

**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, 2012 – June 30, 2013**

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Introduction

Economic recovery through job creation, the generation of new businesses and the re-imagined use of existing resources spurred workforce development strategies in the US Virgin Islands during Program Year 2012.

The Governor's vision, as stated in the Territory's five year plan, supports a redesigned and integrated economic/workforce agenda aligned to maximize the Territory's resources. The vision targets opportunities where they occur: either locally through employment built from currently emerging markets to include healthcare, advanced technology and energy; or through global employment opportunities, which can be realized through ecommerce or physical relocation to areas in demand of a specialized skill. Through ongoing joint planning the workforce will be groomed for growth sectors, entry-level to professional, local or distant.

To achieve this, the Governor's overarching goals include:

- Strategic Infrastructure Development
- Strengthened Partnerships with Economic Development
- Emphasis on Advanced Training and Higher Education
- Integration of New and Developing Technologies in the Workplace

Of particular importance to the Territory at this time when local employment opportunities are scarce, is the integration of new and developing technologies in workplace training efforts since the use of technology now permeates every aspect of life. This need increases even as an individual pursues higher education or seeks to attain industry recognized certification regardless of the sector as the opportunities for steady employment now require some level of computer mastery.

Throughout the year, the VI Workforce Investment Board and the VI Department of Labor have employed strategies to connect job seeker customers with basic to advanced computer technology skills that will benefit them not only in their job search but in employment on a global scale.

Labor Market Information

As of June 2013, total employment in the Virgin Islands moved up by 0.1 point for the month of June with the unemployment rate at 13.3%. This slight change compared to the prior period was a result of declines in private sector employment primarily in the St. Thomas/John district. Although labor force data (sum of persons employed and unemployed) for the district marginally changed, the number of persons filing for unemployment claims in the district ticked upward, resulting in a 2.1 percentage increase in the number of unemployed to 3,063, based on seasonal payroll reductions in the leisure sector.

Unemployment on St. Croix decreased by -0.2 to 14.8%, as a result of the continued contraction of persons in the labor force, and a major decrease in the number of initial unemployment claims filings compared to prior periods. Total labor force numbers on the island went down by -0.2 percentages to 21,960.

In comparing over the year data, the labor force has experienced a -6.4 percentage decrease to 47, 595 compared to 50,839 in June 2012. The number of unemployed is 6,310 down by -241 from June 2012 6,551. Although there has been marginal job creation in the market, and a slowdown in filings of initial claims, the overall job market and economy’s growth rate remains sluggish resulting in the contracted labor force counts.

Virgin Islands Employment Statistics for Program Year 2012

| | Territorial | St. Croix | St. Thomas/ St. John |
|--------------------------|--------------------|------------------|---------------------------------|
| July 2012 | | | |
| Unemployment Rate | 13.2% | 15.9% | 10.8% |
| June 2013 | | | |
| Unemployment Rate | 13.3% | 14.8% | 11.9% |

Nonfarm payroll employment, an estimate of jobs by place of work, fell by 72 in June to 38,660. Cutbacks, primarily in the private sector, were responsible for the monthly decline. Within the private sector, Leisure and hospitality registered the largest cut, falling by 52 to 6,989. The decrease was due to seasonal losses in accommodation. Smaller cuts were reported for financial activities (-13) and construction (-12). Employment in other major private-sector industries, including trade, transportation, and utilities, other services, education and health services, manufacturing, information, and professional and business services, changed little in June. For the month, employment in the public sector edged down by 12 to 10,990.

In a comparison with June 2012, nonfarm payroll employment declined by 1,405 to 38,660 as job curtailments were posted in both the private and public sectors. Government (-471), leisure and hospitality (-401), manufacturing (-226) and trade, transportation, and utilities (-186) were the hardest hit over the year. Education and health services (-77), professional and business services (-55), financial activities (-30) and construction (-24) also added to the total job loss. However, only other services (+47) and information (+18) advanced from a year ago.

(Source: VI Department of Labor- Unemployment Insurance Claims Data /Current Employment Statistics monthly survey; June 2013).

