

APPROVED MARCH 17, 2016

**THE VIRGINIA APPRENTICESHIP COUNCIL
MINUTES**

The Virginia Apprenticeship Council met on Thursday, September 17, 2015, at Confederate Hills Recreation Center, Highland Springs, Virginia.

COUNCIL MEMBERS PRESENT:

Darold Kemp, Chairman
Dr. Robert Benson
John Biagas
Danny Brookman
Steven Foster
Dudley Harris
Ellen Marie Hess
Terry Kelly
Michael Mays
Elizabeth Moran for Dr. Glen DuBois
Greta Nicholson
Ray Davenport, Commissioner

STAFF PRESENT:

Beverley Donati, Division Director
Delores Ferrell, Apprenticeship Consultant
Jessica Waddy, Administrative Assistant

CALL TO ORDER AND INTRODUCTIONS:

Chairman Darold Kemp called the meeting to order at 10:02 a.m. Chairman Kemp welcomed everyone. Council members introduced themselves. New member to the Council, Greta Nicholson with the IBEW 26 out of Washington D.C.

Chairman Kemp acknowledged in the audience Doris Crouse-Mays, President of the Virginia AFL-CIO.

Registered Apprenticeship Director, Beverley Donati introduced Jessica Waddy, Administrative Assistant and Delores Ferrell, Apprenticeship Consultant.

PUBLIC COMMENT:

No public comment.

COUNCIL COMMENTS:

Mr. Brookman announced that Mr. Everett Jordan participated on a Leadership Panel for Apprenticeship during a two day event in Washington D.C. During the event The Apprentice School was recognized as a leader in apprenticeship or as stated by Congressman Scott "Gold Standard" leader in apprenticeship.

Mr. Kelly informed the Council that he saw advertisement on an HRT bus in Norfolk that the Registered Apprenticeship Expo is being held on September 30th at the Norfolk SCOPE.

APPROVAL OF MINUTES:

Correction to minutes from June 18, 2015 noted and minutes approved by Council members by roll call vote.

CORRESPONDENCE:

There was no correspondence.

PRESENTATION BY COMMISSIONER HESS – THE MANY FUNCTIONS OF THE VIRGINIA EMPLOYMENT COMMISSION:

Commissioner Hess began by saying the Virginia Employment Commission (VEC) administers a variety of workforce programs that have a direct impact on Virginia's economy.

The VEC is probably known best as the place one files a claim for unemployment. Unemployment insurance was designed to provide a temporary partial wage for those Virginians who lose their employment through no fault of their own. The VEC must determine the nature of the individual's separation, the monetary eligibility and whether the individual is "able and available" and actively looking for work. Determinations are made by hearing officers employed by the VEC and are appealable to the Commission and eventually to the Circuit Court.

The second side of the VEC is the Workforce Services Division. Apprenticeship is one part of the large universe of workforce services but unlike apprenticeship VEC's workforce services, administered primarily under the Wagner-Peyser Act, focus on the "job ready" applicant. Through the Virginia Workforce Connection, the agency connects applicants to job opportunities throughout the Commonwealth.

The third side is the Economic Information Services (EIS). EIS is the state's largest producer of labor market information and associated analytics that are used by business and government decision makers in growing Virginia's economy. Interesting data and information can be found on the LMI homepage.

The VEC is federally funded and has no state funding. Unemployment insurance is funded entirely by payroll taxes paid by employers. The money is deposited into a trust fund to be used exclusively for unemployment compensation. The rate of tax paid by employers is based on the overall health of the trust fund and projected impact of future claims. There is a schedule of rates which are experienced based, meaning employers with no unemployment claims during the period will pay the lowest rate of tax and employers with high numbers of claims paid will pay the highest rate. In addition to the base tax employers pay what is known as the "pool costs" which is the cost of claims that cannot be assigned to a particular business, spread out across all businesses in the Commonwealth.

