

**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, 2013 – June 30, 2014**

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Introduction

The U.S. Virgin Islands continued its efforts to ready its workforce to meet the changing demands of the local economy, still in transition after the “Great Recession” during Program Year 2013. The year was spent focusing almost entirely on one of the Governor’s overarching goals as stated in the 2012 Strategic Plan - *Emphasis on Advanced Training and Higher Education*.

Working with agency partners, private organizations and employers the Workforce System promoted on-the-job training, customized and incumbent worker training, pre-apprenticeships and post-secondary education aligned with potentially high growth, high demand sectors such as hospitality, information technology and healthcare.

The Virgin Islands’ economy however, has not fully rebounded and real job growth has not yet been realized. Job seekers continue to encounter the frustration of not securing full time permanent employment despite their advanced skills and additional credentials.

Labor Market Information

The Virgin Islands economy experienced a continued slow pace of growth during the 2013 cycle as the gross territorial product (measure of goods and services in an economy) remained at reduced levels compared to 2012 . This change was primarily due to the major shift in import and exports specifically in the manufacturing sector. On the labor market front, employment continued to be marginal with the overall market down in several sectors. Despite seasonal job creation related to tourist and other investment activity, the monthly payroll surveys are still down compared to prior periods. The U.S. Census Bureau 2012 Economic Census for the Virgin Islands (https://www.census.gov/newsroom/releases/archives/economic_census/cb14-132.html), reports that sales declined by \$12.6 billion, or 64.9 percent from 2007’s \$19.5 billion. Establishments also contracted over the period and have continued into the 2013 cycle.

Source: Virgin Islands Labor Economics Annual Report 2013

The unemployment rate slightly decreased at 13.0 percent for the month of July 2014. The unemployment rate was affected, based on the fact that there was a small growth factor in jobs and unemployment initial claims remaining relatively flat, as compared to the prior period filings. In the St. Thomas/John district, unemployment rates decreased to 11.6 percent, down -0.3 based on the lowered number of unemployed and an increase by 56 from the previous month, where the total employment count for July was at 45. St. Croix’s unemployment rate remained relatively flat at 14.6 percent.

Over the year data, for the month of July indicates a minor decrease of -8.0 percent in the labor force count of 46,793 in comparison to 50,840 in July 2013. This decline continues to show individuals scattering from the labor market, based on the decline in job demand in comparison to supply over the period. The employment count in St. Croix was reduced by -1558 which marked a -7.8 percent change from 20,009 in July 2013, to 18,451 of the current period. This change indicated a -619 decrease for the unemployed count of 3,160 for July 2014. The St. Thomas/John area employment was also decreased by -7.8 to 22,257 compared to 24,137 in July of 2014. The unemployment count in this district increased by 0.3 percent and ended at 2,925 in July 2013.

Virgin Islands Employment Statistics for Program Year 2013

	Territorial	St. Croix	St. Thomas/ St. John
July 2013			
Unemployment Rate	13.3%	14.8%	11.9%
June 2014			
Unemployment Rate	13.0%	14.6%	11.6%

Based on a monthly survey of business establishments, nonfarm payroll employment edged up by 45 to 38,214 in July. Seasonal gains in government (+267), due primarily to summer programs, were partially counterbalanced by job cuts in the private sector.

Nonfarm payroll employment fell by 133 jobs over the 12-month comparison period. Gains in leisure and hospitality (+171), professional and business services (+31), trade, transportation, and utilities (+31), and manufacturing (+21) were not sufficient to compensate for job losses in remaining industries of the Virgin Islands labor market.

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 2013 was \$1,940,503.

PROGRAM	ALLOTMENT PY'12	ALLOTMENT PY'13
<i>Youth</i>	\$ 562,757	\$ 553,285
<i>Adult</i>	\$ 524,825	\$ 519,055
<i>Dislocated Worker</i>	\$ 838,985	\$ 868,163
TOTAL	\$1,926,567	\$1,940,503

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.