The Cost of Workforce Investment Activities

The WIA Title I allotment for the US Virgin Islands in Program Year 2012 was \$1,926,567.

| Program | ALLOTMENT PY'11 | ALLOTMENT PY'12 |
|--------------------------|----------------------------|----------------------------|
| Youth | \$ 552,586 | \$ 562,757 |
| Adult | \$ 523,988 | \$ 524,825 |
| Dislocated Worker | \$ 875,182 | \$ 838,985 |
| TOTAL | \$1,951,756 | \$1,926,567 |

The cost per participant measure is calculated by taking total program costs in terms of expenditures and dividing by the number of participants served during the year by the particular program. The Adult participant count includes self service participants.

Cost Per Participant

| Program | Total Expenditures | Total Participants | Cost Per Participant |
|--------------------------|-------------------------------|-------------------------------|---------------------------------|
| Adult | \$ 69,883 | 3397 | \$ 20.57 |
| Dislocated Worker | \$ 306,618 | 235 | \$ 1,304.76 |
| Youth | \$ 240,352 | 209 | \$ 1,150.01 |

A significant number of Adult customers utilized self service to conduct their labor market research, resume preparation and job search activities, thus reducing the cost of services provided in this category. Dislocated workers however, who were faced with having to transition their skill sets to other occupations or learn new skills altogether took part in more coordinated intensive and training services with the assistance of workforce staff.

WIA Formula Funds

| Individual Training Accounts by Program | Number of Customers | Cost of Training | Cost per Participant |
|--|--------------------------------|-----------------------------|---------------------------------|
| Adults | 106 | \$ 136,662 | \$1,289.26 |
| Dislocated Workers | 148 | \$ 284,791 | \$1,924.26 |
| TOTAL | 254 | \$ 421,453 | \$1,659.26 |

On average, the cost per ITA per participant amounted to \$1,659.26 and consisted largely of longer term (*two months or more*) occupational training programs that led to industry recognized certification. Target sectors in the Virgin

Islands include information technology, allied health, hospitality, service and construction. Additionally, support services to include transportation and meals approximated \$250.00 per eligible participant.

Older and out of school youth also prepared to compete in the limited job market by pursuing higher education and/or participating in occupational skills training. On average, the cost per ITA per youth participant was \$509.10.

| Individual Training Accounts | Number of Customers | Cost of Training | Cost Per Participant |
|-------------------------------------|----------------------------|-------------------------|-----------------------------|
| Youth | 39 | \$19,854.60 | \$509.10 |

Older and out of school youth face added barriers to attaining success in the workplace arguably because of their youth and creating a safe functional environment for them to explore their options are paramount to success. They have access to supportive services such as childcare, meals and transportation to aid in breaking down those barriers. Supportive services averaged \$1,170 per youth participant.

National Emergency Grant

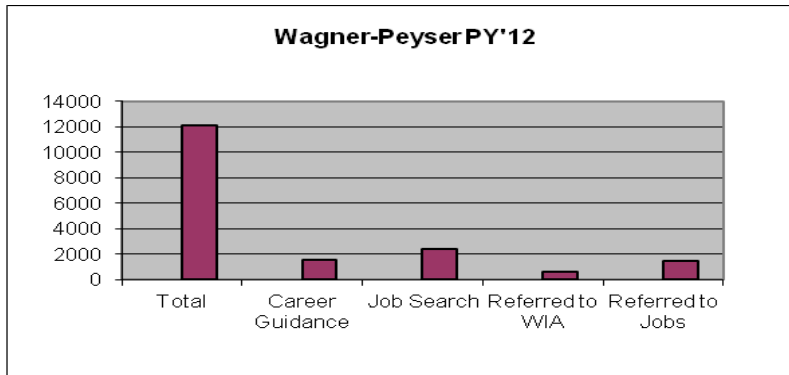
In May 2012, the Territory was awarded a National Emergency Grant to specifically address the dislocations resulting from the closure of the HOVENSA refinery, the area’s largest private employer. Eligible participants sought assistance in advancing their education and receiving degrees or by obtaining occupational certification. Many sought advance certification in the trades they were already familiar with such as pipefitting and welding; while others embraced occupations new to them such as information technology. Still others used the opportunity to branch out on their own through entrepreneurship.

| Individual Training Accounts | Number of Customers | Cost of Training | Cost Per Participant |
|-------------------------------------|----------------------------|-------------------------|-----------------------------|
| NEG Dislocated | 439 | \$974,114 | \$2,218.93 |

The average cost of an ITA for NEG funded participants was \$2,218.93. NEG participants also benefitted from support services such as childcare and transportation while preparing and searching for permanent employment.

