

Agency Strategic Plan Virginia Employment Commission

Agency Mission, Vision, and Values

Mission Statement:

The Virginia Employment Commission's mission is to promote economic growth and stability by delivering and coordinating workforce services to include: policy development; job placement services; temporary income support; workforce information; and transition and training services. To accomplish our mission, we will: partner with our stakeholders; develop and empower staff; improve our processes; embrace innovative solutions and technologies; and continually renew our organization.

Agency Vision:

Virginia Employment Commission: Virginia's first choice for Workforce Services

Agency Values:

- Ethical – Conform to professional standards of conduct.
 - Be honest in word and action
 - Treat others with respect
 - Conduct business fairly and with integrity
 - Develop trustworthy relationships

- Achieving – Make a worthwhile contribution to society. Meet the needs of customers.
 - Identify customer expectations
 - Deliver on commitments when promised
 - Take initiative, with a clear business purpose in mind
 - Pursue work with energy, drive, and a need for completion
 - Adapt to varying work situations by being flexible and innovative in resolving issues
 - Seek to improve business processes
 - Participate in community service

- Purposeful – Have a clear sense of purpose. Evaluate results and activities compared to established goals, objectives, and performance measures.
 - Be accountable for work, actions, and behaviors to attain business results
 - Align individual, team, and VEC goals
 - Seek ways to combine efforts to address common issues
 - Pursue opportunities for continuous quality improvement
 - Define and solve problems
 - Consider costs, benefits, and risks when making and implementing decisions
 - Use time and resources wisely
 - Set direction for the future as well as the present

- Fulfilling – Create an environment for meaningful work, where individual, team, and VEC contributions are recognized, valued, and rewarded.
 - Work as a team
 - Develop mutual trust among employees and other stakeholders
 - Communicate openly, directly, frequently, and tactfully
 - Participate in decision-making
 - Encourage sharing of ideas
 - Continuously learn and develop as individuals, as teams, and as an organization

- Share knowledge with others up, down, across, and outside the VEC
 - Create short-term and long-term wins
 - Celebrate and reward success
 - Commit to continuous learning to promote the development of transferable job skills
- **Balanced** – Concern for the needs of communities, customers, employees, and other stakeholders.
 - Respond to external and internal forces affecting the work environment
 - Assess impact of decisions on others
 - Maintain a healthy balance between work and other life interests
 - Foster healthy lifestyles
 - Make confident decisions by using VEC values as a guide
 - Contribute to the community
 - Respond to emotional needs surrounding change
 - **Secure** – Provide a safe and secure work environment.
 - Consider safety and security in all actions and decisions
 - Account for and protect physical assets and property

Agency Executive Progress Report

Current Service Performance

The Virginia Employment Commission (VEC) measures its service performance through performance measures tied to its mission and strategic goals and objectives, however, the VEC is in transition as a result of state statutory changes. The Virginia General Assembly enacted legislation in 2006 that designated the Governor as the Chief Workforce Development Officer and created the position of Special Assistant to the Governor for Workforce as a cabinet-level position. To help carry out the provisions of this legislation, the Governor's Office for Workforce Development (GOWD) was created. As a result, support formerly provided by the VEC to the Virginia Workforce Council and the Workforce Investment Act (WIA) program in Virginia is transitioning to GOWD. The VEC provides services in five service areas: Job Placement Services (47001); Unemployment Insurance Services (47002); Workforce Development Services (47003); Workforce Systems Organization Services (47004); and Economic Information Services (53402). The areas most impacted by the creation of the GOWD are Workforce Development Services and Workforce Systems Organization. Service performance in the five service areas support the agency's four strategic plan goals, which are: (1) development and implementation of the state workforce system; (2) develop a high performance and customer focused agency workforce; (3) strengthen and expand the agency's internal and external communications; and (4) create efficient and aligned business processes and service delivery systems.

In Job Placement Services the VEC maintained efficient and timely services to employers and job seekers through the largest workforce labor exchange in the Commonwealth in order to match employers' needs with qualified applicants. The VEC leverages resources to also administer the Trade Adjustment Assistance (TAA) Program, the Work Opportunity Tax Credit Program (WOTC), non-agricultural Alien Labor Certification Program, and the Migrant and Seasonal Farm Workers Program. Veterans receive VEC services through Local Veterans Employment Representatives (LVERs) and Disabled Veterans Outreach Program (DVOP) representatives.

For the year ending June 30, 2007 the VEC registered 357,000 job seekers for employment services, posted 60,000 job orders from employers representing 168,000 job openings, made 457,000 referrals to employer job openings. The VEC also assisted 12,200 veterans in securing employment. Additionally, the VEC made 25,000 employer contacts, enrolled 1,584 individuals for TAA training, and issued 9,093 WOTC certificates. The measure of success for this area is our Entered Employment Rate of 70%, which represents 125,600 individuals finding new employment after receiving job placement services from VEC, and the six-month retention rate of 82%.

In Unemployment Insurance (UI) Services the primary emphasis has been the continued redesigning of our business processes and service delivery systems as we transition our UI claims taking functions from in-person claims taking in field offices to Internet filed claims and the taking of claims by telephone in our two call centers. Additionally, enhancements and improvements have been made in on-line service for employers to make it more convenient to register and file quarterly reports through our Internet Ifile/Ireg system. Overall, for calendar year 2006 the VEC processed 291,000 initial claims for UI benefits, issued over 99,400 non-monetary determinations, paid a total of \$326,950,000 in state UI benefits, and collected \$529,580,000 in tax revenues. The measure of success for this activity is that VEC exceeded the USDOL standard for prompt payment of UI claims of 87% with actual performance of over 89%

The next key activity is Administrative Law. The VEC operates a two-tiered appellate system that ensures receipt of fair and impartial hearings and appeals by claimants and employers. Lower authority appeals are heard and decided by the Office of First Level Appeals and higher authority appeals are reviewed, heard and decided by the Office of Commission Appeals. Typically, the Office of First Level Appeals will decide between 15,000 – 18,000 cases per year and as many as 20,000 – 25,000 cases in a heavy workload year. First Level Appeals issued 15,891 decisions in the fiscal year that ended June 30, 2007. The Office of Commission Appeals will typically decide 2,500 – 2,800 cases per year, and 3,500 – 4,000 in a heavy workload year. The Office of Commission Appeals issued 2,835 decisions in the 2007 fiscal year. The U. S. Department of Labor has adopted a case aging standard as one measure of appeals performance. This measure determines the average age of the total pending cases at the end of each month. The current standard is 30 days for lower authority appeals and 40 days for higher authority appeals. Effective June 30, 2007 the average age for the First Level Appeals caseload was 30.6 days and the average age for the Commission Appeals caseload was 57 days.

Another objective under this goal is to provide comprehensive and timely workforce and labor market information to support all of Virginia's workforce activities. The Virginia workforce and labor market information system is an essential part of the economic infrastructure, providing information about employment, jobs, and workers to a wide range of users. The VEC collects, analyzes and publishes data for use by employers, job seekers, policy makers, analysts, economic developers, economists and planners. The State Data Center, which develops Virginia's population projections and is the repository of census information, is another of the VEC's economic information programs.

In 2006, the VEC issued 24 press releases covering unemployment rates and nonagricultural wage and salary employment. The VEC worked closely with the Virginia Commission on Military Bases (COMB) by assisting with the analysis of the Department of Defense (DOD) expenditures in Virginia. The VEC prepared economic impact studies on the Base Realignment and Closure (BRAC)-related expansion of Fort Lee and the Defense Supply Center. The measure of success for this activity is the computation and release to the public of the statewide unemployment rate and the rates for all Virginia cities and counties that is done according to the schedule established by the USDOL.

