



THE GREATER
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The Pandemic Unemployed Microloan Program (PUMP) for the Commonwealth of Virginia

The Greater Good Initiative
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POLICY BRIEF

The Problem

As a result of the coronavirus pandemic, local economies were forced to shut down in order to curb the spread of the disease. Across the Commonwealth of Virginia, thousands lost their sources of income, causing unemployment claims to rise dramatically. According to the Virginia Employment Commission (VEC), between May 2019 and May 2020, total nonfarm employment fell by 368,100, a 9.1% decline. Specifically, the leisure and hospitality industry saw a 36.8% reduction in employment within the last two months alone.¹ Much uncertainty has arisen from the coronavirus pandemic, leaving job security very vulnerable. Recent federal stimulus packages have released trillions of dollars towards unemployed workers across the country; however, consensus amongst economists and agencies is pointing towards long-term economic instability. It will be undoubtedly hard to return to the pre-pandemic normal unemployment rate of as low as 3.5 percent. The National Association for Business Economics forecast sees an unemployment rate of nearly 10% at the end of 2020, and 6% through 2021. If a 6% unemployment rate consistently holds for 19 months, around 4 million people in the entire country would be left jobless for a considerable amount of time.² Economists also predict that job security may continue to suffer as many small businesses will flounder completely amid closures and public fear. As a result of foreseeable and widespread economic instability, workers

¹ Virginia Employment Commission. (2020, June 19). Virginia's Seasonally Adjusted Unemployment Rate Decreased to 9.4 Percent in May. Retrieved June 24, 2020, from <https://www.vec.virginia.gov/latest-release#:~:text=From%20April%202019%20to%20April,up%20to%20April's%20sharp%20decline>.

² Schneider, H. (2020, April 10). Economists see uneven jobs recovery, high U.S. unemployment through 2021. Retrieved June 4, 2020, from <https://www.reuters.com/article/us-health-coronavirus-usa-forecast/economists-see-uneven-jobs-recovery-high-u-s-u-employment-through-2021-idUSKCN21S0BL>.

in the Commonwealth of Virginia need immediate opportunities to advance their skills in order to be more competitive in a shrinking employment field.

The Solution

To ensure that all Virginians have the ability to find higher-paying jobs, the Commonwealth should institute a short-term microloan program for those unemployed by COVID-19 for educational or professional development courses. These loans of \$2,000 to \$10,000 would be exclusively for those who filed for unemployment during the period between March 12th, 2020 and one year following the conclusion of the COVID-19 State of Emergency order. The purpose of this program would be to provide loans as a means of obtaining an education or professional development certification in hopes of enabling the unemployed person to find a job or provide them skills to be competitive in a tighter job market.

Currently, nearly all microloans offered by each level of government are for those who are small business owners. Private lenders are given funding by the Small Business Administration to provide these low interest loans wholly within one state. However, the overall goal of this policy proposal is aimed at promoting the individuals rather than the businesses. With an economy that will take months to recover, and the imminent threat of COVID-19 continuing to worsen, fostering job advancement is critical in periods of economic and social restrictions. This program would be administered by the Commonwealth of Virginia itself and would not be under federal control or private influence. The feasibility of this program is enabled by Virginia's essential and relatively large public Community College System (VCCS), which

has 23 colleges, 40 campuses,³ and offers an average yearly in-state tuition rate less than \$5,000.⁴ This means that if awarded the full amount of \$10,000, a Virginia resident could roughly afford to take two years of classes.

The program would lend primarily to those working with lower skills, less technical jobs, and without a high school equivalency education. If the highest priority is given to those without a GED certificate or high school diploma, roughly 11% of the unemployment filers would be given highest priority, representing approximately 39,386 people.⁵ This would substantially lower the initial cost, and would prioritize those who need further education. Eventually, the loans would be repaid by the lendee on an interest rate between five and ten percent, and the state would be able to reinvest the funds for future workforce development programs. Even still, if all Virginians unemployed by COVID-19 applied for this program and were awarded the full amount, the burden on the Commonwealth and its budget would be enormous. Even if such 39,386 people unemployed because of COVID-19 who do not have a GED applied and were awarded the full amount, the burden would still be too great. That is why the Commonwealth of Virginia should immediately apply for a \$60,000,000 maximum grant under the National Dislocated Worker Grant through the Employment and Training Administration (ETA) in the U.S. Department of Labor.⁶ Even though this is the amount that should be requested, the ETA

³ Virginia Community College System. (2020, May 1). About VCCS. Retrieved June 5, 2020, from <https://www.vccs.edu/about/>

⁴ Community College Review. (2020). Top Virginia Community Colleges. Retrieved June 5, 2020, from <https://www.communitycollegereview.com/virginia>

⁵ U.S. Census Bureau, & American Community Survey 2014-2018. (2018, December). QuickFacts: Virginia . Retrieved June 5, 2020, from <https://www.census.gov/quickfacts/fact/table/VA/EDU635218#EDU635218>

⁶ U.S. Department of Labor Employment and Training Administration . (2020, June 8). COVID-19 Dislocated Worker Grants. Retrieved June 10, 2020, from <https://www.dol.gov/agencies/eta/dislocated-workers/grants/covid-19>

only will provide 33% of what is requested.⁷ Therefore, in order to obtain \$20,000,000 in funding, the VEC should apply for a \$60,000,000 grant. An effective \$20,000,000 grant would allow the Commonwealth to pay for roughly 2,000 people unemployed by COVID-19 to attend community college or other professional development programs. Additionally, it would provide FEMA, the Department of Labor, and other government agencies the opportunity to experiment with this type of disaster relief for future crises on a state-by-state basis.

⁷ U.S. Department of Labor Employment and Training Administration . (2020, June 8). COVID-19 Dislocated Worker Grants. Retrieved June 10, 2020, from <https://www.dol.gov/agencies/eta/dislocated-workers/grants/covid-19>

PRELIMINARY REPORT

What is the problem that we're trying to fix?

The problem that this policy is seeking to address is the current high rate of unemployment in Virginia as a result of the COVID-19 pandemic. The ongoing pandemic has led to a dramatic spike in unemployment across the nation, with the current unemployment rate at 13.3%.⁸ Businesses across the nation have been called to shut down or prevent employees and customers from coming into brick-and-mortar stores to curb the spread of the virus. In accordance with government recommendations and CDC guidelines, Executive Order 53 was issued in Virginia, calling for the closure of non-essential businesses. Virginia businesses, especially small and local businesses, have suffered disastrous economic impacts from this closure, with many of them going bankrupt and temporarily or permanently shutting down, leading to layoffs on a wide scale. National, state, and local governments have approved stimulus packages and increased unemployment benefits to slow down and prevent layoffs, such as the CARES Act passed by Congress, which incentivizes businesses to keep employees through providing benefits such as credit on wages and payroll tax deferrals. However, many businesses do not have enough money saved to continue covering costs with decreased profits coming in and, as a result, must close despite these benefits.⁹ The pandemic has particularly impacted industries such as leisure and hospitality services, education and health services, and

⁸ The Employment Situation - May 2020. (2020, June 5). Retrieved June 7, 2020 from <https://www.bls.gov/news.release/pdf/empsit.pdf>

⁹ Bartik, A. W., Bertrand, M., Cullen, Z. B., Glaeser, E. L., Luca, M., & Stanton, C. T. (2020, April). How Are Small Businesses Adjusting to COVID-19? Early Evidence from a Survey. Retrieved June 4, 2020, from <https://www.nber.org/papers/w26989.pdf>

transportation, leaving over 250,000 Virginians jobless and in need of new skill sets in an adapted economy.¹⁰

What is the solution proposed?

