

APPROVED JUNE 23, 2022

THE VIRGINIA APPRENTICESHIP COUNCIL MINUTES

The Virginia Apprenticeship Council met on Thursday, March 31, 2022

COUNCIL MEMBERS PRESENT:

Dudley Harris, Chairman
Laura Duckworth, Vice-Chair
Christopher Cash
Dr. Angela Lawhorne
Carrie Roth, VEC Commissioner
Steve Martin
Michael Mays
Dr. Latitia McCane
Gerald Simpson
Gary G. Pan, Commissioner

STAFF PRESENT:

Patricia Morrison, Director
Kathleen Eddington, Assistant Director
Daniel Davis, Education Specialist
Caly Emerson, Education Specialist
Crystal Thrower, Apprenticeship Consultant
Julie Smith, HR Director

CALL TO ORDER AND INTRODUCTIONS:

Chairman Dudley Harris called the meeting to order at 10:00am and welcomed the council and new members.

PUBLIC COMMENT:

Steven Gingerella, Safety Director with J.C. Driskill, Inc. made the following public comments:

His company J.C. Driskill, Inc. has been a sponsor with the program for 35 years. He stated the Registered Apprenticeship Program has put a block on new Electrical companies becoming sponsors. He wants the Apprenticeship Council to lift the testing exemption block for newer companies.

Chairman Harris stated his company, as well as UVA Facilities Management, requires their apprentices to sit for the state licensure exam. The hold is not on new companies becoming sponsors; it is about the exemption from examination regarding the state licensure test. No

sponsors are being blocked. The program is on hold while the Council is addressing the exemption requirements or reviewing whether the exemption should remain in place.

COUNCIL COMMENTS:

No comments.

APPROVAL OF MINUTES:

Both June 2021, and September 2021 meeting minutes were approved through roll call.

CORRESPONDENCE:

None

OLD BUSINESS:

Discussion of the exemption from examination process - Commissioner Pan will meet with DPOR to discuss updates to pending exemption updates.

NEW BUSINESS:

The Division of Registered Apprenticeship is going after the ETA Apprenticeship Building America Grant. More details about this grant is included in Director Morrison's report.

Nominations for Vice-Chair:

Laura Duckworth was nominated and seconded.

Dr. Jameo Pollock was nominated and seconded.

Voting results: Laura Duckworth was re-elected as Vice-Chair.

At the June 2022 meeting, there will be a vote to lower the quorum for the Council from 7 to 6.

REPORTS:

Virginia Employment Commission (VEC):

Commissioner Roth reported the following:

Gross Domestic Product by State, 3rd Quarter 2021 –

Virginia's economy grew faster than nationwide in the third quarter 2021, as real gross domestic product (GDP) increased by an annual rate of 2.9% in the third quarter of 2021---the 11th fastest increase among states. This was compared to at an annual rate of 2.3 percent nationwide, according to the U.S. Bureau of Economic Analysis (BEA). Overall, the Southeast region contributed five trillion dollars, or 22%, to national GDP---the largest percentage among regions. Virginia's current dollar, seasonally adjusted output was \$600 billion, or 2.6% of national output in the third quarter 2021.

Virginia's fourth quarter 2021 GDP figures have not been released yet, but reported economic growth will likely be considerably faster since U.S. GDP in the fourth quarter was 7% annualized, or three times its 3Q21 rate of growth.

Where did the growth come from? It was primarily led by the service sector. The two largest industry contributors to growth were government and professional, scientific, and technical services. Government and government enterprises increased 5.1 percent nationally and contributed to the increases in nearly all states, primarily due to increases in state and local government. Virginia also had among the largest contributions to its growth from professional, scientific, and technical services, where it trailed only Massachusetts, Colorado, and Texas. The producing part of Virginia's economy held back growth as manufacturing, construction, utilities, and mining declined over the quarter.

