

**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, 2014 – June 30, 2015**

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***Introduction***

A struggling economy and a slow growing job market markedly reduced the pace of employment and training activity in the VI Workforce System. While nationally, the workforce system is moving towards a job driven workforce system, the Virgin Islands faces the added challenge of redefining those sectors and occupations which will in fact be that driving force. The long standing dependable sectors of construction and leisure and hospitality, though still viable did not produce steady growth, especially in mid-level employment.

The training that did occur was in the construction, healthcare and transportation fields, but was mostly short-term and entry level and resulted in some identified job openings being filled. Other unskilled participants were placed in short-term work experience, both paid and unpaid, to enhance their employability as well as to allow them to receive a paycheck while honing their workplace skills. Workforce participants who were already skilled continued to be encouraged to engage in entrepreneurial activities or to try new ways of being employed such as distance or offsite employment with companies located outside the local area.

Program Year 2014 also marked the beginning of a transition period in the public workforce system. On July 22, 2014, President Obama signed into law the Workforce Innovation and Opportunity Act (WIOA), the long awaited re-authorization of the Workforce Investment Act of 1998 (WIA).

This presented an opportunity for the workforce system led by the Workforce Investment Board to initiate a new conversation about the local economy and the ability of the current workforce as well as the aspiring workforce to become and remain competitive in this new economic climate: specifically, to begin the process of re-assessing state systems and strategies; to identify and prepare the workforce for new and emerging industries that redefine the Territory's economic profile; and align resources from public and private partners to maximize the opportunities made available.

This is an on-going process that will be better defined in the upcoming five-year Strategic Plan.

***Labor Market Information***

The employment level in the Virgin Island's averaged 37.9k throughout the period. This was slightly down from the 2013 average of 38.6k, indicating the continued slow job growth occurring in the labor market. Unemployment data during this timeframe also indicated a drop in the labor force, as unemployment hovered around 12.9% during the cycle. Although there has been significant

decrease in the number of persons filing for unemployment, the continued slow pace and strong decline in the manufacturing sector has contributed to the continued slow pace of recovery. Job demand has been focused more on seasonal employment in the leisure and hospitality sector as well as some protective services industry growth.

Occupational wages during the cycle averaged \$16.81 per hour and annual mean salary was \$34,960 based on the occupational employment wage survey data. This amount was marginally higher compared to the previous year's information on occupations within the Territory, at \$16.72 per hour. The prevalent occupations during the period were in office and administrative support, sales, food preparation, and protective services.

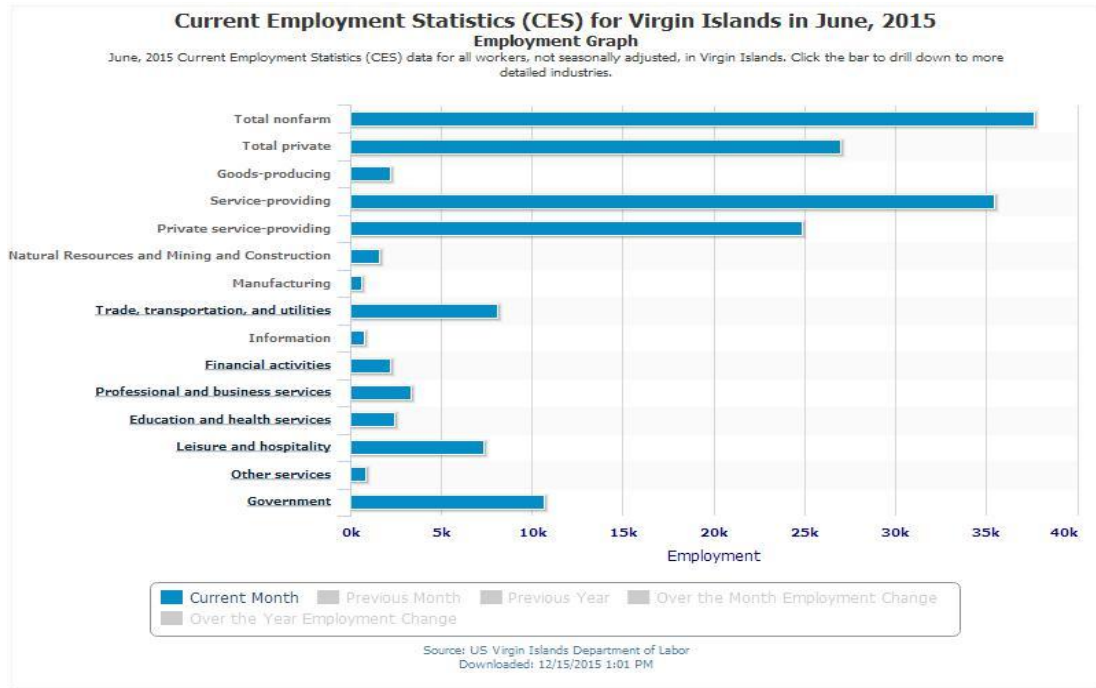
Job openings were roughly around 2,522, based on establishment's postings of vacancies on the VI electronic workforce system. On average there were 211 monthly openings, with the leisure and hospitality, retail, and construction sector seeking candidates. Most of the openings during the cycle were based on seasonal announcements for the tourism season activity, in addition to some public sector construction jobs.

