

**Nevada Department of Employment, Training and Rehabilitation  
Research and Analysis Bureau**

**Annual Performance Report  
Workforce Information Core Products and Services Grant  
Program Year 2012 (July 1, 2012 – December 31, 2013)**

**Introduction**

Nevada's Department of Employment, Training and Rehabilitation was awarded a Department of Labor-Employment and Training Administration grant totaling \$406,858 to partially support the labor market information work of the Research and Analysis Bureau. The grant covers the 2012 program year from July 1, 2012 – June 30, 2013. However, as allowed, the Research and Analysis Bureau utilizes the grant resources over an 18-month period, through December 31, 2013.

Grant recipients are required to submit an annual performance report summarizing a variety of activities funded via the grant. This report satisfies this requirement for the Research and Analysis Bureau. It consists of six sections:

- an overview of Nevada economic conditions and trends
- a summary of the Research and Analysis Bureau's accomplishments, measured against required work deliverables
- a budget summary
- a summary of customer consultations and interactions/additional steps necessary to better meet customer needs
- a summary of activities related to the establishment of internal and external partnerships and collaborations
- recommendations for improvements or changes to work deliverables

**Economic Overview**

Nevada's economic performance over, roughly, the 2003-2006 period was nothing short of remarkable. Job growth reached a peak of 6.1% during 2005, and was still a strong 4.6% in 2006. All told, during the four-year period ending in 2006, job growth in Nevada averaged 5% per year. Nationally, the comparable figure was just 1.1%.

The State's unemployment rate rose to 5.7% in 2002, a result of the national economic recession in the early part of the decade. By 2006, it had declined to 4.2%.

However, since 2006, economic growth in Nevada has eased considerably. For instance, job growth in calendar year 2009 was -9.1%. Job losses moderated to a -2.7% clip in 2010. Employment growth has been slowly on the mend since then. By year-end PY 2012, job levels stood 2.1% higher than a year ago. In June of 2012, the State's unemployment rate stood at a seasonally adjusted 11.4%. A year later, in June 2013, it

had declined to 9.6%, still the highest in the nation. Unemployment insurance claims have come down from cyclical highs. In essence, over the course of the business cycle, Nevada's economy has gone from, arguably, the strongest in the nation, to the weakest, and is now slowly making up lost ground.

Three factors drove Nevada's economic slowdown: weakness in the housing sector, credit market difficulties which first impacted the residential construction sector and then spilled over into the commercial sector, and tepid discretionary consumer spending, which impacted visitor volume and spending in Nevada. Some encouraging signs have unfolded, however. Various barometers of construction/real estate--starts, permits, and sales activity--have risen off of historical lows. Visitor volume is trending up and reached a record high in 2012, and gaming win, although quite volatile from month-to-month, is trending higher. Human service caseloads have eased, or the pace of growth is easing. Taxable sales have grown in each of the past 36 months.

Public finances have come under considerable pressure as a result of the economic slowdown. While these pressures have, arguably, eased a bit, resources still struggle to keep pace with the demand for services.

Expectations are for continued modest labor market improvement in Nevada. A repeat of the boom-like conditions from earlier this decade is not expected to occur. One aspect of the labor market that has yet to show consistent improvement concerns wages. Nevada wages are struggling to show steady gains, and are falling in real terms. The long-term outlook for the labor market would be greatly enhanced by a more favorable trend in wages.

### **PY 2012 Deliverables and Accomplishments**

**Work Deliverable 1: Continue to Populate the Workforce Information Database with State and Local Data...**The Research and Analysis Bureau continued to maintain and populate the most current version of the workforce information database with all required information. Updates to the database included current data releases, as well as revisions to historical information.

Information from the various BLS-State cooperative programs (Local Area Unemployment Statistics, Current Employment Statistics, the Quarterly Census of Employment and Wages, and the Occupational Employment Statistics Program) was populated in the database. Other information sources were also incorporated into the database--short- and long-term industry and occupational projections, State Demographer population estimates, taxable sales, consumer prices, and unemployment insurance claim information.

Usage of the Bureau's web site (*nevadaworkforce.com*), which provides public access to the workforce information database, was down 13% during the 12-month plan year. This is a very volatile indicator. For instance, during Plan Year 2011, visits to our website

were up 86%. All told, there were 280,000 website visits during the 12 months ending in June 2013.

**Work Deliverable 2: Produce and Disseminate Industry and Occupational Employment Projections...**The Research and Analysis Bureau satisfied all requirements associated with this work deliverable. Methodologies, software tools, and guidelines developed by the Projections Workgroup and the Projections Managing Partnership were utilized. Projections staff received required training via both in-person and webinar-based environments. Both Statewide short-term (2012-2014) and sub-State long-term (2010-2020) industrial and occupational projections were produced, published, and disseminated.