The reopening continued as COVID-impacted industries accommodation and food service and arts, entertainment and recreation grew. However, shrinking government pandemic assistance payments in the form of forgivable loans to businesses, grants to state and local governments, and social benefits to households all decreased as provisions of several federal programs tapered off in the third quarter and that showed up in slowing retail activity

The Commonwealth's job market recovery continued into 2022 as total nonfarm payrolls rose to four million jobs. February 2022 employment rose by 21,300 over the month, with job gains primarily in government, leisure and hospitality, and professional and business services.

Over-the-year employment growth in Virginia had been positive for six consecutive years two years before in February 2020. But that dramatically changed course with the onset of the COVID-19 pandemic when it erased nearly all recovery job gains in April 2020. In February 2022, Virginia's over-the-year job gain of 2.9% was less than the 4.6% increase nationwide. While clawing back over 80% of the pandemic lost jobs, the jobs total remained 75,000 off of the pre-pandemic peak.

From February 2021 to February 2022, the VEC estimates that establishments in Virginia gained 111,900 jobs, an increase of 2.9%. In February, the private sector recorded an over-the-year gain of 99,600 jobs, while employment in the public sector gained 12,300 jobs. Nine of eleven major industry divisions experienced employment increases while two saw employment decreases. The largest over-the-year job gain occurred in leisure and hospitality, up 55,300 jobs (+16.4%). The next largest over-the-year job gain occurred in professional and business services, up 18,300 jobs (+2.4%).

Nationwide, total nonfarm payroll employment rose by 678,000 in February 2022. Nonfarm employment is down by 2.1 million, or 1.4 percent, from its pre-pandemic level in February 2020. In February 2022, notable job gains occurred in leisure and hospitality (+179,000), professional and business services (+95,000), and construction (+60,000). Employment increased by 48,000 in transportation and warehousing in February 2022, and is 584,000 higher than in February 2020. Retail trade added 37,000 jobs in February 2022, while manufacturing added 36,000 jobs and financial activities added 35,000 jobs. Employment showed little or no change over the month in information and government.

NOVA was impacted more than the Commonwealth as a whole by pandemic job loss in 2020 but data indicates that the region is poised to resume its leadership position in 2022. Over-the-year, February 2022 seasonally adjusted total nonfarm employment increased in all ten metropolitan areas. The Northern Virginia metropolitan area experienced the largest absolute job gain, up 48,400 jobs (+3.3%). Richmond ranked second, with a gain of 13,700 jobs (+2.1%). Virginia Beach-Norfolk-Newport News ranked third, with a gain of 12,500 jobs (+1.6%).

Notes on Richmond and Hampton Roads job growth –

Richmond’s job recovery has come in fits and starts but appeared more positive in February 2022 to 2020 trends. Richmond job growth was partially driven by 2021’s reopening which pushed job growth in: accommodation, amusements, gambling, and recreation, food services and drinking places, and personal services. The Great Car Craze of 2021 showed up at Richmond car lots as more staff were added in that industry.

Also, Richmond’s labor market has grown more ‘white collar’ over the last two decades and some of Richmond’s strengths; administrative services, professional and business services and banking (non-credit intermediary banking, back-office, and fin-tech) have been drivers of job growth both before the pandemic and during the pandemic recovery.

Hampton Roads has been consistently buoyant in sustaining payroll jobs during the pandemic. I believe that a main driver could be its industrial diversity. For example, pandemic-impacted industries in travel and tourism were sometimes buoyed by other parts of the economy like strong manufacturing, military spending, and surging activity at the Port of Virginia.

Looking at more detailed QCEW data from September 2021, important industry trends driving year-over-year growth in the region included:

- Specialty trade contractors, construction of buildings, and real estate from **the housing boom**
- Important logistics and supply chain industries like: truck transportation, couriers and messengers; warehousing and storage, and support activities for transportation
- Some severely impacted industries attempting to bounce back from employment cuts like: amusements, gambling, and recreation, and clothing stores added jobs and recovered some of the jobs lost from their lows by adding jobs.
- customer-facing businesses that rushed to hire amid turnover and growing consumer spending including educational services, food service and drinking places, general merchandise stores, and some healthcare.

