

OFFICE OF THE GOVERNOR

BOB RILEY
GOVERNOR



ALABAMA DEPARTMENT OF ECONOMIC
AND COMMUNITY AFFAIRS

DONI M. INGRAM
ACTING DIRECTOR

STATE OF ALABAMA

October 1, 2006

Honorable Elaine Chao
U.S. Department of Labor
200 Constitution Avenue
Washington, D.C. 20310

Dear Secretary Chao:

I am pleased to submit the attached State of Alabama Program Year (PY) 2005 Workforce Investment Act (WIA) Annual Report. This Report contains the Alabama PY 2005 WIA program performance data required under USDOL Training and Guidance Letter No. 14-00, Attachment G. Additionally, this Report details other WIA activities conducted in Alabama during PY 2005.

Considerable progress has been made toward developing an increasingly demand-driven workforce development system. We are confident that PY 2006 will herald the continued advancement of Alabama WIA programs and that WIA will continue its active participation in Alabama's economic growth.

Please direct any questions regarding the Alabama Workforce Investment Act PY 2005 Annual Report to Steve Walkley at (334) 242-5300, or Ray Clenney at (334) 242-1421.

Sincerely,

Handwritten signature of Doni M. Ingram in black ink.

Doni M. Ingram, Acting Director
Alabama Department of Economic and Community Affairs

Handwritten signature of Tim Alford in black ink.

Tim Alford, Director
Office of Workforce Development

STATE OF ALABAMA

PROGRAM YEAR 2005

WORKFORCE INVESTMENT ACT, TITLE IB

ANNUAL REPORT to the SECRETARY of LABOR

OCTOBER 1, 2006

Prepared in Accordance with WIA Sections 136(d)(1), 185(d) Specifications

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State Workforce Investment Board
(as of June 30, 2006)

Governor Bob Riley

Members of the Legislature

Senator Pat Lindsey
Senator Hank Sanders
Representative Terry Spicer
Representative Elwyn Thomas

Organized Labor

D. Stewart Burkhalter, *Alabama AFL-CIO*
Sammy Dodson, *Operating Engineers*
Mike Morgan, *Retail Clerks*

Youth - Oriented Organizations

Mary S. Zoghby, *Boys and Girls Club*

Community College and Community-Based Organizations

Ed Castile, *Alabama Industrial Development Training*
Judy Merritt, *Jefferson State Community College*
Denny Smith, *Calhoun Community College*

WIA Partner Representatives

Tim Alford, *Office of Workforce Development*
Bill Johnson, *Department of Economic and Community Affairs*
Phyllis Kennedy, *Department of Industrial Relations*
Joe Morton, *State Department of Education*
Page Walley, *Department of Human Resources*
Irene Collins, *Department of Senior Services*
Steve Shivers, *Department of Rehabilitation Services*
Roy Johnson, *Department of Postsecondary Education*

Economic Development Agencies

Ted Von Cannon, Metropolitan Development Board
Neal Wade, Alabama Development Office
Ed Gardner, St. Clair County Economic Development Authority

Other Representatives, Head Agency Officials

Elaine Jackson, Birmingham Urban League
Linwood Bragan, Alabama Banking Department
Jimmy Holley, Troy University
Paul Hubbert, Alabama Education Association
John Harrison, Alabama Banking Department

Local Area Chief Local Elected Officials

William Ryan, District Judge, Greensboro, AL

Private Sector Representatives

Patricia Barnes, Sister Schubert's Rolls, Andalusia, AL
Bill Bates, Bates Turkey, Ft. Deposit, AL
Michelle Bishop, Rehab Associates, Glencoe, AL
Fred Blackwell, Uniroyal-Goodrich Tire, Opelika, AL
James Brooks, Phifer Wire Products, Tuscaloosa, AL
Russell Brown, DP Associates. Huntsville, AL
Glenn Camp, HB&G Building Products, Troy, AL
Bill Canary, Business Council of Alabama, Montgomery, AL
Stan Chavis, Stan Chavis Insurance, Mobile, AL
J. Ab Conner, Connor Brothers Construction, Opelika, AL
Jim Cunningham, Mercedes-Benz US, Vance, AL
Patrick Denney, Dillon Financial Services, Birmingham, AL
Lacy Gibson, Alabama Hospital Association, Montgomery, AL
Bob Johnson, Skilstaf, Inc., Alexander City, AL
Phillip Kelly, Michelin Tire, Dothan, AL
Joo-Soo Ahn, Hyundai Motor Manufacturing Alabama, Montgomery, AL
(Represented by Greg Kimble)
Jimmy Lee, Alabama Electric Cooperative, Andalusia, AL
Alison Wingate, Alabama Retail Association, Montgomery, AL
Bill O'Connor, Consultant, Montgomery, AL
Matt Parker, Dothan Area Chamber of Commerce, Dothan, AL
Mike Reynolds, BroadSouth Communications, Selma, AL
Jerry Cochran, Warrior, AL

Private Sector Representatives (cont'd)

Pete Ritch, *Adtran Incorporated, Huntsville, AL*
Gilbert Sellers, *Sellers, Inc., Troy, AL*
Barry Singletary, *Sony Magnetic Products, Dothan, AL*
Sandy Snyder, *Home Depot, Dothan, AL*
Sherman Suitts, *Vulcan Materials, Birmingham, AL*
William Taylor, *Mercedes-Benz US, Vance, AL*
Jim Tolbert, *Virginia College, Birmingham, AL*
Kenneth Tucker, *The Boeing Company, Huntsville, AL, Chairman*
Jason Upton, *Domino's Pizza, Guntersville, AL*
Bruce Windham, *Drummond Company, Jasper, AL*

OVERVIEW

We in Alabama continue to work toward full achievement of the demand-driven workforce development delivery system which is our common goal. This Annual Report documents Alabama's record of achievement in its sixth full year under the Workforce Investment Act (WIA).

The Alabama Career Center System, through its network of forty-three Career Centers, effects Statewide delivery of comprehensive, yet seamless, workforce development services to employers and employees eligible for and in need of these services.

Each Career Center System location provides our customers with needed education, job training, employment referral, and other workforce development services. Prospective employees may obtain career counseling and individual case manager assessment services. Those with marketable occupational and employability skills may not require Center services beyond direct placement assistance; individuals whose existing skills require some degree of honing to render these workers more attractive to employers will receive the training they require.

Our Incumbent Worker training program, which provides targeted employers with funding assistance toward the equipping of their workers with new and/or upgraded occupational skills training, continues to expand. Such employee skill upgrades are often critical to the affected employers' continuing competitive viability.

The principal focus of Alabama's Workforce Development System remains directed toward the fashioning of action strategies appropriate to the ongoing workforce development needs of all Alabamians. The clarity of operational vision driven by this focus was underscored following the devastation wrought by Hurricanes Katrina and Rita. Too many of our people suffered too much, too quickly. Their homes, their lands, their lives were crippled, or entirely snatched away.

Alabama workforce development professionals reacted quickly and decisively to this crisis, providing both immediate and longer-term economic assistance to those who needed it most. USDOL grant funds were procured. Disaster recovery strategies were engineered and implemented. Callers to a statewide toll-free hot line were provided direct referrals to relief services centers.

Alabama has taken steps to further expand our capacity for worker displacement relief delivery through the acquisition of a mobile Career Center. Packed with many of the features offered by stand-alone Career Centers, to include learning needs/skills assessment tools, computerized job bank services, and academic and occupational skill training referral services, we expect the mobile Career Center to help render needed workforce development services to many persons previously unable to effectively access these services.

Alabama: An Economic Profile

The Alabama employment trend towards the services industry and away from the goods - producing industry is not unlike that seen in the rest of the nation. Spearheaded by an exceptionally strong banking/financial services industry, the services sector should account for about 85 percent of all new Alabama jobs in the coming years. About 70 percent of the “services” segment job growth is expected to be in the business, health, and education areas. The largest numbers of new jobs will be found in the health care services sector. High technology occupations will post solid growth. In particular, computer and data processing services employment is projected to increase by 108 percent in the near term.

Services and trade output are forecast to rise by 2.4 percent in 2006. Manufacturing output will increase 5.1 percent, this growth primarily traceable to motor vehicle manufacturing, with output expected to jump 28 percent or more in 2006, compared to a its 3.7 percent growth in 2005. This notable automotive-related surge is expected to spark 6,000 new manufacturing jobs in 2006.

Overall, Alabama’s economy is expected to grow 3.0 percent in 2006. Gross State Product, the value of total goods and services, should exceed \$125.7 billion. With the exception of apparel, real output is forecast to increase for all industries.

Five of the State’s metro areas (Huntsville/Madison County, Birmingham/Jefferson County, Tuscaloosa/Tuscaloosa County, Mobile/Mobile County, and Dothan/Houston County) exhibited positive job growth during Program Year 2005.

Residential construction should remain strong, particularly in the State’s metropolitan areas. Despite a noted weakness in apparel and accessory retail employment, there has been a steady growth in retail jobs throughout the State.

Industry job growth trends are strongly linked with the demand for the goods and services produced by those industries. Steady advances in robotics/automation, a movement largely fueled by accelerating wage costs, has sharply reduced or entirely eliminated many of the entry-level manufacturing jobs formerly characteristic of this sector.

Alabama’s booming automotive industry is increasingly capital intensive. Mercedes, Toyota, Honda, and Hyundai manufacturing facilities are increasingly characterized by higher levels of automation, and are therefore less labor-intensive. As a result, goods-producing activities, for example, manufacturing, continue to account for a smaller and smaller share of the total employment picture. Statistically, manufacturing employment nationwide dropped from 26 percent of the workforce in 1969 to 15 percent in 1996. Over this same time frame, employment in the less capital-intensive services/retail trade sector rose from 21 percent of the workforce in 1969 to 36 percent of the workforce in 1996. These observations suggest that a greater number of future employment opportunities will be found in the services sector than in the manufacturing sector.

