

One-Stop LMI Statement of Work PY-2002

Arizona Department of Economic Security

Research Administration

Section A:

Statewide Employment Statistics System

Arizona's Department of Economic Security (DES), Research Administration (RA) collects, prepares, and provides data and information to the business community, individuals, and workforce development professionals. RA is the source from which current employment statistics (CES), local area unemployment statistics (LAUS), occupation employment statistics (OES), mass layoff statistics (MLS), and covered wages (ES202) data are produced. It is from this data that many other products and analysis is possible.

Arizona's strategy for consulting with local boards, individuals and the business community was developed and outlined in Arizona's Workforce Development System Comprehensive Plan (AWDSCP). Although more eloquently developed in detail, it is best explained as a bullet line statement as the blueprint element designed to "formalize linkages between state and local decision-makers in order to create a framework for a state workforce development system which, at the same time, preserves local autonomy in meeting the unique needs of individual counties and communities." The AWDSCP serves to encompass the State's five-year strategic plan for the WIA, from which many of the strategies addressing local needs have been developed, with public input. Through coordination and collaboration, resources would be directed to flow where needed, and resources become leveraged due to the enhanced cooperation that results from inclusive membership of Local Boards in helping to build programmatic linkages.

The employment statistics system supports the Workforce Investment Act (WIA) and Workforce Policy (WP) as it is provided efficiently to Arizona's adults, youth, and businesses through the One-Stop Career Centers delivery system. Access to information is key to this success, which includes job applicant services, workforce information, employer services, and tax credit and other information. The goal is that One-Stop centers will ultimately house and have access to all workforce development programs and be supported, in part, by these funding streams. Additionally, this goal converges resources in such a way that all state funded and federally funded programs serve similar clients, each with its value-added resources, while being coordinated through the Council, the Local Workforce Investment Boards (LWIBs), and the State Agencies best suited to administer them.

Arizona's One-Stop service delivery system is provided workforce information and services via the Internet, mail distributions, and telephone contact. With quick and easy access to information a fundamental goal, Arizona is planning to establish in May 2003 the Workforce Informer as a significant enhancement to this delivery system.

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Section B:

Core Products and Services

Implementation and delivery

1. ALMIS database:

DES, RA's Technical Support Unit loaded the ALMIS database (version 2.2) and has continued to load data and maintain the database. Additionally, RA Technical Support continued to explore ways to (a) support multiple computer platforms to access a single ALMIS database structure, and (2) link current/expanded business needs, i.e. list service, to ALMIS database structure.

A consortium of states of which Arizona is a member has designed and developed an Internet-based labor market delivery system called Workforce Informer that takes advantage of the ALMIS database and integrates America's Job Bank and O*NET. The "generic" Workforce Informer product has completed the testing phase and is now in the process of being deployed by member states. Additionally, data will be integrated through the National Crosswalk Service Center (NCSC) for inclusion on the America's Career Information Network (ACINet) site. Accordingly, such data will be coded to O*NET SOC. Data population will be regularly maintained according to data and source updates.

Access to this database will provide all WIBs, the workforce development system, individuals and business communities with data, information and research. Additionally, the State's WIA/Wagner-Peyser Five-Year Strategic Plan goals is achieved by efficiently incorporating technology to channel and streamline information to each of these client groups, especially via One-Stop Centers. Once available, RA LMI plans to consult with State and local WIBs, WIA, and business community groups.

Planned milestones: (1) Wait for Version 2.2; (2) Wait for approval of WI; (3) Schedule NSR; (3) Populate database; (4) Training; (5) Wait for implementation of WI; (6) Integration. Measurable outcome is when clients have access, expected May 2003.

Estimated cost:

\$70,000

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2.A. Long-term industry employment forecasts:

Long-term industry employment projections are planned for May 2003 following the completion of our short-term industry forecasts. State level and sub-state level NAICS based data will be produced, which will include the period of 2002-2012. Data will be provided for public dissemination via the RA website and ALMIS database. Updates to the ALMIS database shall be scheduled by data type and periodicity of revision, and RA plans to develop an automated process to incorporate all forecast updates to the ALMIS database.

