State Council of Higher Education for Virginia

New Economy Workforce Credential Grant Annual Report 2023

February 2024

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PURPOSE OF THIS REPORT

During the 2016 session, the General Assembly and Governor established the New Economy Workforce Grant Program (WCG). This grant program, the first of its kind in the nation, provides a pay-for-performance model for funding noncredit workforce training that leads to a credential in a high-demand field. The program also includes requirements for students to complete the program to avoid paying additional costs. A summary of the major components of the program is included below. The establishing statutes appear in Article 4.1 of Title 23.1 of the *Code of Virginia*.

The purpose of this report is to provide to the General Assembly and the Virginia Board for Workforce Development a review of FY 2023 enrollments, completions, costs and outcomes of the New Economy Workforce Credential Grant program, as outlined in § 23.1-627.7.

Summary of Findings for FY 2023

In FY 2023, the Virginia Community College System (VCCS) and the Southern Virginia Higher Education Center (SVHEC) offered training aligned to high-demand occupations and fields as identified by the Virginia Board for Workforce Development (VBWD). Observations from FY 2023 include:

o Institutions offered training in 10 high-demand occupational fields.

o Collectively, institutions reported 13,428 enrollments in FY 2023, an 9% increase from FY 2022 and the most since the inception of the program.

o Of the 13,428 enrollments included in this report, 12,749 completed training. Among program completers, 9,539 went on to earn a credential. The rates of completions and credentials remained relatively stable at 95% and 71% respectively.

o Most racial and ethnic groups share high program completion rates, but gaps exist in credential completion: 62% of Asian American students earned their credential, 9 points below the program average of 71%. Black or African American students' credentialing rate was 10 points below the average. Success rates by race/ethnicity are correlational and could be explained by other factors such as program selection.

o The average tuition paid by students was $849. The average state cost per credential attained was $2,014.

o The program with the highest enrollments was Commercial Driver's License with more than 22% of enrollments. Medical Assistant had the second highest enrollments, accounting for 6% of all enrollments in FY 2022.

o Throughout the history of the program, median annual wages increased $9,350, or 38%, in the 12 months following program completion.

o Two-thirds of enrollments were individuals entering a postsecondary training program in Virginia for the first time. The median age was 32 years old.

Program Purpose

As outlined by the Governor and General Assembly in § 23.1-627.2, the WCG program fulfills three primary purposes:

> The New Economy Workforce Credential Grant is established for the purpose of (i) creating and sustaining a demand-driven supply of credentialed workers for high-demand occupations in the Commonwealth by addressing and closing the gap between the skills needed by workers in the Commonwealth and the skills of the available workforce in the Commonwealth; (ii) expanding the affordability of workforce training and credentialing; and (iii) increasing the interest of current and future Virginia workers in technician, technologist, and trade-level positions to fill the available and emerging jobs in the Commonwealth that require less than a bachelor's degree but more than a high school diploma.

The program also defines two key elements:

- *High-demand field:* a "discipline or field in which there is a shortage of skilled workers to fill current job vacancies or anticipated additional job openings."

- *Noncredit workforce credential:* a "competency-based, industry-recognized, portable, and third-party-validated certification or occupational license in a high-demand field."

History of Funding

The appropriation for the Workforce Credential Grant has increased since its inception. In FY 2023, the state again appropriated $13.5 million in general fund (GF) to the WCG program.

Table 1: Historical GF Appropriations to WCG

Fiscal Year	Amount
2017	$5.0 million
2018	$7.5 million
2019	$9.5 million
2020	$13.5 million
2021	$13.5 million
2022	$13.5 million
2023	$13.5 million

The Workforce Credential Grant Fund is non-reverting; i.e., unexpended funds from one fiscal year are rolled into the next fiscal year. Earlier in the program's history, appropriations exceeded performance payments, particularly during fiscal years 2020 and 2021. Beginning in FY 2022, annual performance payments began to exceed annual appropriations, necessitating reliance on the accumulated balance leftover from previous years.

In FY 2023, the fund expended $19.1 million in performance payments. With the $13.5 million appropriation and balance from previous years, the fund closed FY 2023 with a balance of $1.3 million. The FY 2024 budget was amended to increase the fund's appropriation by $5 million to $18.5 million total. If performance maintains its rate of increase, then the program likely will require additional funding for FY 2025.