The projected outlook for industry and occupational employment reflects a decline in all sectors of industry, in turn affecting demand for occupations. The latest round projected out into 2016 shows a decline. However, this does not signal no employment activity, just a diminution in the growth factor (new job vacancies), offset with activity in replacement jobs. This replacement factor is based on the seasonal aspect of employment in the Virgin Islands that ebbs and flows with the tourism season as establishments and industry hire and furlough within the cycle.

Looking at job demand in the near term, approximately 1,900 jobs are expected to come online out to 2016. Of that amount 209 are expected to be a result of growth in occupations, while the residual will be a replacement factor (firms replacing vacated positions with and no net growth), as a result of seasonality in the job market.

Key components and drivers of entry into employment and the labor market are the required educational and skills level of occupations within the industries. Of the projected level of job openings out to 2016, 40.37% require high school or less educational value, and the job training normally required with the occupations reflect 57.53% short term on the job training, with the residual not requiring long term nor apprenticeship.

In July, 2014 there were a total of 38,214 non-farm jobs in Virgin Islands (not seasonally adjusted - all workers). This is an increase of 38 jobs from the prior month and a decrease of -449 jobs from the prior year.

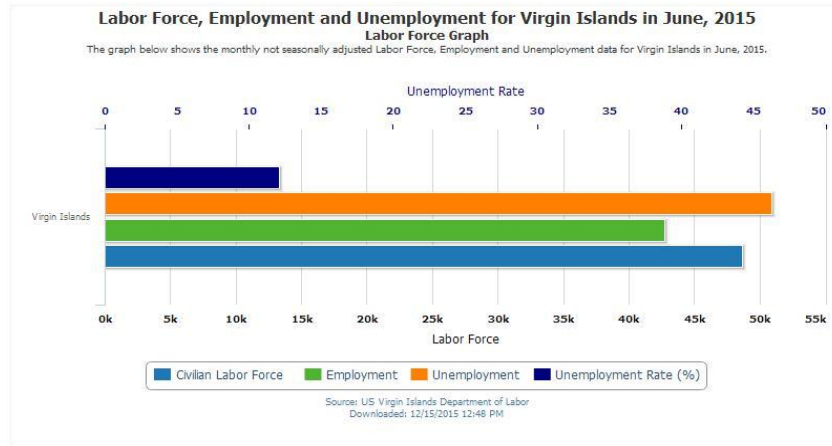


The Current Employment Statistics (CES) program is a monthly survey conducted by the Bureau of Labor Statistics. The survey provides employment, hours, and earnings estimates based on payroll records of business establishments

Looking at sector level data, the service producing sector represented 94% of employment to include private and public employment. The goods producing sector employment averaged 2k during the term. The public sector (government, federal, quasi, and educational institutions) made up the largest sector of employment at around 10k. In the private sector employment, the areas of highest concentration were in the retail trade and transportation areas at 8k, followed by leisure/hospitality, professional services, and financial activities.