Productivity

Our continued refinement of call centers provides greater efficiencies and economies of scale to improve customer service. In 2007 we completed a Time and Motion study, and are implementing the results to streamline service delivery processes.

Additional efforts to improve productivity include the following:

- Implemented electronic payments of unemployment insurance benefits and anticipate that by 2008, 98% of claim filers will enroll in either direct deposit or in the Virginia debit card program in order to receive benefit payments electronically.
- Implemented a Deputy Scheduler automated system to efficiently distribute the workload for UI claims eligibility issues that require adjudication. Cases are now electronically assigned to Hearing Officers statewide regardless of the claim filing location.

- Implemented a National New Hire Directory cross match system to more effectively detect and recover benefit fraud and overpayments.
- Upgraded our iFile/iReg system to improve services to employers. This is a cooperative effort with the Virginia Department of Taxation that allows employers to register and file quarterly taxes electronically via the Internet.

Major Initiatives and Related Progress

The VEC has continued the redesigning our business processes and service delivery systems.. With continued system enhancements and process refinements we anticipate in 2008 that 95 percent of initial UI claims will be filed via the Internet or by telephone through our Customer Contact Centers (CCCs). Currently the two CCCs are performing the UI claims processes from 27 of our 37 field offices, as well as Interstate Claims from other states. However, the CCCs cannot currently handle the entire claims load for the state due to staff reductions resulting from federal funding levels. These reductions have limited the CCCs to being staffed at 60% capacity, which will adversely affect performance and customer service in the UI Service Area as we continue transitioning to this service delivery model.

In 2006 the VEC began a multi-year UI Modernization Project to replace aging Benefit, Tax, and Wage Records automated systems, and anticipate completing a Request For Proposal process in 2008. It is anticipated that through the use of more current technological approaches within modernized systems, the agency will be able to minimize labor-intensive processes and maximize use of automation to increase self-service and facilitate program performance.

VEC also initiated a project for a replacement Virginia Workforce Network Information System (VWNIS) that integrates workforce programs for the Workforce Investment Act, Wagner-Peyser Act, Trade Act, and Labor Market Information into a single management information system. The Virtual One-Stop (VOS) system will eliminate the need for each program to operate a separate management information system as is currently done, and will also provide new capabilities to job seekers and employers for self-service workforce activities. Initial implementation of Phase I is planned for late-2007.

As a result of state legislation in 2006, the VEC has been transitioning functions related to the Workforce Investment Act (WIA) to the newly created Governor's Office of Workforce Development (GOWD). These include responsibilities for administration of the WIA Adult, Dislocated Worker, and Youth activities in Virginia; integrated delivery of workforce development services from various state agencies through the Virginia Workforce Network, and staff support to the Virginia Workforce Council.

Virginia Ranking and Trends

The Job Placement Service performance measure results for Entered Employment Rate of 70% exceeds the national average of 63%. The Unemployment Insurance Service performance measure results for prompt payment of UI claims of 89.03% exceeds the national average of 88.2%.

The VEC's Economic Assumptions indicate that professional and business services will continue to be the growth leader with increases of 2.6 % in CY 2007, 3.4% in CY 2008, and 3.9% in CY 2009. Manufacturing is expected to see slight net employment losses for CY's 2007 through 2009, and most of the losses will be in textile mills and furniture plants. Total nonagricultural employment should grow by 1.2% in CY 2007, 1.4% in CY 2008, and 1.7% in CY2009. As Virginia continues to bring new businesses to the state, we anticipate the unemployment rate will remain steady at 3.1% before dropping slightly in CY2009 to 3.0%.

The number of unemployed workers will grow with the increase in the labor force, as people are attracted to the state by the low unemployment. Services to employers, concerning unemployment claims, will be increasingly performed in our Customer Contact Centers and through using the Internet.

Customer Trends and Coverage

As the economy in Virginia fluctuates, so does the demand for the job placement services rendered by VEC. With the unemployment rate relatively low in the majority of the state, there is an increased demand on the VEC to provide recruitment assistance to employers. However, we will continue to have “pockets” of high unemployment in certain geographic areas of the Commonwealth due to a variety of factors. In these areas there are increased demands for services for unemployed workers, which will be increasingly performed using the Internet and by telephone through our call centers.

There has been an increase in transition employment services provided to veterans and returning members of the National Guard. Our Veterans Representatives are increasingly providing these services on military sites through the veterans’ Transition Assistance Program.

The age of the agency’s workforce continues to be a concern. During the past fiscal year, we had 36 employees retire. As of July 1, 2007, 171 employees were eligible for unreduced retirement. However, previous internal surveys have shown that many potential retirees do not plan to retire when eligible. This issue could be compounded if we are forced to layoff our younger, less senior employees. The VEC continues to work on developing and implementing plans to foster the transfer of knowledge to potential future leaders as well as developing their leadership skills.

Future Direction, Expectations, and Priorities

The key principles in building the workforce system are: flexibility in responding to the labor market needs; streamlined services; empowering customers; universal access; stronger private sector role; and greater state and local accountability. Services must be streamlined by integrating multiple employment and training program service delivery through the Virginia Workforce Network Centers. With the increasing Congressional, General Assembly and Gubernatorial interest in workforce system building and program consolidation and coordination, the VEC must be responsive to these issues and directives

In the future we expect to have fewer service delivery locations, reductions in staff, and reductions in the basic services provided in our field offices. The VEC closed three field offices and reduced staff in 2005. With the continued decreases in Federal funding and increases in operating costs, especially in the IT area, we expect further office closures and reductions in staff during 2008 to 2010. This will result in a greater reliance on “self-service” and further reductions in the staff-assisted services provided to customers.

VEC will continue to transition from in-person UI service delivery in our field offices to taking claims via the Internet and by telephone through our call centers.

Impediments

Continued reductions in Federal funding from Wagner-Peyser (JS), UI, and LMI will impact program operations.

Agency Background Information

Statutory Authority

Job Placement Services (47001)

Virginia Unemployment Compensation Act, Section 60.2-113 (Employment Stabilization) – Directs the VEC to establish a viable labor exchange system to promote maximum employment for the Commonwealth of Virginia with priority given to those workers drawing unemployment benefits.

Wagner-Peyser Act of 1933 – Directs the establishment of a national network of public labor exchange offices operated by the States, but funded by the Federal government through the United States Department of Labor.

Workforce Investment Act of 1998 – Establishes a framework for the seamless delivery of workforce services to businesses and citizens from federally funded workforce agencies through a network of one-stop locations.

Migrant and Seasonal Agricultural Worker Protection Act – Establishes guidelines and regulations for processing agricultural and seasonal job orders, and for registering farm labor contractors and their employees.

Small Business Job Protection Act of 1996 – Federal legislation that provides tax relief for small businesses to protect jobs, to create opportunities, to increase the take home pay of workers, to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employer owned vehicles, and to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate and to prevent job loss by providing flexibility to employers in complying with minimum wage and overtime requirements under that Act.

Trade Adjustment Assistance (Trade Act of 1974, as amended) – Establishes programs to assist individuals who have become unemployed as a result of increased imports from, or shifts in production to, foreign countries.

North American Free Trade Agreement (NAFTA) – Establishes programs to assist individuals who have become unemployed as a result of increased imports from, or shifts in production to, specifically Canada and/or Mexico.

Job for Veterans Act – Federal legislation that provides guidance on regulations that require priority of service to military veterans by US Department of Labor-funded workforce programs.

Job Counseling, Training, and Placement Services for Veterans (38 U.S.C. 4100) – Establishes the organization structure for the delivery of employment services to military veterans; requires preference be given to veterans by Federal contractor; establishes Uniformed Services Employment and Reemployment Rights Act (USERRA) for veterans.