Additionally, the State's WIA/Wagner-Peyser Five-Year Strategic Plan goals is achieved by forecasting demand by cluster/foundation at state and regional/county levels.

Consultation with state WIBs and other groups is expected following obtaining the projected output and related products. RA participates in monthly and quarterly meetings/conferences to present and discuss such data. Additionally, RA provides state level and sub-state level for WIA/WP support.

Consortium based projection software is planned for eventual use. However, existing software has not yet been revised to include NAICS data structure. Software revisions incorporating NAICS are expected by January 2004. Additionally, another concern with NAICS is the lack of substantial historical data. Arizona has already developed a historical series from 1990 through 1999, though even this historical dataset is statistically insufficient for forecasting purposes. Nevertheless, RA plans to produce LT industry forecasts, via the SAS model, at least until such time that the consortium-based software is capable of producing reasonable output.

Meanwhile, we plan to continue our SAS model forecasting. At such point RA can incorporate the Consortium developed product, Arizona will develop and run concurrent models for evaluative purposes.

Planned Milestones: (1) modify data files for NAICS; (2) Modify model for NAICS; (3) Modify all publication templates; (4) Run/Prepare output. Measurable customer outcome: Access to NAICS forecasts via Internet.

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Arizona plans to work with the consortiums efforts to modify software for NAICS and to develop reasonable methods and techniques associated with insufficient historical data. Consortium forecasts are not yet possible.

- 2.B. **Long-term occupational employment projections** are scheduled for release by June 30, 2003. Arizona is planning to incorporate the NAICS system. At the beginning of the FY2002-03, Arizona was successful in establishing the Consortium based Micro-Matrix software to produce long-term forecasts for the period of 2000-2010. However, this was performed using the SIC system and is planned to be modified to incorporate the NAICS.

Similar software adaptation changes to NAICS are required for the Micro-Matrix as will be required for the LT industry projections. Additionally, historical data limitations exist. RA plans to develop methods to produce LT occupational projections for the period of 2001-2011 by incorporating SIC base year data to LT industry forecasts. State level and sub-state level data shall be provided to the website and ALMIS database for public dissemination. One planned milestone, following the earlier explained adaptations, LT occupational employment forecasts are expected within four weeks of obtaining the LT industry employment forecasts. A measurable outcome is when clients have access via the Internet.

Additionally, the State's WIA/Wagner-Peyser Five-Year Strategic Plan goal is achieved by forecasting demand by cluster/foundation at state and regional/county levels.

Consultation with state WIBs and other groups is expected following obtaining the projected output and related products. RA participates in monthly and quarterly meetings/conferences to present and discuss such data. Additionally, RA provides state level and sub-state level for WIA/WP support and Arizona Department of Education reference.

Estimated cost:

\$160,000

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Principal Customers: Vocational Education, School-to-Work, and Workforce Investment planners and administrators, as well as dislocated workers, career changers, and students.

3.A. Short-term industry forecasts:

Revised short-term industry forecasts for 2002-03 were published in late August 2002 for Arizona, Phoenix-Mesa, and Tucson MAs and the Balance of State. Short-term industry employment forecasts for 2003-04 are planned to be published mid-April 2003 for Arizona, Phoenix-Mesa and Tucson MAs and the Balance of State. Arizona is presently involved with modifying data and short-term forecasts to incorporate the NAICS system. When produced, ST industry forecast data will be provided to the RA website and ALMIS database for public dissemination.

Planned Milestones: (1) modify data files for NAICS; (2) Modify model for NAICS; (3) Modify all publication templates; (4) Run/Prepare output. Measurable customer outcome: Access to NAICS forecasts, March 27, 2003, at 10AM.

Additionally, RA plans to consult with state WIBs and other groups throughout the state, as it typical following completion of the project. RA participates in monthly and quarterly meetings/conferences to present and discuss such data. Additionally, RA provides state level and sub-state level for WIA/WP support. Forecasting demand by cluster/foundation at state and regional/county levels support the State's WIA/Wagner-Peyser Five-Year Strategic Plan goal.

