Greater Peninsula Workforce Board
Local Workforce Development Area 14

Program Year 2018 Modification to the Workforce Innovation and Opportunity Act Local Plan for the Period July 1, 2016 – June 30, 2020

Submitted

March 29, 2019

Preface

Title I, Chapter 2, Section 108 of the Workforce Innovation and Opportunity Act (WIOA) requires that Local Workforce Development Boards (LWDBs), in partnership with Local Elected Officials (LEOs) develop and submit a comprehensive four-year local plan to the Governor which identifies and describes workforce development policies, procedures, and program activities that are to be carried out in the local area. The Greater Peninsula Local Workforce Development Area (LWDA) includes the cities of Hampton, Newport News, Poquoson, and Williamsburg and the counties of Gloucester, James City, and York.

In accordance with this requirement, a comprehensive 4-year local plan was prepared for the period July 1, 2016 – June 30, 2020 by the Greater Peninsula Workforce Board (GPWB) and submitted to the WIOA Title I Administrator, Workforce Development Services Division, Virginia Community College System, in February 2017. Following a review by the Title I Administrator's Office the plan was recommended for approval and subsequently approved by the Virginia Board of Workforce Development in June 2017. This plan is in the public record and remains available, upon request to the GPWB, for review.

WIOA Regulations at Section 679.580 further requires that at the end of the first 2-year period of the comprehensive 4-year local plan, each LWDB, again in partnership with their appropriate LEOs, review their local plan and prepare and submit a modification to the document that reflects:

- Changes in labor market and economic conditions;
- The impact of other factors affecting the implementation of the local plan, including but not limited to:
    - Significant changes in local economic conditions;
    - Changes in the financing available to support WIOA Title I and partner provided WIOA Services;
    - Changes to the LWDB structure; and,
    - The need to revise strategies to meet local performance goals;
- Changes to relevant updates in the Virginia WIOA Combined State Plan; and
- Comments received by members of the public, including representatives of business, labor organizations, and educational institution.

Accordingly, the following plan modification has been drafted for public review and comment. All comments received during the 30-day public review period will be submitted for review and such action as may be deemed appropriate by the GPWB and its LEOs and included in the Board's submission to the WIOA Title I Administrator's Office.

The plan modification covers the period from July 1, 2018 – June 30, 2020 and has been developed in compliance with the above noted WIOA local planning requirements. To facilitate a review of this document it has been prepared in two sections. The first section addresses those changes in labor market and economic conditions and other factors affecting the implementation of the local plan. The second section addresses any changes to the local plan that were necessitated by relevant updates made to the Virginia WIOA Combined State Plan.

SECTION 1. CHANGES IN ECONOMIC CONDITIONS, LABOR MARKET AND OTHER FACTORS

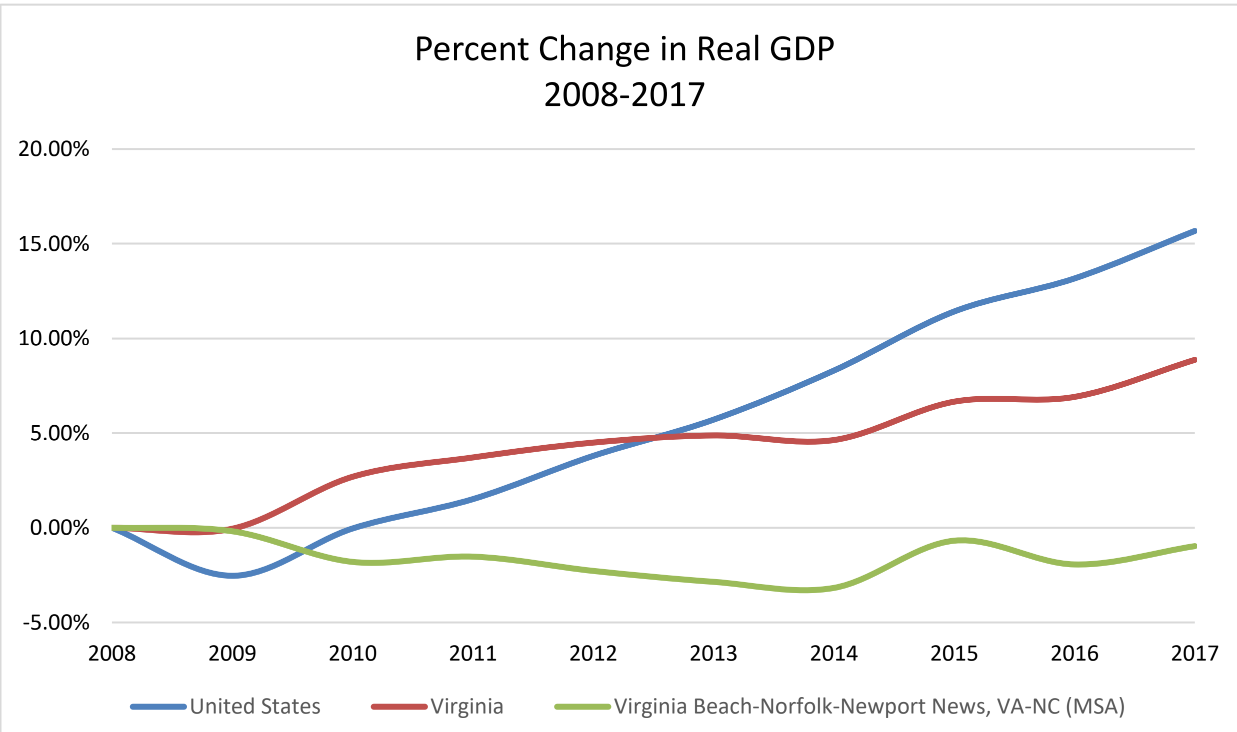
A. Changes in Economic Conditions

The Hampton Roads region is situated in the southeastern corner of Virginia. Ten cities and five counties comprise the region, which are in turn grouped into two Local Workforce Development Boards (LWDBs) - the Hampton Roads (LWDB 16 – known as the Hampton Roads Workforce Council) and Greater Peninsula (LWDB 14 – known as the Greater Peninsula Workforce Board). Both LWDBs cover almost 1.8 million people in the following localities: Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg and the counties of Gloucester, Isle of Wight, James City, Southampton, and York. It is the home of the world's largest natural deep-water harbor. A totally integrated transportation network of interstate highways, air, rail and sea services provide excellent access between the communities of this region and the markets of the world. Most of the area is also known as the Virginia Beach-Norfolk-Newport News Metropolitan Statistical Area (MSA), the 37th largest MSA in the nation. Washington, D.C. is 200 miles north and Richmond, the state capital of Virginia, is located 90 miles north-west as measured from downtown Norfolk.