Program Requirements and Pay-for-Performance Model

The program entails a pay-for-performance model that provides payments for costs to institutions, but only when an individual completes training and when an individual completes a credential.

The requirements include:

- *Eligible institutions and type of training:* Eligible institutions are community colleges, higher-education centers and Richard Bland College. The training required of these institutions is noncredit training.

- *Alignment to high-demand fields:* Training programs should align with the high-demand fields set by the Virginia Board for Workforce Development. The governing boards of the eligible institutions are required to approve the aligned training programs.

- *Payments and cost of the program:* The student, the institution and the state, as described below, share the program's cost. In addition, the table below illustrates the pay-for-performance model.

  o <u>Student responsibility</u>: A student is required to pay one-third of the total cost of the program upon enrollment. The student may use third-party funds, such as noncredit financial aid, training vouchers or employer payment to cover this cost. If the student does not complete the program, then the student is required to pay an additional one-third of the cost of the program.

  o <u>State</u>: If the student completes the training, then the state provides one-third of the cost of the program, up to $2,000, to the institution. If the student earns and reports a credential, then the state pays an additional one-third of the cost of the program to the institution, up to another $2,000.

- o <u>Institution</u>: If a student does not report a credential earned, then the institution does not receive state funding for one-third of the cost of the program.

- *Reporting and payments:* Eligible institutions must provide student-level data to SCHEV to receive funding.

- *Administration:* SCHEV is responsible for administering the program, conducting periodic assessments of the program, collecting student data and making final decisions on disputes between eligible institutions and grant recipients.

Table 2: Program Pay-for-Performance Model

Payment Scenario if a student…	Student Pays …	State Pays Training Institution…*
… Completed training and credential	1/3 program cost	2/3 program cost*
… Completed training but did not earn or report credential to the training institution	1/3 program cost	1/3 program cost*
… Did not complete training and did not earn or report a credential	2/3 program cost	No cost

*Maximum contribution from the state is $4,000.

High-demand Field and Training Alignment Process
Identification of High-Demand Fields

The *Code of Virginia* requires that the Virginia Board for Workforce Development identify high-demand occupational fields. In 2017, the VBWD developed a methodology to identify high-demand programs, using the following criteria:

- o The relevance of the occupational group to the state's economic development strategy, as outlined in then-Governor McAuliffe's *New Virginia Economy* strategy document.

- o Annual statewide job openings, based on Virginia Employment Commission/Bureau of Labor Statistics' 10-year employment projections. Jobs were considered if they had more than 50 annual openings.

- o The degree to which the occupations required advanced skills, as measured by entry-level education.

The board also allows a region to petition to add an occupational field to the list, if that region can demonstrate sufficient demand. A complete list of training programs offered is provided on the *Virginia Career Works website*. Based on a review of the occupations meeting the criteria above, the VBWD identified high-demand occupations in 10 fields.

Training Programs Offered by Eligible Institutions

Once the Virginia Board for Workforce Development identifies the high-demand fields, the eligible institutions develop new or align existing noncredit training programs to meet the new credential criteria, and their boards approve the new or modified programs. To date, the Virginia Community College System, the Southern Virginia Higher Education Center and the New College Institute (NCI) are the only eligible training institutions offering programs in the high-demand fields.

The boards of the institutions submit their approved lists to the VBWD. A full list of high-demand occupations and aligned training programs offered by eligible training institutions is maintained and updated on the *Virginia Career Works website*.

Table 3 provides, by occupational field, a sample list of the types of training and credentials students may attain upon completion.

Table 3: Sample Workforce Training and Certifications Offered by Occupational Field

Occupational Field (Occupation Number)	Sample Workforce Training/Certification Offered
Computer and Mathematical (15)	CompTIA A+, Network+ and Server+ Computer Entry Level (CISCO Networking Technician and Associate, CompTIA IT Fundamentals); Information Systems Security Project Management Professional
Construction and Extraction (47)	Construction (Project Management, Carpentry, Contractor's License), Plumbing and Electrical, Highway Construction, Welding
Education, Training and Library (25)	Career Switcher/Teaching License
Healthcare Practitioners and Technical (29)	Emergency Medical Technician Pharmacy, EKG Technician
Healthcare Support (31)	Certified Nurse Aide, Medical Assistant, Medication Aide, Phlebotomy Technician
Installation, Maintenance and Repair (49)	Electrical and Electrical Systems, Engine Repair, HVAC, Power Line Worker
Office and Administrative Support (43)	Billing and Coding Specialist, Customer Services and Sales, Medical Administrative Assistant, Professional Coder, Society for Human Resource Management Certified Professional
Production (51)	Backflow Prevention, Electronics Assembly (JSTD-001 Certification), Machine Tool Operations, Manufacturing Technician 1 (MT1), Manufacturing Entry Level (specialist and production technician), Mechatronics, Six Sigma, Millwright (industrial machine installation, maintenance, troubleshooting and repair), Welding (flux, gas and general)
Transportation and Material Moving (53)	Commercial Driver's License, Logistics Associate, Logistics Technician, Remote Pilot Airman Certification