To ensure that unemployed members of the Virginia workforce are skilled enough to find jobs in an increasingly competitive economy, microloans should be offered by the Commonwealth in order to provide such workers more opportunity to gain higher education, trade skills, certifications, and other skills. Currently, microloans are being presented as a solution to temporarily offset economic downturn and are offered by state and local governments, particularly by the Virginia Department of Small Business & Supplier Diversity, to allow businesses to recuperate losses. The solution proposed to address this issue is the Pandemic Unemployed Microloan Program (PUMP), a short-term microloan program that allows for those who were unemployed as a result of the COVID-19 pandemic to obtain \$2,000 to \$10,000 in loans, enabling them to seek out further education and widen their skill sets to make them more competitive in the labor market. To ensure this program accommodates those with the most immediate needs, microloans will first be extended to those without a General Education Development (GED) or high school diploma, as this is oftentimes a prerequisite to further education or more skilled job opportunities.

¹⁰ Virginia Employment Commission. (2020, June 19). Virginia's Seasonally Adjusted Unemployment Rate Decreased to 9.4 Percent in May. Retrieved June 24, 2020, from <https://www.vec.virginia.gov/latest-release#:~:text=From%20April%202019%20to%20April,up%20to%20April's%20sharp%20decline>.

Why was this specific issue chosen?

Long-term economic downturn as a result of pandemic-related business closures is predicted to lead to high unemployment rates as the economy continues to recover. While businesses will soon begin reopening under Phase Three of Forward Virginia, government regulations under CDC guidelines and case spikes in nearly half of the country during June could prolong public fear and anxiety into the coming months. As a result, this restricts revenue earnings and also decreases the number of workers needed in these establishments. Therefore, only some of the jobs lost will be brought back. As restrictions continue to be lifted on businesses, some may be able to rehire their employees, but many will likely have been unable to recuperate losses and be forced to shut down. In addition, a second wave of COVID-19 cases in the future could lead to a reinstatement of stricter social distancing guidelines, which would again lead to lower revenue for businesses as clients and customers stop going to brick-and-mortar stores.¹¹ In the long-term, unemployment will likely decrease but will take substantially longer to go back to pre-COVID levels, as economists predict a 6% unemployment rate even at the end of 2021.¹² However, many of the unemployed are already starting to feel the economic repercussions of joblessness, with 48% of workers who have experienced a job loss or pay cut claiming it is difficult to pay bills.¹³ It is vital that these unemployed workers have the

¹¹ Douglas, J., & Yoon, D. (2020, June 08). As Countries Reopen, Many Avoid a Second Wave of Covid-19 Cases-So Far. Retrieved June 7, 2020, from <https://www.wsj.com/articles/as-countries-reopen-many-avoid-a-second-wave-of-covid-19-cases-so-far-11591638007>

¹² Schneider, H. (2020, April 10). Economists see uneven jobs recovery, high U.S. unemployment through 2021. Retrieved June 7, 2020, from <https://www.reuters.com/article/us-health-coronavirus-usa-forecast/economists-see-uneven-jobs-recovery-high-u-s-unemployment-through-2021-idUSKCN21S0BL>

¹³ Kirzinger, A., & Brodie, M. (2020, May 4). When Will The Unemployed Go Back To Work? Many Laid Off Workers Expect To Get Jobs Back In The Short-Term But Experts Caution About Long-Term Unemployment. Retrieved June 4, 2020, from <https://www.kff.org/coronavirus-policy-watch/when-will-the-unemployed-go-back-to-work/>

ability to be more competitive in an unpredictable labor market. This can be ensured by offering financial opportunities for affected workers to advance their skill sets and certifications.

What were the broad questions that guided research into this issue?

What are the various methods to offer individuals incentives while unemployed during the COVID-19 pandemic? On the state level, methods to combat the economic crisis have been limited beyond the federal government stimulus checks and loan programs under the Small Business Administration. Many localities, including Fairfax County and Prince William County, have set up grant programs for small businesses.¹⁴ However, no state program offers individuals the opportunity to advance their skill sets in the hopes of combatting long-term unemployment. An action that the Commonwealth can take is offering educational microloans that give those unemployed by the COVID-19 economic shutdown the opportunity to learn crucial skills that will increase their job potential in a smaller economy.

How can individuals unemployed by the COVID-19 pandemic continue their productive lives and have meaningful work? As Americans look to adjust to life at home, many have struggled to remain productive without alarms to wake up at the sunrise or deadlines to meet for projects. An education microloan allows people to pursue self-development and invest in their careers for a post-COVID-19 world. Microloans allow individuals to pursue community college, trade certifications, or other advancement opportunities.

How can educational microloans be an effective incentive to unemployed individuals? An educational microloan provides the opportunity for individuals to further educate themselves and

¹⁴ Virginia Department of Small Business & Supplier Diversity. (2020, May). COVID-19 Information: Localities with Stimulus Programs. Retrieved June 1, 2020, from <https://www.sbsd.virginia.gov/about-us/news/covid19/#1589235934490-dde9ae23-c1cd>

advance their skill sets. Many lower income individuals have not pursued additional education because they live paycheck-to-paycheck and do not have the savings built up to invest in certification programs. Since those unemployed are most likely to use the entire federal stimulus check on paying for basic necessities and bills, a state-wide microloan program would financially offer the best ability for workers to focus on self-development.¹⁵ Moreover, the economic shutdown gives the necessary time for individuals to seek further education to enter a higher-level position once the labor market begins to stabilize.

What is the significance of achieving post-secondary education in correlation to job security? Post-secondary education allows the degree holder to become more competitive when finding a job. Not only is the job market less limited, but salaries will increase with newfound positions. According to the Lumina Foundation, those without a high school equivalency education earn on average \$14,000. The average earnings of high school graduates with no college experience is about \$24,000 per year, while holders of associate degrees earn 51% more than high school graduates with no college.¹⁶ In addition to this disparity, the Commonwealth must analyze the economic recovery of the 2008 recession. Workers with a high school diploma or less suffered the brunt of the recession and its aftermath. When compared against those with a post-secondary education, this sector lost the most jobs in the recession and has seen the least amount of growth in the job market during the recovery period.¹⁷ Thus, not having a

¹⁵ Konish, L. (2020, April 7). Many Americans say those \$1,200 stimulus checks won't be enough. What it would take to get more money. Retrieved June 10, 2020, from <https://www.cnbc.com/2020/04/06/many-americans-say-1200-coronavirus-stimulus-checks-wont-be-enough.html>

¹⁶ Lumina Foundation. (2014, October 14). *It's Not Just the Money: The Benefits of College Education to Individuals and to Society*. Retrieved June 15, 2020, from <https://www.luminafoundation.org/resource/its-not-just-the-money/>

¹⁷ Georgetown University Center on Education and the Workforce. (2016). *America's Divided Recovery — College Have and Have-Nots*. Retrieved June 10, 2020, from <https://cew.georgetown.edu/wp-content/uploads/Americas-Divided-Recovery-web.pdf>

post-secondary education is a detriment to one's chances of financially surviving in a recession and its recovery period.