According to household survey data, the labor force expanded to nearly 4.3 million workers in February 2022. The number was little changed from a year earlier and four percent lower than in February 2020. COVID-era trends have brought the labor force down to 2016 levels, erasing five years of growth. However, February’s increase may indicate a small rebound heading into spring of 2022.

The Commonwealth’s labor force participation rate increased slightly by 0.1 of a percentage point to 63.0 percent in February. The labor force participation rate measures the proportion of the civilian population age 16 and older that is employed or actively looking for work.

There are fewer working age individuals employed or looking for employment than there were two years ago. For example, during December 2021, Virginia's labor force participation rate dropped by a half of a percentage point to 62.6%—the lowest level ever—compared to 66.4% at the end of 2019. During this period, many older, experienced workers left the workforce earlier than perhaps they had planned. If the labor force participation rate that month was the same as two years before, approximately a quarter of a million more Virginians would have been in the labor force.

Virginia's seasonally adjusted unemployment rate fell 0.1 of a percentage point in February to 3.2 percent, which is 1.4 percentage points below the rate from a year ago. And it remained below the national rate, which fell from 4.0 to 3.8 percent.

According to VEC household survey data, Virginia's seasonally adjusted unemployment rate in January 2020 remained stood at 2.6 percent—the lowest rate in 20 years. When the Pandemic hit a few months later, it rose 9.0 percentage points in April to 11.6 percent while the national rate soared to 14.7 percent.

As the economy reopened, the unemployment rate spike receded in subsequent months. Between April and September of last year, the unemployment rate fell by 5.3 percentage points. For perspective, following the Great Recession of 2007-09, it took over five years for the unemployment rate to fall by half that much.

From the third quarter of 2020 onward, continued claims totals have steadily trended downward as filers have found jobs, left the labor force, or exhausted benefits. During the March 19, 2022 filing week, claims totaled 6,954, which was 88% lower than the 58,233 continued claims from the comparable week in 2021. During the May 16, 2020 filing week—during the height of pandemic shutdowns--continued weeks peaked at just over 400,000 claims.

BLS Job Openings and Labor Turnover Survey—or “JOLTS” —data provides information on hires, layoffs, quits, and other job separations. Drilling down into Virginia JOLTS survey data, the hires-per-job-opening (HPJO) ratio shows the rate of hiring compared to open jobs. It is a proxy for time to fill positions—or, in other words, the efficiency in filling open jobs in a labor market.

- The number of hires in Virginia fell slightly by 3,000 to 171,000 in January but continued the rebound in hires from October's drop and was 16% higher than in January 2021.
- The hires-per-job-openings (HPJO) ratio stood to 0.6 in January in Virginia, equaling the rate nationwide.
- In January 2022, that ratio meant that there were two-thirds more job openings than hires in Virginia.
- Nationwide, hiring rates among some industries lost ground slightly in recent months while accommodation and food service's rate gained compared to the overall hires rate. Making the most progress in hiring was arts, entertainment, and recreation. This could be a reflection of spending on recreational services, goods, and vehicles, which accelerated as the economy continued to reopen during the holiday and winter travel season. They, along with transportation spending, contributed significantly to U.S. GDP growth in the closing months of 2021.

Looking back over this time series:

This Virginia JOLTS data chart presents one picture of labor supply and demand in the Commonwealth. Labor supply is represented by the quits rate while demand is represented by the job openings rate. Both the job openings rate and the quits rate remain highly elevated and indicate a positive environment for many job seekers but a challenging hiring environment for many employers. Virginia job openings as a percentage of payroll employment has usually trended upward since the Great Recession.

The job openings rate and the quits rate in the commonwealth both retreated a little in January from recent highs with the Virginia quits rate at 3.1%. The Virginia job openings rate (job openings as a percentage of total employment) was little-changed; falling by 0.1 of a percentage point to 7.2% in January.