Manufacturing facilities are increasingly more capital-intensive. Increased levels of production will be achieved with fewer workers. The “new” technology spurs heightened levels of worker efficiency and productivity..

Recent job growth associated with North Alabama’s high-technology corridor should continue. This particular growth trend encompasses both the services and the technology/goods - producing sectors. Redstone Arsenal (Huntsville) contractors have recently announced plans to expand their facilities, which will result in an expanded number of high-skill, high-wage jobs. Services employment, particularly in Redstone Arsenal - related and support industries, should also see continued growth. The Port of Mobile, acknowledged as the finest natural harbor on the Gulf Coast, has new container construction activity. The result is increased import and export-related services tonnage capacity, with a commensurate growth in area employment.

East Alabama is marked by intensified economic activity. Several manufacturing and services firms, many with direct ties to Montgomery County-based Hyundai production facilities, have located in the Auburn-Opelika corridor. Plans are underway to greatly expand several West Alabama transportation arteries, enhancing the prospects for greater economic prosperity.

A good mix of businesses is at the heart of economic stability. Such a blending of larger and smaller employers, of cutting edge, high-tech employment opportunities, together with a growing number of more functional, lesser skilled jobs, works to help ensure there will be a job for all those who want to work. Information-based, high technology service industries principally drive both the Alabama and national economies.

Alabama has worked to promote our State to such industrial catalysts, and, as noted above, we have to date enjoyed considerable success. We believe the “key” to the door of economic opportunity lies in the ongoing development of a highly trained, well educated, and versatile labor force, and the effective communication of this availability to both present and potential employers.

In sum, 2005 was a good year for all 11 of Alabama’s metropolitan areas. The economic rebound that began in 2004 gained strength over the year. Total Alabama nonagricultural employment increased by more than 27,410, a growth rate of one point four (1.4) percent.

Source: The University of Alabama Center for Business and Economic Research

The Workforce Investment Partnership

The Workforce Investment Act (WIA), Title I, prescribes the delivery of a wide array of skill training, job placement, educational, and other workforce development services. Job seekers and employers alike may access WIA workforce development services through Alabama's Career Center System. These Career Centers serve as employee/employer gateways to a broad array of workforce development services and resources. Many of these services are available at the Career Center physical location. Other services are made available through various other agencies, both directly and indirectly affiliated with the Career Center System network.

This network is principally designed to facilitate customer awareness of and access to the workforce development services they require.

Workforce Investment Act funds allotted to the State are, in turn, allocated to local areas within the State. These local areas, which are charged with administrative responsibility for Workforce Investment Act program operation, render their respective allocations available to the several Career Centers operating within their boundaries. Alabama currently has 43 Career Center System sites (June, 2006), including both comprehensive and satellite centers.

A Career Center Operations template issued by the State Workforce Investment Board in November, 2002, formalized operational guidance and minimum expectations for Alabama's Career Center System.

Groups targeted for WIA services include Adult (aged 22 years and over), Older Youth (aged 19 to 21 years), Younger Youth (aged 14 to 18 years), and Dislocated Workers (laid off, job lost due to plant closings, layoffs). There is greater focus on providing Adults, Older Youth, and Dislocated Workers with skills leading directly to employment. With the Younger Youth, more attention is given to achievement of long-term educational milestones than to shorter-term employment opportunities.

Specific strategies have been developed to ease the transition of Dislocated Workers from unemployment to reemployment. These measures include establishment of a Rapid Response Team, to assist dislocated workers, which brings information of available workforce development services directly to the affected individuals, and, further, advises these workers regarding other available support services for which they may be eligible. Among these 'other' services are health insurance program information and strategies to help protect dislocated workers' pension funds.

The National Emergency Grant (NEG) program provides States an opportunity to secure additional WIA dislocated worker activity funding. Hurricane Katrina disaster relief efforts conducted during Program Year 2005 received NEG funding. Additionally, NEG-funded activity continued on several projects for which funding was initially awarded in previous program years.

Workforce Investment Boards

Workforce Investment Boards, as provided under Section 111 of the Workforce Investment Act, are charged with the design, implementation, and ongoing operation of state-level/substate-level workforce development programs and activities. In order to better ensure that membership on the Boards is reasonably representative of the various public and private sector principals actively engaged in local area workforce development activity, the legislation requires that the structuring of Boards correspond to fairly specific membership composition criteria. Each of Alabama's three local workforce investment areas is represented by a local workforce investment board. The State Board, which works to achieve an ongoing, cohesive, and mutually reinforcing working relationships among the several workforce development partner agency "stakeholders".

Members of the State Workforce Investment Board are appointed by the Governor. Local Board members are appointed by each local area's designated chief local elected official. The Governor is the Chief Local Elected Official for the Alabama Workforce Investment Area, the sixty-five county balance-of-state local area.

The State Board's collective workforce development-related knowledge and experience helps ensure that the Board maintains a broad and encompassing perspective, and accompanying insight, regarding Alabama workforce development system needs. Similarly, the primary focus of the local boards is tailored towards the specific needs of their respective local workforce investment areas. State and Local Boards seek to safeguard against giving a disproportionate amount of time and attention to any one program under their purview, such as WIA title I Adult, Youth, or Dislocated Worker operations, lest they lose an appropriate perspective on the overall State/local area system they are charged to oversee.

State and Local Workforce Investment Boards are the operational settings for much of the Workforce Investment Act - mandated coordination activities described in the following pages.

State - Level Coordination

The State agencies partnering with the Office of Workforce Development’s Workforce Development Division in Statewide delivery of Workforce Investment Act-sponsored services and programs include:

Primary partners:

Office of Workforce Development	Department of Industrial Relations
-State-level WIA Programs	- Unemployment Compensation
-Local Area WIA Programs	- Employment Service
- National Emergency Grants (NEGs)	- Labor Market Information
- Career Information Network System	-Trade Adjustment Assistance
- Customized Employment Program	
Department of (Secondary) Education	Department of Postsecondary Education
- Career/Technical Education - Incentive Grant	- 27 Career Link Centers (Three skills training consortia run local WIA programs for the 65 county local area)
	- Alabama Industrial Development Training
	- Two-Year Colleges System
.	-Adult Basic Education - Incentive Grant
Department of Rehabilitation Services - Reintegration Counselor Program - MAPS - Ala. Customized Employment (ACE) Grant	Department of Human Resources

Secondary partners:

Department of Public Health	Alabama Development Office
Mental Health & Retardation	-Industrial Recruitment
Department of Senior Services	-Aid to Existing Industries
-Title V of the Older Americans Act	Alabama Cooperative Extension Service
	Department of Veterans’ Affairs

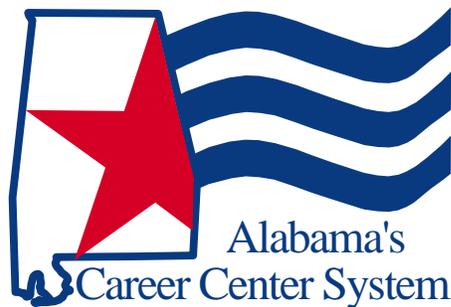
Specific interagency coordination activities include:

- A continuous exchange of customer information among: the Jefferson County, Mobile County, and Alabama (Balance-of-State) Local Workforce Investment Areas, the Workforce Development Division, the Department of Economic and Community Affairs, Trade Act Programs, Employment Service/Unemployment Compensation/Labor Market Information Divisions, Postsecondary Education, Adult Education, and the Alabama Department of Rehabilitation Services. This exchange better ensures case managers' continuing access to a broad range of locally available workforce development program and services information.
- Regular on-site monitoring/assessment of the progress achieved by Workforce Investment Act program participants, from their date of application through post program follow-up, by Workforce Development Division Program Integrity Section staff. This action helps determine both the level and quality of the workforce development services provided to these individuals.
- Each local area will undertake to ensure its service providers make available to program applicants and/or participants information regarding the full complement of available training/educational opportunities, support services, and other benefits to which they are entitled.
- The establishment by each local area of appropriate linkages, where feasible, with programs operated under the following legislation:
 - the Adult Education and Literacy Act.
 - the Carl D. Perkins Vocational and Technical Education Act of 1998.
 - Title IV, part F, of the Social Security Act.
 - the Food Stamps employment program.
 - the National Apprenticeship Act.
 - the Rehabilitation Act of 1973.
 - Title II, Chapter 2, of the Trade Act of 1974.
 - the Stewart B. McKinney Homeless Assistance Act.
 - the United States Housing Act of 1957.
 - the National Literacy Act of 1991.
 - the Head Start Act.
 - the Older Americans Act.
 - the Trade Act.
 - Labor Market Information/Employment Statistics

Alabama's Career Center System

Alabama's Career Center System works to consolidate the delivery of intake/assessment/ case management services, occupational/educational training referrals, labor market information/job development services, vocational rehabilitation/unemployment insurance information, veterans' programs, and other services presently offered to the eligible public through several different state agencies, into a single, localized, delivery station.

A central feature of each Career Center is the Resource Area, where workforce development service seekers may enjoy ready access to computerized databases providing detail of available educational, occupational training, supportive, and other services. This information resource may also provide employers with listings of prospective employees possessing the skills and work experience these employers seek. Internet access is available for customers at all Alabama Career Center locations.



Individual job seekers assessed to require additional occupational skills training in order to better pursue their vocational objectives may be provided with an individual training account voucher, redeemable through any of several eligible training providers.

As referenced above, a network of Alabama Career Centers strategically located throughout the State is the primary mechanism for delivery of Workforce Investment Act Title I Core/Intensive services to individuals and employers eligible for and in need of these services. Area employers may direct inquiries regarding the availability of appropriately skilled prospective employees to these local centers. Employers may also communicate their specific labor market skill needs to these centers.