What is the relevance of the issues to the Commonwealth and its citizens?

Even optimistic scenarios point towards a slow economic recovery with thousands of jobs permanently lost. With unemployment rising 9.1% in Virginia since May 2019, many individuals that live paycheck-to-paycheck will depend on the federal stimulus check to cover basic expenses.¹⁸ Across the nation, 52% of lower income individuals have lost their jobs and less than half of adults have saved enough for three months of expenses.¹⁹ Most households will struggle even with the CARES Act in place because roughly \$30 million in paper stimulus checks were periodically delayed.²⁰ If the COVID-19 pandemic continues to linger across Virginia, preventing business re-openings and industry recoveries, the economy could feel the impacts of the current devastation for nearly a decade. Because the situation is very fluid, it is essential that the Commonwealth financially provide the necessary educational opportunities in order to ensure self-development and preparedness in a smaller labor market.

¹⁸ Virginia Employment Commission. (2020, June 19). Virginia's Seasonally Adjusted Unemployment Rate Decreased to 9.4 Percent in May. Retrieved June 24, 2020, from <https://www.vec.virginia.gov/latest-release#:~:text=From%20April%202019%20to%20April,up%20to%20April's%20sharp%20decline>.

¹⁹ Parker, K. M., Horowitz, J. M., & Brown, A. M. (2020, April 21). About Half of Lower-Income Americans Report Household Job or Wage Loss Due to COVID-19. Retrieved June 10, 2020, from <https://www.pewsocialtrends.org/2020/04/21/about-half-of-lower-income-americans-report-household-job-or-wage-loss-due-to-covid-19/>

²⁰ Equifax. (2020, April 2). Four Things To Know About Stimulus Checks and the CARES Act. Retrieved June 9, 2020, from <https://www.equifax.com/personal/education/covid-19/stimulus-check-and-cares-act-covid19/>

Why is this an issue that requires a governmental response?

Virginians affected by the economic shutdown need the state government to provide resources and invest in their citizens to ease the possible long-standing economic burden that many will face. The federal stimulus checks are meant to put cash directly into the hands of Americans to pay their expenses, but \$1,200 per adult will not cover months' worth of expenses. Jerome Powell, Chair of the Federal Reserve, believes that the economic recovery will not be complete without a vaccine. The most optimistic projections point towards a vaccine in early 2021, but typical vaccine development can take five to seven years.²¹ Virginians do not have the luxury of time or money to stay at home for the rest of the year. The Commonwealth must immediately act and offer educational microloans that provide an incentive for Virginians to further educate and invest in themselves in order to be successful in the post-COVID-19 workforce.

What are the arguments for the creation of the programmatic or policy response that will be proposed?

Providing microloans for the purpose of professional development serves a multifaceted purpose for those who are recently unemployed. Getting a high school equivalency education is a baseline requirement for obtaining certain jobs and should be the first prioritized level of educational resources that would be financed under PUMP. With an ever-changing labor market, it is essential to garner new career skills and avenues. If a person already has a stable curricular

²¹ CBS News. (2020, May 18). Fed chairman: Economy will recover, but that could take until end of 2021. Retrieved June 10, 2020, from <https://www.cbsnews.com/news/jerome-powell-federal-chairman-economy-recovery-coronavirus-pandemic-face-the-nation-60-minutes/>

foundation, the microloans can be for professional development resources related to their field. The microloans will provide individuals extra monetary incentive to further education and vocational skills, making it easier for them to get a job in the future. In times of emergency where the economy is forced to scale back various industries, the proposed policy will allow them to learn crucial skills during their time at home. The microloans will be paid back for governmental investments with the secondary goal of ensuring a balanced budget for the Commonwealth. Our policy focuses specifically on providing loans for education as the individual benefits under the CARES Act are already being used to cover basic expenses and necessities. Moreover, PUMP promotes professional and career development resources in order to enable unemployed Virginians to find equitable jobs in a more competitive and stringent economy.

What is the basic form of our policy response?

This policy is operated under the discretion of the Governor of Virginia and should be completely funded by the National Dislocated Worker Grant through the ETA of the U.S. Department of Labor. The provision providing for PUMP would be added to § 60.2-612 of the Code of Virginia. This specific code outlines benefit eligibility conditions, which describes the conditions that an unemployed person must meet in order to receive benefits from the VEC in reacquiring a job. In section 11, the code states that the committee would look favorably upon providing services to a person that has “participated in reemployment services, such as job

search assistance services,” which is the inherent purpose of PUMP.²² The current code should be amended for an additional provision:

For claims filed effective March 12th, 2020 and thereafter until one year following the governor’s announcement concluding the State of Emergency declaration, any person that was unemployed specifically due to the COVID-19 Pandemic, as defined by §60.2-226 Unemployment Code, and does not have a General Education Development (GED) Credential or high school diploma equivalent will be given preference for a microloan, which will assist in providing education, professional, and career development resources. The loans will be given out based on an unemployed individual’s need in terms of education or wage, and are distributed for the purpose of enhancing one’s skills or learning a new trade.

This provision would immediately be available to the governor once enacted. He would be able to institute it at his discretion, allowing microloans to be given to unemployed Virginians until the conclusion of a one-year sunset period, which will commence once the governor declares the COVID-19 State of Emergency to be over. After such a period, the proposed provision and program will no longer be in effect.

What ongoing questions might you have?

How can the government provide microloans to all of the unemployed individuals in Virginia? What criteria determines who gets the first priority? As of June 19th, there are well

²² Virginia Law: Legislation Information System. (2016). § 60.2-612. Benefit eligibility conditions. Retrieved June 10, 2020, from <https://law.lis.virginia.gov/vacode/title60.2/chapter6/section60.2-612/>

over 350,000 individuals that have become unemployed in Virginia due to the COVID-19 pandemic. The Commonwealth will work to provide loans, first, for people that do not have a GED credential or high school diploma and have worked low-wage jobs in the past. Since they have a greater need for financial security, the loans will open avenues for career development. Other factors apart from educational advancement that may be considered closely when providing loans are socioeconomic backgrounds and family situations. Specifically, the monetary value of the loans can be determined by this criteria. Second priority will be given to those who have not completed post-secondary education as that is the next significant educational barrier to better economic opportunities.

Why does this program only fund professional development and career resources? There are many pandemic relief funds put in place by federal, state, and local governments to finance individual day-to-day necessities. Some examples include the Virginia Temporary Assistance for Needy Families and the Virginia Unemployment Insurance.²³ There are also local food banks that provide nutritious meals for families that are not able to afford them; oftentimes a reliance on food banks correlates with being unemployed, as we have already seen within the Commonwealth in areas like Hampton Roads.²⁴ Microloans for business ventures are already provided by the Small Business Administration through private lenders and a few local grant funds. However, because the labor market and economy is very fluid, it may be hard for unemployed individuals to either afford or gain the necessary professional development skills

²³ Virginia Department of Social Services. (n.d.). Temporary Assistance for Needy Families (TANF). Retrieved from <https://www.dss.virginia.gov/benefit/tanf/>

²⁴ Smith, D. (2020, April 4). *Hampton Roads food bank distribution sites running out of food, seeing thousands of newcomers*. Retrieved April 29, 2020, from <https://www.13newsnow.com/article/news/health/coronavirus/food-bank-distribution-sites-running-out-of-food-and-seeing-thousands-of-newcomers/291-eb97f451-ed82-45bc-b742-723a40e57484>

during their time at home. As the economy slowly returns to the pre-pandemic normalcy, Virginian workers will find it especially harder to find opportunities for employment in a shrunken labor market. Therefore, it is essential to provide them with the resources to garner certifications and skills that help make them a competitive applicant.

