

Annual Performance Report
PY 2007 Workforce Information Core Products and Services
Arizona Department of Commerce
Research Administration

Arizona annual performance report for the program year (PY) 2007, which began July 1, 2007 and ended June 30, 2008, is provided here, as required by the Employment and Training Administration (ETA), U.S. Department of Labor, Training and Employment Guidance Letter (TEGL) no. 29-06. 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 conducted continuous quality improvements to core tables of the Workforce Information Database. 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 has allowed Research Administration economists access to the entire database for analysis. The development of this in-house database has helped to improve 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.

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

This spring the CIBER product was shut down by cyber-based hacking attempts. Arizona continued to maintain our internal database during the period and posted alternative versions of labor market information reports on the Arizona Department of Commerce website. Arizona is moving to a new system in the 2008 program year in which the WID 2.3 and WID 2.4 will be self-hosted, as will the Arizona Workforce Informer interface.

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 long-term industry and occupational projections were posted after June 30, 2008 to the WID. However, updates and improvements to the 2004-2014 data tables were made during the year, including the addition of some sub-state areas. Other variations from schedule are the result on staffing vacancies, the state BLS and ETA units transfer from the Arizona Department of Economic Security to the Arizona Department of Commerce, competing priorities, and the defunding of previously relied upon software (SAS) and delay in funding any staff training until end of program year.

Deliverable 2: Produce and Disseminate Industry and Occupational Employment Projections - Statewide projections are to be developed for the 2006 to 2016 and 2007 to 2009 periods.

Outcomes achieved:

Overall – Arizona was able to participate in some of the training made available by the Projections Managing Partnership during the 2007 program year. One economist attended the STIP training and another economist attended the LTIP training. Both training sessions were held in Salt Lake City, Utah in December 2007. The Occupational Employment Statistics (OES) manager attended the Estimates Data System (EDS) training in June 2008. State level North American Industry Classification System (NAICS) based industry and occupational forecasts were produced for 2007-2009 and 2006-2016. Research Administration used the software developed by the Consortium along with additional tools after initial estimates were produced. Research Administration had continued to develop SAS-based models to produce forecasts during the first 7 months of the program year. However, the SAS software was not renewed because of cost issues and was replaced with SPSS before most of the work for the projections was completed. The disruption of tools caused a delay in the long-term industry and occupation projections. Data products and information, once completed, were posted to Arizona’s Workforce Informer and the WID.

Short-Term 2007-2009 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 May 2008. Distribution was through written publication, “Arizona Workforce,” press conference, and on the Arizona Workforce Informer (AWI) website (www.workforce.az.gov).

Statewide short-term occupational projections were submitted to the Projections Managing Partnership designated contact in June 2008. 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 August 2008. Short-term occupational data in Adobe Acrobat and MS Excel on were added to the AWI website (August 2008).

Long-Term 2006-2016 Industry and Occupational projections

Statewide industry and occupational projections for 2006-2016 were submitted to the Projections Managing Partnership in July 2008. Arizona long-term industry and occupational projections were posted to AWI in August 2008. Data are available in multiple formats, such as adobe acrobat, MS excel and as data analysis queries from the WID v.2.3.

An Economic Analysis economist and workforce training coordinator were guests on a one-hour long live radio program entitled, Career Straight Talk, on KFNB in May 2008. The program discussed the type of occupational data available and how it might be used in career planning. The US Employment Outlook for 2006-2016 was used in the discussion and audience members were told when to expect the Arizona occupational outlook.

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

The short-term and long-term projections for the PY 2007 were met as of August 2008.

The variance was the result of staffing difficulties, including the loss of the Economic Analysis team manager, and unforeseen illness of more than 5 weeks of a member of the team, added responsibilities split amongst remaining three economists and one workforce specialist. Additional difficulties were caused by the loss of the primary software tool. Research Administration's subscription to SAS Institute software was not renewed when it expired in February 2008. SAS was heavily relied upon for data preparation, analysis and as a check for reasonableness of STIP and LTIP results. Time needed to learn new software, SPSS, was not available until June 30, 2008. Finally, the organization transfer of the entire Research Administration from the Arizona Department of Economic Security to the Arizona Department of Commerce in December 2007 and the physical move the last week of June 2008 contributed to delays in meeting the scheduled deliverable in a timely fashion.

Arizona was not able to attend the Micro Matrix portion of the training offered by the Projections Managing Partnership due to state travel restrictions.

Conformance with Schedule.

Arizona conformed to schedule for the short-term 2007-2009 industry and occupational projections. The long-term 2006-2016 industry and occupational projections were slightly 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.

A new single page – double-sided report was designed during the prior plan year (2006-2007) in collaboration with the Arizona Governor's Economic Research and Information Exchange Cabinet. One of the primary goals of this Cabinet is to identify various economic statistics data across several state agencies in Arizona and to find ways of amalgamating the diverse data into a quarterly report that would prove useful to the Governor's Office and participating agencies. The Governor's Office recognized that it needed to have timely access to data collected across various agencies to evaluate the economy effectively. The new report, "The Arizona Advantage," is now produced and updated on a quarterly schedule. Adjustments to the report are based on the economy and at the request of the Governor's Office. The report is coordinated within the Department of Commerce and is available on the department's website (http://www.azcommerce.com/doclib/prop/state_economic_profile.pdf). The Economic Analysis Unit of Research Administration continues to write the economic portion of the Arizona Workforce Investment Act Title IB annual report as requested by the SWA (Arizona Department of Economic Security). Research Administration provides data and analysis for numerous reports requested by the offices, boards, commissions and task forces of the Governor.