Immigration Reform and Control Act of 1986 – Federal legislation that was passed to control unauthorized immigration to the United States. This is the legislation that established the “I-9” process.

Unemployment Insurance Services (47002)

Social Security Act of 1935 (42 U.S.C. § 500 et seq.)

Virginia Unemployment Compensation Act (Section 60.2 Code of Virginia)

Federal Unemployment Tax Act (26 U.S.C. § 3300 et seq.)

Workforce Development Services (47003)

Public Law 105-220 Establishes the Workforce Investment Act of 1998 and the required programs and services that are to be delivered by States.

Title 38 of the United States Code, Chapter 41, governs the operations of the nationwide Employment Service agencies in serving as contractors for the national programs of Disabled Veterans' Outreach Program (DVOP) and Local Veterans Employment Representatives (LVER).

Public Law 107-288 amends Title 38 to revise and improve employment, training and placement services to veterans.

The Trade Act of 1974, as amended (P.L.93-618, as amended) by the Trade Act of 2002 (P.L. 107-210)

Public Law 100-379 (29 U.S.C. §2101 et. seq.), The Worker Adjustment and Retraining Notification Act of 1988

Workforce Systems Organization Services (47004)

P.L. 105-220, Section 106 establishes the purpose of the Workforce Investment Act (WIA), which is to provide workforce investment activities, through statewide and local workforce investment systems. Further, Section 111 provides that the Governor shall establish a State Workforce Investment Board to assist in the development and continuous improvement of a statewide system of workforce activities to be carried out through a one-stop delivery system (Virginia Workforce Network).

Section 121 of P.L. 105 provides that the following federal programs administered by the VEC are mandatory partners in the one-stop delivery system: Wagner-Peyser (Job Service Program); Trade Adjustment Assistance (TAA); Jobs for Veterans Act Programs (DVOP and LVER); and the Unemployment Insurance Program.

Section 301 of P.L. 105, provides that all job search, placement, recruitment, labor employment statistics, and other labor exchange services authorized under the Wagner-Peyser Act, shall be provided as part of the one-stop delivery system.

§2.2-435.6 and 2.2-2670 of the Code of Virginia include the 4 VEC programs in the Virginia Workforce Network and articulate expectations for statewide coordination and collaboration, in this regard.

Economic Information Services (53402)

Title 60.2 of the Code of Virginia, The Virginia Unemployment Compensation Act, sets forth the responsibilities for this service area of the agency. Section 113 establishes requirements to coordinate and conduct labor market information research studies, programs, and operations, including the development, storage, retrieval, and dissemination of information on the social and economic aspects of the Commonwealth and publish data needed by employers, economic development, education and training entities, government and other users in the public and private sectors. Section 114 establishes requirements for employer records and reports.

29 U.S. Code, Section 2 authorizes the collection of labor market information in cooperation with the Bureau of Labor Statistics.

The Social Security Act of 1935 and the Federal Unemployment Tax Act are the sources of statutory authority for the unemployment insurance system and establish the framework for administering and financing the UI system

Wagner-Peyser Act, 29 U.S.C. 49, as amended by the Workforce Investment Act of 1998 establishes the requirement to collect, analyze, and disseminate information on State and local employment opportunities and other appropriate statistical data related to labor market dynamics, as part of a U.S Department of Labor nationwide employment statistics system and as part of the One-Stop customer service system. This includes statistics on employment and unemployment status of national, state, and local populations; industrial distribution of occupations, current and projected employment opportunities, wages, benefits, and skill trends by occupation and industry; and statistical data on workers displaced by permanent layoffs and plant closings.

Workforce Investment Act: Section 127 establishes the parameters for the distribution of funds at the national level to fund WIA Title I-B Youth programs. Section 128 establishes the requirements for allocating WIA Title I-B Youth funds to the local workforce areas and for use in statewide activities. Section 132 establishes the parameters for the distribution of funds at the national level to fund WIA Title I-B Adult and Dislocated Worker programs. Section 133 establishes the requirements for allocating WIA Title I-B Adult and Dislocated Worker funds to the local workforce areas and for use in statewide activities.

Customer Base:

Customer Description	Served	Potential
Employer	181,000	200,000
Federal, State, and Local Government Entities	302	400
General Assembly	40	140
Governor	1	1
Incumbent Workers	3,800	10,000
Job Seekers	340,000	500,000
Local Elected Officials	200	900
Local Partners	100	400
Secretaries of Education, Health & Human Resources and Public Safety	3	3
Secretary of Commerce	1	1
State Partners	5	15
State, regional & local economic development professionals	50	150
Trade Act participants	6,900	139,000
Unemployed worker	260,000	3,998,000
US Department of Labor (National and Regional)	2	2
Veterans Program Participants	42,000	786,000

Anticipated Changes In Agency Customer Base:

Employers:

The VEC's economic assumptions indicate that professional and business services will continue to be the growth leader for 2007 through 2009, and that there will be losses in manufacturing, textile mills, and furniture plants.

Job Seeker:

The number of customers remotely accessing job placement services is expected to increase after implementation of the Virtual One-Stop (VOS) system that will replace the current Virginia Workforce Network Information System (VWNIS).

Unemployed Worker:

Historically as the economy improves, the number of unemployed workers is expected to decrease, resulting in fewer unemployment claims being filed. This should result in the unemployed worker returning to the labor force more quickly and a reduction in the average number of weeks that they are paid benefits. Service to the unemployed worker will be increasingly performed using the Internet and by telephone, with our Customer Contact Centers, as the agency reduces the number of field offices, throughout the state.

Agency Partners:

Business organizations, such as Chambers of Commerce, and others
Dept. of Housing and Urban Development
Economic Development Partnership
Employer Advisory Committees (EACs)
Federal Reserve
Governor
Internal Revenue Service
Local Elected Officials
Local Government Entities
Local school systems
Local Workforce Investment Boards (16)
Migrant and Seasonal Farmworker Advisory Board
Nine State Agencies that partner in the One Stop Delivery System: Department of Rehabilitative Services (DRS), Department for the Blind and Vision Impaired (DBVI), Department of Social Services (DSS), Department of Education (DOE), Virginia Community College system (VCCS), Department of Housing and Community Development (DHCD), Virginia Department for the Aging (VDA), Department of Labor and Industry (DOLI) and Department of Business Assistance (DBA)
Other Governmental Agencies
Other States
Secretary of Commerce and Trade
State and local economic development offices and agencies
State Employment Security Agencies nationwide
U.S. Department of Labor
Universities
Virginia Department of Taxation
Virginia General Assembly
Virginia Workforce Council
Voluntary local and state partners in workforce development (Examples of voluntary partners include, but are not limited to: Faith-based organizations; Economic development agencies and organizations; Veterans organizations, such as VFW, American Legion, DVA, and others)
Workforce Investment Act One-Stop Centers

Agency Products and Services:

Current Products and Services

The Virginia Employment Commission provides strategic business services to employers and job seekers, who have universal access to a myriad of workforce services that assist in both securing and retaining employment or in finding qualified workers to fill jobs. Workforce system building efforts and service delivery are provided in the context of the important link with economic development.

The Virginia Employment Commission provides a number of strategic business services such as:

Workforce Information Services

The VEC provides Workforce Information Services as a product that is available to the general public, Governor, Virginia Workforce Council, Local Workforce Investment Boards, State Agencies, U.S. Department of Labor (USDOL), and other governmental entities. Workforce Information Services, includes the following:

Operation of a Shared Management Information System. The new web-based Virtual One-Stop (VOS) is a management information system that integrates the Workforce Investment Act, Wagner-Peyser Act, Trade Act, and Labor Market Information programs into a single unified system that is customer focused with data collection as a by-product of service delivery. This system contains operational data used by the workforce system, such as job orders, case notes, jobseekers, employers, program information, and labor market information. This system maintains the most current, up-to-date workforce information. By sharing data, a citizen or employer will only have to register once within the workforce system and would be able to receive services via any one-stop center, the Internet, or using the VEC's Customer Contact Center.