How can it be ensured that funds are used for employment development purposes? Under PUMP, the VCCS and the Virginia Department of Education (VDOE) will be coordinating the tracking of education. Records kept by both agencies will help determine whether or not an unemployed individual meets the first priority of PUMP. Those without a GED certificate or high school equivalency will be given the utmost priority. Moreover, the VCCS and its affiliates should maintain a new record of those who rely on PUMP for part or all of their tuition. Ideally, individuals who receive a loan should be performing well in their respective classes and become eligible to earn certifications or degrees. In turn, these advancements will allow them to be more competitive in the job market.

How long will this program be in effect? It will take a significant amount of time for the economy to recuperate, and for the unemployment rate to stabilize. Smaller businesses have halted their operations altogether and larger employers are operating on minimized capacities. Like other states, the Commonwealth of Virginia will be opening businesses in stages in order to prevent a second wave of COVID-19 cases from arising. A sunset period of around one year after the economy is fully reopened would not only ensure adequate time for unemployed individuals to seek new career opportunities, but also ensure that businesses have time to progress towards normal operations.

Will there be a grace period for microloan repayment? Once microloans are repaid, the Commonwealth can use this money for direct investment. However, due to the unstable labor market and variable time for its stabilization, loans will likely not be repaid instantly. It takes an average of 3 months to earn a GED credential, but preparing for the exam and covering all curriculum may take a year under compromised situations.²⁵ Coupled with family obligations and uncertainty about day-to-day expenses, the loan repayment time would be approximately two years. The latter time frame ensures that the person is able to make the most of their career development resources. If a person is still unable to pay back their microloan under the contracted interest rate of 5-10%, an appropriate grace period will be decided by the VEC based on the severity of their circumstance.

POLICY PROPOSAL AND ANALYSIS

What is the programmatic or policy response to the problem that was chosen?

²⁵ GED Testing Service. (2019, September 3). How Do I Get My GED and How Long Does it Take? Retrieved June 10, 2020, from <https://ged.com/blog/how-do-i-get-my-ged-and-how-long-does-it-take/>

In order to ensure that Virginian workers who lack a secondary education certification are able to find jobs in the immediate future, the Commonwealth of Virginia should initiate a microloan program for employment development. With an unpredictable job market looming over the nearly 375,000 unemployed Virginians as of June 2020, there needs to be a state-level program that provides assistance to those who are most vulnerable. In the Commonwealth, 10.7% of people over the age of 25 do not have a high school graduate degree or higher.²⁶ These Virginians are the most susceptible to being unemployed in the long-term as businesses reduce their payroll size or shut down operations altogether. They will lack the necessary credentials and skills needed to stay competitive in a contracting economy.

To safeguard vulnerable Virginian workers, the Commonwealth should institute the Pandemic Unemployed Microloan Program (PUMP). Microloans between \$2,000 and \$10,000 will be given to unemployed individuals who are seeking to advance their certification or skills through the VCCS and its affiliates. A full maximum \$10,000 loan will enable such an individual to pay for roughly two years of tuition, as the average yearly in-state tuition rate is less than \$5,000.²⁷

²⁶ U.S. Census Bureau, & American Community Survey 2014-2018. (2018, December). QuickFacts: Virginia . Retrieved June 5, 2020, from <https://www.census.gov/quickfacts/fact/table/VA/EDU635218#EDU635218>

²⁷ Community College Review. (2020). Top Virginia Community Colleges. Retrieved June 5, 2020, from <https://www.communitycollegereview.com/virginia>

How will our policy proposal be implemented? What systems, agencies, and authority will need to be in place?

As the program is considered by the General Assembly, the VEC should apply for a \$60,000,000 grant under the National Dislocated Worker Grant through the ETA in the U.S. Department of Labor. Even though this is the amount that should be requested, the ETA only will provide 33% of what is requested.²⁸ Therefore, in order to obtain \$20,000,000 in funding, the VEC should apply for a \$60,000,000 grant. On April 20th, 2020, the VCCS was awarded \$3.3 million by such grant in order to “help in responding to this pandemic by providing the training and services needed to meet the workforce needs in Virginia during the COVID-19 national emergency.”²⁹ The grant has currently given out a total of \$238,881,438 to state workforce agencies in which the highest amount given to a single applicant is \$12,000,000 as of June 2020. Even though an effective \$20,000,000 amount would exceed the highest grant given thus far, the Commonwealth must proceed with this request in order to remain as proactive as possible. Without considering additional expenses to PUMP, a \$20,000,000 grant will be enough to give \$10,000 to 2,000 displaced workers. Ideally, any amount that will fund a program capable of helping at least 1,000 workers will reap many benefits for those most at-risk by a contracting economy.

On March 18th, 2020, the ETA released to all state workforce agencies a National Dislocated Worker Grant Program guidance letter outlining how such agencies could apply for

²⁸ U.S. Department of Labor Employment and Training Administration . (2020, June 8). COVID-19 Dislocated Worker Grants. Retrieved June 10, 2020, from <https://www.dol.gov/agencies/eta/dislocated-workers/grants/covid-19>

²⁹ Office of Congressman Bobby Scott. (2020, April 20). *Scott: CARES Act to Provide \$3.3 Million in Worker Training Grants to Virginia Community Colleges*. Retrieved June 10, 2020, from <https://bobbyscott.house.gov/media-center/press-releases/scott-cares-act-to-provide-33-million-in-worker-training-grants-to>

the grant.³⁰ The Commonwealth should apply for an Employment Recovery Displacement Worker Grant (DWG), which “provides resources to states and other eligible applicants to respond to major economic dislocations.”³¹ The qualifying layoff event can be classified under “community impact.” This classification is justified with “multiple dislocations occurring over a period of up to 12 months that have significantly increased the number of unemployed individuals in a regional or local workforce area.”³² Applications are usually required to be submitted 120 days of a qualifying layoff event; however, “grant applications may be submitted under emergency status for sudden or unexpected mass layoff events.”³³ This emergency application is required to be submitted 15 days after the qualifying event. Although the Virginia State of Emergency started on March 12th, 2020, it is still ongoing; therefore, the “qualifying event” is still taking place. After the VEC is awarded the grant, they will need to submit a full application within the next 60 business days.

The grant can be completely used to fund PUMP for career services, as described in WIOA Section 134(c)(2); 20 CFR Part 680; and TEGL 16-16 Section C. Several services for the purpose of achieving reemployment and education goals fall under this definition, including but not limited to “outreach, intake, labor exchange services, initial comprehensive assessments, development of an individual employment plan, referral, provision of labor market information, provision of information on eligible training providers, and provision of information on the

³⁰ Employment and Training Administration. (2020, March 18). National Dislocated Worker Grant Program Guidance Letter. Retrieved June 20, 2020, from https://wdr.doleta.gov/directives/attach/TEGL/TEGL_12-19.pdf

³¹ Ibid., pg. 8

³² Ibid., pg. 8

³³ Ibid., pg. 11

availability of supportive services.”³⁴ Eligible participants to PUMP will be outlined by the definitions in WIOA Section 3(15) and the Virginia Unemployment Code § 60.2-226 (*Appendix IV, sections A & B*).

