

**Annual Performance Report**  
**PY 2015 Workforce Information Core Products and Services**  
**Office of Economic Opportunity (formerly the Office of Employment and Population**  
**Statistics within the Arizona Department of Administration)**

Arizona's annual performance report for the program year (PY) 2015, which began July 1, 2015, and ended June 30, 2016, is required by the Employment and Training Administration, U.S. Department of Labor, Training and Employment Guidance Letter (TEGL) No. 39-14. This report provides a concise summary of all grant activities in terms of accomplishments for each deliverable, results of customer consultations, and recommendations for improvements or changes to the deliverables.

**Core Deliverables and Activities:**

**I. Workforce Information Database (WIDb)**

For the PY 2015, Arizona's Office of Economic Opportunity (OEO) continued to populate, maintain, and improve the quality of core tables of the Workforce Information Database. Core tables that are maintained include the following: CES, EMPDB, INCOME, INDP RJ, INDUSTRY, LABFORCE, LICAUTH, LICENSE, OCCPRJ, OESWAGE, POPULATN, LICXOCC, MATXNAIC, MATXSOC, INDCODES, OCCCODES, ADDRESSY, ANNSLFLG, AREATYPE, BENMARK, CESC CODE, CREDITCD, EMPSZFLG, EMPSZRNG, GEOCODE, GEOG, GROWCODE, INCOMTYP, INCSOURC, INDDIR, INDSUB, INDTYPES, LEVELTYP, LOCSTAT, OCCDIR, OCCSUB, OCCTYPES, OWNERSHP, PERIOD, PERIODID, PERIODTY, POPSOURC, RATETYPE, STATTYPE, STFIPSTB, URLTOPIC.

The WIDb is housed in OEO. The relational database product used for WIDb is MySQL. WIDb database structure was updated to version 2.6. OEO has a dedicated data connection engine that allows access to native MySQL data objects such as functions and stored procedures. The in-house version allows OEO economists access to the entire database for analysis that includes confidential BLS data. It is also used to extract data for the public database, which forms the backend of the query tools available on the website [www.laborstats.az.gov](http://www.laborstats.az.gov).

In addition to the two current websites the office has, OEO added a new website, [oeo.az.gov](http://oeo.az.gov), with the formation of the new office. [oeo.az.gov](http://oeo.az.gov) links users to the office's labor market information and population demographics websites [www.population.az.gov](http://www.population.az.gov) and [www.laborstats.az.gov](http://www.laborstats.az.gov), respectively. It is anticipated that the new website will expand to include dashboard capabilities for displaying other economic indicators important to job growth within the state in the future. These websites are hosted on a Drupal platform. The public database is

accessible through the new website. The new website will continue to update and post monthly labor market data and other relevant information.

Further changes to the website are being developed to improve data accessibility. Currently, website data tables are static and are updated manually by office staff. The office is working with a contractor to create downloadable tables that update directly from the public-facing database. This will allow users to customize data output and reduce staff time needed to maintain and update website data files.

**Deliverable and Conformance with Schedule:**

Core tables and corresponding look-up and crosswalk tables were updated in a timely manner. The 2015-2017 short-term industry and occupational employment projections for the state and sub-state geographic areas were completed and posted before June 30, 2016, to the WIDb. The long-term 2014-2024 industry employment projections the state and sub-state geographic areas were revised this year to account for changes in the Arizona economy since June 2015. The data and associated analysis were posted before June 30, 2016.

**II. Industry and Occupational Employment Projections**

Both short-term and long-term industry and occupational employment projections for the state and sub-state areas were required for PY 2015.

**Short-Term Industry and Occupation Employment Projections:** As designated by the TEGL, Arizona produces short-term industry and occupation employment projections once a year. Industry employment projections were based on the North American Industry Classification System (NAICS), while occupation employment projections were based on the standard occupational code (SOC) system. Short-term employment projections were prepared using Q2 2015 as the base period and were developed for the Q3 2015 - Q2 2017 timeframe. Statewide, Phoenix metropolitan statistical area (MSA), Tucson MSA, and “Balance of State” industry employment projections were released and published on March 31, 2016.

One notable difference in the projections output created by OEO is the level of detail at which projected employment is now estimated for. Projected employment for the state and the three noted substate areas was made available at the three-digit NAICS code level. Previously, industry employment projections were produced at the supersector/two-digit NAICS code level. The decision to provide further detail was made to increase the effectiveness of the projection estimates produced.

OEO is also considering expanding projected employment estimates to include workforce information areas at the substate level. OEO is in the process of researching the feasibility of estimating projected employment for the upcoming 2016-2018 short-term industry and

occupational employment projections period.

