

ANNUAL REPORT 2011
UTAH DEPARTMENT OF WORKFORCE SERVICES



**Utah Department of
Workforce Services**

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Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request to individuals with disabilities by calling (801) 526-9240. Individuals with speech and/or hearing impairments may call Relay Utah by dialing 711. Spanish Relay Utah: 1-888-346-3162.

Introduction

This past year has been a challenging one for the Department of Workforce Services. The ongoing effects of the great recession directly impacts what we do. Our Food Stamp caseload rose to an all-time high of more than 112,000. Our Unemployment Insurance Division played a major role in Utah's economy this year with an average unemployment rate of 7.5 percent during the fiscal year from a low of 7.3 percent to a high of 7.7 percent. The department paid out \$653 million in state and federal unemployment benefits to 114,000 claimants.

The department's mission is to:

Strengthen Utah's economy by supporting the economic stability and quality of our workforce.

We carry out this mission through job training and temporary supportive services—but preparing customers for work is our overarching objective. Workforce development initiatives must meet the needs of Utah employers and align with the vision and objectives outlined in the Governor's Economic Development Plan.

Our employer demand-driven focus and flexible workforce advisory councils are examples of the steps we are taking to support business in Utah and align

our efforts with Utah's Economic Development Plan. We're training Utah's workforce for jobs with a future, jobs in occupations in demand. This approach allows us to provide Utah employers with a high quality and well trained workforce as we work our way out of the recession and grow Utah's economy together. This is a true public sector-private sector partnership. As you read through this report you will see many examples of our partnership with private sector businesses, allied state agencies and public and higher education.

Along with the extra demand on our services, we've had to provide these services with reduced funding. As with all state agencies the Department of Workforce Services saw a reduction in funding. Through some careful assessment of our processes and innovative thinking by our employees, we've managed to do more with less.

In fact, through operational excellence and organizational restructuring we've increased productivity, and reduced costs at the same time resulting in more than \$18 million and a reduction of 149 FTE in our Eligibility Services Division. We're applying that operational excellence across the rest of our agency as we move forward.

The uncertainty of the economic crisis continues, but we are certain we can meet the challenges of the future by constantly striving for best possible ways to serve the tax payers of the State of Utah.



Kristen Cox receives proclamation for Utah's Patriot Partnership Month from Governor Gary Herbert; see page 13.



The Workforce Research and Analysis (WRA) Division

The Workforce Research and Analysis Division (WRA) is a decision-support division of economists and analysts dedicated to providing accurate and timely labor market, economic, and program information. The products and services produced by WRA provide the workforce system (internal and external) with the data needed to make business decisions, evaluate programs, allocate resources, distribute workload, and develop service delivery strategies.

The labor statistics team contacts businesses to gather industry and occupation data, analyzes results, and provides information to the U.S. Bureau of Labor Statistics. Key products include:

- Payroll Employment Data (Quarterly Census of Employment and Wages)
- Current Employment Statistics
- Occupational Employment Statistics
- Mass Layoff Statistics
- Licensed Occupations in Utah
- Job Vacancy Survey
- Utah Employers, Employment and Wages by Size

The Economics Analysis team of economists and labor market specialists provide economic analyses and recommendations to local workforce employment centers, partners in education, economic development and the public. Key products include:

- Printed and online publications
- Local area data and statistics
- Occupational projections
- Public presentations and training

The Economic Research team of economists was created during the past year to conduct research projects to assist

DWS policy makers with decision making and planning. The first research project employed causal analysis, specifically propensity score matching techniques, to evaluate the administration of job training services by the department. DWS plans to use this information to make decisions on the best way to spend federal training funds allocated to the state.

The Management Information Services team extracts data from all DWS computer systems to provide reports for the federal government, partner states and local agencies, management teams, and front-line staff. Key products include:

- Compliance
- Federal reporting
- Management data
- Ad hoc inquiries
- Outcomes and performance
- Scorecard
- Dashboards
- Online reporting

Other key activities of the division include providing data and feedback for the Service Area Delivery plans, leading a team to develop a dashboard for the DWS executive team, establishing internal measures for the service areas goals, and completing and publishing results from a regional green jobs study.

The WRA Division met all of its federal reporting and contractual requirements during the past year.

The Unemployment Insurance (UI) Division

Introduction

The department's Unemployment Insurance played a major role in Utah's economy this year with an average unemployment rate of 7.5 percent during the fiscal year from a low of 7.3 percent to a high of 7.7 percent. The department paid out \$653 million in state and federal Unemployment Insurance benefits to 114,000 claimants. While over thirty states have exhausted their Unemployment Insurance Trust funds and have been forced to borrow funds to continue to pay their benefits, Utah's trust fund had over \$300 million remaining at the end of FY 2011 and remains actuarial sound.

Performance Core Measures

Utah's Unemployment Insurance program continues to be a national leader in program performance. The U.S. Department of Labor celebrates performance excellence in the Unemployment Insurance system by honoring state workforce agencies that have demonstrated the highest levels of performance in key areas of state operations. For the third year running, DWS was recognized in December 2010 as the top performer among medium sized states for issuing timely and accurate payments to beneficiaries while employing effective safeguards to stop improper payments and for issuing timely and high quality appeals decisions. While states are facing unprecedented claim workloads, workers and businesses in Utah continue to receive outstanding services by the staff at DWS.

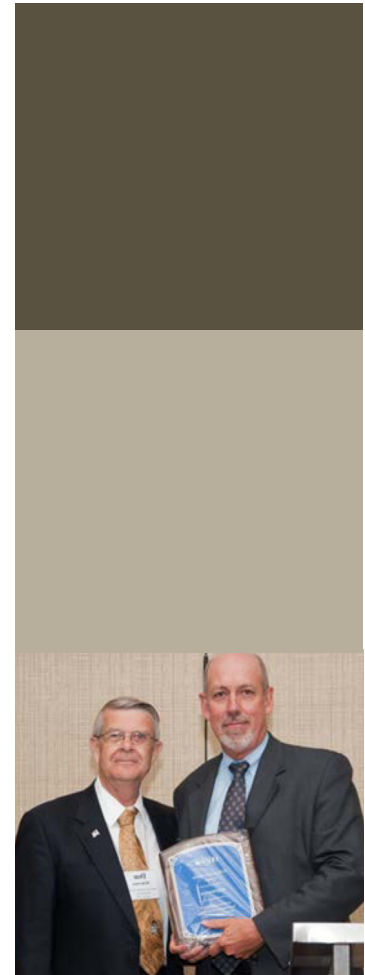
Benefits

Utah paid out \$328 million in state unemployment benefits in FY 2011; while 29 percent less than FY 2010 it remains at a relatively high level. Congress enacted the federal Emergency Unemployment Compensation (EUC) program on July 6, 2008. This program has been expanded and extended eight times since its inception. The EUC program in Utah currently provides up to 47 weeks of additional benefits to unemployed individuals that have exhausted their state benefits (up to 26 weeks) for a total of up to 73 weeks of benefits.

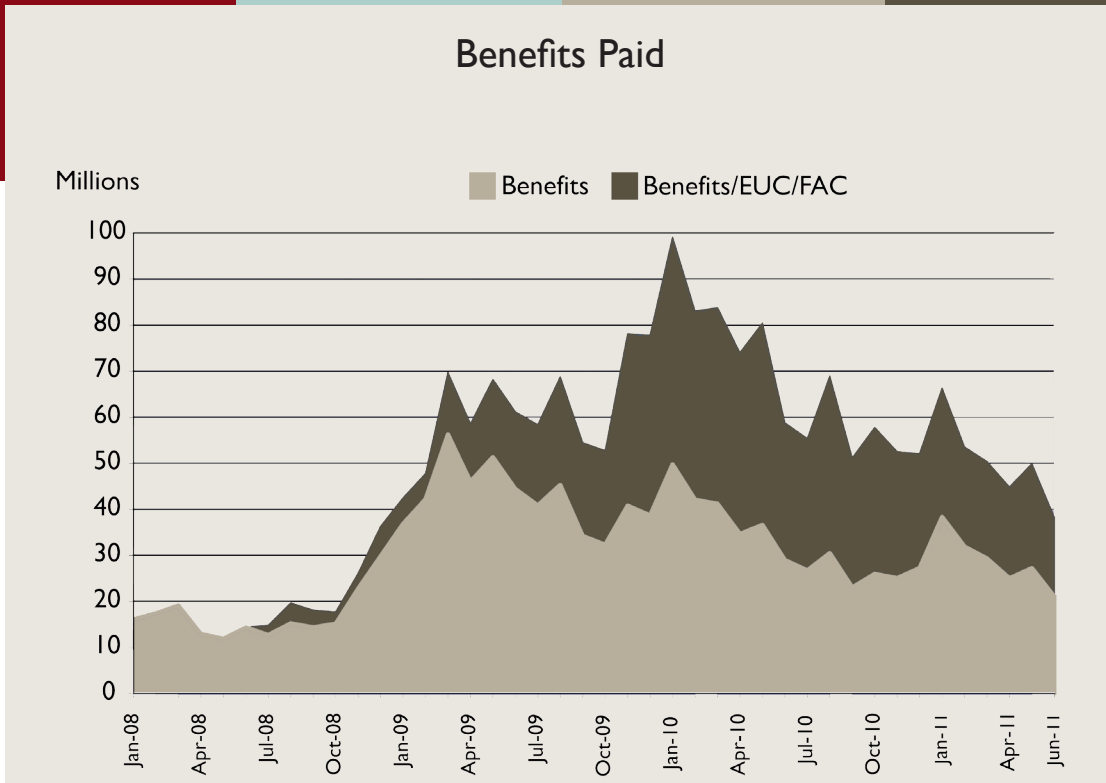
The additional weeks of EUC benefits are also dependent on the unemployment rate of the state. Congress passed, and the President signed a thirteen-month retroactive extension to the federal EUC program on December 18, 2010. The extension did not provide any additional benefits but rather extended the termination of the federally funded program to January 3, 2012. From the time the program began through the end of FY 2011, Emergency Unemployment Compensation has paid out \$717 million in benefits.