In the March 18th letter, the ETA also gave guidance on the factors considered in awarding DWGs and award amounts, which are awarded at the Secretary’s discretion. There are “no firm requirements” that need to be met, although “the ETA may consider the level of expenditure of the applicant’s *prior* program year total available DW formula funds (including Rapid Response and carry-in).”³⁵ They will also consider the quality of the proposed project and the severity of job loss qualifying events. In this case, PUMP provides a fundamentally strong plan to help alleviate the long-term unemployment crisis in Virginia, and the COVID-19 pandemic is a more than sufficient basis for a qualifying event.

Assuming a grant is awarded by the ETA, and PUMP is enacted by the General Assembly and Governor Northam, necessary procedures for the program should be established. Taking example from the Commonwealth of Virginia Workforce Innovation and Opportunity Act (WIOA) Combined State Plan, which was released on February 21st, 2020, PUMP would be administered by multiple entities and officials. Administrative oversight should be conducted by the governor, the Chief Workforce Development Advisor, and the Virginia Board of Workforce Development. Code of Virginia §2.2-435.7 (*Appendix IV, section C*) details the specific responsibilities that each entity has. The Chief Workforce Development Advisor conducts evaluations of workforce development programs, submits biennial reports for the governor’s executive budget submissions, and compiles a report to outline the memorandum of

³⁴ Ibid., pg. 11

³⁵ Ibid., pg. 12

understanding between the Chief Workforce Development Advisor, the commissioner of the VEC, and the chancellor of the VCCS.³⁶ The latter responsibility is the most critical to the success of PUMP as this official must clearly establish the roles and responsibilities of the VEC and VCCS, a funding mechanism under the WIOA — which would be the National Dislocated Worker Grant, and a procedure for the resolution of disagreements that may arise. The Virginia Board of Workforce Development primarily conducts analysis and research into the program's success and provides it to the governor, reviews the budgets that are submitted by the VEC and VCCS, and maintains a performance and accountability committee that establishes the metrics and measurements of success in coordination with the other agencies involved.³⁷ An administrative organization chart of PUMP is provided in *Appendix IV, section D*.

There is some recent precedence that officials can use to guide the construction of PUMP. The Workforce Credential Grant Program (WCG), established in 2016 under HB 66, was Virginia's first statewide program to provide non-credit workforce training for industry certifications and occupational licenses. It incentivized community colleges and regional higher education centers to support students in completing their programs and attaining credentials through a first of its kind pay-for-performance funding formula (see *Appendix IV, section E* for a comparison between the WCG program and the proposed PUMP).³⁸ Moreover, Governor Northam produced a Comprehensive Economic Development Policy for the Commonwealth in 2018. In the first of four priorities, he addressed the need to invest in the education and skills of

³⁶ Virginia Career Works. (2020, February 20). Commonwealth of Virginia Workforce Innovation and Opportunity Act Combined State Plan. Retrieved June 15, 2020, from <https://virginiacareerworks.com/wp-content/uploads/DRAFT-2020-Virginia-Combined-State-Plan-for-Public-Comment.pdf>

³⁷ Ibid., pg. 85

³⁸ Ibid., pg. 105

the workforce.³⁹ With pre-COVID goals of the Commonwealth already aligning with PUMP's mission, there should be optimism when considering implementation on a state-wide level.

By rule, the microloans should only be first given to workers unemployed by the COVID-19 pandemic who do not have a high school equivalency education. This will ease the process for the committee and will require less funds compared to a program that offers this opportunity to any unemployed Virginian. Moreover, this measure will ensure that those at the highest risk of long-term work displacement can become more competitive in a smaller job market. The VEC should establish guidelines for loan payments. Recommendations have been provided in *Appendix II (sections E - J)* on loan payments, interest rates, and loan forgiveness. PUMP will remain in effect until the conclusion of a one-year sunset period that begins at the end of the governor's COVID-19 State of Emergency.

Why is this something that should be addressed at the state level?

PUMP would provide feasibility and coverage much better at the state level than at the local level. The Commonwealth has the ability to recruit resources from three key entities: the Virginia Employment Commission, the Virginia Community College System, and the National Dislocated Worker Grant of the Employment and Training Administration in the U.S. Department of Labor. Coordination between these three entities is vital to providing assistance to Virginia's unemployed workforce on a long-term scale. Moreover, economic instability is not unique to one region of Virginia, but rather affects every part of the state. State policies generally account for the varying socioeconomic conditions and career levels of its constituents, and would

³⁹ Ibid., pg. 106

better address the policy proposal's resource stimulus for the unemployed, while also producing little burden to the state's budget.

Are there alternative responses that should be taken into account?

Other alternative responses that could be considered are continuing current efforts on keeping businesses from permanently terminating operations so as to preserve jobs for employees in the long-term. Congress has already passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act that ensures financial assistance to small businesses and workers, such as the Paycheck Protection Program. This program funds operational costs for 8 weeks, allowing for small business owners to cover wages for employees and prevent layoffs. It also provides payroll tax deferrals that allow business owners to delay paying employment taxes.

⁴⁰ In addition to the federal stimulus, the Commonwealth and some local communities have already taken initiative to keep businesses in operation. Numerous grants and programs exist, as updated regularly by the Virginia Department of Small Business & Supplier Diversity.⁴¹ However, there are few efforts being directed towards promoting employment development in the Commonwealth. This is critical as long-term economic instability can leave the most vulnerable workers without a job for the foreseeable future.

⁴⁰ U.S. Department of the Treasury. (2020, June 12). Retrieved June 15, 2020, from <https://home.treasury.gov/policy-issues/cares>

⁴¹ Virginia Department of Small Business & Supplier Diversity. (2020, May). COVID-19 Information: Localities with Stimulus Programs. Retrieved June 1, 2020, from <https://www.sbsd.virginia.gov/about-us/news/covid19/#1589235934490-dde9ae23-c1cd>

Why is our proposed policy the appropriate response to the identified problem?

Certain industries are experiencing a far more significant decrease in economic activity than other sectors, such as the hospitality and travel industries, due to the impact of COVID-19, which has led to disproportionate unemployment in these areas. These same industries are also likely to see slow growth as conditions return to normalcy over the next few months due to public fear, as shown by the projected global loss of 75 million jobs in the travel industry if the pandemic continues over the next few months.⁴² However, these same workers are already starting to feel the economic repercussions of long-term unemployment with 48% of workers who have experienced a job loss or pay cut claiming it is difficult to pay bills.⁴³ Providing microloans to finance higher education and skill acquisition allows these workers to diversify their skillset and become marketable in current or different fields.

What are the resources that will be needed to carry out this programmatic response?

