

June 30, 2017



# H-1B Technical Skills Training Grant

HG-22721-12-60-A-51

April 1, 2012 – April 1, 2017

Final Grantee Report

“Valley OJT” – TST Grant

**Shenandoah Valley Workforce Development Board**

P. O. Box 869

Harrisonburg, Virginia 22803

540.442.7134

## EXECUTIVE SUMMARY

In February 2012, the Shenandoah Valley Workforce Development Board (SVWDB) was awarded a \$5 million U.S. Department of Labor Technical Skills Training grant to launch “Valley OJT,” an initiative that provided on-the-job (OJT) training in advanced manufacturing and health care sectors for 577 individuals using a comprehensive OJT model. Participants in the Valley OJT Workforce Initiative (“Valley OJT”) were either unemployed or underemployed in a 25-county rural Virginia area that was still recovering from the effects of the great recession, yet experiencing skills shortages from an aging workforce and technology advances. Participants received employment with an OJT that could include supportive services and supplemental training, including apprenticeship with registered apprenticeship sponsors.

Eighty-nine (89) employers including sixty-nine (69) advanced manufacturing and twenty (20) health care employers, received over \$3.1M in wage reimbursement from the Valley OJT initiative. The project implementation region covered three workforce areas in Virginia’s western territory: the Shenandoah Valley Workforce Development Board (Area 4-lead applicant), the Western Virginia Workforce Development Board (Area 3) and the New River/Mount Rogers Workforce Investment Board (Area 2) blanketing 13,018 square miles in 25 rural counties and 12 cities supported by 13 one-stop centers. Key partners included one-stop center operators, economic development, community colleges and technical centers, the state apprenticeship agency, and employers in advanced manufacturing and health care sectors.

The impact of the TST grant extended well beyond the 577 participants and 89 employers served. Valley OJT added value to the region, helped develop deeper partnerships with business and economic development, stimulated new initiatives with workforce partners including Rapid Response and Reemployment Services and Eligibility Assessment (RESEA), and improved the effectiveness of the SVWDB to contribute to an improved vitality of the region. Valley OJT put the SVWDB “on the map” for many employers and participants in not only Area 4 but throughout 37 economic localities in the western Virginia.

<b>Key Performance Metric</b>	<b>Original Goal</b>	<b>Revised Goal</b>	<b>Actual</b>	<b>% to Original Goal</b>	<b>% to Revised Goal</b>
Total Participants Served	310	500	577	186%	115%
Participants Completing OJTs	222	222	471	212%	212%
Participants completing & receiving credential	98	98	115	117%	117%
Participants completing who entered unsubsidized employment	222	222	471	212%	212%
Participants who Retained for at least three Quarters	212	212	406	192%	192%

## Background

In 2011, the U. S. Department of Labor Employment and Training Administration issued a Solicitation for Grant Applications (SGA) for H-1B Technical Skills Training Grants (TST) [Funding Opportunity Number: SGA/DFA PY-10-13; CFDA Number: 17.268]. The TST grant program would respond to lingering effects of the recession, including slow job creation and prolonged unemployment, by providing education, training, and job placement assistance in occupations and industries for which employers use H-1B visas to hire foreign workers. Financing for the TST program came from user fees paid by employers to bring foreign workers into the U.S. under the H-1B nonimmigrant visa program. Two types of training grants were solicited – those that provided On-the-Job Training (OJT) to all participants and those using other training strategies.

Participants targeted for the grant were long-term unemployed, underemployed, dislocated, or otherwise unemployed. Occupations along career pathways that required higher skill levels in the target industries were the focus of the SGA rather than entry-level jobs.

