

Strategic Plan
(2012-2014 Version 1)

Virginia Employment Commission (182)
Agency Plan

Mission Statement

The Virginia Employment Commission delivers and coordinates workforce services, including job placement, temporary income support, workforce information, and transition services.

Vision Statement

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

Values

Information Technology

Current Operational IT Investments

IT Current State and Issues

Introduction

The Virginia Employment Commission's (VEC) Information Technology Department is a matrix organization of IT managers, project managers, systems analysts, database administrators, and programmers who support other departmental partners in achieving the agency's mission, vision and goals through the effective and efficient use of technology.

Thirteen IT staff members are certified Project Management Professionals who are qualified to lead major and minor VEC IT projects.

Systems/Applications

VEC's IT Department currently supports 80 IBM mainframe sub-systems and 70 client/server sub-systems that augment the mainframe applications. These sub-systems, the majority of which are hosted by the Virginia Information Technologies Agency (VITA) and third-party vendors, support the Unemployment Insurance, Workforce Services, Finance and General Services, and Economic Information Services business units. Virginia Interactive LLC hosts the agency's Internet-based Unemployment Insurance claim filing application, the Virginia Department of Taxation hosts the Employer Tax Filing and Registration application and Geographic Solutions hosts the Virginia's Electronic Labor Market Access (VELMA) and the Virtual One Stop (VOS) application that provides Job Seeker services to the citizens of Virginia.

During FY2012 VEC processed 320,451 initial claims for Unemployment Insurance benefits. VEC automated systems processed \$49 million per month in UI benefit payments. In addition, during recently completed calendar quarters, the computerized unemployment insurance tax system processed over \$600 million in Unemployment Insurance tax payments and served over 190,000 employers.

Issues:

- Transitioning staff from a mainframe environment to a client/server environment. VEC's 27+ 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, have learned the client/server environment and associated technologies.
- IT Continuous Improvement and Measured Performance. VEC will measure, analyze, improve, and control its IT processes and functions for continuous improvement. VEC will continue to 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.
- Emerging Technology. IT has devoted 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 the Current Agency IT

Factors Impacting the Current IT:

- VITA/NG Transformation. VEC continues to go through transformation, however, the process has slowed due to the Unemployment Insurance System and Financial Management System modernization efforts.
- Lower Federal Funding and Increased Cost. The VEC is wholly funded by grants from the U.S. Department of Labor. With any federal budget reductions, the VEC has fewer funds available to operate its programs. In previous year's VEC has received funding for supporting its security program; however, this funding is not as available as in prior years.

Proposed IT Solutions

Anticipated IT Changes:

VEC is in the process of implementing several major IT infrastructure and system changes. The most notable infrastructure enhancement is the replacement of the Central Office LAN, moving from copper wire-based Ethernet to Fiber Optics, which will deliver faster data transmission speed, resulting in more efficient work processes.

There are two major system modernization efforts currently being implemented:

1. The Virginia Unemployment Insurance System (VUIS). VUIS is an integrated, non-proprietary, web-based, client/server Wage, Tax, and Benefits system. VUIS will demonstrate Business Value in terms of the following dimensions:

Constituent Service

VUIS will:

- Be secure, user-friendly, and 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.
- Improve the speed of the customer claims process.

Operational Efficiency

VUIS will:

- Meet functional, performance, reliability, availability, serviceability, localization, portability, maintainability, testability, and extensibility standards as defined by the business and technology users.
- Support multiple channels of service delivery, produce accurate statistical recordation and reporting and optimize the agency's human resources.
- Use proven technology that is adaptable, flexible, 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.

Strategic Alignment

VUIS will:

- Increase accessibility to government by improving upon the web access already available to employers and the unemployed of Virginia.
- Facilitate IT collaboration and partnerships by implementing a new Service Oriented Architecture that will provide for open, secure access between VEC systems and other agencies.
- Ensure a trusted and reliable technical environment because it will be designed, in partnership with VITA, to ensure that fail over, backup, and recovery technologies are implemented commensurate with the requirements of a benefits system that pays out over \$372 million/yr in annual unemployment benefits and collects over \$542 million/yr in unemployment taxes.
- Create a reputation of performance for technology, because this project is being executed under the Project Management Institute's regimen for project management best practices.
- Increase workforce productivity through the use of technology since key goals of this project deal with increasing workforce productivity.