Wagner-Peyser Activities

The VI Workforce Investment System received \$1,308,262 in Wagner-Peyser funding for PY'12. These services coupled with Core WIA services allowed all individuals accessing Workforce Center services to receive job search and work readiness services.



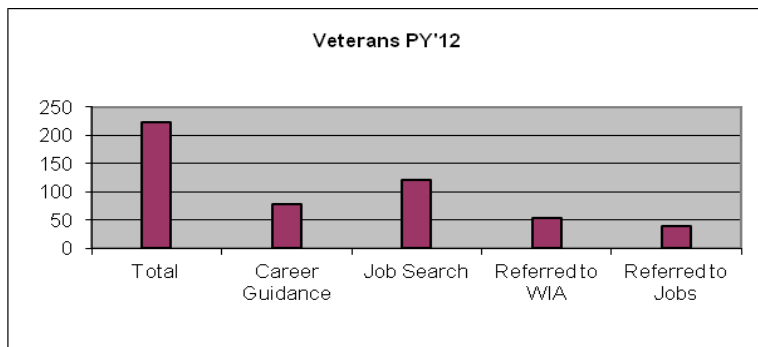
This year, twelve thousand, one hundred and thirty-six (12,136) individuals accessed the workforce system; eight thousand, one hundred and one (8,101) received staff assisted services.

One thousand, five hundred and ninety-three (1,593) received career guidance while two thousand four hundred and thirty-five (2,435) opted for job search activities. Due to the radical shift in the economy brought about by the closure of the refinery and the loss of steady trade jobs a record number of individuals were referred for WIA intensive and training services. Approximately six hundred and fifty-six (656) individuals were referred to WIA services. A significant number of individuals, one thousand, four hundred sixty-five (1,465) were referred to jobs for which they qualified.

Veterans

There were two hundred and twenty-two (222) new veteran job seeker applications in PY'12, not significantly different from the previous year.

Most veterans sought to obtain steady employment as soon as possible. To that end, one hundred twenty (120) took part in job search activities however only thirty-nine (39) were referred to employment.



Slightly less than half chose to upgrade their skills with fifty-four (54) individuals being referred to WIA services. Seventy-eight (78) sought career guidance to help them match their acquired skills with available jobs.

Success Stories

Each year, hundreds of individuals access services from the American Job Center whether as a job seeker, looking to attain or upgrade skills or simply looking for information. Each year, certain individuals stand out for having achieved success despite the odds and it is our pleasure to share their stories.

Youth Services – Oliver Hanley



In April 2013, a 19 year old out of school youth (Oliver Hanley) came to the Workforce Center seeking assistance with employment. Oliver was referred by the Department of Human Services – Vocational Rehabilitation, a division that offers programs to assist individuals with disabilities, physical or mental impairments that constitute or result in substantial impediment(s) to employment. Oliver had received a certification from ITT Tech in marine mechanics. To prepare for employment, Oliver participated in a series of workshops, including resume development, interviewing skills, and Career Exploration.

The Workforce Center staff contacted Bryan's Marine, a marine body and engine repair shop to discuss the possibility of having Oliver job shadow at the company. Mr. Bryan (owner and operator) notified us of the need for an engine mechanic. Identifying this opportunity, a cost-share agreement with Bryan's Marine was created where Oliver participated in a twelve (12) week work experience. The Workforce Center covered the 1st six (6) weeks and Bryan's Marine paid for the balance of work experience. Oliver's hard work and energy resulted in him attaining full-time employment at the completion of his work experience. Currently at Bryan's Marine, Oliver is making \$9.00 per hour. Oliver is not only repairing boats and engines; he is currently assisting in building the hull of a boat.

