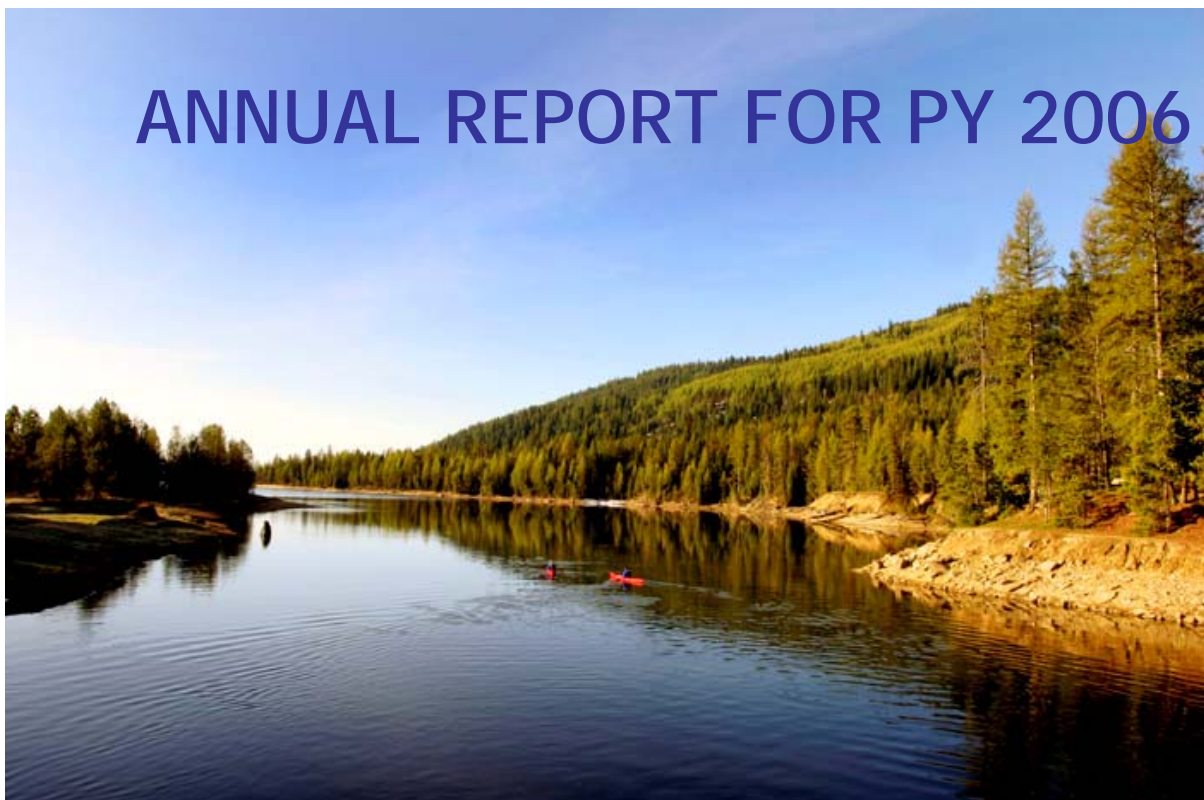


STATE OF
IDAHO

WORKFORCE INVESTMENT ACT

ANNUAL REPORT FOR PY 2006



OCTOBER 2007

WIA Title I Report for the State of Idaho

Evaluation of Activities -

STATE COUNCIL ESTABLISHES NEW GOALS AND OBJECTIVES

The Workforce Development Council is charged with developing a set of goals and objectives to guide operation of the workforce development system in the state. The council has viewed the workforce development system to include the full range of education and workforce services that help prepare students and workers for work and further learning and support businesses in attracting, maintaining and growing the skills of their workforce.

The Council Goals and Objectives were last affirmed in 1999. In the interim, the Council adopted the goals and objectives of the policy academy as their own and identified workforce priorities as part of the WIA planning process in 2005. In 2006, the Workforce Development Council joined with the Economic Advisory Council and others to host the e³ Economic Summit followed by regional e³ summits designed to identify critical workforce and economic development needs. The result was a wide ranging list of goals and strategies for directing the workforce development system to ensure the availability of a qualified workforce, setting forth goals and objectives for both the workforce and educational systems. It also provided several strategies for the Council's consideration in attaining these goals.

The Executive Committee reviewed these results to determine if they reflected appropriate priorities for guiding the system and submitted them to the full council for their consideration. After being adopted by the Council, they were presented to the Governor, who approved the recommendations to guide the workforce development system in planning and implementing activities.

