



# WORKFORCE

## **Committee on Education and Workforce Development**

**GARY MOLLOY**

**COMMISSIONER**

May 24, 2023

Good Morning, Honorable Senator Marise C. James., Chairperson of the Committee on Education and Workforce Development, Honorable Members of the Committee on Education and Workforce Development, distinguished Senators, ladies and gentlemen, listening, viewing and virtual audiences. I am Gary Molloy, Commissioner of the Virgin Islands Department of Labor (VIDOL).

I am here today with Attorney Nesha Christian-Hendrickson, Assistant Commissioner/Legal Counsel, Mr. Jean Forde, Assistant Commissioner, Ms. Shenika Sebastien, Director of Youth and Apprenticeship, Ms. Charlene Hodge, Director Workforce Development Services, and Mr. Gary Halyard, the Director of Bureau of Labor and Statistics and Unemployment Insurance. Thank you for inviting us to provide testimony on a status update as it pertains to the Department of Labor and Workforce Development in the Virgin Islands.

The Virgin Islands Department of Labor (VIDOL) receives its authority pursuant to Titles 3, 24, 27 and 29 of the Virgin Islands Code, the Workforce Innovation and Opportunity Act of 2014, the Occupational Safety and Health Act of 1970 (OSHA), and other Federal laws which require the development of administrative structures that govern and enforce fair labor standards and protect the people of the Virgin Islands from any threat to health, morals, and general welfare. Our mission is to administer a system of effective programs and services designed to develop, protect, and maintain a viable workforce. VIDOL currently houses the following divisions and units:

- Bureau of Labor Statistics (BLS)
- Workforce Development Unit (WDU) includes Youth & Apprenticeship
- Division of Unemployment Insurance (UI)
- Division of Labor Relations (LR) includes Compliance
- Division of Occupational Safety and Health (DOSHA)
- Workers' Compensation Administration (WCA)
- Division of Hearing and Appeals (HA)
- Planning, Research, and Monitoring (PR&M)
- Business and Administration (BA) includes Human Resources, Maintenance, Procurement
- Information Technology (IT)
- Management Information Systems (MIS)

VIDOL is a service, regulatory, and social organization. Through these divisions and units, we provide a myriad of diverse services and programs that are inter-related to constitute our workforce development and security systems. VIDOL's divisions and units mirror other State Department of Labor offices across the country. We are structured in the manner in which we have supportive divisions that support VIDOL in its operations and more forward facing units, and those that focus on workers' rights and securities. The Divisions of Business, Administration, Procurement, Human Resources, and Maintenance are the backbone of the agency. They provide essential support services to the department. Information Technology and Management Information

Systems comprise the technical arm of the department where they provide technical management of our information systems and guide us in the procurement of technical services.

The main public facing divisions are Bureau of Labor Statistics, Unemployment Insurance, Workers' Compensation, Labor Relations to include Compliance, VIDOSH, and Workforce Development to include Youth & Apprenticeship.

### **OVERVIEW OF LABOR MARKET INFORMATION**

The Bureau of Labor Statistics (BLS) unit conducts the Quarterly Census of Employment Wages statistical program survey and publishes the short-term and long-term occupational projections, current payroll employment statistics, and the quarterly data on industry (employers), employment counts and ranking in the Territory on the Virgin Islands Electronic Workforce System (VIeWS). The captured Labor Market Information is foundational in describing the current status of the Virgin Islands economy regarding the workforce and labor force, including the wages within each sector. As of April 2023, the Unemployment Rate in the Virgin Islands was 3.1%. Statistically this is considered full employment. The unemployment rate in St. Croix was 3.7%, and in the rate in St. Thomas/St. John district the rate was 2.7%. In the first quarter of 2023 the Virgin Islands employment averaged 39,834 and unemployment counts averaged 1,400.

### **OVERVIEW OF UNEMPLOYMENT INSURANCE**

The Unemployment Insurance Division is currently in the process of rolling out the Payroll Variation employer tax methodology. This tax change was necessary and mandated by the US Department of Labor to bring the Virgin Islands program into compliance with Federal Laws and establish an experience rating system to equitably distribute insured risk among the Virgin Islands Employers. The first public town halls held territory-wide commenced on St. Croix on February 21, 2023, followed by St. John on February 22, 2023, and St. Thomas on February 27, 2023. We held another town hall on St. Croix on May 23, 2023, and will hold a town hall on May 25, 2023 on St. Thomas at the Turnbull Public Library Auditorium from 6:00 pm to 8:00 pm. Updated information will be shared at the upcoming town halls and we will continue to have them for the remainder of the year. This tax change will take effect on January 1, 2024, with the first quarter ending on March 31, 2024. The reports and payments are due 30 days after the end of each quarter.

