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Workforce Innovation and Opportunity Act (WIOA) Annual Statewide Performance Report Narrative for Titles I and III

Program Year 2020



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In Program Year (PY) 2020, Arizona's workforce system continued to promote the State's strategic vision and goals, as described in its State Workforce Development Plan (Unified State Plan). The workforce system, branded as ARIZONA@WORK, has operated this year against the backdrop of an ongoing pandemic and, notwithstanding, an Arizona economy showing signs of rebounding from its effects (Appendix A: Arizona Economic Overview). ARIZONA@WORK's activities are highlighted in this Annual Statewide Performance Report Narrative and include:

- Employing innovative, technology-driven service delivery to reach and prepare job seekers and to serve business needs;
- Strengthening partnerships within the workforce system, with industry sectors and the larger community; and
- Leveraging individual training accounts to help prepare more in-school youth for a competitive labor market.

The Arizona Department of Economic Security (ADES), the State Workforce Agency, prepared this narrative with contributions from the Arizona Office of Economic Opportunity (OEO) and local workforce development areas. This narrative covers the Adult, Dislocated Worker, Youth (Title I) and Wagner-Peyser Employment Service (Title III) Programs under the Workforce Innovation and Opportunity Act (WIOA). Adult Education (Title II) and Vocational Rehabilitation (Title IV) coordinated in the development of this narrative.

Waiver: Use of Individual Training Accounts for In-School Youth

The use of Individual Training Accounts (ITAs) for in-school youth is the only waiver approved for Arizona and one that has been in place for at least one PY. The waiver supports the State's goal of preparing job seekers and helping them defend against poverty by:

- Helping more youth obtain industry-recognized credentials that lead to employment;
- Encouraging the transition of youth, including those with low-skill levels, to postsecondary education and supporting entry into career pathways; and
- Encouraging service providers to support in-school youth in postsecondary education by issuing an ITA to assist with training costs, thereby facilitating completion of the training program.

Impact on Performance Outcomes

The waiver has positively impacted program outcomes by increasing the number of participants who have attained a recognized postsecondary credential and made measurable skill gains in the interim. Local workforce development areas have reported 95 ITAs that were established for in-school youth in PY 2020. The ITAs helped fund occupational skills training leading to various in-demand occupations such as cosmetology, medical assisting, nursing, and others.

In addition to its impact on credential attainment and measurable skill gain rates, the waiver is expected to increase the employment rate and median earnings of participants. ADES will collect and analyze quantitative information to determine whether, and to what degree, data supports this assertion.

Services to Prepare Job Seekers

Technology-Based Services to Job Seekers

The challenges posed by the pandemic indirectly created opportunities for programs to enhance the use of technology to communicate with and provide services to job seekers. The prevalence of virtual services was a result of efforts to stem the spread of COVID-19; but it has also addressed common roadblocks to receiving services in person, such as lack of childcare and transportation. As highlighted below, technology-based service delivery has allowed employment and training participation of more individuals with barriers to employment.

Resource, Employment, and Development (RED) Program

The RED Program provides employment services to inmates who are within 30-45 days of being released. RED identifies and presents an opportunity for inmates to participate before reentering their communities. Similar to the Second Chance Center Program, RED is a partnership between the Arizona Department of Corrections, Rehabilitation and Reentry (ADCRR) and ADES. ADES reentry staff remotely facilitate employment preparation classes, while ADCRR correctional officers supervise inmates who attend classes onsite. There are eight participants to a class, which is four weeks long and is taught through a teleconference platform such as Google Meet.

Orientation on community resources is a component of the RED Program. Thus, community partners are brought in virtually to provide information on vocational rehabilitation, the Supplemental Nutrition Assistance Program, child support, financial literacy, emotional support services, mental awareness, and motivational services.

The program is currently in seven prisons and 18 units, with a potential for expansion. To date, 847 participants have graduated from the RED Program.

Parolee Referral System

To connect with more individuals who are pending release from incarceration, ADES continues to use an electronic referral system for Maricopa County and Pima County, which was introduced in August 2019. ADES reentry staff receive referrals for employment services from parole officers through the system. Employment services include barrier mitigation, employment preparation, and job placement.

This electronic referral system has led to an increase in the number of parolees served and has expanded to eight rural parole offices in Arizona, including Flagstaff, Prescott, Snowflake, Yuma, Pinal County, Cochise County, Safford, and Kingman.

Reentry Services

The State reserve has been instrumental in strengthening and expanding reentry services in Arizona. The Second Chance Center Program was established in 2017 and initiated by Governor Douglas Ducey as part of a statewide effort to reduce the rate of recidivism by 25 percent over the next ten years. Through an innovative multi-agency partnership between ADCRR and ADES, three Second Chance Centers were established at the Lewis, Perryville, and Tucson state prisons. At these centers, corrections professionals and employment counselors facilitate a comprehensive ten week training program to inmates nearing release, preparing and equipping them with career and life skills needed to succeed after prison.

In addition to Second Chance Centers, Community-Based Reentry Programs in parole offices in Phoenix, Mesa, and Tucson provide services that are available to anyone on parole. The Native Health Center and the New Freedom Center are additional resources open to the public and specialize in assisting people that have background barriers.

Services to Veterans

The Adult, Dislocated Worker, Youth, Wagner-Peyser Employment Service, and Jobs for Veterans State Grant Programs continue to work closely and collaboratively to provide services to Arizona's veterans. State and local area staff implement priority of service for veterans and eligible spouses by using assessment tools that identify covered persons at the point of entry. Staff also use a common assessment tool to identify covered persons with barriers to employment and refer them to Disabled Veterans Outreach Program staff for individualized career services. As a result of program collaboration and coordination of services, Arizona served 2,501 veterans in PY 2020.

In addition to providing direct assistance, staff also connect eligible veterans to federal services such as the Veteran Readiness and Employment (VR&E) services. ARIZONA@WORK currently has designated staff in Phoenix, Tucson, and Prescott who liaise with VR&E. The ARIZONA@WORK averages 60 VR&E case referrals per year.

Integrated Education and Training (IET) Programs

IET Programs involve accelerated programming designed to combine high-quality adult education, workforce preparation, and workforce training. Collaboration between Title I and Title II providers is based on co-enrollment of participants, with Title II providing instruction in literacy and workforce preparation, and Title I paying for costs associated with training through an Eligible Training Provider. Prior to the COVID-19 Pandemic, most IET Programs took place in face-to-face settings. However, with a dramatic shift to virtual services in PY 2020, several Title II providers were able to work with their one-stop partners and pivot to virtual education and training services. A prime example is Rio Salado College Bridge Pathways, which worked with the Maricopa County

one-stop to offer the Medical Assistant credential, part of a high-demand job sector in Maricopa County.

Maryvale Workforce Initiative

The Maryvale community in Maricopa County is considered a high-need area in terms of supportive services. Community-specific projects have been occurring over time, but a workgroup is re-focusing and helping coordinate efforts by community partners and leaders to best connect job seekers to educational opportunities that match employer needs in the area.

National Dislocated Worker Grant (DWG)

Arizona received the DWG to support disaster relief employment for eligible dislocated workers. The \$1,332,000 grant is intended to fund 33 positions in food banks and other programs that provide essential support to individuals impacted by the COVID-19 Pandemic.