In June, 2015 there were a total of 37,661 non-farm jobs in Virgin Islands (not seasonally adjusted - all workers). This is a decrease of -84 jobs from the prior month and a decrease of -515 jobs from the prior year. The top growing industries over the past month were Transportation and warehousing with 11 jobs added, Wholesale Trade with 7, Retail trade with 7, Finance and insurance with 7, Real estate and rental and leasing with not available.

Source: US Virgin Islands Department of Labor



The total civilian labor force (not seasonally adjusted) for Virgin Islands in June, 2015 was 48,631 of which 42,729 were employed and 50,902 were unemployed. The unemployment rate was 12.1% percent.

Source: US Virgin Islands Department of Labor

*Virgin Islands Employment Statistics for Program Year 2014*

	Territorial	St. Croix	St. Thomas/ St. John
<b>July 2014</b>			
<b>Unemployment Rate</b>	<b>13.0%</b>	14.6%	11.6%
<b>June 2015</b>			
<b>Unemployment Rate</b>	<b>12.1%</b>	13.1%	11.3%

Note: Employment includes non agricultural wage and salary employment. Data has not been benchmarked. Labor force is comprised of persons 16 and older who show up in our unemployment insurance wage data working full time or part time and actively seeking employment through VIDOL. This data set is not comparable with labor force estimates developed as part of the national cooperative program. Virgin Islands estimates reflect the use of prescribed BLS methodology but are not adjusted to an independent estimate provided through the CPS (Current Population Survey).

Source: Virgin Islands Department of Labor unemployment insurance claims data and the current employment statistics monthly survey of establishments.

Prepared by: VIDOL Bureau of Labor Statistics.

### ***The Cost of Workforce Investment Activities***

The WIA Title I allotment for the US Virgin Islands in Program Year 2014 was \$2,068,621.

<b>PROGRAM</b>	<b>ALLOTMENT PY'13</b>	<b>ALLOTMENT PY'14</b>
<b><i>Youth</i></b>	<b>\$ 553,285</b>	<b>\$605,383</b>
<b><i>Adult</i></b>	<b>\$ 519,055</b>	<b>\$563,710</b>
<b><i>Dislocated Worker</i></b>	<b>\$ 868,163</b>	<b>\$899,528</b>
<b><i>TOTAL</i></b>	<b>\$1,940,503</b>	<b>\$2,068,621</b>

#### *Cost Per Participant*

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.

<b>Program</b>	<b>*Total Expenditures</b>	<b>Total Participants</b>	<b>Cost Per Participant</b>
<b><i>Adult</i></b>	\$165,134	2854	\$ 57.86
<b><i>Dislocated Worker</i></b>	\$152,891	151	\$ 1,012.52
<b><i>Youth</i></b>	\$227,194	207	\$ 1,097.55

*\*Total expenditures are not reflective of the total dollar amount expended in PY'14; carry-over funding from PY'13 was also used during this program year.*

A significant number of Adult customers utilized self service for labor market research, prepare resumes and conduct 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 worked more closely with AJC staff to determine and map out their goals.

#### *Individual Training Accounts*

<b>Individual Training Accounts by Program</b>	<b>Number of Customers</b>	<b>Cost of Training</b>	<b>Cost per Participant</b>
Adults	108	\$ 256,271	\$2,372.88
Dislocated Workers	56	\$ 124,078	\$2,215.68
<b>TOTAL</b>	164	\$ 380,349	\$2,319.20

Customers who sought occupational skills training were provided Individual Training Accounts which on average cost \$2,319.20 and consisted largely of

short term training programs for entry-level positions that led to industry recognized certification. The majority of this training occurred in the construction trades, healthcare and transportation sectors. Additionally, support services to include transportation and childcare approximated \$550.00 per eligible participant.