Twenty-one of these Centers are termed comprehensive centers. These locations offer both their job seeker and employer customers a full array of One-Stop services, to include information regarding Employment Service, Unemployment Compensation, Vocational Rehabilitation, and other Partner Agency program services for which they are eligible. Within the twenty-one Comprehensive Centers, the several partner representatives are actually collocated. The remaining, "satellite" Career Centers are not full service offices, but they do provide many of the same employment assistance services as do the Comprehensive Centers, to include job information services and available resource information.

Each comprehensive/satellite Career Center has negotiated cooperative agreements for on-site delivery of services with local representatives of the several Workforce Investment Act Partner Agencies, including the local employment service and human resources agencies, Adult Education, postsecondary education (two-year colleges), and vocational rehabilitation.

Local employers are provided space to conduct employee candidate interviews at most Alabama Career Center System locations. Additionally, case managers at many Alabama Career Center System sites provide job seekers and employers alike with additional assistance, as required, in order to better satisfy their workforce development needs.

Reduced staff and reduced operational locations place a severe strain on the Career Center System's ability to coordinate fully with the employer community and to provide services needed by job seekers.

At the local level, Career Center System staff work to greatly reduce, if not entirely eliminate, any incidence of services redundancy or overlap among workforce development partner agencies. Achievement of One-Stop services integration, rather than duplication, is the key.

The Career Center Operations Template, developed by the State Workforce Board in PY 2002, established a uniform services baseline associated with all Career Center locations, including the Career Center System logo, the availability of resource areas, children's play area, and other features. The "brand recognition will help those who move from one area to another to be able to access workforce services.

Monthly career center tracking reports indicate 879,107 Career Center customer "hits" were recorded during the PY 2005 reference period (July 1, 2005- June 30, 2006).

Alabama Comprehensive Career Centers (21): *

- | | | |
|----------------|----------------|----------------------|
| 1) Alabaster | 8) Enterprise | 15) Jefferson County |
| 2) Albertville | 9) Eufaula | 16) Mobile County |
| 3) Anniston | 10) Fort Payne | 17) Scottsboro |
| 4) Bay Minette | 11) Gadsden | 18) Sheffield |
| 5) Cullman | 12) Hamilton | 19) Talladega |
| 6) Decatur | 13) Huntsville | 20) Troy |
| 7) Dothan | 14) Jackson | 21) Tuscaloosa |

Alabama Satellite Career Centers (22): *

- | | | |
|-------------------|--------------------|---------------------------|
| 1) Alexander City | 9) Jefferson State | 17) Phil Campbell |
| 2) Andalusia | 10) Lawson State | 18) Roanoke |
| 3) Bessemer State | 11) Luverne | 19) St. Clair (Pell City) |
| 4) Brewton | 12) Monroeville | 20) Selma |
| 5) Demopolis | 13) Montgomery | 21) Trussville |
| 6) Fayette | 14) Opelika | 22) Walker (Jasper) |
| 7) Foley | 15) Opp | |
| 8) Greenville | 16) Phenix City | |

* - Career Center numbers are subject to change

Mapping Access to Program Services

Mapping Access to Program Services, or Project MAPS, is a work incentive program developed to enhance Career Center System service delivery to job seekers with disabilities. The Office of Workforce Development has contracted with the Alabama Department of Rehabilitation Services, a Career Center Partner Agency, to operate the MAPS program within Alabama. This contract is effective through June 30, 2006.

Alabama Customized Employment (ACE) Program

Ongoing efforts to better ensure the workforce development service options available through Alabama's Career Center System are adequately tailored to meet the special needs of the moderate to severely disabled have led to development of the Alabama Customized Employment (ACE) Program, an emerging partnership between workforce development agencies and community-based organizations. ACE is designed to facilitate provision of a range of services to individuals with disabilities.

Basic workplace skills orientation, general workplace conditioning, and entrepreneurial skills training curricula are appropriately aligned to more closely match the specific learning, vocational, and occupational skill acquisition requirements of this special needs population.

Client referrals to specific agencies and services most appropriate to meeting their specific support services needs is an important facet of the ACE program. Comprehensive service delivery entails a commitment to the full range of clients' needs.

Alabama's Customized Employment program has the singular goal of achieving the more effective integration of workforce development services delivery systems appropriately structured along the requirements of special needs customers into existing Career Center System mechanisms. To this end, efforts continue to more closely involve ACE program managers in Career Center System long-range strategic planning activities.

ACE program funding is provided under grants from the U.S. Department of Labor. The ACE funding agreement currently in effect continues through September 29, 2006.

Workforce Innovation in Regional Economic Development (WIRED) Initiative

A consortium of West Alabama and Eastern Mississippi counties successfully competed for a three-year, \$15 million, Workforce Innovation in Regional Economic Development grant award during PY 2006. USDOL Secretary Elaine Chao, in her remarks at the February, 2006 launching of the Alabama-Mississippi WIRED program, indicated “Ninety percent of the jobs in the fastest growing sectors of our economy require post-secondary training or education. The WIRED initiative will focus on the critical role of talent development in attracting economic development and new high-growth, high skill job opportunities for these regions.”

The goal of the WIRED initiative is to transform regional economies by enlisting the skills of the various players in those economies to research and produce long-term strategic plans to better prepare workers for the high-skill, high-wage opportunities associated with the emerging 21st century workplace. The focus of this grant is development at the regional level.

Specific task development and fund disbursement activity related to execution of the Alabama-Mississippi WIRED grant is ongoing.

America’s Service Locator (ASL) Workforce Network Toll-Free Help Line (TFHL)

America’s Service Locator affords job seekers and employers access to occupational, resume preparation, labor market, and training information. Additionally, ASL serves as an Internet-based “front door” for customers seeking the nearest Career Center that provides the workforce development services they require. ASL may also direct system users to various other training sites.

Alabama utilized the ASL website and the services of the TFHL National Call Center during Hurricanes Katrina and Rita. In this time of need Alabama provided the National Call Center with a specific ‘script’ outlining assistance available to those State residents adversely affected by these natural disasters. ASL/TFHL services were also made available to evacuees from neighboring States.

In addition to providing general information and contacts for disaster victims via the Alabama Career Centers, the Alabama ‘script’ provided information regarding job finding assistance, disaster unemployment/UI claims filing, and Red Cross shelter locations.

Over 4200 persons were directly assisted within two weeks of Hurricane Katrina via the ASL website and the Alabama ‘script’ available through the TFHL.

Workforce Investment Activity Resource Allocation

Funds are annually provided the State by the U.S. Department of Labor for the provision of Workforce Investment Act, title I, Adult, Youth, and Dislocated Worker programs. Additional Workforce Investment Act program funding is available from the Federal government in the form of National Emergency Grants.

The Workforce Investment Act provides that up to fifteen percent of the total Adult, Youth, and Dislocated Worker funds annually allotted the State may be reserved for Workforce Investment Act State-level setaside activities, which include: a) State-level program administration (five percent), b) providing local areas which demonstrate superior program performance with incentive grants or providing local areas needed technical assistance/capacity building services (three percent), c) activities directly and indirectly supporting the ongoing development and operation of the State's One-Stop system, d) activities supporting the compilation and statewide dissemination of listings of eligible providers of training services, e) evaluations of program development strategies which support continuous system improvement, and f) the development of a Statewide fiscal management system.

Additionally, up to twenty-five percent of Dislocated Worker funds may be reserved for provision of statewide rapid response services for dislocated workers.

Of the three percent of Adult, Youth, and Dislocated Worker allotments reserved for local area incentives/capacity building, sixty-seven percent is designated for incentive awards, and thirty-three percent is withheld for statewide technical assistance/capacity building. The specific amounts of the local area's PY 2005 incentive awards/capacity building grant awards, determined by their respective PY 2004 program performance outcomes, are depicted in Attachment A.

PY 2005/FY 2006 Federal Allocation Levels

	Amount
State-Level Workforce Investment Activities	\$7,032,853
Statewide Rapid Response Activities	\$3,634,188
Local Area Adult Programs	\$11,880,011
Local Area Youth Programs	\$12,527,526
Local Area Dislocated Worker Programs	\$11,814,449
TOTAL	\$46,889,027

Additional specifics regarding Alabama PY 2005/FY 2005 Workforce Investment Act program funding levels are found at Annual Report Attachment A.

State-level PY 2005 Adult, Youth, Dislocated Worker, and Customer Satisfaction performance goal vs. actual performance information is found at Annual Report Attachment C. This data indicates Alabama met or exceeded fifteen of fifteen PY 2005 program measures and two of two PY 2005 customer satisfaction measures.

Alabama PY 1996 - PY 2005 performance trend analyses contrasts Adult, Dislocated Worker, Older Youth, and Younger Youth programs along common performance measures. This analysis indicates the apparent strengths of these programs relative to one another. As might be expected, it is apparent that Dislocated Worker program completers generally exhibit collectively stronger employment and earnings performance than do their counterparts in the Adult and Older Youth programs. However, Adult employment credential attainment rates appear consistently above those of Dislocated Workers. Younger Youth outperform Older Youth in the credential attainment category as well.

These comparisons of participant performance trends better enable Workforce Investment Act program managers to analyze which programs are more effective for various segments of our clients.

PY 2005 Participants / Exiters (4th quarter - cumulative)

Three Local Area Summary:	Total Participants Served	Total Exiters
Adults	6,119	3,749
Dislocated Workers	2,789	1,572
Older Youth	881	590
Younger Youth	2,637	2,002
TOTAL	12,426	7,913

Total Number of Youth Served:	3,597	(100.00%)
Out-of-School Youth:	2,097	(58.30%)
In-School Youth:	1,500	(41.70%)

PY 2005 Programs

Statewide Rapid Response Programs

- The Office of Workforce Development, Workforce Development Division, designated as Alabama's Dislocated Worker Unit, is responsible for coordinating WIA Dislocated Worker program services statewide. These responsibilities include development of Dislocated Worker program policy and delivery of Rapid Response services.
- The Dislocated Worker Service Agency Information Network is comprised of representatives from the:
 - Office of Workforce Development
 - Workforce Development Division
 - Alabama Department of Economic and Community Affairs
 - Community Services Division
 - Communications and Information Division
 - Department of Industrial Relations
 - Alabama Development Office
 - Department of Postsecondary Education
 - Department of Human Resources
 - Alabama Department of Public Health
 - Alabama Medicaid Agency
 - Alabama Cooperative Extension Service
 - Department of Mental Health and Mental Retardation
 - Department of Senior Services
 - Alabama Department of Labor
 - Alabama Department of Rehabilitation Services
 - Alabama Department of Education (Adult Education programs)
 - AFL-CIO L.I.F.T.