2. Financial Management System (FMS). The VEC currently relies on a 45 year-old accounting system for financial management reporting. The system no longer meets the agency's needs and is expensive to maintain, due to the now obsolete technologies involved in its construction. The VEC is replacing this system with a modern, integrated system that will meet both the Commonwealth's requirements and the United States Department of Labor federal reporting requirements. The replacement Financial Management System will demonstrate business value in the following dimensions:

Constituent Service

The VEC's FMS will support workforce functions that impact hundreds of thousands of Virginia's citizens and businesses annually by providing direct support for the delivery of services to:

- Unemployment Insurance clients
- Employers
- Job seekers
- The under-employed

Operational Efficiency

The FMS will provide the following operational efficiencies:

- Shorter workflow cycle times to provide services
- Increased efficiency for VEC accountants and Cost Center Managers
- More timely responsiveness to financial information requests
- Improved stability and reliability
- Reduced Information Technology (IT) support costs
- Less vulnerability to a modestly documented system and aging workforce

Strategic Alignment

FMS will:

Support Commonwealth of Virginia Strategic Plan for Information Technology, Goal 3: "Ensure a trusted and reliable technical environment," and Goal 4: "Create a reputation of performance for technology," by addressing the following critical issues identified in the Commonwealth of Virginia Strategic Plan:

- Re-engineering business processes. The FMS will provide a more streamlined and efficient method of providing management with financial information in a timely manner by reengineering our current methodology to adopt best practices where practical and to support financial aspects of the modernized Unemployment Insurance system
- Good stewardship & accountability in use of public funds. The FMS will provide better reporting, particularly transactional, and more timely financial information that will enable management to better manage the funds and assets entrusted to the agency.
- Improve internal controls. The FMS will improve internal controls to reduce the amount of time necessary to produce reliable financial information with a high level of integrity.
- Provide cost effective and efficient services. The FMS will reduce the level of man-power necessary to, 1) prepare and post journal entries, 2) review and reconcile account balances, and 3) provide the required amount of programming support necessary to keep the system operational.
- Improve planning methods. The FMS will reduce the amount of time and cost necessary to prepare information and provide expanded reporting capability to put

management in a better position to manage resources.

- Meet increasing service demands with fewer resources. The FMS will respond efficiently to new demands put on the system, which the current system is unable to do in many cases. Currently, it is not uncommon for manual means to be required to address needs.
- Address changing workforce and changing skill set requirements. The FMS will reduce vulnerability to turnover and obsolete technologies by replacing the current system with a technologically current solution from a well-established vendor.

Financial Overview

Agency Financial Resources Summary:

The Virginia Employment Commission is normally funded by the Unemployment Trust Fund and federal administrative and benefit grants. Most non-general funds (88.1% in 2011 and 85.1% in 2012) are appropriated for unemployment benefits.

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	825,580,375	0	825,580,375
Changes to Base	0	-102,219,046	0	-212,844,672
Total	0	723,361,329	0	612,735,703

Agency Goals

- 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 to provide a single point of entry for employers, workers and job seekers. The workforce development system will eliminate duplication of services, enhance participation, accommodate the demand needs of employers and improve customer satisfaction.

Long Term Goal

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

Societal Indicator: Unemployment

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- Develop a high performance and customer focused agency workforce.

Goal Summary and Alignment

Current and projected reductions in federal administrative grants puts will require restructuring and reorganization to meet workforce system program demands. Program and technical knowledge transfer is a key component to becoming a "learning organization" where information and knowledge are freely shared to sustain and enhance VEC service areas, while concurrently supporting personal career development.

Our challenge will be to place the right people, with the right skills, at the right place, and at the right time to provide services to customers and to help preserve and enhance the economy throughout the Commonwealth.

Long Term Goal

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

Societal Indicator: Unemployment

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- 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 for dissemination and reception of information, the Virginia Employment Commission (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.

The communications strategies will align with and support the Commonwealth's vision for the future and the VEC's Strategic Plan. Our commitment is to use the vision, mission and values, to drive and implement business decisions and to align employees' work to our vision.

VEC will publicize performance measures and monitor progress to hold individuals, teams, divisions, and the agency accountable for results. In doing so, we will better inform citizens and engage with them to ensure we serve their interests.

Long Term Goal

Be recognized as the best-managed state in the nation.

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- Create efficient and aligned business processes and delivery systems.

Goal Summary and Alignment

By evaluating and redesigning its service delivery systems to embrace innovative solutions and incorporate proven best practices, the Virginia Employment Commission 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.

Long Term Goal

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

Societal Indicator: Unemployment

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Objectives for this Agency Goal

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 Pro

Description

Objective Strategies

No Strategies for this Objective

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Objective

Promote a culture of emergency preparedness among VEC employees.

Description

Follow the guidelines for Emergency Preparedness activities established through the Virginia Department of Emergency Management (VDEM) to communicate, train, and practice the process, procedures, and related activities throughout the Virginia Employment Commission offices as a part of the VEC's commitment to building and reinforcing a culture of preparedness among its employees and their families.

Objective Strategies

No Strategies for this Objective

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Measures

- Meet or exceed the goal standard established for performance in the Continuity of Operations scoring system.