Aaron Tutein

In September 2012, Mr. Aaron Tutein came to Workforce Center to seek assistance with employment. Aaron lived alone and received TANF and other public assistance. He is a high school graduate that worked part-time as a janitor but was very interested in the culinary arts. Through the Workforce Center, Aaron was enrolled in Diageo and UVICELL Project Culinary, where students were received over 300 hours of culinary, soft skills, and hospitality training to include an internship. At completion of the program in January, Aaron worked at a local restaurant until due to financial challenges, the restaurant closed. Aaron returned to the Workforce Center seeking further assistance with employment.

He was subsequently enrolled in a Work Experience Program where he was placed at IHOP for six (6) weeks. At the end of his work experience, Aaron was given full time employment at IHOP where he is currently a line cook making \$8.25 per hour.

De Andre Harris

De Andre Harris is a 20 year old high school graduate with an interest in the construction trades. Prior to entering the Workforce Center, De Andre was already confident of what type of work he wanted to pursue. De Andre was paired with the St. Croix Foundation for Community Development, a local organization that champions Youth development and was sponsoring a construction technology course with a work experience component.

This program created an excellent opportunity for him to attain industry recognized certification, gain work experience, and develop a greater “sense of self” while participating in the beautification of dilapidated buildings in his community.

In twelve (12) weeks, De Andre and two (2) other young men renovated three (3) different buildings in the Christiansted area.

The program gained popularity amongst the community, where other building/resident owners aided the team in renovating more property. Currently, De Andre is enrolled in a pre-apprenticeship program (a joint venture between the VI Department of Labor and the VI Housing Finance Authority) where he will be referred to companies contracted by VIHFA for construction projects.



Adults and Dislocated Workers

Marisa Smith – DW

Marissa Smith graduated with a Bachelor of Science degree in Nursing in 2012. She immediately gained employment at the Juan F. Luis Hospital on St. Croix as a Graduate Nurse pending Registered Nurse status upon passing her Board exams. Unfortunately, her first attempt at the Boards was unsuccessful. As a result of this Marissa lost her job at the hospital.

Unbeknownst to Marissa, she was not alone as ten other potential nurses also lost employment for the same reason. Recognizing their plight and with a current



need for Registered Nurses, the hospital partnered with the Workforce Center to offer an NCLEX Review course to help the potential nurses prepare to retake the exam.

At the same time, Marissa went to the Workforce Center to apply for unemployment benefits as well as to begin a job search. Once there she was advised about the course and was positioned to sign up right away. At the completion of the course Marissa once again took and this time successfully passed the Board exams and is now a fully licensed Register Nurse. She was rehired at the hospital shortly after and is now working in the surgical unit with an annual salary of \$60,000.

UVI-CELL – Certified Medical Assistant Program

The University of the Virgin Islands’ Community Engagement and Lifelong Learning unit better known as UVI-CELL has been an unparalleled partner in providing the Virgin Islands community with certification programs relevant to the local community for many years. In Program Year 2012, they partnered with the Workforce Center to offer a certification program for Certified Medical Assistants. Eighteen (18) displaced Certified Nursing Assistants signed up for this course; sixteen completed the course which included “hands on” lab experience and of the eleven (11) that tested, ten (10) have been successful. Here, Kaila Estien practices taking blood from Jovelle Smithen. Both



successfully passed their certification exam and are now Certified Medical Assistants. Ms. Estien is already employed at the Juan F. Luis Hospital and Ms. Smithen has been notified of her employment and is awaiting a start date.

Use of Waivers

The Virgin Islands currently has nine (9) active waivers. Four are systemic and provide ease of operations functionality. The other five provide program flexibility and offer added options to employers who want to connect to the Workforce System. The benefits of the waivers can be seen throughout the delivery of services described in this document.

