

**Annual Performance Report
PY 2011 Workforce Information Core Products and Services
Office of Employment and Population Statistics
Arizona Department of Administration**

Arizona's annual performance report for the program year (PY) 2011, which began July 1, 2011 and ended June 30, 2012, is required by the Employment and Training Administration, U.S. Department of Labor, Training and Employment Guidance Letter (TEGL) No. 27-11. This report provides a concise summary of a) accomplishments for each deliverable; b) results of customer consultations; and c) recommendations for improvements or changes to the deliverables.

Section A) Accomplishments

Deliverable 1. Continue to Populate the Workforce Information Database with State and Local Data.

Outcomes achieved:

The Arizona legislature reorganized the state's Labor Market Information (LMI) Research office within Arizona Department of Commerce into the Office of Employment and Population Statistics (EPS) in the Arizona Department of Administration (ADOA). The Workforce Information Database (WID) is housed within the ADOA's shared infrastructure. Arizona's Office of Employment and Population Statistics continued to populate, maintain and improve the quality of core tables of the Workforce Information Database (WID). EPS has developed its new website www.azstats.gov using funds from the AZ State Labor Market Information Improvement Grant # GJ -19839-10-60-A-4. Arizona continued to maintain its in-house version of the WID 2.5. The in-house version allows EPS economists access to the entire database for analysis that includes confidential BLS data. The EPS continues to maintain the query tools on its website that were developed as part of LMI Improvement Grant funding. The old tools were replaced with an improved web application. The maintenance of this in-house database will continue to improve data quality and data query tools on the EPS website by providing a deeper knowledge of the large relational database. The external or public version is accessible at www.azstats.gov. The EPS website and the internal WID are now completely self-hosted. Additionally, the Arizona License data tables were updated and submitted by their due date.

Explanation for variance if any and actions required to meet deliverable:

Arizona met deliverable and no variance was requested.

Conformance with Schedule:

Most core tables and corresponding look-up and crosswalk tables were updated in a timely manner. However, as noted, in Deliverable 2 below, the 2011-2013 sub-state short-term occupational projections were posted after June 30, 2012 to the WID as ETA extended the deadline to August 31st 2012.

Deliverable 2: Produce and Disseminate Industry and Occupational Employment Projections - Statewide and sub-state projections are to be developed for the years 2011 to 2013 and state & sub-state projections for the years 2010 to 2020.

Outcomes achieved:

Arizona was able to participate in the webinar training made available by the LMI Training Institute and the online training created by the Projections Management Partnership during the 2011 program year. The training was very useful considering the state has added new staff. The training provided a good background on the projection process and an update on the new projection software developed in the dot matrix platform. North American Industry Classification System (NAICS) based industry and standard occupational code (SOC) based occupational forecasts were produced at the state and sub state level for 2011-2013 and 2010-2020. New state level industry projections (2011-2013) and sub-state projections for two major metropolitan areas (Tucson and Phoenix) and “Balance of State” were completed by August 31st 2012, the new extended deadline given to all states due to the delay in the availability of National data. However, the 2011-2013 state and sub-state short-term occupational projections were posted after June 30, 2011 to the WID due to this extension. Economists used the software developed by the Projections Managing Partnership Consortium along with additional tools and produced projection estimates. Data products and information, once completed, were posted to the EPS website and the WID.

Short-Term 2010-2012 Industry and Occupational Employment Projections

Statewide, Phoenix metropolitan statistical area (MSA), Tucson MSA, and “Balance of State” industry projections were released and published in May 2012. Distribution was through written publication, the “Arizona Workforce,” press conference, and on the EPS website (www.azstats.gov). As designated by the TEGE, Arizona produces high-level short-term industry projections twice a year, each spring and an update or revised projection each fall. For the PY 2011, an update of the 2010-2012 industry projections was released in October 2011.

Statewide short-term industry projections were submitted to the Projections Managing Partnership’s designated contact in June 2012. The statewide and sub-state short-term occupation projections are available on the EPS website at <http://www.azstats.gov>. Statewide short-term industry and occupational projections are also available through the data analysis tools. Short-term occupational data (2010-2012) in Adobe Acrobat and MS Excel format were added in August 2012 to the EPS website. Also in September 2012, a detailed report on occupational projections (2011-2013) is being written to be uploaded to the EPS website <http://www.azstats.gov> at a later date.

