



**STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT
Labor Market and Economic Analysis Branch
P.O. Box 9046, Olympia, WA 98507-9046**

ANNUAL PERFORMANCE REPORT

September 21, 2006

As required in Training and Employment Guidance Letter No. 33-04 the following is a summary of Washington State's accomplishments in PY 2005. It summarizes accomplishments, the results of assessments of customer satisfaction with state's workforce information products and services, and recommendations for improvement to workforce information and services.

A. Accomplishments:

1. Continue to populate the ALMIS Database with state data:

The outcomes achieved compared to planned outcomes and an analysis that explains the cause of any significant variance from the plan. Describe any actions required to improve outcomes.

Throughout the year, Washington State's labor market and Economic Analysis Branch (LMEA) continued to populate and maintain all ALMIS database tables designated as core tables in accordance with guidelines issued by the ALMIS Database Consortium. In addition to the designated core tables, Washington also updated the occupational licensing information, including the LICENSE and LICAUTH tables.

Of the data updates, several required monthly updates and increasing number of geographies. The highlights included:

- Monthly updates of current industry estimates at county level
- Monthly updates to current labor force and unemployment rates at county level
- Semi-annual updates of occupational wages for workforce areas
- Annual updates of short and long-term occupational employment estimates for workforce areas
- Annual updates of short and long term industry employment estimates for counties
- Annual updates of occupational projections at the Workforce Development Area (WDA) level
- Semi-annual update of Employer Database
- Quarterly Updates of Census of Employment and Wage for counties
- Updated of training programs, providers, and completers
- Annual updates to population estimates

Several other systematic and operational issues were also addressed. Specifically, these included:

- Transitioning to ALMIS 2.3 structure
- Definition of new geographies in several tables

Access to the database was available through the Workforce Explorer, our main delivery system to our users. The backup procedures and hosting safeguards implemented allowed virtually uninterrupted access to this data throughout the year. The application recorded over 619,000 visitors throughout the year.

The extent to which the activity has conformed to the planned milestones, including an explanation for the cause of any significant variance from schedule.

All milestones were completed as expected.

Actual aggregate expenditures and an explanation for any significant variance from planned aggregate expenditures:

Planned expenditures: \$141,550

Actual expenditures: \$ 88,099

Actual expenditures were below planned expenditures as we were able to use other State resources for this work. Resources not spent in PY 2005 will be used in PY 2006 to support the continued development of the Workforce Explorer and the Branches ability to add more LED data and administrative records.

2. Produce and disseminate industry and occupational employment projections:

The outcomes achieved compared to planned outcomes and an analysis that explains the cause of any significant variance from the plan. Describe any actions required to improve outcomes.

In June 2006 LMEA produced and distributed (on the Internet) industry and occupational employment projections for Washington State and 12 local Workforce Development Areas (WDA). As indicated in the plan, a NAICS based historical industry employment time series from January 1990 to June 2005 was utilized for this project. This is one month ahead of scheduled date of delivery (in June). NAICS based staffing patterns were constructed using information from the Occupational Employment Statistics (OES) survey.

The standard software tools sponsored by the Projections Workgroup and Projections Managing Partnership have not been very useful to our state and have produced neither reliable industry projections nor occupational projections that satisfied our customer needs. A particular problem with these tools is that they are based on a “black box” approach that does not allow the level of flexibility we need to best serve our customers. Washington State uses the same methodology proposed by the Projections Workgroup and Managing Partnership, but implemented the methodology internally using E-Views software and the model developed by Global Insights Company, rather than consortium software tools.

Long-term projections for the 2004 to 2014 period and the short-term projections for the 2005Q2 to 2007Q2 period were produced for the state and all twelve sub-state (WDA) areas as required by ETA. In addition LMEA produced the five-year industry and occupation projections mandated by Washington State legislation. In the preparation of the occupational projections LMEA incorporated the self-employment estimates from the State Population Survey and used self-employment estimations and replacement rates from the Managing Partnership's Micro Matrix software.

As planned, the LMEA branch populated the ALMIS database with both short term (2005Q2-2007Q2) and long term (2004-2014) industry and occupational projections and submitted the data for public dissemination following the procedures established by the Projections Workgroup and the Projections Managing Partnership. The short-term occupational projections will also be published in the state's annual report, in the county profiles, and were already used to produce the official occupational "demand" and "decline" list for training benefit purposes.

The extent to which the activity has conformed to the planned milestones, including an explanation for the cause of any significant variance from schedule.

All activities conformed to planned milestones. As indicated in our plan, work on the projections continued throughout the program year. Both the short-term and long-term projections were completed in the 4th quarter of PY 2005 and the results became available to the public, in electronic form, starting with June 2006.