Enhanced Integrity Efforts

The department's Unemployment Insurance Division continues to increase its focus on the prevention, detection, and collection of benefit overpayments. Utah was awarded a U.S. DOL grant of more than \$150,000 to further expand and automate the process for detecting benefit overpayments. Utah currently



Bill Starks (L) accepts UI Integrity Award for Kristen Cox from Don Peitersen, Chair of the National Foundation on Unemployment and Workers' Compensation.



has 12 data cross-matches for detecting overpayments and are planning to develop six new automated data cross-match systems to further aid in the detection and prevention of fraudulent benefit overpayments, which the department estimates can save the trust fund three million to five million annually. The system will create a web interface for employers to enter cross-match information that will automatically compare information supplied by employers, identify potential overpayments, and generate and mail notices to claimants.

Effective collections of overpayments and contributions are also integral to the integrity of the trust fund. Utah's ratio of Accounts Receivable to tax due is 1 percent (6th lowest in nation per DOL) due to effective and timely collection activities. Utah's automated collections case management system allows the department to electronically file liens with the court, via eFLEX, reducing processing time and costs. The system also provides collectors with real-time case management

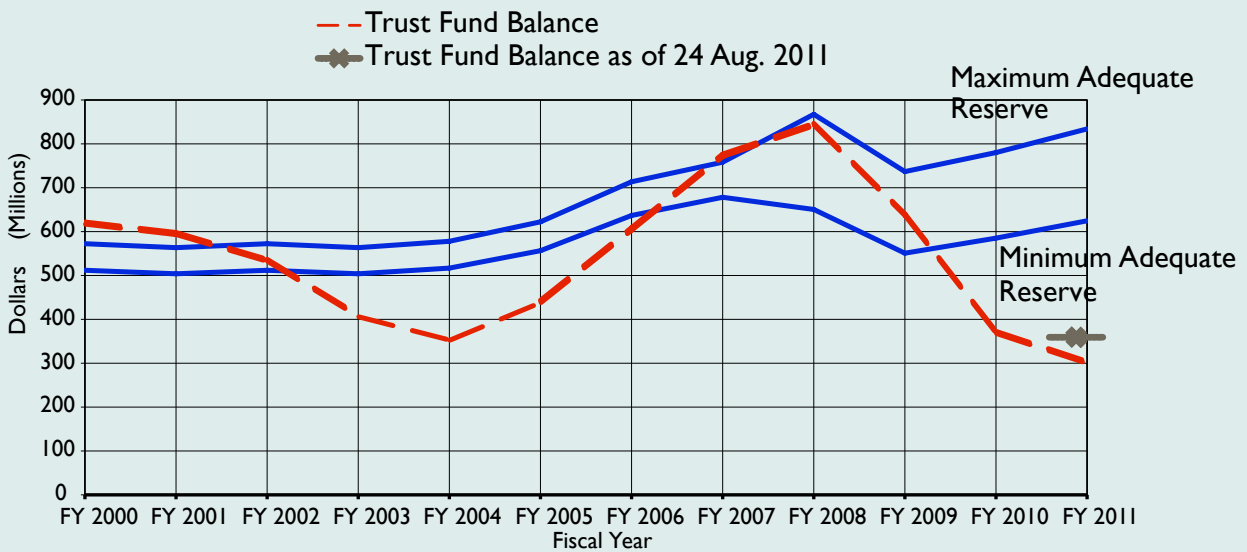
tools that reduce monitoring time, skip tracing time, and electronic workflows to help ensure collections are maximized.

The National Foundation on Unemployment and Workers' Compensation awarded Kristen Cox, DWS Executive Director, the 2011 National UI Integrity award, for her commitment to preserving the integrity of the unemployment system.

Re-employment Services

Utah implemented a "Back to Work" wage subsidy program in July 2010 that was designed to assist eligible claimants and eligible youth. The program offers qualified employers an incentive up to \$2,000 for each eligible job seeker that is hired for a full-time position and remains for at least 90 days. During FY 2011 more than 5,900 individuals and 800 employers have enrolled in the program, 1,100 have been hired by 370 different employers. The estimated savings to the Utah UI trust

UI Trust Fund Balance Projections



Trust Fund Balance (8-24-2011): \$360 Million

has been \$2.6 million to date and approximately \$6 million savings to the federal Emergency Unemployment Compensation (EUC) program.

Using a \$1.3 million federal Re-employment and Eligibility Assessment (REA) grant, the department has implemented an REA program. This program focuses on providing re-employment support to 10,000 unattached unemployment insurance claimants who are most likely to exhaust their benefits.

The REA program is similar to the current Worker Profiling and Re-Employment Services system which requires a mandatory online eligibility review and orientation and self-assessment to claimants that are profiled to be most likely to exhaust their benefits, with the addition of a mandatory staff assisted interview to provide counseling, more in-depth assessments, and the development of a work plan. Preliminary results indicate 28 percent of claimants selected to participate in the program are no longer collecting UI benefits.

Utah's data cross-matches aid in the detection and prevention of fraudulent benefit overpayments.

The Workforce Investment Act (WIA)

DEMAND DRIVEN APPROACH

Utah continues to focus its efforts on transitioning to a demand driven service delivery philosophy. The Department of Workforce Services has conducted comprehensive assessments in all areas of its workforce investment system and has reorganized in an effort to support this approach. Simplifying the organization of its program resources has allowed staff to focus on individual components of workforce connection, workforce preparation, and education and training. Additionally, economic service areas were created to address individual area and employer economic needs. In doing so, customers reap the benefits of a clear system in which they can focus on increasing skills and gaining employment.

As Utah strives to maintain its competitive edge and foster economic prosperity, there is no greater strategic value worth pursuing than a qualified and skilled workforce that meets employer demands. The globally competitive marketplace, national economic pressures, and Utah's unique demographics have defined this as a top priority for businesses, job seekers, educators, and policy-makers alike.

America's Recovery and Reinvestment Act

The America Recovery and Reinvestment Act (ARRA), commonly referred to as "the stimulus," was signed by President Obama on February 17, 2009, with the intent to preserve and create jobs, promote the nation's

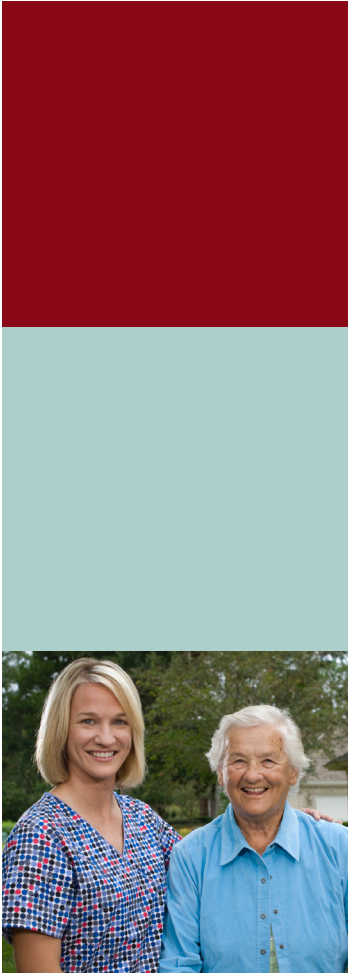
economic recovery, and to assist those most impacted by the recession. With the additional workforce funding provided in the ARRA, Utah implemented programs to deliver services to those most impacted. This program came to a close on June 30, 2011.

