



ANNUAL REPORT

Utah Department of Workforce Services

Workforce Investment Act
Program Year 2011

<http://www.jobs.utah.gov>

WORKFORCE INVESTMENT ACT ANNUAL REPORT

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INTRODUCTION

Utah Governor Gary R. Herbert's vision is that "Utah will lead the nation as the best performing economy and be recognized as a premier global business destination" (Herbert, 2012). In order to move the vision into a reality, the governor detailed four priorities: "Education, energy, jobs, and self-determination are at the heart of what has made America great. And they are the four cornerstones of Utah's strengths" (Herbert, 2012).

Education

For the education component, the governor's goal is that 66 percent of working-age Utahns will have a postsecondary degree or professional certification by 2020. Based on research conducted by the Georgetown University Center on Education and the Workforce (2009), 62 percent of jobs will require college education by 2018, and more than half of those will require at least a bachelor's degree. As such, a number of initiatives were cultivated and are discussed in further detail below. Further supporting the education priority are initiatives that are being enhanced and expanded, including UtahFutures and the Utah Cluster Acceleration Partnership.

Energy

Energy is a priority globally, and Utah plans to be a leader in energy production. The governor set forth a Call to Action: "Ensure access to affordable, reliable, and sustainable energy by producing 25 percent more electrical energy than we consume by 2020" (Herbert, 2012). Given Utah's unique ability to produce energy from a multitude of sources, including wind, solar, oil and gas, and coal, Utah has an opportunity to grow its energy-related workforce and business base. The State Energy Sector Partnership, of which the Department of Workforce Services (DWS) is a partner, compliments this priority and is discussed in detail later in the report.

Jobs

"Accelerate private sector job creation of 100,000 jobs in 1,000 days" (Herbert, 2012). The governor, through the Governor's Office of Economic Development, set forth four objectives to achieve this goal as detailed in Utah's Economic Development Plan:

- Objective 1: Strengthen and grow existing Utah businesses, both rural and urban.
- Objective 2: Increase innovation, entrepreneurship and investment.
- Objective 3: Increase national and international business.
- Objective 4: Prioritize education to develop the workforce of the future (Herbert, 2012).

DWS is supporting these objectives in numerous ways, including the administration of Job Growth Funds, coordination and collaboration of premier youth programs, incorporation of a new executive level position focused solely on employer initiatives and skills gap analysis provided by DWS' Workforce Research and Analysis Division. These initiatives are discussed in detail within this report.

Self-Determination

The governor's final priority is that of self-determination. A healthy and sustainable workforce is key to economic success. Under this heading, the governor detailed objectives in cultivating solutions for health care reform, public lands and immigration. The broad scope of programs administered by DWS includes Medicaid eligibility.

Overarching Goals for the State's Workforce System

As noted, Governor Herbert has created specific, attainable goals that are relevant to the economy of today and tomorrow. In doing so, he created objectives and action items to guide and challenge his cabinet. The DWS Executive Director and the State Workforce Investment Board (SWIB) are taking leading roles in this call to action. Collaboration and partnership are keys to achieve these goals, and SWIB interactions as well as DWS executives, agency staff and SWIB members serve on various boards, committees and workgroups targeted at achieving the governor's goals. DWS also partners and contributes in the Utah Economic Summit, Rural [Economic] Summit and quarterly economic meetings. Beyond high level coordination, the efforts of DWS' employment counselors and workforce development specialists in meeting the needs of employers and job seekers will also help create a growing, vibrant economy.

Through efforts described in this report as well as future initiatives, DWS will meet the needs of an ever growing and changing economy. Governor Herbert emphasized, "The four cornerstones I have outlined are straightforward. But none are easy. All will require strength and discipline, adherence to principles of frugality and common sense, and a spirit of collaboration, partnership, and leadership. We are Utahns and we are up to the challenge" (Herbert, 2012).

A. PROGRAM YEAR 2011 HIGHLIGHTS

DWS has been recognized nationally for its use of Operational Excellence in refining business practices and streamlining government. Using the Theory of Constraints (TOC) model, DWS identifies levers to DWS success as well as potential constraints within the process in order to refine and improve services. The goal of the TOC model is to increase through-put, reduce cost and improve quality.

