

VIRGINIA JOBS INVESTMENT PROGRAM



**Presentation to the Small
Business Commission
July 15, 2014**

VIRGINIA ECONOMIC
DEVELOPMENT PARTNERSHIP

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BEST STATE FOR BUSINESS

- **Virginia Jobs Investment Program is a strong and effective workforce development tool**
- **In FY14, VJIP served 346 Virginia employers**
- **About 15-17% of VEDP projects receive discretionary incentives (typically, the larger ones)**
- **Of those projects receiving discretionary incentives, about 96% receive a VJIP award**
- **Since workforce issues are the most frequent concern expressed by employers, having a robust and efficient workforce development tool is critical to our success**

VJIP HISTORY

- **50 year-old workforce development program**
- **In 1996, when the old Department of Economic Development was split into VEDP and the Dept of Business Assistance, VJIP went to DBA**
- **In 2010, the Small Business Jobs Grant Fund was added to the VJIP portfolio**
- **In January 2014, VJIP was transferred to the Department of Small Business and Supplier Diversity, with the merger of DBA and DMBE**
- **In 2014, the General Assembly authorized the transfer of the portions of the workforce components of VJIP to VEDP**

- **VJIP offers cash reimbursements per new job created after 90 days on board (or per job for retraining)**
 - Dollar amount per job is negotiated with the company, based upon budget analysis and the company's needs
 - Average dollar amount is around \$850/job
 - VJIP partners with recruiting & training providers
 - Recruiting coordination with VCCS, VEC and local services
 - Demystify the process and explain the “alphabet soup”
- **When budgets were larger, other services were more numerous and were well-received by companies**
 - In 2010, VJIP had 12 operations folks and 4 support personnel. It is now down to 5 operations folks and 1 support person
 - Staff development workshops, Train-the-Trainer, safety and communication skills training, video production

VJIP COMPONENTS

- **4 traditional workforce components of VJIP:**
 - **Virginia New Jobs Program**
 - Competitive project / 25 new jobs / \$1,000,000 capex
 - **Workforce Retraining Program**
 - 10 employees needing a new skill set / \$500,000 capex
 - **Small Business New Jobs Program**
 - 5 new jobs / \$100,000 capex
 - **Small Business Retraining Program (limited due to funding levels)**
 - 5 employees needing a new skill set / \$50,000 capex
- **Common criteria: Basic sector employer or function / 1.35X federal minimum wage (<\$10 per hr)**
- **5th component added in 2010: Virginia Small Business Jobs Grant Fund**
 - 5 new jobs over a 2 year period / \$100,000 capex / retention period

SMALL BUSINESS JOBS GRANT FUND

- **Small Business Jobs Grant Fund remains at DSBSD**
- **It has traditionally received 10% of the VJIP funding**
- **\$629,981 appropriation each year**
- **5.5 FTE's authorized to oversee the program**
- **Average grant per new job is approx. \$859**

VJIP AT VEDP - STATUS

- **2014 legislation authorized the transfer of the 4 workforce components of VJIP to VEDP from DSBSD**
- **6 positions at VEDP; 5 positions filled; 1 vacancy due to retirement**
- **\$ 5,669,833 appropriation each year**
- **Smooth transition:**
 - Personnel
 - Hard assets
 - Fleet
 - Phones, cell phones, computers
 - Database management
 - Handover of SBJGF projects and training

STABLE TRANSITION – CLIENT-FOCUSED

- **50% of VEDP's projects are with small businesses**
- **40% of VJIP's projects are with small businesses**
- **VEDP will ensure that VJIP continues to serve small businesses**
- **VJIP processes are wonderfully uncomplicated and very client-focused; intend to continue**
- **VJIP housed within the BX Department, supporting BX and BA managers**
- **VEDP and VJIP using July – September to assess the program, identify improvements, and develop plan to optimize toward goal of best-in-class.**