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

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Objective

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 Programs

Description

Objective Strategies

No Strategies for this Objective

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Programs and Service Areas for Agency

- 47001: Job Placement Services
- 47002: Unemployment Insurance Services
- 47003: Workforce Development Services
- 47004: Workforce System Organization Services
- 53402: Economic Information Services

Customers

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Unemployed	Job Seekers	460,000	4,100,000	Stable
Unemployed	Unemployed Workers	356,000	41,000,000	Stable
Employer/ Business Owner	Employers	189,000	225,000	Stable
Local or Regional Government Authorities	Federal, State, and Local Government Entities	302	400	Stable
Unemployed	Trade Act Participants	13,000	140,000	Stable
Veteran	Veterans Program Participants	42,000	786,000	Stable
Federal Agency	US Department of Labor (National and Regional)	2	2	Stable
Local or Regional Government Authorities	State, regional & local economic development professionals	50	150	Stable

Key Risk Factors

Expected reductions in federal funding from Wagner-Peyser/Job Services, Unemployment Insurance, and Labor Market Information will impact program operations. Such reductions could result in curtailed customer services in each of these program areas.

A downturn in the current economic conditions could result in increased workloads for agency personnel.

Products and Services

The VEC 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 through VEC 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, United States Department of Labor (USDOL), and other governmental entities. Workforce Information Services includes the 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.

The Shared Management Information System maintains the most current, up-to-date workforce information. By sharing data, a citizen or employer need register only once within the workforce system, and can receive services via any one-stop center, the Internet, or the VEC's Customer Contact Centers.

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

Job Services:

- Unemployment Insurance (UI), including the work search
- Reemployment Services Orientation program and Reemployment and Eligibility Assessment program for UI claimants
- Disabled Veterans Outreach Program and Local Veterans Employment Representative programs
- Trade Adjustment Assistance program
- Work Opportunity Tax Credit and Welfare-to-Work Tax Credit program
- Migrant and Seasonal Farm Workers and Agricultural Placement 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 Virtual One Stop system provides a search capability for statewide listings of job openings and is accessible from our resource rooms located in VEC local offices and via the Internet. All other VEC sponsored web accessible information systems are available on the VEC website.

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

- 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 of services.
- VEC provides Trade Program participants and veterans with core job placement services, Unemployment Insurance services, and refers them to core services of other partner agencies in the one-stop system. When it is determined through initial assessment that the individual Trade Program participant or Veteran is unable to obtain or retain employment through core services, then VEC provides these services based upon established policies on priority of services.
- For veterans: VEC conducts outreach activities with the purpose of locating candidates who could benefit from intensive services and markets these services to potential clients.
- VEC provides information briefings on VEC services to employers through Rapid Response in our Job Placement, Unemployment Insurance, and Economic Development areas and assistance with setting up an on-site Resource Center.

Our Economic Information Services Division provides a number of products and services to the Bureau of Labor Statistics such as:

- Local Area Unemployment Statistics
- Covered Employment and Wages
- Current Employment Statistics
- Occupational Employment Statistics and Wages
- Mass Layoff Statistics

Trends

Rankings & Customer Trends

As the economy in Virginia fluctuates, so does the demand for the job placement and unemployment insurance services rendered by VEC. With the unemployment rate relatively high throughout the state, there is an increased demand for services for unemployed workers, especially reemployment services. As the economy improves, there will be an increased demand on VEC to provide recruitment assistance to employers. Similarly, 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.

Trend Name	Trend Area
Services to unemployed workers	Steady
Services provided to veterans	Steady

Performance Highlights: Service Performance & Productivity Initiatives

VEC measures its service performance through performance measures tied to its mission and strategic goals and objectives.

VEC provides services in three service areas:

- Job Placement Services
- Unemployment Insurance Services
- Economic Information Services.

Service performance in the three service areas supports the agency's four major strategic plan goals:

- Develop and implement the state workforce system
- Develop a high performance and customer focused agency workforce
- Strengthen and expand the agency's internal and external communications
- Create efficient and aligned business processes and service delivery systems

Management Discussion & Analysis

Future Direction, Expectations, and Priorities

Future Direction, Expectations, and Priorities

Increasing need for workforce system building and program consolidation and coordination, requires VEC to be responsive to these issues and directives. 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. The VEC continues to work strategically to maintain alignment between available funding and expense structures. This will include aggressive marketing of lower-cost methods of service delivery including on-line and phone-based services. The VEC simultaneously exploit opportunities to improve services to customers by reviewing, improving and realigning business processes through a variety of means including technology initiatives. For instance, our UI modernization project will replace antiquated mainframe systems that administer the unemployment insurance system with a cutting edge web based solution.

This new solution will offer customers in all market segments a wide variety of highly effective self-service options that improve customer satisfaction while reducing agency costs.

47001: Job Placement Services

Description

Service Area Description

The Workforce Services Division implements programs and processes that provide assistance to employers who are seeking to hire qualified workers, and to workers who are seeking employment.