In 2011, the region experienced unemployment rates over 7% with five counties/cities over 9%, as compared to Virginia's rate at 6.3%. The underemployment rate was determined to be over 10%. Hospital expansions exceeding \$280M were recent or underway; nursing job growth rates were 16% an increase in credential upskilling was occurring in health care. Regional advanced manufacturing mirrored national trends of technology upgrades demanding higher skill sets, an aging workforce, and growing workforce skill gaps in higher skilled jobs. The supply of participants and demand in advanced manufacturing and healthcare were determined to be more than ample to support the project. *(SVWDB grant proposal, VEDP cited)*

The SVWDB convened working groups to develop a proposal that included community colleges, three workforce boards, one-stop providers, and economic development. On November 14, 2011, the SVWDB submitted the *Valley Workforce On-the-Job Training Initiative* proposal to address workforce needs in health care and advanced manufacturing using OJT and related supplemental training as OJT support. Career pathway charts in Advanced Manufacturing and Health Care industries detailed the experience and credentials required along these pathways, and the region's average wages at each step, for occupations targeted for the initiative.

The project implementation area covered three workforce investment boards in western Virginia including the Shenandoah Valley WIB (Area 4), the Western Virginia Workforce Development Board (Area 3), and the New River/Mount Rogers Workforce Board (Area 2). The geographic performance area spanned 13,000 miles including 25 rural counties and 12 cities supported by 13 one-stop centers. Area 4, Shenandoah Valley WIB, was lead applicant to manage the project through MOUs with the other WIBs.

## Performance Area for the Valley OJT TST Grant

### **Area 4. Shenandoah Valley - Lead Applicant**

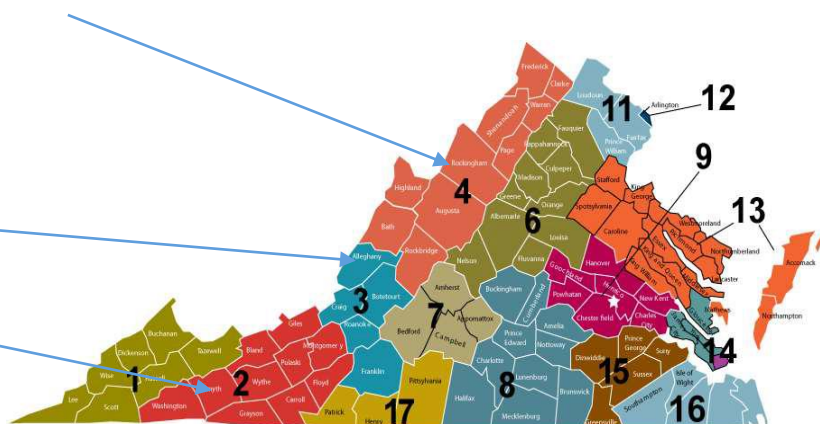
Buena Vista, Harrisonburg, Lexington,  
Staunton, Waynesboro, Winchester,  
Augusta, Bath, Clarke, Frederick, Highland,  
Page, Rockbridge, Rockingham,  
Shenandoah, Warren

### **Area 3. Western Virginia**

Covington, Roanoke, Salem, Alleghany,  
Botetourt, Craig, Franklin, Roanoke

### **Area 2. New River/Mt. Rogers**

Bristol, Galax, Radford, Bland, Carroll, Floyd,  
Giles, Grayson, Montgomery, Pulaski, Smyth,  
Washington, Wythe



Central to the initiative was the use of comprehensive OJTs as the vehicle for re-employment of participants. OJTs serve to bridge the divide between unemployment and employment by addressing gaps in an individual's skill level for the job's requirements. To recognize the extra training time required for participants with skills gaps, employers were to be reimbursed for a portion of participants' wages as specified in OJT contracts between the SVWDB and the employer. Supplemental training to support the OJT effort included occupational training at community colleges and technical centers, related instruction for registered apprenticeship programs, and a new condensed weekend course for healthcare occupations at two community colleges. Supportive services would be available to participants as needed.

In addition to the three workforce boards and their one-stop centers, partners for the initiative included community colleges, technical centers, employers in health care and advanced manufacturing, Shenandoah Valley Partnership (regional economic development) along with local economic development.

