



# WORKFORCE

**COMMITTEE ON EDUCATION AND WORKFORCE DEVELOPMENT**

**GARY MOLLOY  
COMMISSIONER**

May 16, 2024

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 Assistant Commissioner/Legal Counsel Nesha Christian-Hendrickson, Assistant Commissioner Jean Forde, Director of Youth and Apprenticeship Shenika Sebastien, and Director of Workforce Development Services Charlene Hodge. Thank you for inviting us to provide an update on workforce development programs and services available through our agency and our partners to help people find, prepare for, and maintain employment.

## **WORKFORCE DEVELOPMENT SYSTEM**

The Virgin Islands State Workforce Development Board (VISWDB) determines policy and the target industries in the Territory. VIDOL builds the territory's pipeline through Workforce Development programs that focus on target industries funded through a combination of local and federal funds. The local funds are used only for Youth Services, which we will describe later in the testimony. Workforce Development continues to build stronger and better relationships with employers throughout the territory, recognizing that employers drive the workforce.

The Workforce Innovation and Opportunity Act (WIOA) of 2014 federal legislation reinforced the role of state and local workforce boards in workforce development and stressed the importance of cooperation among stakeholders in the workforce development system. The Workforce Development system encompasses the U.S. Virgin Islands American Job Center (AJC), which includes the One-Stop Operator, Equus Workforce Solutions (Equus), contracted by the Workforce Development Board and housed in the VIDOL offices on St. Croix and St. Thomas with two specific responsibilities. The first is to project manage the Adult and Dislocated Worker Programs WIOA funding and program offerings and the second is to coordinate the activities of the other partners within the AJC to create the One Stop process for our WIOA eligible customers. Therefore, when customers visit the VIDOL office, they will initially interact with a staff member in Employment Services (ES) of VIDOL. After further assessment and determining their individual need, the customer will then either remain in Employment Services or be referred to WIOA Youth, Adult and/or Dislocated Program, if more staff-intensive services are required. To clarify the roles of the Workforce Development Board, VIDOL, Equus, AJC, and the One Stop services from our partners, Workforce Innovation and Opportunity Act of 2014, reauthorized in 2022, is structured into five titles, which define and authorize employment services:

Title I – Workforce Development Activities: This section authorizes workforce development boards to fund, supervise, and hold selected providers accountable for offering skills training and support services to the unemployed and underemployed.

Title II – Adult Education and Literacy: This title permits services for adults seeking basic education and those transitioning to post-secondary education after completing their secondary education.

Title III – Amendments to the Wagner-Peyser Act: This section integrates the United States Employment Services (ES) into the One-Stop Career Centers across the nation.

Title IV – Amendments to the Rehabilitation Act of 1973: It ensures that individuals with disabilities can access vocational rehabilitation services within the One-Stop Career Centers.

Title V – General Provisions: This title defines the transitional changes from WIA to WIOA, providing an overarching framework for the entire Act.

The U.S. Virgin Islands AJC partners include the Virgin Islands Department of Labor (VIDOL), the Virgin Islands Department of Education (VIDE), the Virgin Islands Department of Human Services (VIDHS), the Virgin Islands Vocational Rehabilitation Services, the Virgin Islands Department of Veteran’s Affairs, and Equus. Our other partners are the Virgin Islands State Workforce Development Board (VISWDB), Bureau of Corrections, Board of Education, the Virgin Islands State Apprenticeship Council (VISAC), ICF, and Workforce180. Appendices 1 and 2 illustrate the distribution of Virgin Islands job candidates and the total number of job openings, to include remote positions, available to Virgin Islands jobseekers, categorized by occupation group.