- The Employment Service (or Job Service), established by the Wagner-Peyser Act, makes available job search assistance to individuals, and recruiting and referral services to employers.
 Services to employers include screening and referring applicants for job vacancies, and providing critical labor market information for business and economic planning. Employers may participate in local Employer Advisory Committees in order to become aligned closer with VEC and give feedback on the delivery of services.
- Services to workers include job referral and placement, referral to training, and job search skills building activities. Services are available universally to anyone eligible to work in the United States.
- VEC leverages resources to administer special programs and services for job seekers and employers that provide job placement services for special groups, including:
 - Veterans Programs. Through the Local Veterans Employment Representative (LVER) Program and Disabled Veterans Outreach Program (DVOP), VEC provides case management, placement assistance, and transition services for veterans of military service. Veterans of the U.S. military receive priority of service, in accordance with Federal law and regulations, in all of the job placement services.
 - Trade Adjustment Assistance (TAA) Program. TAA provides assistance to workers and business who are impacted by U.S. import/export policies that result in downsizing a workforce or going out of business, including: case management, placement assistance, training, and income support.
 - Foreign Labor Certification Program provides services to employers and to agricultural and non-agricultural foreign workers seeking temporary or permanent employment.
 - Work Opportunity Tax Credit Program provides services to employers who hire employees and veterans from various target groups with significant barriers to employment .
 - Provision of services to migrant and seasonal farm workers.

Also, included are the administrative and support services necessary to support the functions of this service.

Mission Alignment and Authority

Workforce Services directly aligns with the VEC's mission of promoting economic growth and stability in the Commonwealth by providing job placement assistance and services. To accomplish the mission, staff will be empowered and given opportunities to develop and enhance their skills, and innovative ways to use technology to enhance the delivery of services to employers and job seekers will be explored.

Customers for this Service Area

Anticipated Changes to Customers Base

Factors Impacting Customer Base:

Continue to enhance technologies for system automation to streamline the delivery of services to customers with efficient use of staffing resources.

Development of operational procedures to accommodate newly implemented system services.

Anticipated Customer Change:

The number of customers accessing job placement services should increase as technology is employed to make such access easier and unrestricted by location and traditional office hours of operation. The diversity and the spectrum of customers should also increase with integration of WIA and Wagner-Peyser applicant data systems, labor market information and employer and business services.

The Trade and Globalization Adjustment Assistance Act of 2009 made amendments to the Trade Act Program that will significantly expand its customer base. The 2009 Act overhauls the Trade Act program and expands program coverage to more workers and firms, including workers and firms in the service sector, and improves workers' opportunities for training, income support, health insurance coverage, and reemployment services.

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Unemployed	Job Seekers	405,000	4,100,000	Stable
Unemployed	Trade Act Reemployment Services Recipients	13,000	140,000	Stable
Unemployed	Trade Act Training Participants	5,000	140,000	Stable
Veteran	Veterans Program Participants	42,000	700,000	Stable
Local or Regional Government Authorities	State, regional & local economic development professionals	50	150	Stable

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Partners for this Service Area

Partner	Description
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Business organizations, such as Chambers of Commerce, and others	VEC supplies information about VEC programs and services to existing, new, and prospective employers.
Employer Advisory Committees (EACs)	VEC provides information to meet the needs of employers, both for local and statewide advisory committees.
Local Workforce Investment Boards (WIBs) (16)	VEC and local WIBs work together to provide services to unemployed workers in specific areas.
Mandatory state program partners in the Virginia Workforce Network.	Workforce Investment Act (WIA) partners, which include, but are not limited to: Virginia Department of Rehabilitative Services · Virginia Department of Social Services · Virginia Community College System
Migrant and Seasonal Farmworker (MSFW) Advisory Board	VEC works with MSFW advisory boards to ensure that federal standards for safe working and housing condition standards are met.
State and local economic development offices and agencies	
Veterans Employment and Training Services for Virginia (VETS)	
Virginia Workforce Council	The Commissioner of the VEC is a standing member of the VWC. The VWC oversees workforce development services in the Commonwealth.
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

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Products and Services

Factors Impacting the Products and/or Services

Federal base grants have been flat-funded for the past 12 years despite increasing operating costs. VEC is actively managing our budget situation, and is using organizational and program redesign initiatives, business process improvement measures, and cost reduction strategies.

The agency's long-range organizational redesign efforts will include reductions in the size of our workforce and in the number of our field offices.

The Workforce Investment Act of 1998 (WIA) has been up for reauthorization in Congress since 2003, and any resulting legislation that may occur, could impact the resources available to VEC to deliver job placement services.

The Governor is required by legislation to develop a strategic plan for workforce development for the Commonwealth. It is the responsibility of the Senior Advisor for Workforce Development to oversee the implementation of this plan. Goal One of the strategic plan calls for "substantial structural reform through consolidation, and streamlining and integrating workforce policy and services for business, workers, and job seekers". As a major deliverer of workforce services in Virginia, it is likely that the VEC will be impacted in some manner as this element of the strategic plan is implemented.

