



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Douglas A. Ducey
Governor

Timothy Jeffries
Director

Ms. Virginia Hamilton
Regional Administrator, U.S. Department of Labor
Employment and Training Administration
90 7th Street, Suite 17-300
San Francisco, CA 94103-1516

Dear Ms. Virginia Hamilton,

Enclosed is Arizona's Program Year 2014 Annual Performance Report in accordance with Training and Employment Guidance Letter No. 23-13 for the funds released as part of Workforce Information Grant to Arizona. The Grant covered the period of July 1, 2014 through June 30, 2015 in the amount of \$612,836. The report also summarizes accomplishments and the results of customer consultations about existing and needed workforce information products and services.

If you have any questions, please contact Doug Walls, Research Administrator, Office of Employment and Population Statistics, Arizona Department of Administration, at (602) 771-1258.

Sincerely,

Thomas L. Colombo
Assistant Director
Employment and Rehabilitation Services

Enclosure

**Annual Performance Report
PY 2014 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) 2014, which began July 1, 2014 and ended June 30, 2015, is required by the Employment and Training Administration, U.S. Department of Labor, Training and Employment Guidance Letter (TEGL) No. 29-12. This report provides a concise summary of all grant activities in terms of accomplishments for each deliverable, results of customer consultations, and recommendations for improvements or changes to the deliverables.

Core Deliverables and Activities:

I. Workforce Information Database (WIDb)

For the PY 2014, Arizona's Office of Employment and Population Statistics (EPS) continued to populate, maintain, and improve the quality of core tables of the Workforce Information Database. Core tables that are maintained include the following: CES, EMPDB, INCOME, INDPRJ, INDUSTRY, LABFORCE, LICAUTH, LICENSE, OCCPRJ, OESWAGE, POPULATN, LICXOCC, MATXNAIC, MATXSOC, INDCODES, OCCCODES, ADDRESSY, ANNSLFLG, AREATYPE, BENMARK, CESCOCODE, CREDITCD, EMPSZFLG, EMPSZRNG, GEOCODE, GEOG, GROWCODE, INCOMTYP, INCSOURC, INDDIR, INDSUB, INDTYPES, LEVELTYP, LOCSTAT, OCCDIR, OCCSUB, OCCTYPES, OWNERSHP, PERIOD, PERIODID, PERIODTY, POPSOURC, RATETYPE, STATTYPE, STFIPSTB, URLTOPIC.

WIDb is housed in EPS in the Arizona Department of Administration. The relational database product used for WIDb is MySQL. WIDb database structure was updated to version 2.6. SAS has replaced IBM SPSS as the analytical software and has a dedicated data connection engine that allows access to native MySQL data objects such as functions and stored procedures. The in-house version allows EPS economists access to the entire database for analysis that includes confidential BLS data since the internal database has both archived data and confidential data. It is also used to extract data for the public database which forms the backend of the query tools on the website azstats.gov. The maintenance of this in-house database will improve research and analysis.

The office now has two websites: www.population.az.gov and www.laborstats.az.gov. These websites are hosted on a Drupal platform. The external or public database will be accessible at the new website. The new website will continue to update and post monthly labor market data and other relevant information.

The EPS website and the internal WIDb are now completely self-hosted. Arizona License data tables in the WIDb, LICENSE and LICAUTH, were updated and submitted by their due date to the National Crosswalk Service Center (NCSC).

Deliverable and Conformance with Schedule:

Core tables and corresponding look-up and crosswalk tables were updated in a timely manner. The 2014-2016 short-term industry and occupational employment projections for the state and sub-state geographic areas were completed and posted before June 30, 2015 to the WIDb. The long-term 2012-2022 industry employment projections the state and sub-state geographic areas were revised this year to account for changes in the Arizona economy since June, 2014. The data and associated analysis were posted before June 30, 2015 to the WIDb.

II. Industry and Occupational Projections

Long-term occupational projections for the state and sub-state areas were not required for this program year. However, short-term (2014-2016) industry and occupational projections were required at the state level.

Short-Term Industry and Occupation Employment Projections: As designated by the TEGL, Arizona produces high-level short-term industry and occupation employment projections once a year. Industry employment projections were based on the North American Industry Classification System (NAICS), while occupation employment projections were based on the standard occupational code (SOC) system. Short-term employment projections were prepared using calendar year (CY) 2014 as the base year and were developed for the calendar years 2015-2016. Statewide, Phoenix metropolitan statistical area (MSA), Tucson MSA, and “Balance of State” industry employment projections were released and published on February 26th, 2015. Statewide, Phoenix MSA, Tucson MSA, and “Balance of State” occupation employment projections were released and published on May 7th, 2015. The CY 2014-2016 state and sub-state short-term occupation employment projections were posted to the WIDb before June 30, 2015. Economists used the software developed by the Projections Managing Partnership Consortium along with additional tools to produce employment projection estimates. To create occupational employment projections from industry employment projections, staffing pattern files were needed across various industries. The Estimating Delivery System (EDS) was used to generate the staffing pattern files. Dissemination occurred through written publication, press conference with a presentation, and additional analysis was provided.