Actual aggregate expenditures and an explanation for any significant variance from planned aggregate expenditures:

Planned expenditures: \$108,950

Actual expenditures: \$ 50,320

Actual expenditures were below planned expenditures primarily because of staff turnover and lower pay for a new incumbent. In addition, other fund sources were used to support this activity. Such funds are not expected in the future and ETA Grant resources not spent in PY 2005 will be used in PY 2006 for travel, training and pay increases for the new employee in the projections unit.

3. Provide occupational and career information for public use:

The outcomes achieved compared to planned outcomes and an analysis that explains the cause of any significant variance from the plan. Describe any actions required to improve outcomes.

During this reporting period, LMEA produced an extensive range of SOC-based occupational and career information products in support of the state's Five-Year Plan. Since other resources were available for the production of these products, one-stop funding supported a relatively small share of this work. The special products included:

- A suite of tools that includes career assessment tools, local labor market information, job listing, and potential employers (infoUSA). This suite of tools was integrated in our web site allowing the user to transition from tool to tool without duplicating any information.
- A marketing brochure linking occupational projections and wage information to required training levels. In the past these Occupational Outlook brochures were distributed in hard copy form. However, this year they will be available mainly on the Workforce Explorer.
- A “Training Benefits List” that assesses the supply and demand relationships for occupations in each of the states twelve Workforce Development Areas.
- A listing of high wage occupations in each of the state’s WDAs for access on the Workforce Explorer.
- A “Vacancy Survey” report summarizing the findings from surveys in late fall and early summer. The report indicates vacancies by occupation, area and wage rate offered.
- A “Benefits Survey” report summarizing the benefits offered to employees by industry, area, and firm size.
- A monthly feature, on the Workforce Explorer web site, on targeted industry (or industries) and its’ most prominent occupations.
- An annual report on the occupational outlook for the state. (This comes out in January with the state’s regular Annual Report.)
- Current (weekly and monthly) Unemployment Insurance program claimant information by county, occupation, and industry.
- Aggregate and detailed occupational information tables for EEO planning purposes. (Applicant demographics by occupation and area.)

To enhance our ability to work with the large databases that are necessary for preparing area level industry and occupation projections as well as develop occupational analysis products, one-stop funding was used to replace a number of LMEA PCs with more powerful computes and a number of software programs were upgraded. LMEA also purchased a subscription to Global Insights Inc. for national inputs to the projections process.

The extent to which the activity has conformed to the planned milestones, including an explanation for the cause of any significant variance from schedule.

All planned milestones were completed successfully. Good progress was also made in integrating the various job analysis and job search tools in the Workforce Explorer as indicated above.

Actual aggregate expenditures and an explanation for any significant variance from planned aggregate expenditures:

Planned expenditures: \$57,138

Actual expenditures: \$20,060

Actual expenditures were below planned expenditures as some of this work was supported by other state resources. Additional expenditures will be incurred as products, such as the “Occupational Outlook” products are completed. No other funding will be available for this work.

4. Ensure that workforce information and support required by state and local Workforce Investment Boards are provided:

The outcomes achieved compared to planned outcomes and an analysis that explains the cause of any significant variance from the plan. Describe any actions required to improve outcomes.

The web based Workforce Explorer LMI delivery system, in combination with the out-stationed and central office economists, continued to provide local area support to Washington State's Workforce Development Councils (WDC) and other data users. Area economists gave periodic economic briefings to the WDC members in order to keep them current on changes in local labor market conditions. As requested by the local WDCs, these economists worked with local planners and program administrators to identify their needs and to provide the necessary information. Their main responsibility was to know the local labor market and to be able to speak, write, and answer questions about it.

Since each area has its own distinct way of achieving its employment and workforce development goals, LMEA does not have a blanket strategy for meeting local LMI needs. What it does is to provide the out-stationed economists with general guidelines in their job descriptions for serving local needs. During the past year, each Regional Labor Economist performed this task in response to WDC requests and the needs that each of them was able to identify. This included preparing special local reports, assisting individuals with information on the Workforce Explorer, giving presentations, writing county profiles, interpreting the employment situation, and providing technical assistance to other researchers.

As part of the agency's over all accountability strategy, LMEA economists tracked their public contacts on an electronic Client Tracking System and reported the results along with other indicators such as the percent of deadlines met to the Commissioner on a regularly scheduled "Government, Management, Accountability Performance" (GMAP) reporting sessions.