Across the U.S., the number of quits fell by 151,000 to 4.3 million in January from the series high of 4.5 million set in November 2021. Nationwide, quits increased in finance and insurance (+30,000) but decreased in retail trade (-69,000) and in information (-20,000). Recent months' figures represent the most people quitting since the United States began keeping records of the statistic about two decades ago, with January 2022 28% higher than January 2021. The number of quits can be seen as a leading indicator of wage trends in that it includes workers who quit to move to another job.

In general, U.S. industries with relatively low rates of quitting like government, finance, and educational services had even lower rates compared to the year before while a handful of large industries with relatively high rates of quitting like accommodation and food services and retail had even higher rates compared to the year before.

In Virginia, the unemployed per job opening ratio (sometimes called the 'job seekers ratio') peaked at 4.4 unemployed per job opening in February 2010 during the Great Recession, while the number of unemployed workers per job opening stood at 3.1 in April 2020 during the height of pandemic employment impacts. Nationwide, January 2022's ratio of .58 was a small bounce from December 2021's record-low ratio of unemployed-to-openings when there were an estimated 55 unemployed workers for every 100 job openings.

Virginia Community College System (VCCS):

Dr. Lawhorne reported the following:

The spring semester enrollment update as of March 28, 2022, reflected 70,742 FTEs, 5.20% (3,877) lower, and a headcount of 131,426, 3.64% (4,960) lower than last year at this time.

With the mask mandates lifting and vaccination requirements removed, we hope to increase not only enrollment, but also our faculty. The VCCS lost many adjunct faculty during the pandemic.

G3, now Get a Skill, Get a Job, Get Ahead, has been significantly growing with over \$2 million having been awarded to FastForward students to cover the first 1/3 of their tuition, and over \$15 million awarded to academic students in FY22. We are expecting this demand to grow with the implementation of the Virginia Infrastructure Academy (VIA), a statewide initiative to train and

employ the workforce in the areas of broadband, renewable energy, roads and bridges, skilled trades and more. We anticipate VIA will open doors for partnerships and apprenticeships statewide.

Our Coordinator for Apprenticeship & Work-Based Learning, Dr. Jason Williams, has also spent the last year collecting information and expanding resources for our 23 community colleges. The Apprenticeship & Work-Based Learning guide was created and disseminated, as were monthly information sessions with employers and partners offering WBL opportunities for our students. Jason has worked closely with VDOE and their new regional WBL Specialists to streamline efforts and serves on the committee creating the new Work-Based Learning Network, VA Voyager, a VDOE endeavor funded from VCCS WIOA dollars. This new network will provide WBL information and resources for K-12 and community college students, while providing employers a direct way to connect opportunities with students.

Division of Registered Apprenticeship (DOLI):

Director Morrison reported the following:

We are very happy to be in person again to visit, inform and encourage the world about the Registered Apprenticeship model.

Commonwealth Registered Apprenticeship Future Talent (CRAFT) Grant – from Shannon Crooks, Lead Generation Specialist

CRAFT Project Grant:

Closing out the 3rd quarter of our third year, we look to continue the success of these last three months into our last quarter of this grant term. We are happy to report we have provided \$49,826 in CRAFT reimbursements and enrolled 368 apprentices, the bulk of these numbers coming directly from our IT and Healthcare target industries.

During the life of this grant, we expanded Healthcare apprenticeship opportunities tremendously through the help of our Intermediary partners and new Employer sponsors looking to train in a variety of healthcare occupations. To date, we have brought on 43 Healthcare employers and 207 apprentices.

Similar efforts have been made in the IT industry where we have supported the development of programs in several different specialties including software development, cyber security, data analyst, network specialists and more. To date we have 22 new IT Intermediary partners and employer / sponsors serving 128 apprentices.