Alabama's Rapid Response activities are coordinated with Federal agencies such as the U.S. Department of Labor's Employment and Training Administration and the Employee Benefits Security Administration. Activities are also coordinated with State of Alabama insurance plans such as the Alabama Health Insurance Plan and ALLKids (Alabama Children's Health Insurance Plan). Agencies such as the Alabama Small Business Development Consortium and the Small Business Administration are also involved.

The Dislocated Worker Unit Rapid Response Team is comprised of OWD Workforce Development Division Dislocated Worker Specialists and appropriate Department of Industrial Relations staff. In situations where Rapid Response Team activities involve unionized companies, AFL-CIO Labor Institute for Training (L.I.F.T.) representatives are also included. The Rapid Response Team generally receives advance notification of worker dislocation events, under requirements of the federal Worker Adjustment and Retraining Notification (WARN) Act. This advance notification better enables the Team's effective coordination of the several direct assistance and agency referral services provided to both employers and workers affected by such dislocation events (i.e., substantial layoffs or plant closings). The Rapid Response Team may also provide these services to employers and workers affected by smaller scale dislocation events, i.e., those not triggering WARN notification, but which are expected to have a substantial impact on the local community.

These smaller scale dislocation events may come to the attention of Rapid Response Team staff through the news media, through contacts initiated by affected employers, through union representatives, or through various other state and local service agencies.

Activities of the Rapid Response Team facilitate dislocated workers' awareness and utilization of the broad range of programs, services, and benefits available through a variety of Federal, State, and local sources to which they are entitled. The Team's overriding objective is to ease the trauma associated with job loss and better enable dislocated workers' return to today's workforce. Attempts are made to maximize each individual's fullest potential.

A strong effort is made to appropriately tailor Rapid Response services to the unique circumstances and requirements associated with each individual dislocation event. On learning of an anticipated plant closing or substantial layoff, Rapid Response staff schedule on-site meetings with company management and labor representatives to discuss available assistance options. After consultation with the appropriate Dislocated Worker Network partner representatives, group employee/local service agency meetings are usually organized at the local employer's worksite. When necessary, meetings may be held at union halls or other local area community centers.

During these meetings, affected workers are provided details regarding their eligibility for and the availability of retraining services, unemployment compensation benefits, job search and placement services, health insurance continuance, pension benefits/counseling, entrepreneurial training assistance, and more.

The following is a percentage breakout, by industry, of the number of workers affected by those plant closings and/or layoffs reported to the Rapid Response Team during PY 2005 (July 1, 2005 - June 30, 2006):

Total Individuals Laid Off by Sector

Manufacturing (Apparel/Textiles)	4,063	(55.4 %)
Manufacturing (Miscellaneous)	2,413	(32.9 %)
Business Services	460	(6.3 %)
Transportation	187	(2.0 %)
Real Estate	143	(1.9%)
Other	70	(2.9%)
Total	7,336	(100.0%)

Rapid Response records indicate approximately 7,336 workers throughout the State were impacted by the 51 dislocation events serviced by the Rapid Response Team during PY 2005.

Eligible Training Provider List

The Workforce Development Division (WDD) uses an Internet-based system to better ensure that the customers of local Career Centers have appropriate access to the State's Eligible Training Provider List. Development and maintenance of this system requires a great deal of cooperation between the WIA Title I Career Center Partner Agencies and various training providers.

Alabama Career Center staff has been trained in the use of the Eligible Training Provider List.

USDOL has provided guidance regarding methods for the certification, the gathering and reporting of performance information, initial certification of out-of-state providers, and recertification of in-state and out-of-state providers. WDD strives to keep training program information as current and up-to-date as possible. A requested waiver of WIA Section 122 (c) subsequent training provider eligibility requirements has been granted by USDOL, effective through June 30, 2007. The added local flexibility enabled by this waiver has proven invaluable to both local area and State-level training provider procurement staff.

Presently, there are approximately 130 different training providers, covering approximately 1,665 separate programs, on Alabama's WIA Eligible Training Provider List.

Incumbent Worker Program

One of the statewide workforce investment activities authorized under Workforce Investment Act (WIA) Section 134(a) (3) (iv) (I), is incumbent worker training. This training may be funded from State-level fifteen (15) percent set aside funds.

For-profit companies that have been conducting business in Alabama for at least two years and that can demonstrate that their employees are in need of upgraded skills training in order to remain competitive and/or avoid layoffs, may apply for Incumbent Worker Training Program funds. The technical and professional skills training provided with these funds is structured to better equip incumbent workers with specific workplace skills required for the optimal performance of their existing jobs, and may enable them to broaden the scope of their workplace responsibilities. With new or upgraded skills, workers, whose jobs might otherwise be lost due to layoffs and/or plant closings, not only retain their employment, but frequently realize increased earnings as well. Successful training completion should be coupled with employee retention and increased earnings potential. Incumbent Worker Training Program funds must be matched by the employers on at least a dollar-for-dollar basis. (Wages/benefits of employees while in training may be used as well as cash payments to vendors.)

In September 2001 Alabama implemented a statewide Incumbent Worker Training Program. Since the program's inception, services have grown to provide over \$1,584,800 for Incumbent Worker Training Programs during PY 2005. These funds have enabled forty businesses throughout Alabama to provide training opportunities to over 2,900 individual workers through sub-recipient agreements. The Incumbent Worker Training Program has been instrumental with helping to save Alabama jobs, as well as enabling the employers to increase the number of jobs available to the workforce. Information on the Incumbent Worker Training Program, including an application for funding assistance, is available through the Alabama Career Center system. This information is also available online at the ADECA website (www.adeca.state.al.us).

Incumbent Worker Training is "Hands-On"!

Birmingham Fasteners & Supply, Inc. is a full service fastener manufacturer and distribution center located in Birmingham, Alabama. The company received funding assistance from the WIA Incumbent Worker Training Program to provide Lean Manufacturing training and lessons in OSHA safety practices to one hundred fifteen (115) company employees.



GKN Westland Aerospace, Inc. designs, tests, manufactures and assembles a diverse range of high-performance composite structures for a range of civil and military programs. The company received funding assistance from the WIA Incumbent Worker Training Program to provide Ergonomic, Job Safety Analysis, and Human Resources Safety training to forty-two (42) company employees.



ATI Alldyne produces high quality tungsten, tungsten carbide, tungsten heavy metal, tungsten carbide graded, coarse tungsten powder, and molybdenum powders. The company received funding assistance from the WIA Incumbent Worker Training Program to provide Ergonomic Program Development and Analysis Training to twenty-two (22) company workers.



Incumbent Worker Training Program

PY05 Contracts Awarded

65 County Area & Jefferson County

County	Contracts Awarded	Planned Participants	Agreement Amount
* Baldwin	1	70	\$ 35,714.29
Chambers	1	54	\$ 45,800.00
Chilton	1	80	\$ 49,836.00
Choctaw	1	188	\$ 50,000.00
Clay	1	20	\$ 27,950.00
Coffee	1	26	\$ 49,998.00
Cullman	3	503	\$ 149,949.00
Dallas	1	55	\$ 50,000.00
DeKalb	1	193	\$ 50,000.00
Elmore	2	111	\$ 89,728.00
Escambia	1	20	\$ 48,210.00
* Houston	3	300	\$ 109,928.56
Jefferson	4	189	\$ 176,607.50
Lee	1	15	\$ 6,350.00
Limestone	1	18	\$ 15,371.00
* Madison	4	180	\$ 157,682.28
Marion	1	40	\$ 14,650.00
* Marshall	1	70	\$ 35,714.29
Monroe	1	90	\$ 42,750.00
* Montgomery	1	70	\$ 35,714.29
* Morgan	2	90	\$ 55,064.29
Russell	1	60	\$ 43,548.00
Shelby	2	249	\$ 99,998.00
St. Clair	2	104	\$ 53,600.00
Talladega	1	80	\$ 45,600.00
Tuscaloosa	1	31	\$ 45,110.00
Totals	40	2,906	\$1,584,873.50 **

* At least one company trained via funding from a \$250,000.00 master agreement with Alabama Technology Network.

** Data accurate as of August 24, 2006.

Adult / Dislocated Worker Program Services

Individual Training Account (ITA)

The Individual Training Account (ITA), a specific agreement which provides educational or occupational skill training services, is the primary medium for Workforce Investment Act training services delivery. Individual Training Account services may only be provided to Workforce Investment Act participants by those training providers who have applied to and been placed on the Eligible Training Provider List.

Prospective education and/or occupational skills training providers must meet specific criteria in order to initially obtain and subsequently retain Workforce Investment Act training provider status (see Eligible Training Provider List discussion).

Postsecondary education institutions, which offer instruction leading to generally recognized certification in high-demand occupational skills, and other institutions providing similar vocational instruction services, are among the several entities which may apply for inclusion on the Eligible Training Provider List.

On-the-Job Training

Under the Workforce Investment Act, On-The-Job Training participants' employers may seek reimbursement of up to fifty percent of these participants' wages in compensation for the extraordinary costs in additional time and attention generally associated with the provision of such training, and in recognition of the lesser workplace productivity of these trainees. Negotiations with the employer will establish the maximum length of participants' On-The-Job Training period. The maximum length of such training, however, is not to exceed six months..