The Hampton Roads region is heavily dependent on federal defense spending, which directly or indirectly accounts for 39 percent of the value of regional economic activity[1]. The region hosts the second largest number of active duty military in the country as well as a large and diverse defense contracting community. Military spending has historically buffered the region from the

[1] Old Dominion University. Center for Economic Analysis and Policy. The State of the Region Hampton Roads 2015. https://www.odu.edu/content/dam/odu/offices/economic-forecasting-project/docs/2015/2015-sor-defense-expend.pdf

worst economic downswings. During the recession of 2007-2009, U.S. real Gross Domestic Product declined 3.23% and the overall Virginia economy fell 0.21% but the metropolitan Hampton Roads economy grew, albeit slightly, by 0.35%. Thus, Hampton Roads was the 2nd best performing metro economy in the nation during the recession per the Brookings Institute. However, regional performance from 2009-2015 lagged that of the nation largely because of the post-Iraq War military drawdown, federal budget sequestration and the federal government shutdown all negatively impacting Department of Defense spending.



Source: Bureau of Economic Analysis. Growth in Real GDP 2005 to 2017

With a civilian labor force of more than 840,000, and 27,000 people completing certificates and degrees from Hampton Roads' eight universities and four community colleges and many technical schools annually, the area's skilled workforce stands out. Three Fortune 500 companies are headquartered in Hampton Roads because they know that the region's economy is as strong as it is stable due to the low business costs, attractive labor supply and superior economic climate that businesses enjoy. For many businesses, it is critical to be conveniently located near customers, suppliers, distributors, employees and vendors. Over 60 percent of the population of the U.S. is within 750 miles of Hampton Roads and the region's convenient and accessible transportation infrastructure provides multiple options for moving goods between national and international markets[2].

Total nonfarm employment measures the number of jobs in each geographical region. Employment in Hampton Roads, as measured by the Virginia Beach-Norfolk-Newport News MSA, has fared worse than the state or nation since 2008. Hampton Roads' nonfarm employment peaked in July 2007 at 781.6 thousand jobs and, in December 2018 was 1.2% above that level.

TOTAL NONFARM EMPLOYMENT						
	Numbers in Thousands					
	2008	2013	2018	December 2018	% Change 2008 - 2013	% Change 2013 - 2018
Virginia Beach-Norfolk-Newport News, MSA	767.4	756.5	785.1	791.0	-1.4%	3.8%
Virginia	3,772.3	3,762.1	4,006.3	4,030.1	-.3%	6.5%
Nation	137,242	136,374	149,064	147,767	-.6%	9.3%
Source: U.S. Bureau of Labor Statistics and Federal Reserve Bank of St. Louis						

Existing and Emerging In-demand Industry Sectors and Occupations

The WDBs have identified four high-wage, high-demand sectors within which to focus as their regional targeted industries and growth occupations within those sectors:

- Advanced Manufacturing
- Transportation, Warehousing and Distribution
- Information Technology
- Healthcare and Biotechnology

[2] Community Profile, Virginia Economic Development Partnership.

Advanced Manufacturing is a large sector that pays on average considerably more than the regional average wage. While total employment is expected increase minimally 2018-2023, an analysis of production related jobs shows significant annual openings and strong demand.

Transportation, Warehousing and Distribution is significant in size, expected to grow faster than the regional average and pays on average more than the regional average wage.

Information Technology is significant in size, expected to grow faster than the regional average and pays on average more than the regional average wage.

Healthcare and Biotechnology is a large sector that is growing very quickly. Wages, while lower on average than the other target sectors, still outperform the regional averages.

INDUSTRY SECTOR SUMMARY					
Cluster	**2018 Jobs**	**2023 Jobs**	**2018 - 2023 Change**	**2018 - 2023 % Change**	**Current Wages**
Manufacturing (NAICS 31)	54,400	55,014	614	1.13%	$ 62,715
Percentage of Region	7.19%	6.97%	1.89%	26.26%	134.0%
Transportation, Warehousing and Distribution (NAICS 48)	23,153	24,370	1,217	5.26%	$ 55,306
Percentage of Region	3.06%	3.09%	3.74%	122.30%	118.2%
Information Technology	19,610	20,135	525	2.68%	$ 78,770
Percentage of Region	2.59%	2.55%	1.61%	62.29%	168.4%
Healthcare and Biotechnology (NAICS 62)	95,294	105,492	10,198	10.70%	$ 47,751
Percentage of Region	12.60%	13.37%	31.36%	248.99%	102.1%
Total Regional Employment	**756,558**	**789,075**	**32,517**	**4.30%**	**$ 46,786**
Source: Q1 2019 Dataset of QCEW Employment, Economic Modeling Specialists International Note: Industries within the Information Technology sectors have been defined using the Re-Invent Hampton Roads Industry Cluster Analysis					

Industry Sectors of Importance to Key Regional Partners

The WDBs work closely with other regional organizations as well as economic development organizations across the 15 jurisdictions that make up the workforce region. Each of the partners has targeted sectors based on the local jurisdictional economy and criteria relevant to the partner.

The table below provides a cross walk of the sectors identified by key economic partners and the WDB. To the extent practical, the Hampton Roads Workforce Council and the Greater Peninsula Workforce Board have aligned their priority industry sectors with these partner institutions. In recognition of the importance of using a common set of data to analyze regional economic and workforce conditions, both LWDBs have partnered with these organizations to commission a Talent Alignment Strategy Report, which will be completed in early 2019.