The proposed funding for the initiative was \$5,000,000 supported by \$2,250,000 in leveraged resources. The budget included only two staff members (Project Manager and Employment Specialist), along with \$1.7M in OJT wage reimbursement to employers and \$1.6M for contracts with two community colleges to develop a weekend accelerated nursing program, a RN to BSN program, and added support for one-stop center activity.

In February 2012, the \$5M grant award to the Shenandoah Valley Workforce Development Board \$5M was announced – project implementation began March 1, 2012.

## Summary of Grant Activities

Grant activities reported quarterly demonstrated continuous improvement in the quality of project management, outreach to employers, participants, and partners, and processes.

Upon issuance of the grant, the first federal project officer (FPO) informed the SVWDB that the community colleges must limit their enrollment in the health care training classes to grant participants already in OJTs. This change led to the withdrawal of the two community colleges' plans for training as they felt they could not be successful with this restriction. While this design change freed up more funding for employer wage reimbursement, it also required more staff resources to manage the increased OJT activity.

The first project manager was hired in May 2012 followed by program specialists in Areas 2 and 3. Efforts began to engage employers and workforce partners and to identify participants for the project. Training, creation of forms, and process development occurred during this first phase. The first OJT began in July 2012 at a manufacturing company in the New River Mount Rogers WIB (Area 2). By the end of Year 1, 115 participants had OJTs with employers.

Business awareness and appetite for OJTs grew steadily as Valley OJT gained credibility and exposure in the performance region. Increased engagement with the business community, economic development, and other workforce and community partners resulted in the SVWDB adopting ***“Valley OJT”*** as a brand for all employer workforce initiatives.

Technical issues and staffing strained the first two years of the grant including challenges with the grant reporting system (HUB) and staff turnover. In 2014, the contract with Area 2 was terminated due to low placements, and as a result of disruptive staff turnovers, the SVWDB assumed direct management of grant activities in Area 3. In July 2014, a FPO notice of “low participant enrollment” when goals had been exceeded, revealed that key DOL measures captured only unemployed participants at enrollment; this resulted in a shift in participant recruiting strategy from primarily underemployed (reverse referrals) to primarily unemployed.

Nine (9) grant modifications were issued included a 2015 budget realignment and update to the statement of work, and a 2016 a one-year extension and increase in the participant goal to 500. Six modifications marked changes in the Federal Project Officers assigned to the grant.

During August 9-12, 2016, the USDOL Federal Project Officer and a USDOL Accountant conducted on-site monitoring. Monitoring activities included three (3) employer site visits, five (5) employer conversations, 16 participant conversations, meetings with an economic development and a community college partner, 42 participant file reviews, and a detailed fiscal review. There were no findings. The FPO shared valuable input and advice.

Employers were surveyed twice. A 2016 survey and manufacturing workforce study revealed 94% of employers rated OJT as the most prevalent method for skills transfer inside organizations and that over 76% were very satisfied or satisfied with the OJT grant program.