The unit is also currently under contract to deploy an employer portal which will allow filing of our quarterly reports and payments online. Our agency will be launching this portal in the first quarter of FY2024. In addition, we are currently testing security software applications intended to protect against fraudulent claims and cybersecurity breaches on our website.

As of April 2023, the Virgin Islands Trust Fund has approximately \$17,547,987.02 in the Trust fund for payment of future claims. The balance on the debt owed on the Trust Fund loan is currently \$89,678,771.87. The average initial filing of claims for FY2022 was 458, which represented a major decline compared to 1,570 in FY2021, and 2,935 in FY2020 respectively. All

the outstanding disaster related programs and claims are reconciled, including Hurricanes Irma and Maria.

Legislation will be needed and submitted to amend Act 8209 to address the change in the implementation date of the payroll variation from January 1, 2021 to January 1, 2024. Also, legislation will be needed and submitted to change the maximum number of weeks for UI benefits from 26 to 13 weeks to improve the rate of persons returning to employment, to help grow the economy, and to reduce the cost on the Trust Fund reserves.

### **OVERVIEW OF WORKERS' COMPENSATION ADMINISTRATION (WCA)**

The Workers' Compensation Administration (WCA) division along with the Government Insurance Fund, housed at the Department of Finance, was successful in launching a comprehensive Workers Compensation Risk Management System. The division has begun replacing all manual procedures and spreadsheet-based processes with the use of our new centralized automated insurance claims system (Ventiv Claims Premier). We are currently fine-tuning the integrated processes, developing new procedures that are now aligned with the system and training the team to use all aspects of the system. In addition, Workers' Compensation is in the process of securing a provider fee schedule which will assist in the vendor payment process.

Legislation is needed and will be submitted to revise and update Title 24, Chapter 11, of the Virgin Islands Code in order to streamline our procedure and processes.

### **ROLE AND RESPONSIBILITIES OF LABOR RELATIONS DIVISION; COMPLIANCE UNIT AND OSHA**

The Division of Labor Relations is responsible for all areas of the Fair Labor Standard Act of the Virgin Islands including protections based on Wages, Child Labor Laws, Wrongful Discharge, Compliance Checks, and the Equal Employment Opportunity Commission (EEOC). We have a dual role in which we enforce the laws both locally and act as the intake as a Fair Employment Practice Agency (FEPA) for the federal government. If a business has less than 15 employees, it will be investigated locally, if it has 15 or more employees, we will conduct the intake and the information will be sent to the EEOC for further investigation.

Labor Relations is currently working with MIS to automate and streamline the compliance process.

Title 24, Chapter 15 gives VIDOL the authority to ensure the safety of minors. The way that the Department does so is by requiring a work permit be sent to the Department acknowledging the signature of both the parent and the child. A Child Labor Certificate must be obtained from the Labor Relations Division for any minor under the age of 18 and older than 13. It is mandated by law that minors between the ages of 14 and 15 cannot work between the hours of 7 am and 7 pm during the school year, more than 3 hours in a school day, or 18 hours during a school week.

Additionally, minors cannot work in hazardous occupations, including construction, spray painting, or involving exposure to lead or other hazardous chemicals or materials.

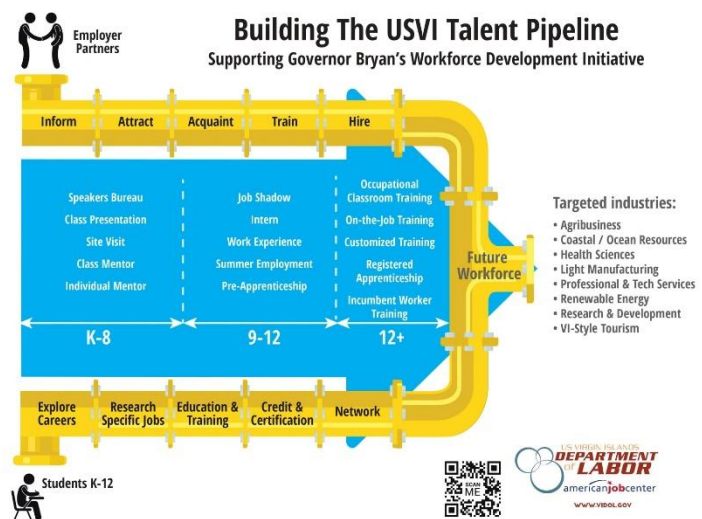
The Compliance Unit is responsible for developing strategies as it relates to the Economic Development Commission (EDC) to determine who is or is not in compliance. This unit works closely with the compliance unit of the EDC as well as all divisions in VIDOL to collect the necessary compliance data in order to generate compliance clearance letter for the employers either have and/or seeking EDC benefits.