ALIGNMENT WITH PRIORITIES OF OTHER REGIONAL ORGANIZATIONS

Partner	Partner Focus Area	LWDB 14 & 16
Hampton Roads Economic Development Alliance (Regional Marketing Organization)	• Manufacturing, Robotics and Industrial Technology	• Manufacturing
	• Food and Beverage Processing	• Manufacturing
	• Cyber Security, Defense, Aerospace and Aviation	• Information Technology • Manufacturing
	• Gaming, Modeling and Simulation	• Information Technology
	• Healthcare and Life Sciences	• Healthcare
	• Maritime and Supply Chain Management	• Maritime Trade / TWD[1]
	• Research Institutes and Intellectual Property	• N/A
	• Corporate, Professional and Financial Services	• N/A
ReInvent Hampton Roads (GO Virginia Organization)	• Advanced Manufacturing	• Manufacturing
	• Ship Repair and Ship Building	• Manufacturing
	• Food and Beverage Manufacturing	• Manufacturing
	• Information Analytics and Security	• Information Technology
	• Life Sciences	• Healthcare and Biotechnology
	• Port Operations, Logistics and Warehousing	• Maritime Trade / TWD
	• Business and Consulting Services	• Information Technology[2]
	• Tourism	• N/A

1. TWD = Transportation, Warehousing and Distribution
2. NAICS 541330, Engineering Services is common to both the ReInvent and LWDBs clusters. This industry includes many of the region's largest defense contractors involved in IT services (e.g. AMSEC and Northrop Grumman Information Systems.

N/A = No Analog.

Employment Needs in Existing and Emerging In-Demand Occupations and Industries

The targeted sectors each utilize a broad range of occupations accounting, administrative, etc. that are common to all industries. However, occupations particular to, or in greater concentration within the chosen sectors, also provide attractive targets due to high-growth, high-wage and significant annual openings or a combination of all three.

OCCUPATIONAL ANALYSIS (SUMMARY)						
Description	**2018 Jobs**	**2023 Jobs**	**2018 - 2023 Change**	**2018 - 2023 % Change**	**Annual Openings**	**Avg. Hourly Earnings**
Production and Maintenance (Manufacturing)	70,971	72,296	1,325	1.87%	7,930	$ 21.38
Percentage of All Occupations	9.38%	9.16%	4.07%	43.44%	8.40%	94.10%
Transportation and Material Moving	51,162	52,525	1,363	2.66%	6,618	$ 17.99
Percentage of All Occupations	6.76%	6.66%	4.19%	61.98%	7.01%	79.18%
Information Technology	20,676	21,630	954	4.61%	1,610	$ 39.99
Percentage of All Occupations	2.73%	2.74%	2.93%	107.35%	1.71%	176.01%
Healthcare	70,257	77,390	7,133	10.15%	6,902	$ 29.84
Percentage of All Occupations	9.29%	9.81%	21.94%	236.22%	7.31%	131.34%
Total Targeted Sectors	**213,066**	**223,841**	**10,775**	**5.06%**	**23,060**	**$ 27.30**
Percentage of All Occupations	28.16%	28.37%	33.14%	117.66%	24.43%	120.16%
All Occupations	**756,558**	**789,075**	**32,517**	**4.30%**	**94,389**	**$ 22.72**

10 LARGEST OCCUPATIONS			
SOC	**Occupation Description**	**2018 Jobs**	**Avg. Hourly Earnings**
41-2031	Retail Salespersons	26,203	$ 12.48
41-2011	Cashiers	24,531	$ 9.29
35-3021	Combined Food Preparation and Serving Workers, Including Fast Food	19,885	$ 9.65
35-3031	Waiters and Waitresses	17,040	$ 11.09
43-9061	Office Clerks, General	15,529	$ 15.42
43-4051	Customer Service Representatives	14,082	$ 16.10
29-1141	Registered Nurses	13,852	$ 31.12
43-5081	Stock Clerks and Order Fillers	11,772	$ 13.46
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	11,062	$ 11.29
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	10,254	$ 14.66
	Total Top 10 Largest Occupations	**164,210**	**$ 13.78**

The 10 largest occupations in the region represent some 22% of all jobs in the region but pay less than two-thirds the regional median wage. Registered Nursing is the only occupation in the top 10 that pays more than the regional median wage of $22.72 per hour. Nurses are also the only occupation critical to any of the four targeted industry sectors.

TOP 10 FASTEST GROWING OCCUPATIONS (Greater than 50 Job Change 2018-2023)						
SOC	**Description**	**2018 Jobs**	**2023 Jobs**	**2018-2023 Change**	**2018-2023 % Change**	**Avg. Hourly Earnings**
31-1011	Home Health Aides	2,455	3,431	976	40%	$10.97
43-6013	Medical Secretaries	1,164	1,425	261	22%	$16.96
33-3021	Detectives and Criminal Investigators	304	368	64	21%	$39.45
11-2022	Sales Managers	288	348	60	21%	$58.43
43-9041	Insurance Claims and Policy Processing Clerks	888	1,072	184	21%	$17.97
39-9021	Personal Care Aides	9,153	11,008	1,855	20%	$9.18
29-1171	Nurse Practitioners	965	1,158	193	20%	$51.20
29-1071	Physician Assistants	722	864	142	20%	$49.22
29-2041	Emergency Medical Technicians and Paramedics	1,641	1,955	314	19%	$17.55
31-9092	Medical Assistants	3,050	3,626	576	19%	$16.23
	Top 10 Fastest Growing Occupations	**20,630**	**25,255**	**4,625**	**22.4%**	**$16.32**

While the 10 fastest growing occupations represent approximately 2.7% of all occupations, they represent 14.2% of all job growth projected over the 2018-2023 period. All but three, Detectives and Criminal Investigators, Sales Managers, and Insurance Claims and Policy Processing Clerks, are in the healthcare sector. As with the largest occupations above, these tend to not to pay well, with only 3 of 10 paying above the regional average hourly wage of $22.72. Note that the occupations listed above were filtered for those growing by 50 or more over the period to eliminate occupations with an extremely small number of jobs.

THE 10 LARGEST LOCATION QUOTIENTS				
SOC	**Description**	**2018 Jobs**	**Avg. Hourly Earnings**	**2018 Location Quotient**
53-5022	Motorboat Operators	796	$30.59	41.7
53-5031	Ship Engineers	1,340	$34.53	27.1
17-2121	Marine Engineers and Naval Architects	1,020	$41.15	14.9
15-2021	Mathematicians	223	$46.84	12.4
33-2022	Forest Fire Inspectors and Prevention Specialists	166	$12.88	12.4
53-5011	Sailors and Marine Oilers	2,056	$20.91	11.0
39-3099	Entertainment Attendants and Related Workers, All Other	340	$18.73	9.0
53-5021	Captains, Mates, and Pilots of Water Vessels	1,824	$37.21	8.9
51-4192	Layout Workers, Metal and Plastic	492	$23.34	8.6
17-2161	Nuclear Engineers	855	$46.02	8.2
	Total Top 10 Location Quotients	**9,112**	**$32.12**	

Location quotient (LQ) is a valuable way of quantifying how concentrated an occupation or industry is in a region as compared to a base geography, like the nation. LQs help show what makes a region "unique" and can serve as a proxy for competitiveness. A LQ of 1.0 means an occupation's regional concentration is the same as the nation. The most highly concentrated occupations are all strongly associated with ship building and repair or water transportation, the private industry subsectors with the two highest regional LQs. All but three occupations pay more than the regional average wage, with the average for all ten some 40% higher.