As the economy in Virginia fluctuates, so does the demand for the job placement services rendered by VEC. With the unemployment rate relatively high, there are increased demands for transition services for job seekers and assistance in finding the next job. When the economy improves, there will be an increased demand on the VEC to provide recruitment assistance to employers. VEC must balance these demands of its customers.

Anticipated Changes to the Products and/or Services

VEC continues to explore technology to the fullest extent possible to allow employers and job seekers to access the job placement services of the Agency. Financial and human resources will continue to be limited. It is projected that despite reduced resources, VEC will be asked to serve an ever-increasing number of customers, placing a heavier demand on existing staff. Given this condition, the use of available technology will be maximized.

Federal and state legislation could significantly impact the products and services of the VEC and the method of delivering these products and services

Listing of Products and / or Services

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

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 of services.

For Trade participants and Veterans, initially the VEC provides these customers with core Job Placement services, Unemployment Insurance services, and refers them to core services of other partner agencies in the one-stop system. For Veterans: the VEC conducts outreach activities with the purpose of locating candidates who could benefit from intensive services and market these services to potential clients in programs.

Financial Overview

The Virginia Employment Commission is normally funded by the Unemployment Trust Fund and federal administrative and benefit grants. Most non-general funds (88.1% in 2011 and 85.1% in 2012) are appropriated for unemployment benefits. However, in 2012, the agency will require general funds totaling \$22 million to pay interest to the Federal Government on Trust Fund loans needed to pay unemployment benefits.

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	0	0	0

Changes to Base	0	0	0	0
Total	0	0	0	0

Objectives for this Service Area

Objectives for this Service Area

Objective
 Match citizen job seekers and workers with the jobs available and in demand in the employer community by providing a well-trained workforce through the collaborative efforts of a state workforce system.

Description

Measure and report the number of unemployed job seekers at the time of registration with VEC who successfully find new employment after receiving job placement services from the VEC. This objective demonstrates the result of the efforts to provide assistance in obtaining and retaining employment by job seekers, and in assisting employers in finding qualified workers for their job vacancies. This objective also aligns with the second of the eight stated long-term objectives for Virginia: Be a national leader in the preservation and enhancement of our economy.

Objective Strategies

- Educate all Workforce Services Division staff of central office and local office functions. Promote VEC and partner services, and educate business and local officials of workforce services.
- Promote workforce and economic development collaboration to develop and identify job placement and job referral opportunities for job seekers and employers, respectively.
- Establish system strategy for better resource utilization in provision of services to job seekers and employers.
- Recruit, retain

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Alignment to Agency Goals

- Create efficient and aligned business processes and delivery systems.

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Measures

- Percentage rate of job seekers who enter employment after receiving services from the agency (Entered Employment Rate, EER)

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Job seeker data will be entered into the Wagner-Peyser automated system. The Entered Employment Rate (EER) calculation will be the ratio (%) of job seekers who enter employment to the total number of job seekers who received their last service from the Virginia Employment Commission (VEC) during the quarterly report periods. Definition for the EER performance measure is established by the U.S Department of Labor (DOL).

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47002: Unemployment Insurance Services

Description

Service Area Description

The Unemployment Insurance Services Area implements programs and processes that provide temporary income assistance to qualified individuals who become unemployed or are faced with reduced employment. The main objectives for this Service Area are to alleviate hardship for the unemployed, prevent unemployment, promote reemployment, and provide stability to the economy.

The Unemployment Insurance System was created by the Social Security Act of 1935 in response to chaotic economic conditions created by the Great Depression. The program was established and continues today as a joint partnership between the states and the federal government. It is administered by states with oversight by the U.S. Department of Labor.

The federal government collects the Federal Unemployment Tax (FUTA) to administer the state-run Employment Security Programs nationwide. The states are required to collect state unemployment taxes (SUTA) that are placed in a Trust Fund, from which benefits are paid to eligible unemployed workers. Federal law provides certain requirements and guidelines, but individual states determine many requirements related to eligibility, benefit levels, and tax rates for employers.

In addition to the state Unemployment Insurance Program this Service Area administers the following federal temporary income assistance programs:

- UCFE – Unemployment Compensation for Former Federal Employees
- UCX – Unemployment Compensation for Ex-Military Personnel
- DUA – Disaster Unemployment Assistance
- EUC – Emergency Unemployment Compensation
- TRA/TAA – Unemployment Assistance to workers impacted by U.S. import/export policies that result in downsizing and business closures
- Federal Extended Benefits – Federal legislated programs that provide additional income assistance to individuals unemployed for long periods, due to severe economic conditions

Unemployment Insurance Services is organized administratively into three components:

- Tax – This component establishes employer liability for state UI taxes used to fund the benefits paid to eligible claimants, collects UI taxes when due, monitors employer accounts for compliance through a program of audits, and follows up on delinquent accounts for collection
- Benefits – This component determines eligibility for unemployment insurance benefits when claims are filed, adjudicates eligibility issues, and pays benefits when due
- Appeals – This component handles resolution of disputed UI claims through a two-tiered appeals process (First Level Appeals and Commission Appeals). The Office of Commission Appeals is the final administrative adjudicative authority in disputed benefit and tax liability cases

Unemployment Insurance Services operates several programs to maximize integrity, detect fraud, and determine over/under payments. Included are the following:

- Benefit Payment Control Program
- Eligibility Review Program
- Benefit Accuracy Measure Program
- Tax Performance System Program

The administrative and support services necessary to support the functions of this service area are also provided.