## Timeline of Key Grant Activities

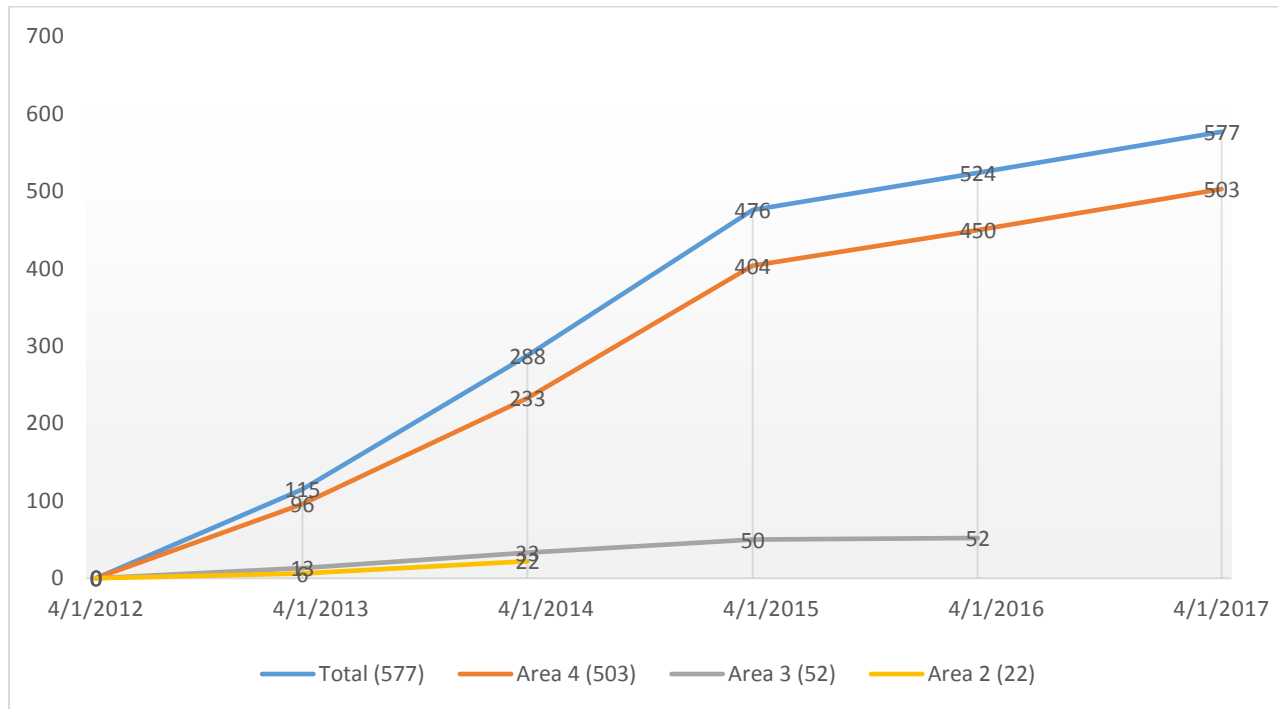
<p><b>Year 1</b> April 2012- March 2013</p>	<p><b>Initiating the project, infrastructure, and beginning outreach activities.</b></p> <p>The first FPO communicated that grant funds could only be used to train grant participants in OJTs; this halted the community college health care training plans, as the colleges did not think they could be successful with this restriction. Funding for these initiatives was later reallocated to OJTs.</p> <p>The first project manager and participant specialist, along with program specialists at the contractors: New River Mt. Rogers WIB-Area 2, Western Virginia WDB -Area 3, and Lord Fairfax Community College, were hired. A part-time graduate school student joined as a business services representative with a second hired later in the year. Training through DOL webinars and OJT toolkit review, along with FPO calls, formed the knowledge base for grant staff.</p> <p>Employer outreach began through community organizations and economic development; participant outreach began in the One Stop Centers.</p> <p>Successes: Employer awareness increased with community engagement. Applicant pools developed from one-stop centers and community college career coach referrals were created, but a “reverse referral” strategy, with employers identifying potential participants, ignited OJT results.</p> <p>Challenges: Halting the community college weekend nursing program, although it was very early in the grant avoiding any grant effort or expenditures. The initial website was assigned to a college student over summer break and was not successful. WIB Area 2 was slow to produce results citing downturn of an anticipated OJT employer partner. The first Area 3 specialist turned over almost immediately. Introduction of the HUB reporting system was very challenging.</p> <p>115 OJT Contracts end of year 1</p>
<p><b>Year 2</b> April 2013- March 2014</p>	<p><b>Improvement of processes, employer awareness increased</b></p> <p>Management of data and processes improved with an ACCESS data system and alignment of an Excel document with HUB data elements. With guidance from FPO, applicant pool individuals were removed from participant counts. Quarterly internal monitoring began along with one-year participant follow-up. Both part-time business services representatives became full-time in Year 2 with one advancing to Project Manager (Alex Berry) early in the year enabling more employer outreach activities. A new WIA contractor (Area 4) began this year.</p>