OCCUPATIONAL ANALYSIS								
SOC	**Description**	**2018 Jobs**	**2023 Jobs**	**2018 - 2023 Change**	**2018 - 2023 % Change**	**Annual Openings**	**Openings as % of 2018 Jobs**	**Avg. Hourly Earnings**
Occupations that Align with Information Technology Sector								
15-1100	Computer Occupations	19,192	19,928	736	4.00%	1,466	7.64%	$ 39.80
15-2000	Mathematical Science Occupations	1,483	1,702	219	15.00%	145	9.78%	$ 42.54
	Total Information Technology	**20,675**	**21,630**	**955**	**4.62%**	**1,610**	**7.79%**	**$ 39.99**
	Percent of All Occupations	2.73%	2.74%	2.94%	107.47%	1.71%	62.42%	176.01%

Occupations that Align with The Healthcare and Biotechnology Sector								
29-1000	Health Diagnosing and Treating Practitioners	25,678	28,302	2,624	10%	1,736	7%	$48.72
19-1000	Life Scientists	710	789	79	11%	80	11%	$33.52
29-9000	Other Healthcare Practitioners and Technical Occupations	1,111	1,186	75	7%	73	7%	$29.67
31-2000	Occupational Therapy and Physical Therapist Assistants and Aides	1,385	1,538	153	11%	206	15%	$22.52
19-4000	Life, Physical, and Social Science Technicians	2,147	2,291	144	7%	273	13%	$22.61
29-2000	Health Technologists and Technicians	18,725	20,298	1,573	8%	1,608	9%	$21.65
31-9000	Other Healthcare Support Occupations	8,609	9,593	984	11%	1,218	14%	$16.61
31-1000	Nursing, Psychiatric, and Home Health Aides	11,891	13,395	1,504	13%	1,708	14%	$13.69
	Total	70,256	77,392	7,136	10%	6,902	10%	$29.84
	Percent of All Occupations	9%	10%	22%	233%	7%	79%	131%
Occupations that Align with the Manufacturing Sector								
51-1000	Supervisors of Production Workers	3,204	3,271	67	2%	329	10%	$32.48
49-1000	Supervisors of Installation, Maintenance, and Repair Workers	3,107	3,201	94	3%	285	9%	$32.00
51-8000	Plant and System Operators	1,291	1,317	26	2%	131	10%	$28.76
49-2000	Electrical and Electronic Equipment Mechanics, Installers, and Repairers	4,711	4,709	-2	0%	492	10%	$25.49
49-3000	Vehicle and Mobile Equipment Mechanics, Installers, and Repairers	9,947	10,282	335	3%	1,043	10%	$21.84
49-9000	Other Installation, Maintenance, and Repair Occupations	16,364	16,828	464	3%	1,690	10%	$21.50
51-4000	Metal Workers and Plastic Workers	8,848	8,897	49	1%	971	11%	$21.00
51-9000	Other Production Occupations	10,328	10,593	265	3%	1,318	13%	$18.68
51-5100	Printing Workers	967	1,027	60	6%	123	13%	$18.25
51-7000	Woodworkers	977	1,046	69	7%	125	13%	$18.19
51-2000	Assemblers and Fabricators	5,378	5,252	-126	-2%	631	12%	$17.08
51-3000	Food Processing Workers	2,656	2,716	60	2%	377	14%	$13.83
51-6000	Textile, Apparel, and Furnishings Workers	3,193	3,156	-37	-1%	413	13%	$13.58
	Total	70,971	72,296	1,325	2%	7,930	11%	$21.38
	Percent of all Occupations	9.38%	9.16%	4.07%	46.53%	8.40%	89.56%	94.10%
Occupations that Align with the Transportation, Warehousing and Distribution Sector								

53-2000	Air Transportation Workers	350	407	57	16%	47	13%	$42.55
53-4000	Rail Transportation Workers	68	72	4	6%	7	10%	$34.21
53-5000	Water Transportation Workers	6,015	5,780	-235	-4%	673	11%	$30.17
53-1000	Supervisors of Transportation and Material Moving Workers	2,052	2,153	101	5%	235	11%	$26.51
53-3000	Motor Vehicle Operators	21,377	21,655	278	1%	2,516	12%	$16.08
53-7000	Material Moving Workers	19,591	20,651	1,060	5%	2,882	15%	$15.26
53-6000	Other Transportation Workers	1,709	1,808	99	6%	257	15%	$13.55
	Total	51,162	52,526	1,364	3%	6,618	13%	$17.99
	Percent of all Occupations	6.76%	6.66%	4.19%	69.80%	7.01%	103.68%	79.18%
	All Occupations	**756,558**	**789,075**	**32,517**	**4.30%**	**94,389**	**12.48%**	**$ 22.72**

OCCUPATIONAL SUMMARY							
Description	**2018 Jobs**	**2023 Jobs**	**2018-2023 Change**	**2018-2023 % Change**	**Annual Openings**	**Openings as % of 2015 Jobs**	**Average Hourly Earnings**
Information Technology	20,676	21,630	954	4.61%	1,668	7.79%	$ 39.99
Percentage of All Occupations	2.73%	2.74%	2.93%	107.35%	1.71%	62.41%	176.01%
Healthcare	70,257	77,390	7,133	10.15%	6,902	9.82%	$ 29.84
Percentage of All Occupations	9.29%	9.81%	21.94%	236.22%	7.31%	78.74%	131.34%
Production and Maintenance (Manufacturing)	70,971	72,296	1,325	1.87%	7,930	11.17%	$ 21.38
Percentage of All Occupations	9.38%	9.16%	4.07%	43.44%	8.40%	89.56%	94.10%
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Percentage of All Occupations	6.76%	6.66%	4.19%	61.98%	7.01%	103.68%	79.18%
All Occupations	**756,558**	**789,075**	**32,517**	**4.30%**	**94,389**	**12.48%**	**$22.72**

Employment Knowledge and Skills Needs of Local Area Businesses

The WDBs gather, utilize and examine both quantitative and qualitative information on employer workforce needs. An analysis comparing Annual Openings Requiring Postsecondary Education in each industry sector against regional postsecondary completions in Classification of Instructional Program (CIP) codes relevant to those occupations suggests regional training is in rough alignment with industry needs. However, caution must be taken in interpreting this data because the educational attainment analysis does not indicate whether the completion at the minimum level is required for employment (certificate, Associates, Bachelors, etc.). Moreover, the analysis fails to reflect what percentage of openings require experience in the field in addition to the minimum educational stipulations. These are topics for further exploration with industry leaders.