Workforce Data Collection Analysis

Workforce information products and services focus on activities in six high-priority activity areas: (1) populate the Workforce Information Database (WID); (2) produce long-term state- and regional-level industry and occupational employment projections and short-term state-level forecasts; (3) develop occupational analyses products; (4) provide information and support to state and local Workforce Investment Boards (WIBs); (5) maintain and enhance electronic state workforce information delivery systems; and (6) support state workforce information training activities. The WID database for Virginia (Virginia's Electronic Labor Market Access—VELMA), allows employers, WIBs, agencies, and workers to obtain more in-depth information for formulating plans, curriculums, career decisions and work/training opportunities. The long- and short-term industry and occupational employment projections are often used to assist clients/students in making career, education, and training choices. Additionally, the VEC develops the US DOL Workforce Information Core Products & Services Plan in conjunction with the Virginia Workforce Council.

Products developed to provide information and support to state and local WIBs, specifically, are: Community Profiles-Demand Planning- an accurate, valid, and consistent document that fulfills state/federal mandates for strategic planning and decision-making; and the Local Employment Dynamic Pilot Project: gives aid to WIBs, economic developers, and business in their efforts to expand Virginia's industry base and strengthen competitiveness. It allows users to analyze business, employment and commuting patterns, and aids in establishing a better economic picture of an area. Specialized reports, graphs, and charts are developed upon request. These may include GIS maps, statistical data, and analysis of specialized areas of study. Impact studies, outlook reports, and studies of specific occupations or industries (i.e. Virginia Nurse's Study) are also available by request.

Workforce Development

The VEC actively supports and participates in the creation of a statewide system of comprehensive and satellite one-stops that will result in employers, workers, and job seekers having a single point of entry for workforce and career services. As of April 2007, 23 of the 37 VEC offices are designated as comprehensive Virginia Workforce Network centers and 8 others are designated as satellite centers, for a total 31.

VEC as a lead partner in the state workforce system administers the following workforce employment programs:

Job Service (JS); Unemployment Insurance (UI), including the work search; Reemployment Services Orientation (RSO) program and Reemployment and Eligibility Assessment (REA) program for UI claimants; Disabled Veterans Outreach Program (DVOP) and Local Veterans Employment Representative (LVER) programs; Trade Adjustment Assistance (TAA) program; Work Opportunity Tax Credit (WOTC) and

Welfare-to-Work Tax Credit (WtWTC) program; and Migrant and Seasonal Farm Workers (MSFW) and Agricultural Placement Program. (Note: TAA is an employment and training program.)

Services are delivered through a 3-tiered service strategy for labor exchange Job Service services and VEC administered programs for employers, workers, and job seekers. The levels include: (1) self-service, (2) facilitated self-help services, and (3) staff assisted services. Levels (1) and (2) are generally offered through well-equipped Resource Rooms and via the Internet. Our Automated Labor Exchange (ALEX) system, which will soon be replaced by the VOS system, provides a search capability for statewide listings of job openings and is accessible from our Resource Rooms and via the Internet. All other VEC sponsored web accessible information systems are available on the VEC website.

Employers and job seekers have universal access to a myriad of services from VEC that assist in both securing and retaining employment, or in finding qualified workers to fill job vacancies. These services are available to employers and job seekers at no cost.

Employers have access to the state's largest pool of qualified workers and job seekers and related services to support their workforce and economic development needs. Such services include:

- Assistance in finding qualified workers, including job listing and applicant screening services;
- Providing and coordinating interview facilities;
- Participate in, provide information on, and provide referral to business start-up, retention, and expansion services;
- Information on and referral to customized training programs;
- Information on labor markets, workplace accommodations, and tax credits for new hires.
- Opportunities for individual attention through our network of Tax Representatives located throughout the state. This can include education in employers' obligations under federal and state laws regarding unemployment insurance to ensure employers are knowledgeable and positioned to operate their businesses to meet these requirements.
- Convenient on-line services for registering and quarterly reporting through Ifile/Ireg systems;
- Opportunity to have on-site mass claims taking for the convenience of their employees and their business operations;
- Information briefings, assignment of workforce transition teams, layoff aversion strategies and assistance with setting up an on-site Resource Center.

Workers and Job seekers have universal access to services designed to prepare them for job search, job advancement, and/or career change. Veterans of military service who are seeking employment receive priority consideration in these services. Such services include:

- Access to the state's largest database of job openings;
- Job, career, and skill self-assessment tools and other assessment services;
- Career, job, and labor market information;
- Resume writing software and support materials;
- Directories of human service agencies and employers; and
- Information on and/or direct assistance obtaining occupational and on-the-job training available through the system.
- Convenient user-friendly service for unemployed workers to have claims for unemployment compensation processed through the Internet, through either of two Customer Contact Centers, or through our network of local offices throughout the state. Further, efforts are made to continuously increase the quality of service delivery by providing timely handling of claim eligibility issues and the prompt payment of benefits when due. Additionally, prompt, convenient information on the status of claim activity is provided to the unemployed worker through a telephonic Interactive Voice Response system.

Additionally, customers of the Virginia WORKforce Network centers are provided core services including Job Placement and Unemployment Insurance Services, along with core services of other partner agencies.

For Trade Participants and Veterans, when it is determined through initial assessment that the individual is unable to obtain/retain employment through core services, these intensive services may be provided based upon established policies on priority of services. These intensive services include:

- Comprehensive and specialized assessments of skill levels and service needs that may include in-depth interviewing to identify employment barriers and employment goals,
- Development of an individual employment plan to identify the employment goals and appropriate combination of service for the participant to achieve the employment goals,
- Group counseling, Individual counseling and career planning,
- Case management for customers seeking training services, and
- Short-term prevocational services, including development of learning skills, communication skills, punctuality, personal maintenance skills and professional conduct to prepare individuals for unsubsidized employment or training.

In addition, Veterans are provided with outreach activities for the purpose of locating candidates who could benefit from intensive services and market these services to potential clients in programs and places such as the following:

- Vocational Rehabilitation and Employment (VR&E)
- Homeless Veterans Reintegration Project (HVRP).
- Department of Veterans Affairs (VA) hospitals and Vet Centers.
- Homeless shelters
- Civic and service organizations
- Partners through the Workforce Investment Act (WIA)
- State Vocational Rehabilitation Agencies
- Capacity building of other service providers and awareness of Veterans Programs
- Advocacy services for Veterans

When it has been determined, by interview, evaluation or assessment or case management, that Trade participants are unable to obtain/retain employment through intensive services, they may receive:

- Occupational skill training, including training for non-traditional employment,
- On-the-job training,
- Programs that combine workplace training with related instruction, which may include cooperative education programs,
- Training programs operated by the public and private sector,
- Skill upgrading and retraining,
- Entrepreneurial training,
- Job readiness training,
- Adult education and literacy activities provided in combination with other skill training services listed above.

For individuals losing their job in a mass layoff situation, the VEC will assist in the WIA Rapid Response effort by providing services such as:

- Job Search Assistance, which may include accessing community resources, job application and resume preparation, assessing accomplishments and skills, resume development lab, interviewing skills, effective interviewing techniques, practice interviewing lab and coping with job loss. These services are available through Rapid Response in a group format.
- Assistance in coordinating the mass filing of Unemployment Insurance claims and the registration for Job Services.
- Labor Market Information, including Emerging and Demand Occupations. Job Postings are also made available through multimedia and technology.