ENROLLMENT, TRAINING AND CREDENTIAL COMPLETIONS AND COSTS

In FY 2023, a total of 13,428 individuals were enrolled in training, 12,749 (95%) of whom completed training. Among these enrollments, 9,539 (71%) went on to earn the credential. FY 2023 data are based on training courses that ended between July 1, 2022, and June 30, 2023. Eligible institutions are allowed up to 180 days after the completion of training to obtain verification that a student earned a credential. Training institutions may verify this information through either receiving information from a student or a record match with the entity issuing the credential.

Since its inception, the program has recorded 59,353 enrollments, 55,510 completions and 42,352 credentials or licenses. FY 2023 saw a record number of students enrolling; completing the program; and earning their credential or license. The growth of the program is particularly notable given that, in recent years, enrollments in for-credit academic programs at Virginia Community Colleges have *declined*.

Table 4: Workforce Credential Grant Enrollments, Program Completions, and Credentials, History of the Program

Fiscal Year	Enrollments	Completed Training	Earned Credential
2017	5,206	4,958	3,487
2018	4,311	4,000	3,094
2019	6,983	6,570	5,098
2020	7,485	7,032	5,461
2021	9,616	8,705	6,642
2022	12,323	11,496	9,031
2023	13,428	12,749	9,539
Grand Total	59,353	55,510	42,352

Training Offered in 10 High-Demand Occupational Fields

This section provides data for FY 2023 by occupational field, credential type and institution.

The highest numbers of enrollments were in transportation, healthcare support, construction and production; these fields accounted for three-quarters of the program. Table 5 summarizes enrollments, completions, reported credentials, average costs to students, total payments by the state and average costs to the state per credential attained, by occupational field.

Table 5: FY 2023 Data on Enrollment, Training Completion and Reported Credentials by Occupational Field

Occupational Field	Enrolled	Completed Training	Reported a Credential Attained	Average Cost to Student	Total State Payments for Training and Credential Completion	Average State Payments per Credential Attained
Computer and Mathematical (15)	1,247	1,179	371	$670	$1,018,038	$2,744
Construction and Extraction (47)	2,502	2,437	1,934	$239	$1,047,855	$542
Education, Training, and Library (25)	91	87	84	$1,330	$227,430	$2,708
Healthcare Practitioners and Technical (29)	141	117	66	$663	$119,837	$1,816
Healthcare Support (31)	2,239	1,979	1,407	$923	$3,114,893	$2,214
Installation, Maintenance, and Repair (49)	1,515	1,454	1,208	$822	$2,242,986	$1,857
Office and Administrative Support (43)	584	529	288	$982	$791,114	$2,747
Production (51)	1,337	1,278	975	$660	$1,492,703	$1,531
Public Administration (92)	10	7	4	$140	$1,540	$385
Transportation and Material Moving (53)	3,762	3,682	3,202	$1,329	$9,155,674	$2,859
All	**13,428**	**12,749**	**9,539**	**$849**	**$19,212,071**	**$2,014**

The Average Cost to Each Student was $849. The Average Per-Credential Cost to the State was $2,014.

As shown in Table 5, the average cost of the program to a student (reflecting one-third of the cost) was $849. SCHEV provided reimbursements to institutions through state general funds in the amount of $19.2 million for training completions and credentials. This figure is higher than the general fund appropriation for FY 2023 of $18.5 million. Funds were not exhausted because the program began the year with a positive balance.

The pay-for-performance model obligates funds when a student enrolls, but funds are paid when an institution submits reimbursement upon completion of training and earning of a credential. And as seen in Table 4, enrollments, completions and credentials have been growing. Also, some students who completed their program in FY 2022 went on to earn a credential in FY 2023.

