



WASHINGTON STATE
Workforce Training and
Education Coordinating Board



Employment Security Department

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PO Box 9046 Olympia, WA 98507-9046

September 21, 2007

Mr. Richard Trigg, Regional Administrator
Employment and Training Administration
U.S. Department of Labor, Region 6
71 Stevenson Street, Suite 830
San Francisco, CA 94105

Unit	Action	Jobs
EA		<input checked="" type="checkbox"/>
LA		
WETA		
GED		
OSS	<input checked="" type="checkbox"/>	
Dist Dept		
cc:		

Dear Mr. Trigg:

With this letter we are submitting Washington's Annual Performance Report. It summarizes the state's accomplishments in developing and disseminating labor market information in Program Year 2006. It also describes the efforts made and the success achieved in getting customer feedback for improving products and delivery systems.

Program accountability is a high priority in Washington state and on February 21, 2005 Governor Christine Gregoire directed all agencies to "build public confidence in government by adopting a comprehensive Government Management, Accountability and Performance system (GMAP)." During PY 2006 the Labor Market and Economic Analysis Branch, provided data for this process on a monthly basis, has reported out to the Senior Leadership Team three times on its own performance measures and has participated in preparing four Agency GMAP reports to the Governor.

Thank you for the guidance and technical support the Employment and Training Administration has provided to Washington state during the past year. We look forward to the continuation of this excellent working relationship in PY 2007.

Sincerely,

David Harrison, Chairman
Workforce Training and Education
Coordinating Board

Joel Sacks, Assistant Commissioner
Budget, Policy and Communications
Employment Security Department

Enclosure



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ANNUAL PERFORMANCE REPORT

September 20, 2007

As required in Training and Employment Guidance Letter No. 3-06 the following is a summary of Washington State's performance in PY 2006. It summarizes accomplishments, the results of assessments of customer satisfaction with state's workforce information products and services, and recommendations for improvement to workforce information and services.

A. Accomplishments:

1. Continue to populate the Workforce Information (formerly ALMIS) Database with state and local data:

The outcomes achieved compared to planned outcomes and an analysis that explains the cause of any significant variance from the plan. Describe any actions required to improve outcomes.

Throughout the year, Washington State's labor market and Economic Analysis Branch (LMEA) continued to populate and maintain all database tables designated as core tables in accordance with guidelines issued by the Database Consortium. In addition to the designated core tables, Washington also updated the tables associated with local employment dynamics

Of the data updates, several required monthly updates and an increasing number of geographies. The highlights included:

- Monthly updates of current industry estimates at county level
- Monthly updates to current labor force and unemployment rates by county
- Annual updates of occupational wages for metropolitan and workforce areas
- Annual updates of short and long-term occupational employment estimates for Workforce Development Areas (WDA)
- Annual updates of short & long term industry employment estimates by county
- Semi-annual update of Employer Database (InfoUSA)
- Quarterly Updates of Census of Employment and Wages for counties
- Update of training programs, providers, and completers
- Annual updates to population estimates

Access to the database was available to our users through the Workforce Explorer - our main labor market information delivery system. The backup procedures and hosting safeguards allowed virtually uninterrupted access to this data throughout the year. This



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database also provides data for other applications such as "Career Clusters", Local Employment Dynamics (LED), the Dashboard, Adjudicator Assistant, and advanced analytical tools for Quarterly Census of Employment and Wages (QCEW) and Current Employment Statistics (CES.)

The extent to which the activity has conformed to the planned milestones, including an explanation for the cause of any significant variance from schedule.

All milestones were completed as planned. Updating of the LED data was an additional activity that is now being performed quarterly.

Actual aggregate expenditures and an explanation for any significant variance from planned aggregate expenditures:

Actual expenditures were below planned expenditures as we were able to use other state resources for some of this work. Resources not spent on populating the Workforce Information Data were used to develop LED data and produce and disseminate occupational projections and wages.

2. Produce and disseminate industry and occupational employment projections:

The outcomes achieved compared to planned outcomes and an analysis that explains the cause of any significant variance from the plan. Describe any actions required to improve outcomes.