ADES has so far used the funds to support positions in the Arizona Food Bank Network (AFBN) and Community Action Agencies (CAA). AFBN and CAA help unemployed individuals and families secure food, rental assistance, and utility assistance.

To connect more dislocated workers with employment through DWG, ADES is additionally working with community action partners that provide assistance through the Low Income Home Energy Assistance Program and Community Service Block Grant. Case management and administrative positions will increase the programs' capacity to process requests for assistance from individuals and families at risk of losing their housing, utilities, and other basic necessities. Increased capacity that leads to timely processing and delivery of assistance would mitigate the ongoing impact of the pandemic, especially on Arizona's most vulnerable populations.

The period of performance for the DWG is April 1, 2020 thru June 30, 2022.

Rapid Response

ADES continues to provide Rapid Response services to businesses experiencing layoffs or closures. Such services are a collaborative effort: ADES staff and the businesses create a customized plan that outlines activities and resources for the business and its affected workers. ADES, local workforce development areas, and other partners coordinate the provision of services.

In PY 2020, ADES received 27 notices affecting 4,739 workers statewide, down 86 percent from 34,159 in PY 2019. Sixteen of the 27 businesses received Rapid Response services through ARIZONA@WORK. The businesses were located in the following local workforce development areas: City of Phoenix, Maricopa County, Pima County, and Yuma County. The business services team, staff from Trade Adjustment Assistance Program, Unemployment Insurance Program, OEO, and local workforce

development areas worked together to provide the affected workers with information, resources, and referrals to training or jobs with immediate openings.

Although more than half the businesses received Rapid Response services, more businesses and their workers could arguably have been recipients of services if not for one barrier identified this year: the majority of notices were dated after the employees had already separated from their respective employers. It then became a challenge to reach affected workers and provide them with services.

The ADES business services team works closely with local workforce development areas to perform all Rapid Response activities. Business services team members are present in almost every local area to coordinate as well as directly provide services to employers and affected workers. To further support this collaboration, ADES updates the system of record, Arizona Job Connection (AJC), with notices that may be easily accessed by ARIZONA@WORK staff and partners, the public, as well as the media.

In addition to performing Rapid Response activities, ADES implemented the following layoff aversion strategies in PY 2020:

- Referral to the Arizona Shared Work Program: 207 companies with 2,298 employees participated in the Shared Work Program, which allowed the companies to divide available work or hours among affected employees, instead of reducing the workforce.
- Worker upskilling initiatives: work-based learning activities such as incumbent worker training and on-the-job training have been used to advance worker skills and obviate layoffs.

Business Engagement and Sector Strategies

Similar to initiatives that support Arizona's goal of a prepared and skilled workforce, business engagement and sector strategies support the State's overarching objective to serve the needs of job creators. As identified in the State Plan, these strategies encompass (1) industry sector partnerships, (2) the use of ARIZONA@WORK services, (3) a focus on job-seeker transferable skills, (4) utilization of work-based training, and (5) diversification of registered apprenticeship.

Enhancing Industry Sector Partnerships

ADES and OEO continue to work closely on projects that enhance industry sector partnerships. As described below, the projects strengthen the connection between the workforce system and industries such as manufacturing and insurance as well as facilitate skill development in customer service occupations.

Arizona Advanced Technologies Network

The Arizona Advanced Technologies Network is an innovative partnership of ARIZONA@WORK, state government, multiple postsecondary educational institutions, industry, and nonprofit stakeholders. The initiative seeks to impact the available labor

supply both quantitatively and qualitatively for the advanced manufacturing sector in Pima, Pinal, and Maricopa Counties.

Arizona Insurance Industry Talent Pipeline Project

The mission of the Arizona Insurance Industry Talent Pipeline Project is to connect companies to a talented workforce in a growing industry. This is accomplished by bringing key stakeholders together to work toward industry-led goals. This project assists in recruitment efforts and in providing licensing courses, license tests, and on-the-job training for each new hire.

Virtual Agent Training Project


The Virtual Agent Training Project is designed to assist customer service centers in Arizona by facilitating the development of pertinent skills in job seekers. The project entails the use of a customer service training curriculum developed by a local company. This curriculum has been incorporated into training delivered to Adobe Mountain School, a secure care juvenile correctional facility. The relevance of customer service skills to various industries and the high concentration of customer service representative jobs in Arizona (Bureau of Labor Statistics, May 2020) underscore the significance of this project.

Increased Use of ARIZONA@WORK Services

To promote awareness of the ARIZONA@WORK system and increase its use among employers and job seekers, ADES, OEO, and local workforce development area partners have focused on activities that (1) increase staff's own knowledge of the workforce system and its services and (2) strengthen partnerships between core programs and community organizations.

The following are highlights of training and projects intended to equip staff with information and knowledge that enable them to effectively assist job creators in Arizona:

- The ARIZONA@WORK resource web page was developed as a repository of information and resources for workforce professionals. It allows access to the latest workforce development forms, desk aids, videos, articles, and files.
- To enhance the employer experience, an interactive information series on employer engagement was piloted for state business services team members. For example, technical assistance on employer involvement in the Eligible Training Provider List (ETPL) will continue throughout the next PY as it aligns with initiatives that are centered around employer engagement and job-seeker training that leads to in-demand occupations and a sustainable living wage.
- The ADES business services team hosts a monthly technical assistance teleconference which focuses on the system of record, AJC. The calls concentrate on how staff and business partners may use the system's functions most effectively.



Workforce system partners strengthen the ARIZONA@WORK network by continuing to engage one another and the larger community. Partner and community engagement is generally facilitated through regularly scheduled meetings and huddles, which are a forum for strategic discussions and information sharing. An example is the weekly ARIZONA@WORK Business Services Statewide Huddle (established early 2017), which was restructured to align with post-COVID-19 needs. The business services team introduced an industry theme that includes current ARIZONA@WORK employers, state labor market information, and best practices.