Employment projections are utilized by State budget officials in forecasting State General Fund revenues. The Bureau worked with both executive and legislative branch policymakers and analysts in order to ensure that they had access to the most timely and useful projections. Projections designed to assist State policymakers are now being generated on a quarterly basis and are made available on our web site. These projections cover the period through 2015 in order to be useful for the biennial budget development process.

The biennial Licensed Occupation Survey was conducted and the required tables were submitted to the NCSC in December 2011. It will be conducted again during PY 2013.

**Work Deliverable 3: Conduct and Publish Relevant Economic Analyses, Special Workforce Information, and/or Economic Studies Determined to be of Benefit to the Governor and State and Local WIBs...**The Research and Analysis Bureau satisfies this requirement via the publication of our monthly newsletter, the *Nevada Economy in Brief*, which provides current updates of economic and labor market trends. Each month, our most important reports and analyses are packaged together for dissemination to Departmental and WIB management. We also post a comprehensive Power Point presentation in conjunction with our monthly press release, designed to provide a thorough overview of the information.

In addition to Bureau of Labor Statistics information from the various Federal-State cooperative programs, these analyses also include:

- unemployment insurance (claims, duration, and exhaustions) information from the State of Nevada Employment Security Division
- taxable sales information from the Nevada Department of Taxation
- Las Vegas visitor volume information from the Las Vegas Convention and Visitors Authority
- Nevada gaming win from the Nevada Gaming Control Board
- personal income data from the Bureau of Economic Analysis
- export activity from Haver Analytics
- business license information from the Secretary of State's Office
- residential housing permit information from the Census Bureau

- housing start information from Haver Analytics
- Southern Nevada residential real estate and construction indicators from a private consultant, Home Builders' Research
- Department of Health and Human Services caseload information

These analyses offer information on trends in the State as a whole, as well as sub-State regions.

One of our more popular information products is a series of one-page *Research Notes*, each dealing with a special topic concerning Nevada's workforce and economy. Since July 2012, we have produced 38 separate *Notes*. Sample topics include alternative measures of labor underutilization, Nevada job growth rankings, unemployment duration, reasons for unemployment, etc.

During PY 2011, the Governor announced sweeping changes to the State's economic development efforts. This new approach is sector-driven. During PY 2012, those efforts evolved into nine separate sectors that are the driving focus of State economic development efforts. The Research and Analysis Bureau has played a major role in steering the work of the various Sector Councils which have been formed to help advise and guide the State's workforce training programs.

Our partnership with Economic Modeling Specialists, Inc. (EMSI) has proven to be especially valuable in our sector-driven work. As a result, we are submitting sample reports prepared to support the work of the various Sector Councils, which conduct their work under the direction of the Governor's Workforce Investment Board to meet the "Annual Economic Analysis" requirement. These reports relied heavily upon EMSI tools. Specifically, we have submitted sector overviews for the Logistics/Operations, Mining, and Business Information Technology Ecosystems sectors in order to satisfy the annual report requirement. These overviews offer a structural overview of each of the sectors, utilizing such techniques as location quotient and shift/share analysis, amongst others. Our capabilities with respect to utilizing our EMSI resources improved considerably as PY 2012 unfolded, and we expect to further integrate that work into our regular activities throughout PY 2013.

**Work Deliverable #4: Post products, information, and reports on the Internet...**All of the regular reports highlighted above are posted on the Bureau's website. The Bureau also posts Power Point presentations made to external audiences, when appropriate.

Other notable features on the Research and Analysis Bureau's website include county profiles, Local Employment Dynamics data, demographic information, and access to the Nevada Career Information System, to name just a few. During PY 2012, R&A upgraded our capabilities as it pertains to the Business Employment Dynamics BLS database. BED data play a visible role in our regular analyses of Nevada's labor markets.

Until recently, R&A was part of the CIBER-based website consortium. During PY 2011, the Bureau partnered with several other states in the beginning stages of a new website

consortium, with Montana as the host. As PY 2012 unfolded, the efforts continued to evolve and development on a new website infrastructure is well underway.

**Work Deliverable 5: Partner and Consult on a Continuing Basis with Workforce Investment Boards and Other Key Workforce and Economic Development Partners and Stakeholders...**

The Bureau continued to work closely with the State Workforce Investment Board, as well as both the Southern and Northern Boards, in PY 2012. R&A staff provide a workforce information report at every meeting of the State Board and begin most meetings with a general economic overview. Staff also consults on a regular basis with the two local boards and make regular appearances at their board meetings. All labor market information products produced by the Bureau are made available to board staff and members.

