Good afternoon Madam Chair, Members of the Committee and constituents from the community and fellow testifiers. I am Michael A. Carty Chairman of the Workforce Development Board and President and CEO of Smartnet and Alliance Data Services. I was afforded the honor of being appointed to the Workforce Development board in October 2019 and soon after appointed as board Chairman by Governor Albert Bryan in November 2019.

Function and Responsibilities of the Board

The workforce development board is a volunteer board appointed by the Governor and is comprised of 27 members. More than half of these members are business leaders from the private sector and the remaining members coming from various areas of government including Workforce, Labor unions, Education, and Economic Development.

The board assists the Governor in:

1) The development, implementation, and modification of the State Plan

2) The development and continuous improvement of the workforce development system.
(3) The development of strategies for technological improvements to facilitate access to, and improve the quality of services and activities provided through the One Stop delivery system.

(4) The development of strategies for aligning technology and data systems across One Stop partner programs.

(5) The preparation of annual reports

(6) The development of such other policies as may promote statewide objectives for, and enhance the performance of, the workforce development system in the Territory.

(7) The development of strategies for providing effective outreach to and improved access for individuals and employers who could benefit from services provided through the workforce development system.

Thus far we have been maintaining the balancing act on the virtual tight-rope of compliance with US Department of Labor. Despite the challenges of 2020 some of the progress made by the board in our first year is as follows:

Board accomplishments

(1) Completed cost negotiations with new AJC provider.

(2) Cleared USDOL negative findings against VIDOL related to the board.

(3) State Plan completed, submitted, and approved by US Department of Labor.

(4) Successful negotiation of performance goals with USDOL.

(5) Collaboration with VIDOL at the beginning of COVID to brainstorm contact-less client processing.
(6) Submitted and received approval on Waivers supporting VIDOL processing and reporting requirements.

(7) Consistent presence on USDOL Corrective Action Plan (CAP) calls

(8) Participated in and provided feedback on the VIDE Advisory Council - Portrait of a VI Graduate

(9) Validated with US Department of Labor that AJC Contract is in process – As a result this assisted VIDOL in being removed from High-Risk Key area of Procurement – Policy and Procedures

(10) Reworked contract with a VIDOL contractor to increase WIOA compliance assistance, addition workshops to be conducted in the local Housing communities on opportunities available at VIDOL and how to go about participating in training and other services available through VIDOL.

(11) Developing a Re-entry strategy for ex-offenders in collaboration with UVI, Bureau of Corrections, VIDOL, and the Dannon Project

(12) Added 4 new training providers to our Eligible Training Provider List to facilitate training in the areas of Construction, woodworking, life skills, and Culinary arts.

**Status of the Workforce Development Grant**

The Workforce Innovation and Opportunity Act (WIOA) allocates to the Virgin Islands a total of $2.2M per year. These funds are disbursed once a state or territory has an approved State Plan. Most of these funds go towards the operation of the Americans Job Center (AJC) at the Department of Labor. The programs operated by
the current AJC include Youth, Adult, and Dislocated workers. To date we have not returned or been denied any of these funds from the Federal government. Despite these accomplishments there is still a long way to go and that path isn’t without its challenges.

**Our challenges - What we are up against**

After little over a year of being on the workforce development board I have identified several issues that not only affect the workforce development board, but they affect our entire workforce system. As a collective we are nowhere near prepared for the coming changes. We still utilize conventional thinking and traditional processes as an approach to solve rapidly evolving problems.

The pandemic has unhitched our workforce from the past and we are steadily drifting toward a future that many are calling The Great Reset. Our workforce needs to realize that in the next 10 to 15 years there may no longer be lifelong careers where someone goes to college, earns a degree, and works in a career for the rest of their lives. The new normal will be reinventing yourself every 5 to 10 years. Rapid learning and relearning will be the only constant and the one skill we all must have.

When I addressed this senate body on March 12th of 2020 (pre-pandemic), I identified several occupations that were subject to disruption in 5 to 10 years. Some of the occupations I mentioned were:
Bank tellers, fast food operators, cashiers, receptionists, and retail sales staff. On March 13th less than 24 hours after that senate hearing a state of emergency was declared in the Virgin Islands in response to Covid-19. That state of emergency followed by stay-at-home orders eliminated these same occupations. What was expected to be 5 to 10 years away actually occurred the following day... This offered us a glimpse of what is to come, gave us an opportunity to react, and now a chance to further prepare.