Focused Industry Training (FIT) Program

The Focused Industry Training (FIT) program was developed by several state agencies to train workers for existing jobs that become vacant when workers leave their previous employers for new employment within Alabama's growing automotive and automotive-related industries. There are currently over 36 FIT Program sites throughout the state, primarily concentrated in areas around Alabama's automotive manufacturing plants. The mission of the FIT program is to help ensure that Alabama employers enjoy ongoing proximate access to a labor pool of the well educated, highly-skilled, and driven men and women needed to fuel Alabama's rapidly accelerating economic engine.

Youth Program Services

Younger Youth (14 - 18) - Total Served: 2,637

Youth program services/activities include the following:

Assessment/Employability Plan Development

Younger youth receive individual assessment and vocational guidance services. Youth assessed to be in need of academic reinforcement, job readiness/workplace skills, world-of-work transition services, and other available services are directed to area providers of these services. Participants may be provided either intermediate or longer-term career planning services.

Basic Educational Skills Achievement

Classroom instruction aimed at reinforcing basic skills learning is provided to both in-school and out-of-school youth. Out-of-school youth receive assistance with General Equivalency Degree (GED) examination preparation; in-school youth are provided needed educational skills reinforcement, and receive encouragement to remain in school until graduation. Training sites include local two-year colleges, community centers, and/or other public or private facilities.

Summer Program/Work Experience

PY 2005 summer program/work experience program services were provided to eligible youth. These programs afford participating youth with valuable learning opportunities, addressing, in part, individual work place responsibilities and employer/employee expectations.

Older Youth (19 - 21) - Total Served: 881

Academic / Basic Skills Reinforcement

Older youth are provided supplemental academic exposure, enabling their achievement of basic learning skills, culminating in General Equivalency Degree certification.

Individual Referral Services

This is enrollment in area vocational or two-year college occupational skill training classes. Training is generally restricted to vocational/occupational fields of demonstrated local labor market demand. Program participants are provided the appropriate supportive services which may encourage them to remain in their respective training programs through completion. Participants receive job placement assistance upon receipt of occupational skills achievement certification.

WIA Section 136(e) Process Evaluations

Alabama's Workforce Investment Act Section 136(e) process evaluation activities involve the development and provision of information products which may assist front-line program managers' decision-making. Central to this effort is the identification of Workforce Investment Act Adult, Dislocated Worker, and/or Youth program services which appear more effective in spurring individual participants' achievement of their respective workforce development goals. Additionally, process evaluations seek to identify which Workforce Investment Act service or services seem most cost-effective across identifiable demographic segments within the broader category of Workforce Investment Act participants - Adults, Dislocated Workers, and Youth. Note the five-year Alabama WIA program cost efficiency study at Attachment D to this Annual Report.

A constraining factor inhibiting the timely execution of the several projected Alabama Workforce Investment Act process evaluations is the limited availability of "real time" Workforce Investment Act program data. In order for these evaluations to have the greatest relevance to existing and future Alabama Workforce Investment Act programs, the studies must utilize actual program outcome data.

State-level evaluation studies have included a longitudinal review of selected economic data series trends, aggregated at the local area and sub - local area level. This effort involved the plotting of actual and relative growth, covering applicable FY 1995 - FY 2005 civilian labor force, unemployment, unemployment insurance exhaustee, unemployment insurance beneficiary, and mass layoff data.

Such information may provide insight regarding any association between local, regional, or State-level economic or demographic circumstances and observed directional trends in local area-level WIA program performance outcomes. There may or may not be potential for WIA program design innovations directly resulting from this and/or other evaluation study efforts.

Absolute and proportional monthly customer traffic at all thirty-five Career Centers is tracked longitudinally in order to help identify any significant trends in the number of Career Center customer "hits." Where any such trends are indicated, further analysis may help suggest any causal factors behind such month-to-month variation. Application of such causal information may enable One-Stop Career Center managers to better serve their ever - expanding customer base.

Additionally, efforts to identify specific higher growth, high-employment industries and occupations within the State are underway. Alabama is an active participant in the Local Employment Dynamics program, which is developing systems to provide users an array of industry-specific labor market information. This industry-specific data is expected to greatly facilitate workforce development program planning and program execution efforts.

Specifics regarding the above-cited evaluation activities are available upon request.

A Look Ahead

Alabama workforce development programs have achieved real progress. State-level and local area-level Workforce Investment Act program performance continues to generally exceed their associated employment and earnings performance goals. Alabama welfare rolls have declined dramatically in recent years.

Our most fundamental goal is the design and implementation of a maximally effective workforce development system which provides past, present, and future employees with education and labor skills supportive of their individual goals, and furnishes employers with the highly-skilled labor pool they require to appropriately fuel Alabama's surging economic engine. An assessment of where we are, coupled with a vision of where we can be, principally drive Alabama's growing workforce development partnerships.

Efforts are underway to further streamline the Workforce Development System through Reauthorization of the Workforce Investment Act, thereby enabling workforce development professionals to better serve their employer and employee clients, through the provision of improved and expanded workforce development services.

Governor Bob Riley, in anticipation of impending changes to the workforce delivery system precipitated by Reauthorization, has created via Executive Order the Alabama Office of Workforce Development, which 1) consolidates the administration of federal and state workforce development activities 2) effects the more efficient and effective utilization of available workforce development and economic development resources, and 3) works to sharply reduce resource overlap and duplication of effort.

Alabama has reviewed, with great interest, key provisions of the House and Senate versions of WIA Reauthorization legislation. Pursuant to Workforce Investment Act Section 189(I)(4), has requested selected provisions of the still-current Act be waived in favor of these new, innovative measures. Several of these waiver requests have already received USDOL approval, and the affected WIA programs and policies have been modified accordingly.

The State has received USDOL indication that another of these waiver requests, involving the use of local area funds to provide local area incumbent worker services, is allowable within the existing legislative framework.

We look forward to Program Year 2006 implementation of the balance of these Workforce Investment Act waiver requests.

Alabama WIA Waiver Request Activity

Waiver Request	Action	Date of USDOL Action
<p>The following waiver requests are to facilitate State's expeditious relief to Hurricanes Katrina/Rita affected individuals: Waiver of 1) local area administrative cost limitations, 2) Adult –Dislocated Worker funds transfer limitations, 3) Section 134 barriers to applying local area funds to Statewide Activities, 4) limitations on State authority to recapture and reallocate unexpended local area funds, 5) customized training employer matching fund requirements, 6) on-the-job training employer reimbursement limitations, 7) local area negotiated WIA performance goal accountability, 8) prohibition on use of WIA funds for public service employment, 9) prohibition on use of WIA funds for capitalization of small businesses, and 10) local area responsibility for ten required elements of WIA Youth programs.</p>	<p>Waiver requests approved by USDOL: 1) Through March 30, 2006, waiver is granted of local area WIA Section 128(b)(4)(A) administrative cost limitations; 2) Adult – Dislocated Worker funds transfer waiver previously approved through June 30, 2007; 3) waiver of Section 134 to permit impacted local areas to use up to 100 percent of local area allocated funds for Statewide Activities, 4) waiver of WIA Sections 128(c) (2) and 133(c)(2) to permit mid-year, first year deobligation and recapture of local area funds, 5) waiver to the required employer fifty percent match for customized training, 6) waiver of on-the-job training employer reimbursement limitations for employers in Hurricane-affected areas, 7) waiver to permit individuals displaced by Hurricanes to be excluded from WIA performance goal calculations, 8) through March 30, 2006, waive prohibition on use of WIA funds for public sector employment, waive prohibition on use of WIA funds for capitalization of small businesses, and 10) waive applicability of ten required elements of Youth programs based in Hurricane-affected areas.</p>	<p>September 30, 2005</p>
<p>Waiver request presented to State Board May 2005. Submitted to USDOL April 14, 2005. Waiver request approved by USDOL. Adult-Dislocated Worker program funds transfer authority raised to one hundred percent of annually allocated funds.</p>	<p>Waiver request presented to State Board May 2005. Submitted to USDOL April 14, 2005. Waiver request approved by USDOL. Adult-Dislocated Worker program funds transfer authority raised to one hundred percent of annually allocated funds.</p>	<p>June 30, 2005</p>
<p>Request waiver of 20 CFR 661.320(d)(2) to allow the transfer of up to fifty percent of Section 133(a)(2) Rapid Response funds to WIA Statewide Activities, i.e., provide additional Incumbent Worker program funding.</p>	<p>Waiver request presented to March SWIB meeting. Waiver request transmitted to USDOL on March 18, 2005.</p>	<p>Pending</p>

WIA Costs Relative to Effectiveness

Annual Report instructions provided the States by USDOL indicate that these Reports should include "...A discussion of the costs of workforce investment activities relative to the effects of the activities on the performance of the participants...."

These instructions further indicate that States "...may want to include information ... about the mix of services selected and the outcomes expected from these activities ...States may indicate actual Federal outlays for selected activities...."

This Report does indicate, at "PY 2005/FY 2006 Programs," the several State- level and local area-level WIA participant programs operated during PY 2005. The Report further details, at "PY 2005 Cost of Program Activities," outlays of Federal funds made in support of these several programs. An application of Cost/Effect analytical constructs to these "mismatched" data fields would not seem entirely appropriate.

A limited, independent examination of PY 2005 WIA expenditures relative to fund availability, utilizing allocation and expenditure data provided within this Report, may however, be relevant.

PY/FY 2005/06 Cumulative WIA Fund Usage (as of June 30, 2006)

	PY/FY2005/06 Available (Program) Funds	PY/FY2005/06 Expenditures (Program Funds)	Usage Ratio
State Rapid Response	\$3,634,188	\$449,312	12.36%
Local Area Adults	\$ 14,157,623	\$11,951,267	84.42%
Local Area Youth	\$11,274,775	\$ 8,340,997	73.98%
Local Area Dislocated Workers	\$7,167,397	\$4,461,077	62.24%

PY/FY 2004/05 Cumulative WIA Fund Usage (as of June 30, 2006)

	PY/FY2004/05 Available (Program) Funds	PY/FY2004/05 Expenditures (Program Funds)	Usage Ratio
State Rapid Response	\$0	\$0	- %
Local Area Adults	\$19,888,899	\$19,888,899	100.0%
Local Area Youth	\$11,613,081	\$11,613,081	100.0%
Local Area Dislocated Workers	\$4,021,230	\$4,021,230	100.0%

The highest PY/FY 2005/06 WIA fund Usage Ratio, as indicated above, is in the Adults program. The increased rate of PY 2005 Adults program fund usage reflect accelerated PY 2005 Adults program participant outreach and Adults program management efforts.