Statewide, Phoenix MSA, Tucson MSA, and “Balance of State” occupational employment projections were released and published on March 31, 2016. The calendar year (CY) 2015-2017 state and sub-state short-term occupational employment projections were posted to the WIDb before June 30, 2016. Economists used the software developed by the Projections Managing Partnership Consortium along with additional tools to produce employment projection estimates. To create occupational employment projections from industry employment projections, staffing pattern files were needed across various industries. The Estimating Delivery System (EDS) was used to generate the staffing pattern files. Dissemination occurred through written publication and additional analysis.

The statewide and sub-state short-term industry and occupation employment projections are available as static reports in Adobe Acrobat and MS Excel format on the OEO website at [www.laborstats.az.gov](http://www.laborstats.az.gov).

**Long-Term Industry and Occupational Employment Projections:** The long-term industry and occupational employment projections for calendar years 2014-2022 were prepared using base year employment data from CY 2014. Statewide, Phoenix MSA, Tucson MSA, and “Balance of State” industry employment projections were released and published by July 31, 2016. Dissemination of industry employment projections occurred through written publication on the OEO website.

Arizona was able to participate in most of the webinar trainings made available by the LMI Training Institute in PY 2015 and the online training created by the Projections Management Partnership. The training provided a good background on the projection process and an update on the new projection software developments.

#### **Deliverable and Conformance with Schedule**

Arizona met deliverable II and conformed to schedule for the short-term (CY 2015-2017) and long-term (CY 2014-2024) industry and occupational employment projections.

### **III. Annual Economic Analysis and Other Reports**

A report covering various metrics on Arizona’s Economic Environment was created in collaboration with the Governor’s Workforce Arizona Council. The report is coordinated between Arizona Commerce Authority, OEO and the Arizona Department of Economic Security (DES) and will be available on the new OEO website ([www.laborstats.az.gov](http://www.laborstats.az.gov)).

OEO continued to write the economic portion of the Arizona Workforce Innovation and Opportunity Act (WIOA) Title I-B annual report as requested by the State Workforce Agency

(SWA), i.e. DES. The report is located at the DES website (<https://des.az.gov>).

OEO provided research and support to the collaborative efforts of state agencies creating the state plan required under WIOA regulations. OEO identified statewide existing and emerging in-demand industries and occupations based on economic indicators reflecting the overall health of the industry and importance of the industry to the Arizona economy. OEO also provided analysis highlighting economic characteristics of substate regions to help identify potential joint regional workforce development solutions.

OEO provides data and analysis for numerous reports requested by the offices, boards, commissions and task forces of the Governor. OEO produced various reports to educate the stakeholders and support the workforce labor market information (WLMI) outreach effort. In addition to these reports, specialized reports for each of the local workforce areas were created and shared with our local partners. Follow-up meetings were scheduled with a majority of the local areas to help interpret the analysis within the reports. The information was used in preparation of the local area plans.

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

- Governor's Office of Strategic Planning and Budgeting – Quarterly
- Joint Legislative Budget Committee's Financial Advisory Committee – Quarterly
- Arizona Department of Transportation Risk Panel Committee – Yearly
- Arizona Lottery Economic Environment Report – Yearly
- Economic analyses to support economic development activities of the Arizona Commerce Authority – As requested
- Arizona Growing and Declining Industries Report – Quarterly
- Arizona Training and Resource Model Report – Yearly
- Arizona Existing and Emerging In-Demand Industries and Occupations – Yearly
- Unemployment Insurance Statistics Graphs – Weekly/Monthly
- Arizona Registrar of Contractors Skilled Construction Report – Yearly
- Maryvale Revitalization Corporation Economic Analysis – Yearly
- Arizona Department of Education Special Project Analysis
- Analysis on unemployment insurance claims – As requested

**Deliverable and Conformance with Schedule.**

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

#### **IV. Customer Consultations**

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

- Presentations were provided upon requests to various organizations and workforce development groups in the state. Some of the users included labor market analysts, researchers, economists, the public, and decision makers in education, business and government; economic developers, and policy makers. Examples of groups where presentations were made include:
  - 1) Training to Local Workforce Development Boards and other key stakeholders
  - 2) DES Rehabilitation Services Administration's counselors and staff
  - 3) Arizona Association for Economic Development members
  - 4) Southeast Arizona Workforce Development meeting
  - 5) Small Business Information Exchange where the participant's included local businesses, developers and policy makers
  - 6) WIOA Implementation Taskforce
  - 7) West Valley Economic Development Summit
  - 8) ARIZONA@WORK Maricopa County (formerly Maricopa Workforce Connection)
  - 9) Maryvale Revitalization Corporation
- OEO continued to make economic presentations and training on the use of WLMI data and shares the WLMI website ([www.laborstats.az.gov](http://www.laborstats.az.gov)) and its contents with local workforce investment boards, community college audiences, career training counselors, rehabilitation counselors, and others.
- OEO continued to assist the Workforce Arizona Council, Arizona's State Workforce Board, with allocation options for WIOA Adult and Youth and Dislocated Workers programs.
- OEO worked closely with the state implementation taskforce in developing the WIOA state unified workforce development plan.
- OEO has regularly participated in meetings with the Workforce Arizona Council.
- OEO used a customer survey form on the OEO website to collect comments, training evaluation forms, and web analytics tools.
- OEO toured ARIZONA@WORK job centers to meet with staff and understand how to effectively integrate WLMI into daily processes.
- OEO collected feedback information from presentation audience members to continuously improve presentation content. In response to customer requests, OEO continues to make on-going improvements to the website and training.

