

Program Year 2007

Workforce Investment Act Annual Report

Prepared for the U.S. Department of Labor
Employment and Training Administration



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South Carolina Department of Commerce

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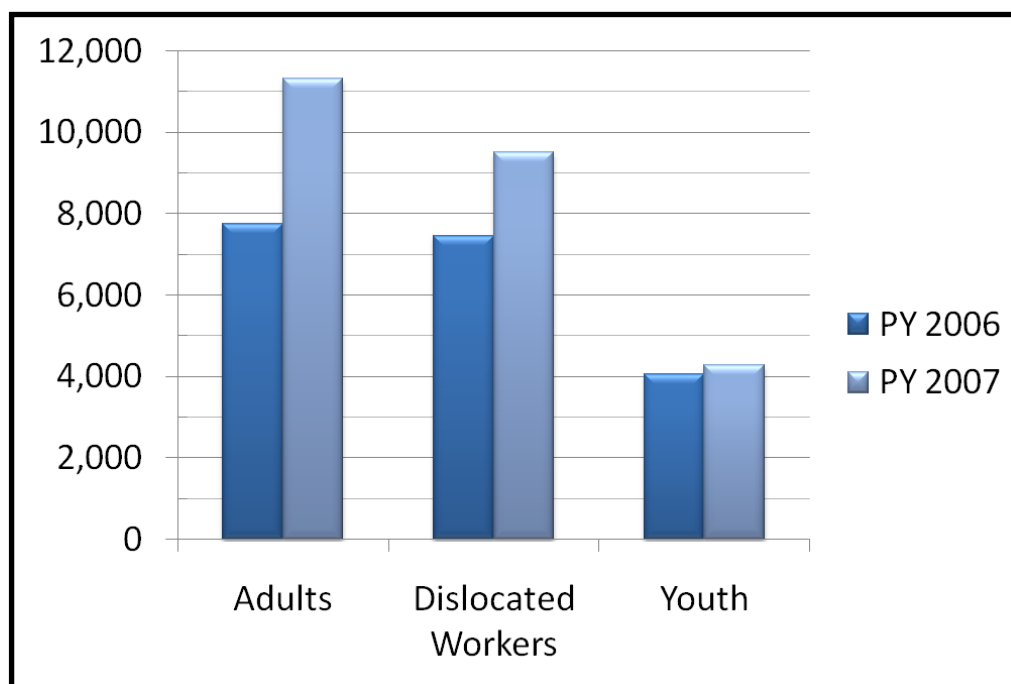
Program Year 2007 Common Measures Results:

The Workforce Development Division of the South Carolina Department of Commerce leverages its federal Workforce Investment Act (WIA) funds through partnerships with other state agencies, regional Workforce Investment Area boards, local governments, economic development agencies and community-based non-profit organizations. WIA funds provide business services for employers and opportunities for individual job seekers to increase their skills and gain employment. South Carolina's investment of more than \$65.5 million in WIA funding during Program Year 2007 (PY 07) produced notable returns.

Served More Participants

- During PY 07, South Carolina served **11,317** Adult participants, **9,497** Dislocated Worker participants and, **4,282** Youth participants through WIA-funded programs delivered through our state's 12 regional Workforce Investment Areas.
- These totals represent an overall increase in WIA participants served of **30%** from PY 06 (up to a total of **25,096**). That includes a **45%** increase in Adults, a **27%** increase in Dislocated Workers and a **6%** increase in Youth participants.