Statewide short-term industry employment projections were submitted to the Projections Managing Partnership’s designated contact in North Carolina in June, 2015. The statewide and sub-state short-term industry and occupation employment projections are available as static reports in Adobe Acrobat and MS Excel format on the EPS website at www.laborstats.az.gov.

Long-Term Industry and Occupation Employment Projections: The long-term industry employment projections for calendar years 2014-2022 were prepared using base year employment data from calendar years 2012 and 2013. Statewide, Phoenix MSA, Tucson MSA, and “Balance of State” industry employment projections were released and published on July 30th, 2015. Occupation employment projections were not required for PY 2014. Dissemination of industry employment projections occurred through written publication, press conference with a

presentation, and the EPS website.

Arizona was able to participate in most of the webinar trainings made available by the LMI Training Institute in PY 2014 and the online training created by the Projections Management Partnership. The training provided a good background on the projection process and an update on the new projection software developments.

Deliverable and Conformance with Schedule

Arizona met deliverable II and conformed to schedule for the short-term (CY 2014-2016) and long-term (CY 2012-2022) industry and occupational projections.

III. Annual Economic Analysis and Other Reports

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 (DES) and will be available on the new EPS website (www.laborstats.az.gov).

The Economic Analysis Unit within EPS continued to write the economic portion of the Arizona Workforce Investment Act Title IB annual report as requested by the State Workforce Agency (SWA), DES. The report is located at the DES website (<https://www.azdes.gov>).

The Economic Analysis Unit provides data and analysis for numerous reports requested by the offices, boards, commissions and task forces of the Governor. The Economic Analysis Unit produced various reports to educate the stakeholders and support the WLMI outreach effort. In addition to these reports, specialized reports for each of the local workforce areas were created and shared with our local partners. They used this information in preparing the local area plans.

Special studies and economic analyses were undertaken to support the broader stakeholder community. The agencies that were supported and the frequency of support are given below.

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

Economic analyses to support economic development activities of the Arizona Commerce Authority – As requested

Arizona Growing and Declining Industries Report – Quarterly

Unemployment Insurance Statistics Graphs – Some weekly and others monthly

Arizona Department of Education Special Project Analysis

Analysis on unemployment insurance claims – As requested

Deliverable and Conformance with Schedule.

Arizona met the deliverable and conformed to schedule for deliverable III.

IV. Customer Consultations

EPS collaborated and consulted on a continuing basis with Workforce Investment Boards, economic development partners, and stakeholders to improve WLMI-WI products, tools, and information services to meet evolving customer needs. EPS continued to provide customized WLMI training and presentations for various users in Arizona.

- Presentations were provided upon requests to various organizations and workforce development groups in the state. Some of the users included labor market analysts, researchers, economists, the public, and decision makers in education, business, & government; economic developers, and policy makers. Examples of groups where presentations were made include:
 - 1) Training to Local Workforce Development Boards and other key stakeholders
 - 2) Workforce Arizona Council within Arizona Commerce Authority.
 - 3) Department of Economic Security (DES) Rehabilitation Services Administration's counselors and staff;
 - 4) Arizona Association for Economic Development members;
 - 5) Arizona WIOA Conference members;
 - 6) Coconino County Workforce Development meeting in Flagstaff;
 - 7) Small Business Information Exchange where the participant's included local businesses, developers and policy makers;
 - 8) Maricopa Workforce Connection
- EPS continues to make economic presentations and training on the use of WLMI data and shares the WLMI website and its contents with local workforce investment boards, community college audiences, career training counselors, rehabilitation counselors, and others.
- EPS continued to assist the State Workforce Board with allocation options for WIOA 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 continued to work closely with the SWA in developing the revised WIOA state strategic plan.
- EPS has regularly participated in meetings with the Workforce Arizona Council.
- The methods used for consulting with customers in PY 2014 were essentially the same as in PY 2013. EPS used the customer survey form on the EPS website to collect comments, training evaluation forms, and web analytics tools (Web Trends). EPS used the opportunity to request input whenever interacting with customers on the phone or in person. EPS also collects feedback information from presentation audience members to continuously improve presentation content. In response to customer requests, EPS continues to make on-going improvements to the website and training.