	<p>Successes: Employer outreach increased, reverse referrals became the primary tactic. A policy manual was drafted and a customer survey conducted. Revamping of participant data entry to mirror HUB reports and alignment with DOL requirements improved accuracy of participant data reported.</p> <p>Challenges: HUB entry was tedious and time consuming. More staff resources were required than were budgeted. Hospitals showed little interest in OJTs so efforts turned to smaller practices. Continued low performance of Area 2 and more staff turnover in Area 3 raised concerns. A budget modification was submitted, but many months later, the new FPO determined it was not received.</p> <p>286 Participants End of Year 2</p>
<p><b>Year 3</b> April 2014- March 2015</p>	<p><b>Final infrastructure changes, National Grantee Conference, and key modification of grant positions project for continued success</b></p> <p>All three staff in Area 4 turned over in Year 3. The new Project Director (Debby Hopkins) was added along with a Program Specialist and a Participant Specialist for follow-up. A new Finance Officer (Cathi Michi) began January 2015.</p> <p>The National Grantee Conference with its 1:1 technical support and in-person meeting with the new FPO, along with the Smart Workshop finance training, provided important guidance to the new Project Director and Finance Officer.</p> <p>A “<i>Low Placement</i>” notice revealed that QPR metrics included only unemployed participants at grant enrollment. Strategy then shifted from primarily reverse referrals of underemployed participants to prioritizing unemployed participants. This increased effort was more time consuming and slowed enrollment.</p> <p>Successes: RESEA pilot connected staff to long term unemployed. Increased outreach to economic development directors resulted in more round table opportunities, including one hosted by Virginia’s Secretary of Commerce. The new project director participated in discussions with economic development and potential locating businesses. OJTs and wage reimbursement processes were streamlined. All HUB reporting issues were finally resolved. The critically needed grant modification to realign the budget and incorporate changes to the statement of work was approved.</p> <p>Challenges: Lower unemployment increases staff effort to locate participants. Low performance in Area 2 culminated in termination of the contract. Disruptive staff turnovers in Area 3 resulted in SVWDB staff assuming management the Area 3 project and working directly with their employers and participants.</p> <p>476 Participants end of Year 3</p>

<p><b>Year 4</b> April 2015- March 2016</p>	<p><b>Grant performance in high gear, community engagement well developed</b></p> <p>Valley OJT workforce alliances matured and supported grant momentum. On several occasions, HR Managers who changed companies contacted Valley OJT to serve their new company. A new partnership with Rapid Response helped connect with participants before they were laid off, enabling individuals to enroll earlier and accelerate their job searches. This earlier connection with participants increased job placements. Efforts to co-enroll participants in WIOA and discretionary grants increased with Virginia’s two National Emergency Grants and the SVWDB award of an American Apprenticeship Initiative grant.</p> <p>Successes: Approval of a one-year extension of the grant to April 1, 2017. Area 3 goal of 50 OJT contracts was achieved. Co-enrollment with WIOA and two National Emergency Grants began. Increased grant penetration, particularly with new businesses and localities not previously served.</p> <p>Challenges: Co-enrollment lengthens enrollment process. Some dislocated participants found re-employment before they could be enrolled in the grant.</p> <p>522 Participants end of Year 4</p>
<p><b>Year 5</b> April 2016- April 1, 2017</p>	<p><b>Final implementation, on-site monitoring, and transition to closure mode</b></p> <p>On-site monitoring occurred August 9-12, 2016 by the Federal Project Officer and a DOL Accountant. Three employer sites were visited: Rubbermaid, Shamrock Foods, and Speech and Language Center and discussions with 16 participants conducted. Meetings with Economic Development and a community college VP were also conducted for a full picture of the grant. No findings were issued.</p> <p>Successes: Presented in several grantee technical assistance webinars such as “Using registered apprenticeship to promote sustainability of H-1B OJT,” and one employer recorded a testimonial. Virginia’s Governor, Terry McAuliffe visited SVWDB to meet several OJT employers. A 2016 survey and manufacturing workforce study revealed 94% of employers rated OJT as the most prevalent method for skills transfer inside organizations. Their satisfaction with the Valley OJT grant was over 76% choosing very satisfied or satisfied with the grant program. Suggestions for improving the Valley OJT grant process included: a quicker response time for candidate referrals, concern for work ethic among grant participants, and a desire to have the grant include OJT for temporary workers.</p> <p>Challenges: All issues addressed and grant in process of closure.</p> <p>Grant Total: 577 Participants and 89 Employers</p>