ANALYSIS OF ANNUAL OPENINGS AND POSTSECONDARY COMPLETIONS BY INDUSTRY SECTOR		
Sector	**Annual Openings Requiring Postsecondary Education**	**Completions in Relevant CIP Codes 2017**
Information Technology	1,405	1,435
Completions within: Computer Technologies and Computer and Information Sciences		
Healthcare and Bioscience	2,712	7,992
Completions within: Health Professions/Related Programs, Health Related Knowledge and Skills, Family and Consumer Sciences/Human, Biological and Biomedical Sciences, and Psychology		
Manufacturing and Repair	805	2,112
Completions within: Engineering Technologies, Construction Trades, Mechanic Repair Technologies, and Precision Production		
Transportation, Warehousing and Distribution	321	287
Completions within: Transportation and Material Moving		
Total	**3,258**	**11,503**

The WDBs believe in an industry-led approach to employment and training services in the region. They balance labor market data analysis with regular, real-time feedback from the employer community. In October 2016, as part of a regional State of the Workforce Report, the WDBs conducted an employer survey and focus groups with members of targeted industry sectors.

Employer Survey Results

Some 70 respondents completed the employer surveys and provided information on their top hiring challenges which are summarized as follows:

The Top Three Hiring Difficulties Overall

1. Candidates lack experience
2. Candidates lack technical skill
3. Applicants lack necessary soft skills

Advanced Manufacturing Occupations with Significant Hiring Challenges

1. Computer Numerical Control (CNC) Machinist
2. Hydraulics Engineer
3. Manufacturing Engineer
4. Welders (of all types)
5. Quality Engineer

Transportation, Warehousing & Distribution Occupations with Significant Hiring Challenges

1. Logistics Supervisor
2. Truck driver
3. Vehicle Mechanic

Information Technology Occupations with Significant Hiring Challenges

1. Cyber Security Analyst
2. Network Engineer
3. Software Engineer
4. Systems Administrator
5. Technology Sales

Healthcare Occupations with Significant Hiring Challenges

1. Information Technology
2. Licensed Practical Nurse (LPN)
3. Nurse Manager

4. Physical Therapist
5. Registered Nurse

Focus Group Results

Some 36 business leaders from Manufacturing, Education, Information Technology, Transportation, Warehousing and Distribution, Healthcare and Bioscience, Business and Consulting Services and Tourism and Recreation clusters participated in several focus groups conducted for the study. A summary of the information collected during the focus groups is provided below.

Talent Attraction

All business sectors have difficulty finding qualified talent for certain positions. Recruitment seems to be challenging regardless of the methods and means employed. Employers in the Information Technology sector noted that a lack of reputation as a technology hot spot makes attracting talent to relocate to the region more difficult, particularly vis-à-vis Northern Virginia. Most businesses expressed some difficulty finding candidates with soft skills needed to serve customers or work in teams. Many leaders indicated candidates lack problem-solving skills. Some business leaders said that if job applicants have math skills and are driven to learn with strong work ethic, they can train them in the other skills needed.

Retention of Qualified Employees

Participants noted difficulty in retaining qualified employees because other businesses in the area poach the best employees, with many employees leaving for slightly higher pay or better benefits. Because of the retention problem, the price of recruitment is also increasing.

Education

There was a general feeling that colleges and universities are not supplying people who are ready for the workforce. Some employers went as far to say that they would rather hire people who have attended a trade school than those graduating from a liberal arts program.

Regarding high school education, many business leaders felt that schools are teaching to the tests but are not giving students practical skills that can help them be successful in the workforce. There was some concern that schools promote college above trades, which are a pillar in the Hampton Roads regional economy.

The Impact of Government Contracts

The reliance on government contracts in the Hampton Roads region is significant. Most agreed that the remedy to losing government contracts is market and customer diversification.

B. Changes in Labor Market

Steady population growth, balanced across age groups, is an indication of a healthy economy. Population growth in the Hampton Roads region has lagged the state and nation since 2005. However, much of this can be attributed to declining numbers of activity duty Military personnel and their dependents as reflected in the chart below.

HISTORICAL POPULATION GROWTH					
	Population			Compound Annual Growth Rate	
	2008	2013	2018	2008-2013	2013-2018
LWDB 14	511,658	518,848	523,028	0.28%	0.16%
LWDB 16	1,133,598	1,168,509	1,188,096	0.61%	0.33%
Hampton Roads	1,699,575	1,742,337	1,768,762	0.50%	0.30%
Virginia	7,833,508	8,261,686	8,530,506	1.07%	0.64%
United States	304,093,955	316,234,497	328,038,851	0.79%	0.74%

From 2008 to 2017, the number of active duty military in the Hampton Roads region declined by 23,228. Including dependents, this figure increases to 54,795 fewer residents over the period. While active duty personnel themselves are not in the workforce, the corresponding decline in military spouses, many of whom are in the workforce, has negatively impacted the labor supply.

ACTIVE DUTY MILITARY AND DEPENDENTS						
	2008	**2013**	**2017**	**Change 2008-2013**	**Change 2013-2017**	**Change 2008-2017**
Active Duty Military Headcount	104,558	86,494	81,330	(18,064)	(5,164)	(23,228)
Dependents[1]	142,094	117,545	110,527	(24,549)	(7,018)	(31,567)
Total	246,652	204,039	191,857	(42,613)	(12,182)	(54,795)

[1]Calculated from the regional military headcount using a ratio of 1.359 dependents (spouses, children, and adult dependents) per service member from the DoD 2014 Profile of the Military Community. See, http://download.militaryonesource.mil/12038/MOS/Reports/2014-Demographics-Report.pdf
Note: 2017 represents most current data available from the Bureau of Economic Analysis

While Hampton Roads' most recent unemployment rate (3.0%) is lower than the United States, it is higher than the Commonwealth of Virginia.