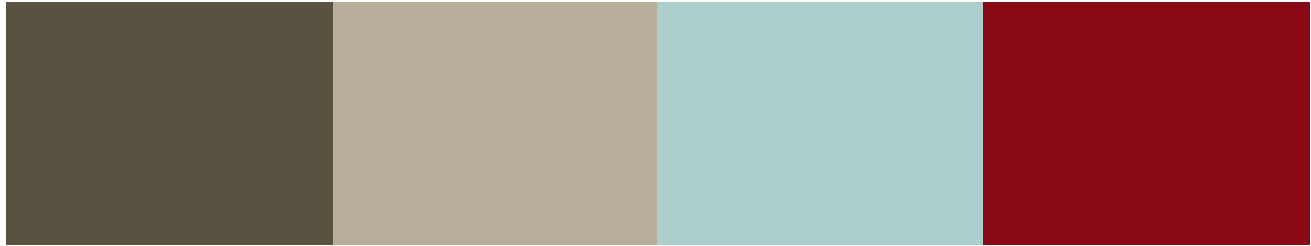
For State Fiscal Year 2011, Utah enrolled a total of 676 stimulus-funded adults and 864 stimulus-funded dislocated workers in employment and training services. Program staff worked with the department's Economic Data Collection and Analysis Unit to develop a statewide healthcare and green occupations list for staff and eligible customers to use in their employment and training goal planning.

ARRA Summer Jobs Program

Utah used the remaining ARRA youth funds to continue delivering local summer jobs and internship programs to eligible youth. Stimulus funding served 999 youth across the state from implementation in February 2009 to completion on June 30, 2011. The performance outcome measures for the program are attainment of work readiness skills and summer employment completion. The results show 77.8 percent of the participants gained work readiness skills and 79.3 percent completed.

Members of the State Workforce Investment Board, State Youth Council and Service Area Youth Advisory Committees responded to the call for sponsor businesses. The stimulus funding required states to target industries





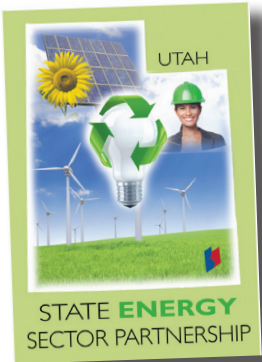
emerging in renewable energy and science and to place youth in these industries when possible. Utah's core value for youth employment and training programs is to provide guidance about industries with growth potential, provide excellent career counseling, then develop internship opportunities aligned with a youth's career interests. Interns were placed in renewable energy, "green," and other ARRA targeted occupations.

National Emergency Grant for workers displaced from ATK Launch Systems

Utah was awarded a National Emergency Grant to assist individuals displaced from ATK Launch Systems. DWS continues to provide training, re-employment and/or support services to workers that were dislocated from ATK from April 2009 through November 2010. We have served more than 150 trainees and will serve up to 200. A modification will be requested to serve those that were dislocated from April 2011 through August 2011. Training services focus on classroom training, on-the-job training and apprenticeships in occupations in demand that will lead to employment. Training programs are not to exceed two years.

State Energy Sector Partnership (SESP) grant

In January 2010, the state was awarded \$4.6 million from the Department of Labor to teach workers the skills required to find employment in green construction, alternative fuels, energy management and renewable energy transmission at no cost to participants. The grant will serve approximately 1,400 dislocated workers, at-risk



workers impacted by energy and environmental policy, disadvantaged youth, and veterans around the state. Unemployed individuals and those with a criminal record were added to the list of populations to be served in July 2011. More than 250 trainees are currently enrolled in seven locations around the state. Work in the coming year will focus on expanding services into additional communities statewide, engaging industry leaders to validate curriculum developed under the grant, and assisting trainees in finding employment as they complete the program.

WORKFORCE INVESTMENT ACT (WIA) FUNDED

Blind Youth Project – This project is a demand driven partnership between the Department of Workforce Services and the National Federation of the Blind of Utah.

Members identified in this partnership utilized information to identify, prioritize, and develop and/or modify programs that would mitigate current transition programs and/or curriculum gaps. These programs were developed to meet the unique needs of blind and visually impaired youth in Utah and to teach skills necessary to successfully transition into adult life, which includes educational opportunities and employment readiness. One unique aspect of the program is that the blind youth are mentored by blind adults. Though ARRA funding has ended, the department intends to continue this partnership.

Utah Cluster Accelerator Project (UCAP) –

This partnership between DWS, the Office of the Commissioner for Higher Education, and the Governor's Office of Economic Development has the goal of accelerating the expansion of industry clusters that have the potential for high growth and high wages in

Utah. The purpose of the project is to disseminate a series of demonstration grants designed to support innovative projects that will help to accelerate the growth and capacity of key industry clusters by addressing the need for talent and innovation support. Key industry clusters will serve as the engine for job creation and economic growth in Utah. The projects within the UCAP program require industry leadership and involvement of key partners, leveraging all available resources, identification of emerging occupations and required skills, a sustainability plan, and performance outcomes. To date, the UCAP has funded projects in aerospace, digital media, energy, healthcare and life science as well as projects with a regional emphasis, including rural communities. As with the Blind Youth Project, although the ARRA funding has ended the department intends to continue this partnership.

UNIT COST IN RELATION TO SERVICE PARTICIPATION



PY 2010/FFY 2011
WIA ANNUAL REPORT AS OF 6/30/11

Table N - Cost of Program Activities

Program Activity		WIA Federal Spending	WIA ARRA Federal Spending	Total WIA Federal Spending
Local Adults*		\$2,892,202	\$463,253	\$3,355,456
Local Dislocated Workers*		\$3,460,990	\$768,250	\$4,229,239
Local Youth*		\$4,029,692	\$514,419	\$4,544,112
Rapid Response (up to 25%) §134 (a) (2) (A)		\$147,107	\$-	\$147,107
Statewide Required Activities (up to 15%) §134 (a) (2) (B)		\$310,743	\$-	\$310,743
Statewide Allowable Activities	Program Activity Description			
§134 (a) (3)	Miscellaneous Allowable Activities	\$932,230	\$503,311	
	Incumbent Workers	\$-	\$-	
Total of All Federal Spending Listed Above		\$11,772,964	\$2,249,233	\$14,022,197

*WIA Federal Spending includes Local Administration expenses.



Waivers

The Department of Workforce Services recognizes the importance and flexibility waivers afford the workforce development system. In conjunction with the State Workforce Investment Board, the following waivers are in operation:

Subsequent Eligible Training Provider – The department is currently working under an approved waiver to postpone the implementation of the subsequent eligibility process for eligible training providers.

- The benefit of this waiver is to allow Utah a larger pool of training providers for customer choice that will foster increased customer engagement. The result is skilled customers entering the labor market with increased earnings and retention. The department believes this is a direct link to meeting the negotiated outcomes.

Individual Training Accounts for WIA Eligible Youth – The department is currently working under an approved waiver to the exclusion and regulatory prohibition of using Individual Training Accounts (ITAs) for youth.

- The benefit of this waiver is flexibility in youth program delivery. Youth learn responsibility by making informed decisions and the waiver allows participants to choose their post-secondary educational provider.

Fifty Percent Transferability of WIA Adult and WIA Dislocated Worker Funds – The department is currently working under an approved waiver to grant the State Workforce Investment Board the ability to transfer up to 50 percent of each program year allocation between the Adult and Dislocated Worker funding streams.

- The Department has found this additional transfer allowance to be beneficial in local planning and in meeting service needs of the community. It further

enhances Utah's ability to address workforce needs within the state. This waiver has been beneficial to the state with the increase of dislocated workers when current funding levels were unable to support this increase.

Reporting Performance Outcome Measures for Workforce Investment Act Title I; Wagner-Peyser Act (Labor Exchange); Jobs for Veterans Act of 2002 (Title 38 USC); and Trade Act – The department is currently working under an approved waiver to enable Utah's workforce development partners to implement the six common performance measures (three adult and three youth) and waive the requirement to report on the seventeen (15 core and two customer satisfaction) indicators of performance for employment and training activities.

- The benefit of this waiver to the state is to simplify and streamline the performance accountability system that is an integral part of a reformed workforce development system. Without this waiver, Utah would be required to report on the original 17 as well as the nine common measures. By allowing this waiver, the case managers can directly focus on the common measures versus the additional 17 performance measures. The ability to focus only on the common measures ensures a greater probability of success.

Exclusion from Common Performance Measures for ARRA Youth who Participate in Work Experience Only – The state is currently working under an approved waiver to allow the use of the Work Readiness indicator as the only indicator of performance for youth participating in the ARRA of 2009 stimulus internship (work experience) program beyond the summer months (10/01/09 – 3/31/10) and continued use of the flexibility addressed in the U.S. Department of Labor's Training and Employment Guidance Letter 14-08. These individuals are not included in the WIA Common Measures.