The Equal Opportunity Officer (EOO) within the Compliance Unit is responsible for the timely and judicious handling of Equal Opportunity complaint matters. The EO Office ensures that Limited English Proficiency Information, Discrimination is Against the Law and Poster or Equal Opportunity is the Law Certification and the Assurance that the grant applicant has the ability to comply with the nondiscrimination and equal opportunity provisions and add language to enforce the contract agreement. The Compliance Division has implemented the procedures and guidance for initiating and processing complaints alleging discrimination. These complaints go through a separate grievance process through WIOA.

The Virgin Islands Department of Occupational Safety and Health (VIDOSH) receives its authority from the Occupational Safety and Health Act of 1970. VIDOSH is responsible for consultations, conducting inspections and enforcement of all government buildings.

## **OVERVIEW OF WORKFORCE DEVELOPMENT**

Workforce Development includes a relatively wide range of activities, policies and programs employed by several entities to create, sustain, and retain a viable workforce that can support current and future business and industry. The Virgin Islands Workforce Development Board (VIWDB) is comprised of 27 members representing government, business, economic development, and education charged with strengthening the workforce development system and determining the demand sectors in the Territory. VIDOL implements the policies passed by the Workforce Board in partnership with the Office of the Governor, the Apprenticeship Council, Workforce 180, ICF, Equus, the Department of Human Services, Vocational Rehabilitation, Veterans Affairs, the Department of



Education, and other Private, and Non-Profit organizations.

In supporting Governor Bryan’s Workforce Development Initiative, VIDOL builds the territory’s talent pipeline through Workforce Development programs that focus on target industries tied to Vision 2040 and funded through a combination of local and federal funds. Workforce Development continues to build stronger and better relationships with employers throughout the territory, recognizing that employers drive the workforce. Fifty-three (53) employers and two hundred and seventy-six (276) job seekers participated in our “Carnival Over, Work Take Over” Career Fairs recently held on May 3, 2023, on St. Thomas and May 10, 2023, on St. Croix. We had six (6) hires on the spot and several interviews scheduled for days following the events. We had great feedback from the employers, who indicated that had seen several great candidates and will be able to staff up pending interviews. Career fairs and hiring events are hosted to assist employers with their recruitment needs. Seven (7) career fairs and thirteen (13) hiring events were hosted during the program year 2022. One hundred and three (103) job-seekers were hired and recorded in our Virgin Islands Electronic Workforce System (VIEWS). The Workforce Development system is under the umbrella of the US Virgin Islands American Job Center, which includes the One-Stop Operator, Equus, contracted by the Workforce Development Board and housed in the VIDOL offices on St. Croix and St. Thomas.



## VIDOL Training Program Enrollment Numbers- Territory-Wide

CY 2022 + Update through March 2023

Industry Sector	WIOA	Skills for Today*	Apprenticeship
Healthcare/Allied Health	112	55	32
Construction Trades	36	373	2
Administrative & Support Services	1	0	0
Information Technology	1	7	0
Leisure & Hospitality	17	55	4
Marine	0	0	8
Professional Services	0	84	0
<b>Total</b>	<b>167</b>	<b>574</b>	<b>46</b>

\*Funded by CDBG and some funding from SFT is supporting the Apprenticeship program.

Based on our partnership with Equus one hundred and sixty-seven participants (167) were trained in the industry demand sectors outlined by the Workforce Development Board. The Skills For Today Program funded by the Community Development Block Grant-Disaster Recovery project managed by ICF trained six hundred and twenty (620) participants.

VIDOL has an ongoing partnership with the Virgin Islands Research and Technology Park (RT Park) highlighted in the VISTA+ initiative. Through the partnership with VIDOL and RT Park, the VISTA+ portal will assist VIDOL in increasing the search for “Virgin Islanders that live Abroad,” through linkages with the most popular platforms. The primary goal remains to connect employers with qualified employee candidates, discourage the ‘brain-drain’, and enrich the workforce of the territory. As a result of the partnership with RT Park, VIDOL was also instrumental in funding programs with M1 Enterprises which resulted in the recent graduates of the Medical Coding cohorts.

The VIDOL Youth Services Division develops and administers workforce development programs for youth ages 14 to 25. Youth Services provides year-round training, employment, and educational opportunities for in and out of school youth.

The Youth team provides in-house academic and career assessments to determine the services and activities needed for each youth. Individual Employment Plans or Service Strategies are developed, and referrals made to the service providers. Youth Services may include, but are not limited to job preparation skills, resume building, and paid and unpaid work experiences. The Youth Team serves more than *seven hundred (700)* youth annually by braiding federal and local funding. The total number of participants each year is based on available funds.