WIA Number of Participants



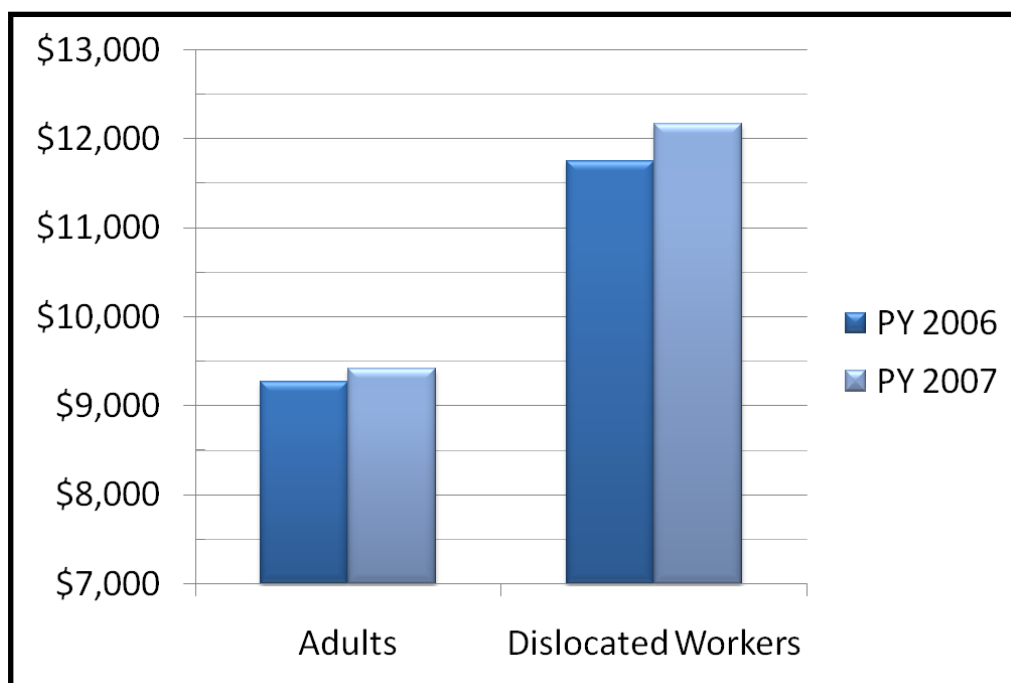
Increased Retention Rates for Adult and Dislocated Worker Participants

- In PY 07, South Carolina’s retention rate for Dislocated Worker participants improved to **92.9%**, up from 91.1% in PY06 (see executive summary table on page 5).
- In PY06, South Carolina’s Adult Employment Retention Rate of 87.2% was ranked 8th in the nation according to statistics compiled by DOL-ETA after the program reporting period ended. In PY 07, South Carolina’s retention rate for Adult participants improved slightly, reaching **87.4%**.

Increased Earnings for Adult and Dislocated Worker Participants

- Substantial increases in participants’ average earnings recorded in PY 07 are evidence of the solid return that South Carolina is garnering for its WIA investment.
- Adult WIA participants posted earnings of **\$9,416** during a six month period after exiting the program in PY 07, an increase of **\$148**. Dislocated Workers reported earnings of **\$12,172**, an increase of **\$423**.

