

Annual Performance Report
PY 2008 Workforce Information Core Products and Services
Arizona Department of Commerce
Research Administration

Arizona's annual performance report for the program year (PY) 2008, which began July 1, 2008 and ended June 30, 2009, is required by the Employment and Training Administration (ETA), U.S. Department of Labor, Training and Employment Guidance Letter (TEGL) no. 31-07. This report provides a concise summary of a) accomplishments for each deliverable; b) results of customer consultations; and c) recommendations for improvements or changes to the deliverables.

Section A) Accomplishments

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

Outcomes achieved:

Arizona Research Administration (RA) continued to populate, maintain and conduct continuous quality improvements to core tables of the Workforce Information Database (WID). The Arizona Workforce Informer (AWI) uses version 2.3. Arizona continued work on its in-house version of the WID 2.4. The in-house version allows RA economists access to the entire database for analysis. The development of this in-house database improves data quality and data query tools on the Arizona Workforce Informer (AWI) website by providing a deeper knowledge of the large relational database. The external or public version is accessible at www.workforce.az.gov. The AWI website and the internal WID are now completely self-hosted. Additionally, the Arizona License data tables were updated and submitted by their due date.

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

Deliverable met, except for some timeliness issues.

Conformance with Schedule:

Most core tables and corresponding look-up and crosswalk tables were updated in a timely manner. However, as noted, in Deliverable 2 below, the 2006-2016 sub-state long-term industry and occupational projections were posted after June 30, 2009 to the WID. Some tables were delayed due to revisions from BLS, such as the Occupational Employment Survey data (OESWAGE).

Deliverable 2: Produce and Disseminate Industry and Occupational Employment Projections - Statewide projections are to be developed for the years 2008 to 2010 and sub-state projections for the years 2006 to 2016.

Outcomes achieved:

Arizona was able to participate in the only training made available by the Projections Managing Partnership during the 2008 program year. One economist attended the forecasting

workshop in Kansas City, June 2009. State level North American Industry Classification System (NAICS) based industry and occupational forecasts were produced for 2008-2010. State level projections were revised for 2006-2016 and sub-state for two major metropolitan areas, completed in September 2009. RA used the software developed by the Consortium along with additional tools after initial estimates were produced. RA used SPSS software for the long-term forecasts. Data products and information, once completed, were posted to the AWI website and the WID.

Short-Term 2008-2010 Industry and Occupational Employment Projections

Statewide, Phoenix Metropolitan Statistical Area (MSA), Tucson MSA, and balance of state (rural region) industry projections were released and published in April 2009. Distribution was through written publication, "Arizona Workforce," press conference, and on the (AWI) website (www.workforce.az.gov). Arizona produces high-level short-term industry projections twice a year. The short-term designated by the TEGE each spring and an update or revised projection each fall. For the PY 2008, an update of the 2007-09 industry projections was released in fall 2008.

Statewide short-term occupational projections were submitted to the Projections Managing Partnership designated contact in June 2009. The statewide and sub-state short-term industry projections are available on AWI at <http://www.workforce.az.gov/?PAGEID=67&SUBID=174>. Statewide short-term industry and occupational projections were added to the data analysis tools in June 2009. Short-term occupational data in Adobe Acrobat and MS Excel were added to the AWI website (August 2009).

Long-Term 2006-2016 Industry and Occupational projections

Statewide industry and occupational projections for 2006-2016 were revised to account for the change in the Arizona economy since June 2008. Data are available in multiple formats, such as Adobe Acrobat, MS excel and as data analysis queries from the WID v.2.3. Sub-state projections were developed for the Phoenix MSA and Tucson MSA in September 2009.

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

The long-term sub-state projections for the PY 2008 were met as of September 2009.

Arizona continues to be short-staffed, relying on one individual for completing industry and occupational projections. Additional staff was eliminated during June 2009 due to state budget issues. In addition, no software training occurred during the program year, and we continue to work through conversion issues from SAS to SPSS. It is expected that Arizona will continue to have difficulty meeting projections for sub-state areas.

Conformance with Schedule.

Arizona conformed to schedule for the short-term 2008-2010 industry and occupational projections. The long-term 2006-2016 industry and occupational projections were delayed as noted in the explanation for variance for this deliverable.