Program	*Total Expenditures	Total Participants	Cost Per Participant
<i>Adult</i>	\$ 248,151	3245	\$ 76.47
<i>Dislocated Worker</i>	\$ 463,146	246	\$ 1,882.70
<i>Youth</i>	\$ 157,912	160	\$ 986.95

**Left over funding from previous program years was also used to serve some customers in PY13, thus lessening the level of expenditures utilized in the reported year.*

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 worked more closely with AJC staff to determine and map out their goals.

Individual Training Accounts

Individual Training Accounts by Program	Number of Customers	Cost of Training	Cost per Participant
Adults	129	\$ 196,743	\$1,525.14
Dislocated Workers	110	\$ 240,293	\$2,184.48
TOTAL	239	\$ 437,036	\$1,828.60

Customers who sought occupational skills training were provided Individual Training Accounts which on average cost \$1,828.60 and consisted largely of

longer term (*two months or more*) 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 childcare approximated \$250.00 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 \$791.04.

Individual Training Accounts	Number of Customers	Cost of Training	Cost Per Participant
Youth	22	\$17,403.0	\$791.04

Additionally, Youth received supportive services that averaged \$1,170 per youth participant.

National Emergency Grant

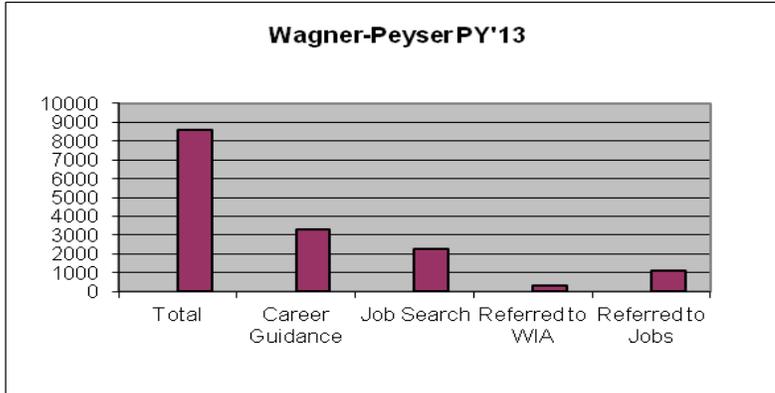
In May 2012, the Territory was awarded a National Emergency Grant to specifically address the dislocations resulting from the closure of the HOVENSA refinery, the area’s largest private employer. This two year grant allowed eligible participants to hone and advance their current skills or retrain for new careers.

Individual Training Accounts	Number of Customers	Cost of Training	Cost Per Participant
NEG Dislocated	208	\$681,070	\$3,274.37

During the final year of the grant, the average cost of an ITA for NEG funded participants was \$3,274.37. NEG participants also benefitted from support services while in training and/or searching for permanent employment.

Wagner-Peyser Activities

The VI Workforce Investment System received \$1,308,262 in Wagner-Peyser funding for PY'13. 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, six hundred and two (8,602) individuals sought employment services through the AJC; while seven thousand, nine hundred and sixty seven (7,967) customers delved

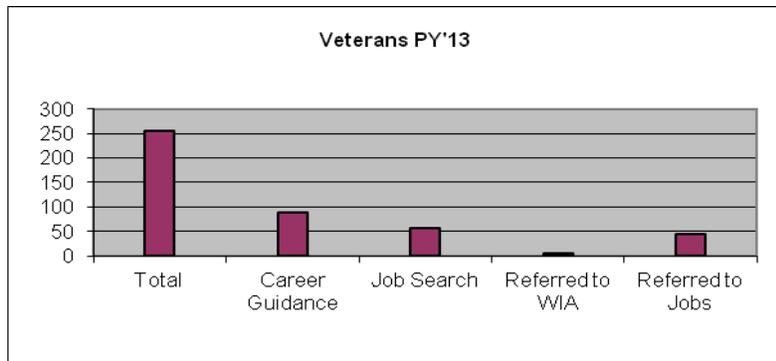
further into exploring career opportunities by obtaining workforce information.