## Timeline of Participant Enrollment by Local Workforce Area



## Leveraged Resources

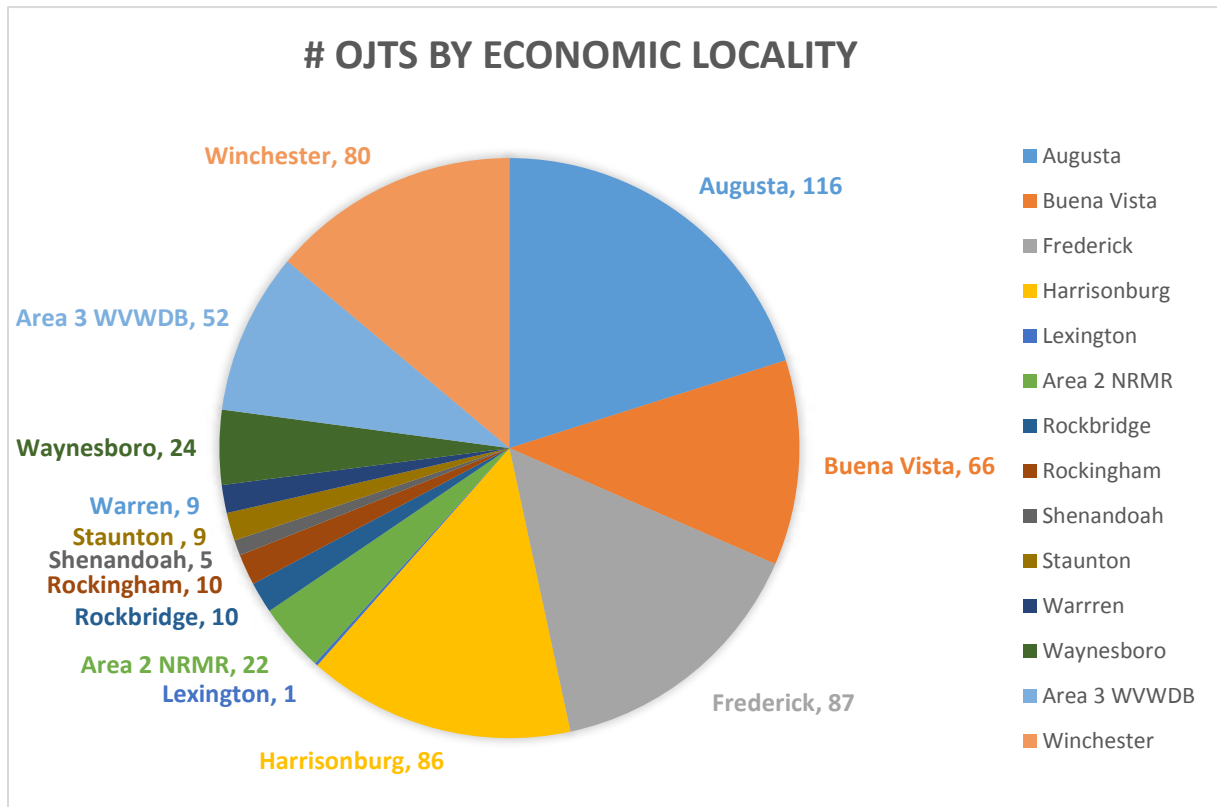
Leveraged resources for the TST grant were forecast at \$2,150,000 to include resources from the infrastructure of the workforce investment system, community colleges, referral organizations, and employers. The public workforce system and discretionary grants proved to be important in leveraging resources for the TST grant. Co-enrollment into WIA/WIOA adult or dislocated worker programs, and two National Emergency Grants provided co-enrollment opportunities for 45 participants for a total of \$157,762 in leveraged OJT wage reimbursement. The SVWDB's October 2015 award of a \$4M American Apprenticeship Initiative grant provided additional opportunities to leverage resources. The grant total of leveraged resources supporting the TST grant was \$4,929,717.60.