Long-Term 2010-2020 Industry and Occupational projections

New statewide industry and occupational projections for 2010-2020 were developed. Sub-state industry and occupational projections were also developed for the Phoenix MSA, Tucson MSA, and Balance of State by August 31st 2012. Statewide long-term occupational projections were submitted to the Projections Managing Partnership’s designated contact in August 2012. Data from these long term industry and occupation projections are available in multiple formats, such as Adobe Acrobat, MS excel and as data analysis queries from WID v.2.5 are available on the

EPS website at <http://www.azstats.gov>.

Explanation for variance if any and actions required to meet deliverable and Conformance with Schedule.

Arizona met deliverable, no variance was requested.

Conformance with Schedule.

Arizona conformed to schedule for the short-term (2011-2013) industry and occupational projections. It also conformed to the schedule for the long term (2010-2020) industry and occupational projections.

Deliverable 3: Publish an Annual Economic Analysis Report for the Governor and the state WIB

Outcomes achieved.

A four page report covering various metrics on Arizona's Economic Environment was created in collaboration with the Arizona Governor's Council on Workforce Policy. The report is coordinated between Arizona Commerce Authority, EPS and the Arizona Department of Economic Security and will be available on the EPS website (<http://www.azstats.gov>).

The Economic Analysis Unit of the Office of Employment and Population statistics continued to write the economic portion of the Arizona Workforce Investment Act Title IB annual report as requested by the State Workforce Agency (SWA), the Arizona Department of Economic Security (AZ DES). The report is located at the AZDES website (<https://www.azdes.gov>).

The Economic Conditions and Outlook portion of the AZ DES Annual State Fiscal Year 2011 Report to the Governor was contributed by the Economic Analysis Unit. The Economic Analysis Unit provides data and analysis for numerous reports requested by the offices, boards, commissions and task forces of the Governor.

Explanation for variance if any and actions required to meet deliverable and Conformance with Schedule.

Arizona met the requirements of this deliverable

Conformance with Schedule.

Arizona conformed to schedule for deliverable 3.

Deliverable 4: Post Products, Information, and Reports on the Internet.

Outcomes achieved.

EPS has a new website, (www.azstats.gov) which was developed using funds from the AZ State Labor Market Information Improvement Grant. Core WID tables continue to be populated and updated in the database for the website for public use. Arizona LMI website hosting and development has been moved to the Department of Administration (www.azdoa.gov). New data

query tools have been developed. After the new tools were implemented, the old legacy tools from the Workforce Informer to query the WID database were eliminated. Spreadsheet and portable document format of all of the core WID tables are provided on the EPS website. Many products were expanded and formatted for ease of use. Popular examples include a combined file that contains the latest Occupation Employment Statistics wages and employment with the short-term occupational projections. Another example is a report from the quarterly census of employment and wages that provides data by county, out-of-state, and unspecified areas. Arizona continues to make improvements to individual reports posted on the website. Arizona is in regular production with the Local Employment Dynamics program. Nearly 276,688 visits to the website were made during the program year.

Explanation for variance if any and actions required to meet deliverable:

Arizona met the basic requirements of the deliverable.

Conformance with Schedule:

Arizona conformed to schedule for products under Deliverable 4.

Deliverable 5: Partner and Consult on a Continuing Basis with Workforce Investment Boards and Key Talent Development Partners and Stakeholders.

Outcomes achieved:

- EPS continued to provide customized LMI training and presentations for various users in Arizona. Presentations were provided upon requests from various organizations and workforce development groups in the state. Some of the users included labor market analysts, researchers, economists, public, and decision makers in education, business, & government; economic developers, and policy makers. Examples of groups where presentations were made include:
 - 1) Pima County Workforce Development meeting in Tucson;
 - 2) Department of Economic Security (DES) Rehabilitation Service Administration's counselors and staff training meetings in Phoenix and Tucson where representatives from various Arizona counties were in attendance;
 - 3) Arizona State Compensation Fund counselors and staff;
 - 4) Kovach Roofing and Wall Professionals;
 - 5) Arizona Association for Economic Development;
 - 6) Southwest Rehabilitation Services; and
 - 6) Paradise Valley Community College.
- EPS continues to make economic presentations and training on the use of LMI data and LMI website available to local workforce investment boards, community college audiences, career training counselors, rehabilitation counselors, and areas requesting LMI training of Local Workforce Investment Boards (LWIBs).
- EPS continued to assist the State Workforce Board with allocation options for WIA Adult and Youth and Dislocated Workers programs. EPS continued to participate in the Governor's Council on Workforce Policy (the Arizona Workforce Investment Board).