- The benefit to the state is the ability to continue providing ARRA services to eligible youth ages 18-24 with ARRA funding beyond September 30, 2009 through March 31, 2010. Utah streamlined service elements available with ARRA funding to deliver a targeted, highly efficient work experience program, and reported work readiness skills goals as the single performance outcome measure for the program.

Procurement of Youth services – In January of 2011 the department received a partial waiver from the U.S. Department of Labor to only procure five of the ten youth services. The department must procure tutoring/dropout prevention, alternative school, mentoring, leadership development and comprehensive guidance and counseling. WIA law allows the grant recipient to deliver summer youth employment opportunities. The Individual Training Account (ITA) waiver and recently approved partial waiver allow the department to deliver supportive services, paid and unpaid internships, occupational skills training and follow-up services.

WIA law allows the grant recipient to deliver summer youth employment opportunities.

The Eligibility Services Division

The core purpose of the Eligibility Services Division is to determine eligibility for public assistance programs, including Food Stamps, Financial Assistance, Child Care, Medicaid and CHIP. This division consists of four main organizational units; Eligibility Services Operations, Medical Eligibility Determination, Program and Training and the Performance Review Team. The Eligibility Services Operations and Medical Eligibility Determination teams are the operational units of the division and are comprised of mostly eligibility specialists. These units are organized along the lines of the programs they administer, with specific teams supporting specialized medical programs and demographic populations. This includes Refugees, Spanish speaking customers, Native American customers, long-term care recipients and patients of hospitals and clinics across the state. The Performance Review Team is responsible for program oversight and coordination with our federal and state partners, as well as business support for the technology used by the division. The Performance Review Team includes our internal case review process, federal food stamp quality control, investigations and overpayments.

Eligibility customers have the ability to obtain information on their case and transact all eligibility related business through the DWS web site 24 hours a day,

seven days a week. This includes applying for assistance, reporting changes to the department and completing case reviews online. Through the myCase portal, eligibility customers also have the ability to view case information and status, benefit amounts and make payments for spend downs, co-pays and premiums. This portal also includes the ability for customers to interact with an eligibility specialist via online and real-time chat. In addition to the complete online services available, eligibility customers can also receive information and conduct eligibility business in person through any of the DWS employment centers or outreach locations across the state and over the phone through a toll free IVR phone system.

The Eligibility Services Division is funded at a program level from both federal and state sources. With a high percentage of the funding to support the division coming from declining state funds, the division has been under pressure during the past year to reduce overall operating costs. To support the goal of reducing costs, the division is using Theory of Constraints tools to identify bottlenecks and expose hidden capacity. With these efforts, the division is operating toward a reduction of 140 eligibility staff and a budget reduction of more than \$10 million for the coming year. Despite these cuts, service levels and quality of the case approvals have generally improved throughout the year.

The Family Employment Program

The Family Employment Program (FEP) is a financial assistance program designed to assist parents with dependent children to connect or reconnect to employment so they can support their families. Most parents are single parents with children. FEP also serves a smaller caseload of two parent families.

FEP is funded by the US Department of Health and Human Services with funding provided through the Temporary Assistance for Needy Families (TANF) program. FEP has lifetime limit of 36 months and has strict participation requirements in order to receive services. The primary purpose is to assist parents to find and maintain work. It is a requirement for the custodial parent to cooperate with the Office of Recovery Services to establish or maintain collection of child support from the non-custodial parent to help support the children.

This past year has been eventful for the Family Employment Program. An intense statewide effort was made to enhance the employment outcomes for families. This Work First FEP Redesign accomplished the following:

1. Established a shortened assessment to direct customers to one of three areas:

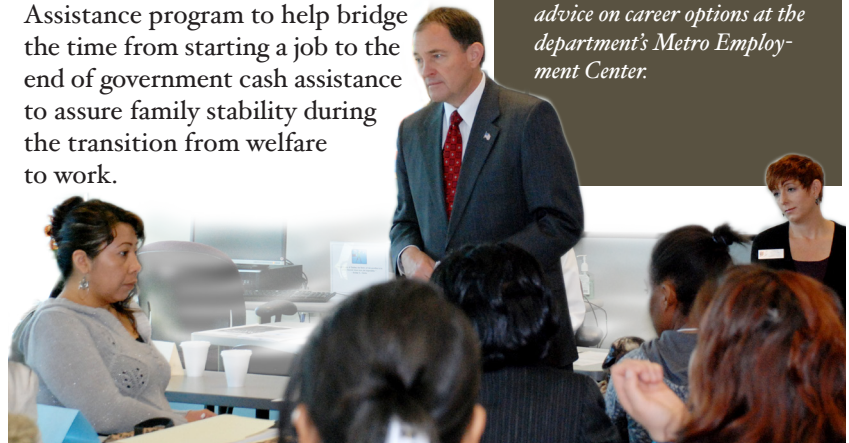
Work Success: This service is an innovative, comprehensive, 2 – 4 week, (40 hours/week) program designed to give work-ready FEP parents' necessary knowledge and skills to successfully find and retain employment. Work Success started in January 2011 with 21 Work Success sites statewide and 32 Work Success Coaches specially trained in the

most effective job search techniques, who spearhead a collaborative team including Licensed Clinical Therapists and Employment Counselors that motivate, train and encourage participants to achieve employment success. Results from the first 6 months show a 43 percent employment rate in 1 - 4 weeks of Work Success participation. This employment rate does not include those who found work after they completed the 4-week service. To date Work Success has served 1269 parents. Work Success has an 82 percent employment retention rate.

Diversion: This service provides a onetime lump sum payment to eligible families who have a job prospect and do not need on-going services.

Preparation: This service is for those without a work history or High School Diploma that need skills improvement to find full time work. Services are provided to help the parent become work ready so they too can enter Work Success to find and keep a job.

2. Improved the Transitional Cash Assistance program to help bridge the time from starting a job to the end of government cash assistance to assure family stability during the transition from welfare to work.



Utah Governor Gary Herbert meets with participants of the "Work Success" program in May 2011 and offers some advice on career options at the department's Metro Employment Center.

3. Streamlined Activity Review process that addresses a parent's non-participation of expected activities. This new process is designed to react to non-participation quickly so a parent can choose to reengage in employment activities to remain part of the program.
4. A new electronic reporting process has been developed for providers of services so they can report to DWS the hours a parent has completed each week in the assigned activity. This process is called eEnter and once fully implemented will save time and paperwork for employers and training providers.

The numbers of families on cash assistance through the Family Employment Program has slowly reduced over the past year. The beginning of the State Fiscal year served 4,312 families each month and now DWS serves 3,369 families per month. This reduction of caseload can be attributed to a slowly improving Utah economy and the renewed effort to assist parents to become reconnected to jobs as quickly as possible using improved pathways and services designed to support a family's success at work.

Utah Veterans Partnership Program

In May 2011, Governor Herbert officially kicked-off the Utah Patriot Partnership (UPP) program by proclaiming the month of June 2011 as Utah Patriot Partnership month. In that proclamation, the Governor called on employers to pledge their support to our returning heroes by considering hiring a Utah veteran whenever a job opening arises.

The pledge acknowledges the great burdens and sacrifices the members of our Armed Forces have made in order to preserve our national security. The UPP program was initiated by the department as a method of encouraging Utah employers to display their appreciation to our veterans by thinking to hire veterans as a first choice. Moreover, the program helps us to address the national crisis we are facing wherein so many veterans are unemployed, especially younger veterans.

Employers are able to "make a pledge" of support to our veterans as a way of recognizing their heroic service to our country and showing appreciation by deliberately seeking to hire veterans when openings occur within their businesses. The program recognizes those employers that are willing to make the pledge of support by providing a certificate signed by the Governor.

While this program fosters a higher level of appreciation for what our veterans have endured for each of us, it also serves to demonstrate that there are great benefits to a business when employers look first to veterans when hiring. Through awareness and experience, many businesses have come to recognize how veterans and members of our National Guard and reserve possess the degree of training, education, motivation, and character that are proving vital to Utah's economic future.



Governor Gary Herbert presents the Proclamation declaring June 2011 as Utah's Patriot Partnership Month to DWS Executive Director Kristen Cox and Jason and Tricia Crook. Mr. and Mrs. Crook are the owners of Mountain View Machine and Welding in Logan, Utah. Their company was the first company to sign up as a Utah Patriot Partner.

Refugee Services Office

The Refugee Services Office had a very productive year, with new initiatives resulting in new partnerships around the state, with many of these efforts resulting in employment opportunities for Utah's refugee population.

Governor Herbert established June as Utah Refugee Month. More than 30 events were held during the month to increase the awareness of refugees and refugee contributions to the welcoming community. The highlight event was the World Refugee Day celebration on June 18, 2011.

Dozens of refugees were assisted in getting jobs in Park City and Heber City. For the first time, refugees placed in jobs in Heber City were assisted in securing housing in that area.