LABOR FORCE STATISTICS DECEMBER 2018				
	Labor Force	**Employment**	**Unemployment Level**	**Unemployment Rate**
LWDA 14	254,527	246,597	7,930	3.10%
LWDA 16	582,598	565,583	17,015	2.90%
Hampton Roads	847,145	821,768	25,377	3.00%
Virginia	4,332,814	4,219,633	113,181	2.60%
United States	162,104,000	154,964,000	7,140,000	4.40%

Source: Virginia Employment Commission and US Bureau of Labor Statistics
Note: Hampton Roads represents the full MSA. Data shown for Dec. 2018, not seasonally adjusted

Together with unemployment, underemployment is a measure of labor market slack. The Virginia Economic Development Partnership regularly calculates underemployment for the state's metropolitan areas. The underemployed include people working part-time but who want to work full time; those working multiple part-time jobs; and those who are not in jobs commensurate with their education, training and experience. Hampton Roads has an underemployment rate of 12.23% or an employment base of just north of 100,000.

UNDEREMPLOYMENT SEPTEMBER 2018		
Geography	**Underemployed**	**Underemployment Rate (% of all Employed)**
LWDA 14	30,609	
LWDA 16	69,865	
Hampton Roads	**100,474**	**12.23%**
Source: Virginia Economic Development Partnership, September 2018		

Labor Market Trends

Labor force growth is an important contributor to overall economic health. Over time, employment cannot grow faster than the labor force. While Hampton Roads fared well compared to the nation in the 2008-2013 period, labor force growth lagged both the state and nation from 2013-2018.

CIVILIAN LABOR FORCE					
	2008	**2013**	**2018**	**% Change 2008-2013**	**% Change 2013-2018**
LWDA 14	255,118	254,391	256,163	-.28%	0.7%
LWDA 16	561,811	579,364	585,979	3.2%	1.1%
Hampton Roads	827,011	842,838	852,473	3.1%	1.1%
Virginia	4,133,443	4,237,277	4,348,731	2.5%	2.6%
United States	154,322,000	155,398,000	162,070,000	.7%	4.3%
Source: Virginia Employment Commission and US Bureau of Labor Statistics Note: 2018 represents average labor force size January 2018 to December 2018, Hampton Roads represents the full MSA					

Unlike total nonfarm payrolls, which measures the number of jobs, household employment – or just simply employment – measures the number of people employed. Regional employment outpaced the nation but lagged the Commonwealth in the 2008-2013 period and lagged both the state and nation from 2013-2018.

HOUSEHOLD EMPLOYMENT					
	2008	**2013**	**2018**	**Change 2008-2013**	**Change 2013-2018**
LWDA 14	244,260	237,953	247,260	-2.6%	3.9%
LWDA 16	538,410	543,823	567,066	2.2%	3.8%
Hampton Roads	792,416	790,153	824,244	-.29%	4.3%
Virginia	3,970,428	3,995,182	4,218,182	.62%	5.6%
United States	144,984,000	143,898,000	155,761,000	-.75%	8.2%
Source: Virginia Employment Commission and US Bureau of Labor Statistics **Note: 2018 represents average labor force size January 2018 to December 2018, Hampton Roads represents the full MSA**					

Finally, from 2008-2013 the regional unemployment rate grew more than the national and Commonwealth rates. 2013 to 2018, the regional unemployment rate has fallen less than the U.S. but more than the Commonwealth of Virginia. Much of the labor market softness in the 2008-2013 period can be attributed to the decline in active duty military (and spouses). Additionally, labor market softness from 2013 to 2018 can be attributed to the disruption in federal contracts and employment created by sequestration and the 2014 government shut down.

UNEMPLOYMENT RATE					
	2008	**2013**	**2018**	**P.P. * Change 2008-2013**	**P.P. * Change 2013-2018**
LWDA 14	4.3%	6.5%	3.5%	2.2%	-3.0%
LWDA 16	4.2%	6.1%	3.2%	1.9%	-2.9%
Hampton Roads	4.2%	6.3%	3.3%	2.1%	-3.0%
Virginia	3.9%	5.7%	3.0%	1.8%	-2.7%
United States	5.8%	7.4%	3.9%	1.6%	-3.5%
***P.P. stands for Percentage Point.** **Source: Virginia Employment Commission and US Bureau of Labor Statistics** **Note: 2018 represents average labor force size January 2018 to December 2018, Hampton Roads represents the full MSA**					

Labor force participation (LFP) measures the percentage of the population in the labor force, for a given age group, that is working or actively looking for work. LFP for the population 16 years of age and older fell from 2005 – 2010 at the regional, state and federal levels. Hampton Roads LFP declined slightly less than the national rate but more than the state rate. The employment-to-population ratio (E-P) is like LFP but measures the percentage of a given population that is employed. For the same 16+ age group, Hampton Roads E-P ratio fell much farther than the state or nation over the 2005-2010 period. However, the 16+ age group can be misleading as it includes many people who are still in school as well as those who have retired and are no longer in the labor force. Another approach to determining workforce health is to examine the "prime" 25-54 age group. Many in this group are out of school but have not yet retired. As the table below shows, Hampton Roads prime age LFP and E-P fared more poorly than either the state or nation. These declines mirror the other labor force statistics above and suggest that there is continued slack in the Hampton Roads labor market.

LABOR FORCE PARTICIPATION RATES												
	2007		2012		2017		P.P. Change 2007-2012		P.P. Change 2012-2017		P.P. Change 2007-2017	
	LFP	E-P	LFP	E-P	LFP	E-P	LFP	E-P	LFP	E-P	LFP	E-P
Ages 16+												
MSA	68.2%	58.9%	63.8%	57.5%	63.2%	59.5%	(4.40)	(1.40)	(0.60)	2.00	(5.00)	0.60
Virginia	67%	62.1%	66.4%	60.2%	65.7%	61.1%	(0.60)	(1.90)	(0.70)	0.90	(1.30)	(1.00)
United States	64.8%	60.3%	67.5%	56.7%	66.7%	57.9%	2.70	(3.60)	(0.80)	1.20	1.90	(2.40)
Ages 25-54 "Prime" Labor Force												
MSA	84.1%	75.0%	83.6%	72.1%	85.3%	69.4%	(0.53)	(2.88)	1.71	(2.71)	1.18	(5.58)
Virginia	83.2%	78.2%	83.4%	76.7%	84.5%	76.6%	0.12	(1.59)	1.13	0.00	1.25	(1.59)
United States	81.4%	76.8%	81.6%	74.6%	82.8%	77.4%	0.26	(2.20)	1.16	2.84	1.42	0.64
Source: US Census Bureau, 2007, 2012 and 2017, 1-Year American Community Survey. Table S2301: Employment Status.												