The Bryan-Roach Administration is heading an initiative to provide additional support and connection with all graduating high-school students territory-wide. This is inclusive of the Governor’s Workforce Development Initiative and VIDOL is collaborating the Virgin Islands Department of Education and other partners to educate students who are not going to college, trade school or military about the available resources and opportunities to enter into the VI workforce.

Available programs include Occupational Skills Training, the Work, Learn and Earn Program, the Summer Youth Work Experience Program, the Labor Investing for Tomorrow (LIFT) Internship Program, and the Jobs for America’s Graduate Virgin Islands (JAGVI). Each program targets several groups including current high school students, out-of-school youth, current college students, graduate students and recent graduates.

**REGISTERED APPRENTICESHIP PROGRAM (RAP)**

Apprenticeships are a work-based learning model where apprentices have supervised on-the-job training, along with job-related education, all while earning a wage that increases during the progression of the program.



Programs are intended for long-term employment. An apprenticeship program is a proven training program that is used as a talent development strategy for recruiting, training, and retaining world-class talent and has been used in industry for decades. All registered programs are aligned with industry occupational standards to provide authenticity and consistency resulting in a nationally industry-recognized certificate. The length of a registered apprenticeship program varies from one to five years depending on occupation training requirements.

Recognized as a State Apprenticeship Agency, the Virgin Islands Department of Labor (VIDOL) aid in program creation, register programs that meet Federal and State standards, promote the development of new programs through marketing and technical assistance, provide technical assistance to sponsors throughout the program lifecycle and assure that all programs provide high quality training.

**Current Registered Apprenticeship Programs**

Occupations	
• Certified Massage Therapist (CMT) – Territorial	• Pipefitter (construction) – Territorial
• Medical Assistant/Patient Care Coordinator - STX	• Certified Nursing Assistant – Dementia Specialty - STX
• Life Safety Coordinator - STX	• Certified Nursing Assistant – Restorative Specialty - STX
• Surgical Technologist - STX	• Recreation Assistant
• Able Seaman (Water Sports) - STT	



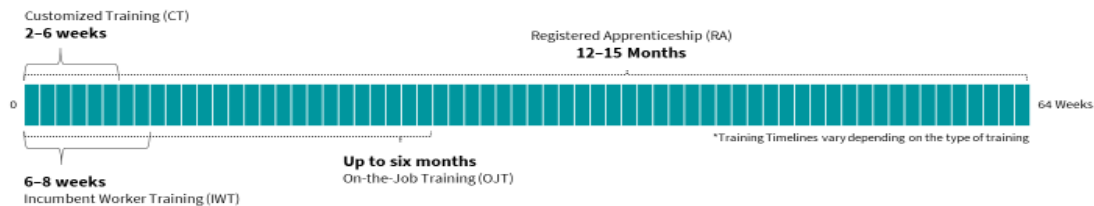
The sponsors/employers are Plessen Healthcare, Peace of St. Croix, Virgin Islands Professional Charter Association, The Tropical Treasure Hunt Co., Islands Seasfire, The Turning Point, The Bureau of Corrections, and Gold Coast Yachts.

Sponsor/Employer			
Sector	Current	Planned	Total
Marine	2	1	3
Health Care	2	3	5
Massage Therapy	1	1	2
Culinary	1	1	2
Construction	1	2	3
Tourism/Hospitality	1	0	1
Information Technology	N/A	3	3
Services (Not Elsewhere Classified)	N/A	3	3
Total	8	14	22

Apprentices			
Sector	Hired	Planned	Total
Marine	8	1	9
Health Care	14	7	21
Massage Therapy	18	2	20
Culinary	0	5	5
Construction	2	12	14
Tourism/Hospitality	4	0	4
Information Technology	N/A	7	7
Services (Not Elsewhere Classified)	N/A	11	11
Total	46	45	91

The entire workforce development system is based on the work-based learning training timelines.

## TRAINING TIMELINES



## CONCLUSION

The Virgin Islands Department of Labor remains committed to implementing our mission to administer a system of effective programs and services designed to develop, protect, and maintain a viable workforce. In addition, VIDOL will continue to be at the forefront of keeping the public Workforce Development system swinging and on the moving in the right direction by ensuring that the Workforce Development Board and our other partners are informed and engaged in the process based on the specific data collected from employers and jobseekers that we interact with on a daily basis. On behalf of VIDOL, I would like to thank the Bryan/Roach Administration for the support, the VIDOL Family for their dedication and commitment to serve and this Committee on Education and Workforce Development members for allowing VIDOL to provide testimony on the Programs and Services in the Virgin Islands. This concludes my testimony. My staff and I welcome any questions you may have.