States have three years in which to expend allotted WIA funds. Note that PY/FY 2004/2005 WIA funds are virtually entirely expended at the close of PY 2005/FY 2006, the second full year of these funds' availability.

Workforce Investment Act program costs and these costs' attendant effectiveness must be viewed separately. Under the existing Workforce Investment Act information gathering structure, the State 15% Activity, Rapid Response, Adult, Dislocated Worker, and Youth costs included in both Workforce Investment Act Quarterly Reports and in this Annual Report is real time. That is, these are the costs actually incurred over the reference period, i.e., July 1, 2005 - June 30, 2006. However, WIA participants' program outcomes, the most tangible measures of WIA effects, are based upon time-lagged U.I. Wage record data. The participant program outcomes associated with a given Program/Fiscal Year do not line up with corresponding cost figures.

We therefore suggest that any program performance-related inference made or conclusions drawn from comparing available WIA expenditures data with WIA participant/program performance information may not be entirely valid.

PY 2005 Adult, Dislocated Worker, and Youth Program 7/1/05-6/30/06 expenditures data may be further analyzed by contrasting this data against the associated number of 7/1/05-6/30/06 Adult and Dislocated Worker participants entering employment, and the number of Youth program exiters achieving employment, skill attainment, or high school diplomas. This participant positive outcome data is not gleaned from U.I. Wage data, but rather from Alabama Career Center System management information system records.

Such real time participant outcome data is presented on the following page, along with a cursory Return on Investment model. Allowing that this model may be of questionable validity with regard to attendant parametric implications, as noted above, the ROI positive growth trends noted across the various Alabama WIA participant programs may be yet viewed as indicative of steady improvements in these programs' respective levels of performance.

1) Cost Efficiency by WIA Program

Fund Source	7/1/05 - 6/30/06 Local Area Expenditures (Program Costs)	PY2005 Program Participants	Expenditures per Participant
Local Area Adults	\$14,668,627	9,866	\$1,486.79
State / Local Area Youth	\$9,535,517	3,605	\$2,645.08
Local Area Dislocated Workers	\$5,940,554	2,205	\$2,694.13
Total	\$30,144,698	15,676	\$1,922.98

This expanded analysis suggests that PY 2005 WIA Adults programs, despite their start-up difficulties, achieved a cost efficiency record superior to that of the PY 2005 Youth and Dislocated Worker programs. Not here reflected, however, are costs incurred for those WIA participants who failed to achieve program objectives and realize positive program exit during PY 2005.

2) Return (Participant Earnings Change) on Investment (Federal Spending) Models

Program	PY 2003	PY 2004	PY 2005	PY2002-PY2005 Percentage Growth
Adults	\$0.41:\$1	\$0.54:\$1	\$1.97:\$1	474.27%
Dislocated Workers	\$0.45:\$1	\$1.30:\$1	\$1.96:\$1	437.89%
Youth	\$1.16:\$1	\$1.22:\$1	\$1.26:\$1	108.48%
	\$0.67:\$1	\$.85:\$1	\$1.74:\$1	260.59%

As indicated above, the Alabama WIA program Return on Investment (ROI) has increased dramatically over the past three Program Years.

Considering that the Investment, or WIA outlays associated with a given Program Year, is generally one-time in nature, whereas the attendant Return, that is, WIA program participants' enhanced potential for greater employment and earnings opportunities, may actually grow over time, in relative perpetuity, the above ROI numbers may in fact understate the long-term economic impact of the subject WIA programs.

Participant Demographic Profile

CHARACTERISTICS	ADULTS	DISLOC. WORKERS	YOUTH		
			In School	Out of School	
Female	64.86%	56.86%	56.00%	55.54%	
Male	35.14%	43.32%	44.00%	44.46%	
White	40.62%	71.06%	46.65%	21.42%	
Black	57.31%	26.75%	51.87%	75.72%	
Hispanic	.55%	.46%	.51%	1.43%	
Other	1.52%	1.73%	.98%	1.43%	
14 – 18	2.15%	.18%	56.27%	96.35%	
19 – 21	11.63%	2.42%	43.73%	3.65%	
22 – 54	83.64%	88.31%	0	0	
55 and Over	2.59%	9.09%	0	0	
Veterans	2.10%	3.47%	.10%	.08%	
Welfare Recipient	4.61%	.12%	1.36%	.45%	
Offender	.04%	.02%	.31	0	
Displaced Homemaker	.08%	.39%	.03%	0	
High School Graduate	68.72%	77.51%	31.45%	.74%	
PY 2005 Participants	6,119	2,789	1,500	2,097	12,505
PY 2005 Exiters	3,749	1,572	1,231	1,361	7,913

Success Stories

- WIA basic skills and GED preparation training, together with her determination to fashion a better life for herself and her young son, provided a single parent with a jump start on a new and promising career.

The challenges she faced, the hardships she bore, were not insignificant. Her WIA case manager provided educational and vocational guidance, and WIA resources provided the funds to enable her to undertake the needed education and occupational training. She, however, provided the drive, the energy, to “put the pieces of the puzzle together.”

The first step, earning her GED, was tough. She had been out of school for a time, and her academic skills were rusty, to say the least. With that hurdle behind her, she was directed by her case manager in work readiness and keyboarding skills training. Her performance there earned her selection as an Alabama Senate page, a distinction not afforded all program participants.

As she neared completion of her WIA training, she achieved placement with a local credit union as a part-time teller, a position entailing not insignificant job responsibilities. After a short time there, she was promoted to full-time teller. Additionally, this young lady has won acceptance to Troy University, where she plans to major in Banking and Finance.

Hers has been quite a voyage indeed!

- A participant in the Alabama Workforce Investment Area’s Youth Enrichment Services (YES) program recently passed her GED test with a perfect 800 score on the Language/Arts portion. She followed up this accomplishment by completing her Certified Nursing Assistant training, scoring 99.4 on the clinical pre-test. In January, 2006, she passed her State certification exam and is now working full-time at a regional nursing home. She accomplished all of this, and she is only sixteen years old!

She calls nursing her “dream career” and attributes the YES Program with helping steer her toward realization of this personal goal. She remarks, “The YES Program has changed my life. Through them I figured out what I wanted to do with my life and they are helping me achieve my dreams and goals.”

The Director of the YES Program indicates that she is personally gratified the WIA YES Program is there to help provide area youth eligible for and in need of WIA services with the vocational guidance and operational skills they needed to help point them in the right direction.

- The effective combination of a severely handicapped youth's fierce determination to succeed in spite of his physical limitations, coupled with WIA youth development and internship learning opportunities, opened new career doors for this very special person.

Working within the WIA Youth Development program, he was motivated to complete his high school degree. His case manager helped him land a job with an area supermarket, where his job responsibilities include greeting customers, bagging groceries, and working in the stockroom.

His spirit and enthusiasm are an inspiration to co-workers and store customers alike. His job performance, his attitude toward today, and his outlook on tomorrow reflect a bright optimism.

- For this third generation teen-aged welfare mother and former high school drop out, with no high school credentials and little meaningful work history, future prospects looked bleak. She had little interest in seeking better living conditions for herself or for her children.

Her case worker saw potential in this young woman she did not see in herself. She was placed in an OJT slot and matched with a Job Coach. After experiencing initial learning difficulties, she was counseled by her case worker regarding proper employee etiquette and job performance attitudes. She was also provided self help strategies designed to minimize her perceived learning difficulties.

The young woman's drive paid off. She was offered full-time work by her contract employer following expiration of the OJT, and she has since done well. Today, this former welfare mother is becoming increasingly self reliant and productive. She has shown herself and her children that there is much more to life than continued "welfare" dependence.

- A young woman's focused determination to succeed and clarity of vision helped her overcome the dual handicap of debilitating health problems and the lack of a high school degree.

The weight of her medical treatments alone, which include periodic transfusions and chemotherapy treatments, might deter many youth from the vigorous pursuit of success, but not this young lady. She knew that without a high school degree, very few career paths would be open to her. However, her efforts at achieving high school credentials through home schooling went astray. A friend recommended she investigate Workforce Investment Act program-sponsored learning opportunities, and this "tip" proved to be the start of something big.

Career Link staff enrolled her in a General Equivalency Degree skills, basic computer skills, and job readiness skills learning program. Displaying a level of energy and enthusiasm that belied any obstacles presented by her physical barriers, she completed the requirements for her General Equivalency Degree in record time, posting a score of 2,680 out of a possible 3,000 points of the qualifying examination. With this credential in hand, she was further awarded a full financial scholarship to pursue a Business Information Systems degree program at an area college. She is reported to be doing very well in her studies.