Focus on Transferable Skills

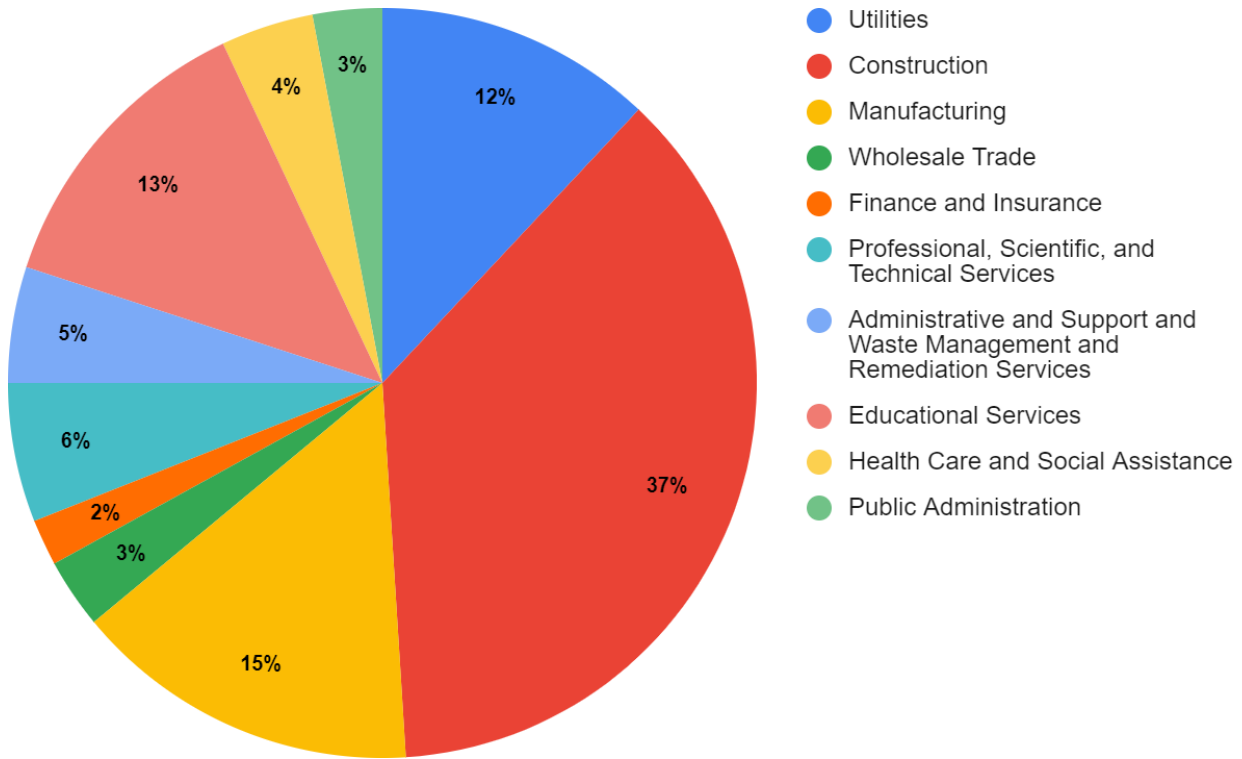
The onset of the pandemic highlighted the importance of transferable skills when hospitality and food-service workers were abruptly displaced because of hotel and restaurant shutdowns. ADES, OEO, and local workforce development area partners worked closely together to match displaced workers with jobs that require a similar skill set. For example, customer service skills and some technical skills (such as those needed in operating point-of-sale devices) that are required in accommodation and food service industries are also essential in occupations in healthcare, transportation, and retail.

Incumbent Worker Training

The City of Phoenix partnered with ten companies to provide incumbent worker training to a total of 183 workers. The training led to worker upskilling, promotion, and higher salaries. ADES and local workforce development area partners continue to develop the availability of incumbent worker training and other work-based learning activities as an employer engagement tool.

Registered Apprenticeship

The Arizona Apprenticeship Office continues to assist Arizona businesses with attracting and retaining quality talent and job seekers who are in pursuit of worthwhile employment and viable career pathways. In the past year, Registered Apprenticeship in Arizona has experienced growth and diversification of opportunities in sectors that include construction, health care, manufacturing, finance and insurance, information technology and many more, as depicted in the chart below:



Effectiveness in Serving Employers

Arizona’s State Workforce Development Plan identifies two indicators of effectiveness in serving employers: employment retention rate and employer penetration rate.

Retention Rate

Retention rate is the percentage of participants who exit the program and are employed with the same employer in the 2nd and 4th quarters after exit. In PY 2020, 59 percent of participants remained employed with the same employer in the 2nd and 4th quarters after exit, up from 58 percent in PY 2019.

Employer Penetration Rate

Employer penetration rate is the percentage of employers in Arizona that use the ARIZONA@WORK services. The Penetration Rate for PY 2020 is 4.8 percent, up slightly from 4.34 percent during PY 2019.

State Indicators

In addition to the previously mentioned indicators, the Workforce Arizona Council (State Workforce Development Board) established the following to measure effectiveness in serving employers:

- Average number of days to fill positions through ARIZONA@WORK staff-assisted job postings;

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- Percentage of employers who confirm that ARIZONA@WORK assisted in identifying qualified job applicants; and
 - Number of businesses whose sites were visited by an ARIZONA@WORK business services representative.

The average number of days to fill job openings was difficult to acquire for PY 2020 because of challenges in determining data integrity. The challenges may be attributed to the disproportionate number of new employers to the number of job seekers this PY. As a countermeasure to the declining job seeker numbers across the state, the ARIZONA@WORK business services team continues to search for alternative and expanded job seeker pipelines for employers.

Employers who expressed satisfaction with the number of qualified applicants they received is at 47 percent, down 6 percent from last PY. PY 2020 continued to be a tough labor market to identify job seeker candidates for employers. According to OEO, Arizona's labor force participation rate is currently at 60.5 percent, which is 1.1 percent below the United States labor force participation rate.

The number of businesses whose work sites were visited by an ARIZONA@WORK business services team member was zero this year due to COVID-19. The team is working with the Workforce Arizona Council to develop a measure that effectively captures the team's services to employers and the impact of those services.

The ARIZONA@WORK business services teams share best practices, collaborate on employer plans, and document the work. Notable services are identified in the report submitted to United States Department of Labor (U.S. DOL) as follows:

- Employer information and support services – 6,473 (PY 2020) up from 5,381 (PY 2019);
- Training Services - 37 (PY 2020) up from 17 (PY 2019); and
- Workforce Recruitment Assistance - 4,852 (PY 2020) up from 4,174 (PY 2019).

Customer Satisfaction: Job Seekers and Employers

Methodology

ADES gathers customer satisfaction information as follows:

- From participants who have exited Titles I and III programs during the PY; and
- From employers who received services through Titles I and III during the PY.

Staff generate a list of participants and employers who meet the criteria above on a monthly basis and send survey questions by telephone, email, or SurveyMonkey. Participants and employers are asked to rate their satisfaction on a scale of one to ten, one being the lowest and ten the highest level of satisfaction. Survey questions cover the following areas:

- Overall satisfaction with services;

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- Whether services met expectations;
 - How services compare to the person's ideal set of skills; and
 - Whether ARIZONA@WORK assisted the employer in identifying qualified job applicants (for employers only).

Response Rate

Exited Participants

Six hundred eleven of 710 participants surveyed, or 86 percent, responded to the survey. The survey yielded an 87 percent satisfaction score, which is based on satisfaction ratings for each survey question or criterion. (Refer to Tables B1 and B2 in Appendix B: Customer Satisfaction Surveys.)

Employers

Three hundred nine of 642 employers surveyed, or 48 percent, responded to the survey. The survey yielded a 79 percent satisfaction score, which is based on satisfaction ratings for the first three survey questions or criteria. For the last employer survey criterion (assistance in identifying qualified applicants), 47 percent of employers who responded expressed satisfaction with the number of qualified applicants they received. (Refer to Tables B3 and B4 in Appendix B: Customer Satisfaction Surveys.)

Generalizability of Results

The employer survey results can be generalized to all employers who received services during the PY. However, the participant survey results can be generalized to participants who have exited the program only, as the sample is pulled specifically from this population.

ADES will explore the feasibility of including other job seeker groups (i.e., active participants and other reportable individuals) in the survey to make the sample representative of all job seekers who received services in a given PY. The objective is to expand the generalizability of survey results and better inform continuous improvement efforts of the workforce system.