Based on the attainment data and the total payments through state general fund, the average state payment per credential attained in FY 2023 was $2,014 (total payments/credentials

attained). This figure includes performance payments for students who completed the training but not the credential.

Top Training Programs and Alignment to Annual Job Openings

While hundreds of certifications are offered in FY2023, nearly three-quarters of students enrolled in just 10 program clusters. Four program clusters accounted for over half of enrollments: Commercial Drivers' License; Medical Assistant; Highway Construction; and Phlebotomy Technicians.

This analysis de-duplicates individual records, such that one student pursuing, for example, multiple road construction certifications is not counted more than once, as that individual would fill only a single job opening.

In comparing enrollments in these programs to the annual job openings provided by the Virginia Employment Commission (VEC), the certifications appear to meet an annual need. For example, the VEC projects annual openings for truck drivers to be about 5,907. In FY 2022, about 3,101 individuals enrolled in the credential program to attain a Commercial Driver's License. Similarly, the VEC projects annual openings for medical assistants to be 2,093, while 773 students enrolled in Medical Assistance programs.

The difference between the annual openings and enrollments does not necessarily indicate a shortage, as training programs offered by private providers are not included in this analysis. At the same time, not all students go on to earn their credential, and those who do complete may not pursue the exact occupation aligned with their program.

Table 6: Top 10 Credentials and Annual Openings by Related Occupational Field, FY 2023

Occupation	Annual Job Openings by Field*	Program	Individuals ** Enrolled FY 2023
Heavy and Tractor-Trailer Truck Drivers	5,907	Commercial Driver's License	3,101
Medical Assistants	2,093	Medical Assistant	773
Phlebotomists	531	Phlebotomy Technician	582
Carpenters	2,433	Core - Introductory Craft Skills	525
Other Healthcare Support Occupations	6,141	Certified Nurse Aide (CNA)	447
Computer and Information Systems Managers	1,318	CompTIA A+	349
Highway Maintenance Workers + Paving, Surfacing, and Tamping Equipment Operators	470	VDOT Asphalt Field	266
Welders, Cutters, Solderers, and Brazers	1,046	Welding	457
Medical Records Specialists	438	Billing and Coding Specialist	168
Human Resources Assistants	308	SHRM Certified Professional	138

**Enrollments figures can include individuals completing multiple credentials. The figures provided for individuals represent unduplicated count of the enrollments.

Differences between openings (demand) and enrollments (supply) may not represent a shortage as other individuals may complete certification through non-WCG programs.

Training Completion Rates Averaged 95%, while Credential Completion Rates Averaged 71%

Completion rates for training vary by field and credential type. Nonetheless, the average completion rate for the last four years remains relatively stable – about 95% of enrolled individuals complete their training. Of those who enrolled, about 71% earn a credential. Some credential rates, such as IT certification, are much lower. Rates may vary because some credentialing and licensing bodies offer testing on-site, while others are located elsewhere. Also, a gap of time may exist between the course end-date and availability of credentialing testing. Further, some students might be able to start employment related to their training without earning a credential.

Table 7: Average Completion Rates, FY 2023

Occupational Field	Training Completion Rate	Credential Completion Rate
Computer and Mathematical (15)	95%	30%
Construction and Extraction (47)	98%	77%
Education, Training, and Library (25)	96%	92%
Healthcare Practitioners and Technical (29)	83%	47%
Healthcare Support (31)	89%	64%
Installation, Maintenance, and Repair (49)	96%	80%
Office and Administrative Support (43)	91%	49%
Production (51)	96%	73%
Public Administration (92)	70%	40%
Transportation and Material Moving (53)	98%	85%
Grand Total	**95%**	**71%**

Participation and Completion Rates by Institution

The number of students enrolling across training institutions varies. Table 8 provides enrollments and completions by institution. Half of enrollments in FY 2023 were at

institutions in rural areas of the state. The remaining enrollments occurred at urban community colleges: Germanna, Northern Virginia, Tidewater and Brightpoint/Reynolds.[1]

Table 8: FY 2023 Data on Enrollment, Training Completion and Reported Credentials by Eligible Training Institution