## Strategic Partnership Activities

To address regional workforce needs, employers, economic development, One Stop Centers, community colleges, and other workforce partners and community agencies were engaged in the project. Over time, economic development directors began to include the Project Director in discussions with locating businesses and in many employer round tables. A pilot program with the Virginia Employment Commission’s RESEA required UI recipients to meet with Valley OJT staff in order to continue their unemployment benefits. By collaborating with Rapid Response, grant personnel could identify potential participants prior to their being laid off increasing awareness of services and giving them time to undergo assessments that could improve the quality of their next step. The Rapid Response partnership also extended the reach of the grant to employers who interviewed and hired dislocated individuals. Successful partnerships are at the core of the success of the project.

Performance in each economic locality and WIB region was shared among all localities to increase visibility and engagement of economic development other partners.

The total OJT wage reimbursement and supplemental training expenditure was \$3,134,733.49 including \$264,020 for WIB Area 2 and \$320,906 for WIB Area 3. Distribution of OJTs among the two local WIBs and economic localities:



## BEST PRACTICES AND SUCCESS STORIES

Regional partnerships are at the core of the success of the project. Economic development was essential for business outreach. An innovative pilot project with the RESEA program required Valley OJT meeting to continue UI benefits. Joining Rapid Response meetings with individuals being laid off also helped to connect with their new employer. Co-enrollment of participants in WIOA adult and dislocated worker programs, National Emergency Grants (two grants), and the American Apprenticeship Initiative helped leverage resources for all of the grants and improved services to participants. Publicity helped increase awareness.

A sampling of success stories include:

Registered Apprenticeship Journeyman Certification: Some of the earliest OJTs were with Hershey Chocolate where OJT trainees became registered apprentices. In 2017, four of those apprentices completed their four-year Mechatronics apprenticeship program and now intend to continue their education toward an AAS degree.

Participant comment during monitoring: “If not for the grant, I would have been hired through a temp agency – the grant allowed me to be hired at Rubbermaid as a full-time employee.”

The Owner-Pathologist of a small health care company, “We are a small organization and cannot afford to bring on a person until they bring in enough revenue to cover the cost of hiring them. The Valley OJT grant makes it possible for us to hire Speech Pathologist Assistants until they have enough clients to cover their expenses.”

David was a Navy veteran displaced from his job with a bank. He was enrolled in the Rapid Response Employment for Veterans program and WIA as a dislocated worker. With the electrical skills he gained in the military as a base and high scores on both the CRC and Bennett Mechanical comprehension assessments, David obtained supplementary training in industrial maintenance technician at Virginia Western Community College. Through Valley OJT, he was able to obtain an OJT at Ardagh Metal to complete his skills and progress through a manufacturing career pathway.