Other Grant Summaries:

Across Virginia's workforce system, partner agencies are engaged in operationalizing several workforce initiatives stemming from grants obtained from the federal government for specific workforce innovations. These grants include:

- Other grant partnerships with major role for RA – The Department for Aging and Rehabilitative Services (DARS) invited DOLI to partner in a grant proposal issued by the Federal Secretary of Education. This successful submission was awarded in September 2021 for a period of five years and approximately 9 million dollars in funding. (See DARS information for more details). This grant is called PATHWAYS.
- Other grant partnerships - Newport News Shipbuilding/The Apprentice School, along with Jobs for the Future (JFF) are partnered in a grant that was awarded by the USDOL Employment Training Administration. They were selected to be the Registered Apprenticeship Technical Assistance Center of Excellence for Diversity and Inclusion (D&I Center). This grant, in a nutshell, will be focused on expanding RA in all industries with a focus on D & I. However, this initiative can easily dovetail with our current Commonwealth Registered Apprenticeship Future Talent (CRAFT) grant and with the PATHWAYS Grant with the Department for Aging and Rehabilitative Services (DARS) which is also focusing on D & I.
- Success Story from DARS with first apprentice included in an existing program and with a disability accommodated. (the narrative will be shared in the near future)

Brown Bag Series:

In March, we invited Eugene Brown of the Prince William Chamber of Commerce to co-host and explain how transportation for youth relative to going to and from a Youth Registered Apprenticeship job is a major concern throughout the state. His Chamber supporter an initiative to help subsidize with something called Omni Ride. In order for our expansion for high school students, we need partners to help create a transportation solution.

Other Events:

The Headquarter grant team is now working with a grant writer to produce a proposal for the Apprenticeship Builds America grant designed to expand usage of RA, and to promote inclusion at all levels.

Virginia is hosting the National Association of State and Territorial Directors annual conference in September 2022 in Norfolk. Chairman Harris will be assisting in some partnership efforts to help make the conference go smoothly.

Topics of interest are the 23.1-2907.1 Policy for award of academic credit for apprenticeship credentials state code from 2017 originally. The history of this is that it was once presented at a VAC meeting in 2017, but movement in this direction seems stalled. DOLI and the VAC would like to breathe new life into this desired outcome, which will enhance the value of the RA program.

Metrics:

The Division of Registered Apprenticeship relies on the National database for apprenticeship registrations - RAPIDS. The time period used is federal fiscal year. Metrics YTD from October 1, 2021 are as follows:

Active Apprentices:	11182
Completions issued:	397

Registered Employer/Sponsors: 2699
New Sponsors: 156

The Advanced search with demographics is always available and you can contact me for that. The National Office engineers are always tweaking so the format changes throughout the year.

Department of Labor and Industry (DOLI):

Commissioner Pan reported the following:

COVID Update:

Like many workplaces, DOLI had to address Covid-19 related issues within our workforce. We experienced a couple of office closings and conducted deep cleaning in our workplaces. Due to our diligent workforce and telework capability, these challenges did not impede our productivity. As many of you know, throughout the pandemic, DOLI was charged with addressing potential Covid related work violations. In 2021 alone, our VOSH program handled over 4,896 phone calls and investigated close to 772 COVID-19 related complaints, referrals, hospitalizations, and/or workplace deaths. Additionally, VOSH initiated 149 inspections, 90 of those have been closed and 44 that are still being processed in our field offices.

On January 15, 2022, Governor Glenn Youngkin issued Executive Order 6 (EO 6), Reinvigorating Job Growth by Removing Burdensome Regulations From Virginia's Business Community, providing in part that the Safety and Health Codes Board convene an emergency meeting of their membership to determine whether there is a continued need for the "Permanent Standard for Infectious Disease Prevention of the SARS-CoV-2 Virus That Causes COVID-19." The board was directed to consider federal action in regards to the Occupational Safety and Health Administration (OSHA) Emergency Temporary Standard. EO 6 also provided that the Board and the Department of Labor and Industry seek guidance from the Office of the Attorney General regarding whether the proper legal and administrative procedures were followed during adoption and promulgation of the Permanent Standards.

The Safety and Health Codes Board met on March 21, 2022, and adopted the final revocation of the Virginia Standard for Infectious Disease Prevention of the SARS-CoV-2 Virus That Causes COVID-19 ("Virginia Standard"), 16VAC25-220.

