANNUAL REPORT
FOR
TITLE I
OF THE WORKFORCE INVESTMENT ACT OF 1998**



**TERRITORY OF THE VIRGIN ISLANDS
OF THE UNITED STATES**

**For the period of
July 1, 2002 – June 30, 2003**

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THE WORKFORCE SYSTEM

During Program Year 2002, the Virgin Islands Career Network focused on operations efficiency and program diversification.

The economic downturn discussed in the Five-Year Strategic Plan never realized the reversal that had been anticipated to have occurred by this time. This affected every segment of the workforce system with the number of individuals seeking services lowered from last year. Many services sought were core and intensive services with an emphasis on job search (assisted and self service), resume enhancement and job transition workshops.

In the first years of the WIA one of the goals of the system focused on developing the workforce around the local market economy. Gauging the needs of the business community and preparing our customers to fill the notable voids accomplished this. However, throughout the past few years and to date, the local market economy has stagnated and offered little by way of growth trends. The state has thus sought to improve the training opportunities for customers by requiring providers to offer more than the traditional entry-level fare. Customers who successfully complete the basic courses in demand occupations now have the option of continuing on to higher levels of expertise in their chosen field. Further, partnership with the University of the Virgin Islands has enhanced the opportunities to change job opportunities into career options.

Although business participation in the workforce system was somewhat reduced due to the economic constraints felt by many of them, especially small business, short term work experience opportunities for youth and first time workers were readily available and played a dual role of boosting customers work readiness and assisting struggling business owners with much needed personnel.

Another goal was to strengthen the workforce system's infrastructure. The Workforce Board sponsored professional development activities for One-Stop staff and access to national workshops and seminars was made more readily available. Staff also received the full complement of training for the One Stop Operating System, which came on line in the Virgin Islands in October 2003.

Workforce Development goals have been revised to address the Territory's current workforce challenges, specifically that of high unemployment, an unstable economic environment and limited job opportunities and workforce skill shortages.

To meet these challenges, the long-term goals have been modified as indicated below:

- Engage business and industry in partnerships that provide long-term opportunities for customer growth and development rather than only entry-level opportunities.
- Broaden the spectrum of transitional training opportunities for “stranded workers” that include literacy, soft skills, and advanced occupational skills training.
- Advance local demand occupation growth by promoting entrepreneurship opportunities in occupations that feed into the staples of the local economy.
- Promote the development and use of “portable credentials”.

The workforce development goals assume full collaboration with business and industry to accommodate the needs of both business and the workforce.

The Local Market Economy

The overall unemployment rate in the Virgin Islands continued to rise during the program year. In July 2002 the Territorial unemployment rate stood at **8.9%**, with an 11.2% showing in the St. Croix district and 7.2% in the St. Thomas/St. John district. By June 2003, the Territorial unemployment rate, though increased to **9.3%** was largely a reflection of the volatile industrial maintenance and construction trade industries found on St. Croix, which recorded a 12.5% rate while the St. Thomas/St. John district’s prevalent hospitality industry remained virtually unchanged at 7.1%.

	Territorial	St. Croix	St. Thomas/ St. John
July 2002	8.9%	11.2%	7.2%
June 2003	9.3%	12.5%	7.1%

The steady rise in unemployment weighed more heavily in one district and is reflected in all aspects of the workforce system. It should also be noted that the lingering deficit in job opportunities has reduced the number of customers seeking services. Some have relocated and others have simply stopped accessing the system in favor of small home-based operations.

This is particularly evident when noting that only 40% of customers served with Individual Training Account vouchers are dislocated workers. Regular plant and store closings may account for the lack of initiative to start seeking employment immediately. It is anticipated however, that the next program year will reflect a surge in dislocated workers seeking services as their unemployment benefits begin to expire.

The Cost of Business

The total WIA Title I allotment for the US Virgin Islands in Program Year 2002 was \$2,590,754 disbursed as follows:

CATEGORY	ALLOTMENT
Youth	\$ 831,145
Adult	\$ 668,919
Dislocated Worker	\$1,090,690
TOTAL	\$2,590,754

Youth Activities

The goal of most young persons who access WIA services are to attain some sort of work experience, paid or unpaid. Upon entering the system many are surprised at the additional services available to them to enhance their work potential and/or their overall educational achievement potential.

Upon determination of eligibility, an objective assessment of each young person's interest is conducted. The assessment includes a review of the youth's basic and occupational skills, prior work experience and employability, interest and aptitude, and supportive service and development needs. An Individual Service Strategy based on the SCANS skills is developed for each young person.

As youth complete each objective identified in their individual service strategies, certificates are issued. Copies of these certificates plus evaluation forms and examples of their work, including a current resume, are placed in each customer's career portfolio.

During Program Year 2002, there were three hundred and seventy-five (375) planned enrollments for youth. Actual enrollment was four hundred and three (403). Of those one hundred and twenty-five (125) were out of school youth. At the end of the program year, three hundred and thirty-three youth (333) had successfully exited WIA youth services, notwithstanding on-going follow up services.