➤ *Funds transfer authority for up to 50% between the Adult and Dislocated Worker funding streams*

This waiver has historically been used to supplement the adult funding stream although funds are transferable either way. The VI Workforce system typically serves more adults than dislocated workers; however, during the past year and mostly due to the weakened economy more dislocated workers have sought intensive and training services. For the first time since receiving this waiver, adult funds were used in a transfer to supplement dislocated worker services.

➤ *The use of Individual Training Accounts for older and out-of-school youth program participants*

This waiver allows for the use of youth funds as ITA's for older and out-of-school youth eligible to participate in occupational skill training activities from providers on the Eligible Training Provider list. This year 39 youth used ITA's to obtain occupational skills. ITA's are tracked and reflected in Individual Service Strategies for Youth and recorded in a timely manner in the operating system. All ten program elements for Youth as described in WIA Section 129(c) (2) continue to be made available to youth.

➤ *Use of Common Measures Only*

This waiver reduces the burden of reporting numerous measures by reducing the number of performance measures to be reported and attained to six. It benefits our operation by allowing the focus to be on providing quality services rather than working to meet seventeen measures.

➤ *Data Collection Relief for Incumbent Workers*

Anyone using WIA funds for training are subject to performance reporting which includes reporting eligibility information on the WIASRD. Previously, funding incumbent worker training was difficult because many did not meet the eligibility requirements under WIA. With the move toward more services for incumbent workers, some eligibility requirements have been relaxed. This waiver serves to reflect incumbent worker training activity in WIASRD reporting. Seven data elements have been discontinued when reporting participant data for incumbent worker training *only*. This waiver was not used during PY'12.

➤ *Use of Rapid Response Funds for Incumbent Worker Training*

Previously, rapid response funds could only be used for services to individuals affected by disasters, impending lay-offs, mass lay-offs or plant closings. This waiver expands the use of these funds to provide training services to incumbent workers *ONLY* as part of an employer's lay-off aversion strategy. Employers have been reluctant to use this waiver because of the lay-off aversion plan requirement; however, it has opened the door for discussion with employers on planning training strategies for their staff. This waiver was not used during PY'12.

➤ *Use of a portion of Local Funds for Incumbent Worker Training*

As with the rapid response funds, a portion of both Adult and Dislocated Worker funding streams – up to ten (10%) percent of each – may be used for incumbent worker training *ONLY* as part of an employer's lay-off aversion strategy. All training under this waiver is restricted to skill attainment activities. Employers have been reluctant to use this waiver because of the lay-off aversion plan requirement; however, it has opened the door for discussion with employers on planning training strategies for their staff. This waiver was not used during PY'12.

➤ *Sliding Scale Match for Customized Training*

In order to encourage small businesses to take advantage of training opportunities, the required 50% employer match is waived in certain circumstances. The sliding scale ranges from 50% to 90% depending on the size of the business. This waiver has been useful in discussions with employers who are developing a workforce strategy for new and growing businesses. Because many local employers are small businesses it gives them to option of designing relevant training at little cost to their operation. During PY'12, only one employer took advantage of this waiver although discussions are on-going with several others.

➤ *Graduated Scale Reimbursement for OJT's*

To further promote small business participation in the Workforce System, the 50% required match for OJT's has also been waived in certain circumstances. The graduated scale ranges from 50% to 90% depending on the size of the business. This waiver was not used during PY'12; however, there are on-going discussions for at least two opportunities in PY'13.

➤ *Conducting Evaluations of Adult, Youth and Dislocated Worker Programs*

The reduction of the fifteen percent to five percent in the WIA allotment for PY 2011 Governor's Reserve funds restricts the Territory's ability to effectively fund and carry out all the required statewide workforce investment activities. This waiver was used for PY'12 also due to limited funds resulting from the reduction of the fifteen percent statewide funds. Due to the economic downturn no local funding could be identified to perform this task.

Status of State Evaluation Activities

There was no evaluation conducted for Program Year 2012. The VI Workforce Investment Board applied for and was granted waiver for this requirement.