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 updates are provided on the Arizona Workforce Informer 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. Many products were underwent review and were improved during the PY.

Self-Evaluation of site: A full review of the Arizona Workforce Informer site was completed during the PY 2007. The review process helped eliminate dead links, inconsistencies and grammatical errors. The review process is being built into a continuing improvement process, to make improvements as needed and to reduce site clutter in both the interface and on the files stored on the server. The evaluation helped identify products that were not being viewed by users and have resulted in improvements of existing products. Improvements and added data were made to monthly state and MSA “rank” tables. Quarterly rank tables of Current Employment Statistics employment were added for MSAs. New producer and customer price indices products were developed and posted. The monthly employment situation report, “Arizona Workforce,” also underwent improvements. In PY 2007, the report was redesigned to improve the understanding of Local Area Unemployment Statistics, and the Current Employment Statistics data. A new monthly question and answer feature was added to help facilitate this outcome. Unemployment Insurance graphs and data tables based on ETA 5159 and ETA 203 were evaluated for use and revised.

In January 2008, Arizona added the Census Local Employment Dynamics (LED) products, Quarterly Workforce Indicators Online and Industry Focus, to the AWI site. Users can access these tools directly from www.workforce.az.gov without having to visit the US Census site. Arizona is now in regular production with the LED.

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

Arizona, along with other states using the CIBER, Inc Workforce Informer product, lost access to the product for the several days, while CIBER responded to a cyber-attack. Arizona was fortunate to post reports on our parent agency’s site www.azcommerce.com while our www.workforce.az.gov was not accessible. While inconvenient, this kept disruptions to users to a minimum.

Conformance with Schedule:

Arizona conformed to schedule for most products for Deliverable 4.

If not, explanation: Variation from schedule was mostly a result of limited staff and disruptions caused by the transfer of Research Administration to Arizona Department of Commerce. We expect fewer difficulties during PY 2008.

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

Outcomes achieved:

Research Administration continued to provide support to the LWIBs by concentrating on further development of the Training Employment and Resource Model (TERM) reports by WIB region, where possible. Further support was provided in working with Workforce Information Act and local areas to provide training and website related support for Workforce Development planning and grant writing with local data. The TERM was used by the SWIB, as part of the local workforce investment board funding applications during PY 2007. This step institutionalized the use of the TERM as a planning tool for both the state and local WIBs. The Economic Analysis unit participated in the LWIB local plan review process to ensure strong economic analysis portions of their applications.

Based on Research Administration's knowledge of LMI data, RA continued to assist the SWB with allocation options for WIA Adult and Youth and Dislocated Workers programs.

Research Administration is continuing to work the Governor's P-20 Council to provide updates and additional analysis based on labor market information and projections, as referenced in the PY 2006 report.

Research Administration team members 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.

Research Administration also provided support to the state and LWIBs in preparing for and reviewing WIRED grant options.

Training activities:

Research Administration 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.

Numerous ad-hoc trainings and presentations were provided based on request.

Explanation for variance if any and actions required to meet deliverable: no variance

Conformance with Schedule:

Arizona conformed to schedule for Deliverable 5.

Deliverable 6: Conduct Special Studies and Economic Analyses.

Outcomes achieved:

Research Administration has continued its partnership with the Arizona Department of Education, Career and Technical Education (CTE) section, to create a unique tool to rank and develop criteria for funding training programs and providers under the Arizona Carl D. Perkins State Plan. Long-term occupational projections are cross-walked to the Classification of Instruction Programs and weights are applied based on wages, O*NET knowledge, skills, and abilities, and projected job openings. The CTE project is conducted every other year. The CTE project started spring 2008 and was completed September 2008. The project used the 2006-2016 occupational projections.

Additional special studies and reports are listed below:

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

Numerous small reports covering specific industries such as Film and Aerospace to support economic development activities of the Arizona Department of Commerce.

Explanation for variance if any and actions required to meet deliverable – no variance.

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

Expenditures for Program Year 2007 Deliverables

Total Expenditures for Program Year 2007

July 1, 2007 – June 30, 2008

Program Year 2006 funds used \$391,708

Program Year 2007 funds used \$299,061

Total Expended \$690,769

PY 2007 Grant \$605,647

Difference -\$85,122

Difference covered by rollover funds from previous allocations. Arizona does not receive any state funding for labor market information services. Arizona is looking into ways to reduce expenditures or increase revenues so that there is no loss of services in the future. 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 2007 were essentially the same as in PY 2006. Arizona used the customer survey form on Arizona's Workforce Informer 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, Research Administration introduced LMI and AWI to rest of the Arizona Department of Commerce during PY 2007. The agency includes workforce, business development, community and rural development offices, as a result LMI received valuable input on improving our site, have been increasingly called upon to provide training and special reports.

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. The review and self-evaluation process provided many insights to improve the usefulness, functionality and clarity of products. 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 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.

The STIP and LTIP consortium products while improved are still in need of significant changes. One issue of concern, is that 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.