As previously mentioned, the work experience element continues to be the most requested service, however it is never accessed in a vacuum. A full complement of attitude and character building activities is given with this element beginning with the Life Skills workshops.

Enrollment in the Life Skills Management workshops as part of their service strategy. Modules presented cover issues such as *Employability Options; Money Management; Work Readiness Tips and Getting Along on the Job.*

Follow up services for the required twelve-month period are administered in many forms to include mentoring, tutoring and the provision of supportive services. Service providers contributed to the follow up procedures for those youth attending their programs. Progress reports or informational surveys were conducted with those who needed little or no direct follow up services.

Other program elements were made available to youth through programs offered by eligible Youth Providers, specifically comprehensive guidance and counseling, tutoring and study skills training, leadership development opportunities and supportive services.

Adults and Dislocated Workers

A total of \$1,759,609 was allotted to the adults and dislocated workers program for PY'02, an approximately 10.5% increase over PY'01 available funds. After statewide and local administration costs were determined there was \$511,723 available for program operation for adults and \$709,221 for dislocated workers. \$125,157 was available for Rapid Response Services. In addition to training services, these funds are also used for core and intensive services not provided by partners.

The System anticipated serving five hundred (500) customers through Individual Training Accounts during the program year. By June 2002, four hundred and one (401) customers had been served.

CUSTOMERS	ST. THOMAS/ST. JOHN	ST. CROIX	TOTAL
Adults	98	142	240
Dislocated Workers	18	143	161
TOTAL	116	235	401

Though there were more funds available for Individual Training Account this program year one hundred and sixty-eight (168) less individuals were served. Several factors contributed to this; one - there were fewer job opportunities available due to the continued depressed economy, secondly - many training opportunities are still geared to the entry level worker and recent trends have shown that more customers are seeking training in areas that are at least a step above entry-level and thirdly - many programs are offering lengthier programming thus customers take a longer period of time to complete their full complement of activities.

The first two factors contributed to the Workforce Board's decision to revise some of its training related policies during PY'02. One of the policy changes made by the Board this year was to require a forty-five percent (45%) placement requirement for all providers whose training program provided the completion step of the customers Individual Service Strategy. Another policy decision

requires providers to issue industry recognizable certification for all skills and trade programs offered rather than generic certifications of completion. Finally, a five percent (5%) reduction in the Individual Training Account (ITA) cap from \$3,400 per customer per year to \$3,230 per customer per year was instituted to address the upwardly spiraling cost of programs that did not necessarily equate with quality.

The customer's Individual Service Strategy (ISS) determines the amount of each ITA and each customer works with his/her counselor to ensure that all his or her needs are met in a cost effective manner. Actual expenditures for Program Year 2002 are as follows:

DOLLARS	ST. THOMAS/ST. JOHN	ST. CROIX	TOTAL
Adults	\$115,147.35	\$249,301.70	\$ 364,449.05
Dislocated Workers	\$ 39,660.00	\$250,781.50	\$ 290,441.50
TOTAL	\$284,385.58	\$500,083.20	\$ 654,890.55

On average, each customer's training voucher amounted to \$1700 and each customer accessed at least one intensive service in addition to the completion of the ISS before training occurred.

As in last program year, there was a greater demand for core and intensive services to dislocated workers than training services. In general, dislocated workers participated in Life Skills workshops that covered subjects such as *Money Management In Between Jobs; Stress Management; Anger Management and Planning for the Next Career*. They also accessed job-search and resume preparation courses.

For adults and dislocated workers eligible for individual training accounts there was training available in many of the Territory's demand occupations. Offerings included basic, intermediate and advanced computer skills, accounting and office management, vocational studies, fiber optics training, welding and pipefitting, hospitality and retail merchandising, nursing assistant and practical nursing and basic skills training. Further, through the University of the Virgin Islands several customers had the opportunity to take courses that enabled them to complete or get started on an academic degree. Finally, entrepreneurial training programs and home-based business workshops have found a new life in this slow moving economy.

One-Stop Partner Activities

The Unemployment Insurance Benefits Claims Unit reported processing three thousand two hundred fifty-nine (3,259) new claims during the Program Year 2002 reporting period. Eighty-eight percent (88%) of all unemployment claimants profiled this year were eligible for re-employment services however eighty-four percent (84%) were referred to the Employment Service, a twenty-eight percent

(28%) increase over last year. The trend continues to indicate that more customers will exhaust their benefits before being re-employed.

Funding for the Employment Service or Wagner-Peyser activities for PY'02 was \$1,455,204, a reduction of (0.93%) from last program year. There were two thousand three hundred and seventy-six (2,376) job orders placed by employers during the program year, five hundred and thirteen (513) less than PY'01. Nine thousand eight hundred forty-one (9,841) customers accessed services this year. More than seven thousand (7,000) customers received core and intensive services. A total of five hundred and seventy-one (571) individuals or 6% were placed in jobs.

Funding in the amount of \$223,016 was received to administer the Reemployment Services (RES) program during FY 2002, a 1.91% increase over last program year. There was a reported increase of 71% more individuals served in PY'02 compared with PY'01. Six hundred and seventy-one (671) profiled customers received services, 91.8% of who was served in the St. Croix district. Forty-eight percent (48%) of those served were referred to jobs and 8.64% were placed.