In PY 2006, the state continued to experience reductions in WIA funds. The state's WIA allocation for both adult and youth funds were reduced 10 percent each from the previous program year, while dislocated worker funding dropped 13 percent. The total amounts to less than half of the PY 2002 levels of funding. Staff proposed that the WIA Governor's 15 Percent Reserve continue with the same strategy as last program year, funding basic administrative staff, offering incentives for the consortium partner, offering additional support for the one stop system and providing support for optional activities. These optional activities include providing support to the older worker program, funding additional labor market information and establishing a small marketing budget. In the past, the state has prioritized the use of any additional money to allow for additional support for dislocated workers and funding pilot programs to address high growth, high demand occupations. The department continued its work with local areas by using the \$300,000 that the council set aside in January to fund pilot programs designed to address worker shortages in manufacturing.

Waivers

Federal planning guidelines stress that states should take advantage of flexibility provisions under current legislative authority to tailor service delivery and program design to fit the unique characteristics of their work forces. This is done by submitting a request for a waiver of compliance to administrative rules or program requirements. As part of the planning process, the Workforce Development Council is required to review the state's currently approved waivers and request extensions if desired.

With the 2005 State Plan, Idaho sought and obtained approval of three waivers designed to minimize the administrative burden for service providers, use common measures reporting and allow the Workforce Development Council to serve as a local board for the statewide planning region. Since WIA reauthorization has still not occurred and since Idaho is again facing a decrease in all three categories of WIA funding, the Council, in the state's second plan modification, approved the extension of the current waivers in effect and submitted additional waivers that will increase training opportunities by permitting the use of a portion of local area formula funds or funds reserved for rapid response activities to provide incumbent worker training.

Return on Investment

Idaho's "Return on Investment" provides the required analysis of our workforce investment activities relative to the effect of the activities on the performance of the participants. Reviewing the level of investment (taxpayers' dollars) vs. the return on that investment (participant gains in wages, taxes, reduced public assistance) provides another look at the success of the programs beyond the required performance standards.

Each program demonstrates a positive impact on the community resulting from participation in the program. For individuals enrolled in the Adult program, \$5.24 is returned to the community for each dollar spent and the investment is returned by the participant in little more than six months. For dislocated workers, the investment is returned in six and one-half months with those leaving the program returning \$5.59 to the community for each dollar invested.

Youth, particularly younger youth, are less likely to be directed toward immediate employment upon completion. A primary goal for these at-risk youth is to encourage them to return to school or to assist them in continuing their education. In recognition of these goals, the analysis considers future impact resulting from continued participation in education through high school and beyond for younger youth. Impact for older youth who are employment directed is computed in the same manner as adults and dislocated workers. The results of our analysis demonstrate that investments in youth are repaid in approximately 10.6 months and youth are expected to return \$3.28 to the community for each dollar invested in their training.

IDAHO

Adult ~ Program Year 2006 Summary at a Glance

Increased Income Tax Contributions (State & Federal)	\$1,808,916
Increased FICA payments	\$1,458,945
Reduced Public Assistance Dependency	\$909,468
TOTAL ANNUAL TAXPAYER BENEFIT	\$4,177,329
Monthly Taxpayer Benefit	\$348,111
ADULT PROGRAM COST (Expenditures, PY 2006)	\$2,131,150
Number of months to pay back Taxpayer Investment	6.1

IMPACT OF WIA INVESTMENT

Adult ~ Program Year 2006 Summary at a Glance

Annual Increased Net Earnings of Participants	\$6,997,199
Annual Increase in FICA Contributions	\$1,458,945
Annual Increase in Federal Income Tax Payments	\$1,241,217
Annual Increase in State Income Tax Payments	\$567,699
Annual Decrease in Public Assistance	\$909,468
TOTAL ANNUAL IMPACT	\$11,174,528
ADULT PROGRAM COST (Expenditures, PY 2006)	\$2,131,150

Overall Impact of Investment (Impact divided by Program Cost)

Investment	Impact
\$1.00	\$5.24

IDAHO

Dislocated Worker ~ Program Year 2006 Summary at a Glance

Increased Income Tax Contributions (State & Federal)	\$2,011,900
Increased FICA payments	\$1,626,899
Reduced Public Assistance Dependency	\$271,800
TOTAL ANNUAL TAXPAYER BENEFIT	\$3,910,599
Monthly Taxpayer Benefit	\$325,883
D.W. PROGRAM COST (DW & Rapid Response Expenditures, PY 2006)	\$2,095,302
Number of months to pay back Taxpayer Investment	6.4