Customer Satisfaction and Continuous Improvement

ADES shares survey results with local workforce development areas, to be analyzed and used to improve service delivery. The results are intended to be part of ADES' and of each local area's continuous improvement process, to guide customer service delivery and staff professional development. The ADES business services team also uses the monthly survey results to identify and address any issues related to serving employers.

In addition to the statewide surveys described above, each local workforce development area develops its own tools to assess job seeker and employer satisfaction with the

local one-stop delivery system. Most local areas utilize surveys to assess job seeker and employer satisfaction, and the results are reported to their respective local workforce development boards by the one-stop operator. ADES and OEO review these customer satisfaction tools during the job center certification process.

For continuous improvement efforts, local workforce development boards must describe goals and plans for improvement for three measures used to determine the effectiveness of the job centers, which is also reviewed as part of the job center certification process.

Evaluation and Research Projects

Workforce Training Outcomes

The OEO's Economic Analysis (EA) team sought input from stakeholders, including ADES and local workforce development areas, on the need for data on workforce training outcomes. Stakeholders affirmed that the data would be useful for future strategic planning efforts. Based on this feedback, EA reviewed data from PY 2016 to PY 2019 and analyzed the differences in employment and wage outcomes. Key data points in the analysis included the following: training participation and completion, occupational training type, local workforce development area, and program type. According to statewide PY 2019 data, Title I participants who completed training were 20 percent more likely to be employed and made, on average, \$2,301 more in wages per quarter than those who did not complete training. Employment success and wage outcomes among the occupation training types varied, with some occupation training types having substantially better outcomes than others.

Based on the analysis, EA developed the Workforce Training Outcomes Tool¹, which uses the Tableau platform, to show these outcomes to local areas and other workforce stakeholders. The tool expands the use of ARIZONA@WORK performance data to better understand the characteristics of participants in the workforce system, types of training services participants are receiving, and training types that lead to the best employment and wage outcomes. It also allows local areas to view results for the Adult, Youth, and Dislocated Worker Programs. As further data is released, this tool will be updated to allow local areas to see how Title I and III outcomes compare to the state overall.

Workforce Through Time

To further expand the data in the Workforce Training Outcomes Tool, EA developed another Tableau tool so outcome data could be viewed over multiple years. Users can review employment and wage outcomes by Title I and III participant cohorts, thus allowing for users to identify trends over time for a specific participant cohort. This workforce-through-time tool helps workforce partners determine factors that impact

¹ <https://arizonaatwork.com/job-market-trends/workforce-performance>

employment results year over year. Users can also view data by quarter instead of PY, allowing them to view more recent data when a full PY has not been completed.

Workforce Web Tools

The EA team continues to provide analysis of WIOA outcomes, including analyzing barriers to employment, employment outcomes and wage data. The focus of this analysis is to provide state and local workforce board members and workforce practitioners with the data tools necessary to make informed decisions about the ARIZONA@WORK system.

The workforce data projects and analysis highlighted below are ongoing. Changes to the data in the current tools will happen as additional periods of data are received. The OEO EA team analyzed various data from points from the Participant Individual Record Layout, focusing on outcome, barrier and wage data. Based on the analysis of this data, initial Tableau tools were developed to expand workforce partners' abilities to review employment, outcome and credential metrics by demographic characteristics. Over the next year, the EA team plans to focus on training and educating workforce partners on how to best utilize tools. As new data is reported, all of the tools below will be updated to include new program years and quarters. The OEO EA team is committed to updating these tools on a regular basis and to creating additional tools or features as demand for further analysis increases.

Workforce Detail

Data on barriers among participants is often requested from the Workforce Arizona Council, local workforce development areas, and other workforce staff. Based on the interest in this data, the EA team developed a Tableau tool, allowing users to analyze workforce performance results by WIOA participant characteristics. The tool allows users to view performance at the state and local area levels, by program, and according to three key participant characteristics (barriers to employment, education at program entry, and measurable skill gains). The performance data available with this tool includes credential results, participant counts, percent of participants employed after exit, median earnings of participants after exit, and WIOA exiter counts.

Statistical Adjustment Model (SAM) for Training Providers

EA analyzed the workforce data and came to the conclusion that training dramatically improves employment and wage outcomes regardless of education, age, and other barriers. However, not all training is as effective as others. To identify the most successful training programs and training providers while still considering the types of participants entering into those training programs and the barriers to employment those participants may bring with them, EA is developing a SAM for Training Providers.

Purpose

The purpose of the SAM for Training Providers is to improve employment and wage outcomes for Arizona. The model examines the differences between the type of training

being offered and determines the effectiveness of those training. It takes into consideration the characteristics and barriers of the participants and highlights the training programs with the best training completion rate, credential attainment rate, employment outcome, and wage outcome.

Approach

The approach taken was based on the SAM for local workforce performance negotiations. The SAM for Training Providers applied a multivariate regression model and considered similar variables as the SAM for local workforce performance negotiations.

The SAM for Training Providers predicts the following:

- Participant employment rate for the 2nd and 4th quarters after exit;
- Participant median wages for the 2nd quarter after exit;
- Credential attainment rate; and
- Completion rate for training providers based on the characteristics of participants.

It uses the WIOA exiter data from the latest four quarters. Variables used to train the model includes ethnicity, age, workforce area, industry of prior employment, prior occupation, and whether an individual has barriers to employment (English language learner, ex-offender, youth in foster care, homeless, etc.). Economic conditions for each local area are being considered with the inclusion of the local area variable. Stepwise and forward variable selection processes are applied to determine the sets of variables needed to be included. All variables are included in the final model because using all variables or any subsets of variables does not significantly degrade the accuracy of the predictions. The model produces parameter estimates for each of the variables used and prediction outcomes are valid when the number of exiters for a training provider is greater than ten.

The main focus this year was to develop and test the model. The focus next year will be to introduce workforce partners to this approach, building out a user-friendly tool and educating partners on how to use and interpret the results. The following steps will be taken to improve model accuracy:

- Examining the difference between the Adult, Dislocated Workers, and Youth Programs;
- Exploring additional variables to be included in the model; and
- Discovering and removing the noise data in the model.

Next Steps

ADES will engage OEO, the Workforce Arizona Council, and local workforce development boards to further structure evaluation activities that will:

- Build on data analysis, tools, and statistical method outlined in this narrative;
- Feed into the workforce system's continuous improvement process; and

- Include the timely dissemination of evaluation results to stakeholders.

Performance Accountability

System of Record

The AJC is the system of record for programs that include Adult, Dislocated Worker, Youth, and Wagner-Peyser Employment Service. AJC is a case management, data repository and reporting system, hosted by America's Job Link Alliance (AJLA). AJLA is a consortium of state workforce agencies dedicated to providing powerful and affordable workforce development systems. As an AJLA member, Arizona is involved in the design, testing, and ongoing development of AJLA products.

As the management information system that houses data and generates reports, AJC is a crucial tool that assesses performance accountability measures as well as facilitates data analysis. Thus, ADES has continued to prioritize improvements to the system:

- In February 2021 the software improvement project called Rapid Storm was completed and NextGen was deployed. NextGen updates include a better universal design, improved accessibility for using the system with assistive technology, and refreshed State-specific branding.
- ADES continues its monthly AJC workgroup meetings, where AJC enhancement requests from local areas and service providers are reviewed prior to being submitted to AJLA.