One hundred and fifty refugees now reside in Logan. The meat-packing plant in the area plans to hire more refugees in the coming year.

The Work-Readiness English-as-a-Second Language (WRESL) program was established. WRESL is an intensive seven month ESL/Work Readiness program, designed to prepare Utah's refugees to enter the work force.

The state's Driver's License laws were amended to allow refugees to take the knowledge portion of the driver's test in their native language during their first year after arrival.

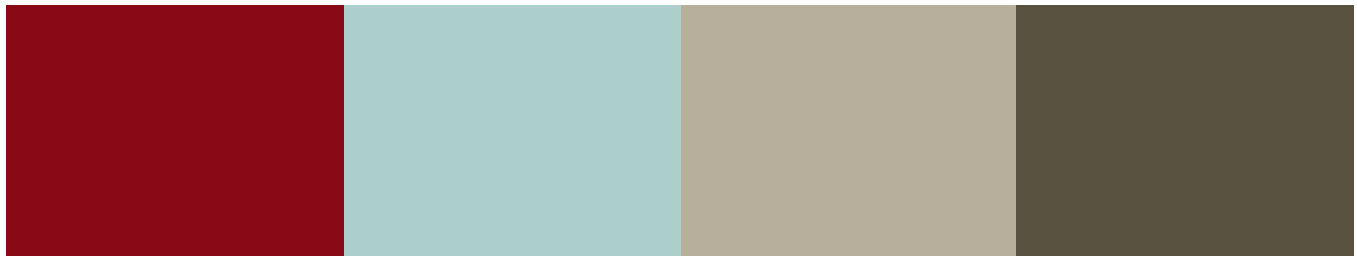
Seventeen refugee community organizations received mini-grants during the past year which allows them to help their own communities and to develop organizational capacity required to compete for larger grants which, in turn, allows them to help their communities in a sustained manner.

Thirty refugee leaders graduated from the second year of the non-profit management course developed by the Women's Business Institute of Salt Lake Community College and the Refugee Services Office.

The third Utah Refugee Conference featured University of Utah demographer Dr. Pamela Perlich as its keynote presenter. More than 500 people attended the two-day event.

The partnership with the Church of Jesus Christ of Latter Day Saints to help 100 refugees become work-ready and be placed in jobs, extended case management, and rental assistance for single mothers with children all entered their third year. The three programs have improved with experience and are providing very important assistance to refugees.





The General Assistance (GA) Program

The General Assistance program is a state funded financial assistance service that provides limited financial benefits to single or married adults without dependent children. Applicants must provide verification from a certified health care provider that they have physical and/or mental health limitations that prevent them from working at all in any occupation. The maximum monthly benefit amount is \$261 for an individual or \$362 for a married couple. This program serves a very vulnerable population. The minimal financial assistance can help the customer with non-food purchases and the benefit may help them qualify for housing assistance to avoid homelessness.

The original intent of the General Assistance program was to provide limited financial assistance while helping the customer achieve their employment potential. Over the past few years, the program has been modified to limit caseload growth and to meet budget allocations. The program now focuses case management services on assisting customers with severe, long term impairments with their application for Social Security disability benefits.

To stay within budget allocation and to create consistency and efficiency across the state all case management services for the General Assistance program are assigned to one statewide team. All case management services for this team are conducted over the phone. Case managers on the General Assistance team are specially trained to use the SOAR (SSI/SSDI Outreach, Access, & Recovery) model. This is a very complex model where the case manager collaborates with the customer, the Social Security Administration, the Disability Determination Services, and other resources to identify and collect information to expedite the claim for disability benefits. The goal of the SOAR model is to obtain a favorable decision at the initial application. The result is greater efficiencies and saves time and efforts of going through the lengthy appeal levels for a disability claim.

The objective of the General Assistance program is to help our customers connect to permanent income through employment or Social Security disability payments. When a General Assistance customer is approved for retroactive SSI benefits, Social Security reimburses the state for the amount of the GA benefits that were issued for the same months. These funds are issued to the Office of Recovery Services and deposited into the state general fund (not to the GA budget). In SFY 2011, recovery services recouped \$780,405 of General Assistance interim assistance from Social Security.



The objective of the General Assistance program is to help our customers connect to permanent income through employment or Social Security disability payments.

The Office of Work and Family Life

The Office of Work and Family Life combines the Office of Child Care, the Utah Healthy Marriage Initiative and the Utah Work/Life Awards. The office supports families by helping them provide stable homes and access quality childcare and after school programs. It also helps companies to retain and recruit employees by recognizing those with the best workplace practices.

The Office of Child Care

Baby Steps Program – Last year major changes took place in how the infant/toddler dollars that come in to the state were distributed. First, Baby Steps was moved to a two-year grant cycle and now limits participation to two years. Second, Baby Steps grew substantially as 32 new programs enrolled last year. Finally, a new grant called Next Steps was created which distributed funds to 32 centers through a competitive bid process. The Next Steps grant requires each program to have already completed two years of Baby Steps successfully and runs on a two-year cycle as well. Both Baby Steps and Next Steps provide each program with an Infant/Toddler Specialist who provides technical assistance, modeling, and specialized training to grant recipients to help them reach their quality improvement goals in their infant/toddler rooms.

Child Care Assistance Program – In an effort to keep families working, the childcare assistance program is designed to help subsidize low-income families with their childcare expenses. Approximately 13,000 children per month received a child care subsidy last year.

The provider help-line supports child care providers who serve parents receiving DWS Child Care Assistance. In fiscal year 2011, 286 newly licensed child care providers contacted the provider help-line to request help getting set up to receive electronic benefit transfer (EBT) payments. Additionally, 196 providers registered for the Provider Website, which allows them on-line access to basic payment information on those families receiving child care assistance and attending the provider's facility. A total of 638 (52 percent) licensed providers logged in to use the website at least one time. There were 5,324 Child Care Subsidy Worksheets submitted electronically on the Provider Website.

Family Friend and Neighbor Program – Background checks are required on caregivers who are not regulated by the state and choose to provide care for families requesting child care assistance from DWS. Background checks are completed initially, annually, then bi-annually. From July 1, 2010 through June 30, 2011:

- Nine percent of child care providers did not meet the background check requirements.
- Eight percent of provider's household members did not meet the background check requirements.
- Thirteen percent of child care cases with the Family Friend and Neighbor care had at least one person who did not pass the background check.



- Nine percent of child care provider requests could not be processed because needed verifications were not returned.
- Approximately 3580 children or 31 percent of the children receiving a subsidy use Family Friend and Neighbor care.

Elementary-Age Program – In fiscal year 2011, the Office of Work & Family Life provided funding for 108 elementary-age after school programs. Approximately 12,800 students were enrolled, and an average of 5,200 youth were served daily. Elementary-age after school programs serve youth grades K-6 providing academic, social, enrichment, and prevention activities during critical after school hours. Prevention activities include; healthy interpersonal relationships, healthy body/lifestyles, financial literacy, career exploration, prevention of violence/gang affiliation, and prevention of tobacco, drug and alcohol abuse. Grant participants throughout the state receive support and technical assistance from Out-of-School Time Program Specialists. Programs are monitored for quality, safety, and continued improvement utilizing the Utah After School Quality Assessment and Improvement Tool. Program staff receives training on youth development, school day curriculum alignment, and how to best support after school activities in their communities.

Teen Program – Teen after school programs focus on prevention as a means to keep youth in school and on the path to graduation. Last year 58 programs provided opportunities for 11,171 teens

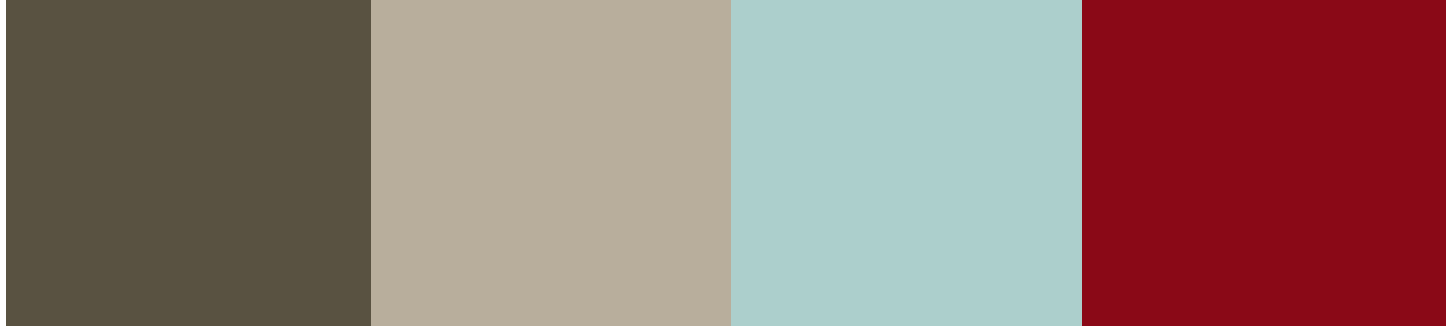
(grades 7-12) across the state and served an average of 2,125 youth per day. In order to improve program quality all programs were required to utilize the Utah After School Quality Assessment and Improvement Tool. After school staff received training on how to best support extended learning opportunities in their communities. Each program was monitored annually for quality, safety and continued improvement through onsite visits and technical support.