#### **Deliverable and Conformance with Schedule:**

OEO undertook customer consultations for deliverable IV.

## **V. Activities undertaken to meet customer needs**

During PY 2015, Arizona initiated the development of a federated workforce data system. OEO was given the responsibility of developing a workforce evaluation data system. This proposal was developed, in part, because of the growing need for longitudinal data to drive policy decisions. OEO is currently pursuing the development of a federated longitudinal data system. The goal is to provide access to de-identified data via the Arizona Workforce Evaluation Data System (AWEDS) to support program and policy decisions. Potential contributing partners to the AWEDS system are the state's social welfare agency (DES), the Board of Regents and public universities, community college districts, the adult education program, and the K -12 Arizona Education Learning and Accountability System.

OEO expanded the industry detail of the industry employment projections produced for the state and substate areas. Starting in PY 2015, employment projections were made available for over 100 industry categories. Industry detail was expanded to improve the effectiveness of projection estimates when used for decision-making purposes. Additional industry detail helps identify estimated employment changes in specific subsectors around the state. OEO plans to continue producing expanded industry detail for projection estimates in the future.

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

### **Deliverable and Conformance with Schedule:**

OEO describes the activities to meet customer needs under deliverable V.

## **VI. New resources**

OEO provided several new products as additional resources during PY 2015. OEO released the initial version of the Existing and Emerging In-demand Industries and Occupations Report for the state and several substate areas. This product combines employment and wage variables across a common geographic region to identify and track industries and occupations with favorable economic attributes. It is anticipated that the Existing and Emerging In-demand Industries and Occupations Report will be updated annually for each region.

OEO is also making significant changes to its website to improve the delivery of information. Data tables will be more customizable and easier for OEO analyst to maintain and update.

In addition to these products, specialized reports for each of the local workforce areas were created and shared with our local partners. They used this information in preparing the local area plans.

**Deliverable and Conformance with Schedule:**

Arizona produced new tools and resources under deliverable VI.

**VII. Efforts to create and support partnerships and collaborations**

OEO established cooperative working relationships with various partners in the Arizona workforce system, and served on various committees (listed earlier in deliverable IV) that provided input relating to industry and occupational employment trends, projections, and other labor market information related to job training. OEO maintained relationships with the Governor's Office and also advised the Arizona state legislature, Department of Revenue, DES, Department of Transportation, Department of Education, Workforce Development Boards, and other workforce professionals.

OEO has been proactive in its approach to collaborate with local workforce areas on WIOA implementation efforts. OEO has initiated several meetings to discuss and present relevant WLMI information to be utilized in the creation of local area plans.

OEO is also involved with a healthcare workforce data system initiated by the Arizona Action Coalition. The goal of this initiative is to facilitate the design and implementation of a sustainable infrastructure to collect, analyze and maintain inter-professional healthcare workforce supply and demand data. OEO provided technical guidance in the development of a data management infrastructure.

**Deliverable and Conformance with Schedule:**

Arizona established partnerships as expected under deliverable VII.

**VIII. Activities to leverage WLMI funding**

Arizona's WLMI office does not reside in the state's workforce agency (DES) and therefore does not have the opportunity to leverage WLMI funding. In addition to the WIG funding from ETA, the unit receives \$50,000.00 from DES for unemployment insurance related services. OEO also receives \$40,000.00 of WIOA money from DES for services provided to help support WIOA efforts. No General Fund money is currently available to supplement the funding stream.

**Deliverable and Conformance with Schedule:**

OEO continues its effort to look for additional funding to satisfy deliverable VIII.

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

OEO will continue to populate the WIDb database, website and product reviews as noted in deliverables above.

### ***Recommendations for improvements:***

Recommendations include continued training and education of WLMI staff on the new projections software and techniques; provide improved forecasting at the state and sub-state level by testing and incorporating additional data sources; conduct joint economic studies with other agencies and provide additional analytical products; continuously review forecasts completed by outside organizations and review of forecast products and procedures.

### ***Recommendations based on consultations with customer:***

Customers are always requesting more data, at greater detail, sooner. OEO will continue to work with its federal, state and local partners to continuously improve the data products offered by this office.