Data Validation

ADES completed its data validation policy and procedures for the Adult, Dislocated Worker, and Youth Programs in June 2021. The data validation policy outlines each local workforce development area's and the State's responsibilities in ensuring the integrity and accuracy of data elements reported to the U.S. DOL. It also addresses the following:

- Corrective actions for failure to correct errors;
- Determination of substantial violation and sanction implementation; and
- Record retention.

ADES facilitated a webinar for ADES staff, local workforce development board staff, and service providers to help ensure the appropriate implementation of the data validation policy and procedures. In addition, it developed a Data Validation Checklist and a Questions and Answers (Q&A) document as supportive resources to the policy and procedures. The policy, procedures, checklist, and Q&A document have been uploaded to the ADES website² and may be easily accessed by service providers and other stakeholders.

²<https://des.az.gov/services/employment/workforce-innovation-and-opportunity-act-wioa/title-i-b-policy-and-procedure>

The development of the data validation framework continues beyond PY 2020. In late September 2021, ADES completed the Employment Service data validation policy (procedures pending), which also covers the State Monitor Advocate system. The policy outlines the State's responsibilities in ensuring the integrity and accuracy of data elements reported to U.S. DOL. In addition, ADES has developed a Data Validation Checklist for the Employment Service Program and intends to facilitate technical assistance to program staff.

Data Validation Methodology

ADES staff will conduct validation for the Adult, Dislocated Worker, and Youth Programs quarterly, as recommended by U.S. DOL, and separately from the annual programmatic monitoring. The frequency of data validation for Employment Service is still to be determined.

Data validation will entail the review of source documents for required data elements and will be conducted through the AJC system. Participant cases to be reviewed will be randomly selected. The selection will be inclusive of Adult, Dislocated Worker, and Youth participants who (1) are currently receiving services, (2) have exited the programs, and (3) are included in the performance reports. The randomly selected sample of Employment Service cases will be pulled from current and exited participants.

The data validation sample size is determined for the Adult, Dislocated Worker, and Youth Programs using a sample size calculator, with a 95 percent confidence level. To ensure that the sample consists of cases that reflect the distribution of cases statewide, the number of cases pulled from each local workforce development area will be based on the area's share of participants in that particular program. For instance, if 25 percent of the State's Adult Program participants are from local workforce development area "AB," 25 percent of the Adult data validation sample will be cases from local area "AB." It is noted that the data validation size for each program may change according to validator capacity.

The sample size for the Employment Service Program is still to be determined.

Data Corrections

Local workforce development areas will have 20 business days from the date of the monitoring report to respond and address any anomalies or errors, such as missing or unacceptable source documentation. The program validator will verify the corrections and will send a letter to the local workforce development board chair and director confirming the completion of data validation.

Likewise, Employment Service Program staff must address and correct anomalies or errors identified in the data validation reports by the deadline provided within the data validation report. If the errors or anomalies are not addressed or corrected by the deadline, corrective actions may be imposed. The program validator will verify and document when the corrections have been successfully completed.

Common Exit Policy

The following programs are covered in the State's common exit policy and are included in the Quarterly Performance Reports:

- Adult, Dislocated Worker, and Youth under Title I;
- National DWG under Title I-D;
- Wagner-Peyser Employment Service under Title III;
- Trade Adjustment Assistance for Workers;
- Jobs for Veterans State Grants; and
- Registered Apprenticeship.

Having a common exit means that a participant receiving services from two or more of the programs above is considered to have exited those programs when the participant is no longer receiving services from any of the programs.

The exit date is the date when the participant received the last qualified service in any of the programs. It is retroactively applied by the management information system, AJC, when the following conditions are met:

- Ninety consecutive calendar days have elapsed since the last qualified service in any of the programs was entered in the system.
- The participant is not scheduled for future qualified services.

Qualified services do not include information only, self-service, or follow-up services.

Addressing Technical Assistance Needs of the Workforce System

Local Governance Training

In PY 2020, ADES collaborated with U.S. DOL and Maher & Maher to provide three training sessions on local governance to Arizona's local chief elected officials, local workforce development boards and their staff, fiscal agents, and other WIOA partners. Maher & Maher facilitated the following web-based training, which covered governance-related requirements of WIOA:

- Workforce System Roles & Responsibilities;
- Memorandum of Understanding and Infrastructure Funding Agreements; and
- One-Stop Operator Procurement and Conflict of Interest.

Each live session had approximately 120 participants. After the training, the recordings, copies of the PowerPoint presentations, transcripts, and handouts were posted on the ADES website³.

Programmatic Training

³<https://des.az.gov/services/employment/workforce-innovation-and-opportunity-act-wioa/title-i-governance>

ADES facilitated webinars on the following:

- Youth Program Work Experience Expenditure Requirement;
- Individual Training Account Requirements;
- Entering Client Budgets in the AJC System;
- Measurable Skills Gains Training for the Adult, Dislocated Worker, and Youth Programs; and
- Data Validation Training.

Labor Market Information

OEO provided statewide webinars for staff regarding labor market information to support job seekers and assist them with tools to help identify relevant information. In addition, OEO provided current labor market data to all local workforce development boards for local plan modifications and provided presentations, as requested.

Informational Broadcasts and Guides

ADES issued several informational broadcasts and created resource documents to provide new information, clarify existing policies, and to provide guidance on program implementation. Appendix D has a complete list of PY 2020 informational broadcasts and guides.

Local Workforce Development Area Promising Practices and Success Stories

City of Phoenix

PY 2020 provided new challenges and encouraged innovative ways to develop fluid service delivery models. The incorporation of online training, utilizing technology, and leaning into the demand of virtual services were a theme of the. Throughout the past year, the Adult, Dislocated Worker, and Youth served customers in multiple modes. Virtual delivery of services has allowed staff to continue getting people on their career pathways.

The City of Phoenix, Business and Workforce Development Division transitioned from providing in-person employability workshops to virtual sessions to continue to help job seekers improve their skills to gain employment. Employability workshops are offered to the participant in the areas of, self and career awareness, LinkedIn, resume building, and interview techniques with one-on-one career counseling available virtually. The shift to virtual workshops has increased participation from 684 attendees between March and December 2019 to 1,223 attendees between March and December 2020.

City of Phoenix WIOA Youth Program providers were able to pivot to online service delivery quickly to meet the needs of participants. The Youth Program served 778 youth participants despite the barriers COVID-19 presented. The participants earned a

combined 355 industry recognized credentials and achieved 397 measurable skill gains.

The City of Phoenix successfully wrapped up its Summer Youth Employment Program (RISE). The RISE Program was able to serve 122 youth and young adults and connect them with work experience and facilitate soft skills development. Over the eight week period, participants completed over 8,746 work experience and skills development hours and had a combined earnings of \$106,275.

Successful Participant Outcomes

- An unemployed Technology Manager was enrolled into the WIOA Program. After successfully completing Project Management training, he accepted a position as a Senior Technology Manager, earning \$105,000 annually.
- A homeless participant enrolled into the WIOA Program. Through coaching and guidance from his career advisor, he successfully completed Emergency Medical Technician training. Thereafter, he accepted a position earning \$17.00 per hour.
- An unemployed Project Manager was enrolled into the WIOA Program. She possessed a wealth of experience but lacked a credential, resulting in a lack of competitiveness in the job market. After successfully completing Amazon Web Services training, she accepted a position as a Project Manager, earning \$60 per hour.
- An unemployed Development Consultant was enrolled into the WIOA Program as a dislocated worker after being negatively impacted by the pandemic. After successfully completing Certified Associate Project Management training, she secured several contracts earning a total of \$52,000 annually.