Attachments

- A) Local Area WIA Planning Allocation for PY 2005/ FY 2006*
- B) Statewide Career Center Monthly Customer Tracking*
- C) State - Level PY2005 Performance Incentive Analysis (7/1/05 - 6/30/06)*
- D) Cumulative Annual (Program Fund) Expenditures, Participants Served*

LOCAL AREA PLANNING ALLOCATION
FOR PROGRAM YEAR 2005
(July 1, 2005-June 30, 2006)

	PY 2005 Allotment	FY 2006 Allotment	Full PY Allotment
1 SEC. 133(b)(2)(A) ADULT PROGRAMS	\$2,900,863	\$11,075,620	\$13,976,483
a. GOVERNOR's 15% SET ASIDES:	\$435,129	\$1,661,343	\$2,096,472
Administration (5%)	\$145,043	\$553,781	\$698,824
Other WIA Activities (7%)	\$203,060	\$775,293	\$978,353
Incent/Cap. Bldng. (3%)	\$87,026	\$332,269	\$419,295
Local Area Grants (67%)	\$58,307	\$222,620	\$280,927
State-level (33%)	\$28,719	\$109,649	\$138,368
b. LOCAL AREA ADULT PROGRAMS (85%)	\$2,465,734	\$9,414,277	\$11,880,011
AWIA	\$1,905,015	\$7,273,430	\$9,178,445
Jefferson	\$184,233	\$703,408	\$887,641
Mobile	\$376,486	\$1,437,439	\$1,813,925
2 SEC. 128(b)(2) YOUTH ALLOTMENT	\$14,738,266	\$0	\$14,738,266
a. GOVERNOR's 15% SET ASIDES:	\$2,210,740	\$0	\$2,210,740
Administration (5%)	\$736,913	\$0	\$736,913
Other WIA Activities (7%)	\$1,031,679	\$0	\$1,031,679
Incent/Cap. Bldng. (3%)	\$442,148	\$0	\$442,148
Local Area Grants (67%)	\$296,239	\$0	\$296,239
State-level (33%)	\$145,909	\$0	\$145,909
b. LOCAL AREA YOUTH PROGRAMS (85%)	\$12,527,526	\$0	\$12,527,526
AWIA	\$9,724,056	\$0	\$9,724,056
Jefferson	\$902,787	\$0	\$902,787
Mobile	\$1,900,683	\$0	\$1,900,683

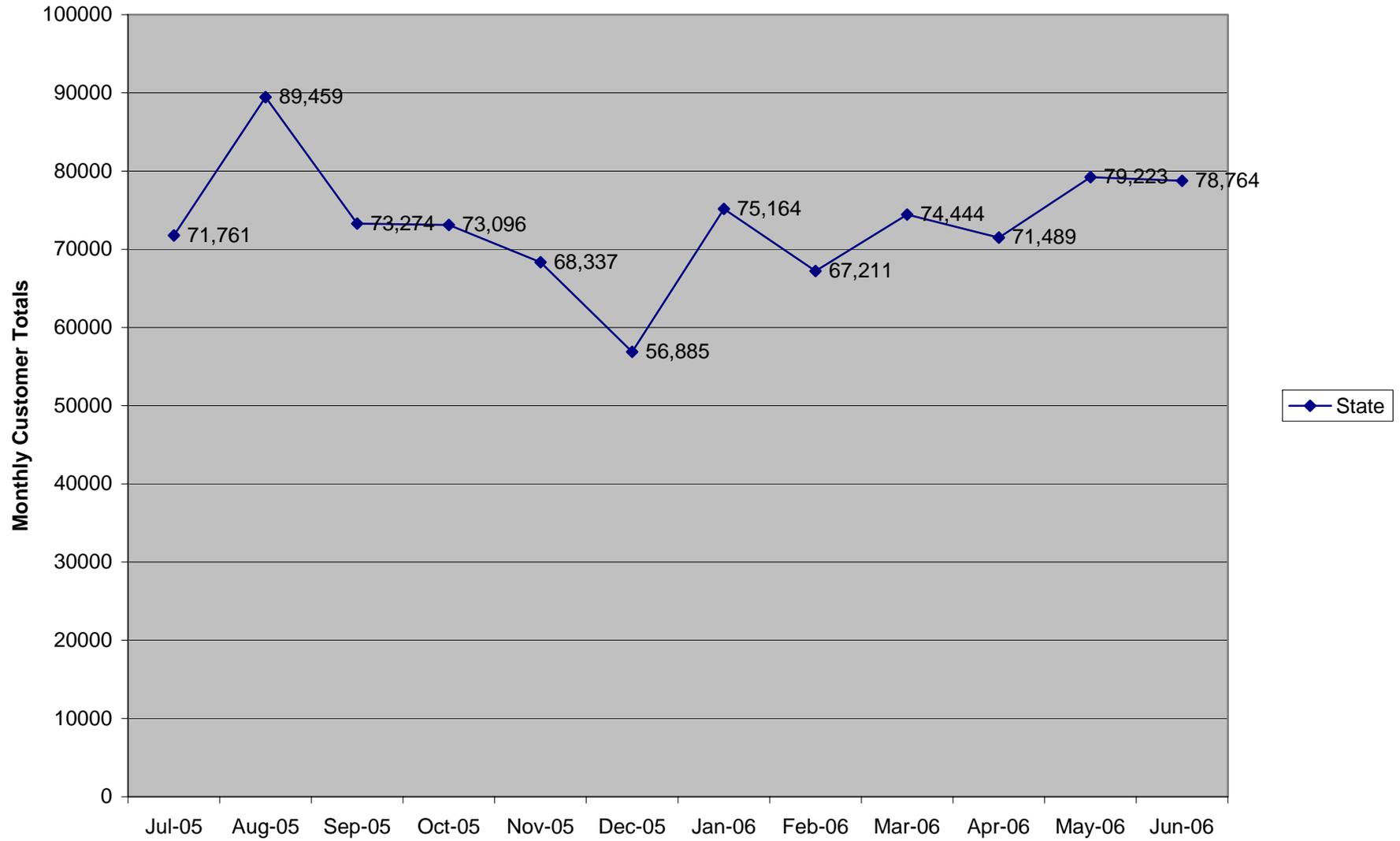
ATTACHMENT A (con't.)

	PY 2005 Allotment	FY 2006 Allotment	Full PY/FY Allotment
3 SEC. 133(b)(2)(B) DISLOCATED WORKERS	\$5,295,282	\$12,875,656	\$18,170,938
a. RAPID RESPONSE PROGRAMS (20%)	\$1,059,057	2,575,131	\$3,634,188
b. GOVERNOR'S 15% SET ASIDES:	\$794,292	1,931,349	\$2,725,641
Administration (5%)	\$264,764	\$643,783	\$908,547
Other WIA Activities (7%)	\$370,670	\$901,296	\$1,271,966
Incent/Cap. Bldg. (3%)	\$158,858	\$386,270	\$545,128
Local Area Grants (67%)	\$106,435	\$258,801	\$365,236
State-level (33%)	\$52,423	\$127,469	\$179,892
c. LOCAL AREA PROGRAMS (65%)	\$3,441,933	\$8,372,516	\$11,814,449
AWIA	\$2,862,343	\$6,962,662	\$9,825,005
Jefferson	\$283,054	\$688,528	\$971,582
Mobile	\$296,536	\$721,326	\$1,017,862
4 TOTAL PROGRAM YEAR 2005 ALLOTMENT	\$22,934,411	\$23,951,276	\$46,885,687
5 POOLED SET ASIDES			
Rapid Response (20%)	\$1,059,057	\$2,575,131	\$3,634,188
Administration (5%)	\$1,146,720	\$1,209,661	\$2,356,381
Other WIA Activities (7%)	\$1,605,409	\$1,676,589	\$3,281,998
Incentive Awards/Capacity Building (3%)	\$688,032	\$718,538	\$1,406,571
Local Area grants (67%)	\$460,981	\$481,421	\$942,402
AWIA	\$70,731	\$173,723	\$244,454
Jefferson	\$29,939	\$94,261	\$124,200
Mobile	\$360,311	\$218,300	\$578,611
State-level activities (33%)	\$227,051	\$237,117	\$464,168

6 PY 05 / FY 06 Local Area Incentive Awards by CFDA / Funding Category

	PY 2005	FY 2006	Total
AWIA			
Fund Source			
Adult	\$0	\$0	\$0
Youth	\$0	\$0	\$0
Disc. Wkr.	<u>\$70,731</u>	<u>\$171,986</u>	<u>\$242,717</u>
	<u>\$70,731</u>	<u>\$171,986</u>	<u>\$242,717</u>
Jefferson			
Fund Source			
Adult	\$14,798	\$56,502	\$71,300
Youth	\$0	\$0	\$0
Disc. Wkr.	<u>\$15,141</u>	<u>\$36,816</u>	<u>\$51,957</u>
	<u>\$29,939</u>	<u>\$93,318</u>	<u>\$123,257</u>
Mobile			
Fund Source			
Adult	\$43,509	\$166,118	\$209,627
Youth	\$296,239	\$0	\$296,239
Disc. Wkr.	<u>\$20,563</u>	<u>\$49,999</u>	<u>\$70,562</u>
	<u>\$360,311</u>	<u>\$216,117</u>	<u>\$576,428</u>
State			
Fund Source			
Adult	\$58,307	\$222,620	\$280,927
Youth	\$296,239	\$0	\$296,239
Disc. Wkr.	<u>\$106,435</u>	<u>\$258,801</u>	<u>\$365,236</u>
	<u>\$460,981</u>	<u>\$481,421</u>	<u>\$942,402</u>