One of the cooperative efforts of LMEA and the WDCs during this reporting period was the updating and maintenance of the occupational "Demand and Decline" list. LMEA created that list using factors such as the population of the occupation, the expected growth rate and the occupational unemployment rate. Then it was reviewed, adjusted, and approved by the WDCs. As economic conditions changed affecting occupational demand, the LMEA economists and WDC staff worked together to update that list to reflect current occupational demand and supply conditions. The WDC staff is responsible for changes to that list but they are generally reluctant to do so without substantiating data from the regional economists. The "Demand and Decline" list of occupations is used in all WorkSource Service Centers to administer the state's Training Benefits Program and it is maintained on an LMEA server.

LMEA produced and delivered, to the Workforce Development Councils, two additional customer driven products during this reporting period. One was the "Job Vacancy Survey," which was conducted in April and released in June 2006. That survey produced information, which combined with the short-term occupational projections, provided the WDCs with more insight into the occupational employment situation than they have had before. The other product was the "Benefits Survey" report. It was started in August 2005 and published in March 2006. It provided useful job "benefits" information both for employers as well as job seekers.

The extent to which the activity has conformed to the planned milestones, including an explanation for the cause of any significant variance from schedule.

All planned milestones were completed to some extent. However, the service provided in each Workforce Development Area was not uniform and depended in part on the marketing skills and efforts of the local economists. During this reporting period, LMEA has made significant progress in building closer working relationships with the Workforce Development Councils. LMEA has been making an increasing number of presentations to WDC staff and local affiliates. On November 30, 2005, LMEA put on its' 11th Annual Economic Symposium in the Olympia area and on July 28, 2006 will conduct its second Economic Symposium in Spokane.

Actual aggregate expenditures and an explanation for any significant variance from planned aggregate expenditures:

Planned expenditures: \$137,546

Actual expenditures: \$ 70,590

Actual expenditures were below plan primarily because PY 2004 funds were available for some of this work. Resources not spent in PY 2005 will be used in PY 2006 to conduct more in-depth research for local planning needs, and for travel and training to upgrade staff skills.

5. Maintain and enhance electronic state workforce information delivery systems:

The outcomes achieved compared to planned outcomes and an analysis that explains the cause of any significant variance from the plan. Describe any actions required to improve outcomes.

Washington State continued to improve our premier Internet site, Workforce Explorer, with added functionality and usability throughout the year. Three upgrades to the website were released throughout the year. The major improvements include:

- comprehensive search functionality
- improved display of local job bank integrated into career and occupational info.
- organization of occupations by career clusters
- improved functionality of a "find employer" tool (infoUSA)
- ALMIS 2.3 compliant

Other activities included the development of a prototype for advanced search of occupational information based on multiple criteria (search by education level growth rate and wages), and also a vocational program advisory tool, which shows occupational information (demand/supply) for a particular education CIP program. Each of these access tools have been developed, and are in the user testing and review process at this time.

The extent to which the activity has conformed to the planned milestones, including an explanation for the cause of any significant variance from schedule.

All milestones were accomplished. Three feedback collection mechanisms were implemented (comprehensive user survey, article rating, identify agency liaisons to assist in needs identification) were utilized throughout the year. There were over 619,000 visits logged into the site over the year. Enhancements are now being driven, prioritized, and validated by customer input and testing along the way.

Actual aggregate expenditures and an explanation for any significant variance from planned aggregate expenditures

Planned expenditures: \$241,282

Actual expenditures: \$122,240

Expenditures up to June 30, 2006 were below plan. However, as it was indicated in our PY 2005 plan, we expected to spend most of these funds during the July through September 2006 period.

6. Support state workforce information training activities:

The outcomes achieved compared to planned outcomes and an analysis that explains the cause of any significant variance from the plan. Describe any actions required to improve outcomes.

Washington State conducted 55 training sessions attended by over 2,660 participants. Attendees ranged from all of our customer groups, including businesses, career planners, researchers, policy makers, and workforce system professionals.

We also conducted two economic symposium targeted toward state and regional economic issues. Both were well represented by workforce professionals, as well as local and state policy planners. We also met directly with two workforce development area staff to continue the needs collection process of local workforce information.

Training “snippets”, small segments that explain how to use tools and information, have been completely developed for certain portions of the website. We have not completed testing them, to ensure they have filled the need as identified, and we are currently doing that through user testing process.

The extent to which the activity has conformed to the planned milestones, including an explanation for the cause of any significant variance from schedule.

All milestones were met, except the snippet implementation process.

Actual aggregate expenditures and an explanation for any significant variance from planned aggregate expenditures:

Planned expenditures: \$63,062

Actual expenditures: \$ 4,420

Actual expenditures were below planned expenditures as we were able to use other State resources for this work. Resources not spent in PY 2005 will be used in PY 2006 to support continued training of both clients and staff.