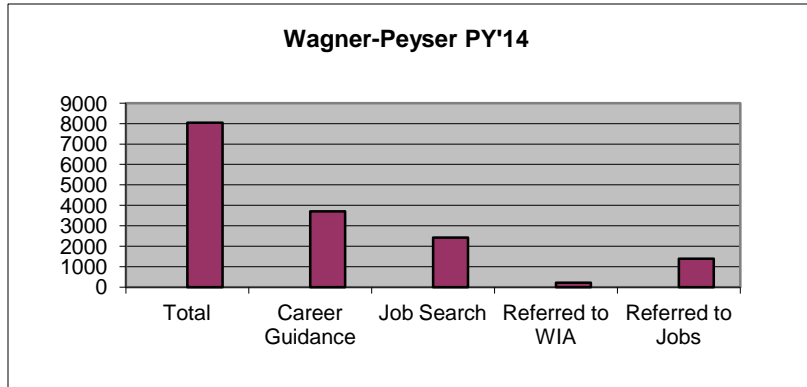
Older and out of school youth also prepared to compete in the limited job market by participating in occupational skills training for employment at entry skill levels. On average, the cost per ITA per youth participant was \$2,040.22.

<b>Individual Training Accounts</b>	<b>Number of Customers</b>	<b>Cost of Training</b>	<b>Cost Per Participant</b>
Youth	22	\$44,885	\$2,040.22

Additionally, Youth received supportive services that averaged \$950 per youth participant.

**Wagner-Peyser Activities**

The VI Workforce Investment System received \$1,308,263 in Wagner-Peyser funding for PY'14. These services coupled with Core WIA services allowed all individuals accessing the AJC to receive job search and work readiness services.



This year, eight thousand, thirty-eight (8,038) individuals sought employment services through the AJC; while seven thousand, four hundred seventy-five (7,475) customers delved further into

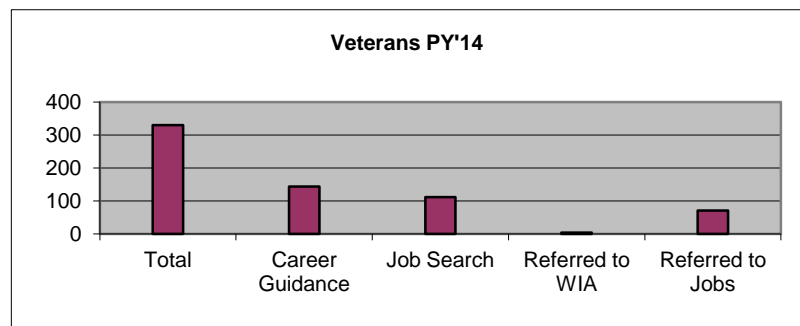
exploring career opportunities by obtaining workforce information.

Four thousand, seven hundred thirty-nine (4,739) received staff assisted services and AJC staff offered career guidance to three thousand, seven hundred and nine (3,709) individuals. Two thousand four hundred and twenty (2,420) opted for job search activities and approximately two hundred and five (205) individuals were referred to WIA services. Customers referred to jobs based on qualifications and interest totaled one thousand, three hundred eighty-one (1,381).

**Veterans**

There were three hundred and thirty (330) new veteran job seeker applications in PY'14, not significantly different from the previous year. Of those, three hundred twenty-one (321) researched their options through available workforce information.

Many veterans sought to obtain employment as soon as possible. To that end, one hundred forty-four (144) sought career guidance to help them match their acquired skills with available jobs. One hundred twelve (112) took part in job search activities and seventy-one (71) were referred to employment. Only four (4) chose occupational training to upgrade their skills through WIA services.





## 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

#### *“Work, Learn, and Earn” Participant Receives Part Time Employment*

In December 2014, Casey Charlemagne participated in a program giving him a twelve (12) week paid work experience and soft skills training. Today, his twelve weeks are completed, and he has gained part time employment from a local employer.



“Work, Learn, and Earn” is a twelve-week work experience program being implemented this year by the Virgin Islands Department of Labor (VIDOL). The program assists high school graduates and out-of-school youth with resume development, soft skills training and provides a meaningful twelve (12) week work experience, based on each participant’s long term career goals.