During the recent Great Recession, the Commonwealth paid out so many claims that the VEC had to borrow from Virginia's Treasury. In order to continue paying unemployment compensation, pay off the Treasury loan and build the Trust Fund back to its former state, businesses paid a "fund builder" charge. That charge was projected to continue through 2016 but because of the strength of the economy, it is projected that the fund builder charge will come off at the end of calendar year 2015.

The administration of the agency and programs are funded through federal grants. Anything that is not unemployment compensation is paid with grant dollars. VEC is awarded grant money based on the workload. In other words the VEC is counter cyclical, receiving larger grant funds when the economy is bad and less funding when the economy is good.

The agency and programs were created during the Great Depression and have evolved over the years in response to issues facing the nation's economy in the decades since.

Today, with large numbers of veterans returning to Virginia the VEC is administering programs to move these men and women into the civilian workforce. Virginia is also experiencing an increasing number of employers who misclassify employees as independent contractors. Misclassification of employees denies workers their rights as employees, puts compliant businesses at a competitive disadvantage and diverts state revenues. The VEC is part of a task force, along with DOLI and other state agencies to combat misclassification through education, information sharing and enforcement.

OLD BUSINESS:

There was no old business.

NEW BUSINESS:

There was no new business.

REPORTS:

Virginia Apprenticeship Alumni Association (VAAA):

Chairman Kemp reported for Mr. Norris Williams that the 2015 golf tournament will be held on September 24th at The Hollows. The golf tournament is the largest annual fundraiser for the association.

The VAAA has teamed up with the Richmond Technical Center (RTC) to help stock their clothes closet. Each year RTC conducts mock job interviews for students in the various CTE programs. The students are required to wear business attire for the interviews and can borrow clothing from the closet. Students can also borrow clothing for real job interviews. Donations will be accepted at the golf tournament.

New VAAA members are always welcomed.

Virginia Employment Commission (VEC):

Commissioner Hess reported misclassification is a very important initiative underway at the VEC. A funding request has been submitted to the USDOL to hire auditors to investigate misclassification. Audits are being conducted by the VEC and the results have been forwarded to the Department of Taxation, who is also on the Task Force, and hopefully they will be able to conduct some follow up audits. Virginia's current unemployment rate is 4.5%.

Virginia Community College System (VCCS):

Ms. Elizabeth Moran reported that through the American Apprenticeship Initiative two grants have been awarded to Virginia – Shenandoah Valley and CCWA. A total of seven community colleges will be participating in the grants. Ms. Moran stated that the colleges are very excited about the work they will be doing in support of Registered Apprenticeship around the State of Virginia.

Division of Registered Apprenticeship:

Director Donati reported that the American Apprenticeship Initiative grants have been announced and the administration has awarded \$175 million to forty-six grantees.

Thirty were awarded to State Apprenticeship Agencies or SAA states. California received the largest number of grants and a number of large states had no grants awarded.

As USDOL, Secretary Perez stated recently, "It is a historic time for Registered Apprenticeship."

Virginia received two grants. Shenandoah Valley WDB will receive \$4 million with the commitment of registering 600 apprentices over a five year period.

CCWA the workforce arm of J Sargeant Reynolds Community College and John Tyler Community College along with Southside Virginia Community College and Danville Community College, who are also partners in this grant, will receive \$2.9 million with the commitment of registering 300 apprentices over a five year period.

Funding is official October 1, 2015.

A recent conference call was held with State Apprenticeship Directors and the National Administrator. There were many questions and Director Donati gave the quote from that call, "the details are still being worked out."

Director Donati updated the Council on two additional methods for completion of an apprentice's term of apprenticeship. Time Based, Competency Based and Hybrid are all methods in the Federal Regulations 29/29 and in the Virginia regulations.

Director Donati stated she has been part of an OA Workgroup for several years to develop guidance that will facilitate the implementation of these methods in sponsors' standards. Policies have not been released by OA.