Quality Environment Grants – The goal of the Quality Environment Grant program is to improve the indoor and outdoor environments of child care centers and family child care homes. This grant supported the creation of higher quality programs for all children.

In centers, the grant emphasized improvements to the physical facility. Centers completed a variety of projects including the replacement of worn carpet and flooring, the installation of outdoor drinking fountains and shade structures, the return of nature to playgrounds by planting trees and sod, and installing sinks in classrooms. More than 405 projects were completed in 84 centers. Both centers and family child care home purchased educational materials and equipment. Ninety family child care homes and eighty four centers received materials.

Child Care Resource & Referral – The Office of Work and Family Life provides funding to six Child Care Resource and Referral (CCR&R) agencies in Utah. Each CCR&R maintains a comprehensive childcare provider database to assist parents in





finding free child care referrals. This past year, 10,663 referrals were given to parents seeking childcare; 3,215 of these referrals were for DWS customers. CCR&R also provided 15,083 technical assistance contacts to child care providers and potential child care providers.

Professional Development – The Office of Work and Family Life moved the Child Care Professional Development Institute (CCPDI) contract to Utah State University to better align with the child care provider training registry. The Career Ladder System underwent a revision in its structure in order to allow for participants to continue receiving professional development awards in the future. This past year 1,825 Career Ladder awards were given, while another 1,008 received training and longevity awards. CCPDI issued \$1,304,545 in professional development incentives to providers last year.

Utah Healthy Marriage Initiative

The Utah Healthy Marriage Initiative focuses on helping people form and sustain a healthy and enduring marriage



StrongerMarriage.org[®]

by promoting and providing marriage education services, resources, and training. The initiative fulfills the purposes of the federal Temporary Assistance to Needy Families (TANF) program, which includes the formation and maintenance of two-parent families. This past year, community-based marriage education services were available in 19 of Utah's 29 counties through a partnership with Utah State University Extension Services. In addition, the StrongerMarriage.org website provided a statewide reach with free online courses and research information and resources. The annual professionals' training was attended by 500 counselors and educators. The

on-going media campaign has more than doubled public awareness of the program over the past three years and more than 2,000 high school students received supplemental instruction from the Utah Marriage Handbook.

Utah Work/Life Awards

The Work/Life Awards recognize companies that understand and address the needs of their employees. Twenty-five companies across the state were recognized for their work/life efforts as winners of the Utah Work/Life awards. Four of those companies have won the award for at least five years and were granted Legacy status. The number of nominated companies increased by 50 percent last year. The Utah Work/Life Awards will undergo the following changes during the next year:

- The award will be based on an index score, which will give each participating company a score between 1-100.
- Companies will be allowed to take a benchmark test prior to participating to establish a baseline.
- The Best Practice Exchange will expand to include more workshops, speakers, telecourses and coaching.



The State Workforce Investment Board

During the past year, the composition and focus of Utah's workforce council system has changed significantly to meet the needs of our employer and job seeker populations. During fiscal year 2010, DWS launched its demand-driven focus to support employer and job seeker needs. This intensified focus also impacted the council system. These changes were reflected in March 2011 when the Legislature passed Senate Bill 19, "DWS Regional Workforce Services Area Amendments."

Before SB 19, our workforce council system included the State Workforce Investment Board (SWIB), also known as the State Council on Workforce Services, and Regional Councils. This structure worked well to coordinate and consolidate service delivery at state and local levels. The Regional Councils also focused on engaging local officials and stakeholders in DWS priorities and solutions, especially local area strategies to help businesses and their workers compete in Utah's economy.

With competitive environment for businesses increasing and the demand for a skilled workforce accelerating, the model for supporting these customers needed to respond. The previous model focused on service recipients as the primary customer. The new demand-driven approach required focusing on the employer as the primary customer.

SB 19 left the State Workforce Investment Board composition similar. It still consists

of representatives of large employers, small employers, employee organizations, as well as other government and community leaders. However, SB 19 replaced five regional workforce service areas with nine economic service areas. The boundaries are based on labor market information, focusing on economic activity. It also replaced the regional council structure with a more flexible model of advisory groups. At the local level, this allows more flexibility for dynamic and responsive partnerships with education, business and other government and private entities. Advisory groups will focus on specific projects and tangible, measurable outcomes.

With the sharpened focus to meet employer needs for a prepared workforce, service delivery areas based on economic activity and an agile council system that can both represent and help address emerging workforce needs, our workforce community is taking a leading role to ensure Utah's economy remains strong and its workforce globally competitive.



ECONOMIC SERVICE AREAS

Bear River Service Area

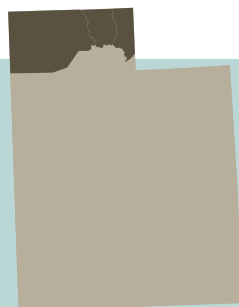
Cache, Box Elder and Rich Counties

Under the new realignment of DWS Service Areas, the Bear River service area has been in existence for one year and consists of three counties; Box Elder County, Cache County and Rich County. These three counties have presented different challenges and opportunities. During the past year Box Elder County has experienced a large number of layoffs affecting high wage positions at ATK Launch Systems. The number of lost jobs and lack of replaceable income has created a nearly 10 percent unemployment rate. The other two counties experienced an increase in unemployment claims and market changes that have affected the economic structure of the service area.

Emerging industries are scarce for the area. However, expansion of USU's regional campus in Brigham City will bring jobs, education, and recognition to the county.

The department's Workforce Research and Analysis division has identified healthcare, manufacturing, leisure and hospitality, renewable energy, and retail as the key industries in the Bear River Service Area. Our employment and training efforts reflect those industries as part of our demand driven focus.

The strategies utilized during the previous fiscal year called for the development of a trained and educated talent pool to accommodate the human capital needs of local employers. Based on a current labor market analysis, these strategies will continue to be necessary to revive the economy and support the different county needs. The fast pass Business Expansion and Retention project will be implemented to achieve the necessary outcomes and provide a quality service throughout the Bear River service area. Job seekers are in need of a more complete portfolio including job



readiness skills. Education, experience, and job readiness skills are the key to reattach to the workforce. The number of applications per job is excessive, creating a more competitive environment for the job seeker.

Due to the significant layoffs at ATK Launch Systems, Utah was awarded a National Emergency Grant to assist individuals displaced from ATK Launch Systems. DWS continues to provide training, re-employment and/or support services to workers that were dislocated from ATK from April 2009 through November 2010. We served more than 150 trainees. Training services focus on classroom training, on-the-job training and apprenticeships in occupations in demand that will lead to employment. Training programs are not to exceed two years. The department expects to train 200 individuals.

Examples of the stepped up effort in the Bear River Service Area show that it has placed 70 percent of its enrollees in their field of training, the adult entered employment rate is 77 percent and 84 percent of adults have retained employment.

As a fairly new presence in Northern Utah, the DWS will continue to establish itself as a valuable community partner to meet the economic needs of the residents of Box Elder, Rich and Cache counties. A prime example of that is with the support of officials from Rich County and Garden City. DWS opened an Employment Center in Garden City on September 15, 2011.

The department through the establishment of the Bear River Service Area understands the unique needs of this labor market, and is looking forward to meet those needs.

Wasatch Front North Service Area

Davis, Weber and Morgan Counties

The Wasatch Front North Service Area focused on identifying and fulfilling employer needs, economic development and helping our customers obtain employment. This philosophy has shaped our service delivery model and resulted in some impressive outcomes.

Becoming an active member of the Davis, Ogden/Weber and Morgan county Chambers of Commerce as well as serving on numerous employer advisory councils has integrated the department into the employer community. Service area staff participated in two major employer focus groups. The first focused on the trucking industry. Gathering trucking employers together and listening to their concerns helped us develop a better screening tool for potential drivers and a more qualified workforce. The second focused on the call center industry. DWS facilitated a forum of call center employers and educators that led to the development of call center training curriculum administered through the Ogden/Weber ATC.

In partnership with the Ogden Foundation, DWS is involved in the revitalization and economic development of inner city Ogden by providing funds to hire unemployed construction workers to help in the rehabilitation of dilapidated rental properties. These renovated homes will be sold as single family dwellings and any profits will be used to purchase and fix up additional homes.