PY 2005 Monthly Career Center Customer Tracking



WORKFORCE INVESTMENT ACT

STATEWIDE PY06 PERFORMANCE ANALYSIS (7/1/05 - 6/30/06) – FINAL

<u>MEASURES</u>	NEGOTIATED GOAL	ACTUAL PRFRMCE	Num/Denom	ACHVMNT INDEX (Actual/Goal)
ADULTS:				
Entered Employment Rate (10/1/04-9/30/05)	72.00%	67.90%	3,169/4,667	94.31%
Employment Retention Rate (4/1/04-3/31/05)	80.00%	80.32% *	3,889/4,842	100.39%
Earnings Chng in Six Months (4/1/04-3/31/05)	\$4,000.00	\$4,393.29 *	\$21,272,311/4,842	109.83%
Employment/Credential Rate (10/1/04-9/30/05)	48.50%	52.94% *	3,035/5,733	109.15%
				103.42%
DISLOCATED WORKERS:				
Entered Employment Rate (10/1/04-9/30/05)	79.30%	80.77% *	1,336/1,654	101.86%
Employment Retention Rate (4/1/04-3/30/05)	87.00%	89.58% *	1,883/2,102	102.97%
Earnings Replacement Rate (4/1/04-3/31/05)	\$1,528.00	\$4,026.36 *	\$8,463,412/2,102	263.50%
Employment/Credential Rate (10/1/04-9/30/05)	53.00%	69.17% *	1,261/1,823	130.50%
				149.71%
YOUTH (19-21)				
Entered Employment Rate (10/1/04-9/30/05)	65.00%	64.69%	328/507	99.53%
Employment Retention Rate (4/1/04-3/31/05)	78.00%	78.68% *	417/530	100.87%
Earnings Chng in Six Months (4/1/04-3/31/05)	\$2,500.00	\$3,558.66 *	\$1,886,091/530	142.35%
Credential Rate (10/1/04-9/30/05)	37.00%	43.43% *	284/654	117.36%
YOUTH (14-18)				
Skill Attainment Rate (4/1/05-3/31/06)	81.40%	77.19%	2,244/2,907	94.84%
Dip./Equiv. Att. Rate (4/1/05-3/31/06)	48.00%	41.77%	317/759	87.00%
Retention Rate (4/1/05-3/31/06)	64.00%	54.05%	968/1,791	84.45%
				103.77%
CUSTOMER SATISFACTION			Respondents	
Participants (1/1/05-12/31/05)	78.00	79.15 *	715	101.47%
Employers (1/1/05-12/31/05)	80.00	87.04 *	1154	108.80%
				105.13%
OVERALL AVERAGE				114.66%

MEASURES

YOUTH (14-21)

	GOAL	ACTUAL PRFRMCE	Num/Denom
Placement in Employment or Education (10/1/04-9/30/05)	n.a.	46.41%	1,260/2,715
Attainment of a Degree or Certificate (10/1/04-9/30/05)	n.a.	15.61%	180/1,153
Literacy or Numeracy Gain (10/1/04-9/30/05)	n.a.	#DIV/0!	0/0

National Emergency Grant Activity

	contract no.	amount	duration
AWIA	4F206001	\$2,203,958	09/23/04-6/30/06
AWIA	5V206001	\$540,108	08/30/05-06/30/06
Mobile	5X406001	\$3,110,371	08/30/05-09/30/06

H - 1 B Grant Activity

	contract no.	amount	duration
AWIA	5Z202701	\$2,128,295	09/06/05-09/05/06
Jefferson	5Z302701	\$172,466	09/06/05-09/05/06
Mobile	5Z402701	\$446,257	09/06/05-09/05/06

**ALABAMA WORKFORCE INVESTMENT ACT PROGRAM
CUMULATIVE ANNUAL (PROGRAM FUND) EXPENDITURES, PARTICIPANTS SERVED
PROGRAM YEARS 2001-2005**

Four-year Alabama WIA program data indicates a significant overall improvement in program "efficiency", measured both in terms of annual program fund expenditures and annually program funds availability.

PY 2005 data, measured in terms of both total available fund and against actual annual fund expenditures, suggest the Dislocated Worker program has achieved the greatest cost efficiencies, followed by the Adult program, and the Youth program.

It may be useful to note that, while the measurement of funds tracks easily against specific program years, the flow of participants is much more fluid. Many participants carry over from one Program Year to the next, rendering somewhat vague the association of specific participant activity with discrete program years.

This analysis minimally indicates that Alabama WIA program "cost efficiencies" remain strong.

**ALABAMA WORKFORCE INVESTMENT ACT PROGRAM
CUMULATIVE ANNUAL (PROGRAM FUND) EXPENDITURES, PARTICIPANTS SERVED
PROGRAM YEARS 2001 - 2005**

	Adults	Dislocated Worker	Youth	Overall
Expenditures (Program Costs)				
PY 2005	\$14,668,627	\$5,940,554	\$9,535,517	\$30,144,698
PY 2004	\$25,257,778	\$6,907,845	\$12,643,053	\$44,808,676
PY 2003	\$20,290,670	\$11,184,568	\$15,459,052	\$46,934,290
PY 2002	\$12,437,934	\$7,289,393	\$3,690,908	\$23,418,235
PY 2001	\$10,597,150	\$11,747,365	\$9,245,915	\$31,590,430
5 Year Total	\$83,252,159	\$43,069,725	\$50,574,445	\$176,896,329
Participants				
PY 2005	6,119	2,789	3,518	12,426
PY 2004	10,723	4,326	5,057	20,106
PY 2003	8,508	4,307	6,700	19,515
PY 2002	3,422	2,106	4,883	10,411
PY 2001	4,926	3,687	3,398	12,011
5 Year Total	33,698	17,215	23,556	62,043
Expenditures per Participant				
PY 2005	\$2,397.23	\$2,129.99	\$2,710.49	\$2,425.94
PY 2004	\$2,355.48	\$1,596.82	\$2,500.11	\$2,228.62
PY 2003	\$2,384.89	\$2,596.83	\$2,307.32	\$2,405.04
PY 2002	\$3,634.70	\$3,461.25	\$755.87	\$2,249.37
PY 2001	\$2,151.27	\$3,186.16	\$2,720.99	\$2,630.12
5 Year Average	\$2,470.54	\$2,501.87	\$2,146.99	\$2,851.19

Source: Available Program funds by Program Year, Associated Expenditures from FSRs
Participant information from WIASRD PY 2005 th Quarter reports.

**ALABAMA WORKFORCE INVESTMENT ACT PROGRAM
ANNUAL (PROGRAM FUND) ALLOCATION, PARTICIPANTS SERVED
PROGRAM YEARS 2001 - 2005**

	Adults	Dislocated Worker	Youth	Overall
Annual Allocation (Program Funds)				
PY 2005	\$14,157,623	\$7,167,397	\$11,274,775	\$32,599,795
PY 2004	\$19,888,899	\$4,021,230	\$11,613,081	\$35,523,210
PY 2003	\$18,836,488	\$6,227,349	\$12,894,177	\$37,958,014
PY 2002	\$14,601,449	\$12,645,654	\$16,569,209	\$43,816,312
PY 2001	\$13,871,620	\$8,723,031	\$14,769,133	\$37,363,784
5 Year Total	\$81,356,079	\$38,784,661	\$67,120,375	\$119,138,110
Participants				
PY 2005	6,119	2,789	3,518	12,426
PY 2004	10,723	4,326	5,057	20,106
PY 2003	8,508	4,307	6,700	19,515
PY 2002	3,422	2,106	4,883	10,411
PY 2001	4,926	3,687	3,398	12,011
5 Year Total	33,698	17,215	23,556	41,937
Program 'Efficiency' Measure				
PY 2005	\$2,313.72	\$2,569.88	\$3,204.88	\$2,623.51
PY 2004	\$1,854.79	\$929.55	\$2,296.44	\$1,766.80
PY 2003	\$2,213.97	\$1,445.87	\$1,924.50	\$1,945.07
PY 2002	\$4,266.93	\$6,004.58	\$3,393.24	\$4,208.66
PY 2001	\$2,816.00	\$2,365.89	\$4,346.42	\$3,110.80
5 Year Average	\$2,414.27	\$2,252.96	\$2,849.40	\$2,840.88

Source: Available Program funds by Program Year, Associated Expenditures from FSRs
Participant information from WIASRD PY 2005 4th Quarter reports.

EXPENDITURES PER PARTICIPANT-FOUR YEAR SUMMARY

	PY 2002	PY 2003	PY 2004	PY 2005	PY02-PY05 Percent Change
ADULTS	\$3,634.70	\$2,384.89	\$2,355.48	\$2,397.23	-34.05%
DISLOCATED WORKERS	\$3,461.25	\$2,596.83	\$1,596.82	\$2,129.99	-38.46%
YOUTH	\$755.87	\$2,307.32	\$2,500.11	\$2,710.49	258.59%
COMBINED PROGRAMS	\$2,249.37	\$2,405.04	\$2,228.62	\$2,425.94	7.85%

PROGRAM EFFICIENCY (AVAILABLE FUNDS/PARTICIPANT)- FOUR YEAR SUMMARY

	PY 2002	PY 2003	PY 2004	PY 2005	PY02-PY05 Percent Change
ADULTS	\$4,266.93	\$2,213.97	\$1,854.79	\$2,313.72	-45.78%
DISLOCATED WORKERS	\$6,004.58	\$1,445.87	\$929.55	\$2,569.88	-57.20%
YOUTH	\$3,393.24	\$1,924.50	\$2,296.44	\$3,204.88	-5.55%
COMBINED PROGRAMS	\$4,208.66	\$1,945.07	\$1,766.80	\$2,623.51	-37.66%

**ALABAMA WORKFORCE INVESTMENT ACT PROGRAM
CUMULATIVE ANNUAL (PROGRAM FUND) EXPENDITURES, PARTICIPANTS SERVED**

INDIVIDUAL TRAINING ACCOUNTS	PY 2003	PY 2004	PY 2005	Change
Number of Participants Receiving Training	8074	7462	4501	-44.25%
Total Expenditures	\$16,342,067	\$17,183,240	\$10,395,784	-36.39%
 INCUMBENT WORKERS PROGRAM	 PY 2003	 PY 2004	 PY 2005	 Change
Number or Workers Receiving Training	2559	1356	2906	13.56%
Number of Companies Served	44	46	40	-9.09%
Total Expenditures	\$1,709,000	\$1,695,215	\$1,584,874	-7.26%
 ON-THE-JOB TRAINING PROGRAM				
Number or Workers Receiving Training	875	1153	847	-3.20%
Number of Companies Served	350	497	420	20.00%
Total Expenditures	\$1,437,004	\$1,888,158.37	\$2,090,775.63	45.50%
 ALL PROGRAMS				
Number or Participants Receiving Training	11508	9971	8254	-28.28%
Number of Inc. Wkr./OJT Companies	394	543	460	16.75%
Total Expenditures	\$19,488,071	\$20,766,614	\$14,071,433	-27.79%