Deliverable and Conformance with Schedule:

EPS undertook customer consultations for deliverable 4.

V. Activities undertaken to meet customer needs

EPS provides detailed employment and unemployment data (in partnership with the Bureau of

Labor Statistics) and strategic economic research, including industry and occupation employment projections. Leaders in business and all levels of government use this data to make informed decisions. Information is made available to the public. In order to meet the needs of a large number of customers EPS posts various products, information, and reports on the internet to disseminate information in a timely fashion. The Arizona WLMI website www.laborstats.az.gov had 105,763 visits to the website during PY 2014. Website traffic was lower in PY 2014 than in PY 2013 most likely due to the transition away from the old website address to the new website address.

EPS website, (www.laborstats.az.gov) which was developed using funds from the AZ State Labor Market Information Improvement Grant GJ -19839-10-60-A-4 is now hosted on a Drupal platform in the Amazon public cloud. As a result of this migration, www.azstats.gov has been replaced by two distinct websites: www.population.az.gov and www.laborstats.az.gov (both went public in October, 2014). The website query tools currently on laborstats.az.gov will be gradually replaced by newer tools with better user interface design, and will expand to cover data sets not part of the core tables. After the new tools are developed, the old tools to query the WIDb database will be eliminated.

Core WIDb tables continue to be populated and updated in the database for the website for public use. Spreadsheet and portable document format of all of the core WIDb 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 (LED) program and provides a direct link to LED data products on www.laborstats.az.gov.

EPS continued to provide customized WLMI training and presentations for various users in Arizona. Details of training activities and presentations are discussed in the customer consultations section.

EPS established partnerships with the Workforce Arizona Council within the Arizona Commerce Authority, LWIB's, and the Department of Economic Security's WIOA staff and others within the workforce system to serve and promote labor market information.

Deliverable and Conformance with Schedule:

EPS describes the activities to meet customer needs under Deliverable V.

VI. New resources

EPS provided a few reports as additional resources including: one report on the status of the construction industry in Arizona and one report updating the status of economic recovery post-recession. In addition to these reports, specialized reports for each of the local workforce areas were created and shared with our local partners. They used this information in preparing the local area plans.

Deliverable and Conformance with Schedule:

Arizona produced new tools and resources under Deliverable VI.

VII. Efforts to create and support partnerships and collaborations

The Economic Analysis unit within EPS established cooperative working relationships with various partners in the Arizona workforce system, and served on various committees (listed earlier in deliverable IV) that provided input relating to industry and occupational employment trends, forecasts, and other labor market information relative to job training. EPS maintained relationships with the Governor's Office, and also advised the AZ state legislature, Department of Revenue, Department of Economic Security, Department of Transportation, Department of Education, Workforce Investment Boards, and other workforce professionals.

In order to support WLMI outreach, the Economic Analysis unit provided presentations to our stakeholders. All email requests for LMI information to the email labor.info@azstats.gov were answered in a timely manner. All phone requests for WLMI information were also answered in a timely fashion. The unit also supported the local areas with information and provided input to help develop and improve their strategic plans.

Deliverable and Conformance with Schedule:

Arizona established partnerships as expected under Deliverable VII.

VIII. Activities to leverage WLMI-WI funding

Arizona's WLMI shop does not reside in the state's workforce agency (Department of Economic Security). Instead, it resides as the Office of Employment and Population Statistics within the Arizona Department of Administration. In addition to the WIG funding from ETA, the unit receives \$50,000.00 from Department of Economic Security for unemployment insurance related services. EPS also receives \$40,000.00 of WIOA money from Department of Economic Security for services provided to help support WIOA efforts. No General Fund money is currently available to supplement the funding stream. EPS 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.

Deliverable and Conformance with Schedule:

EPS continues its effort to look for additional funding to satisfy Deliverable VIII.

IX. Recommendations to ETA for changes and improvements to WIGS requirements

EPS will continue to populate the WIDb database, website and product reviews as noted in deliverables above. The State budget issues require a detailed review of products and services provided to ensure the most effective and efficient use of staff time. The webinars on various

WLMI topics have been a good source for sharing information. EPS staff has taken advantage of the webinars in developing their knowledge.

Recommendations for improvements:

Recommendations include continued training and education of WLMI 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.

Recommendations based on consultations with customer:

Customers are requesting dynamic data tools to allow for customizable data output products and visualizations. EPS is researching current business intelligence (BI) vendors to assess the feasibility of integrating dynamic analysis products into the EPS website. A request that continues to be recommendation from 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).