Economic and Workforce Information

Our Economic Information Services Division provides a number of products and services such as: Collect and report to the Bureau of Labor Statistics the following labor market information:

- Local Area Unemployment Statistics
- Covered Employment and Wages

- Current Employment Statistics
- Occupational Employment Statistics and Wages
- Mass Layoff Statistics

Lead state agency in federal-state State Data Center cooperative program. The VEC's State Data Center is a repository of census information and develops Virginia's population projections.

Compile and transmit approximately 42 federally mandated UI reports to the U.S. Department of Labor.

Update and maintain the Labor Market Web Site, Virginia's Electronic Labor Market Access System (VELMA), and WID database:

- The Labor Market Information Web Site includes the monthly unemployment press release, the monthly non-farm employment press release, occupational wage sources, population projections, Virginia's Top 50 Employers, Characteristics of the Insured Unemployed, Industry by Size, Unemployment Insurance Payments, Local Employment Dynamics Program, Community Profiles, 2000 Census Data, Affirmative Action Planning Data, various publications, and a link to the VELMA system.
- The VELMA system is designed to provide access to various elements of labor market information collected and stored in Virginia's database, which is structured around the WID format. The information helps gauge Virginia's status in areas such as economic development, career counseling, curriculum development, creation of training programs, and community growth studies.

Develop and distribute the following publications/products:

- Monthly Unemployment Press Release and Jobs Press Release
- Virginia Economic Indicators: A quarterly publication that depicts the movement of Virginia's key economic indicators in graphic and tabular form with accompanying narrative analysis.
- Economic Assumptions for the United States and Virginia: An annual publication with economic forecasts and reviews of recent trends for the nation and state.
- Occupation Guide: Electronic formatted description of approximately 200 occupations.
- The information given for each occupation includes related codes (CIP and O*Net/SOC); occupation description; related occupations; hiring industries; related studies; occupational projections and wages for the State, MSAs, and the 17 WIAs; KSA; licensing information; and general occupational duties.
- Mid-Atlantic Guide to Information on Careers (MAGIC): The new version of the MAGIC tabloid includes more information on Rapid Response and Dislocated Workers, in addition to the standard career development and job hunting information pertinent to all WIA clients in Virginia.
- Community Profiles: The graphic overview of economic and demographic information now includes reports for the 17 workforce investment areas in addition to the 134 counties and cities, and the MSAs.
- The Forum: A quarterly newsletter that contains information on training, new and upgraded products, an order form for products, and informational articles, graphs and charts. It is sent out to each of the WIBs.
- Virginia Job Outlook: Contains data on occupations with the greatest number of annual openings broken out by education level. The annual number of openings and the average annual salary are given for the top 15 occupations in each education level.
- Virginia Business Resource Directory: A comprehensive guide to the types of assistance available to current and prospective business owners. This publication focuses on the key business areas of management, money, and marketing.
- Virginia Labor Market Information Directory: This directory is a list of publications, newsletters, summaries, career development products, and data delivery systems available at the VEC.
- Top 50 Employers: A listing of the fifty largest employers in each workforce investment area is produced on a quarterly basis, along with birth/death information on businesses.
- One page facts sheets for: Education Pays (illustrates the relationship between education, earnings, and unemployment); Eight Keys to Employability; Jobs with Fast Growth, High Pay, and Low Unemployment; and the Ten Most-Wanted Skills.
- High School Graduate vs. High School Dropout bookmarks and pocket resumes are updated each year and sent to the WIBs to be handed out to clients.
- Three posters have been developed, produced, and distributed, upon request, to WIBs: Workplace Skills Needed, Interview Tips, and Visualize: Starting Your Own Business.

Perform economic analyses and studies:

- Determine areas of substantial unemployment for the State and WIBs. Determine WIA Funding Formula Allocations.
- Conduct customer satisfaction survey.
- Develop, produce, and distribute Industry and Occupational Employment Projections on State and WIB level.
- Conduct analyses for WIB Demand Plans.
- Use new skills-based projections system to identify skills supply, demand and potential gaps.
- Perform analyses of military base closings and expansions.
- Conduct economic impact studies using IMPLAN model.
- Conduct UI Trust Fund analysis and provide legislative support.
- Prepare workload projections.
- Provide support and analysis for profiling program.
- Conduct geo-coding of local offices, UI recipients.
- Conduct agricultural wage surveys and compile the data to calculate prevailing wage data for each agricultural activity in each geographic area and to produce reports for ETA.

Develop material and give presentations to various workforce and economic development professionals.

Staff various workforce committees and organizations and attend associated meetings.

Manage the National LMI Training Institute, which provides workforce and labor market training to the LMI and WIB personnel.

Factors Impacting Agency Products and Services

Reduction in Federal Funding

Continued reductions in Federal funding in the Job Service and Unemployment Insurance programs will impact the delivery of services to customers in those programs. VEC has implemented various initiatives to streamline services and continues to explore alternate methods of service delivery. However, we anticipate office closures and staff reductions during the 2008 to 2010 period.

Increased Demand for Services

Statewide use of the Virginia Workforce Network is expected to increase employer, workers and job seeker demand for VEC services, along with services for other workforce programs in the Virginia Workforce Network. Requests for VEC Job Service and Unemployment Insurance services will continue to expand as the size of the workforce and the number of employers continues to grow, and the need for more localized, detailed and up-to-date workforce information.

Changes in Expectations

Federal legislation to reauthorize the Workforce Investment Act of 1998 (WIA) could reduce funding to the Job Service by repealing the Wagner-Peyser Act and combining it into a single funding stream with the WIA Adult, Dislocated Worker, and Youth programs.

The Governor's Sub-Cabinet on Workforce to streamline and consolidate the workforce delivery system could potentially result in the Job Service, Trade Adjustment Assistance, and Veterans programs transferring to another agency, or the transfer of one-stop centers from VEC offices to the facilities of other state agencies.

The 2006 General Assembly passed legislation that created the Chief Workforce Development Officer and transferred services formerly performed by the VEC to the newly created Governor's Office of Workforce Development, including workforce strategic planning and policy responsibilities, administration of the WIA Adult, Dislocated Worker, and Youth programs, and to staff the Virginia Workforce Council (VWC).

Retirement of Key Staff

VEC, like nearly all other agencies and many businesses, is facing the retirement of long-term, key staff as the “baby-boomers” approach retirement age. The successful transfer of knowledge and expertise to the next generation of agency leaders is critical to the Agency’s ability to fulfill its mission and objectives.

Age of Automated Systems

Automated management information systems for the Job Service and Unemployment Insurance programs are old and require replacement for effective administration of the programs. The VEC has begun major initiatives to replace these systems. Business requirements are under development by program staff.

Increased Cost of Information Technology (IT)

The statewide initiative to consolidate and standardize the IT resources of all agencies under the Virginia Information Technology Agency (VITA) has resulted in significant cost increases that have already impacted all programs at the VEC.

Anticipated Changes in Agency Products and Services

While products and services to the public are likely to remain unchanged, the delivery methods are likely to change. The VEC will continue to explore and implement effective means of service delivery, and will consolidate efforts where possible to eliminate redundancy and to more efficiently deliver services to all customers. We also expect to increase the use of self-help services for employers, job seekers, and UI claimants.

Responsibility was transferred from the VEC to the GOWD for the Adult, Dislocated Worker, and Youth activities of the Workforce Investment Act.

Additional Products and Services

Implementation of the Virtual One-Stop (VOS) management information system will provide additional on-line self-help capabilities to employers, job seekers and other workforce program participants.

Agency Financial Resources Summary:

The Virginia Employment Commission is almost entirely funded by federal administrative and benefit grants in addition to the Unemployment Insurance Trust Fund, (99.58%). Additional funding comes from the Special Unemployment Compensation Administration Fund (0.41%) and general funds (0.01%). FY 2005 revenue was approximately \$131M from federal administrative grants, \$48.6M from federal benefits grants and \$541.6M in the Unemployment Insurance Trust Fund.