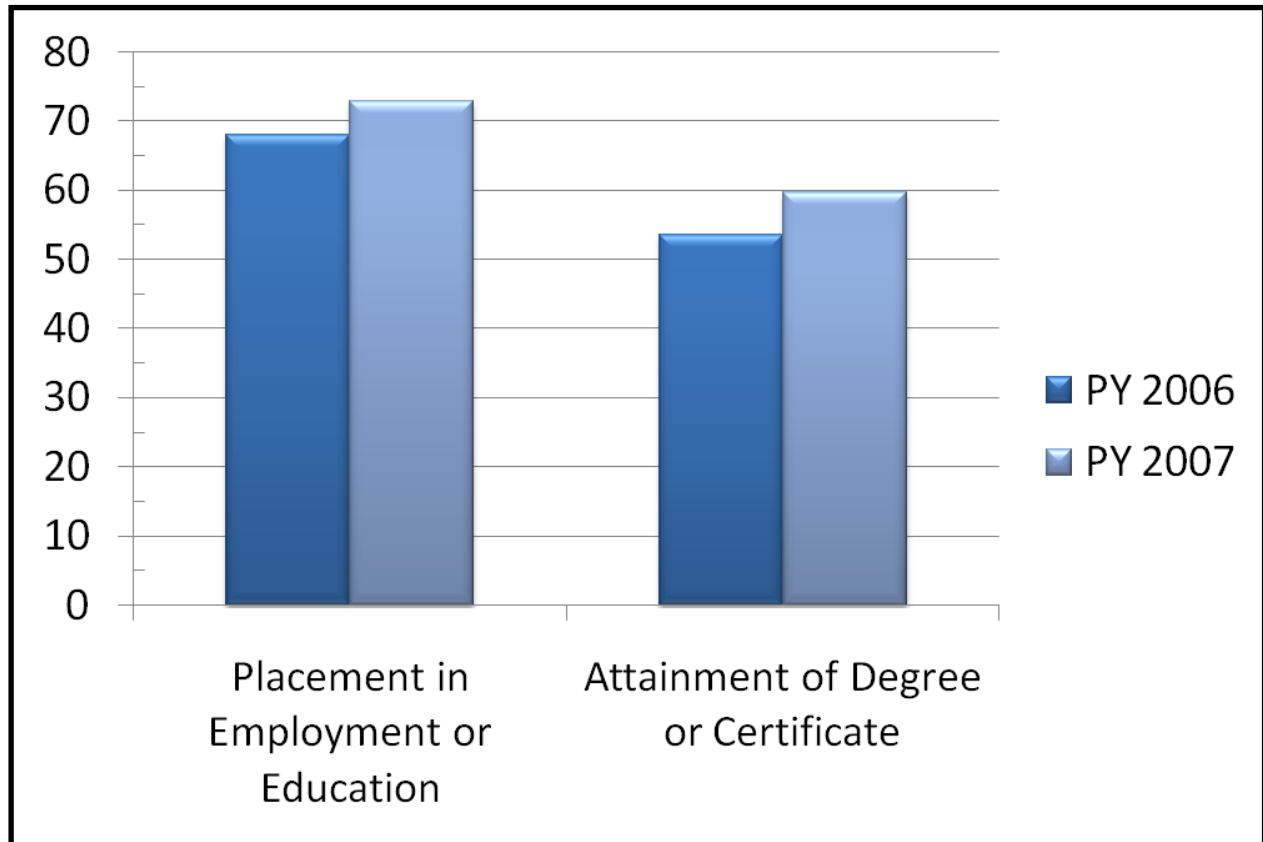
WIA Average Earnings



Served More Youth and Produced Better Outcomes

- The number of Youth participants served by WIA in South Carolina increased by **6%** in PY 07 (see chart on page 2).
- At the same time, both the percentage of Youth participants placed in employment or education, AND the percentage of Youth participants who attained a degree or certificate also improved (to **72.9%** and **59.7%**, respectively).

WIA Youth Outcomes



Executive Summary Table for WIA Common Measures

The following table provides an overview that compares the state’s PY 06 and PY 07 performances in some key WIA Common Measures categories. Taken as a whole, the statistics show gains in nearly all areas for South Carolina’s WIA program performance. More participants were served in all three WIA funding categories — Adult, Youth and Dislocated Worker — while the outcomes in most categories either increased or held steady when compared with PY 06.

**WIA Executive Summary
PY 2006 vs. PY 2007**

WIA Executive Summary			
PY 2006 vs. PY 2007			
	PY 2006	PY 2007	Trendline
Number of Participants			
WIA Adults	7,757	11,317	↑
WIA Dislocated Workers	7,460	9,497	↑
Entered Employment Rate			
Adults	80.4%	79.1%	↓
Dislocated Workers	85.6%	82.3%	↓
Retention Rate			
Adults	87.2%	87.4%	↑
Dislocated Workers	91.1%	92.9%	↑
Average Earnings			
Adults	\$ 9,268	\$ 9,416	↑
Dislocated Workers	\$ 11,749	\$ 12,172	↑
Number of Participants			
Total Youth	4,058	4,282	↑
Placement in Employment or Education			
Youth (14-21)	68.0%	72.9%	↑
Attainment of Degree or Certificate			
Youth (14-21)	53.5%	59.7%	↑
Literacy or Numeracy Gains			
Youth (14-21)	48.5%	40.5%	↓