The policy proposal will require a \$60,000,000 grant from the U.S. Department of Labor in order to secure the necessary funds needed to provide \$2,000 to \$10,000 worth of microloans to unemployed Virginians with the lowest education level. It will also need extensive data on unemployed demographics and corresponding educational levels. This can be achieved through the VEC requesting applicants to send information regarding their ability and need of advancing their skills or certification. This could, but is not limited to: professional resumes, state tax

⁴² Grillot, K., & Franken, C. (2020, April 05). How hard will the coronavirus hit the travel industry? Retrieved June 15, 2020, from

<https://www.nationalgeographic.com/travel/2020/04/how-coronavirus-is-impacting-the-travel-industry/>

⁴³ Kirzinger, A., & Brodie, M. (2020, May 4). When Will The Unemployed Go Back To Work? Many Laid Off Workers Expect To Get Jobs Back In The Short-Term But Experts Caution About Long-Term Unemployment. Retrieved June 4, 2020, from

<https://www.kff.org/coronavirus-policy-watch/when-will-the-unemployed-go-back-to-work/>

forms, and detailed history of prior education. Provided documentation will also help determine whether or not the applicant is a resident of Virginia. Additionally, VDOE or other state education agencies can coordinate with the VEC in order to confirm an individual's prior education. The policy response will also need access to VCCS resources that can be used by the unemployed to further their careers and adapt to the changing labor market. Individuals should display proof of their intent to enroll in the VCCS in order to ensure that they are using the microloan for its intended purpose. Overall, appropriations for PUMP should not exceed more than \$2,000,000.

What criteria are we using to determine if our policy is successful?

Two metrics can be used to measure the success of PUMP: 1) a decrease in Virginians without a high school equivalency education, and 2) a steady or downward trend in the state unemployment rate. The first metric can be calculated by the VCCS who will be issuing diplomas, certificates, and associate degrees to successful program participants. The ultimate goal is to prioritize those with the least amount of prior education, but those without any post-secondary education will be given second priority. Both of these groups will have similar difficulties if the COVID-19 pandemic continues to economically affect the Commonwealth. The second metric can be calculated by the VEC who regularly tracks the unemployment rate. However, it is important to note that there are many other factors that can alter this metric's reliability. For example, if the program were to function as planned with approximately 2,000 workers being able to find jobs as a result of developing their skills, but hard hit industries like tourism experience more job losses that offset this number, then the overall rate might be lower

than what was previously recorded. In this hypothetical scenario, the program would have succeeded in its goal, but the overall unemployment rate will not have decreased. This second metric should not be considered an absolute measure of the program's success, but it can demonstrate a meaningful change when used in correlation to the first metric, and if the economy returns to stable conditions. Ultimately, a simple percentage can be derived by dividing the unemployed workers under PUMP who find work after receiving education from the VCCS by the total number of loanees in the program. The higher this percentage, the more successful PUMP will have been.

What would happen if no action is taken by the government and the problems were to persist?

With predictions of a potential second wave of COVID-19 that could send Virginia and the rest of the nation into another economic shutdown, those with lower education credentials or skills will continue to grapple with unemployment and limited savings. Virginians that work physical and minimum-wage jobs, such as cashiers or employees in the retail and food service industry, cannot work from home like those occupying management positions. A prolonged economic shutdown following a second wave of infections in the United States will further the divide between socioeconomic classes as wealthier households will be able to continue their work virtually, leaving behind families who work minimum-wage jobs and inherently have access to fewer financial resources. With government grants attempting to save floundering businesses from shutting down permanently, little attention is being given to individuals who will

suffer the largest burden in a long-term economic contraction. Therefore, it is up to the Commonwealth to provide immediate assistance to help alleviate these burdens for Virginians.

CONCLUSION

Upon affirmation, the Pandemic Unemployed Microloan Program (PUMP) will present members of the labor force recently unemployed due to the economic impact of COVID-19 with the ability to seek out higher education. This program will offer microloans ranging from \$2,000 to \$10,000 to members of the labor force who are unemployed, under a proposed additional provision to § 60.2-612 of the Code of Virginia, which they can then use towards taking classes through their local community colleges. The proposed policy allows for the least educated unemployed workers to diversify their skill sets and garner greater marketability when applying to job opportunities in the coming months.

Government efforts have been greatly focused on assisting small businesses to prevent them from going bankrupt, thus preventing job loss. However, these temporary measures do not take into account the fact that certain industries, such as the leisure and hospitality industry, will likely take longer to return to their pre-COVID levels of employment due to changes in consumer habits, such as public fear in traveling and caution being taken in social gatherings. In the meantime, it is important to ensure that the same employees being laid off by these industries are not only provided short-term unemployment benefits, but will also have the ability to seek out employment in other industries or for higher paying positions. COVID-19 is a short-term problem, but its economic impacts will be long-lasting, with economists predicting that the national unemployment rate by the end of 2021 may hold as high as 6% due to the loss of jobs as businesses close their doors.⁴⁴ Unemployed workers cannot wait for jobs to return in the future as

⁴⁴ Schneider, H. (2020, April 10). Economists see uneven jobs recovery, high U.S. unemployment through 2021. Retrieved June 4, 2020, from <https://www.reuters.com/article/us-health-coronavirus-usa-forecast/economists-see-uneven-jobs-recovery-high-u-s-u-employment-through-2021-idUSKCN21S0BL>

they struggle to pay for bills in the present. PUMP provides opportunities towards economic security and employment development for countless Virginians who have found themselves economically stranded as a result of the COVID-19 pandemic.

PUMP also presents a unique opportunity for the Commonwealth. With 49 other states currently grappling with the effects of the pandemic, Virginia can further itself as a leading economic force. By promoting workforce development right now, out-of-state and in-state businesses can become more confident in the Commonwealth's ability to respond to ongoing and future crises. It builds upon an already well-established reputation that Virginia holds, resulting in the promise of attracting future investment and opportunity across the Commonwealth.

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APPENDIX I

Code of Virginia Amendments

Current Code:

§ 60.2-612. Benefit eligibility conditions. (7)

7. a. He is able to work, is available for work, and is actively seeking and unable to obtain suitable work. Every claimant who is totally unemployed shall report to the Commission the names of employers contacted each week in his effort to obtain work. This information may be subject to employer verification by the Commission through a program designed for that purpose. The Commission may determine that registration by a claimant with the Virginia State Job Service may constitute a valid employer contact and satisfy the search for work requirement of this subsection in labor market areas where job opportunities are limited. The Commission may determine that an individual, whose usual and customary means of soliciting work in his occupation is through contact with a single hiring hall which makes contacts with multiple employers on behalf of the claimant, meets the requirement that he be actively seeking and unable to obtain suitable work by contacting that hiring hall alone. In areas of high unemployment, as determined by the Commission, the Commission has the authority to adjust the requirement that he be actively seeking and unable to obtain suitable work.

b. An individual who leaves the normal labor market area of the individual for the major portion of any week is presumed to be unavailable for work within the meaning of this section. This presumption may be overcome if the individual establishes to the satisfaction of the Commission that the individual has conducted a bona fide search for work and has been reasonably accessible

to suitable work in the labor market area in which the individual spent the major portion of the week to which the presumption applies.

c. An individual whose type of work is such that it is performed by individuals working two or more shifts in a 24-hour period shall not be deemed unavailable for work if the individual is currently enrolled in one or more classes of education related to employment or is continuing in a certificate or degree program at an institution of higher education, provided that the enrollment would only limit the individual's availability for one shift and the individual is otherwise available to work any of the other shifts.