As planned, LMEA produced and distributed industry and occupational employment projections for Washington State and 12 local Workforce Development Areas (WDA) in June 2007. A North American Industry Classification System (NAICS) based historical industry employment time series from January 1990 to June 2006 was utilized for this project. NAICS based staffing patterns were constructed using information from the Occupational Employment Statistics (OES) survey.

The standard software tools sponsored by the Projections Workgroup and Projections Managing Partnership have not been very useful for our state and have produced neither reliable industry projections nor occupational projections that satisfied our customer needs. A particular problem with these tools is that they are based on a "black box" approach that does not allow the level of flexibility we need to best serve our customers. Washington State used the same methodology proposed by the Projections Workgroup and Managing Partnership, but implemented the methodology internally using E-Views software and leading economic indicators from the Global Insights Company, rather than consortium software tools.

Past experience indicates that customers expect both accurate and timely industry and occupational employment projections. Thus, in PY 2006 industry and occupation projections included several enhancements. We started with aggregated levels of



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projections and used Global Insight Model and inputs from the State Forecast Council and the Office of Financial Management's forecasting staff. After adjustments, the aggregated projections, developed in cooperation with Office of Financial Management, were used in a step-down approach for industry and sub-state desegregation. To smooth the result we used the basic ideas of stability controls for dynamic systems. Having flexible software and models permits estimation of the employment impacts of major labor market disruptions such as plant closings or new plant openings. The projected outcomes and system impact was the availability of critical information needed in the state for policy decisions, program administration, and curriculum development.

The extent to which the activity has conformed to the planned milestones, including an explanation for the cause of any significant variance from schedule.

All activities conformed to planned milestones. As indicated in our plan, work on the projections continued throughout the program year. Both the short-term and long-term projections were completed in the 4th quarter of PY 2006 and the results became available to the public, in electronic form, starting with June 2007. The specific milestones were as follows:

Refinement of NAICS based historical industry employment database - December 2006.
Preparation of NAICS based short-term and long-term industry projections - March 2007.
Preparation of screened NAICS based staffing pattern from OES survey data - April 2007.
Preparation of short, medium, and long term occupational projections - May 2007.
Population of the Workforce Information (formerly ALMIS) Database and the "Workforce Explorer" home page with state and area projections - June 2007.
Transmit required projections to the Projections Workgroup for further public dissemination - June 2007.

Washington State law (RCW 50.38) also requires five-year employment projections by industry and occupation, in addition to the two year and ten year projections required by this grant. For this purpose, LMEA received funding from the state through ESD Client Placement Program (CPP) to provide this and other specified labor market information. By leveraging these resources with funding under this grant, LMEA was able to provide Washington's labor market information customers with a higher level of service of enhanced quality that would be impossible if we did not use these funds in an integrated manner. This approach permitted Washington to be among the national leaders in the development and dissemination of labor market information products.

Actual aggregate expenditures and an explanation for any significant variance from planned aggregate expenditures:

Actual expenditures for producing the projections were below planned expenditures primarily because we had other fund sources to support part of this activity. The resources not spent in PY 2006 for projections were used for dissemination of occupational information products.



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3. Publish an annual economic analysis report for the governor and the SWIB.

The outcomes achieved compared to planned outcomes and an analysis that explains the cause of any significant variance from the plan. Describe any actions required to improve outcomes.

The Labor Market and Economic Analysis Branch published a detailed annual economic analysis report to provide statewide information for economic policy development, training program planning, and resource allocation by the governor, the state WIB, local WIBs, WIRED regions, state legislators, as well as other partners including community colleges, economic development organizations, and other talent development stakeholders. The annual report included an overview of the national and state economy, unemployment and its dimensions, demographics of the labor force, employment projections, wage and income information. Greater detail was focused this year on the seasonal, structural and cyclical aspects of employment. The report titled "2006 Washington State Labor Market and Economic Report" can be accessed at the following web site:

http://www.workforceexplorer.com/admin/uploadedPublications/7628_2006AnRpt4Web.pdf

The extent to which the activity has conformed to the planned milestones, including an explanation for the cause of any significant variance from schedule.

All planned milestones in the preparation of the annual report were completed successfully on time and the report was published in December 2006. Hard copy publications were distributed to the governor's staff and the Legislators prior to the 2007 Legislative session. Additional copies were provided to the WDC staffs. The electronic "pdf" version is currently available to everyone who can access the internet.