Charlemagne, who has a background in customer service and retail, was placed at Hotel on the Cay. His placement saw him successfully fulfill the duties of a Front Desk Clerk.

“Working at Hotel on the Cay has been an enriching experience,” the program participant describes his time in the program. “I love the atmosphere and the feeling of growth that I experience every time I go to work.”

Charlemagne, during his twelve (12) weeks worked under the direction of Anestine Etienne, General Manager at Hotel on the Cay. Etienne was impressed with Charlemagne professionalism and impressive work ethic from the moment he came for his interview.

“His personality is a big plus. His ability to think outside the box and perform anywhere necessary is very impressive,” Etienne eagerly expressed. “If you put him at the front desk and he sees something that needs to be done, he will initiate that change.”

Charlemagne's placement with Hotel on the Cay solidifies the post-employment success of VIDOL's work experience programs. Almost a year after his participation in "Work, Learn, and Earn," the twenty-two-year-old has a career within the local hotel industry.

*Learning On the Job*

The St. Croix Foundation conducted its second cycle of a training program designed to provide local unemployed young adults with core construction and work related skills as well as on-the-job training. Students were trained and certified in the NCCER Core Curriculum and followed up with a concentration in painting trade. Their newly acquired skills were put to the test in an on-the-job training - a Foundation sponsored project of beautifying the downtown Christiansted historic buildings.



## ADULTS

*A satisfied customer - In her own words . . . .*



I am Regina Benois, born in Woodstock , NY to native Trinidadian parents. In 1994 at the age of 15 I moved to Trinidad with my parents, where I had to learn to adapt to island life. When my dad passed away in 2000 I returned to New York in search of a job to be able to take care of my mom financially. I then joined the US Army in November 2000. That was the best decision I ever made. I did 4 years active duty, 3 inactive and 3 1/2 in the US Army Reserves. My experience and training in the military was as a Surgical and Sterile Processing Technician. I moved to the US Virgin Islands in late March with my Husband Vaughn and 3 children Akira, Andreus and Angelo.

I wanted my children to experience and appreciate the simple island life. I chose the Virgin Islands because I will still be entitled to all my veteran benefits. One day I visited a Beauty Salon to get my hair done after a long day at the beach. In conversation with the ladies in the salon I was questioning how to get around because we were only two to three days on island. That's when I met Mrs. Tuitt-Edwards who assisted me by giving directions to the grocery store and Kmart. In further conversation I requested information on the VA Clinic's location, when she asked if I was a Veteran or a spouse of a veteran. She went on to inform me she was an employee of the Department of Labor and the services provided to Veterans. I met with her on April 8, at which time she assisted me in preparing my resuming and referring me to the hospital for a Certified Medical Assistant position. I was so excited when I received the call for my interview which I had sometime in May. I was called for a second interview in June and was hired as a Surgical Prep Technician.

Due to the process I only started this month, but I am so grateful to Mrs. Tuitt-Edwards for her time and assistance. I feel truly blessed to have the opportunity to raise my children in this wonderful place I now call home. My Supervisor Ms. Cathy McDonald the Operating Room Manager/Head Nurse also thanks the Department of Labor and Mrs. Tuitt-Edwards for the referral, "Mrs. Benois is a great asset to the Governor Juan F. Luis Hospital", she emphatically stated.

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## **Use of Waivers**

The Virgin Islands was authorized to use nine (9) waivers for Program Year 2014. Four were systemic and provided ease of operations functionality. The other five provided program flexibility and offered 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. In recent years, there have been a greater number of individuals seeking DW services. Also, retraining for dislocated workers usually consist of advanced training which tends to be more costly. In PY'14 this need continued.

➤ *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. In PY'14, 22 youth used ITA's to obtain occupational skills in the demand areas of healthcare (*Certified Medical Assistants*) and Construction (*fiber optics and electrical technicians*). 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*. There was no incumbent worker training activities in Program Year 2014.