DWS uses the Theory of Constraints as a management tool to determine the initiatives on which to focus. DWS has established several key levers and, in turn, the projects on which the agency will concentrate:

- *Identify Employer and Workforce Need (both current and future):* Develop employer demand reports and an employer microsite.
- *Connect Employers with Qualified Job Seekers:* Using the Workforce Innovation Grant, DWS will expand its employer and labor exchange services. This project is called Next Generation Labor Exchange (See Section II. B. below).
- *Provide World-Class Economic Data and Tools to Support Workforce, Education and Job Creation Activities:* Redesign the DWS Internet site (jobs.utah.gov).

- *Close Skills Gap:* Focusing on programs and initiatives that will close the skills gap, including UtahFutures, Skills Gap Reporting, the Veteran’s ACE program, WIA, TANF Training, Education Training Voucher, Trade and UCAP.

B. STRATEGIES FOR BUSINESS ENGAGEMENT

DWS is working towards enhancing one of its most important partnerships: that of Governor’s Office of Economic Development (GOED). Through an executive level position, DWS works closely with GOED to assist in identifying skills gaps, business recruiting and educating companies as to the current skills available in Utah. Providing valuable data and collaborating closely with GOED, DWS hopes to serve as an integral team member in growing Utah’s economy.

Small Business Bridge Grant Pilot Program

An exciting new project developed to leverage Job Growth Funds is the Small Business Bridge Program (Bridge Program). The Bridge Program will provide a limited reimbursement for small businesses that are willing to add new jobs to their workforce and, in so doing, bolster the economy. This program also provides funding for a recruitment program that will work in conjunction with GOED programs. Recruitment funds will target small businesses that are considering locating to Utah or expanding their current business within Utah. The pilot will also provide funding for retention of existing jobs that are threatened by closure or relocation.

Workforce Development Specialists

Each service area has knowledgeable Workforce Development Specialists who work directly with employers to provide industry specific labor market information and occupational wage information to ensure employers stay competitive. These Workforce Development Specialists are the focal point in building relationships with employers, education partners and training partners. With these partners, the Workforce Development Specialists identify and resolve issues that impede the development of an adequate supply of qualified workers for identified industries and occupations. Strategies include increasing training opportunities, developing OJT or worksite learning opportunities and promoting DWS employment exchange services based on the needs and demands of the employer.

The Workforce Development Specialists share employer demand information with the service area director, employment counselors, job developers and connection team staff. This sharing of information influences customer training, career counseling, job development, worksite learning, labor market information publications and service area projects to enhance the economy and shape workforce development efforts. Each service area has an economist assigned to provide consultative support for strategic planning, partnerships and SWIB initiatives. Targeting specific occupations and industries that are relevant to service areas provides the greatest opportunity for job seekers. Jobs are created by businesses, and the best way to support job seekers is by connecting them with and preparing them for the jobs that businesses demand.

C. WORKFORCE INVESTMENT ACTIVITIES

Utah's Program Year 2011 Workforce Investment Act Annual Report reflects the state's commitment to strengthen the state's workforce development system. The state met (was within 80 percent of negotiated levels) or exceeded all WIA Program Year 2011 common measure performance standards. All required elements are reported uniformly based on guidance from the Department of Labor.

| Utah Department of Workforce Services Program Year 2011 Common Measure Performance Outcomes | | | | |
|--|-------------|---------------|---------------------------------|------------------------|
| Common Measure Element | Goal | Actual | Percent of Goal Attained | Measure Results |
| Adult Program | | | | |
| Entered Employment | 63.0% | 59.3% | 94.1% | Met |
| Employment Retention | 86.0% | 83.1% | 96.6% | Met |
| Six Month Average Earnings | \$12,300 | \$13,747.50 | 111.8% | Exceeded |
| Dislocated Worker Program | | | | |
| Entered Employment | 87.0% | 80.8% | 92.9% | Met |
| Employment Retention | 92.0% | 91.0% | 98.9% | Met |
| Six Month Average Earnings | \$15,700 | \$15,141.80 | 96.4% | Met |
| Youth Program | | | | |
| Placement | 66.0% | 59.0% | 89.4% | Met |
| Degree Attainment | 38.0% | 56.1% | 147.6% | Exceeded |
| Literacy & Numeracy | 27.0% | 34.3% | 127.0% | Exceeded |