As discussed above, R&A has become an active partner with the State's various economic development entities. We work closely with the Governor's Office of Economic Development and collaborate extensively with their research staff. We also have solid working relationships with several sub-State economic development entities, assisting them with site-selection issues.

Our on-going work with the nine sector councils has proven to be quite productive. An R&A economist is assigned to every council and provides technical support, in addition to making regular presentations.

**Budget Summary**

During the 12-month plan year ending June 2013, over 60% of the grant monies were expended or encumbered. During the six-month period ending December 2013, expectations are for all remaining PY 2012 grant monies to be expended.

PY to Date	Expenditures	Encumbered	Total
June 30, 2013	\$ 246,732	\$ -	\$ 246,732
December 31, 2013	\$ 406,858	\$ -	\$ 406,858

**Customer Consultations**

In the final weeks of the 12-month plan year (which coincides with the State's fiscal year), surveys were mailed to various users of the Research and Analysis Bureau's data offerings in order to gauge customer satisfaction. For PY 2012, our customer satisfaction scores were very encouraging.

Specifically, the Bureau surveys two groups of customers: economic development agencies/chambers of commerce/other business associations (100% customer satisfaction); and private and public economic research entities (100% customer satisfaction). As an aside, customer satisfaction results have been adopted as one of the

Bureau's performance measures and are reported as part of the State's biennial budget process.

Nevada also participated in a one-time only project sponsored by the Workforce Information Council designed to measure customer satisfaction with our website, utilizing Foresee analytical tools. Website users were provided the opportunity to offer feedback over a four-month period beginning in February. Satisfaction scores covered several different areas (ease of use, site performance, navigation, etc.). In summary, the weighted overall satisfaction score was 62 (on a scale of 100). The Project also provided a thorough profile of our customers (demographics, visit frequency, etc.). Going forward, these results will prove to be helpful as we prepare for the rollout of our new website during PY 2013. The work done as part of the Workforce Information Council's Customer Consultation Study Group was relied upon heavily during the website design process.

On a more informal note, over the course of PY2012, the Research and Analysis Bureau was provided the opportunity to present to a variety of customer groups (economic development entities, business organizations, etc.). Feedback received back was extremely positive. We are typically invited back for future presentations/updates.

### **Partnerships and Collaborations**

The Research and Analysis Bureau is recognized throughout the State as the "premier" provider of labor market and economic information. There are countless interactions with outside entities over the normal course of our work. Some of these partnerships involve the leveraging of WI funding.

Some specific examples of our collaborations include:

- R&A worked with DETR management in assessing a variety of issues pertaining to the State's unemployment insurance system. During PY 2012, much of that work revolved around the feasibility of a bonding proposal to pay off federal debt in the Unemployment Insurance Trust Fund (Funding provided by DETR is/was utilized to support this work).
- As part of the continued integration of the State's workforce development efforts with Nevada's overall economic development strategy, R&A worked cooperatively on a project-by-project basis, providing a variety of research and technical support, with the State's various development authorities. We are an EMSI client. Access to their various analytical tools proved to be critical in successfully responding to these types of economic development-related inquiries.
- The Chief Economist served on the Census Bureau's Local Employment Dynamics Steering Committee.
- The Chief Economist was appointed to the Board of the Labor Market Information Institute.
- The Chief Economist was elected to serve on the Workforce Information Council.

- The State Treasurer's Office utilizes the Bureau's skills and expertise as part of the periodic bond sale process (and provides funding to support our efforts).
- Workforce information is regularly shared with researchers/faculty in the State's higher education system.

### **Recommendations for Improvement or Changes to the Deliverables**

The Research and Analysis Bureau will continue to strive to meet the needs of our customers. Our priorities will remain supporting the WIB community, economic development entities, employers, job seekers, and public policymakers. We feel that the existing work deliverables adequately capture the work that we do as part of these efforts. As PY 2013 unfolds, we are hoping to identify more efficient means to deliver our information to our customers. With the anticipated launch of our new website, we hope to achieve these efficiencies.

As for suggested improvements, we stress the importance of the Estimates Delivery System (EDS) in this period of uncertain funding. We would find it difficult to meet our occupational projections deliverables and our publication objectives without the EDS product. Utilizing EDS, we are able to customize our occupation publications to areas, levels and categories that are meaningful for our different customer groups. In addition to the benefit to our publications and projections, EDS provides the best way to review OES estimates and microdata for quality control. It has been our experience that the quality of the information we provide to our customers is improved by having access to EDS.

In addition, we would request that utilizing the resources of the Census Bureau's Local Employment Dynamics Program be specifically mentioned as an "allowable" or "encouraged" activity under the Grant.