The Office of Foreign Labor Certification (OFLC) provides labor certification to employers pursuing foreign workers into the United States and/or its territories. Employers must show that there are insufficient qualified U.S. workers available and willing to work at the prevailing wage for the position before acquiring the certification. This is to ensure that admitting foreign workers does not negatively affect job opportunities, wages, and working conditions for U.S. citizens. VIDOL is currently assisting with the issuing of these labor certifications and permanent temporary employment under several programs including Permanent Labor Certification, H-1B Specialty (Professional) Workers, H-2A Temporary Labor Certification (Seasonal Agricultural), H-2B Temporary Labor Certification (Non-agricultural), D-1 Crewmembers Certification, and CW-1 Nonimmigrant Visa program. To apply for a Foreign Labor Certification, an employer must first visit the Foreign Labor Application Gateway (FLAG) at <https://flag.dol.gov> and follow the instructions to create an account.

VIDOL also wants to remind the public about recent legislation that impacts the Workforce Development system.

- Act No. 5174 mandates that all employers in the Territory post all job vacancies with the VIDOL. This is a part of the Compliance process for all employers; VIDOL is currently conducting Compliance checks of all employers Territory-wide.
- Act No. 8209 implements the Payroll Variation Methodology, a tax reform for the VI Unemployment Insurance Trust Fund, to achieve compliance with Federal Law.

- Act No. 8827 entails the change in the Unemployment Insurance maximum number of weeks from the current 26 to 16 weeks of benefits. This does not impact the total benefit amount that will be paid out.

On January 1, 2024, the Unemployment Insurance Payroll Variation legislation became effective. This change in Law was necessary to become compliant with Federal Law, and most pointedly to begin addressing the insolvency of the fund and implementing an experience rating. Based on the change in law, the 2024 tax year total contribution rate is 4.11%. This rate includes a base rate of 2.11%, a 2.0% fund solvency rate and an experience rate which varies based on the employer's payroll over the previous three tax years.

The current trust fund balance at the end of May 3, 2024 is \$30,462,199.70. The loan balance which has been outstanding for 15 years is \$81,030,249.30. In a recent actuarial analysis of the tax rates calculated for 2024, at the current level of annual wages paid in the Virgin Islands and the remittances of the FUTA (Federal Unemployment Tax Act) contributions, it would be approximately 12-15 years until the Loan is paid in full barring our need to loan in the future.

## **WORKFORCE DEVELOPMENT SERVICES FOR YOUTH**

The Youth & Apprenticeship Division is dedicated to designing and managing workforce development initiatives for individuals aged 14 to 25. Within this framework, the Youth team conducts in-house academic and career assessments to tailor services and activities to everyone's needs. They create Individual Employment Plans or Service Strategies, make referrals to service providers, and offer a range of Youth Services, including job preparation skills, resume building, and both paid and unpaid work experiences.

The division offers various programs, such as Occupational Skills Training, the Work, Learn and Earn Program (17–24-year-olds), the Summer Youth Work Experience Program (14-25 year olds), the Labor Investing for Tomorrow (LIFT) Internship Program, and the Jobs for America's Graduates Virgin Islands program (JAG-VI), in collaboration with the Virgin Islands Department of Education. As of May 2024, we have upheld our dedication to the JAG-VI program by placing one hundred and fifty-six (156) 12<sup>th</sup> graders on per diem to ensure they have stipends for their required on-the-job training hours. These students commenced their ten weeks training experience in January across various sectors, both public and private. As we remain committed to supporting the development of Virgin Islands youth, this year we have committed to providing stipends to forty (40) 12th graders engaged in the OJT segment of the NAF Academy. This compensation aims to develop a sense of appreciation and motivation as participants gain essential hands-on experience and skill development.

These programs target different segments of the population, including current high school students, out-of-school youth, current college students, graduate students, and recent graduates. LIFT participants must be college juniors, seniors, or recent graduates with 60 credits or more, a GPA of 2.8 or better on a 4.0 scale, and between the ages of 18-25. Annually, the Youth Team serves over seven hundred (700) youth by leveraging both federal and local funding, with the number of participants determined by the availability of funds. Since closing the Summer Youth Work Experience application process online on April 30, 2024, VIDOL received *one thousand, one hundred and fifty-three (1,153) applications*.