| Participants Served and Exited by Program | | | |
|--|----------------------------|----------------------------|-------------------------|
| Program | Participants Served | Participants Exited | Exited to Served |
| Adult | 440,235 | 307,248 | 69.8% |
| Dislocated Worker | 2,592 | 854 | 32.9% |
| Youth | 2,789 | 747 | 26.8% |

| WIA Youth Performance Outcomes | | | |
|---------------------------------------|-------|---|-------|
| Total Youth Participants | | In-School Youth Participants | |
| Served | 2,789 | Served | 1,083 |
| Exited | 747 | Exited | 284 |
| Age 14–18 Served | | Out-of-School Youth Participants | |
| Age 14–18 Served | 1,754 | Served | 1,706 |
| Age 14–18 Exited | 467 | Exited | 463 |
| Age 19–21 Served | 1,035 | | |
| Age 19–21 Exited | 280 | | |

D. STATE DISCRETIONARY (FIVE PERCENT) FUND USAGE

In the past, Utah has used one-third of the previous 15 percent set-aside for administrative costs such as case edits/monitoring, finance, audit, human resources, communications, executive management and legal costs. The remaining two-thirds were used to pay for program costs, such as state program staff, DWS' case management system (UWORKS), Workforce Information staff, Worker's Compensation and statewide activities. By centralizing these functions, DWS reduced overhead costs allowing more funds to be spent on training for customers.

With set-aside funding being maintained at five percent, DWS was forced to shift certain costs to the service areas, namely the costs associated with UWORKS and the Performance Review Team (case edits/monitoring): two of the higher cost items. As such, there will be reduced availability of funds to use towards customer's training programs. Additionally, DWS will not be able to initiate any statewide activities, such as Incumbent Worker. DWS is able to maintain other program costs this year as a result of set-aside funds carried over from the previous year. If the 15 percent set-aside is not restored, DWS will need to shift other program costs, further reducing the amount of funding available to support customer training programs.

E. INITIATIVES AND ACTIVITIES TO IMPROVE PERFORMANCE

Better Outreach through Partnerships

GED Program

DWS continues to work with multiple school districts, educational providers and the Utah State Office of Education Adult Education Program to develop strategies to assist individuals in obtaining their high school diplomas or GEDs and slow the dropout rate of current students. Specialized programs have been developed for specific sub-populations such as out-of-school youth, financial assistance customers and ex-felons.

Utah Career Acceleration Partnership

DWS has partnered with the Utah System of Higher Education and GOED on the Utah Cluster Acceleration Partnership (UCAP). The focus of UCAP is to align higher education with industry to meet workforce needs. Additional information regarding UCAP is available on its [website](#).

UCAP projects are convened by one of the colleges or universities in the state and in some instances are co-convened. Current projects around economic clusters include aerospace, healthcare, life science, energy and digital media. Other projects in early phases or that have been proposed include manufacturing, entrepreneurship and Chinese business focus.

SCSEP

This year, DWS coordinated with the State's Senior Community Service Employment Program and incorporated their State Plan within DWS' WIA and Wagner-Peyser State Plan.

State Energy Sector Partnership

Given the ever-growing green job market, DWS has encouraged and supported workforce and economic development in renewable energy and energy efficiency. As such, DWS sought and was awarded the State Energy Sector Partnership (SESP) Grant. This \$4.6 million grant focuses on developing the workforce and creating jobs for green construction, alternative fuels, energy management and efficiency, and renewable energy. DWS expects to serve 1,400 individuals using SESP funds.

National Emergency Grant

DWS is a recipient of a National Emergency Grant (NEG). These funds provide training, re-employment services and support services to customers dislocated from Alliant Techsystems (ATK) from April 2009 through August 2010. ATK has laid off approximately 2,500 employees within this timeframe, and DWS expects to provide services to 10 percent of these individuals.

Better Toolsets and Use of Technology

DWS is moving towards an integrated one-card system where customers may access their benefits. Through a collaborated effort throughout DWS divisions, customers will have access to Unemployment Insurance, child care, financial assistance, Food Stamps, and WIA and other training benefits. This state-of-the-art benefit system will eliminate duplication of cost in administering multiple benefit cards.