Five thousand, one hundred and forty-six (5,146) received staff assisted services and AJC staff offered career guidance to three thousand, three hundred and twenty-four (3,324) individuals. Two thousand two hundred and sixty-one (2,261) opted for job search activities and approximately three hundred and forty-eight (348) individuals were referred to WIA services. Customers referred to jobs based on qualifications and interest totaled one thousand, one hundred and twenty-four (1,124).

Veterans

There were two hundred and fifty-four (254) new veteran job seeker applications in PY'13, not significantly different from the previous year. Of those, two hundred and thirty-six (236) researched their options through workforce information.

Many veterans sought to obtain employment as soon as possible. To that end, eighty-nine (89) sought career guidance to help them match their acquired skills with available jobs. Fifty-six (56) took part in job search activities and



forty-five (45) were referred to employment. Only six (6) 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

Project Link, an alternative high school program offers students not only a high school diploma but puts them on track towards a career or advanced education. A training provider for over eight years, Project Link continues to excel in graduation completion rates and numbers of students who advance to entry level employment.



Student, Raheem Bonnie, began Project Link (an alternative high school which uses the American School (a home school program fully accredited by Middle States Association of Colleges and Schools) in February 2014. He is completing his high school diploma and projected to graduate in December 2014. In August 2014, Raheem was hired for a temporary work experience, as a File Clerk, with Marshall and Sterling Insurance in Gallows Bay, St. Croix.

Shown in the photo is Raheem with his supervisor, Ms. Ingrid Javois.

2013 Link graduate, Jemmalee Alexander, is attending Florida Technical College and pursuing a Bachelor of Arts degree in Business. Jemmalee completed her high school courses and graduated in December 2013. A native of Tortola, British Virgin Islands, Jemmalee moved to St. Croix during her junior high school years. Jemmalee attended Link from February 2013 - December 2013. She relocated to Florida upon graduation.



International Capital & Management Company (ICMC)

During the summer months, one of the largest private sector employers on St. Thomas - International Capital and Management Company (ICMC) sponsored the Entrepreneurship Business Institute (EBI) for 30 high school students in the territory. Hosted by University of the Virgin Islands (UVI) School of Business the program sought to recruit 10th, 11th, and 12th graders for a three-week summer residency at the UVI St. Thomas Campus to promote entrepreneurship in the Virgin Islands through workshops giving a wide-ranging synopsis of business development from both revered UVI faculty members and corporate partners of ICMC.



By the end of the program, each applicant had created a business plan based on acquired fundamentals of business strategies that they were taught throughout the program. The applicants received a certificate of completion for their participation and a stipend to fund their business ideas.

Five Youth participants, *Kenisha Florence, Brandon Golden, Osaze Newton, Crystal George, and Joel Serieux* were selected to participate in this competitive program. Outstanding examples of their creativity showcased Osaze Newton taking his love for music and developing a business plan to create musical instrumentals for recording artists while Joel Serieux focused on developing a plan for a Landscaping Company after having expressed an interest in mechanical engineering.

DISLOCATED WORKERS

When the local refinery closed in 2012, over 2500 workers immediately lost their livelihood; the refinery was the largest private employer in the Territory and its closure meant that the jobs lost were lost forever. There were no other jobs with the same skill sets readily available for job seekers to transition into; therefore, retraining and advanced education were the best solutions for those left without employment. The Virgin Islands received a National Emergency Grant (NEG) which enabled the dislocated customers to redirect their skills to available

occupations and those slated to grow in the coming years. Many were successful in this endeavor, from advanced certification to entrepreneurial ventures. Here are some of the stories, in their own words. . .