Additionally, Arizona was successful in establishing the consortium produced Short-Term Industry Projections (STIP) Model—a new forecasting tool. Forecasts were produced, but without extensive review were not fully ready for production in August 2002. Arizona hopes to modify the data, model, and to incorporate the NAICS for eventual production in PY 2002. Following a planned and extensive review of the output, Arizona hopes eventually to fully incorporate the STIP in its production of short-term forecasts.

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Consortium software, STIP, has been found not to contain the necessary revisions to incorporate NAICS structure data. Thus, RA plans to utilize its SAS model for short-term industry forecasts in March. RA has been working with programming staff regarding STIP, and is currently working with a beta version of STIP for eventual production.

- 3.B. **Short-term occupational employment projections** have not yet been produced, due primarily to staff turnover. RA, in particular the LMI unit, abruptly lost one economist in 2002 who produced this data and lost several other staff later in 2002 and one in early 2003.

Nevertheless, LMI staff have been re-assigned and were able to develop and establish the consortium based occupational software in late 2002. Staffing levels, due to state budget conditions, are likely to further challenge and possibly constrain LMI production.

Despite all this, RA plans to produce ST occupational projections in the final quarter of PY2002. Current plans are to produce NAICS based forecast output from a base year of 2002 for occupation projections to 2004. An econometric model will be developed in SAS, since the consortium-based software accepts only SIC data, and 2002 SIC benchmarked data is not available. Thus, projection data will include state level, MSA level, and a rural aggregation level detail. This method will produce meaningful short-term data, encompassing the scope of our ST industry forecasts, and will be available via this method at least until the consortium software can be modified to incorporate the NAICS structure. Planned milestones: (1) Develop model; (2) Incorporate ST industry data; (3) OES NAICS data; (4) Produce ST occupation data—May 2003. A measurable outcome is when clients have access via the Internet.

Once completed, this data will be provided to our website and to the ALMIS database for public dissemination. Additionally, we will consult with WIBs and local agencies and businesses. RA participates in monthly and quarterly meetings/conferences to present and discuss such data. Additionally, RA provides state level and sub-state level for WIA/WP support.

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The State's WIA/Wagner-Peyser Five-Year Strategic Plan goals is achieved by forecasting demand by cluster/foundation at state and regional/county levels.

Estimated cost: **\$160,000**

Principal Customers: Industry employment forecasts are used by economic developers, business communities, other state administrators, and the Arizona Economic Estimates Commission. Occupational employment forecasts primarily serves WIA, dislocated workers, School-to-Work administrators, graduating students, and current job seekers.

4. Occupational and Career Information for Public Use:

The *Arizona Occupational Employment Forecasts 2000-2010* data was released in October 2002. Immediately after the updated projections were completed, we produced an occupational "priority funding list" for the Arizona Department of Education, Vocational, Technical Education

Division. This was generated using a revised formula developed jointly by DES, RA and ADE, VTE last year. The *Arizona Occupational Employment Forecasts 2000-2010* have already been published (October 2002) on the DES, RA web site in PDF, HTML, and Excel formats, but revisions are also planned. The Excel format enables any user to make his/her own analyses by sorting on any fields, or performing other manipulations.

Arizona plans to produce NAICS revisions to the earlier produced SIC versions. Once data, models, and software are revised to account for the

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NAICS system, Arizona plans to produce revised occupational forecasts and all subsequently derived products. Occupation data will be O*NET SOC based and provided to all WIBs and workforce development system entities via the Internet and available in hardcopy form. For these varied products, planned milestones are set for completion within two-four week period of data becoming available. A measurable outcome is when clients have access via the Internet.

Additionally, the State's WIA/Wagner-Peyser Five-Year Strategic Plan goals will be achieved by forecasting demand by cluster/foundation at state and regional/county levels.

Estimated cost: **\$87,500**

Customers: Curriculum planners, counselors, dislocated workers, and job seekers.

Occupational Employment and Wage Estimates for 2002 are planned to be published on the DES, RA web site in April 2003 for Arizona, the Phoenix-Mesa MSA, Tucson MSA, and the Balance of State, and all 15 counties.

5. Employer name and address list for public access:

The *ALMIS Employer Database* is planned for an update and will be made available in CDs by info-USA, Inc. This product is offered semi-annually for purchase by Arizona's One-Stop Career Centers.