Mission Alignment and Authority

This Service Area aligns with the VEC's mission by providing Temporary Income Support to qualified individuals as they seek to become suitably reemployed.

Customers for this Service Area

Anticipated Changes to Customers Base

Unemployed Worker:

Virginia's economy continues to improve from the peak of the "Great Recession." The April 2013 unemployment rate stood at 5.0%, a full 0.5 percentage point below the April 2012 rate. The number of unemployed stood at 220,000 in April of 2013, well below the 306,000 peak of February 2010.

Employers

Virginia's nonfarm employment continues its gradual upward trend from its trough of 3,594,600 jobs in February 2010, but has yet to surpass the April 2008 pre-recession peak of 3,784,900 jobs. Employment in the Commonwealth during April 2013 was 3,765,900.

Services to employers, concerning unemployment claims, will be increasingly performed through using the Internet and in our Customer Contact Centers.

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Employer/ Business Owner	Employer	191,646	225,000	Stable
Unemployed	Unemployed Worker	356,000	3,442,799	Stable

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Partners for this Service Area

Partner	Description
Dept. of Housing and Urban Development	
Internal Revenue Service	VEC partners with IRS to recoup UI overpayments, and to administer programs that provide services to targeted groups of workers.
Local Government Entities	VEC supplies current labor market information and assists in responding to mass layoffs and plant closings in local areas.
Social Security Administration	
State Employment Security Agencies nationwide	
U. S. Department of Labor	USDOL provides funding and program guidance to VEC. VEC provides state and local labor market information to USDOL.
Virginia Department of Social Services	VDSS is a mandatory one-stop partner. VEC works with VDSS to provide workforce services and programs to VDSS clients.
Virginia Department of Taxation	VEC partners with the Virginia Department of Taxation to recoup UI overpayments.
Workforce Investment Act One-Stop Centers	

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Products and Services

Factors Impacting the Products and/or Services

Reduced funding by the U.S. Department of Labor will provide a significant challenge to maintaining a high level of customer service as resources diminish. The VEC is continuously seeking ways to streamline delivery of service and pursue alternate sources of revenue through grants, etc. in order to meet this challenge. The VEC is further challenged by its aged automated systems, which make positive changes to its systems.

Anticipated Changes to the Products and/or Services

The VEC will continue to explore and implement effective means of service delivery and explore technology avenues and new automated systems as resources permit. The VEC is in the process of replacing its aging Benefit, Tax and Wage Records automated systems. By moving to upgrade service delivery through automation, we anticipate continued ability to provide timely, quality service to our customers.

Listing of Products and / or Services

Unemployed Worker: This Service Area provides convenient user-friendly service access for unemployed workers to have claims for unemployment compensation processed through the Internet and through either of two Customer Contact Centers. Through enhancements of systems and processes, 78% of initial UI claims were filed by telephone through the Customer Contact Center or through the Internet during 2012 in addition to continued claims filed through the Internet and continued claims filed through the Interactive Voice Response System.

Further, efforts are made to continuously increase the quality of service delivery by improvement in the 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.

Employer: This Service Area provides employers' the opportunity for individual attention through our network of Tax Representatives throughout the state. This interaction can include education concerning the services the VEC has available for employers and 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.

Employers are provided convenient on-line services for registering and quarterly reporting through our Ifile/Ireg Internet systems, a joint venture with the Department of Taxation, as well as our mail-in process.

Financial Overview

The Virginia Employment Commission is normally funded by the Unemployment Trust Fund and federal administrative and benefit grants. Most non-general funds (88.1% in 2011 and 85.1% in 2012) are appropriated for unemployment benefits. However, in 2012, the agency will require general funds totaling \$22 million to pay interest to the Federal Government on Trust Fund loans needed to pay unemployment benefits.

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	787,661,047	0	787,661,047
Changes to Base	0	-104,012,650	0	-214,638,276
Total	0	683,648,397	0	573,022,771

Objectives for this Service Area

Objectives for this Service Area

Objective

Meet or exceed the United States Department of Labor (DOL) standard of 87 percent for first payments of unemployment insurance benefits made within 14 days of the first compensable week.

Description

Created by the Social Security Act of 1935, the unemployment insurance system is administered by each state, the District of Columbia, Puerto Rico, and the Virgin Islands with oversight by the U.S. Department of Labor. Federal law provides the guidelines, but the 53 jurisdictions determine many requirements related to eligibility and benefit levels. Alleviating hardship, the system's primary aim, is accomplished by partly replacing the lost wages in a timely and efficient manner for unemployed individuals who have a demonstrated attachment to the workforce.

