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HOUSE BILL NO. 551**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on General Laws
on _____)

(Patron Prior to Substitute—Delegate Anderson)

A BILL to amend and reenact § 2.2-2037 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 20.2 of Title 2.2 an article numbered 5, consisting of sections numbered 2.2-2058 through 2.2-2064, relating to Department of Workforce Development and Advancement; recognition of nondegree workforce training programs.

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-2037 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Chapter 20.2 of Title 2.2 an article numbered 5, consisting of sections numbered 2.2-2058 through 2.2-2064, as follows:

§ 2.2-2037. Powers and duties of Department.

The Department shall have the power and duty to:

1. Promulgate regulations necessary or incidental to the performance of duties or execution of powers conferred under this chapter.

2. Establish a mission, goals, and objectives for the Department that align with the purpose of this chapter, to create a unified system of workforce development for the Commonwealth.

3. Develop a strategy that shall inform and engage with the business and organized labor communities to coordinate the workforce development programs offered by the Department, identify labor market needs, and ensure alignment of the Department's offerings to the needs of employers and the needs of the Commonwealth.

4. Jointly with the State Council of Higher Education for Virginia develop and implement strategies, and collaborate with employers and higher education institutions, to grow and expand the Innovative Internship Program established pursuant to § 23.1-903.4. The strategy shall include key measures of success and they shall jointly develop an annual progress report that shall include information on the number of students placed in internship programs, type of internship programs, and the number and type of participating employers. The report shall be delivered to the General Assembly, the Secretary of Education, and the Secretary of Labor annually by September 30.

5. Regularly track metrics relating to workforce development programs and establish a mechanism to help assess the adequacy of Department services and programs.

6. Develop specific strategies or steps the Department will take to modify policies, procedures, or processes to ensure effective and efficient administration of workforce development programs.

7. Develop a strategy for clearly communicating to customers changes to key workforce development programs.

8. Develop a strategy for clearly communicating important workforce development program information to Department staff, the public, and the General Assembly.

9. Identify other tactical actions to be taken to ensure the continuity of workforce development programs and customer service.

10. Establish a recognition pathway for nondegree workforce training programs in accordance with Article 5 (§ 2.2-2058 et seq.).

Article 5.**Recognition of Nondegree Workforce Training Programs.****§ 2.2-2058. Definitions.**

As used in this article, unless the context requires a different meaning:

"Employer-verified on-the-job learning" means documented workplace training with supervisor confirmation of tasks and hours.

*"Nondegree workforce training program" means an open-to-the-public course or program that does not award an academic degree and prepares individuals for an occupation identified within the framework of the O*NET occupational information network.*

*"O*NET" means the U.S. Department of Labor's Occupational Information Network, a federal occupational information system organized by standard occupational classification codes and used as a reference framework for curriculum, task, and performance expectations.*

"Recognized third-party performance body" means an independent organization that verifies performance standards meeting criteria set by the Department.

§ 2.2-2059. Recognition of nondegree workforce training programs.

A. The Department shall establish a recognition pathway for nondegree workforce training programs in order to align the skills of the Commonwealth's workforce with the needs of industry in the Commonwealth

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and to provide a workforce entrance pathway for underserved populations in the Commonwealth.

B. The Department shall recognize nondegree workforce training programs that meet the requirements of this article and Department regulations.

C. The Department shall adopt regulations to implement the provisions of this article.

§ 2.2-2060. Scope of article.

A. Recognition under this article shall confer eligibility for state workforce recognition and funding alignment in accordance with the provisions of § 2.2-2064 and shall satisfy any overlapping nondegree criteria for programs administered by another state agency.

B. Recognition under this article shall not be considered academic accreditation or authorize a program to confer degrees. Such recognition shall not, by itself, qualify a program for eligibility for financial aid under Title IV of the federal Higher Education Act of 1965, as amended.

C. Nothing in this article shall authorize the Department to recognize any elementary or secondary school or program subject to the jurisdiction of the Department of Education or any degree-granting program or institution subject to the jurisdiction of the State Council of Higher Education for Virginia.

D. The Department shall enter into a memorandum of understanding with the Department of Education and the State Council of Higher Education for Virginia to prevent duplicative oversight and to refer providers appropriately when a provider seeks degree authority.

§ 2.2-2061. Minimum standards.

A. The Department shall establish minimum standards for recognition of nondegree workforce training programs. Such standards shall require a program to:

1. Define curriculum, task lists, and performance requirements within the O*NET framework;
 2. Provide not less than 40 percent of total instructional hours as hands-on laboratory or tool time with supervised repetition to build motor and muscle memory;
 3. Use qualified instructors holding (i) relevant trade licensure or credentials where required by law or (ii) at least five years of recent, verifiable occupational experience;
 4. Embed safety and code instruction applicable to the trade;
 5. Provide employer-verified on-the-job learning or structured work-based learning with documented tasks and hours; and
 6. Provide adequate consumer protections, which shall include requirements for publishing tuition and fees, a refund policy, truthful advertising, maintenance of student records, and financial protection.
- B. The Department may rely on one or more recognized third-party performance bodies to verify that a nondegree workforce training program meets the minimum standards and to validate program performance.

§ 2.2-2062. Admissions.

A. A program seeking Department recognition shall require applicants to meet published admissions criteria. Such criteria shall allow individuals 16 years of age or older, including students attending public or private schools and students receiving home instruction pursuant to § 22.1-254.1, to participate in recognized programs, subject to provider safety rules. An applicant without a high school diploma or its equivalent shall be required to have achieved a passing score on a Department-approved assessment of basic skills.

B. Department-recognized programs shall implement appropriate supervision, insurance, and worksite agreements for participants under 18 years of age.

§ 2.2-2063. Reporting requirements.

A. A Department-recognized program shall report, at a frequency set by the Department, credential attempts and passes, job placements, starting wages or salary ranges, and retention rates at 90 days and at 12 months.

B. The Department shall publish aggregate data by occupation and region.

§ 2.2-2064. Funding alignment.

A. The Department may designate Department-recognized programs as eligible for state workforce grants and may recommend listing on the eligible training provider list for federal Workforce Innovation and Opportunity Act funding where permissible. The Department may adopt outcomes-based holdbacks or bonuses tied to verified placements and retention and may withhold or condition state funds for noncompliance.

B. Any Department program approved by the Governor as an eligible workforce program shall be fully eligible to participate in any federal workforce financial assistance program, subject to federal requirements and subject to the availability of funding that is separate from or supplemental to funding streams designated for institutions of higher education.

C. Any grants or other workforce funding provided to Department-recognized nondegree workforce training programs pursuant to this article shall be separate from or supplemental to funding streams designated for institutions of higher education and shall not reduce, redirect, or displace any funding streams allocated to institutions of higher education.

2. That the provisions of this act shall become effective on January 1, 2027.