IMPACT OF WIA INVESTMENT Dislocated Worker ~ Program Year 2006 Summary at a Glance

Annual Increased Net Earnings of Participants	\$7,807,975
Annual Increase in FICA Contributions	\$1,626,899
Annual Increase in Federal Income Tax Payments	\$1,386,390
Annual Increase in State Income Tax Payments	\$625,510
Annual Decrease in Public Assistance	\$271,800
TOTAL ANNUAL IMPACT	\$11,718,573
D.W. PROGRAM COST (DW & Rapid Response Expenditures, PY 2006)	\$2,095,302

Overall Impact of Investment (Impact divided by Program Cost)

Investment	Impact
\$1.00	\$5.59

IDAHO
Youth ~ Program Year 2006
Summary at a Glance

Increased Income Tax Contributions (State & Federal)	\$1,435,564
Increased FICA payments	\$1,075,355
Reduced Public Assistance Dependency	\$149,352
TOTAL ANNUAL TAXPAYER BENEFIT	\$2,660,271
Monthly Taxpayer Benefit	\$221,689
YOUTH PROGRAM COST (Program Expenditures, PY 2006)	\$2,350,362
Number of months to pay back Taxpayer Investment	10.6

IMPACT OF WIA INVESTMENT
Youth ~ Program Year 2006
Summary at a Glance

Annual Increased Net Earnings of Participants	\$5,055,220
Annual Increase in FICA Contributions	\$1,075,355
Annual Increase in Federal Income Tax Payments	\$959,901
Annual Increase in State Income Tax Payments	\$475,663
Annual Decrease in Public Assistance	\$149,352
TOTAL ANNUAL IMPACT	\$7,715,491
YOUTH PROGRAM COST (Program Expenditures, PY 2006)	\$2,350,362

Overall Impact of Investment (Impact divided by Program Cost)

Investment	Impact
\$1.00	\$3.28

Return on Investment

BACKGROUND

Each person who applies for WIA services completes an application that supplies information on employment status, cash welfare and/or food stamps recipient status, number in the family and number of dependents. Unemployment insurance records are also accessed for pre-program wage information. This information constitutes the raw data used as pre-program information.

Upon completion of the training, information is recorded on each individual regarding his or her employment status and earnings. This information constitutes post-program data.

For younger youth whose goal is not immediate employment, pre-program information is based on the mean earnings of those with less than a high school education as reported in the most current CPS survey. Post-program information is the mean earnings for high school graduates from the same survey. While this does not report actual earnings, it is used as an indicator of future program impact.

The raw data collected at these points is used to project and compute employment rate, net (take home) pay of the employed, FICA and federal and state income tax contributions and public assistance costs. By comparing pre-program and post-program data, we can reasonably determine the benefit of the program compared to the cost of the program.

METHODOLOGY

Federal and state income taxes paid are calculated by using federal and state tax tables, based on average income, average family size, and the most frequently occurring filing status of participants. Increased tax contributions are derived from subtracting pre-program contributions from post-program contributions.

Annual public assistance costs are calculated by multiplying the number of cash welfare recipients by the maximum monthly welfare grant times twelve; Food Stamp costs are calculated by multiplying the number of food stamp recipients by the average monthly food stamp amount times twelve. Decreased public assistance costs were derived by determining whether an individual who was on assistance at intake was working more than 25 hours a week at \$6 per hour. If so, s/he would not have qualified for cash assistance, so the maximum monthly benefit as of July 1, 2006, for both cash assistance and food stamp assistance was counted as savings.

FICA contributions are calculated to be 15.3 percent of gross earnings.

Net (take home) earnings of the employed are calculated by computing the annual gross income and subtracting employee FICA and income taxes. Pre-program earnings are based on earnings reported in unemployment insurance records; post-program earnings are based on employment data collected at program exit.

Taxpayer Return on Investment

The Taxpayer Return on Investment represents the rate of return of taxpayer dollars, through increased tax contributions and decreased welfare costs.

To calculate the Taxpayer Return on Investment, the Total Annual Benefit is divided by twelve to produce a Monthly Taxpayer Benefit. The Program Cost is then divided by the Monthly Taxpayer Benefit to calculate the number of months it takes to pay back the taxpayer investment in WIA for the year in question.

IMPACT OF INVESTMENT

This is a measure of the program's overall benefit to the community.

When calculating the Impact of Investment, net earnings of the participants are included, as well as the increased tax contributions and decreased welfare costs. Even though these earnings are not directly returned to the taxpayer, they represent a measure of increased productivity.