Program Year 2007 Business Services Results:

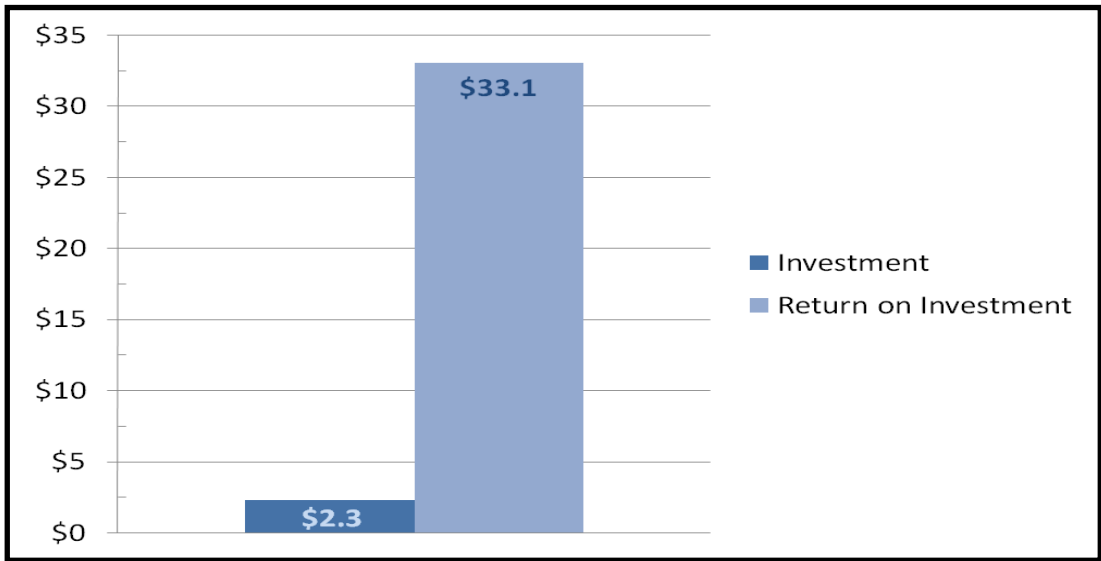
Incumbent Worker Training Provided Strong Return on Investment

- Incumbent Worker Training partnerships with South Carolina businesses increased the workplace skills of **4,697** workers in PY 07, with an average investment of **\$488** per worker trained.
- A total of **\$2,290,481** in statewide funds was invested in IWT partnerships.
- The return on this investment of \$2.3 million was impressive:
 - √ **Jobs Saved: 1,385**
 - √ **Jobs Created: 608**
- Using a very conservative estimate for the average hourly wage of these jobs of \$8.00 per hour, WIA's \$2.3 million investment resulted in a return of at least \$33.1 million in saved or new wages - **more than \$14 for every \$1 invested.**

Program Spotlight:
Spartanburg Company Utilizing On-the-Job Training to Create New Jobs and Economic Opportunity

Spartanburg-based Integral Solutions has taken advantage of the On-the-Job Training (OJT) program offered by the Upstate Workforce Investment Board to build the company and provide some high-skilled employment opportunities that might otherwise be lost to overseas competition.

"The OJT program is having a huge impact on our ability to develop a qualified workforce to compete globally by allowing us to create higher paying professional jobs here in Spartanburg and give opportunities for unskilled workers to learn valuable skills such as welding and urethane molding," said company owner Pete Brown. "Thanks to the OJT program, we are able to create products here in Spartanburg that would otherwise be sourced from Europe or Asia."