The revocation of the Virginia Standard was the subject of a thirty day written comment period from February 17, 2022 to March 19, 2022 and a Public Hearing on March 14, 2022, to provide the opportunity for public comment prior to the final vote to revoke the standard.

The revocation became effective upon publication in the Richmond Times-Dispatch which occurred on March 23, 2022.

The Department drafted a Guidance Document on COVID-19 entitled: Guidance for Employers to Mitigate the Risk of COVID-19 to Workers, which was published in the Virginia Register on March 28, 2022 (Volume 38: Issue 16) for a 30 day comment period in accordance with Va. Code § 2.2-4002.1.B. There will be a public comment forum which started on March 28, 2022 and ends April 27, 2022.

The final results is that now employers have the choice on how to protect their workforce in their workplaces.

VOSH Program Update:

Virginia is an OSHA State Plan State and we VOSH must be “as effective as OSHA” in order to maintain State Plan status.

Calendar Year	2020	2021	2022 as of 3/30/22
Inspections YTD	1668	1848	460
Total Fatalities YTD	57	54	15; 2021 (13)
Covid-19	31	25	6
Stuck-By	12	11	3
Caught-In	5	4	2
Falls	8	9	2
Electrocution	1	3	2
Asphyxiation	0	1	0
Drowning	0	1	0

We have been busy filling our inspector vacancies as we have determined through data analytics that more inspections helps to reduce the number of fatalities and workplace accidents.

In addition, the agency is planning our annual VOSH Conference in late September or early October at an undetermined location (most likely in the Tidewater Area). We plan for this to be an “in person” event. The last two annual conferences were cancelled (2020) or modified to virtual (2021).

Labor Law Update:

The Prevailing Wage Law requires contractors on state-funded construction projects of at least \$250,000 to certify that they are paying the prevailing wage rate as set by the U.S. Department of Labor. It also requires state agencies to request rates for projects ten-to-twenty days before they go out for bids. The statute also allows localities to opt-in to the prevailing wage law, where they can request rates from the Department and have their contractors subject to the law. Effective January 1, 2022 Arlington County implemented a Prevailing Wage Ordinance and Fairfax County’s Prevailing Wage Ordinance will go into effect on July 1, 2022.

On January 1, 2022, the minimum wage in Virginia was increased to \$11.00 an hour. The next increase to \$12.00 an hour is scheduled for January 1, 2023

The Virginia Overtime Act became effective on July 1, 2021. There were initial issues with the language that were addressed in the budget. A bill passed during the 2022 General Assembly session will remedy those concerns if signed into law by the Governor. Virginia’s Overtime Act will mirror the Federal Overtime Act’s exemptions.

Consultation and Virginia Voluntary Protection Program

2021 was a difficult year for these programs as employer engagement was hampered by Covid. Now that businesses are opening up again, DOLI looks forward to partnering with industry to

proactively put into place protocols to work with employers to protect their workforce in the workplace.

Closing Comment:

In closing, I am honored to serve as the Commissioner of the Department of Labor and Industry. DOLI is working hard to improve our employer and employee engagement to focus on health and safety in the workplace. As I indicated earlier, the emphasis of the current administration is to Reinvigorate Job Growth throughout the Commonwealth. This entails filling 400,000 jobs and expanding the number of Registered Apprenticeships from our current 11,200 level to 50,000. I look forward to working with the Apprenticeship Council in development ideas on how to achieve these goals. I am anxious to listen to your ideas and proactively appreciate your commitment to the Registered Apprenticeship program.

I want to thank you for your service and support to Virginia's Apprenticeship Council and the Registered Apprenticeship Program in general.

Thank you and Mr. Chair that concludes my report.

ANNOUNCEMENTS:

Chairman Harris announced that the next Council meeting will be Thursday, June 23, 2022.

Chairman Harris thanked the Council, Director Morrison, her staff, and all in attendance.

The meeting adjourned at 12:05 am.

Mr. Dudley Harris, Chairman
Mr. Gary G. Pan, Secretary