**Challenge 1:** The future is coming and we are laying on the tracks.

No matter how hard we cling to the past the future is coming whether we like it or not. Most advancements in technology over the past 20 years have been improvements in modes of communication. Everything from email to text messages, social media, real-time video and voice anywhere anytime, all tied together with smart phones. These advancements and their variants are primarily communications. This era – is identified as the third industrial revolution. The fourth industrial revolution where we are headed now – is the age of robotics and artificial intelligence. This age combines the efficiencies developed in industrial revolutions 1,2, and 3 and creates adaptive automated approaches to problem solving that can assist us with manipulating, educating, or replacing... ourselves.
While this is not limited to Virgin Islands, we must realize how far behind we are as a people and develop a sense of urgency in how we prepare for what’s to come. We also must realize that preparation for this future should not be limited to the students currently in school but also members of our existing workforce. While students are the most versatile and able to adapt to this future, many of us will still be around sharing that same future... similar to how we now share the present with our current retirees who are at the mercy of a pension system which whether we would like to admit it or not, was already disrupted and victim to the third industrial revolution of software and automation which reduced the number of employees required to deliver day to day government services. So, while we debate on how we arrived at this point, who is to blame, and wait for that one brilliant solution... another disruption is on the way - the fourth industrial revolution.

**Challenge 2: We do not completely understand the severity of the situation.**

Our territory averages between 40 and 50 homicides a year – I say again Our territory averages between 40 and 50 homicides a year. On the other hand our average high school graduating class size is between 150 and 200 students after 4 years of high school.

Understand that through homicide, every 4 years we exterminate the equivalent of an entire graduating class of students in Virgin Islands.
While we are far behind on the race of workforce development, we’re winning the race of lives lost. These lost lives likely had the ingredients of being fearless entrepreneurs, creative problem solvers, and ambitious leaders.

**Challenge 3:** We no longer identify with the individuals we are trying to help or the levels we encourage them excel to. It’s difficult for someone to guide another on a path they’ve never walked or witnessed. In a community where we encourage someone to go to school, study, get good grades, stay out of trouble, dream big we tell them. While at the same time we publicly bicker over who’s being paid $85,000, $100,000, $120,000 etc. implying that there is a pre-set limit on our success or what we define as success. This is yet another part of us still attached to the past. These figures based on national averages, just border on middle class especially given our cost of living here. Do you really have answers for someone in need when you’re two pay checks away from being in their same situation? Yet with this mindset we intend elevate locals and attract Virgin Islanders in the diaspora back home. We must collectively expand our view on what success means for **us.** Someone’s limit or growth should not be measured by where you personally stopped.

On the flip side - can you relate to what someone is going through day to day without work, with a family they can’t support if you’ve never been unemployed yourself? Can you understand their sense of desperation?
We convey the message – “say no to drugs” – “don’t use or sell drugs… just hold on thigs will improve” “Stay on the right path”. But what’s the alternative and when will it arrive? Can you relate to that sense of relief when a son or daughter comes home with an unexplained roll of cash while you were boiling your last pack of ramen noodles (and the 2\textsuperscript{nd} for the day)? **Would you refuse it?** Refuse it when the your definition of working hard is a parent or grandparent living next door who works an entry level main job, an entry level second job **to support a younger family member with no job**... Refuse it when heard that your downstairs neighbor, when sympathy ran out resorted to fear by threatening the landlord to buy more time to pay the rent? At the same time with our recovery dollars - we manufacture millionaires out of mainland individuals and firms who before the storms were no better off than we are.

Many of us have experienced and made it to the other side of similar situations but some choose to forget and act as if we were born at the level we are at now. We choose to distance our minds from that past which then prevents us from being able to accurately weigh someone else’s reality who is now in the same situation. Some of our leaders, a few in this senate body, I clearly recognize some of the obvious life scars you’ve gained. You shouldn’t hide or be ashamed of this past as expressing this may be the one bridge to you reaching someone in need.
Don’t just tell me what you know - explain to me where you’ve been. But I understand it’s difficult for you since that’s not the norm and we are expected to be perfect from start to finish on the road to success.

These challenges compounded by our political, personal, and class separations strain our ability to deliver meaningful impact where needed. We will never thrive in a free world with oppressed minds. Without a collective code of conduct or agreed upon vision for the future our scattered efforts at best may only leave clues to success but no clear path.

The Virgin Islands has a rare opportunity to redefine who and what we are for the better but we all, we all need to move toward the same vision. This will be no overnight process and may span an entire generation, but each of us must participate in the effort. Some of us may not see the results in our lifetimes but along the way we can enjoy taking part in the process.

Thank you, Madam Chair, for inviting me to provide testimony and I am available to answer any questions you have at this time.