Maricopa County

The U.S. DOL recognized Maricopa County for its successful placement of participants into Registered Apprenticeship Programs (RAP) supported by WIOA. In PY 2020, the county had 768 participants, up from 550 participants in PY 2019. Leveraging this momentum, Maricopa County is working with ADES and its network of employers to expand apprenticeship opportunities in healthcare, insurance, and information technology. It is also exploring ways to connect individuals reentering the community and facing significant employment barriers with RAP opportunities.

Southeast Arizona

Successful Participant Outcomes

- A first-generation college student from a family of six completed a nursing degree with the help of the WIOA Program. The program's financial assistance and the career advisor's support meant that the participant was able to focus on completing the degree. The participant is now employed as a registered nurse at Mt. Graham Regional Medical Center.

-
- A participant with a disability was able to return to a previous career as a certified nursing assistant after over a decade of inability to work in the field. The program provided financial assistance and helped the participant recognize and build on existing knowledge and skills.
 - A homeless student with no family in the area and no financial means to finish nursing school at Cochise College received an associate's degree in nursing because of ARIZONA@WORK. The participant described the impact of program services as follows:

I accomplished my goal of becoming an RN! I grew as a person as well, gaining confidence and self-worth.

Without ARIZONA@WORK, I would not have had the means to become an RN. My new career has allowed me financial freedom I would not otherwise be afforded. My life has taken an incredibly positive turn. I am now in a position to pay this fantastic experience forward!

On the outside, I completed nursing school, but my internal transformation may be even greater. I look forward to aiding my community in a positive way, just as this program has aided me in bringing out my very best self. I cannot thank ARIZONA@WORK enough.

Yavapai County

In March 2021, Prescott welcomed aerospace and defense manufacturer Combat Proven (CP) Technologies to their brand new headquarters and manufacturing facility, located off Highway 89, just north of Prescott Regional Airport. After conducting a multi-state search which began in the fall of 2019, CP Technologies relocated to Prescott from San Diego, California.


The company currently employs 50-75, including assemblers, engineers and administrative support personnel, with plans for growth in 2022 and beyond. The City, Chamber of Commerce, Northern Arizona Council of Governments (NACOG) and others met in person with CP Technologies staff to answer questions about the area and to show them first-hand the quality of life in Prescott.

NACOG assisted with recruitment by hosting a job fair for CP Technologies. Over 100 local job seekers attended, and the result was quality hires for the company.

According to the company, "Management of CP Tech couldn't be happier with our decision and the phenomenal support from the State of Arizona, NACOG, and the City of Prescott. We look forward to being part of the community and to the economic growth of the area."

Yuma County

Yuma County has a robust business services team that continues to strengthen partnerships with business and economic entities. It works closely with the Yuma Economic Development Corporation to attract new businesses and employers to the



county. It conducts up to four recruitments every month with local employers and new companies moving into the area. With community partners, the team holds an event called Yuma Community Job & Education Fair every October that typically has 125 employers and attracts between 1,500 to 3,000 job seekers.

The team also partners with Arizona Western College (AWC) to conduct webinars for employers and businesses. The webinars showcase programs and services that are available through ARIZONA@WORK and AWC. In addition to performing regular outreach and coordinating employer events, the business services team participates in the Chamber of Commerce board meetings and writes a monthly news article in the Chamber of Commerce YUMABIZ magazine.

Appendix A: Arizona Economic Overview

The Arizona OEO produces demographic, labor force, regulatory, workforce, and economic information for Arizona. OEO submitted the following summary of economic highlights for PY 2020.

Prior to the recession (February 2020 to April 2020) brought on by the COVID-19 Pandemic, the Arizona economy was recording robust growth according to several key economic variables. Total nonfarm employment had increased Year-over-Year (YoY) for 113 consecutive months, while the unemployment rate reached record lows. The recession had a notably negative impact on the Arizona economy in PY 2019, but PY 2020 fostered a strong economic recovery. Total nonfarm employment greatly increased over the PY while the Arizona unemployment rate approached pre-pandemic levels. Additionally, employment is projected to continue to increase in nearly all supersectors⁴ through Q2 2022.

Some economic highlights for PY 2020 include:

- Arizona's population continued to grow across the state and is projected to continue to increase over the next several years.
- In June 2021, the Arizona unemployment rate was 6.8 percent, which was higher than the United States unemployment rate of 5.9 percent in the same month.
- Arizona gained 151,900 jobs YoY in June 2021. These gains were recorded in all eleven supersectors.
- Ten of the eleven supersectors are projected to gain jobs through Q2 2022. Leisure and Hospitality is projected to have the highest percent change with 27.3 percent more jobs while Trade, Transportation & Utilities is projected to numerically gain the most jobs (86,473). Government is the only supersector projected to lose jobs (-1,649, or -1.0 percent).
- The State Coincident Index for Arizona, an indicator for measuring economic activity, improved to 153.0 in June 2021 from a 54-month low of 126.3 in April 2020.
- Per capita personal income growth in Arizona still lags behind the national average, but grew 6.5 percent from Calendar Year (CY) 2019 to CY 2020. United States per capita personal income grew 5.8 percent over the same period.

Population Growth

Population growth in Arizona increased by 1.4 percent (102,520 individuals) in CY 2020. Roughly 1/5 of this growth is attributed to natural change (more births than deaths), while nearly 4/5 of this growth is attributed to net migration (more individuals moving into Arizona than leaving). Barring the impact of COVID-19, Arizona's population is projected to continue to grow through 2022.

⁴ <https://www.bls.gov/sae/additional-resources/naics-supersectors-for-ces-program.htm>

Year	Population	Population Change	Population % Change	Natural Change (Births - Deaths)	Total Net Migration (Inflows - Outflows)	Special Population Change ¹
2020	7,286,148	102,520	1.4%	22,250	78,574	1,693
2021	7,387,836	101,688	1.4%	22,149	77,764	1,777
2022	7,489,121	101,285	1.4%	22,059	77,363	1,865

Source: Office of Economic Opportunity 2018 - 2055 Population Projections, Medium Series

¹ Special population changes are related to the temporary residencies caused by university students

Note: These projections were made prior to the 2020 Census and are therefore not consistent with the 2020 Census results