- EPS staff serve on the Return on Investment (ROI) Sector Strategy advisory committee for the Governor's Council on Workforce Policy
- EPS continued to work closely with the SWA in developing the revised WIA state 5 Year strategic plan.

Explanation for variance if any and actions required to meet deliverable:

Arizona met the requirements of this deliverable.

Conformance with Schedule:

Arizona conformed to schedule for deliverable 5.

Deliverable 6: Conduct Special Studies and Economic Analyses.

Outcomes achieved:

Governor's Office of Strategic Planning and Budgeting -- Quarterly
 Joint Legislative Budget Committee's Financial Advisory Committee -- Quarterly
 Arizona Department of Transportation Risk Panel Committee – Yearly
 Western Blue Chip Advisory Committee – Monthly
 Economic Estimates Committee - Quarterly
 Arizona Economic Roundtable Conference -- Monthly
 Arizona Commerce Authority Research Advisory Committee – when scheduled
 Economic analyses as requested to support economic development activities of the Arizona Commerce Authority.
 Arizona Growing and Declining Industries Report -- Yearly
 Unemployment Insurance Statistics Graphs - Monthly
 Arizona Department of Education Special Project Analysis
 Provided analysis on unemployment insurance claims and developed a new projection tool for Unemployment Insurance appeal volume.

Explanation for variance if any and actions required to meet deliverable:

Arizona met the requirements of this deliverable.

Conformance with Schedule:

Arizona conformed to schedule for Deliverable 6.

Expenditures for Program Year 2010 Deliverables

PY 2010 Allocation – \$631,779

PY 2011 Allocation – \$632,935

Total expenditures for Program Year 2010 (July 1, 2010– June 30, 2011)

Program Year 2010 funds used - \$458,248 (Note: PY 2010 allocation of \$631,779 has been spent as of June 30th, 2012)

Program Year 2011 funds used - \$348,730 (Note: Balance of \$284,205 remains to be spent)

Total Expended - \$806,978

EPS has recently filled two vacant positions. Arizona is continuing to look into ways to reduce expenditures or increase revenues. Additional or continued funding cuts for federal programs could put future services at risk.

Section B) Customer Consultations

The methods used for consulting with customers in PY 2011 were essentially the same as in PY 2010. Arizona used the customer survey form on EPS web site to collect comments, training evaluation forms, and web analytics tools (Web Trends). Arizona used the opportunity to request input whenever interacting with customers on the phone or in person. In response to customer requests, Arizona continues to make on-going improvements to the website and training.

Section C) Recommendations for Improvements or Changes to the Deliverables.

• Recommendations based on accomplishments.

Arizona plans to continue the WID database, website and product reviews as noted in deliverables 1 and 4. State budget issues require a detailed review of products and services provided to ensure the most effective and efficient use of staff time.

Recommendations for improvements include continued training and education of LMI staff on the new projections software and techniques, provide improved forecasting at the state and sub-state level by testing and incorporating additional data sources, conduct joint economic studies with other agencies and provide additional analytical products. Continuously review forecasts completed by outside organizations and review of forecast products and procedures. The LMI staff would require additional training given that the STIP (Short Term Industry Forecast) and LTIP (Long Term Industry Forecast) consortium products continue to undergo significant changes, both in terms of the new platform it is now operating on as well as changes to the software.

• Recommendations based on consultations with customers.

Prior to developing the current website, customer opinions on how to best adapt or redesign the Arizona Workforce Informer site were collected. Recommendations on feedback received from the Arizona Workforce Informer user web survey, focus group participants, interviews with the selected state Labor Market Information (LMI) contacts, and other research were compiled and provided to EPS by the Council for Community and Economic Research (C2ER) staff, the vendor who conducted the study. Some of their suggestions have been incorporated in the present website. On the data end, one primary request and recommendation of customers is to increase the availability of labor market information and projections for both more demographic detail (race and ethnicity) and geographic divisions (sub-state areas and Native American lands). Projections and labor market information for sub-state areas are subject to the availability and

quality of BLS survey data.

While improved, the STIP and LTIP consortium products are still changing. The new projection software on the dot matrix platform was launched and some of the issues with the older software have been remedied. Arizona was involved in the beta testing process of the new software and edited the online software documentation.