Better Decisions Based on Data

Skills Gap Analysis

Utah is once again a national leader in analyzing skills gap data. The skills gap analysis allows DWS and its partners to determine areas where additional funding and resources may be needed. Most recently, DWS completed a skills gap analysis of the nursing industry. This skills gap data is very valuable. For instance, standard flow statistics can indicate that a nursing shortage is persistently imminent due to steady growth in healthcare and staffing pattern changes. Also, statistics such as the Job Vacancy Survey indicate there may be some instances where nursing positions remain unfilled. However, the overall picture using the skills gap methodology shows that supply meets demand on an average annual basis. Additional information regarding future studies of various industries and occupations will be available within the coming months.

Labor Market Information

The Economic Data Collection and Analysis Unit (EDCA Unit within DWS) gathers data regarding the economy and labor market. The mission of the EDCA Unit is to "generate accurate, timely, and understandable data and analyses to provide knowledge of ever-changing workforce environments that

inform sound planning and decision-making.” EDCA collects information describing the Utah labor market, including wages; employment projections by industry, occupation and area; cost of living; employment and unemployment; labor force characteristics; career trends; and industry trends. DWS, the SWIB and outside entities utilize the workforce information collected in planning and decision-making to determine job growth areas, skills gap, income and wage data, migration, demographics, cost of living and career exploration opportunities. This information is critical in determining what industries and occupations to target while working with partners in business and education to ensure skills training availability. Additionally, information collected is also used while assisting customers while providing core, intensive and training services allowing the customer to make informed career choices. DWS also delivers this high-quality employment statistical information to customers through the workforce information page located on the [DWS website](#). Analysis of data collected and published for the Bureau of Labor Statistics state and federal cooperative statistical program is in demand-driven formats. DWS works closely with customers, employers and partners to make the information meaningful and practical for end-users. DWS publishes a [directory](#) describing the various workforce information products available.

Demand Occupations List

If adequately prepared with in-demand basic skills, Utah workers will be able to gain knowledge in high-demand areas. These top knowledge areas provide guidance for training emphasis. Those areas with the highest knowledge requirements are customer and personal service, which far outrank any other knowledge requirement area. Additionally, knowledge of the English language also ranks high on the list. English knowledge may be an area particularly at risk for a generation that has grown up doing more texting than academic or technical writing. Within the in-demand knowledge areas, the need for technical training is also apparent. Other important knowledge areas include clerical, mathematics, education/training and computers.

Performance Accountability

DWS formed a statewide team responsible for editing files and monitoring programs. This team, the Performance Review Team (PRT), is charged with providing rapid feedback to employment counselors, prevention of errors and disallowed costs, and alignment of federal program audits (monitoring requirements) and case management reviews. The PRT developed Compliance Review Tools that are program specific to adult or youth customers. From there, the tool is refined to address various programs and services, including requirements for WIA Adult, WIA Dislocated Worker, WIA Youth, TANF, Trade Act, etc. PRT provides quarterly reports based on case review results that are available to management and staff at all levels. Program staff then analyze the data to determine potential staff training needs or policy enhancements. Additionally, individual employment counselors receive their respective edit results in order to review and correct inconsistencies, creating a more standardized case-management process statewide. Case edit result standards for all programs are set at 90 percent. However, in Program Year 2011, WIA Youth case edit result standards were at 88 percent. The PRT works in conjunction with the annual Single State Audit in an effort to ensure consistency in compliance review.

The Utah State Auditor performs annual reviews of all DWS programs, including WIA. After performing a review of a select number of cases statewide, the State Auditor meets with state-level program staff and a PRT representative to review the audit results. Process, pathway and policy modifications are discussed as well as potential system enhancements to avoid similar errors in the future. The State Auditor works with the DWS Division of Internal Audit to prepare the final report to the appropriate federal agencies.

Within the Division of Internal Audit is a contract monitoring team whose role is to assist DWS in fulfilling its responsibilities as a pass-through entity of federal awards and to provide feedback to various contract management teams based on the contractors' fiscal and programmatic contract requirements.

F. UTAH USAGE OF WORKFORCE INVESTMENT ACT WAIVERS

DWS recognizes the importance and flexibility waivers afford the workforce development system. In conjunction with the State Workforce Investment Board, the following waivers are in operation:

- Individual Training Accounts for WIA Eligible Youth

DWS is currently operating under an approved waiver to the exclusion and prohibition of using Individual Training Accounts for youth. The benefit of this waiver is flexibility in youth program delivery. Youth learn responsibility by making informed decisions and the waiver allows participants to choose their post-secondary educational provider. DWS believes this is a direct link to meeting the negotiated outcomes.