As of June 30th the Welfare-to-Work Program had two hundred forty-three (243) active enrollees. Eighty-seven (87) of the customers were successfully placed. Additionally, twenty-two (22) customers are enrolled in work experience and sixty-two (62) were terminated from the program for a variety of reasons.

The Local Veterans' Employment Representatives (LVER's) reported that one hundred seventy-one (171) veterans completed new applications between July 1, 2002 and June 30, 2003. As in PY'01 sixty-three percent (63%) of the veterans served were in the St. Croix district. The placement rate was nineteen percent (19%) or thirty-three (33) individuals although the majority of applicants were referred to employers.

Forty-one (41) WOTC applications were received, all were processed and twenty (20) certifications were issued or approved the Work Opportunity Tax Credit (WOTC) Program. This represents a 53.4% increase over PY'01 and may be an indication that more employers are aware of and are beginning to utilize the incentive.

STATE EVALUATION

The continued economic downturn and its far-reaching effects on the labor force, both job seekers and employers has been the driving force behind the activities of the Virgin Islands Workforce System during Program Year 2002. Although the Territorial unemployment rate as of June 2003 was 9.3%, it had peaked at 9.7%

in February 2003. Many employers were forced to close their businesses and those that remained were resigned to scale back their level of operations to varying degrees. Participant customers noting the seeming permanency of store closings are reconsidering their career path. Rather than opting for the “training fast track” of basic skills and entry-level jobs, many are choosing the more intensive and longer lasting skill training programs or advanced level business related and professional courses that provide more stability and job security.

The State Workforce Board noting the changing climate in training needs has begun to address the situation. As earlier noted, training service providers are now required to provide industry recognizable certification at the completion of training programs, and they are required to ensure the placement of at least forty-five percent of their trainees.

Given that fewer “employer customers” are requesting employees, the service providers have found that they must stay connected with existing businesses to ensure that employer workplace needs are anticipated and addressed during any training that is offered. To this end, the administrative entity has provided numerous employer information forums and workshops throughout the program year where workforce staff showcased the available workforce services and service providers and employers had the opportunity to network.

The State Workforce Board has also paid specific attention to developing the infrastructure of the VI's workforce system. Approximately ninety percent (90%) of the staff has taken advantage of the opportunities to access professional development opportunities. Some areas of training include youth systems building, data validation, performance measures and disability sensitivity training.

Workforce staff, after having received training in various aspects of workforce delivery to include “Assessment in the One-Stops” and “Conducting Post Employment Follow-up Activities” conducted by CESER show more confidence in their relations with WIA customers as evidenced in the progressively higher level of customer satisfaction (participant and employer) performance in each quarter of program year 2002.

Also, during the last quarter of PY'02 the workforce staff completed training in America's One Stop Operating System (AOSOS). The automation of previously manually performed functions serves to streamline the processes of the system and to increase the quality of services to the customers. The VI Single Local Workforce Area anticipates that this addition will favorably impact the workforce system in PY'03.

A final note for infrastructure development and perhaps of most significance is the recent upgrade of the fiscal system to the *MIP Non Profit Series Pro*. This system should allow for faster reporting of real time information, a significant

factor in addressing the under expenditures that have plagued the system for some time.

The State Board did not conduct a Demand Occupation survey during PY'02 however an informational survey was given to employer customers asking them whether or not they felt their needs were being accurately reflected in the Demand Occupation List (which is developed every two years). They were also asked whether or not a two-year period was adequate time in which to garner occupational information and whether or not direct involvement with the workforce board would impact their "voice" on workforce development issues.

The employers generally felt that the Demand Occupation List was accurate. Overwhelmingly, they indicated that the two-year period was adequate given the slow moving market economy and that employer forums conducted by the Board at least once a year might provide an additional avenue for "developing" their workforce needs. The Board will continue to work with the "employer" business customers during PY'03.

Conclusion

Once again in Program Year 2002 the VI Career Network has had to work through adverse economic conditions. Job seekers have taken advantage of the opportunity to seek advance training and first time workers have taken advantage of the chance to gain invaluable work experience even for a limited time. As with PY'01 core and intensive services proved to be an essential part of the job seekers portfolio, providing extra support in realistically planning their next career move. Although fewer customers were served, those that were benefited from redesigned program formats focused more on quality and effectiveness.

Employers who have survived the hostile economic climate while cautiously optimistic about the future continue to persevere and to the extent possible open their doors to new workers seeking to develop or enrich their career.

The Virgin Islands realizes that expenditures were low during the past program year and all efforts are being made to expand the training and training related activities for all customers. Additional focus will be placed on building business relations with the workforce system. Already plans are in the works to promote incumbent worker training, a strategy that will help struggling businesses strengthen their workforce and provide an additional outlet for funds.

An economic recovery is still anticipated perhaps as early as the next program year but whether or not that materializes, the VI Career Network will continue to provide all customers with the tools they need to make it through this slowdown as well as a booming economy.