➤ *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. In Program Year 2014, there was no incumbent worker activity.

➤ *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. There was no incumbent worker training in PY'14.

➤ *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. This waiver was not used in PY'14.

➤ *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'14.

➤ *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 again used for PY'14. 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 2014. 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 2014.

An electronic survey was sent to participants and employers with email addresses recorded in our operating system; the response period was for two months with three interim reminders issued. Participants were asked five questions and employers were asked four questions. All were based on a five point scale with (1) being dissatisfied and (5) satisfied. The neutral category indicated neither satisfied nor dissatisfied.

The response rate for the participant survey was moderate. 2,511 surveys were sent to participants. Four (4%) percent or (100) surveys bounced back due to invalid email addresses. The response rate was twenty-three point five (23.5%) percent or (589) customers. All questions were answered. Of those that responded the results were as follows:

<b>Participants</b>			
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?	48.2%	24.8%	23.4%
How satisfied were you with the level of information available through booklets, handouts, videos, electronic access or customer service?	48.4%	19.9%	26.5%
If you interacted with Customer Service how would you rate that experience?	50.2%	15.8%	24.1%
Did the services received sufficiently address the purpose of your visit?	51.6%	22.1%	20.4%
How likely are you to use the services of the Workforce Center again?	54.5%	22.4%	18.7%

The response rate for the employer survey was moderate. 230 surveys were sent to employers. Seven or three (3%) percent of surveys bounced back due to invalid email addresses. There response rate was thirty-seven (37%) percent or (85) employer customers. All questions were answered. Of those that responded the results were as follows:

<b>Employers</b>			
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?	70.6%	10.6%	17.6%
How satisfied were you with the level of information available through booklets, handouts, videos, electronic access or customer service?	61.2%	8.2%	23.5%
If you interacted with Customer Service how would you rate that experience?	62.3%	7.0%	12.9%
How likely are you to use the services of the Workforce Center again?	70.6%	7.0%	17.6%

Though the numbers of satisfied customers for both surveys were markedly higher than those dissatisfied, the numbers who remain indifferent in some categories was of concern to the Workforce Board. As part of its efforts for continuous improvement the Board as well as the AJC staff will revisit the flow and functionality of its customer services.

**Performance Information**

The Virgin Islands is a common measures state. Performance goals this year reflect an economy still on the rebound. Also affected by the stagnant economy, average earnings remain lower than in past years. Although most Adult and Dislocated measures have been met or are within range of being met the jobs are mostly entry-level seasonal employment in low wage occupations. While more Youth have attained a degree or certificate they still struggle to break into the workforce and many still struggle with literacy skills. The Wagner-Peyser performance accurately reflects the volatility and seasonality in the labor force where many individuals volley between multiple short-term employment opportunities.

	<b>State Negotiated Goal '14</b>	<b>Actual Performance</b>
<b>WIA ADULTS</b>		
Entered Employment	29.1%	<b>36.4%</b>
Employment Retention	79.0%	<b>78.5%</b>
Average Earnings	\$9,374	<b>\$6,962</b>

	<b>State Negotiated Goal '14</b>	<b>Actual Performance</b>
<b>WIA DISLOCATED WORKERS</b>		
Entered Employment	38.4%	<b>54.6%</b>
Employment Retention	80.0%	<b>86.6%</b>
Average Earnings	\$12,000	<b>\$12,283</b>

	<b>State Negotiated Goal '14</b>	<b>Actual Performance</b>
<b>WIA YOUTH</b>		
Placement in Employment or Education	38.0%	<b>20.3%</b>
Attainment of Degree/Certificate	42.0%	<b>46.2%</b>
Literacy/Numeracy Gains	28.9%	<b>8.6%</b>

	<b>State Negotiated Goal '14</b>	<b>Actual Performance</b>
<b>WAGNER-PEYSER</b>		
Entered Employment Rate	40%	<b>29%</b>
Employment Retention	80%	<b>74%</b>
Average Earnings	\$15,000	<b>\$13,021</b>