Russell, a Veteran, met with Valley OJT when he applied for unemployment benefits upon losing his job in manufacturing, was connected to a WIA case manager, and enrolled as a dislocated worker. Russell encouraged a small machine shop owner to contact Valley OJT to help him become hired. A training program to build on his military skills and fill the gaps for the machinist occupation was afforded through Valley OJT wage reimbursement and apprenticeship training. Russell continues as a registered apprentice with the machine shop.

From an employer during monitoring: “With OJT, we were able to bring in laid off employees at a higher level on our scale.”

## CHALLENGES

Key challenges for the grant were administrative rather than programmatic in nature.

Technical difficulties with HUB – the USDOL data reporting system - persisted for over two years. Early staff spent substantial time trying to upload data and the system itself took much longer than expected to become stable. The National Grantee Conference included 1:1 meetings with technical staff that finally set the path to master grant reporting.

Another technical issue was capturing performance for all participants in all required performance items on the QPR. For a few key metrics, the QPR captured only unemployed participants at participation with reporting for long-term unemployed left to the narrative alone. A low-performance warning in 2014 derived from QPR metrics that excluded underemployed participants required a shift to focus more on unemployed individuals and less on underemployed in order to achieve grant goals per the QPR metrics.

Too few staff members were proposed for the complexity of the project. This was later resolved with a budget modification.

The improving economy and lower levels of unemployment presented difficulty identifying participants for the project. This challenge inspired new initiatives with Rapid Response to engage with companies and potential participants before they were laid off. This also inspired a pilot program with the state's RESEA program to connect with participants during their unemployment benefit enrollment and review cycles. Many times, companies hired candidates who were eligible for participation before OJTs could be prepared.

A final challenge was the business use of temporary agencies not only for screening but also for training of new hires, eliminating the use of OJTs to close the skills gaps in many cases.

## TST GRANT PERFORMANCE OUTCOMES

*NOTE: Some QPR measures included only participants unemployed at enrollment. Those metrics are in BLUE*

Performance Metric	Original Goal	Revised Goal	Actual	% to Original Goal	% to Revised Goal
Total Participants Served	310	500	577	186%	115%
Total Participants Beginning Training	255	255	577	186%	115%
<i>Those Unemployed at Enrollment</i>			<i>325</i>	<i>127%</i>	<i>127%</i>
Participants Completing OJTs	222	222	471	212%	212%
<i>Those Unemployed at Enrollment</i>			<i>260</i>	<i>117%</i>	<i>117%</i>
Participants completing & receiving credential	98	98	115	117%	117%
Total Number of Credentials			143		
Participants completing who entered unsubsidized employment	222	222	471	212%	212%
<i>Those Unemployed at Enrollment</i>			<i>243</i>	<i>109%</i>	<i>109%</i>
Participants who Retained all three Quarters	212	212	406	192%	192%
<i>Those Unemployed at Enrollment</i>			<i>184</i>	<i>87%</i>	<i>87%</i>
<i>PROJECTED Retained December 2017</i>			<i>215</i>	<i>101%</i>	<i>101%</i>
Average wage at beginning of OJT	\$12-\$22		\$14.53 avg \$10-\$35 range		

### IN CLOSING

The Shenandoah Valley Workforce Development Board successfully implemented the Valley OJT Initiative under the US DOL TST grant award that affected 577 individuals and scores of Virginia communities. This initiative was key to helping advance economic vitality of the performance region. Connections made or strengthened with economic development, businesses, educators, WIOA, and many workforce partners, improved our ability to implement workforce initiatives in Virginia.

We appreciate the USDOL award of this funding and the opportunity to implement this key initiative for Virginia. We look forward to additional grant opportunities.

Debby Hopkins, Project Director, Valley OJT  
 Shenandoah Valley Workforce Development Board  
[dhopkins@valleyworkforce.com](mailto:dhopkins@valleyworkforce.com) [www.valleyworkforce.com](http://www.valleyworkforce.com)

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