Training Institution	Enrolled	Completed Training	Credential Attained
Blue Ridge	542	514	426
Brightpoint/Reynolds CC (CCWA)	2,032	1,918	1,417
Central Virginia CC	428	385	302
Danville CC	111	87	27
Eastern Shore CC	124	123	79
Germanna CC	2,476	2,449	1,877
Laurel Ridge CC	938	893	811
Mountain Empire CC	227	215	199
Mountain Gateway CC	284	256	180
New River CC	191	175	138
Northern Virginia CC	954	904	497
Patrick & Henry CC	314	284	249
Paul D. Camp CC	381	352	225
Piedmont CC	513	493	346
Rappahannock CC	320	318	161
Southern Virginia Higher Ed Center	98	92	71
Southside Virginia CC	692	674	573
Southwest Virginia CC	330	323	257
Tidewater CC	796	707	455
Virginia Highlands CC	168	158	134
Virginia Peninsula CC	862	811	528
Virginia Western CC	381	354	329
Wytheville CC	266	264	258
Grand Total	**13,428**	**12,749**	**9,539**

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[1] Brightpoint and Reynolds community colleges share a workforce development division called the Community College Workforce Alliance.

STUDENT DEMOGRAPHICS

Enrollment

The Workforce Credential Grant program tends to serve a nontraditional (adult) student; the median age is 32 years. Only 32% of students are ages 24 years or younger.

Table 9: Enrollment by Age, FY 2023

Age Group	#	%
Less than 18 years	217	2%
18 to 24 years	4,056	30%
Age 25 to 34 years	3,818	28%
Age 35 to 44 years	2,772	21%
Age 45 to 64 years	2,423	18%
Age 65 years and older	142	1%
Total	13,428	100%

By gender, 63% of enrolled students were male; 31% female; and 6% unknown. By race and ethnicity, 44% of enrollment were white; 30% were Black or African American; and 6% were Hispanic/Latino. The measures of Virginia's strategic plan for higher education, *Pathways to Opportunity,* compare population and enrollment as a proportion for different groups. Given that 18% of Virginia's working age population is Black or African American, one could assert that the WCG program especially serves this population. However, the accuracy of such a claim would be disputable, given that 14% of WCG enrollments are of unknown/unreported race/ethnicity.

Figure 1: Student Demographics by Sex and Race/Ethnicity, FY 2023

Gender	%
Female	31%
Male	63%
Unknown	6%

Race/Ethnicity	
American Indian or Alaska Native	0%
Asian	3%
Black or African American	30%
Hispanic	6%
Multi-Race	2%
Native Hawaiian or Other Pacific Islander	0%
Race Unknown/Unreported	14%
White	44%

Native Hawaiian or Other Pacific Islander made up 0.2% of enrollments.

The WCG program also serves a large first-time-in-college population. In fact, two-thirds (9,228) of WCG enrollees in FY 2023 had not previously entered a postsecondary training or credential program.

Success

Credential completion varies by race and ethnicity. (Training completion rates do not vary significantly for the largest demographic groups.) Asian students earn a credential nine points below the program's average. Black or African American students are 10 percentage points less likely to earn their program's credential compared to the program average. The prevalence of unreported racial and ethnic demographics as well as choice of program complicates this analysis.

Table 10: Training Completion and Credentials by Race and Ethnicity, FY 2023

Race/Ethnicity	Enrollment	Training Completion	Credential Completion	% Complete Training	% Complete Credential
American Indian or Alaska Native	58	49	37	84%	64%
Asian	422	410	261	97%	62%
Black or African American	4,051	3,738	2,464	92%	61%
Hispanic	795	763	553	96%	70%
Multi-Race	302	278	186	92%	62%
Native Hawaiian or Other Pacific Islander	31	31	23	100%	74%
Race Unknown/Unreported	1,890	1,818	1,411	96%	75%
White	5,879	5,662	4,604	96%	78%
Total	**13,428**	**12,749**	**9,539**	**95%**	**71%**

Male students record a higher success rate than women, with a 97% training completion rate and a 76% credetnial completion rate. As with other success rates by student demographics, these tabulations are correlational, not causal and could be impacted by program choice.

Table 11: Training Completion and Credentials by Gender, FY 2023

Gender	Enrollment	Training Completion	Credential Completion	% Complete Training	% Complete Credential
Male	8,458	8,177	6,434	97%	76%
Female	4,153	3,786	2,440	91%	59%
Unknown	817	786	665	96%	81%
Total	**13,428**	**12,749**	**9,539**	**95%**	**71%**

EARNINGS OUTCOMES

Methodology

When the legislature established the program in 2016, an important intention was better alignment of training to high-demand fields where unmet needs for workers existed. The *Code of Virginia* also requires SCHEV to report "information on the wages, including average wage and other relevant information, of students who have completed noncredit workforce training programs by credential name and relevant industry sectors." To better evaluate the impact of the program on an individual's job prospects, it is also important to measure wages – wages prior to completion of the program as well as after completion.