Amended Code:

§ 60.2-612. Benefit eligibility conditions. (7)

7. a. He is able to work, is available for work, and is actively seeking and unable to obtain suitable work. Every claimant who is totally unemployed shall report to the Commission the names of employers contacted each week in his effort to obtain work. This information may be subject to employer verification by the Commission through a program designed for that purpose. The Commission may determine that registration by a claimant with the Virginia State Job Service may constitute a valid employer contact and satisfy the search for work requirement of this subsection in labor market areas where job opportunities are limited. The Commission may determine that an individual, whose usual and customary means of soliciting work in his occupation is through contact with a single hiring hall which makes contacts with multiple employers on behalf of the claimant, meets the requirement that he be actively seeking and unable to obtain suitable work by contacting that hiring hall alone. In areas of high

unemployment, as determined by the Commission, the Commission has the authority to adjust the requirement that he be actively seeking and unable to obtain suitable work.

b. An individual who leaves the normal labor market area of the individual for the major portion of any week is presumed to be unavailable for work within the meaning of this section. This presumption may be overcome if the individual establishes to the satisfaction of the Commission that the individual has conducted a bona fide search for work and has been reasonably accessible to suitable work in the labor market area in which the individual spent the major portion of the week to which the presumption applies.

c. An individual whose type of work is such that it is performed by individuals working two or more shifts in a 24-hour period shall not be deemed unavailable for work if the individual is currently enrolled in one or more classes of education related to employment or is continuing in a certificate or degree program at an institution of higher education, provided that the enrollment would only limit the individual's availability for one shift and the individual is otherwise available to work any of the other shifts.

d. For claims filed effective March 12th, 2020 and thereafter until one year following the governor's announcement concluding the State of Emergency declaration, any person that was unemployed specifically due to the COVID-19 Pandemic, as defined by §60.2-226 Unemployment Code, and does not have a General Education Development (GED) Credential or high school diploma equivalent will be given preference for a microloan, which will assist in providing education, professional, and career development resources. The loans will be given out

based on an unemployed individual's need in terms of education or wage, and are distributed for the purpose of enhancing one's skills or learning a new trade.

APPENDIX II

Proposed Bill

Code of the Commonwealth of Virginia Title 60.2. Unemployment Compensation. § 60.2-612. COVID-19 Pandemic Unemployment Microloan Program

- a. Be it established, the Virginia COVID-19 Pandemic Unemployment Microloan Program
- b. WHEREAS, a program, available to persons filing with the Commonwealth of Virginia for unemployment assistance and insurance under § 60.2-612 between the periods of March 12th, 2020, and one year thereafter the conclusion of the COVID-19 State of emergency, and identified COVID-19 as the primary, underlying, cause or influence in unemployment.
- c. WHEREAS, this program, shall provide loans of lengths no shorter than 5 years, and no longer than 10 years after the issuance of the loan, with loan principal amounts no more than \$10,000 and no less than \$2,000.
- d. The Virginia Employment Commission shall categorize applications of those who have filed for unemployment assistance between March 13th, 2020 and one year thereafter the COVID-19 State of Emergency. The highest priority for the loans shall be given to those without a high school equivalency, as outlined by § 22.1-254.2. A high school equivalency certification and the qualifications required to obtain such, shall be outlined in § 22.1-254.2, the Virginia Department of Education, and subsequent additional requirements imposed by respective County School Board as designed.
- e. WHEREAS, the loanee shall make monthly payments to the Virginia Employment Commission in order to fully repay the principal of the loan, with interest, in the time prescribed by officials from the Virginia Employment Commission.
- f. WHEREAS, interests for those receiving this loan, shall be adjudicated by officials within the Virginia Employment Commission, in accordance with loan industry standards, solely on the basis of financial situation. The interest rates shall not exceed 10% of principal of the loan.
- g. WHEREAS, the loanee shall receive the principal of the loan, and have permission from the State for the sole purpose of enrolling, paying for, and

financing courses and programs operated by the Virginia Community College System and its affiliates. Should a loanee determine that the best usage of the loan is outside of the VCCS or designated affiliates, officials with the Virginia Employment Commission shall make the determination and judgement that the loanee has a suitable alternative. The process required to alter the spending destination in its entirety shall take no more than 10 business days from the receiving of the request to the court-appealable decision.

- h. WHEREAS, in the circumstance that the loan recipient is unable to pay the principal of the loan and appropriate interest back to the Virginia Employment Commission within the 10 year term length, or the loanee defaults on two or more loan payments, the Commission shall have 30 days to notify the recipient of the loan, and enroll the loan recipient in an alternative payment program, that shall last no more than 2 years past the end of the statutory loan term length, for a maximum potential length of 12 years.
- i. WHEREAS, should a loan recipient declare themselves bankrupt or financially insolvent, the loans issued in accordance with this program shall not be able to be discharged via bankruptcy processes or litigation. Should a loan recipient enter into bankruptcy before the expiration of the loan term length, the Commission shall follow the procedures stated in Part H, and enroll the loan recipient in an alternative payment program for no more than 2 years past the expiration of the original loan term length.
- j. WHEREAS, Should a loan recipient declare themselves bankrupt or financially insolvent during an alternative payment program, the Commission should follow the procedures outlined in Part H, and have 30 days notify the recipient of the loan, and enroll the loan recipient in a new alternative payment program, lasting for one year.
- k. WHEREAS, the Virginia Employment Commission shall have the authority and power to apply for the United States Department of Labor's National Displaced Worker Grant. The Commission shall use all funds not required for appropriate staffing and expenses to provide unemployment educational loans to those unemployed between March 12th, 2020 and one year thereafter the COVID-19 State of Emergency. The Commission shall have the authority to lobby the Department of Labor and the National Displaced Worker Grant for the amount of \$60,000,000, and shall have all Commonwealth and county resources available to secure the National Displaced Worker Grant.

APPENDIX III

Press Release



The Greater Good Initiative: “Pandemic Unemployed Microloans Program (PUMP)” Ensures Job Advancement and Marketability in the Immediate Future

Fairfax County, VA (June 6, 2020) — As government restrictions and guidelines, coupled with public fear, force businesses to operate with limited capacities, the Commonwealth of Virginia has experienced a dramatic increase in unemployment claims over the last three months. Even with federal stimulus checks under the CARES Act and numerous local, state, and federal grant programs keeping some businesses in operation, there lacks a state-wide effort directed towards unemployed individuals. With many businesses either reducing the size of their payrolls or shutting down altogether, Virginian workers are facing the reality of having to find opportunities in a smaller job market.

The Greater Good Initiative proposes an additional provision to the Virginia Unemployment Code that would allow the Virginia Employment Commission to begin issuing microloans between \$2,000 and \$10,000 to unemployed workers without a GED certificate or a high school diploma seeking to advance, certify, or learn skills through the Virginia Community College System and its affiliates. With an unpredictable job market looming over the nearly 375,000 unemployed Virginians, it is paramount that the Commonwealth provide the opportunity for those with the lowest credentials or apparent skills to enhance their job marketability in order to become more competitive during and following the COVID-19 State of Emergency. Additionally, The Greater Good Initiative proposes that the Commonwealth apply for the United States Department of Labor’s National Displaced Worker Grant in order to fund PUMP. The amount of \$60,000,000 should be lobbied for in order to receive a minimum of \$20,000,000 in actual funds. This is a new approach that can help ease the economic crisis of the COVID-19 pandemic by directly and immediately affording educational opportunities to those with the most significant barriers to finding new jobs.