	STX	STT	STJ	TOTAL
5 weeks paid work experience (16-25)	456	349	5	810
Career Exploration Program (14-15)	150	107	4	261
LIFT Internship *Only 50 are eligible*	46	36	0	82
<b>TOTAL APPLICATIONS</b>	652	492	9	<b>1,153</b>

The Virgin Islands Casino Control Commission (VICCC) remains dedicated to promoting youth development and education. As part of this commitment, VICCC recently provided a significant contribution of \$385,956.64 to the Department of Labor in support of the Jobs for America's Graduates-Virgin Islands (JAG-VI) program. This support will allow us to support the expansion of JAG-VI as well as provide a stipend for on-the-job training, uniforms and participate in annual national training and conferences. This is the last financial support from the VICCC due to Act. No. 8577, Bill 34-0224.

## **REGISTERED APPRENTICESHIP PROGRAM (RAP)**

Registered Apprenticeships operate as a work-based learning model, combining supervised on-the-job training with job-related education, while apprentices earn a progressively increasing wage. Designed for long-term employment, these programs serve as proven training strategies for recruiting, training, and retaining top-tier talent, with a history spanning decades across various industries.

All registered programs adhere to industry occupational standards, ensuring authenticity and consistency, ultimately leading to a nationally recognized certificate. The duration of a registered apprenticeship program varies from one to five years, contingent on occupation training requirements.

Functioning as a State Apprenticeship Agency, VIDOL contributes to program development by registering those that meet Federal and State standards. VIDOL also actively promotes the creation of new programs through marketing and technical assistance, provides ongoing support to sponsors

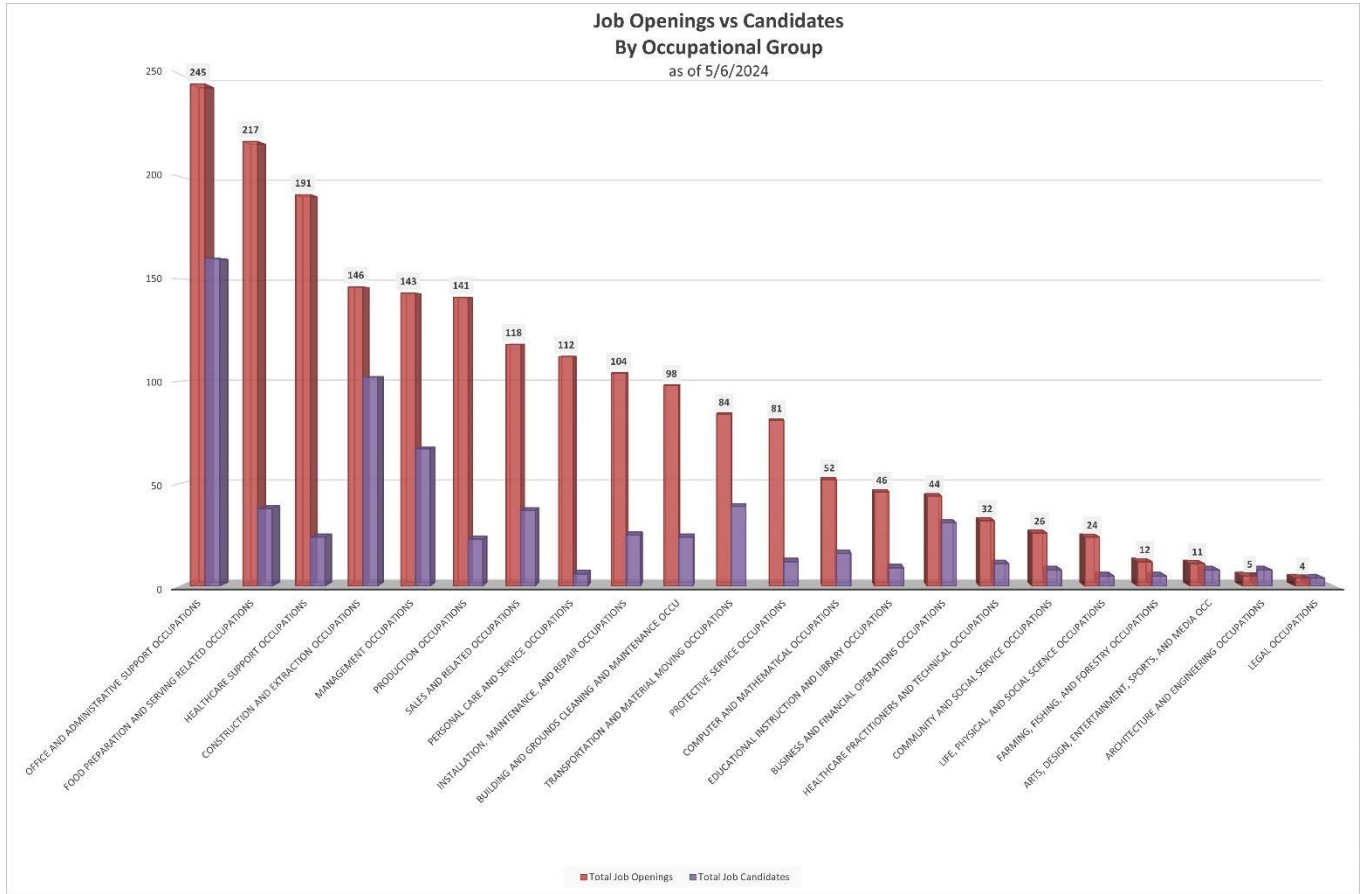
throughout the program lifecycle, and ensures that all programs maintain high-quality training standards. The SHRM Foundation Human Resources Apprenticeship, a nationally approved program by the United States Department of Labor Office of Apprenticeship, is collaborating with the SHRM Virgin Islands chapter and recently launched a program in the Territory at the end of April 2024 with two apprentices set to commence. This brings the total registered apprentices in the Territory to thirty-nine (39). WIOA funding covers the related instruction component of their training.