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

Outcomes achieved.

The single page – double-sided report was designed during a previous plan year (2006-2007) in collaboration with the Arizona Governor’s Economic Research and Information Exchange Cabinet continues to be created. The report is coordinated within the Department of Commerce and is available on the department’s website at http://www.azcommerce.com/doclib/prop/state_economic_profile.pdf.

The Economic Analysis Unit of Research Administration continued to write the economic portion of the Arizona Workforce Investment Act Title IB annual report as requested by the SWA, the Arizona Department of Economic Security (AZ DES). The report is located at <https://egov.azdes.gov/CMS400Min/InternetFiles/Reports/pdf/WIA%20Annual%20Report%2007net.pdf>. The Economic Conditions and Outlook portion of the AZ DES Annual State Fiscal Year 2008 Report to the Governor was contributed by the Economic Analysis and is at https://egov.azdes.gov/CMS400Min/InternetFiles/Reports/pdf/des_annual_report_sfy_2008.pdf.

RA provides data and analysis for numerous reports requested by the offices, boards, commissions and task forces of the Governor.

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

Arizona met the requirements of this deliverable

Conformance with Schedule.

Arizona conformed to schedule for deliverable 3.

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

Outcomes achieved.

Spreadsheet and Acrobat versions of all of the core WID tables are provided on the AWI 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 long-term and short-term occupational projections. Another example is a report based on a special run from the quarterly census of employment and wages that provides data by county, out-of-state, and unspecified areas. Arizona continues to make improvements to individual reports posted on the website. Arizona is in regular production with the Local Employment Dynamics program. Links to the latest reports are in the What’s New? section of the AWI homepage (www.workforce.az.gov). The full listing of products is available in the content listing (<http://www.workforce.az.gov/?PAGEID=67&SUBID=242>) page. Nearly 250,000 visits to the website were made during the program year.

Arizona did not renew its contract with CIBER in September 2008 and has totally moved

website hosting and development to the department. The Workforce Informer site continues to use the same template and base software as under the CIBER contract. No changes have been made to the site at this time.

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

Arizona met the basic requirements of the deliverable.

Conformance with Schedule:

Arizona conformed to schedule for most products for Deliverable 4. Variation from schedule was mostly a result of limited staff. Several publications were late in posting in June 2009 as staffing was impacted due to state budget shortfalls. Difficulties may continue in PY 2009.

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

Outcomes achieved:

RA conducted a workshop at the 2009 Workforce Investment Act Technical Assistance Conference in April 2009. The workshop covered an overview of recent development in Labor Market Information and how to effectively use LMI data in the local One-Stop Centers given the challenges of Arizona's economic conditions.

RA continued to assist the SWB with allocation options for WIA Adult and Youth and Dislocated Workers programs. Since moving to the Arizona Department of Commerce, RA involvement and participation in the Governor's Council on Workforce Policy (the Arizona Workforce Investment Board) has greatly increased.

RA worked closely with the SWA in developing the revised WIA state strategic plan under the American Recovery and Reinvestment Act of 2009. New and renewed partnerships created during this program year, include Arizona Business Education Advisory Council.

RA provided economic presentations and training on the use of LMI data and AWI website use to LWIBS, community college audiences, career training counselors and areas requesting LMI training of LWIBs.

Training activities:

RA continued to provide customized LMI training to four targeted groups –

- 1) Job Seekers, Students, Parents, General Public;
- 2) One Stop Front Line Staff, Employment Specialists, Job Developers, Counselors, Teachers;
- 3) Labor Market Analysts, Researchers, Economists; and
- 4) Decision makers in Education, Business, & Government; Economic Developers, Policy Makers.

Presentations were provided upon request to businesses and workforce development groups. In addition, numerous ad-hoc trainings and presentations were provided based on

request.

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

Arizona met the requirements of this deliverable.

Conformance with Schedule:

Arizona conformed to schedule for Deliverable 5.

Deliverable 6: Conduct Special Studies and Economic Analyses.