- Youth Procurement

WIA law and regulations allows the WIA grant recipient to deliver the “framework” of WIA Youth services (outreach, intake, assessment and creating individual service strategies) and Summer Youth Employment Opportunities. In addition to the elements allowed by law and regulation, DWS is currently operating under an approved waiver allowing the state to deliver supportive services, work experience and follow-up. DWS selects the providers of other WIA Youth services by competitive bids, resulting in fee-for-service contracts. This model results in increased efficiency as shown in the ability to serve 33 percent more youth than in prior years. DWS believes that performance outcome levels will remain steady under the fee-for-service contracting model.

- Subsequent Eligibility Determination of Training Providers

DWS is currently operating under an approved waiver to postpone the implementation of the subsequent eligibility process for eligible training providers. The benefit of this waiver is to allow Utah a larger pool of training providers for customer choice that will foster increased customer engagement. The result is skills customers entering the labor market with increased earnings and retention. DWS believes this is a direct link to meeting the negotiated outcomes.

- Fifty Percent Transferability of WIA Adult and WIA Dislocated Worker Funds

DWS is currently operating under an approved waiver to grant the State Workforce Investment Board the ability to transfer up to 50 percent of each program year allocation between the WIA Adult and Dislocated Worker funding streams. DWS has found this additional transfer allowance to be beneficial in local planning and in meeting service needs of the community. It further enhances Utah's ability to address workforce needs within the state. This waiver has been beneficial to the state with the increased number of dislocated workers when current funding levels were unable to support this increase in demand. DWS believes this is a direct link to meeting the negotiated outcomes.

- Requirement for Reporting Performance Outcome Measures

DWS is currently operating under an approved waiver to enable Utah's workforce development partners to implement the six common performance measures (3 adult and 3 youth) and waive the requirement to report on the seventeen (15 core and 2 customer satisfaction) indicators of performance for employment and training activities. The benefit of this waiver is to simplify and streamline the performance accountability system as it stretches across multiple programs and funding streams. This waiver allows the case managers to focus directly on the common measures versus the additional 17 performance measures. The ability to focus only on the common measures ensures a greater probability of success. DWS believes this is a direct link to meeting the negotiated outcomes.

G. STATUS OF STATE EVALUATION ACTIVITIES

DWS created and continues to refine a high-level dashboard reporting system that allows management to review performance outcomes in real-time. This comprehensive report provides quick data access to management who can then identify strengths and weaknesses, discuss best practice and create strategic plans. Additional reports have been developed and were recently implemented that allow management to track individual employment counselor outcomes and create consistent statewide deliverables for all customer types.

Beyond reporting, DWS also utilizes the Performance Review Team (described above) to ensure that cases remain in compliance with department policy and procedure. The efforts of the PRT allow staff to ensure case accuracy, correct inconsistencies and utilize feedback in other cases. These evaluation activities have assisted DWS in improving State Audit results exponentially (see above).

H. COSTS OF WORKFORCE INVESTMENT ACTIVITIES

| Cost of Program Activities PY 2011/FFY 2012 <i>As of 06/30/12</i> | | | | |
|---|------------------------------|-----------------------------|----------------------------------|-----------------------------------|
| Program Activity | | WIA Federal Spending | WIA ARRA Federal Spending | Total WIA Federal Spending |
| Local Adults* | | \$2,892,202 | \$463,253 | \$3,355,456 |
| Local Dislocated Workers* | | \$3,460,990 | \$768,250 | \$4,229,239 |
| Local Youth* | | \$4,029,692 | \$514,419 | \$4,544,112 |
| Rapid Response (up to 25%) Sect. 134(a)(2)(A) | | \$147,107 | | \$147,107 |
| Statewide Required Activities (up to 5%) Sect. 134(a)(2)(B) | | \$310,743 | | \$310,743 |
| Statewide Allowable Activities | Program Activity Description | | | |
| Sect. 134(a)(3) | Technical Assistance | \$923,230 | \$503,311 | \$1,435,541 |
| | Incumbent Workers | | | |
| | Administration | | | |
| | | | | |
| Total of All Federal Spending Listed Above | | \$11,772,964 | \$2,249,233 | \$14,022,197 |