ASSUMPTIONS

The ideal calculation of the return on WIA investments would contain raw data on individual participants for an entire year prior and subsequent to participation in WIA. The cost of collecting such data, however, would far outweigh the benefit of doing so. As such, these calculations rely on a number of assumptions about the data and about pre- and post-program conditions of participants. These are identified below:

In general, it is assumed that the following data, collected during program intake and exit as well as from unemployment wage records, remained constant for the entire year prior and subsequent to program participation, respectively:

- Earnings
- Employed/Unemployed Status
- Public Assistance Grant Amounts
- Family Size

Other Assumptions:

Using the average income, average family size, and most frequently occurring filing status to calculate tax contributions will yield a representative, yet conservative, estimate for the individuals being counted.

Individuals are receiving all public assistance benefits for which they are eligible both prior and subsequent to program participation.

OTHER TAXPAYER BENEFITS

The benefits reflected in these calculations include only a portion of those actually accruing to the taxpayer for these programs. Other welfare costs associated with Medicaid, subsidized housing, and Supplemental Security Income, for example, will generate significant savings if no longer received by program completers. Reduced Unemployment Insurance costs may generate additional savings. These measures also reflect increased tax contributions only for state and federal income taxes, without the inclusion of local and sales taxes. Information needed to calculate these related savings, however, is either not available or cost-prohibitive to produce.

Table Section

The following tables are not applicable to the state of Idaho and are excluded from this report: –

Table A - Workforce Investment Act Customer Satisfaction Results;

Table H.2–Older Youth (19-21) Program Results;

Table I–Outcomes for Older Youth Special Populations;

Table J – Younger Youth (14-18) Results;

Table K – Outcomes for Younger Youth Special Populations

Table B – Adult Program Results

	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	87.00%	96.5%	$\frac{299}{310}$
Employment Retention Rate	84.00%	89.8%	$\frac{317}{353}$
Average Earnings	\$9,800.00	\$10,231.6	$\frac{\$2,977,404}{291}$

Table C – Outcomes for Adult Special Populations

Reported Information	Public Assistance Recipients Receiving Intensive Or Training Services		Veterans		Individuals With Disabilities		Older Individuals	
	Entered Employment Rate	100%	$\frac{20}{20}$	100%	$\frac{34}{34}$	95.8%	$\frac{46}{48}$	95%
Employment Retention Rate	73.7%	$\frac{14}{19}$	93.8%	$\frac{15}{16}$	90.3%	$\frac{28}{31}$	87.5%	$\frac{14}{16}$
Average Earnings Rate	\$9598	$\frac{\$124,768}{13}$	\$11,565	$\frac{\$150,347}{13}$	\$9,450	$\frac{\$189,006}{20}$	\$9,864	$\frac{\$108,504}{11}$

Table D – Other Outcome Information for the Adult Program

Reported Information	Individuals Who Received Training Services		Individuals Who Received Only Core and Intensive Services	
	Entered Employment Rate	96.9%	218 225	95.3%
Employment Retention Rate	90.3%	251 278	88%	66 75
Average Earnings Rate	\$10,836	\$2,481,535 229	\$7,998	\$495,869 62

Table E – Dislocated Worker Program Results

	Negotiated Performance Level	Actual Performance Level	
		Entered Employment Rate	90%
Employment Retention Rate	91%	94.1%	545 579
Average Earnings	\$13,500	\$13,363.6	\$6,695,175 501

Table F – Outcomes for Dislocated Worker Special Populations

Reported Information	Veterans		Individuals With Disabilities		Older Individuals		Displaced Homemakers	
	Entered Employment Rate	92.4%	61 66	94.4%	34 36	90.6%	48 53	90.6%
Employment Retention Rate	95.5%	64 67	89.2%	33 37	89.5%	51 57	95.7%	44 46
Average Earnings Rate	\$14,216	\$810,285 57	\$12,264	\$367,932 30	\$11,905	\$523,799 44	\$9,393	\$394,498 42

Table G – Other Outcome Information for the Dislocated Worker Program

Reported Information	Individuals Who Received Training Services		Individuals Who Received Only Core and Intensive Services	
	Entered Employment Rate	93.8%	393 419	95.1%
Employment Retention Rate	94.7%	463 489	91.1%	82 90
Average Earnings Rate	\$13,356	\$5,702,948 427	\$13,408	\$992,227 74

Table H.1 – Youth (14-21) Program Results

	Negotiated Performance Level	Actual Performance Level	
		Placement in Employment or Education	50%
Attainment of Degree or Certificate	49%	75.1%	247 329
Literacy and Numeracy Gains	30%	42.6%	26 61