B. Customer Satisfaction Assessment:

- **The methods used for collecting customer satisfaction information and for interpreting the collected information.**

Throughout the year, LMEA has utilized several systematic methods of collecting information about customer satisfaction and usage. These include surveys to all participants of training and presentations, rating of analysis articles on our website, various online and paper surveys, and various settings involving customer groups to help determine needs and data gaps or shortcomings. Along with these measures data is collected and analyzed around usage of products and services including web log analysis, request tracking, and various other automated capture tools. Many of these are done continually, and others are done randomly based on specific needs or issues as they arise.

- **The assessment of the principal customers' satisfaction with the products or service.**

The overall assessment from all satisfaction tools was very high. Consistently, the ratings from presentations were between 4 and 5 on a scale where 1 represented "poor" and 5 represented "excellent." Throughout the year LMEA gets feedback from clients who have received an LMI product or have been given an LMI presentation. Such notes of appreciation are retained in a three-ring binder as an additional indication that what LMEA does has value and is appreciated by the public. The vast majority of the feedback has been very positive. However, we continue to receive comments from clients indicating that they are having difficulty finding specific information. To assist them we operate a "Labor Market Information Center" with a statewide "800" number and we continue to solicit input on how best to present the ever increasing quantity of information.

The main distribution channel for the industry and occupational employment projections, as well as most of LMEA products, was the Workforce Explorer. It provided a count of "visits" and an opportunity for clients to indicate their level of satisfaction with the information provided. The results, which are not scientific, change daily. But they indicate what information is being accessed the most.

- **Activities to be undertaken to add customer value to the product or service, where needs for improvement are identified.**

Two primary comments on the Workforce Explorer related to quality and functionality. Specifically, when the display contained occupational information and the list of jobs was displayed, the jobs were for the job "family", and the browser "back" button did not work. The credibility of the jobs became an issue when they were of a much broader category than the user was expecting. To solve this, the job display was changed from an integrated display, to the development of an additional window to hold the job openings, and utilize advanced logic that searches the 6-digit SOC first, and if it doesn't return any results to then show the job family. Here, the quality of the jobs was increased, and the back button also worked properly with the new display requirements.

C. Recommendations for Improvement or Changes to the Suite of Core Products.

• Recommendations based on accomplishments.

In Washington State the Occupational Employment Statistic (OES) survey sample is designed to produce reliable data for MSAs. However, for some applications (“Training Benefits” program being one of them) we need data at the WDA level. To get that data, requires extra work in creating occupational staffing patterns for each industry at that level. We have found that the direct use of OES staffing patterns for WDA occupational estimates creates significant bias. So, our recommendation is to use initial survey responses without any imputation. Weigh that sample based on employment for each industry in each WDA. If the sample is weak you can use the OES staffing pattern closest to the MSA, statewide staffing pattern or staffing pattern from another WDA. The national staffing pattern is used only as a last resort. (We had to use national staffing patterns for Private Households.)

In Washington, King and Snohomish counties are considered as one MSA but they are different WDAs. Dividing the OES sample in two, in this case, could create significant biases. For example, the aerospace industry has the same largest employer in both areas, but with different occupational structures. For such industries, our choice is to get a full report from all employer units, even if it requires using an older sample (from the previous three-year survey cycle).

• Recommendations based on consultation with customers.

During the past year, the LMEA trainer, while giving training, has also been gathering feedback from LMEA field staff, WorkSource Service Centers, contractors, employers, training institutions, and job seekers. Her observations indicate that while LMEA and other providers supply terrific economic data to anyone seeking it, still a relatively few people are aware of its potential. Her impressions are from contacts with professional staff that cut across agency lines, geographic areas, and professional expertise.

- Most employment counselors across the public and private sectors are unaware of the new O*Net job coding taxonomy; once they view it, they quickly grasp its application in preparing resumes, job applications, interviewing and marketing job applicants.
- Most employers are also unaware of the new O*Net job coding taxonomy; once they view it, they can see its application in developing job descriptions, compensation matrices, and interviewing questions.
- Public agencies are struggling to package training programs appropriate for the labor market when employers are creating job titles that are unique to their businesses.
- Telecenter staff and others within Employment Security have not received training in O*Net job coding and continue to use the old Dictionary of Occupational Titles, last updated in 1991.
- All of the traditional labor market information now uses O*Net job coding taxonomy.

Her findings indicated that we have made little progress since last year in training LMI data users in the use of O*Net job coding taxonomy. In PY 2006, LMEA will continue to work to improve training efforts in this area. However, the solution to this problem will require additional funding and will take more than the efforts of just LMEA.