	Fiscal Year 2007		Fiscal Year 2008	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$80,637	\$571,774,099	\$80,637	\$571,774,099
Changes to Base	\$1,530	\$40,816,368	\$1,530	\$52,948,502
AGENCY TOTAL	\$82,167	\$612,590,467	\$82,167	\$624,722,601

Note: 2008-2010 budget numbers and Federal funding decisions are not yet available. These figures will be updated as this information becomes available.

Agency Human Resources Summary:

Human Resources Overview

As of July 1, 2007 the Virginia Employment Commission has an adjusted maximum employment level (MEL) of 1,011.5 classified positions, with 875 positions filled. The VEC has 305 filled wage positions as of July 1, 2007 and 200.24 wage FTE as of May 31, 2007. The VEC has 38 contract workers as of July 1, 2007.

The VEC currently has a Central Office in Richmond, Customer Contact Centers in Grundy and South Boston, four Regional Offices, and 37 Field Offices.

Full-Time Equivalent (FTE) Position Summary

Effective Date: 7/1/2007

Total Authorized Position Level	1011.5
Vacant Positions	162
Non-Classified (Filled).....	.0
Full-Time Classified (Filled)	871
Part-Time Classified (Filled)	4
Faculty (Filled)	0
Wage	305
Contract Employees	38
Total Human Resource Level	1,218

Factors Impacting Human Resources

Because of the uncertainty in the agency's business environment, including static funding and escalating costs, we expect to see staffing levels decrease. Since April 2006, the number of wage employees has declined by 18%. Classified separations totaled 126 in the past fiscal year. A portion of the decline in classified positions (11 positions) can be attributed to the transfer of Workforce Investment Act staff to the Governor's Office for Workforce Development.

The age of the agency's workforce continues to be a concern. During the past fiscal year, we had 36 employees retire. As of July 1, 2007, 171 employees were eligible for unreduced retirement. However, previous internal surveys have shown that many potential retirees do not plan to retire when eligible. This issue could be compounded if we are forced to layoff our younger, less senior employees. The VEC continues to work on developing and implementing plans to foster the transfer of knowledge to potential future leaders as well as developing their leadership skills.

We have identified positions that are difficult to fill at the VEC. Those are:

- Hearing Officers (Hearing Legal Services Officer I)
- Disabled Veterans Outreach Program (DVOPs) and Local Veterans Employment Representative (LVERs) (Program Administrative Specialist I)
- Farm Placement Specialists (Program Administrative Specialist I)
- Tax Representatives (Financial Services Specialist I)
- Selected Information Technology positions

Anticipated Changes in Human Resources

We expect to see a decline in our employment levels due to our current budget situation precipitated by static funding and escalating costs. The agency is also considering the option of outsourcing some functions traditionally performed by staff in our continuing efforts to provide services to our customers in the most cost effective manner. Any impact on existing staff will be determined once a course of action has been finalized. As changes occur, we will monitor the composition of our workforce to determine any impacts of the diversity of our staff.

At the same time, there will still be a need to fill critical positions. Our challenge will be to reinvent and market our service delivery model in order to meet productivity goals and provide excellent customer service. As this model develops, we will continue to evaluate the critical skills and competencies needed.

The assessment of skills will lead to recruitment strategies to assist the agency in acquiring and/or developing staff that will be capable of leading in the agency in the future. We will continue to face the challenge of having an adequate budget to hire, train and retain sufficient staff to accomplish our agency mission and goals. We are using our Learning Management System/Knowledge Center to provide a variety of professional development opportunities to our staff and to track progress toward professional development goals and objectives.

Agency Information Technology Summary :

Current State/Issues

Introduction

VEC's IT Department is a matrix organization of IT managers, project managers, systems analysts, database administrators, and programmers who partner with and support other departments in achieving the agency's mission, vision and goals through the effective and efficient use of technology.

The IT Department embraces the Enterprise Architecture framework as defined by the National Association of State CIOs and is working toward documenting its business, information, technology, and solution architectures. Specific attention is being given to documenting and implementing the technology architecture which consists of these architectures: access, information, application, security, privacy, integration, and systems management.

In 2007 VEC had thirteen IT staff certified as Project Management Professionals, and these individuals are now qualified to lead major and minor VEC IT projects.

Systems/Applications

VEC's IT Department supports 80 IBM mainframe sub-systems (some 25+ years old) and 70 client/server sub-systems that augment the mainframe applications. These sub-systems, hosted by the Virginia Information Technology Agency (VITA) and third-party vendors, support Unemployment Insurance, Employment Services, Finance and General Services, Workforce Investment Act and Economic Information Services business units. Virginia Interactive LLC (a subsidiary of NIC) hosts the agency's Internet-based Unemployment Insurance claim filing application, the Virginia Department of Taxation hosts the Employer Tax Filing and Registration application (IFile/IReg) and Geographic Solutions hosts the Virginia's Electronic Labor Market Access (VELMA).

During FY2006 VEC automated systems processed \$372.4 million in benefit payments which were disbursed to 148,108 applicants for unemployment insurance benefits. In addition, during recently completed calendar quarters, the computerized unemployment insurance tax system processed \$542.4 million in unemployment insurance tax payments and served 174,498 employers.

Issues

1-IT Funding. Reduced federal funding reduces the opportunities to make more investments in automation and in keeping up with technological changes.

2-IT Costs. VEC's cost for its IT infrastructure (hardware, software, network, telecommunications) has risen significantly as a result of the VITA/NG transformation. VEC expects these costs to continue to rise, and these increased costs forces VEC to reduce expenditures for its programs and services that benefit the Commonwealth's citizens. It is also anticipated that as agencies move their applications from the mainframe, those agencies remaining on the mainframe will incur higher charges per transaction.

3-Data Access Control and Data Management. Currently VITA/NG have control of data access for the client/server environment. VEC, as owner of the data, needs to control and manage its data. Control of data and databases by a third-party increases the risk of illegal data access, data loss, and data breaches which could damage, harm, and discredit the agency.

4-Security and Identity Management. Even with security policies, procedures, and monitoring in place and being followed, there is still the possibility of a security breach. Security monitoring and control and identity management need to occur on a daily basis. VEC must address security within the on-going transformation changes that will occur within the state during the next few years. VEC needs to be in compliance with all VITA security standards and guidelines and to have a comprehensive IT security program.

5-Quality and Quantity of customer service. Customer service and customer service delivery may decline because of reduced funding, increased IT costs, and VEC's loss of control and flexibility over its IT infrastructure. Prior to the transformation, VEC was continuing to lower its IT infrastructure costs.

6-Integration of Services. Currently VEC's services are not integrated. Integrated services through an Enterprise Portal can bring services, information, databases, processes, and people together at a single-point of entry. Integration will dramatically improve the quality and quantity of customer service and will reduce staff time in delivering these services. Building the portal on a strong business, information, technology, and solutions architecture will ensure that customers have accurate information and services quickly, conveniently, correctly, completely, and courteously. The modernization of VEC's UI system (Benefits, Tax, Wage) will embrace the integration of services concept.

7-Web Services/Web-based Systems. Critical need to transition all systems and applications from the mainframe environment to a client/server environment in order to offer more progressive and efficient self-service delivery services, in order to have more flexibility in system design and development, in order to mitigate the risk of mainframe rates rising significantly as more users go from the mainframe to client/server, and in order to have more opportunities for taking advantage of proven and emerging technology.

8-Disaster Recovery Plan. Need to expand and improve the IT disaster recovery plan in order to reflect the transformation and in order to reduce downtime in the event of a disaster.

