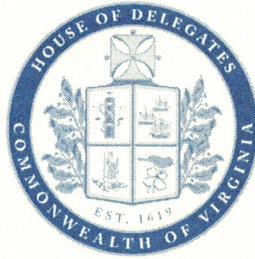


MICHAEL B. WATSON  
MEMBER, 2012-2014



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January 5, 2016

The Honorable Thomas K. Norment, Jr.  
Finance Committee Co-Chairman  
Senate of Virginia  
P.O. Box 6205  
Williamsburg, VA 23188

Dear Senator Norment,

I am writing to encourage your support for fully funding the Virginia Community College System's proposed Workforce Credentials program. This program provides students with post-secondary skills training that will fill the majority of job vacancies in the Commonwealth for the foreseeable future.

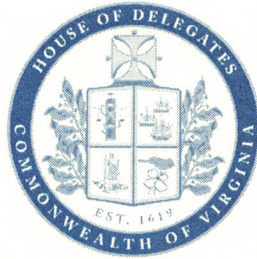
Undoubtedly, you have been inundated with reports and statistics detailing Virginia's 'Skills Gap' and how this relates to unemployment of Virginia's citizens, employers struggling to find skilled workers, and Virginia's effort to grow and attract new businesses. I too have read these reports and find the statistics alarming, yet encouraging. Why? As we look for ways to address issues of opportunity, economic growth, and the state's ability to generate adequate revenue to provide necessary services, this is one area that you as a legislator can directly and substantially influence.

You have seen the numbers from academia, workgroups, third part research firms, and Virginia's own JLARC study. So, rather than restating statistics, I'd like to share my observations through other perspectives. I am a business owner that employs individuals with these skills and have direct business relationships with manufacturers and other employers of credentialed workers. I have long been involved with Virginia's Community College System as an advisor, recruiter, and a foundation board member. And, I am a former member of Virginia's House of Delegates. My experience in each of these roles provides a unique understanding of the relationship between our students, employers, training facilities, and state government.

I have witnessed first-hand, through my company's recruiting efforts and those of my customers, the limited number of skilled workers relative to the number of applications received for job openings. It is not unusual to receive hundreds of resumes in response to a single-job opening advertisement where only one or two submittals reflect any level of training or experience for the advertised position. That's not to say the applicants don't have post-secondary education, rather their skill-sets do not meet the job requirements. Clearly, these applicants recognize their lack of training for these jobs but are applying out of desperation, as they cannot find work in their field of study.

I have spoken to classrooms and met directly with students who were unaware of the opportunities available to them without the time and expense of a 4-year degree. Those that are somewhat familiar with these opportunities often view them as beneath their career expectations. Yet once they learn of the extraordinary marketability of these skills, advancement opportunities, and higher than expected salary, their views generally change.

Finally, as a legislator, I became accustomed to the often unsubstantiated return-on-investment that nearly every stakeholder hyped when seeking funding for their cause. The difference here is that the return is quantifiable and the path is clear. The state invests in these programs, students learn high-demand skills, employers hire the skilled worker, and the employee pays state income tax at the rate of 5.75% as these credentialed jobs generally pay very well.



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In September, VCCS Chancellor Glenn DuBois submitted a report to the General Assembly's finance committees in which he outlined four key factors that must be addressed and require investment by the state. These include building the training programs, keeping them affordable, student outreach, and a matching fund for private investment in specific job training skills for immediate employment. Combined, he has asked the state to invest \$40 million in a Workforce Credentials program.

Throughout the nation, you'll find many states that have already acted. Recognizing that businesses come to where talent resides, state legislatures are investing heavily in closing their skills gap and promote this foresight to draw employers to their state. Virginia's neighbor and perhaps greatest economic competitor, North Carolina, currently invests \$92 million in its non-credit training / credentialing programs. If you've visited its Research Triangle Park in recent years you've seen the results of investing in the workforce. There are many other examples of high return-on-investment successes in workforce training around the country. In many instances, these are the states that have recently taken a higher ranking than ours as the best states for business.

I trust that you have read the Chancellor's report and ask that you give great consideration to fully funding the request. It is undoubtedly one fraction of the budget that will bring prompt and measurable returns while benefiting all citizens of the Commonwealth through a stronger economy.

Thank you for your consideration.

Respectfully yours,

Michael B. Watson  
Former Member, VA House of Delegates