Objective Strategies

- Reevaluate business processes for feasibility of additional refinements to facilitate more timely process flow.
- Examine additional utilization of available technology in the delivery of Unemployment Insurance Services.
- Educate all Workforce Services Division staff of central office, local office, and customer contact centers on performance standards and related requirements.
- Recruit, retain, and assign qualified staff to deliver quality customer services based on defined performance standar

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Alignment to Agency Goals

- Create efficient and aligned business processes and delivery systems.

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Measures

- Percent of first-time unemployment insurance (UI) payments made on time

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Data is collected from the agency's Virginia Automated Benefits System (VABS) payment records. The time-lapse figures are calculated by matching the date the first benefit check is issued with the first eligible week ending date of unemployment benefits paid to individuals. VEC's Economic Information Services (EIS) division reports this data on a monthly basis to the regional office of the U.S Department of Labor.

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Objective

Reduce personnel costs associated with incoming calls to the Virginia Employment Commission's (VEC) Customer Contact Centers.

Description

Measure and Report the cost per call per customer sercie representative assigned to the Virginia Employment (VEC) Customer Contact Centers (CCC) in order to reduce personnel costs associated with incoming calls to the VEC's Customer Contact Centers.

Objective Strategies

- Gain improved efficiencies through continual process improvements and continuous training of Customer Contact Center (CCC) staff. Quality monitoring program provides additional opportunities to identify areas for enhanced call efficiencies.

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Alignment to Agency Goals

- Create efficient and aligned business processes and delivery systems.

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Measures

- Cost Per Call per customer service representative assigned to the Customer Contact Center (CCC).

Measure Class Preferred Trend Frequency

Data Source and Calculation

The total number of calls answered for the reporting quarter will be retrieved from the Customer Contact Centers' (CCC) 13 telephone call tracking and usage reports. The Personal Services and Personal Benefits costs (PS/PB) of CCC Initial Claims will be extracted from the Virginia Employment Commission's Revised 87 Report. The PS/PB costs are then divided by the number of calls answered to determine the cost per call.

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47003: Workforce Development Services

Description

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, this is no longer a VEC Service Area.

Mission Alignment and Authority

Customers for this Service Area

Anticipated Changes to Customers Base

There is likely to be a greater focus on increasing the services provided to participants that are hardest to serve. These individuals typically have a higher service cost based upon greater needs, thereby limiting the numbers served. This must be balanced with a continued demand to serve and better link with the economic development community.

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
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Partners for this Service Area

Partner	Description
<i>No partners currently entered in plan</i>	

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Products and Services

Factors Impacting the Products and/or Services

As need continues to exist for services in an environment of shrinking funding levels, it can be expected that the relationships between partner agencies will move more toward increased integration of services and resources.

The transfer of programs and responsibilities from the VEC to the GOWD and VCCS will impact service area products and services.

Anticipated Changes to the Products and/or Services

While service area products and services are likely to remain unchanged, the delivery methods are likely to change. To the extent that one stop center locations are generally determined by local boards, service delivery mechanisms may change throughout the year, which may require relocation

Listing of Products and / or Services

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	2,700,000	0	2,700,000
Changes to Base	0	0	0	0
Total	0	2,700,000	0	2,700,000

Objectives for this Service Area

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47004: Workforce System Organization Services

Description

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, this is no longer a VEC Service Area.

Mission Alignment and Authority

Customers for this Service Area

Anticipated Changes to Customers Base

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
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Partners for this Service Area

Partner	Description
<i>No partners currently entered in plan</i>	

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Products and Services

Factors Impacting the Products and/or Services

Anticipated Changes to the Products and/or Services

Listing of Products and / or Services

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	2,546,830	2,732,364	2,546,830	2,732,364
Changes to Base	0	0	0	0
Total	2,546,830	2,732,364	2,546,830	2,732,364

Objectives for this Service Area

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53402: Economic Information Services

Description

Economic Information Services (EIS) is responsible for the collection, analysis, and dissemination of data relating to all aspects of the Commonwealth's labor market. Units within the division provide administrative reporting services, research and analysis services, and management services to the Field Operations Division.

The EIS Division is the official source of labor market information, census data, and economic information in Virginia. By providing comprehensive information and related analysis, we serve as a unique and valuable resource to employers, economic developers, planners, consultants, economists, and government officials.

Mission Alignment and Authority

This service area directly aligns with the VEC's mission to promote economic growth and stability by providing workforce information.

Customers for this Service Area

Anticipated Changes to Customers Base

The customer base is expected to continually increase as the need for labor market information for use in planning and decision making continues to grow.