Figure A1: Arizona Population Projections

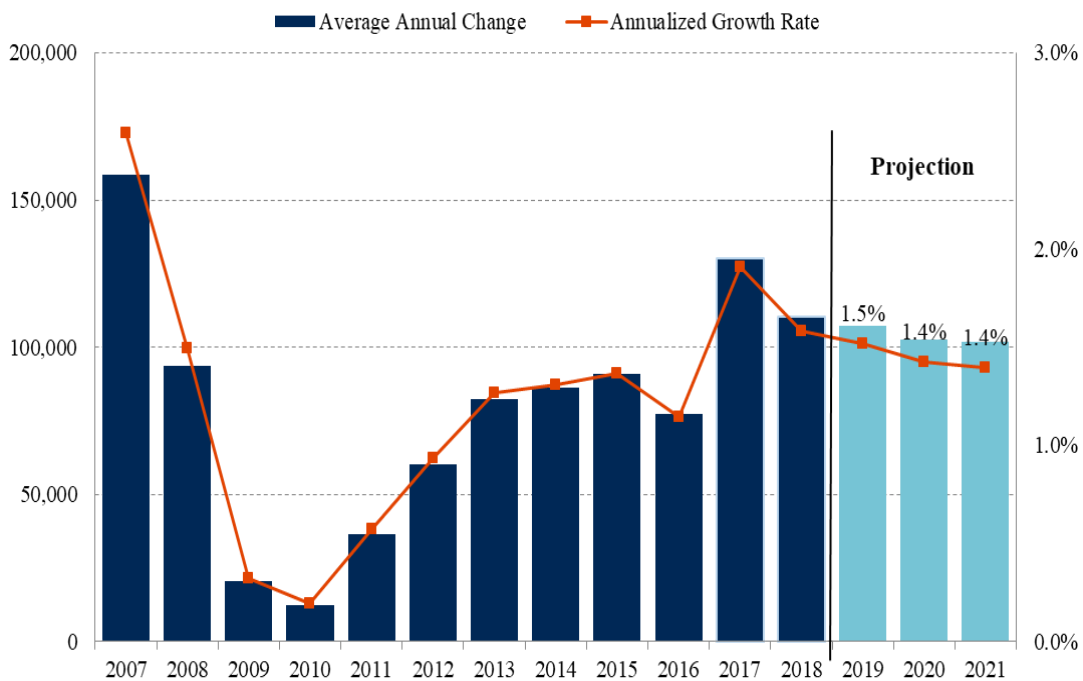


Figure A2: Arizona Population Growth

Source: OEO 2018-2055 Population Projections, Medium Series

Arizona's population growth rate has exceeded 1.0 percent every year since CY 2013 (see figure A2). CY 2009 and CY 2010 had particularly low population growth rates due to the impacts of the Great Recession (December 2007 – June 2009). The employment levels in Arizona declined during these years, and, as employment opportunity is a major driver of population increases, net migration declined as well. As the Arizona economy recovered from 2011-2019, net migration began to increase. This population growth can, in turn, fuel additional economic growth through the infusion of new consumers demanding goods and services.

Unemployment Rate

Since the Great Recession, Arizona's unemployment rate and labor force participation rate have generally recorded positive changes. This trend ended abruptly in March 2020, when the Arizona unemployment rate increased, and labor force participation decreased. These trends mirrored national trends, and may be attributed to the effects of the COVID-19 Pandemic. Arizona began PY 2020 with a seasonally-adjusted unemployment rate of 10.4 percent in July 2020 and ended PY 2020 with an unemployment rate of 6.8 percent in June 2021. The United States began PY 2020 with a seasonally-adjusted unemployment rate of 10.2 percent, and ended PY 2020 with an unemployment rate of 5.9 percent in June 2021.

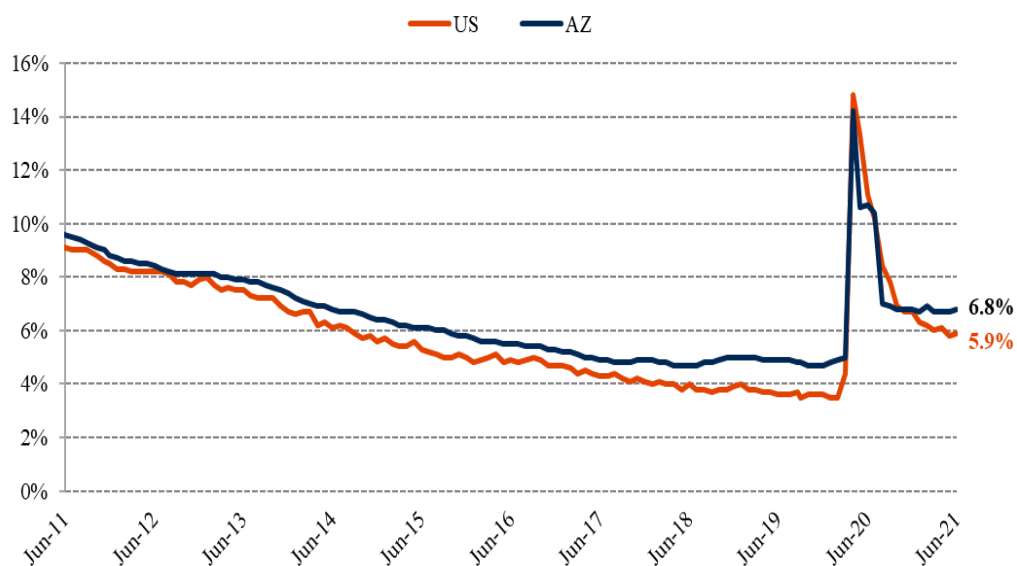


Figure A3: Arizona and United States Seasonally-Adjusted Unemployment Rates
Source: OEO in cooperation with the United States Bureau of Labor Statistics, Local Area Unemployment Statistics

Figure A4 compares monthly labor force participation rates between the United States and Arizona. The Arizona labor force participation rate has trended below the United States labor force participation rate historically. From PY 2014 to PY 2018, the Arizona labor force participation rate recorded positive growth, but in April 2020, experienced a sharp decline. This decline in labor force participation was primarily due to the economic impact of the COVID-19 Pandemic. In Arizona, labor force participation was 61.6 percent at the beginning of PY 2020 (July 2020) and finished PY 2020 with a labor force participation rate of 60.5 percent (June 2021). The United States began PY 2020 with a labor force participation rate of 61.5 percent (July 2020) and had increased to 61.6 percent by the end of PY 2020 (June 2021).

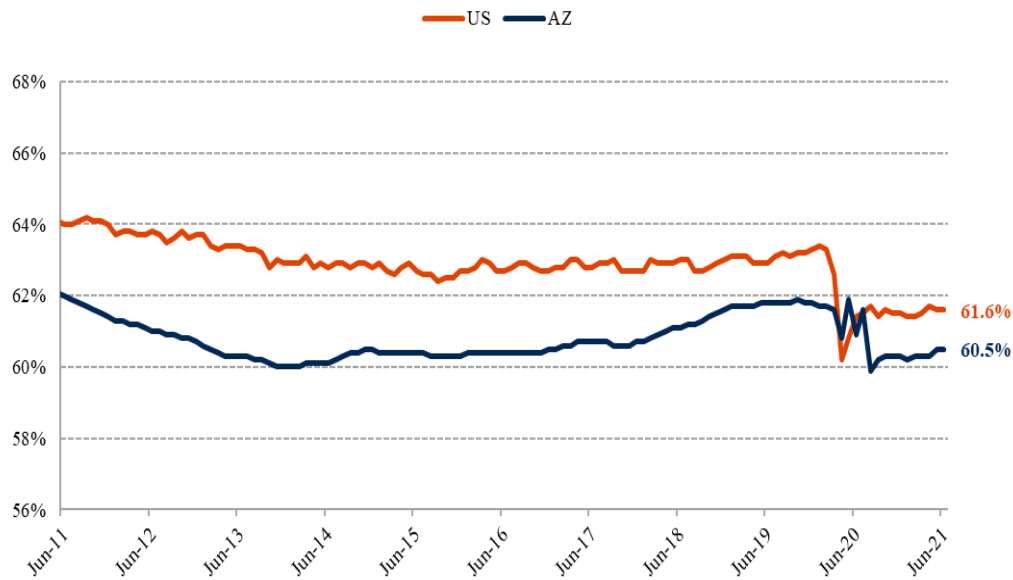


Figure A4: Arizona and United States Labor Force Participation Rates (Seasonally Adjusted)
 Source: OEO in cooperation with the United States Bureau of Labor Statistics, Local Area Unemployment Statistics