Increases in Business-Driven Training Partnerships

- Participation in On-the-Job Training (OJT) contracts held steady in PY 07, with **907** individuals receiving training (compared with 902 in PY 06).
- Participation in other business-led training such as locally funded IWT, customized training and apprenticeships increased by **328%** compared to PY 06, resulting in **642** individuals receiving training through these initiatives.
- A DOL waiver allowing local areas to use up to 10% of their Adult and Dislocated Worker funds for IWT allowed local WIAs in South Carolina invest local formula funds in additional IWT partnerships. Agreements to train **1022** workers using these locally-funded IWT partnerships were signed in PY 07. To date, 612 workers have been trained under these agreements.

Program Year 2007 State Evaluations:

Annual Monitoring and Technical Assistance

- Annual program monitoring visits to each of the state's twelve Workforce Investment Areas are conducted by experienced Program Managers to ensure that each region expends its allocation of WIA Local Funding in ways that are compliant with the Act and with all other federal regulations and guidelines. Workforce Development staff reviewers work closely with regional staff to address any deficiencies noted during a monitoring visit.
- On-site and "desktop" monitoring, as well as ongoing technical assistance, are provided to ensure that the following priorities are being met:

Service

- ✓ **Number of customers served is maximized**
- ✓ **Timely access to services is provided for customers**
- ✓ **Customer satisfaction is maintained**

Performance

- ✓ **Negotiated performance measure are met for each program**
- ✓ **Continuous Improvement expectations are met**

Expenditure of Funds

- ✓ **Funds are utilized in a timely fashion**
- ✓ **Funds are invested wisely**
- Financial monitoring is conducted by staff in the South Carolina Department of Commerce's Department of Administration to ensure compliance with all applicable state and federal rules and guidelines.

Fund Utilization Tied to Incentive Grants

- As a part of on-going monitoring activities, local Workforce Investment Areas are also evaluated on their utilization of funds. The PY 07 Incentive Policy approved by the State Workforce Investment Board facilitated continuous improvement in several areas, including timely utilization of WIA funds.
- A 75% expenditure rate was required in each of the fund streams to earn incentive funds under these criteria.
- Statewide, the fund utilization rate improved from 74% in PY 06 to **76%** in PY 07.
- The increase in statewide fund utilization was aided by the adoption of a DOL waiver that increased the local area transfer authority between the Adult and Dislocated Worker funding streams to 50%. This waiver has also provided the local areas with increased flexibility to respond to changes in local labor markets while ensuring customer service needs are met.

Local Board Standards Adopted

- The State Workforce Investment Board adopted a common set of performance standards for local boards in PY 06.

In PY 07, each local Workforce Investment Board began a process of self-assessment to identify their strengths and weaknesses as measured by these statewide standards. Beginning in PY 08, performance evaluation against the established Local Board Standards will be a part of the process of qualifying for Incentive Grant funding.

Program Year 2007 Statewide Activities Highlights:

In PY 07, South Carolina invested approximately \$6 million in WIA funding for statewide activities. These funds supported efforts aimed at increasing the job-readiness of the state's workforce and providing a pipeline of workers with the skills demanded by existing and prospective employers. The initiatives were all designed to strengthen and improve the alignment among education, workforce and economic development, a primary strategic goal of the State Workforce Investment Board and the South Carolina Department of Commerce.

Statewide Grants Supported Community and Faith-based Training Programs

- The State Workforce Investment Board, in response to requests from the business and economic development communities, allocated \$1,000,000 to fund soft skills training grants in PY 07.
 - ✓ Half of the funding was allocated to support programs offered through local Community Action Programs (CAPs) coordinated by the Governor's Office of Economic Opportunity.
 - ✓ The other \$500,000 was used to support projects targeted at special populations and delivered by community and faith-based organizations.
 - ✓ In all, 23 grants were awarded - 13 to the CAPs and 10 to community and faith based organizations. The grants ranged in size from \$20,000 to \$70,000.