Given the substantial military presence, exiting service members are an important addition to the regional labor market. According to most recent available data, for the Federal Fiscal Year Ending September 30, 2016, more than 7,121 military service members exited, listing a Hampton Roads address as their immediate post transition destination.

REGIONAL MILITARY EXITS FEDERAL FISCAL YEAR ENDING SEPTEMBER 30, 2016		
Area	Military Exits	Percent of Region
Total LWDA 16	5,804	81%
Total LWDA 14	1,317	19%
Total Hampton Roads	7,121	100%

Educational and Skill Levels of the Workforce

Educational attainment levels improved across the board at the regional, state and national levels from 2008-2018. Overall educational attainment levels in LWDB 14 & 16 and Hampton Roads are competitive with national and state averages. However, there are a few items of note. The distribution of educational attainment for "some college" and "Associates Degree" levels are higher in Hampton Roads than either the state or nation.

This may indicate strong academic preparation for middle skill jobs. Rates of "Baccalaureate" and "Graduate Degree" attainment are on par with the nation but lower than the state averages. State higher education attainment rates are driven by the Northern Virginia and Arlington LWDBs where over 50% of the population 25+ has a Baccalaureate degree or higher.

EDUCATIONAL ATTAINMENT BY LEVEL, 2008					
Population 25+					
	2008 % of Population				
Education Level	**LWDA 14**	**LWDA 16**	**Hampton Roads**	**Virginia**	**United States**
Less Than 9th Grade	4%	4%	4%	6%	7%
9th Grade to 12th Grade	6%	8%	7%	7%	7%
High School Diploma	27%	26%	27%	25%	28%
Some College	24%	25%	25%	20%	21%
Associate degree	8%	9%	9%	7%	8%
Bachelor's Degree	17%	18%	17%	20%	18%
Graduate Degree and Higher	11%	10%	10%	14%	11%
	100%	**100%**	**100%**	**100%**	**100%**
Source: Emsi Q1 2019 Data Set and U.S. Census American Community Survey					

EDUCATIONAL ATTAINMENT BY LEVEL, 2018					
Population 25+					
	2018 % of Population				
Education Level	LWDA 14	LWDA 16	Hampton Roads	Virginia	United States
Less Than 9th Grade	3%	3%	3%	6%	7%
9th Grade to 12th Grade	6%	7%	7%	6%	7%
High School Diploma	26%	26%	26%	25%	28%
Some College	25%	25%	25%	20%	21%
Associate degree	9%	9%	9%	7%	8%
Bachelor's Degree	18%	19%	18%	21%	19%
Graduate Degree and Higher	13%	11%	11%	16%	11%
	100%	**100%**	**100%**	**100%**	**100%**
Source: Emsi Q1 2019 Data Set and U.S. Census American Community Survey					

Postsecondary Completions

As noted below, with more than 27,000 annual postsecondary completions, annual total is comparable in terms of number and attainment level with the requirements for current jobs as well as projected job openings.

Institution 2017	Award of less than 1 academic year	Award of at least 1 but less than 2 academic years	Associates degree	Award of at least 2 but less than 4 academic years	Bachelor's degree	Post-baccalaureate certificate	Master's degree	Post-master's certificate	Doctors degree	All Certificates	All Degrees	All Completions
LWDB 16	1,823	1,805	5,467	123	7,469	227	2,558	78	742	4,056	16,236	20,292
LWDB 14	246	576	1,030	49	3,868	5	868	12	392	888	6,158	7,046
Total Hampton Roads Completions	2,069	2,381	6,497	172	11,337	232	3,426	90	1,134	4,944	22,394	27,338
Source: Emsi Q1 2019 Data Set, 2017 Program Graduates												

As shown in the table below, the number of people living in poverty increased faster in LWDB 16 than the region, the state and nation.

	Population Living Below Poverty Line		Total Change	Percentage Change
	2012	2017	2012-2017	2012-2017
LWDB 14	59,321	62,722	3,401	5.7%
LWDB 16	124,342	136,549	12,207	9.8%
Hampton Roads	185,675	201,288	15,613	8.4%
Virginia	859,032	906,838	47,806	5.6%
United States	44,852,527	45,650,345	797,818	1.8%

Individuals in poverty exhibited much lower educational attainment rates than the population in general. Although down from nearly a quarter in 2015, still 22% of those 25+ in poverty did not have a high school degree, a rate 2.6 times that of the general population. This educational deficiency has translated into much lower LFP and employment rates than the population in general. The unemployment rate for those in poverty is nearly three times the overall unemployment rate. Just 10.6% of people 16+ in poverty worked full-time, year-round in the past 12 months versus 46.4% of the total population.

POVERTY STATUS IN THE PAST 12 MONTHS				
Subject	Virginia Beach-Norfolk-Newport News, VA-NC Metro Area			
	Total	**Percent Total**	**People Below poverty level**	**Percent below poverty level**
Population for whom poverty status is determined	*1,655,882*	NA	204,161	12.3%
EDUCATIONAL ATTAINMENT				
Population 25 years and over	*1,129,937*	*100.0%*	103,143	100.0%
• Less than high school graduate	*94,574*	*8.4%*	22,688	22.0%
• High school graduate (includes equivalency)	*277,300*	*24.5%*	32,175	31.2%
• Some college, associate's degree	*391,500*	*34.6%*	32,238	30.7%
• Bachelor's degree or higher	*366,563*	*32.4%*	11,962	11.6%
EMPLOYMENT STATUS				
Civilian labor force 16 years and over	*836,963*	*100%*	61,585	100%
• Employed	*792,127*	*94.6%*	49,141	81.8%
• Unemployed	*44,836*	*6.4%*	15,985	18.2%
WORK EXPERIENCE				
Population 16 years and over	*1,317,440*	*100.0%*	139,466	100%
• Worked full-time, year-round in the past 12 months	*611,082*	*46.4%*	14,754	10.6%
• Worked part-time or part-year in the past 12 months	*297,820*	*22.6%*	49,566	35.5%
• Did not work	*408,538*	*31.0%*	75,146	53.9%
Source: U.S. Census Bureau. 2017 American Community Survey 1-Year Estimates.				