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Higher Education Institutions	Academic/Research	0	56,700	Stable
Employer/ Business Owner	Business	0	2,863,700	Stable
Non-Profit Agency (Boards/Foundation),	Community-Based Organizations/Non-Profit	0	52,800	Stable
Local or Regional Government Authorities	Government	0	675,800	Stable
Communication	Media	0	18,500	Stable
Resident	Private Citizens	0	5,945,000	

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Partners for this Service Area

Partner	Description
Census Bureau	
Community Colleges	Virginia Community College System is a mandatory one-stop partner, and is the WIA grant recipient for Virginia. VEC refers trade-impacted and other clients to VCCS training programs.
Department of Business Assistance	
Department of Education	
Department of Labor and Industry	
Economic Development Partnership	
Governor	
Governor's Office for Workforce Development	
Legislature	
Local school systems	
Other governmental agencies	
Other states	
Secretary of Commerce and Trade	
U. S. Department of Labor	
Universities	
Virginia Community College System	
Workforce Investment Boards	

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Products and Services

Factors Impacting the Products and/or Services

Requests for EIS products and services will continue to expand as internet use and the need for more localized, detailed and up-to-date workforce information continues to grow.

Current and projected reductions in federal administrative grants will affect EIS products, services, and manpower. Potential changes in federal legislation could also have an impact on products and services.

Retirement of key personnel will also have an impact on EIS products and services.

Anticipated Changes to the Products and/or Services

Continue to update and provide more data on the web site as demand for products and services continue to grow.

Continue to participate in the development of and training in new data systems to meet continued customer demand for more and different information.

Establish online seminars (webinars) to use for training workforce and economic development professionals.

Listing of Products and / or Services

The Current Employment Statistics (CES) program surveys approximately 9,000 nonagricultural employers each month, collecting data on employment, hours, and earnings. This series offers a current estimate of employment by industry. The CES data series is widely used by businesses, government agencies, universities, trade associations, economists, and researchers to study economic conditions and to develop plans for the future. Researchers use the trends in the CES statistics as economic indicators.

The Local Area Unemployment Statistics (LAUS) programs produces estimates of labor force components for Virginia's cities and counties and combinations, such as labor market areas and metropolitan areas. These estimates are produced monthly by place of residence and provide a snapshot of the total civilian labor force, the number employed, the number unemployed, and the unemployment rate. These estimates are a key indicator of local economic conditions and are used to determine the eligibility of an area of an area for benefits in various federal programs.

The Occupational Employment Statistics (OES) program collects staffing pattern data and wage information by occupation from private and public business establishments. The main purpose of the OES program is to produce employment and wage data for approximately 750 occupations in each of the eleven metropolitan statistical areas and four balance-of-state regions. Another important use of the staffing pattern data produced by the OES program is in the occupational employment projections.

The Quarterly Census of Employment and Wages (QCEW) program is a comprehensive and accurate source of employment and wage data by industry at the state and city/county levels. It provides a virtual census of nonagricultural employees and their wages. The data is taken directly from the quarterly unemployment tax reports filed by Virginia employers. The QCEW data series has broad economic significance in evaluating labor trends and major industries developments.

The Economic Operations Research (EOR) unit conducts economic research, makes analyses, and develops publications, special studies, and press releases, on a variety of economic issues and topics. The unit also provides staff support to executive and legislative commissions, task forces, and study groups.

Virginia participates in the State Data Center (SDC) program, which is a federal-state cooperative initiative, designed to make economic and demographic information from the U.S. Bureau of Census more readily available.

Financial Overview

This service area is primarily funded by federal grants and the agency's Special Unemployment Compensation Administration fund. Federal One-Stop Labor Market Information funding was transferred from the Workforce System Organization Services service area beginning in Fiscal Year 2009.

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	3,373,144	0	3,373,144
Changes to Base	0	114,665	0	114,665
Total	0	3,487,809	0	3,487,809

Objectives for this Service Area

Objectives for this Service Area

Objective
Compute and release to the public the statewide unemployment rate and the rates for all Virginia cities and counties, according to the schedule established by USDOL.

Description

Information about employment, jobs, and workers is an essential component of the VEC's mission to promote economic growth and stability by providing workforce information. Timely and accurate labor market information is critical for workforce policy development and planning, program evaluation, and economic development, and is vital to support the development and implementation of a state workforce system. The VEC produces this information in cooperation with the Bureau of Labor Statistics and other federal agencies.

Objective Strategies

- Stay informed of Bureau of Labor Statistics (BLS) requirements and deadlines.
- Communicate with the regional BLS office on a regular basis to ensure efficient operations.
- Keep technology and systems up-to-date and functioning.
- Recruit, retain, and assign qualified staff to perform and complete tasks in timely and accurate manner.

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Alignment to Agency Goals

No Agency Goals for this Objective

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Measures

- Percentage of time the statewide unemployment rate is released in accordance with the schedule established by the U. S. Department of Labor (DOL)

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

The percentage of time the statewide unemployment rate information is released in agreement with the schedule established by the United States Department of Labor.

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