State licensing information is to be integrated as required with the ALMIS database for public access. This will further integrate data through the National Crosswalk Service Center (NCSC) for inclusion on the America's Career Information Network (ACINet) site. Accordingly, such data will be coded to O*NET SOC.

Upon successful deployment, RA's planned milestone is targeted for late May 2003, RA plans consultation with state and local WIBs and One-Stop Centers. This licensing information will provide additional support to

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WIA/WP in training, counseling/advising, and in the job search and placement of individuals. Also, individuals and workforce support efforts are made easier when searching for employers via this database. RA's planned milestone links this target to ALMIS delivery by late May 2003. A measurable outcome is when clients have Internet access to this product.

This serves the State's WIA/Wagner-Peyser Five-Year Strategic Plan goal by streamlining access to workforce development programs and access to information.

Estimated Cost: **\$26, 500 (\$250/CD)**

Customers: Dislocated workers, career professionals, job seekers, and rehab clients.

6. Information and support to Workforce Investment Boards:

The DES, RA Administrator and other staff as called upon by State WIA Administration make presentations to the Arizona Governor's Council on Workforce Policy (Arizona's WIB), which meets at least quarterly. LMI presentations are given to Local Workforce Investment Boards as they can be scheduled. The DES, RA Administrator is also a member of the national Workforce Investment Council (WIC).

With the anticipated deployment of the Workforce Informer delivery system, LMI aims to work closely with the WIB and three major client groups to collaboratively develop content to serve their needs. Information and data is expected to be more easily available via this new system, and the content of LMI products is expected to expand and be improved to better serve client needs.

Data and information collected and provided to all WIBs pertinent to their respective geographic areas has been a long-standing RA goal. Providing helpful information and research to support their respective needs has been another. RA anticipates that each of these two efforts will be enhanced upon the successful rollout of the Workforce Informer delivery system. Further consultations with the WIBs will provide additional information

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highlighting needs that can be additionally pursued with focused research products. This supports the State's WIA/Wagner-Peyser Five-Year Strategic Plan goals by streamlining access to workforce development programs and providing a self-sustaining system of governance throughout Arizona's Workforce Development System.

Planned milestone: (1) Establish WI; (2) Provide the WIBs information via the Workforce Informer. A measurable outcome is addressing each of the concerns they expressed to us about additional needed products/services.

Estimated cost:

\$35,500

Customers: State and local Workforce Investment Boards, State Workforce Investment Act Administration staff, Workforce Investment Area staff.

7. Arizona workforce information delivery system:

DES, RA has completed the review and contract process to bring the generic Workforce Informer to Arizona. The implementation phase of the Arizona Workforce Informer delivery system is in progress. During the implementation phase, the generic Workforce Informer will be customized to provide the look and feel of existing Internet based systems in Arizona. Product selection, staff training and visual layout of the Arizona Workforce Informer will be completed during this phase, which will be completed by late May 2003. Planned milestones: (1) Obtain approval for WI; (2) Submit and get signed all paperwork; (3) Allocate and provide funds to initiate development; (4) Populate database (with ALMIS); (5) Train staff; (6) Activate and deploy. The testing and deployment schedules are currently in the review process. A measurable customer outcome is when the WI is accessible by clients, targeted for May 2003.

The design of this carefully sought application affords easy access to users, far beyond the existing system. RA plans to provide all public sanctioned data via this application to the Internet, whereby with systems and methods developed by the technical support unit data and content is populated to the ALMIS database from the source unit responsible for

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collecting and maintaining the data. Thus, all available data and content will be available and easily accessible to the business community, job seekers, and the entire workforce system (state and local boards, state and local workforce agencies, service and training providers, etc.) As a result, the State's WIA/Wagner-Peyser Five-Year Strategic Plan goals is achieved by streamlining access to information and to the workforce delivery system.

Once successfully online, consultation with the State Board is expected. RA's LMI unit will deploy efforts to market the new features throughout the Arizona's workforce system, such as the WIBs, WIA and One-Stop Centers. Products and content will be designed in collaboration with each of the three major client groups and with the WIB.

Estimated cost of loading and maintaining the in-house ALMIS Database and operating the LMI Access software: **\$240,000**

Note: In preparation for the Workforce Informer, RA estimated the costs of hosting a web-based ALMIS Database and applications software to be in excess of \$400,000. Anticipated current year costs are \$240,000.