Table L – Other Reported Information

	12-Month Retention Rate		12-Month Earnings (Adults & Older Youth) or 12 Mo. Earnings Replacement (Dislocated Workers)		Placements in Nontraditional Employment		Wages at Entry into Employment for Those Individuals Who Entered Unsubsidized Employment		Entry in Unsubsidized Employment Related to the Training Received of Those Who Completed Training Services	
	Adults	89.3%	324 363	\$5,496	\$1,797,300 327	22.4%	67 299	\$5,525	\$1,513,872 274	75.2%
Dislocated Workers	95.7%	551 576	104%	\$6,901,849 \$6,636,723	24%	118 491	\$6,347.1	\$2,926,014 461	70.5%	277 393

Table M – Participation Levels

	Total Participants Served	Total Exiters
Total Adult Customers	202,978	87,924
Total Adult Self-Service Only	201,081	86,766
WIA Adult	202,054	87,348
WIA Dislocated Worker	982	599
Total Youth (14-21)	1,090	522
Younger Youth (14-18)	778	355
Older Youth (19-21)	312	167
Out-of-School Youth	598	317
In-School Youth	492	205

Table N – Cost of Program Activities

Program Activity		Total Federal Spending
Local Adults		\$ 2,131,150
Local Dislocated Workers		\$ 1,570,097
Local Youth		\$ 2,350,362
Rapid Response (up to 25%) WIA134 (a) (2) (A)		\$ 525,205
Statewide Required Activities (Up to 15%) WIA134 (a) (2) (B)		\$ 1,138,966
Statewide Allowable Activities §134(a)(3)	Program Activity Description	
	Older Worker Assistance	\$ 21,352
	Workforce Development shared costs	\$ 25,000
	Labor Market Information	\$ 100,000
	Marketing	\$ 20,000
Total of All Federal Spending Listed Above		\$ 7,715,780

Table O: Local Performance

Local Area Name Region I – Idaho Balance of State	Total Participants Served	Adults	182,057
		Dislocated Workers	919
		Older Youth	280
		Younger Youth	730
ETA Assigned # 16005	Total Exiters	Adults	76,635
		Dislocated Workers	565
		Older Youth	155
		Younger Youth	333

		Negotiated Performance Level	Actual Performance Level
Customer Satisfaction	Program Participants		
	Employers		
Entered Employment Rate	Adults	87%	97%
	Dislocated Workers	90%	94%
	Older Youth		
Retention Rate	Adults	84%	89%
	Dislocated Workers	91%	94%
	Older Youth		
	Younger Youth		
Average Earnings (Adults/DWs) Six Months Earnings Increase (Older Youth)	Adults	\$9,800	\$10,330
	Dislocated Workers	\$13,500	\$13,476
	Older Youth		
Credential/ Diploma Rate	Adults		
	Dislocated Workers		
	Older Youth		
	Younger Youth		
Skill Attainment Rate	Younger Youth		
Placement in Employment/Education	Youth (14-21)	50%	84%
Attainment of Degree or Certificate	Youth (14-21)	49%	75%
Literacy or Numeracy Gains	Youth (14-21)	30%	43%
Skill Description of Other State Indicators of Performance			
Overall Status of Local Performance	Not Met	Met	Exceeded
		Yes	

Table O: Local Performance

Local Area Name Region II – East Central Idaho	Total Participants Served	Adults	19,997
		Dislocated Workers	63
		Older Youth	32
		Younger Youth	48
ETA Assigned # 16010	Total Exiters	Adults	10,713
		Dislocated Workers	34
		Older Youth	12
		Younger Youth	22

		Negotiated Performance Level	Actual Performance Level
Customer Satisfaction	Program Participants		
	Employers		
Entered Employment Rate	Adults	87%	91%
	Dislocated Workers	90%	90%
	Older Youth		
Retention Rate	Adults	84%	100%
	Dislocated Workers	91%	100%
	Older Youth		
	Younger Youth		
Average Earnings (Adults/DWs) Six Months Earnings Increase (Older Youth)	Adults	\$9,800	\$9,269
	Dislocated Workers	\$13,500	\$11,399
	Older Youth		
Credential/ Diploma Rate	Adults		
	Dislocated Workers		
	Older Youth		
	Younger Youth		
Skill Attainment Rate	Younger Youth		
Placement in Employment/Education	Youth (14-21)	50%	80%
Attainment of Degree or Certificate	Youth (14-21)	49%	74%
Literacy or Numeracy Gains	Youth (14-21)	30%	0
Skill Description of Other State Indicators of Performance			
Overall Status of Local Performance		Not Met	Met
			Yes

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