Angel & Jose Sanchez

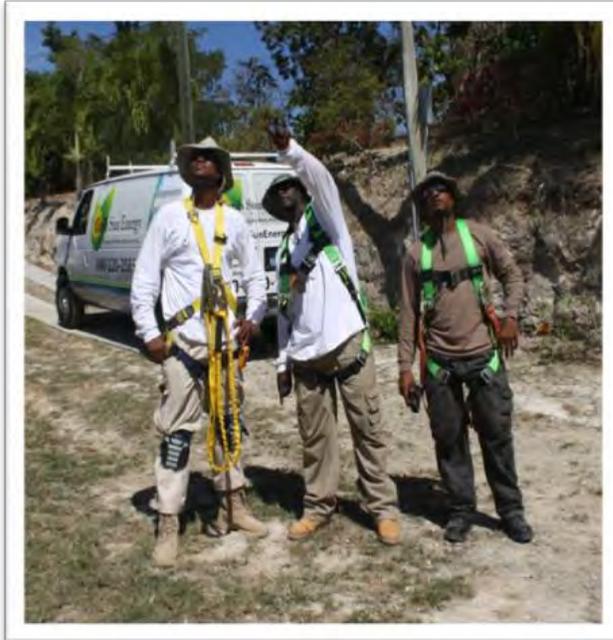
On behalf of my brother and me, we would like to thank Mrs. Bass along with the NEG program for helping us through our welding education. Mrs. Bass along with her department have done so much for us we can honestly say that without them it wouldn't have been possible. Working in the welding field there will be some cons and pros depending what your preferences are. But for us it has been all positive the work is consistent, the pay is great not to mention there are numerous of opportunities to grow.

Since our graduation my brother and myself have been working ever since. If it wasn't for the love and support of Mrs. Bass and her team we would have never experienced this life changing opportunity, it taught us discipline, patience, and how to love what we do. We thank you again Mrs. Bass and the NEG program.

The program that assisted me, as a displaced worker, has proven to be successful! I was afforded the opportunity to attend truck driver training school, which I passed with flying colors, and graduate with a Commercial Driver's License. I am now employed with Paschall Truck Lines (PTL) as a full-time company driver. Throughout the process of relocation, finding an appropriate educational setting and completion of the program, Ms. Rogers assistance has been invaluable! Her on-going support and willingness to help in any way made my transition much easier. I am extremely grateful to her and the program that supported me.



Edward E. Morales



Carib Sun Energy is primarily a Solar Powered Systems design and Installation company and was established in 2012 by Jason A. Battiste and Khalim Williams. Along with Joseph Lestrade who has been with the company since day one, we were all able to receive our certifications in Photovoltaic Installation and Design from the US Solar Institute in Florida with most of our funding from the Department of Labor's NEG program.

Our company also provides Energy Auditing services in which we are certified for conducting audits for residential and commercial properties. The training that we received to obtain these certifications was also funded by the Department of Labor's NEG program. The PV Installers certification's we received particularly has clearly set us apart from most installers in our field so we are very thankful to have been able to be beneficiaries of that funding. Since then we have gone on to install Solar Powered systems and conduct Energy Audits for many satisfied residential and commercial customers. We hope to continue to grow as a company, create jobs and provide renewable energy education for our fellow Virgin Islanders while helping to reduce the consumption of fossil fuel generated energy.



Thanks to this program I am able to advance my career opportunities in the aviation field. I would not be able to do this on my own. -- *Kevin Davis*

Following the closure of Hovensa oil refinery in March 2014, I decided to retool by returning to the University of the Virgin Islands to pursue studies towards certification in education. Since I already had two degrees, I needed the necessary courses in education that would qualify me for a teaching position. With assistance from the NEG program (Labor Department) I was able to



successfully complete the requirements for certification.

While pursuing my studies towards certification I taught as a substitute teacher at the St. Croix Educational Complex High School. During the summer of 2014, I also taught in the Credit Recovery Program to help studies who failed certain courses during the regular school year fulfill the requirements for a passing grade.

Most recently, I interviewed with the Virgin Islands Education Department for a full-time teaching position. While I await word from the Department, I am very confident that I will secure a position when the school year commences. I am very grateful to the NEG program for providing the financial support as I transitioned into a different profession following the closure of HOVENSA.