Principal Customers of 1 & 2: OSCC intermediaries and clients, employers and the public at large.

8. State workforce information training activities:

DES, RA staff has combined efforts to provide promotion and LMI training to One-Stop Career Centers, Job Service, and Local Workforce Development Area (LWDA) staff and other DES program staff.

Training topics include but are not limited to the following:

- LMI, information access and uses
- New Resources for Your Job Search
- Economic Trends in Arizona
- Where is the Economy and What About the Jobs?

RA provides customized training upon request for workforce development groups and for WIA/WP support. Arizona's business community often

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benefit by having us explain the forecast or discuss economic issues with their group. Students and teaching staff benefit when we help them understand trends and how to develop a career planning strategy.

A planned milestone for this group is meeting all requests. A measurable customer outcome is providing each major client group with training, as resources permit.

This effort achieves the State's WIA/Wagner-Peyser Five-Year Strategic Plan goal by enhancing existing and developing new training programs and service delivery systems to better meet industry's short, intermediate, and long-term needs.

Estimated cost: **\$75,664**

Customers: the LMI Institute Consortium of States and LMI Institute staff, WIB and WIA staff, and OSCC staff.

Section C:

Customer satisfaction assessment strategy for LMI products and services.

Due to this being a relatively new area of concentration, our plan is to incorporate the mediums by which delivery of LMI products and services are provided, with an initial emphasis on the Workforce Informer technology. Conventional and other methods will also be included. We plan to assess and develop customer satisfaction information via:

- Internet;
- Workforce Informer;
- Mailings;
- Workforce Investment Councils; and
- Local workforce training and service providing agencies.

RA plans to work with the State and local WIBs to proactively develop useful and meaningful assessment information. Each of the three major client groups will be targeted, and the information received reviewed for improvements in RA's LMI delivery of services and product content.

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A planned milestone is providing each client an outreach product with a targeted survey/input form, currently in design for WI and each core product and service provided. A measurable customer outcome is actively receiving, reviewing and applying their suggested enhancements.

This supports the State's WIA/Wagner-Peyser Five-Year Strategic Plan goals by streamlining access to workforce development programs and providing a self-sustaining system of governance throughout Arizona's Workforce Development System.

Estimated cost:

\$45,500

Additional activities, products, and services are also planned for revision and update during the 2002-03 grant plan:

Several additional Arizona LMI publications/products:

Workforce Development Planning Information (WDPI) PY 2003-04 report—A significantly revised format to better resource WIA needs. This product will likely be renamed in CY 2003.

* *LMI Directory* – Annual update

* *Arizona Economic Trends* – publication has been temporarily suspended to resource data and program revisions due to NAICS changes and limited staffing

* *Industry Updates* – publication was suspended since it has been determined not a primary or core product of LMI. 2002 Labor Turnover Rates by Industry by county derived from UI wage records (with additional detail by wage range, type and tenure of worker).

* *Growing and Declining Industries* by county by quarter from ES202 data—Updates produced each quarter.

* *Employer Size Distributions* by county from ES202 data—Updates produced each quarter.

* *Detailed Unemployment Insurance Claims and Claimant data*—updates produced each month.

Efforts are currently underway to review and develop a Department of Labor, Employment and Training (DOL ETA) State Unemployment Insurance Benefit Financing Model (SBFM) for Arizona. Prospective use of this model

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is expected to assist other state agencies, legislative planning, and beneficiaries of local distributions. Additional products and information are possible for use in improved local planning of UI distributions.

Notes:

- 1) Some costs in excess of the funds provided by the One-Stop LMI grant will be paid from contributions from other Arizona agencies, and other sources that have not yet been identified. We are working hard to secure funding from the Arizona Departments of Commerce and Education in support of an Internet-based ALMIS Access/Workforce Informer system.

- 2) In preparation for the Workforce Informer, RA estimated the costs of hosting a web-based ALMIS Database and applications software to be in excess of \$400,000. Anticipated current year costs are \$240,000. This amount has been provisioned for PY2002 expensing by way of a carry-forward method from PY2001 allocations.