Customer Satisfaction

The Virgin Islands is a Common Measures state therefore did not conduct a customer satisfaction survey based on the guidelines for this measure. In its stead a survey was conducted with *Survey Monkey* for both participants and employers that accessed the system during Program Year 2012.

An electronic survey was sent to participants and employers with email addresses recorded in our operating system; with a nine day window open for response. One reminder was sent to complete the survey on the fifth day. Participants were asked five questions and employers were asked four questions. All were based on a five point scale with (1) being the least likely and (5) most likely. The neutral category indicated neither likely nor unlikely.

The response rate for this survey was extremely low. 1404 surveys were sent to participants. Eight (8%) percent surveys bounced back due to invalid email addresses. There was a ten (10%) percent response. All questions were answered. Of those that responded the results were as follows:

| Participants | | | |
|---|---------------------------------|---------------------------------------|---|
| Question | Satisfied/ Very Satisfied | Dissatisfied/ Very Dissatisfied | Neither Satisfied or Dissatisfied |
| What is your overall satisfaction with the level of services received at the VI Workforce Center? | 64% | 16% | 18% |
| How satisfied were you with the level of information available through booklets, handouts, videos, electronic access or customer service? | 64% | 13% | 22% |
| If you interacted with Customer Service how would you rate that experience? | 57% | 9% | 29% |
| Did the services received sufficiently address the purpose of your visit? | 64% | 13% | 21% |
| How likely are you to use the services of the Workforce Center again? | 70% | 14% | 14% |

The response rate for the employer survey was also extremely low. 115 surveys were sent to employers. Three (3%) percent of surveys bounced back due to invalid email addresses. There was a seven (7%) percent response. All questions were answered. Of those that responded the results were as follows:

| Employers | | | |
|---|---------------------------------|---------------------------------------|---|
| Question | Satisfied/ Very Satisfied | Dissatisfied/ Very Dissatisfied | Neither Satisfied or Dissatisfied |
| What is your overall satisfaction with the level of services received at the VI Workforce Center? | 88% | 12% | -0- |
| How satisfied were you with the level of information available through booklets, handouts, videos, electronic access or customer service? | 75% | 12% | 12% |
| If you interacted with Customer Service how would you rate that experience? | 63% | 12% | 23% |
| How likely are you to use the services of the Workforce Center again? | 88% | 12% | -0- |

Based on the low response rate the results are inconclusive. The method of collecting data will be redesigned for Program Year 2013 and will adhere to the guidelines suggested by ETA.

Performance Information

The Virgin Islands is a common measures state. Performance goals this year are significantly improved from last program year. Despite the slow economic recovery, individuals who have participated in intensive and training services are steadily gaining and retaining employment. Though average earnings were exceeded during the program year it is not anticipated to remain at that level due to continued downsizing and business closures. The performance recorded for Wagner- Peyser more accurately reflects the ongoing struggle of qualified individuals to secure permanent employment.

| | State Negotiated Goal '12 | Actual Performance |
|----------------------|----------------------------------|---------------------------|
| WIA ADULTS | | |
| Entered Employment | 40% | 31.6% |
| Employment Retention | 75% | 79.0% |
| Average Earnings | \$8000.00 | \$9,641.90 |

| | State Negotiated Goal '12 | Actual Performance |
|-------------------------------|----------------------------------|---------------------------|
| WIA DISLOCATED WORKERS | | |
| Entered Employment | 45% | 38.1% |
| Employment Retention | 70% | 78.5% |
| Average Earnings | \$10,500.00 | \$14,874.30 |

| | State Negotiated Goal '12 | Actual Performance |
|--------------------------------------|----------------------------------|---------------------------|
| WIA YOUTH | | |
| Placement in Employment or Education | 38% | 34.1% |
| Attainment of Degree/Certificate | 40% | 41.2% |
| Literacy/Numeracy Gains | 32% | 28.9 % |

| | State Negotiated Goal '12 | Actual Performance |
|-------------------------|----------------------------------|---------------------------|
| WAGNER-PEYSER | | |
| Entered Employment Rate | 40% | 36% |
| Employment Retention | 70% | 67% |
| Average Earnings | \$12,000 | \$15,379 |