The WIA Youth program served 580 youth. One of the most successful projects was the “Strive to Thrive” leadership conference held at Weber State University. Nearly 200 youth were inspired by numerous presenters who shared their life experiences about



overcoming adversity and learning how to succeed. This event had a profound effect on the attendees and many of their lives may have been changed forever.

Another group of individuals we wanted to give more attention to was homeless veterans. Having our veteran’s representatives on site at the St Anne’s homeless shelter and the Ogden Homeless Veteran’s Fellowship has proven to be very beneficial. DWS is now serving an average of 14 homeless veterans per month.

In January, the Work Success program was implemented for FEP customers. This completely transformed our emphasis from participation to a “work first” program. Immediately after financial benefits have been approved, those customers identified as work ready are placed in the Work Success activity. They are assisted in making their own job searching portfolio and preparing for interviews. They learn networking skills and begin their job search. We placed 79 customers in jobs within 30 days of exiting Work Success. The FEP caseload changed dramatically with 23 percent of our customers being employed.

The ongoing recession has demonstrated how valuable education is to employment. The downturn in the economy has been very punishing to those with lesser educational achievement. Not having a high school diploma can be an insurmountable barrier to getting a job. To help our FEP customers overcome this barrier we implemented a high school completion/GED incentive project. Customers are given a cash reward once they achieve this goal.



Wasatch Front South Service Area

Salt Lake and Tooele Counties

Although the past year was one of transition for the Wasatch Front South Service Area Council, the council supported a number of successful workforce projects, and, in partnership with the Area Director, created an employer-led Executive Advisory Group to help better respond to employer demands and identify solutions to current workforce challenges. This Executive Advisory Group will also help coordinate and provide oversight to other local ad hoc groups that organize around specific industries or other workforce issues.

In an effort to re-vamp the customer workshops to be more in line with employer needs, workforce development staff called together a small group of employers, council members and education partners to review workshop curricula. The group shared their expertise and recommended a number of changes to the curriculum content of various workshops. We incorporated the suggestions and enhancements and more than 4,000 customers attended employer validated job search workshops during the past year.

In partnership with Salt Lake Community College (SLCC), a Dislocated Worker One Stop Employment Satellite Center was opened on the SLCC Miller Campus. At this site, laid off workers in need of retraining can receive the full range of DWS training services and at the same time, have the opportunity

to enroll in targeted occupational training courses at Salt Lake Community College.

Service area staff also collaborated with the Governor's Office of Economic Development (GOED), Economic Development Corporation of Utah (EDCU) and other partners on several economic development ventures that targeted employers looking to relocate or expand operations in Utah. These new expansions and relocations will result in enhanced employment opportunities and new skill sets for Utah workers.

ITT Composites opened an expansion facility in Utah. The Department of Workforce Services assisted in connecting ITT Composites with Salt Lake Community College. As a result, SLCC has developed a revised, more up to date employee training curriculum that includes an engineering element.

After Darigold purchased Cream O' Weber, the department played a significant role by supporting the retraining of incumbent workers in new, innovative processes and in the use of state-of-the-art equipment.

The Wasatch Front South Service Area will continue to meet the economic development needs of the state with its ongoing partnership with GOED, our partners in education and private industry.

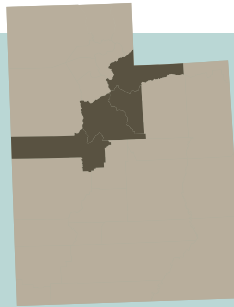
Mountainland Service Area

Utah, Wasatch, Summit and Juab Counties

With the launch of the department's Workforce Development Division, the Mountainland Economic Service Area's focus has been on connecting employers, job seekers, and community and educational partners on initiatives to match job seekers with work opportunities. This initiative involves collaboration with Wasatch Front South and Wasatch Front North Economic Service Areas to identify our targeted industries for training.

A "Hyper Drive" job development model has been developed to meet employer needs and manage our workforce inventory. Weekly coordination meetings are held with job developers, workforce development specialists, and employment counseling managers and supervisors to insure collaboration throughout the service area. Also industry workshops have been established to engage job seekers with employers to hear firsthand the skill sets necessary to become employed in this very competitive job market. For those individuals who decide that they want to leave a non-growth occupation, employment counselors are present to discuss possible training for a new career in occupations in demand.

As part of our strategy to stay connected to our employers, we have joined many of the existing advisory groups pertinent to our targeted industries with our partners in education and industry. We have also established a health sciences partnership to engage high school students into healthcare occupations by partnering with our hospitals to offer job shadowing opportunities and career exploration fairs and talk to healthcare professionals firsthand



about their occupations. With an aging population healthcare is an excellent career choice.

By using a job exchange broker to match job seekers to current employer needs, we notify possible matches in the Uworks system of the job opportunity. Workforce development staff works with employers to help ensure they get applicants referred to their openings and coordinate eligibility of incentives to employers through personal contact with the job seeker by a job developer or workforce development specialist.

For those job seekers who have been out of the job market for a significant length of time, job clubs are held each Tuesday and Thursday at each of our employment centers. Job seekers meet to network, discuss and learn job search strategies from our job club coordinators. A popular feature of these job clubs is what has come to be known as "Interview Extravaganzas," inviting job seekers in the service area to attend and interview with DWS staff and employers. Through this initiative we have engaged over 200 job seekers in these extravaganzas, and have had more than 250 participants gain employment in the Mountainland Economic Service Area since the implementation of job clubs in January 2011.

As an ongoing process to improve efficiency we continue to implement and use the Throughput Operating System (TOS) and discuss TOS issues at each of our management and staff meeting to determine any constraints to meet our goals, and strategies for reducing those constraints.

Castle Country, Southeast and Uintah Basin Service Areas

Carbon, Emery, Grand, San Juan, Duchesne, Uintah and Daggett Counties

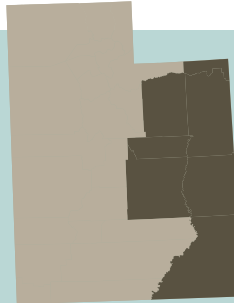
The three Service Delivery Areas in eastern Utah – Castle Country, Southeast, and Uintah Basin – had a significant year in terms of accomplishments and economic activity. Partnerships with economic development offices were strengthened as the Business Expansion and Retention (BEAR) program was implemented in all three of the service areas. BEAR is a program where businesses are interviewed by a BEAR specialist and asked to identify challenges and opportunities. The BEAR program specifically targets businesses that are trying to grow or expand.

Stoneriver Pharmacy Solutions is a prime example. It opened its doors in Price and has already expanded to a second location. The company has utilized DWS to assist with hiring and has also taken advantage of the department's Back to Work and OJT Programs.

In the Uintah Basin, DWS played an active role in a Lodging/Tourism Task Force that was created to jump start interest in tourism and customer service from local businesses. The reopening of the Dinosaur Quarry in October 2011, a world-renowned facility, provided the motivation to develop a very successful customer training program that was shared with more than 150 local businesses. DWS provided a portion of the funding for the training.

For the past year, the trucking industry has experienced a considerable shortage of drivers in the Uintah Basin. In early February, an initial job fair was held in the Roosevelt area for truckers seeking work, with about 40 drivers and five employers participating. Later, on February 24, a larger job fair was held in Vernal, with more than 15 employers and 300 potential drivers attending.

Grand County has just gotten through some huge construction years with completion in 2010 of a new elementary school, high school addition, recreation center and beautiful new hospital and care center.



DWS held a very successful hiring fair in March with more than 250 job seekers and 40 employers participating. In July the focus in Grand County then turned to a

large layoff at the Moab Tailings Removal project, and finding jobs for those workers who will be impacted. A Rapid Response session was subsequently held in July for the 43 displaced workers, which was followed by a job fair with local and regional companies that were looking for workers.

In 2010, DWS convened a Southeast Healthcare Task Force to address workforce needs in the healthcare industry. Executive management from all of the providers participated as well as education officials. The Task Force developed a proposal that would provide a CNA program in Moab, a distance education site in Moab for healthcare courses, and a set of high definition patient simulators for use by the USU offices in Blanding and Moab. DWS was able to fund the proposal and the Task Force was very enthused to have this new training capacity.

The Basin Transit Association (BTA) was successful in starting a transit system in the Uintah Basin. In May, after years of planning and work, the Basin Transit Association held a grand opening. Two transit buses run regularly between Duchesne and Vernal, with a third doing a continual loop around the Vernal area. DWS is a partner on the BTA Transit Board, and played a major role in getting the project off the drawing boards and onto the street.

The SESP grant has been implemented across all three ESAs, and will include training courses in green construction and CNG conversion. Additionally, Native American Youth in San Juan County have constructed some hogans on the reservation as part of the SESP grant. The Summer Youth Employment program is being used to support the SESP Hogan project and provide eligible WIA enrolled youth soft skill development during the summer.