Definitions shared by Director Donati will probably be close to the approved definitions for each category:

Time Based approach requires the approximate time/hours and provides for skill acquisition through the apprentice's completion of at least 2,000 hours of on-the-job learning as described in the work processes.

Competency Based approach provides for an apprentice's progression through apprenticeship through the acquisition of identified and measured competencies. Competency Based does not require time/hours to be assigned.

There are no specific times identified and the competencies will be measured by industry standards. At this time, there are a limited number of approved competency based occupations.

The Hybrid approach provides for the measurements of the apprentice's skill acquisition through a combination of specified minimum hours of on-the-job learning and the successful demonstration of identified and measured competencies. Hybrid requires a minimum and maximum range of time/hours.

In Virginia, the Council passed a policy many years ago that sponsors can recognize and award apprentices who have reached competency in their occupation. A sponsor can grant up to twelve months/2,000 hours on the Apprentice Action Form at completion. More than 2,000 hours, a detailed letter of explanation must be written and submitted to the Division Director's office.

There have been in-depth discussions about required ARI. No clear guidance has been given thus far.

This year a Competency Based program was registered. The occupation is Telecommunications Tower Technician. Potential apprentices with previous experience will need approximately six months to complete and those without experience will need approximately twelve months to complete. Related Instruction will take twelve months.

The Hybrid program is registered at 10,000 hours and is a welder/fitter. Related instruction is through ABC.

One goal this year is to contact all sponsors electronically to find out where their apprentices are attending class and what method of instruction is being used.. The first week in October all Optician sponsors will be contacted. The consultants will follow up on no responses or inadequate responses. Target date – late October to early November for all sponsors to be contacted. Future goal is to contact all sponsors twice a year and eventually contact all apprentices.

The following numbers provided by Director Donati for the Fiscal Year ending June 30th:

14,383 Apprentices
2,219 Active Sponsors
3,704 Certificate of Completions Awarded
1,743 were USMAP apprentices and 1,961 represented all others

Fiscal Year July 1 to present:

14,692 Apprentices
2,222 Active Sponsors
939 Certificate of Completions Awarded
634 for USMAP apprentices and 304 represents all others

DEPARTMENT OF LABOR AND INDUSTRY:

Commissioner Davenport began by saying congratulations to the Shenandoah Valley and CCWA on being awarded the grants.

In moving forward with the transition of ARI, additional staff will be added to the Apprenticeship Division. An Assistant Director and two Consultants (Northern Virginia/Manassas and Tidewater) are in the recruitment stage.

The agency has submitted the federal budget/grants applications to the USDOL regarding Occupational Safety and Health, both Compliance and Consultation sides. We are awaiting approval from the USDOL.

First step has been submitted regarding the Budget Decision Packages to the Secretary's Office which could potentially end up in the Governor's budget that will be presented in December.

This agency is funded with federal funds, state funds and special funds. The VOSH Conference registration fees is an example of special funds.

Sequestration is currently the big issue and with a potential Government shutdown this agency could be drastically effected.

Last Government shutdown:

Compliance side - 50/50 – the agency was instructed to work safety compliance officers 50% of the time. Very difficult to do when investigating fatalities.

Consultation side - 90/10 – the agency was instructed to work consultants 10% of the time.

Sequestration is currently the law, as of October 1st further cuts will be made unless Congress acts to do something different.

Commissioner Davenport reminded all to work safe. VOSH to date has investigated 22 fatalities statewide. Unfortunately two fatalities occurred in the last week.

Commissioner Davenport ended by thanking the Council for their continued support.

ANNOUNCEMENTS:

Chairman Kemp announced the next Council meeting will be March 17, 2016.

Chairman Kemp thanked the Council, Director Donati and her staff and all in attendance.

Meeting adjourned 10:43 a.m.

Mr. Darold Kemp, Chairman

Mr. Ray Davenport, Secretary