Through the Virginia Longitudinal Data System, SCHEV staff matched completers' wages with the wage records of the Virginia Employment Commission. While VEC records are a valuable and unique source of post-program wages, they are imperfect. For example, some people are exempt from reporting, such as individuals who are self-employed, work for the federal government or those who meet other exemption qualifications. Wages also are collected on a quarterly basis, without any indication of the hours worked, thereby rendering it impossible to know whether an individual's quarterly wage was based on full-time or part-time work. The matching of individuals' records from their training to their incomes also takes time, resulting in wage outcomes that are not as up to date as information about the program itself.

To accurately assess programs' impact on wages, SCHEV staff compared only those students who had at least four quarters of wages before and four quarters of wage records after completing the program. SCHEV staff summed those four quarters to serve as a proxy for annual income, even though those individuals might be earning additional income not counted in that quarterly wage, or that they could be choosing to work part-time.

Given the need to restrict analysis to students with wages before and after completing the program, the analysis below includes students throughout the history of the program and not for FY 2023 alone. SCHEV staff then analyzed earnings of the remaining 26,935 students with wage records before and after enrolling in the program. Of these, 19,545 students earned a credential.

Earnings Analysis

Before enrolling in WCG programs, students earned a median annual wage of $24,876. Twelve months after leaving the program, students earned a median wage of $34,226. This $9,350 change represents a 38% increase compared to the median pre-wage.

Students who went on to earn the credential saw a greater increase to their wages, $10,158 annually, even though the percentage increase is the same due to these individuals earning a higher wage before entering the program. These wages are not adjusted for inflation.

Table 12: Wages Pre- and Post-Program of WCG Completers, by Credential Status, History of the Program

	# of Students w/ pre- and post- wages successfully matched	Median Pre-wage	Median Post-wage	Median Wage Change
Did Not Earn Credential	7,390	$20,514	$27,275	$6,762
Earned Credential	19,545	$26,760	$36,918	$10,158
Total	**26,935**	**$24,876**	**$34,226**	**$9,350**

These results are strictly correlational, observing the wages of graduates after experiencing a WCG program, and do not attribute causality. However, a recent study found that credential earners increased quarterly earnings by approximately $1,000 and the probability of being employed by 2.4 percentage points.

Median Wages Increased in all Occupational Fields

To measure specific credentials' impact on wages more effectively, Table 12 examines only the students who earned their credential and successfully had their pre- and post-program wages matched. In all occupational fields, median wages increased after attaining the credential. Students who earned credentials in Construction and Extraction earned the highest median wages, at $52,442. However, these students also started with a higher pre-wage. Students who earned credentials in Education, Training and Library fields saw the largest median wage increases, over $24,000. These students represent a relatively narrow slice of the wage analysis, however, with only 194 student records matched.

Table 13: Wages Pre- and Post-Program for Credentialed Students by Industry, History of the Program

	# of Students w/pre- and post- wages successfully matched	Median Pre-wage	Median Post-wage	Median Wage Change	% Change
Computer and Mathematical (15)	668	$34,673	$46,788	$12,116	35%
Construction and Extraction (47)	5,304	$46,634	$52,442	$5,808	12%
Education, Training, and Library (25)	194	$22,359	$46,655	$24,296	109%
Healthcare Practitioners and Technical (29)	327	$17,152	$25,860	$8,708	51%
Healthcare Support (31)	2,822	$14,625	$22,887	$8,262	56%
Installation, Maintenance, and Repair (49)	2,127	$19,481	$34,882	$15,401	79%
Office and Administrative Support (43)	813	$20,176	$27,614	$7,438	37%
Production (51)	2,624	$24,116	$36,334	$12,218	51%
Public Administration (92)	2	$11,666	$22,351	$10,686	92%
Transportation and Material Moving (53)	4,664	$26,711	$37,510	$10,799	40%
Grand Total	**19,545**	**$26,760**	**$36,918**	**$10,158**	**38%**

Wages by Race and Ethnicity

All credentialed racial and ethnic groups saw increases in their median wages. The wage analysis by race and ethnicity is complicated by the high numbers of unknown and unreported, and some groups having relatively small cell sizes. (See the enrollments and success rates by race and ethnicity above.)