9-Transitioning staff from a mainframe environment to a client/server environment. VEC's 25 year-old mainframe applications and systems will be modernized and moved to a client/server

environment. VEC's IT staff, while proficient in COBOL and other mainframe technologies, must learn the client/server environment and associated technologies.

10-IT Staff (Training and Loss). IT staff need to be trained in client/server technologies. Once COBOL, mainframe-oriented IT staff are trained in client/server technologies, there will be a risk of losing staff because they will have more marketable and in-demand skills. In addition, as staff leave or retire, there is an agency loss of business intelligence and technical expertise.

11-Project Management Expertise: VEC needs to continue to grow and strengthen its project management expertise and to go toward the development of a Project Management Office.

12-IT Continuous Improvement and Measured Performance. VEC needs to measure, analyze, improve, and control its IT processes and functions for continuous improvement. VEC needs to define and document the value IT brings to the agency and to set goals and measurable objectives that use technology as a tool for achieving its mission, vision and goals—as well as the mission and goals of the Commonwealth.

13-Emerging Technology. IT needs to devote more time in researching and exploring emerging technology in order to be able to adopt this technology as appropriate for delivering more and efficient/effective services.

Factors Impacting Information Technology

VITA/NG Transformation Mandate. VEC's transition from their own private network, Network Virginia, to the Commonwealth network, means that VEC will transition from a Novell-centric environment to a Microsoft-centric environment and from Novell GroupWise to Microsoft Exchange/Outlook. This transformation and transition will mandate that VEC spends tens of thousands of hours re-coding and testing interfaces, as many of our applications have interfaces and provisioning tied into our many Novell-driven systems. In addition, 5200 desk-top applications (such as Microsoft Word, Excel, etc.) must be researched, documented, and reworked in order to transition them to the new environment. All linked data applications and files have to be reviewed and transitioned, and one improperly linked data application may result in hours of work to resolve problems and issues. Our provisioning system (identify and access control system) in use today is linked to a multitude of programs and applications and they must be completely re-engineered. If the transition is done quickly, without research and a comprehensive plan, and if these interfaces and currently implemented controls are not re-engineered correctly, VEC will experience a failure to meet its mission (DOL and VEC requirements). During transition it is likely that many processes that we continually adjust for meeting ever-changing business requirements will have to be put on hold. This inability to make these adjustments will again effect VEC's ability to meet its mission. Staff time spent on transformation activities will reduce the time IT staff have for business process re-engineering and automating processes for delivering more efficient and effective services.

Lower Federal Funding and Increased Cost. The VEC is wholly funded by grants from the U.S. Department of Labor. Due to federal budget reductions the VEC has fewer funds available to operate its programs. With increased costs as a result of transformation, increased demand for services, unbudgeted mandates, and escalating costs, the funding of Information Technology (IT) is a very serious issue facing the agency. Dealing with this issue requires that agency leaders and stakeholders understand the strategic value of IT and use technology efficiently and effectively and look for ways to creatively fund IT projects outside of normal funding.

Anticipated Changes / Desired State

VEC's business architecture will be supported by integrated, web-based, client/server, and self-service IT systems.

VEC is going from a mainframe environment to a client/server environment. The major client/server systems to be implemented within the several years are defined below:

1-Workforce Management Information System. VEC is in the process of replacing its Virginia Workforce Network Information System (VWNIS) with a modern, state-of-the-art Workforce Management Information System. This new web-based, client/server system will assist in fulfilling the vision of a unified workforce system within the Commonwealth, and it integrates the Workforce Investment Act (WIA), Wagner-Peyser, Virginia Initiative for Employment not Welfare (VIEW), Labor Market Information (LMI), other essential workforce system programs and components under a common information system. The new system is to be completely implemented by the end of November 2007. This system supports Virginia's long-term objectives of being the best-managed state, a national leader in our economy, elevating the levels of educational preparedness. In addition, this system supports the Commonwealth's Strategic Plan's IT goals of increasing accessibility to government, facilitates IT collaboration and partnerships, ensures a trusted and reliable technical environment, creates a reputation of performance for technology, and increases workforce productivity through the use of technology.

2-Unemployment Insurance System. The VEC will partner with a vendor to develop and implement an integrated, non-proprietary, web-based, client/server Benefits/Appeals, Tax, and Wage system. VEC's modernized UI system will:

- be secure, user-friendly, and heavily self-service based
- deliver accurate, complete, timely, up-to-date, and secure benefit, tax, and wage information, reports, and services--for meeting customer needs and expectations
- meet functional, performance, reliability, availability, serviceability, localization, portability, maintainability, testability, extendibility, and retainability standards as defined by the business and technology users
- will support multiple channels of service delivery, produce accurate statistical recordation and reporting and optimize the agency's human resources
- will use proven technology that is adaptable, scaleable, flexible, enduring, and affordable--technology that is easily maintained and expanded by existing staff
- be built upon policy, standards, and guidelines documented in the enterprise architecture's domains of business, information, technology and solutions. These domains ensure and support data principles, data sharing, application integration, and a service oriented architecture where business defines and drives the system functionality—with quality and appropriate deliverables.

The new, integrated, and robust modernized UI System will bring about operational efficiencies and effectiveness, service enhancements, cost savings, customer satisfaction, and fulfillment of the Governor's and agency's strategic objectives. It will also allow VEC to provide more services with less staff, as the system will be using open and standardized Internet technologies, forms processing technology, bar coding, OCR for use with check readers--and potential use of mobile technologies, video conferencing for appeals, smart cards for security, etc. Usage of all of these technologies will be driven by an enterprise architecture and service oriented architecture that enables easier collaboration with partners and agencies and reuse of modules, etc.

This system supports Virginia's long-term objectives of being the best-managed state, a national leader in our economy, elevating the levels of educational preparedness. In addition, this system supports the Commonwealth's Strategic Plan's IT goals of increasing accessibility to government, facilitates IT collaboration and partnerships, ensures a trusted and reliable technical environment, creates a reputation of performance for technology, and increases workforce productivity through the use of technology.

The RFP for this system is to be released by the end of 2007.

3-Enterprise Application Financial System. VEC will partner with other agencies in the development of the enterprise financial management system. VEC staff will work diligently to ensure that federal requirements are included into the overall design, requirements, and functionality of the system.

VEC's business architecture will be supported by forms processing technology

VEC is in the process of implementing a forms processing system that will give the agency the capability of imaging and indexing documents. In 2006 VEC archived 5 million documents—using microfilm. With the use of forms processing, these documents can be converted to .pdf documents for archival purposes and be stored in a repository and retrieved as appropriate. The foundational architecture for forms processing will be completed by the end of 2007, and the agency will then develop a plan for how forms processing can be used as a tool to support systems currently in production and systems to be implemented—such as the new Workforce Management System and UI System.

VEC's business architecture will be supported by an Enterprise Portal

VEC will work toward designing and implementing an Enterprise Portal that supports integrated service delivery. An Enterprise Portal will bring services, information, databases, processes, and people together at a single-point of entry.

VEC's business architecture will be supported by an IT Enterprise Architecture

The IT Enterprise Architectures (information, technology, solutions) will be comprehensively documented, maintained, and followed so that they directly support and benefit the Business Architecture. The EA architectures will be built around technology standards, best practices, approved policy and procedures, and proven and emerging technologies.

One of the Technology Architecture sub-architectures that will support the Business Architecture is the Security Architecture. The security architecture facilitates appropriate access to information while ensuring integrity and availability. It supports innovative business process as well as compliance with all government regulations and standards related to information security. It is concerned with identification, authentication and access rights.

VEC's business architecture will embrace Information Resource Management Principles

Data and information are valuable assets to VEC. The Business Architecture will embrace these principles:

- Data Principle. Data is a valuable resource to be managed and when appropriate, shared.