Actual aggregate expenditures and an explanation for any significant variance from planned aggregate expenditures:

Actual expenditures were in line with planned expenditures for this work and involved a number of staff members developing the data and preparing the narrative for the various chapters.

4. Post products, information, and reports on the Internet.

The outcomes achieved compared to planned outcomes and an analysis that explains the cause of any significant variance from the plan. Describe any actions required to improve outcomes.



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The web based Workforce Explorer LMI delivery system, in combination with the out-stationed and central office economists, continued to provide local area support to Washington State's Workforce Development Councils (WDC) and other data users. The tool continues to be the portal for key career and economic information used to make important program and life-changing decisions. In addition to the basic LMI such as employment estimates, wages and occupational information, all major studies and special reports were posted on the Workforce Explorer. The Explorer was also used to announce new data sets and presentations such as the annual Economic Symposiums.

Workforce Explorer improvements over the year were primarily focused on improving the integration and access to various components of occupational information. These included:

- Update the ONET database to most current version
- Display "InDemand" flags with each list of occupations being displayed
- Display "InDemand" flag in Occupational Details page
- Display key ONET characteristics in Occupational Details page
- Create links to ONET Online for each occupation and characteristic

The Career Clusters application has been integrated into Workforce Explorer, reducing the data maintenance. It has also been expanded to include pathways within each cluster. This award-winning application continues to be a focal point for career exploration and curriculum development.

These improvements were based on input from staff in the workforce system that volunteered to provide input on our tools and their work activities.

The extent to which the activity has conformed to the planned milestones, including an explanation for the cause of any significant variance from schedule.

All planned milestones were completed in various ways. However, the service provided in each Workforce Development Area was not uniform and depended in part on the marketing skills and efforts of the local economists. During this reporting period, LMEA has made significant progress in building closer working relationships with the Workforce Development Councils. LMEA has been making an increasing number of presentations to WDC staff and local affiliates. On November 29, 2006, LMEA put on its 12th Annual Economic Symposium in the Olympia area and on May 23, 2007 it conducted its third Economic Symposium in Spokane reaching clients on both sides of the state.

Actual aggregate expenditures and an explanation for any significant variance from planned aggregate expenditures:

Actual expenditures were in line with planned expenditures for this work and involved a number of staff members developing the data, reviewing reports and preparing them for posting on the internet.

5. Partner and consult on a continuing basis with workforce investment boards.

The outcomes achieved compared to planned outcomes and an analysis that explains the cause of any significant variance from the plan. Describe any actions required to improve outcomes.

For the first time, a Washington workforce area received a Workforce Innovation in Regional Economic Development (WIRED) grant from United States Department of Labor. Both of the original proposals submitted from Washington utilized extensive amounts of labor market information to help tell their story, and to describe their current operating environment. This process involved a state workgroup of economic development, colleges, and workforce information to make a successful team.

Coordinated training on occupational and career information amongst several providers also continued. Other areas of focus included training on ONET coding system, using automated coding tools to improve efficiency, identify ways for various products and systems to interact more effectively. Ongoing efforts are also in progress.

Area economists gave periodic economic briefings to the WDC members in order to keep them current on changes in local labor market conditions. As requested by the local WDCs, these economists worked with local planners and program administrators to identify their needs and to provide the necessary information. Their main responsibility was to know the local labor market and to be able to speak, write, and answer questions about it.

Since each area has its own distinct way of achieving its employment and workforce development goals, LMEA does not have a blanket strategy for meeting local LMI needs. What it does is to provide the out-stationed economists with general guidelines in their job descriptions for serving local needs. During the past year, each Regional Labor Economist performed this task in response to WDC requests and the needs that each of them was able to identify. This included preparing special local reports, assisting individuals with information on the Workforce Explorer, giving presentations, writing county profiles, interpreting the employment situation, and providing technical assistance to other researchers.

As part of the agency's over all accountability strategy, LMEA economists tracked their public contacts on an electronic Client Tracking System and reported the results along with other indicators such as the percent of deadlines met to the Commissioner on a regularly scheduled "Government, Management, Accountability Performance" (GMAP) reporting sessions.