Table 14: Wages Pre- and Post-Program for Credentialed Students by Race and Ethnicity, History of the Program

	# of Students w/ pre- and post- wages successfully matched	Median Pre-wage	Median Post-wage	Median Wage Change
American Indian or Alaska Native (NH)	84	$21,884	$34,809	$12,925
Asian (NH)	513	$31,924	$44,000	$12,076
Black or African American (NH)	4,590	$21,420	$29,955	$8,536
Hispanic	882	$23,538	$33,792	$10,254
Multi-Race (NH)	348	$16,901	$27,582	$10,681
Native Hawaiian or Other Pacific Islander (NH)	26	$17,814	$38,733	$20,919
Race Unknown/Unreported (NH)	2,715	$33,201	$42,391	$9,190
White (NH)	10,387	$28,551	$39,096	$10,545
Grand Total	**19,545**	**$26,760**	**$36,918**	**$10,158**

ADDITIONAL OBSERVATIONS AND NEXT STEPS

Program Cap

The 2022-24 biennial budget includes language restricting any single occupational field from receiving more than 25% of WCG funds. In FY 2023, 48% of GF reimbursements went to programs in the Transportation and Material Moving (53) field. Most of these programs were commercial drivers' licenses. Commercial driver's licenses made up less than 25% of individual student enrollments, but contributed to Transportation and Material Moving (53) exceeding the 25% program cap.

Private initiatives, like Virginia Ready, which incentivize students to enroll in and complete credentials funded through the Workforce Credential Grant, have specifically promoted the truck-driving programs in response to employer requests for credentialed workers. As noted above, truck driving positions have 5,907 annual openings, while only 2,989 individuals enrolled in truck driving programs through WCG, suggesting that more demand for this training exists than the current WCG funding structure can supply.

To comply with the 25% cap, the VCCS monitors projected encumbrances based on student registrations throughout the fiscal year. In past years, the VCCS periodically has used projected encumbrances to implement a temporary pause on student enrollments in truck-driving programs, to stay below the reimbursement cap. Programs were not paused in FY 2023 due to the heightened demand for truck drivers and statewide initiatives to increase the supply of commercial driver's license holders.

Reimbursement Limit Raised to $4,000 Per Credential

From the beginning of the program through FY2023, a reimbursement limit of $3,000 had been in place on any individual credential completion. Recognizing inflationary pressures on salaries and equipment, the 2023 General Assembly raised the limit on reimbursements to $4,000, effective July 1, 2023. Of the 9,539 credentials earned in FY 2023, 2,901 of them triggered total reimbursements of $3,000. Policymakers can expect a portion of programs in FY 2024 to trigger reimbursements over $3,000 and up to $4,000.

Monitoring Legislation in Congress

This past fall, the Congressional House of Representatives' Committee on Education & the Workforce reported the *Bipartisan Workforce Pell Act*, which would expand Pell Grant eligibility to students enrolled in programs similar to those offered through the Workforce

Credential Grant. At $7,395, the maximum Pell grant would more than cover the maximum total cost of WCG programs ($6,000).

Some proposed federal eligibility requirements appear to be aligned with WCG requirements, such as programs being aligned with high-demand fields. Other requirements would differ from WCG eligibility: For example, the legislation requires that students "will receive academic credit" upon program completion. Currently, WCG-participating institutions must "adopt a policy for the award of academic credit to any eligible student who has earned a noncredit workforce credential that is applicable to the student's certificate or degree program requirements." The *Bipartisan Workforce Pell Act* also would require graduation rates and job placement rates of at least 70% and require median earnings to exceed those of high school graduates between 25 and 34 years of age. According to U.S. Census Bureau's American Community Survey's 2022 one-year estimates, the median earnings of high school graduates in Virginia, regardless of age, is $39,370. As demonstrated in Table 13, this threshold exceeds many of the median earnings of WCG credential learners.

CONCLUSION

Since the inception of the Workforce Credential Grant in 2016, the program has continued to grow based on student demand. The largest areas of enrollment occur in occupational fields with annual job openings that exceed training completions. In addition, median earnings continue to grow post-training completion.