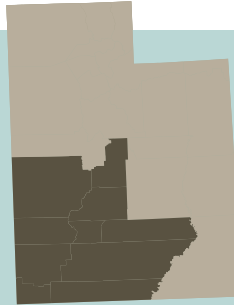
Central Utah and Southwest Service Areas

Washington, Kane, Iron, Garfield, Beaver, Piute, Wayne, Millard, Sevier and Sanpete Counties

The Central Utah and Southwest Workforce Development Council underwent reconstruction last year as the Department of Workforce Services revamped the State Workforce Investment Board. Each Service Area council decided how to formulate the new council structure that would best meet local needs. Southwest and Central Utah Workforce Development Council encompasses ten counties, mostly rural with the exception of Washington County. The value of partnerships in the rural area rose to the forefront as the council considered restructuring the system we operated under in the past. The council, after considering many options, determined they would prefer to continue as a formal group with existing membership and partners participating as well as invitations to new industry members. The new Workforce Development Council will assist area management determine targeted industries, workforce development and employer training needs. They will recommend new advisory groups based on local need and will recommend industry representatives to participate as projects rise to the surface based on local workforce development needs.

Partnerships remain strong with economic development, education, WIA partner agencies and private industry. The value of these partnerships is immeasurable within the ten counties served by the Workforce Development Council. Collaboration has always been a top priority, which leads to success for all workforce development partners.

These partnerships foster many successful results such as the participation in the Utah Cluster Acceleration Partnership (UCAP) project with Dixie State College,



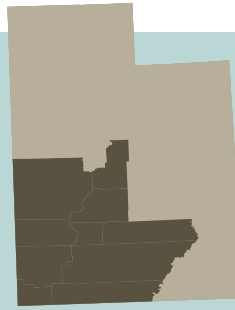
Southern Utah University and Snow College.

To reach some of the most rural areas in the state, DWS participates in “The Safety Net Program.” Partners meet on a monthly basis with Utah and Arizona agencies and individuals to ensure that isolated communities have access to all available services. We’ve also engaged the Piute Native American Tribe to present pertinent economic and labor market information to Tribal leaders

One of our main workforce development goals last year was to develop strategic partnerships with employers in private industry, education and economic development agencies. DWS Special Administrative funds were used to increase and enhance these partnerships. One example is the Step-Up Employment Subsidy which offers employers an incentive to hire current Unemployment Insurance claimants. Step-Up targets those claimants who have exhausted their benefits and do not qualify for the Back-to-Work employer incentive. The project subsidizes employers to hire a UI claimant who has exhausted their benefits. Employers are paid \$500 at the time of hire and \$1,500 after the third month of retention for a maximum of \$2,000. The incentive gives employers the opportunity to hire a new person with less risk because a portion of their salary is being funded through the Step-Up project.

Another example is the Business Expansion and Recruitment Project (BEAR). The concept is that rural areas need to grow their own businesses and expansions, rather than depend on persuading a new enterprise to come to their communities. Data collected from a business is entered into a computer system. Referrals can then be made to the appropriate parties such as Small Business Development Centers, DWS, Economic

Central Utah and Southwest Service Areas Cont.



Development Specialists and Technology Colleges. DWS expected outcomes include an increase in worksites for DWS customers, and an increase in job order postings on jobs.utah.gov.

Similarly, we have extremely strong partnerships with education institutions in the service area include Commercial Driver's License Training at Snow College. Another example is the Dixie Applied Technology College American Heart Training Center. This center provides all levels of certification and non-certification courses for CPR, First Aid, Pediatric First Aid, Advanced Courses, and Instructor Training. Presently, training has focused on IHC employees, care centers, doctor's offices, and local health clinics.

These are just a few of the many examples of the importance of partnership in the Central Utah and Southwest Service Area. In an area of ten counties with a wide geographic reach, partnerships are vital to our ongoing success.

Budget Summary

Department caseloads for Unemployment Insurance, Food Stamps, Medicaid and Employment Services remained at record levels throughout SFY 2011. The economies of both Utah and the nation continue to struggle. This has had a significant impact on the Department of Workforce Services budget. Unemployment in the state dropped slightly, but the need for support services such as Food Stamps and Medicaid continued to rise. At the same time, state revenue continued to drop. Due to the state's economic situation, the Legislature reduced the department's State General Fund budget by 5.66 percent. National stimulus funding continued to provide additional dollars for client payments and some services.

In state fiscal year 2011, the total DWS expenditures were more than \$1.366 billion, a thirteen percent decrease from SFY 2010. Of this total, more than \$1.157 billion was for direct benefits and assistance to DWS customers, including more than \$644 million in unemployment insurance benefits paid. Most of the department decrease was in unemployment insurance payments, a 27.29 percent decrease from SFY 2010 benefits paid.

Food Stamp benefit payments continued to increase. Food Stamp benefits paid were \$388 million, a 10.9 percent increase over SFY 2010 which was an increase of 62.18 percent over SFY 2009. Financial assistance of the Temporary Assistance for Needy Families (TANF) payments were \$48.45 million, a 1.8 percent decrease, reversing the increase started in SFY 2008. Childcare payments increased to \$46.87 million. The Workforce Investment Act program expenditures decreased 20.6 percent during SFY 2011.

For SFY 2011, the Unemployment Insurance benefits were extended several times with ARRA funding, continuing the growth in unemployment insurance payments. For TANF, Utah was again able to qualify for the caseload reduction credit, which historically reduces the state funded Maintenance-of-Effort (MOE) requirement by 5 percent.

DWS spent \$4.6 million for state-funded programs including the General Assistance Program. General Assistance Program expenses were \$3.15 million for SFY 2011. Additionally, the Department funded a supplement for the Children's Health Insurance Program (CHIP) of \$2,447,291 General Fund in addition to the contracted allocation.

Caseload increases have shifted funding requirements from federally funded programs to programs that require a state fund match, such as Food Stamps and Medicaid. The department addressed the funding shift by establishing Memoranda of Understanding with public and private organizations to use qualified activities as part of the state's MOE funding.

During SFY 2011, DWS received 95.64 percent of its funding from federal, unemployment insurance trust, dedicated credits and restricted funding sources. TANF MOE agreements through the year enabled DWS to offset \$17.7 million of state funding to support Food Stamp, Medicaid, Child Care and some reduced State funded programs.

Additional MOE replacement data totaling \$9.5 million enabled the Department to get additional federal TANF Contingency funding.

Budget Summary Cont.

Category	Program	\$ Amount	Percent of Category	Percent of Total
Federal Funds, Transfers and Restricted Funds ¹	TOTAL	\$1,301,078,692	100.00%	95.24%
	Unemployment Insurance ²	676,948,135	52.03%	49.55%
	Workforce Investment Act	14,089,843	1.08%	1.03%
	Wagner Peysen/ Employment & Training	10,811,107	0.83%	0.79%
	Other Department of Labor	12,737,632	0.98%	0.93%
	SNAP (Food Stamps)	416,984,212	32.05%	30.52%
	TANF	85,232,338	6.55%	6.24%
	Child Care Development	57,309,921	4.40%	4.20%
	Refugee Services	7,377,435	0.57%	0.54%
	Medicaid	18,430,256	1.42%	1.35%
	Children's Health Insurance	2,459,790	0.19%	0.18%
	Primary Care Network	1,275,577	0.10%	0.09%
	Social Services Block Grant	15,000	0.00%	0.00%
Reed Act Distribution	(2,592,554)	-0.20%	-0.19%	
State Funds and Special Administrative Expense Account	TOTAL	\$59,540,002	100.00%	4.36%
	State Funded Programs/Gen. Assistance	4,639,990	7.79%	0.34%
	SNAP/Food Stamp Match	25,407,197	42.67%	1.86%
	TANF MOE	3,198,655	5.37%	0.23%
	Child Care MOE	5,328,772	8.95%	0.39%
	Medicaid Match	18,430,256	30.95%	1.35%
	Primary Care Network	1,275,577	2.14%	0.09%
	Children's Health Insurance	2,447,291	4.11%	0.18%
	Refugee Services	173,060	0.29%	0.01%
	Reemployment Programs ³	580,839	0.98%	0.04%
	Other State Funds ⁴	(1,941,635)	-3.26%	-0.14%
Dedicated Credit Revenue	TOTAL	5,472,046	100.00%	0.40%
TOTAL	TOTAL ALL FUNDING SOURCES	\$1,366,090,740	100.00%	100.00%

1) Includes Federal Funds, federal ARRA funding, along with SNAP (Food Stamps), Unemployment Insurance (UI) Client Payments, and Transfers, (CHIP and Medicaid).

2) Includes Reed Act distribution.

3) Special Administrative Expense Account Funding

4) Statewide Cost Allocation - State funds used by other state agencies for DWS services that can be used as match for federal programs.