One of the cooperative efforts of LMEA and the WDCs during this reporting period was the updating and maintenance of the occupational "Demand and Decline" list. LMEA created that list using factors such as the population of the occupation, the expected



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growth rate and the occupational unemployment rate. Then it was reviewed, adjusted, and approved by the WDCs. As economic conditions changed affecting occupational demand, the LMEA economists and WDC staff worked together to update that list to reflect current occupational demand and supply conditions. The WDC staff is responsible for changes to that list but they are generally reluctant to do so without substantiating data from the regional economists. The "Demand and Decline" list of occupations is used in all WorkSource Service Centers to administer the state's Training Benefits Program and it is maintained on an LMEA server.

LMEA produced and delivered, to the Workforce Development Councils, two additional customer driven products during this reporting period. One was the "Job Vacancy Survey," which was conducted in April and released in June 2007. That survey produced information, which combined with the short-term occupational projections, provided the WDCs with more insight into the occupational employment situation than they have had before. The other product was the "Benefits Survey" report. It was published in February 2007. It provided useful job "benefits" information both for employers as well as job seekers.

To enhance the working relationship with the state's WIA system, the LMEA Branch has stationed two regional labor economists in WDC facilities and the results have been very positive through greater collaboration and more effective use of LMEA products.

The extent to which the activity has conformed to the planned milestones, including an explanation for the cause of any significant variance from schedule.

All of the general milestones that could be envisioned at the start of the year were accomplished. Three feedback collection mechanisms were implemented (comprehensive user survey, article rating, identify agency liaisons to assist in needs identification) were utilized throughout the year. There were over 619,000 visits logged into the site over the year. Enhancements are now being driven, prioritized, and validated by customer input and testing along the way.

Actual aggregate expenditures and an explanation for any significant variance from planned aggregate expenditures

We estimate that actual expenditures exceeded planned expenditures for this deliverable. However, those expenditures were covered by resources saved in other areas. Most of the over-expenditure could be attributed to the time spent for activity tracking and accountability measurement required by GMAP.

6. Conduct special studies and economic analyses.

The outcomes achieved compared to planned outcomes and an analysis that explains the cause of any significant variance from the plan. Describe any actions required to improve outcomes.



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Throughout the year LMEA staff was engaged in special studies and economic analysis. In addition to the extensive surveys of job vacancies and benefits, LMEA staff worked on special industry worker age distribution studies using LED data, in-season agricultural employment surveys, a wage distribution report and various manufacturing industry studies. A listing of the reports that are available on the Workforce Explorer follows:

Industry Reports

1. Washington State Hops Dominate World Production
2. Grapes Add Taste to State Economy
3. Snohomish County and the 787 Dreamliner
4. The Dice Keep Rolling as Tribal Gambling Keeps Growing
5. It Is Alarming How Charming Farming Can Be
6. Apples and Cherries Lead Seasonal Agricultural Employment
7. 2006 Tree Fruit Wage Study
8. Washington Manufacturing Research Project, 2006 – which includes:
 - o Manufacturing Focus Group Summary 2006
 - o Total Manufacturing Overview 2006
 - o Food Processing Update 2006
 - o Wood Products Manufacturing Update 2006
 - o Aerospace Product and Parts Manufacturing Update 2006
 - o Computer and Electronic Product Manufacturing 2006 (NAICS 334)
 - o Regional Structure of Manufacturing Employment and Wage

Special Reports

1. Labor Day Report 2007
2. Grant County Retail Trade, August 2007
3. Employment Projections, Methodology, and Results
4. An Aging of the Workforce, June 2007
5. Summer Youth Employment Situation, May 2007



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6. The Military's Role in the Washington State Economy
7. Economic Side Note: Gas Pains at the Pump Return
8. Claiming Unemployment Insurance: Looking for Patterns
9. Local Employment Indicator Update
10. Use of National Model for State Industry Employment Projections: Options and Limitations
11. Current Employment and Local Area Statistics Employment Comparison
12. Wage Trends, 2005
13. Update on the Tri-Cities Economy: Bent but not Broken, February 2007
14. Analysis of Construction Employment Demand, Pierce County, Washington, July 2006

The extent to which the activity has conformed to the planned milestones, including an explanation for the cause of any significant variance from schedule.