About The Greater Good Initiative: The Greater Good Initiative (GGI) is a youth-led, nonpartisan policy think tank working to create sustainable solutions to our nation’s most pressing issues. Currently focusing on addressing issues related to the COVID-19 pandemic in economic, public health, education, environmental, and civil rights sectors, GGI has coordinated with local, state, and federal legislators, policy professionals, and community leaders to craft realistic and effective policies that actively respond to the public’s greatest concerns.

APPENDIX IV

Supplementary Materials

A) WIOA Section 3(15) — Definition of Dislocated Worker

DISLOCATED WORKER.—The term “dislocated worker” means an individual who— (A)(i) has been terminated or laid off, or who has received a notice of termination or layoff, from employment; H. R. 803—8 (ii)(I) is eligible for or has exhausted entitlement to unemployment compensation; or (II) has been employed for a duration sufficient to demonstrate, to the appropriate entity at a one-stop center referred to in section 121(e), attachment to the workforce, but is not eligible for unemployment compensation due to insufficient earnings or having performed services for an employer that were not covered under a State unemployment compensation law; and (iii) is unlikely to return to a previous industry or occupation; (B)(i) has been terminated or laid off, or has received a notice of termination or layoff, from employment as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise; (ii) is employed at a facility at which the employer has made a general announcement that such facility will close within 180 days; or (iii) for purposes of eligibility to receive services other than training services described in section 134(c)(3), career services described in section 134(c)(2)(A)(xii), or supportive services, is employed at a facility at which the employer has made a general announcement that such facility will close; (C) was self-employed (including employment as a farmer, a rancher, or a fisherman) but is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters; (D) is a displaced homemaker; or (E)(i) is the spouse of a member of the Armed Forces on active duty (as defined in section 101(d)(1) of title 10, United States Code), and who has experienced a loss of employment as a direct result of relocation to accommodate a permanent change in duty station of such member; or (ii) is the spouse of a member of the Armed Forces on active duty and who meets the criteria described in paragraph (16)(B)

B) Code of Virginia § 60.2-22.6. — Unemployment Definition

A. An individual shall be deemed "unemployed" in any week during which he performs no services and with respect to which no wages are payable to him, or in any week of less than full-time work if the wages payable to him with respect to such week are less than his weekly benefit amount. Wages shall be deemed payable to an individual with respect to any week for which wages are due. An individual's week of unemployment shall be deemed to commence only after his registration at an employment office, except as the Commission may by regulation otherwise prescribe.

B. Notwithstanding any other provisions of this title, no individual shall be deemed unemployed with respect to any week he earns less than his weekly benefit amount solely because he did not work on a legal holiday as defined in § 2.2-3300.

C) Code of Virginia § 2.2-435.7. — Responsibilities of the Chief Workforce Development Advisor

A. The Governor's responsibilities as carried out by the Chief Workforce Development Advisor shall include:

1. Developing a strategic plan for the statewide delivery of workforce development and training programs and activities. The strategic plan shall be developed in coordination with the development of the comprehensive economic development policy required by § 2.2-205. The strategic plan shall include performance measures that link the objectives of such programs and activities to the record of state agencies, local workforce development boards, and other relevant entities in attaining such objectives;
2. Determining the appropriate allocation, to the extent permissible under applicable federal law, of funds and other resources that have been appropriated or are otherwise available for disbursement by the Commonwealth for workforce development programs and activities;
3. Ensuring that the Commonwealth's workforce development efforts are implemented in a coordinated and efficient manner by, among other activities, taking appropriate executive action to this end and recommending to the General Assembly necessary legislative actions to streamline and eliminate duplication in such efforts;
4. Facilitating efficient implementation of workforce development and training programs by cabinet secretaries and agencies responsible for such programs;
5. Developing, in coordination with the Virginia Board of Workforce Development, (i) certification standards for programs and providers and (ii) uniform policies and procedures, including standardized forms and applications, for one-stop centers;
6. Monitoring, in coordination with the Virginia Board of Workforce Development, the effectiveness of each one-stop center and recommending actions needed to improve their effectiveness;
7. Establishing measures to evaluate the effectiveness of the local workforce development boards and conducting annual evaluations of the effectiveness of each local workforce development board. As part of the evaluation process, the Governor shall recommend to such boards specific best management practices;

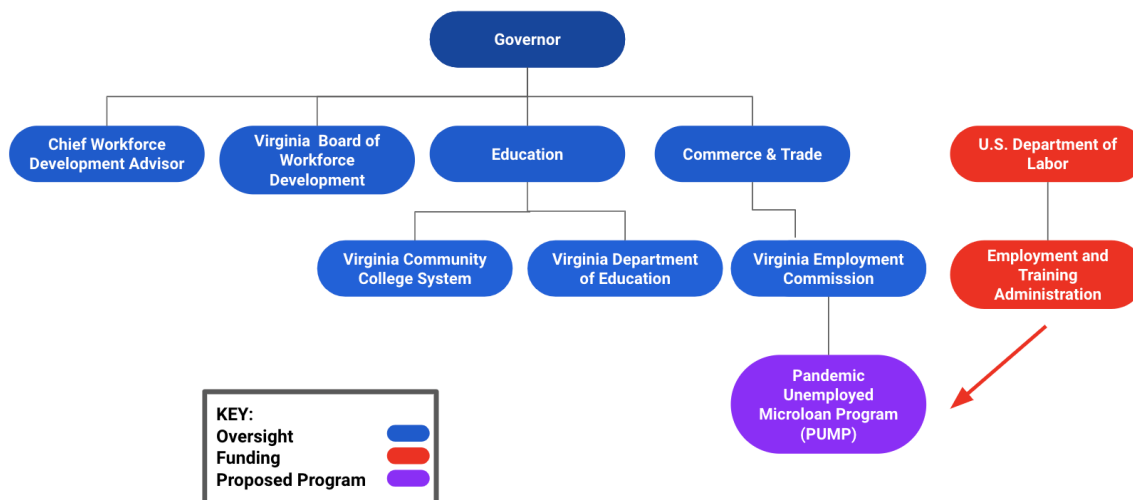
8. Conducting annual evaluations of the performance of workforce development and training programs and activities and their administrators and providers, using the performance measures developed through the strategic planning process described in subdivision 1. The evaluations shall include, to the extent feasible, (i) a comparison of the per-person costs for each program or activity, (ii) a comparative rating of each program or activity based on its success in meeting program objectives, and (iii) an explanation of the extent to which each agency's appropriation requests incorporate the data reflected in the cost comparison described in clause (i) and the comparative rating described in clause (ii). These evaluations, including the comparative rankings, shall be considered in allocating resources for workforce development and training programs. These evaluations shall be submitted to the chairs of the House and Senate Commerce and Labor Committees and included in the biennial reports pursuant to subdivision 10;

9. Monitoring federal legislation and policy, in order to maximize the Commonwealth's effective use of and access to federal funding available for workforce development programs; and

10. Submitting biennial reports, which shall be included in the Governor's executive budget submissions to the General Assembly, on improvements in the coordination of workforce development efforts statewide. The reports shall identify (i) program success rates in relation to performance measures established by the Virginia Board of Workforce Development, (ii) obstacles to program and resource coordination, and (iii) strategies for facilitating statewide program and resource coordination.

B. The Chief Workforce Development Advisor shall report directly to the Governor and shall not serve in any other capacity.

D) Proposed Administrative Organization Chart of PUMP



E) Comparison Chart Between the New Economy Workforce Credentials Grant and the Proposed Pandemic Unemployed Microloan Program (PUMP)