Many people in the disability community face significant barriers to employment. Accordingly, the unemployment rate for those with a disability is 67% higher than that for people without a disability. Similarly, LFP for the disabled is 63% less than that of those without.

EMPLOYMENT STATUS OF THE DISABILITY COMMUNITY Virginia Beach-Norfolk-Newport News, VA-NC Metro Area		
	Labor Force Participation Rate	**Unemployment rate**
With a disability	**50.3%**	**8.5%**
Without a disability	**82.1%**	**5.1%**
Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates. Employment Status by Disability Status and Type. Civilian non-institutionalized population 18 to 64 years.		

C. Changes in Financing to support WIOA Title I and Partner Provided Services

The generation of new sources of funding to support workforce development in the region was discussed in the 4-year plan in Section d. Vision and Goals on page 40. While the GPWB has consolidated its two staff divisions into one organizational unit, which is discussed in paragraph D. below, it is still committed to pursuing new public and private sources of funding to support workforce development in the local area and the broader region. Current sources of funding include WIOA Formula Funds, a .51 Per Capita Contribution provided by each of the Board's seven-member jurisdictions, and Private Sector Contributions received from local businesses and industry. The GPWB's American Job Center Partners also continue to contribute to the cost of center operations and the cost of the One-Stop Operator.

New to this effort, however, is a joint undertaking between the GPWB and the Hampton Roads Workforce Council (HRWC), LWDA #16, to employ the services of The McDonnell Group to conduct a fundraising marketing campaign to support the work of the two boards within the Greater Hampton Roads Region. This is being done with non-federal dollars and is part of a new collaborative business engagement strategy that is also discussed in paragraph D. below.

D. Changes to the LWDB structure

Since the publication of the 4-year plan there have been several changes affecting the structure of the GPWB's administrative staff unit, the branding of its service delivery system, and its collaborative working relationship with its neighboring LWDA, the HRWC.

First and foremost, was the Board's decision to dissolve its relationship with what was the Peninsula Council for Workforce Development. The Council was established in 2005 as a private nonprofit, 501 (c) (6) membership organization, whose primary mission was to identify and address the workforce needs of Peninsula based employers. In 2008 its leadership formed the Greater Peninsula Workforce Development Corporation, a 501(c) (3) private non-profit entity, to help augment its sources of revenue. All contributions received by the Corporation were used to help underwrite the cost of the Council's various workforce development programs and services.

Recognizing that its work closely paralleled that of the public workforce system supported with federal funds authorized at the time under the Workforce Investment Act (WIA) of 1998, the Council's leadership entered into a partnership, also in 2008, with the Greater Peninsula Workforce Development Consortium. The Consortium's LEOs served as the area's WIA Grant Recipient, and as such, had responsibility for appointing members to serve on its Workforce Development Board. Under the terms of this partnership, the respective staffs were reorganized into two separate divisions that would operate under the Council's banner to provide staff support for the Consortium's Workforce Development Board.

This arrangement continued until June 30, 2018, when it was decided by the Council and Consortium's leadership to consolidate the two divisions into a single staff unit that operated under the direction of the Greater Peninsula Workforce Development Board. As a result, all funds now received by either the Consortium or the Corporation, regardless of their originating source, are directed to supporting the various workforce development programs and services administered under the direction and guidance of the Board.

As was required under WIA and now under WIOA, the Board continues to have responsibility for the investment of the its public and private funds to support the delivery of workforce development services within its area, while the Consortium continues in its capacity as the Grant Recipient with the fiduciary responsibility for the proper use of those revenues. The Consortium is supported in this endeavor by the City of Newport News which has and continues to functions as the Consortium's Fiscal Agent.

In terms of branding the Board has fully embraced the Virginia Career Works Brand, Charter, Values, Vision, and Mission Statements. No longer operating under the Peninsula Council's banner, the GPWB identifies itself as the "Virginia Career Works – Greater Peninsula Region," and approved the adoption of "Virginia Career Works – Hampton Center," in lieu of "Peninsula Worklink" as the new moniker for its One-Stop Service Delivery System.

These were important changes that were undertaken to clearly identify the GPWB as part of the Commonwealth's Public Workforce System; and, by so doing, establishing its commitment to meeting the high service delivery standards set under this new brand.

Lastly, but by no means least, in September 2018, following months of deliberation and planning, the GPWB and the HRWC executed a Resolution establishing the Southeastern Virginia Regional Workforce Collaborative. This resolution was based upon the recognition that:

- The two Boards, while maintaining their independent status and responsibility for serving their respective local workforce development areas, were part of one regional economic ecosystem that comprised the southeastern corner of the Commonwealth;
- Employers within this region hired workers from across jurisdictional and geographic boundaries;
- That it was the shared responsibility of the two Boards to address the needs of the region's employers for a highly trained, skilled, and credentialed workforce; and,
- It was in the best interest of the regional economy, that the two Boards should work together to engage the employer community, communicate with one voice to increase

awareness of the services they could provide, implement regional programs of excellence, and diversify their funding bases to ensure that they had adequate revenues to meet the needs of job seekers and employers in the new 21st Century Economy.

Given this reality, the purpose of the Collaborative is to address the needs of the region's employers through a collaborative, regional approach that focuses upon business engagement strategies, continuous communication and outreach efforts, program development and support, provision of labor market intelligence, veteran transition support and services, and emerging workforce initiatives to keep pace with new technologies and career pathways. Toward these ends, the two Boards have begun work to ensure the strategic alignment of their respective workforce development programs.

E. Changes Needed to Revise Strategies to **Meet Local Performance Goals**

The GPWB has not approved nor embarked upon any new strategies to meet local performance goals.

SECTION 2. UPDATES TO THE VIRGINIA WIOA COMBINED STATE PLAN

A. Strategic Elements

A review of the modifications of the Strategic Elements of the Commonwealth of Virginia's Combined State Plan to include the economic and workforce analysis; strategic vision and goals; operational elements; state strategy; state operating systems and policies; assessment of One-Stop Partner Programs; and data alignment and integration, did not indicate that there were any substantive changes that were out of synch with the GPWB 4-year plan or second year modifications.

B. Program Specific Requirements for Core Programs, Title I A and B – Adult, Dislocated Workers, and Youth Programs

There were no substantive changes in the WIOA Title I Section.