All planned milestones were met. In addition LMEA was able to provide special LED training to other states in a two day session held in Tallahassee Florida.

Actual aggregate expenditures and an explanation for any significant variance from planned aggregate expenditures:

Actual expenditures were above planned expenditures as we were able to use savings from other deliverables.

B. Customer Satisfaction Assessment:

- **The methods used for collecting customer satisfaction information and for interpreting the collected information.**

Throughout the year, LMEA has utilized several systematic methods of collecting information about customer satisfaction and usage. These include training and presentation participant evaluations, ratings of analysis articles on our website, and various information gathering meetings involving customer groups to help determine usability needs and data gaps. Along with these measures data is collected and analyzed around usage of products and services including web log analysis, request tracking, and various other automated activity capture tools. Many of these are done continually, and others are done randomly based on specific needs or issues as they arise.



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At the start of her administration, Governor Christine Gregoire initiated a comprehensive accountability system called Government, Management, Accountability and Performance (GMAP) program. It involves continuous performance tracking and monthly progress reports to senior leadership. The LMEA branch is actively implementing that system by tracking a variety of performance measures and communicating its progress through a "dashboard" reporting system.

- **The assessment of the principal customers' satisfaction with the products or service.**

The overall assessment from the satisfaction measuring tools we use has been very high. Consistently, the ratings from presentations have been between 4 and 5 on a scale where 1 represented "poor" and 5 represented "excellent." Throughout the year LMEA has also received feedback from clients who have received an LMI product or have been given an LMI presentation. Such notes of appreciation are retained in a three-ring binder as an additional indication that what LMEA does has value to individuals and is appreciated by the public.

The main distribution channel for the industry and occupational employment projections, as well as most of LMEA products, has been the Workforce Explorer. It provided a count of "visits" and an opportunity for clients to indicate their level of satisfaction with the information provided. The results, which are not scientific, change daily. But they indicate what information is being accessed the most.

The vast majority of the feedback has been very positive. However, we continue to receive comments from clients indicating that they are having difficulty finding specific information and then when they find it they would like additional help in understanding it.

- **Activities to be undertaken to add customer value to the product or service, where needs for improvement are identified.**

To assist clients in accessing and understanding LMI products posted on the Workforce Explorer, the LMEA branch maintains a "Labor Market Information Center" with a statewide "800" number. A professional economist staffing that center can take a client through the web site to the appropriate information and answer questions about that information. In that process the economist also looks for ways how best to present the ever increasing quantity of information on our website. In addition, in order to assist Work Source Center staff with LMI the branch trainer conducted 14 training sessions for about 160 individuals. Recently, staff from the central office visited a number of Work Source centers to assist staff in the understanding and use of the occupational Demand/Decline list.

C. Recommendations for Improvement or Changes to the Suite of Core Products.

- **Recommendations based on accomplishments.**



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In Washington State the LMEA branch accomplished all six deliverables successfully and they were well received by the intended clients. However, unlike previous years, training was not a priority since it was not one of the deliverables. The experience gained during the year indicated that such LMI training is an integral part of the delivery system and should again be one of the core products. It is good to make LMI available to everyone through the web, but unless it is understood and used the effort is less than successful.

- **Recommendations based on consultation with customers.**

The strategic plan of the LMEA branch specifies that one of its primary goals is to integrate labor market information thoroughly into the Workforce Development System.

Unfortunately, WorkSource Center staff has never been required to take any comprehensive LMI training. Consequently, many service delivery staff members cannot understand much of the information that is provided. Employment databases have been reconfigured to take advantage of computers. New economic models have been created to display employment patterns, by occupation, by industry group, by geographic region, and/or over time. And this labor market information is accessible to the public via free, on-line websites that are available on a 365/24/7 basis. However, it must be understood and used to be of significant value to the Workforce Development System. The challenge is to let the public know that all of the data is "out there" and that all of the data has "real-life" relevancy.

In instance after instance, when the public finds out about Workforce Explorer website, their first reaction is "Wow, I didn't know this information existed!" and their second reaction is "It's overwhelming - how can I use it?" The answer is TRAINING. Training in navigating around the website; training in interpreting the data, and training in applying the data to successful employment strategies.

Thus, we would recommend that TRAINING be added to the suite of core products.