Outcomes achieved:

Governor's Office of Strategic Planning and Budget -- Monthly
Joint Legislative Budget Committee's Financial Advisory Committee -- Quarterly
Department of Commerce Economic Research Advisory Committee – Quarterly (or when scheduled)
Arizona's Business Education Advisory Council – Quarterly
Arizona Governor's Office, Economic Research Information Exchange Cabinet -- Monthly
Economic analyses as requested to support economic development activities of the Arizona Department of Commerce.
Arizona Growing and Declining Industries Report
Training and Education Resource Model Reports
Unemployment Insurance Statistics Graphs - Monthly
Arizona Community Profiles (provided assistance)

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

Arizona met the requirements of this deliverable.

Conformance with Schedule: Arizona conformed to schedule for Deliverable 6.

Expenditures for Program Year 2008 Deliverables

PY 2007 Allocation - \$588,028

PY 2008 Allocation - \$616,560

Total Expenditures for Program Year 2008

July 1, 2008 – June 30, 2009

Program Year 2007 funds used	\$286,317
Program Year 2008 funds used	<u>\$301,357</u>
Total Expended	\$587,674
PY 2008 Grant	\$616,560
Difference	\$28,886

Arizona is continuing to look into ways to reduce expenditures or increase revenues. Additional or continued funding cuts for federal programs could put future services at risk.

Section B) Customer Consultations

The methods used for consulting with customers in PY 2008 were essentially the same as in PY 2007. Arizona used the customer survey form on AWI web site to collect comments, training evaluation forms, and web analytics tools (Web Trends). Arizona used the opportunity to request input whenever interacting with customers on the phone or in person.

In response to customer requests, Arizona continues to make on-going improvements to the website and training. As part of the move, RA introduced LMI and AWI to rest of the Arizona Department of Commerce during PY 2008. The agency includes workforce, business development, community and rural development programs. As a result of these efforts, RA received valuable input on improving our site and has been increasingly called upon to provide training and special reports.

Special accolades were paid to the Arizona short-term industry projection publication “Arizona Forecast Report” dated April 30, 2009 (<http://www.workforce.az.gov/admin/uploadedPublications/PrForecast2009-10.pdf>). This document was used as “an example of how agencies can aid state businesses and local governments and develop a lot of good will” for the Projection Managing Partnership sponsored forecasting training in June 2009.

Section C) Recommendations for improvements or changes to the deliverables.

• Recommendations based on accomplishments.

Arizona plans to continue the WID database, website and product reviews as noted in deliverables 1 and 4. State budget issues and staff cuts require a detailed review of products and services provided to ensure the most effective and efficient use of staff time. Arizona recommends that ETA provide some opportunities and funding for program evaluation, above and beyond customer satisfaction evaluation. Within the customer satisfaction area, ETA should provide access to the American Customer Satisfaction Index used by many federal agencies, including US Department of Labor. ETA should provide training, tools and funding for states to improve their website usability, compliance with federal ADA guidelines and website design for today’s internet user.

Recommendations for improvements include continued training and education of LMI staff in projections software and techniques, hiring additional staff members to do forecasting and other tasks, regular review of external forecasts completed by outside organizations and creation of a regular review of forecast products and procedures.

• Recommendations based on consultations with customers.

One primary request and recommendation of customers is to increase the availability of labor market information and projections for both more demographic detail (race and ethnicity) and geographic divisions (sub-state areas and Native American lands). Projections and labor market information for sub-state areas are subject to the availability and quality of BLS survey data. As funding for BLS has been reduced at the national level, and the bureau has cut expenses, sub-state, county and MSA data are less able to provide the base needed to provide good industry

and occupational projections at smaller geographic areas. Train the trainer models for LMI trainers to train LWIB staff and other customers on how to use available data and supplement it with local information is needed and should be funded.

It is recommended that Deliverable 2, Produce and Disseminate Industry and Occupational Employment Projections, should be altered to focus on long-term projections. The general consensus is that 2-year short-term projections by occupations are not useful to customers and resources would be better spent on producing stronger long-term 10-year state and sub-state projections.

Short-term projections by industry are considered useful and timely. The ability to provide more industry detail and more sub-state detail by industry is desired.

While improved, the STIP and LTIP consortium products are still in need of significant changes. One issue of concern is the products are not stable (i.e. the software regularly crashes) and the programs are built on visual FoxPro, a program no longer supported by Microsoft.