Program Spotlight: Soft Skills Grants Making an Impact In Rural Areas

- In Jasper County, a \$35,000 grant partnership with the Beaufort-Jasper Economic Opportunity Commission provided soft skills training and classes in Information Technology to 10 at-risk students during PY 07. All 10 participants were placed in summer internships and plan to go to college.
- In Williamsburg County, a \$50,000 grant provided job readiness training to 92 participants. So far, 66 have mastered the combination of hard and soft skills that will help them find employment. The program will eventually serve 180 individuals, with follow-up tracking of program completers being conducted in PY 08.

Career Readiness Certificate Initiative Grew in PY 07

- WorkReady SC, South Carolina's WorkKeys®-based Career Readiness Certificate Initiative, made great strides in PY 07.
 - ✓ South Carolina's total number of Career Readiness Certificates earned surpassed 70,000 in PY 07, a 73% increase over PY 06.
 - ✓ These gains were made possible by establishing collaborative relationships with more than 140 workforce development, education and community-based non-profit partner organizations.

Statewide Grants for WorkReady SC Having an Impact

- In PY 07, \$1.2 million in WIA statewide grant funds was expended to support sixteen regional partnerships focused on job profiling and WorkKeys® certification of adults and older youth.
 - ✓ The goal of all the sixteen supported programs was to upgrade the literacy and numeracy levels of participants, while providing employers with a framework on which to base objective hiring recommendations.
 - ✓ Information on the ROI for these investments will be available in the fall of 2009, when all of the grantees have reported their outcomes.

Program Spotlight: Elkay Manufacturing Bridges a Critical Gap with WIA-Funded Training

Elkay Manufacturing's new high-tech kitchen and bath cabinetry manufacturing facility is projected to bring 300 jobs to the Barnwell area by the end of 2009. Company officials say the assurance of a steady pipeline of skilled trainees for Elkay's demanding, high-tech manufacturing processes was key in their choice of Barnwell County.

The SouthernCarolina Regional Alliance Skills Gap Closure program, funded by a grant from the South Carolina Department of Commerce's Workforce Development Division, provided that assurance. Participants in the program improved their basic job-readiness skills and prepared for WorkKeys® assessments. The Skills Gap Closure project ensured a pool of screened, qualified applicants ready to learn the advanced manufacturing processes required by Elkay and similar companies.

In addition to the SouthernCarolina Alliance partners in the grant program included USC-Salkehatchie, Denmark Technical College, Allendale SCOOTER-LRTA, Adult Education and regional ESC-One Stop Centers.

Jobs for America's Graduates-South Carolina Experiences Successful Year

- Approximately \$912,000 in WIA statewide funding was invested in the Jobs for America's Graduates — South Carolina (JAG-SC) program during PY 07. The program served approximately 630 students at a cost of \$1,447 per student.
- JAG-SC completed its 3rd successful year in PY07 with a greater than 93% retention rate for all students program-wide.
- In PY 07, the (JAG-SC) pilot project received a significant boost from a private foundation grant and matching funds from the State Department of Education that allowed the program to expand into five new schools in Berkeley, Florence and Marion Counties for the 07-08 school year.
- This expansion will enable the program to reach up to 205 additional at-risk youth beyond the 630 youth served in the initial pilot program.
- JAG-SC has been recognized as an "exceptional model" program by the South Carolina Department of Education's At-Risk Student Committee.
- JAG-SC was nationally recognized by the JAG National parent organization for success in recruiting students from among the most challenging to serve, while distinguishing itself for reducing barriers, promoting knowledge gain, and establishing substantial community service initiatives.
- Six (6) Job Specialists and the JAG-SC State Coordinator were also recognized for outstanding individual performances.

Trade Adjustment Assistance Program Integrated With Workforce Development

- PY 07 saw the successful integration of South Carolina's Trade Adjustment Assistance (TAA) program into the Workforce Development Division of the State Department of Commerce, allowing a more seamless delivery system for trade-impacted workers.
- The following strategic goals serve as the guide for both state and local staff involved in administering the program:
 - ✓ Engage dislocated workers immediately.
 - ✓ Integrate TAA and WIA services and resources.
 - ✓ Maximize available income support by addressing training needs early.