**Current Registered Apprenticeship Programs**

<b>Occupations</b>	
<ul style="list-style-type: none"> <li>• Certified Massage Therapist (CMT) – Territorial</li> </ul>	<ul style="list-style-type: none"> <li>• Pipefitter (construction) – Territorial</li> </ul>
<ul style="list-style-type: none"> <li>• Medical Assistant/Patient Care Coordinator - STX</li> </ul>	<ul style="list-style-type: none"> <li>• Certified Nursing Assistant – Dementia Specialty - STX</li> </ul>
<ul style="list-style-type: none"> <li>• Life Safety Coordinator - STX</li> </ul>	<ul style="list-style-type: none"> <li>• Certified Nursing Assistant – Restorative Specialty - STX</li> </ul>
<ul style="list-style-type: none"> <li>• Surgical Technologist - STX</li> </ul>	<ul style="list-style-type: none"> <li>• Recreation Assistant - STT</li> </ul>
<ul style="list-style-type: none"> <li>• Able Seaman (Water Sports) - STT</li> </ul>	<ul style="list-style-type: none"> <li>• Cyber Security Support Technician - Territorial</li> </ul>
<ul style="list-style-type: none"> <li>• Construction Craft Laborer - STX</li> </ul>	<ul style="list-style-type: none"> <li>• Human Resources - Territorial</li> </ul>

The Virgin Islands Department of Labor is dedicated to applying the Workforce Development policies established by the Workforce Development Board across all sectors and industries. Our commitment is evident through the various programs and services offered at our offices in St. Croix, St. Thomas, and St. John. On behalf of VIDOL, I express gratitude to the members of the Committee on Education and Workforce Development for allowing us to testify about the Programs and Services available to all Virgin Islanders. This concludes my testimony, and my staff and I are ready to address any questions you may have.

# APPENDIX 1



APPENDIX 2