- Management Principle. Executive management is ultimately responsible for the management of data; this responsibility cannot be delegated.
- Standards Principle. Data architecture standards will be followed.
- People Principle. Data and information empower employees to be knowledge workers.

Agency IT Investments

The approach that we as an agency will take in the coming year pertaining to the IT strategic plan is to close out the ongoing projects in preparation to enter into the planning and fielding stages of the UI and Finance projects. We have started some important small modernization efforts that will roll into the UI and Finance projects once they are board. We will also look at the ongoing projects and deliverables lifecycle, phases-initiation, planning, execution, and closeouts. While the year will be a busy one, we will continue to work the modernization initiative in an effort to help the agency save money, the initiatives are listed below:

Imaging solution

Timekeeper

Digitalization of Appeals recordings

Drivecrypt for notebooks

Voice Over IP

Identity management System

Agency Capital Investments Summary:

	Cost – Fiscal Year 2007		Cost – Fiscal Year 2008	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Major IT Projects	\$0	\$30,567,866	\$0	\$20,500,000
Non-Major IT Projects	\$0	\$0	\$0	\$0
Major IT Procurements	\$0	\$0	\$0	\$0
Non-Major IT Procurements	\$0	\$0	\$0	\$0
TOTALS	\$0	\$30,567,866	\$0	\$20,500,000

Note: 2008-2010 budget numbers and Federal funding decisions are not yet available. These figures will be updated as this information becomes available.

Agency Capital Investments Summary:

Current State / Issues

The VEC has 37 field offices, 2 Customer Contact Centers, a Central Office, and a Warehouse facility.

The Commission owns ten facilities, while the remaining facilities are leased.

The VEC owned facilities are the Central Office, the Covington Field Office, the Newport News Field Office, the Norfolk Field Office, the Williamsburg Field Office, the Lynchburg Field Office, the Charlottesville Field Office, the Harrisonburg Field Office, the Fishersville Field Office, and a vacant office in Petersburg, which will soon be transferred to the City of Petersburg.

The VEC currently has a blanket capital project, of approximately \$1 million, to make changes to our field offices to facilitate common intake service delivery and the establishment of One-Stop Centers. In order to establish One-Stop centers, we need to reconfigure the space to accommodate partners and their

programs. We have recently requested permission to expand the use of this blanket project for office closing and moving expenses.

Factors Impacting Capital Investments

VEC will need to undertake a number of maintenance projects to properly maintain our owned facilities.

Our Central Office is in need of renovation and reconfiguration to better align departments for a more efficient workflow and to make the best use of available space.

We anticipate closing some of our field offices. Enhancement of service delivery, through telephonic contact centers and internet claims filing, combined with reduced workload due to an improving economy, and resulting reductions in federal funds lead us to take these actions.

Capital Investment Alignment

Our planned capital investments will allow the agency to properly maintain the facilities it owns and close offices necessary to meet our budgetary constraints. This aligns with our mission of delivering coordinated workforce services. In order to deliver coordinated services we need to properly maintain our owned facilities, where our services are delivered. In addition, we need make the best use of our available space to improve efficiency. Our capital investments also align with agency's strategic direction of providing streamlined services.

Agency Goals

Goal #1:

Contribute to the development and implementation of the state workforce system.

Goal Summary and Alignment:

A well-prepared, skilled, and available workforce is among the most critical factors in economic growth. By developing a seamless and integrated workforce development system, the VEC will utilize and leverage its resources through a one-stop career center network that provides a single point of entry for employers, workers and job seekers. Additionally, the workforce development system will eliminate duplication of services, enhance participation, accommodate the demand needs of employers and improve customer satisfaction.

The VEC will support the Special Assistant to the Governor for Workforce, who serves as liaison among agencies and local workforce investment boards to implement statewide workforce policies, integrate workforce service administration at the state level and workforce service delivery at the local level, promote workforce and economic development collaboration and leverage resources to promote economic growth and the provision of quality workforce services.

Statewide Goals Supported by Goal #1

Be a national leader in the preservation and enhancement of our economy.

Goal #2:

Develop a high performance and customer focused agency workforce.

Goal Summary and Alignment:

The VEC will recruit, retain and assign qualified staff to deliver quality customer services based on defined performance standards and competencies. The VEC is committed to creating a "learning organization" where information and knowledge are freely shared to support personal career development and continuous learning. Program and technical knowledge transfer is a key component for becoming a "learning organization" to sustain and enhance Job Placement Services, Unemployment Insurance Services, Workforce Development Services, Workforce System Plan, specifically the vision, mission and values, to drive and implement business decisions and to align employee's work to our vision. The VEC will use the goals, objectives and supporting strategies to monitor progress and as tools to hold individuals, teams, divisions and the agency accountable for results. Our challenge will be to place the right people, with the right skills, at the right place, and at the right time to help preserve and enhance the economy throughout the Commonwealth.

Statewide Goals Supported by Goal #2

Be a national leader in the preservation and enhancement of our economy.

Goal #3:

Strengthen and expand the agency's internal and external communications.

Goal Summary and Alignment:

By developing a comprehensive agency communication plan that includes multiple methods and avenues of dissemination and reception of information, the VEC will more effectively partner with its various stakeholders. Additionally, by employing a dynamic and diverse external communications strategy, the VEC will increase the awareness, confidence and engagement of stakeholders in the workforce development system. We plan to evaluate our current internal and external communications to determine patterns, strengths, and weaknesses. The resulting communications strategies will align with and support the Commonwealth's vision for the future and the VEC's Strategic Plan.

Statewide Goals Supported by Goal #3

Engage and inform citizens to ensure we serve their interests.

Goal #4:

Create efficient and aligned business processes and service delivery systems.

Goal Summary and Alignment:

By evaluating and redesigning its service delivery systems to embrace innovative solutions and incorporate proven best practices, the VEC will be positioned to effectively respond to the increasing demands for workforce services. Meeting these demands is critical to satisfying the needs of Virginia's employers while preparing workers to fully and productively participate in the 21st Century workforce. Leveraging available technologies and implementing recognized best practices will permit the Commonwealth to more efficiently allocate its resources while continuing to meet or exceed performance measures and customer expectations.

Statewide Goals Supported by Goal #4

Be a national leader in the preservation and enhancement of our economy.

Objective:

We will ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements in the following agency administrative areas:

- Human Resource Management
- Government Procurement
- Financial Management
- Technology
- Performance Management
- Resource Stewardship

Standard Measure:

Percent of scorecard categories marked as “meets expectations” for the agency.

Measure type: Outcome

Measure frequency: Quarterly

Baseline: 67.7%

Target: Increase by 8%

Data source and calculation: The Management Scorecard grades agencies on six categories.

Goal #5:

Strengthen the culture of preparedness across state agencies, their employees and customers.

Goal Summary and Alignment:

This goal ensures compliance with federal and state regulations, policies and procedures for Commonwealth preparedness, as well as guidelines promulgated by the Assistant to the Governor of Commonwealth Preparedness, in collaboration with the Governor’s Cabinet, the Commonwealth Preparedness Working Group, the Department of Planning and Budget and the Council of Virginia’s Future.

We will be prepared to act in the interest of the citizens of the Commonwealth and its infrastructure during emergency situations by actively planning and training both as an agency and as individuals. The standard measure will be the Agency Continuity of Operations Plan (COOP) Assessment Score. The strategy is that the agency Emergency Coordination Officer will stay in continuous communication with the Office of Commonwealth Preparedness and the Virginia Department of Emergency Management.

Statewide Goals Supported by Goal #5:

The goal supports achievement of the Commonwealth’s statewide goal of protecting the public’s safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.