Marcellin Lockhart

The NEG program was definitely beneficial to me!! With the right people behind of it such as Ms Omyra Murray!!! She helped me get through the application in such a short period of time. Due to the fact I was just visiting had already relocated to Florida due to the plant closure! She called and check up before and after I completed the Roadmaster School!!! Without her help I wouldn't have been so successful in my new career in CDL driving!! Which is to me, one of the top 3 jobs in the world that pay \$\$\$! I went from school to training with Werner Enterprises- driving in 48 states through snow, mountain driving for 6 months to get extra training, then I decided to go local due to the missing of my family. Now I'm driving for Quirch foods, which is a refrigerator semi truck that delivers meat to grocery stores throughout Orlando, Florida. I reverse to dock, which is the hardest part of driving semi, then I show the people which product is theirs they take it out with a fork lift. I give them their invoice and off to the next stop 8-9 stops. 8-12hrs a day- basically I love it. Thanks again to the department of Labor and to most of all Ms Omyra Murray!!! God Bless!!!!



LeVaughn Nesbitt

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. 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'13 although there was still a need to transfer DW funding to supplement Adult funds it was on a smaller scale as a result of increased usage by DW customers.

➤ *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'13, 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*. This waiver was used during PY'13 for twelve customers served through Incumbent Worker training.

➤ *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 PY'13, a portion of the RR funds in combination with Adult and Dislocated Worker funds served twelve customers participating in a billing and coding training program.

➤ *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. This waiver was used in combination with RR funds to serve twelve customers who received training on the new billing and coding methods.

➤ *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'13.

➤ *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'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 again used for PY'13. 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 2013. 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 2013.

An electronic survey was sent to participants and employers with email addresses recorded in our operating system; the response period was for one month with two 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 likely nor unlikely.

The response rate for this survey was moderate. 6,623 surveys were sent to customers. Four (4%) percent of surveys bounced back due to invalid email addresses. There response rate was twelve point four (12.4%) percent or (789) customers. 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?	44.4%	27.2%	22.9%
How satisfied were you with the level of information available through booklets, handouts, videos, electronic access or customer service?	47.2%	20.6%	25.2%
If you interacted with Customer Service how would you rate that experience?	48.5%	19.2%	19.4%
Did the services received sufficiently address the purpose of your visit?	46.9%	23.5%	21.04%
How likely are you to use the services of the Workforce Center again?	49.5%	25.3%	18.6%

The response rate for the employer survey was moderate. 296 surveys were sent to employers. Seven (7%) percent of surveys bounced back due to invalid email addresses. There response rate was nineteen (19%) percent or (52) employer customers. 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?	61.5%	13.4%	17.3%
How satisfied were you with the level of information available through booklets, handouts, videos, electronic access or customer service?	44.2%	15.3%	28.8%
If you interacted with Customer Service how would you rate that experience?	50%	17.3%	15.3%
How likely are you to use the services of the Workforce Center again?	59.6%	11.5%	17.3%

Though the numbers of satisfied customers for both surveys were markedly higher than those dissatisfied, the numbers who remain indifferent 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. Entered employment continues to be a challenge in all categories from first time or low skilled job seekers to seasoned high skilled individuals. Also affected by the stagnant economy, average earnings are lower than in previous years. While more Youth have attained a degree or certificate they still struggle to break into the workforce. The performance recorded for Wagner- Peyser more accurately reflects the ongoing struggle of qualified individuals to secure and/or maintain permanent employment at a competitive wage.

	State Negotiated Goal '13	Actual Performance
WIA ADULTS		
Entered Employment	40%	30.3%
Employment Retention	75%	65.4%
Average Earnings	\$8,750.00	\$7,654.70

	State Negotiated Goal '13	Actual Performance
WIA DISLOCATED WORKERS		
Entered Employment	45%	33.6%
Employment Retention	78%	73.7%
Average Earnings	\$13,500.00	\$13,223.65

	State Negotiated Goal '13	Actual Performance
WIA YOUTH		
Placement in Employment or Education	38%	28.7%
Attainment of Degree/Certificate	40%	53.3%
Literacy/Numeracy Gains	35%	25.0 %

	State Negotiated Goal '13	Actual Performance
WAGNER-PEYSER		
Entered Employment Rate	45%	31%
Employment Retention	78%	74%
Average Earnings	\$13,500	\$14,290