Job Growth Rate

Figure A5 compares annual nonfarm employment growth rates between the United States and Arizona. From October 2014 through March 2021, Arizona’s nonfarm job growth rates have equaled or exceeded the United States nonfarm growth rates in every month. Before declining to -8.8 percent in April 2020, Arizona nonfarm employment recorded positive YoY employment change for 113 consecutive months. Arizona nonfarm employment increased by 5.5 percent in June 2021, while United States nonfarm employment growth increased by 5.8 percent in June 2021.

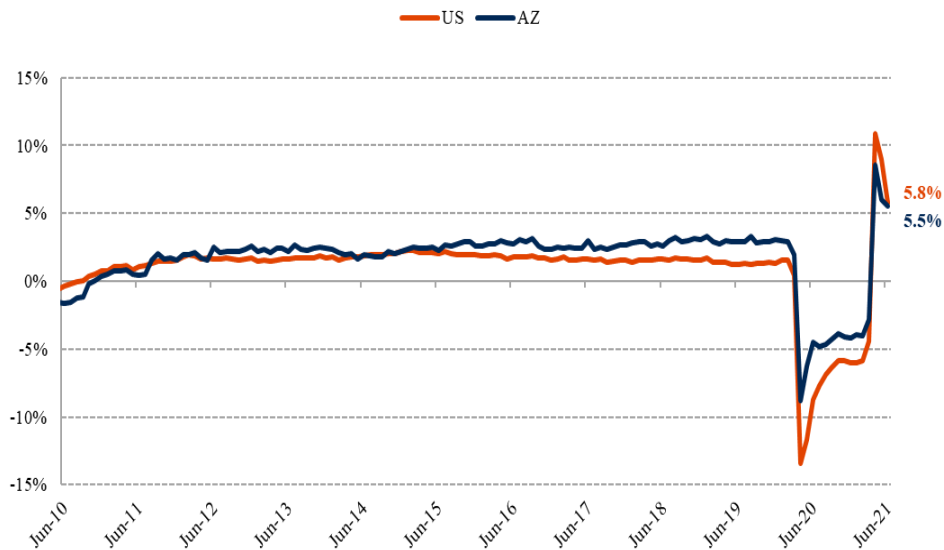


Figure A5: Arizona and the United States Nonfarm Employment Year-to-Year Change (Not Seasonally Adjusted)
 Source: OEO in cooperation with the United States Bureau of Labor Statistics, Current Employment Statistics

Figure A6 shows nonfarm employment levels and the percentage change from prior PYs. In PY 2020, nonfarm employment increased sharply from the year prior. This is primarily due to the impact of COVID-19 in PY 2019, when ten of the eleven supersectors lost jobs over the year. Among the 11 supersectors in PY 2020, Leisure & Hospitality had the highest YoY employment growth rate (15.8 percent). This was followed by Trade, Transportation & Utilities (8.6 percent) and Other Services (8.2 percent). Natural Resources & Mining grew by 5.8 percent YoY, Education & Health Services grew by 5.5 percent YoY, and Professional & Business Services grew by 4.0 percent YoY. Manufacturing grew by 2.9 percent YoY, Information grew by 2.1 percent YoY, and Government grew by 1.4 percent YoY. Financial Activities, which was the only supersector to increase in employment in PY 2019, grew by 1.3 percent YoY in PY 2020. Construction increased by 1.0 percent YoY, the lowest employment growth rate among supersectors in PY 2020.

Numerically, Trade, Transportation, & Utilities gained 46,100 jobs, Leisure & Hospitality gained 41,500 jobs, and Education & Health Services gained 24,300 jobs YoY in PY 2020. Professional & Business Services gained 16,700 jobs YoY, Other Services gained 7,000 jobs YoY, Manufacturing gained 5,000 jobs YoY, Government gained 5,000 jobs YoY, Financial Activities gained 3,000 jobs YoY, Construction gained 1,700 jobs YoY, Information gained 900 jobs YoY, and Natural Resources & Mining gained 700 jobs YoY. Total nonfarm employment increased by 151,900 YoY in PY 2020.

	PY 2016	PY 2017	PY 2018	PY 2019	PY 2020
Total Nonfarm	79.6	70.8	81.5	-129.2	151.9
<i>OTY Percentage Change</i>	<i>3.0%</i>	<i>2.6%</i>	<i>2.9%</i>	<i>-4.5%</i>	<i>5.5%</i>
Natural Resources & Mining	0.3	1.4	0.3	-1.5	0.7
<i>OTY Percentage Change</i>	<i>2.6%</i>	<i>11.8%</i>	<i>2.3%</i>	<i>-11.0%</i>	<i>5.8%</i>
Construction	10.9	12.1	13.7	-2.0	1.7
<i>OTY Percentage Change</i>	<i>8.1%</i>	<i>8.3%</i>	<i>8.7%</i>	<i>-1.2%</i>	<i>1.0%</i>
Manufacturing	3.5	6.0	6.8	-3.0	5.0
<i>OTY Percentage Change</i>	<i>2.2%</i>	<i>3.6%</i>	<i>4.0%</i>	<i>-1.7%</i>	<i>2.9%</i>
Trade, Transportation, & Utilities	9.2	10.0	8.8	-3.0	46.1
<i>OTY Percentage Change</i>	<i>1.8%</i>	<i>1.9%</i>	<i>1.7%</i>	<i>-0.6%</i>	<i>8.6%</i>
Information	0.5	0.1	1.8	-6.4	0.9
<i>OTY Percentage Change</i>	<i>1.1%</i>	<i>0.2%</i>	<i>3.8%</i>	<i>-13.0%</i>	<i>2.1%</i>
Financial Activities	10.1	6.7	8.0	3.3	3.0
<i>OTY Percentage Change</i>	<i>5.0%</i>	<i>3.2%</i>	<i>3.7%</i>	<i>1.5%</i>	<i>1.3%</i>
Professional & Business Services	10.8	13.1	14.8	-20.9	16.7
<i>OTY Percentage Change</i>	<i>2.7%</i>	<i>3.2%</i>	<i>3.5%</i>	<i>-4.7%</i>	<i>4.0%</i>
Education & Health Services	17.0	10.6	17.2	-7.6	24.3
<i>OTY Percentage Change</i>	<i>4.2%</i>	<i>2.5%</i>	<i>4.0%</i>	<i>-1.7%</i>	<i>5.5%</i>
Leisure & Hospitality	11.5	5.6	4.7	-66.0	41.5
<i>OTY Percentage Change</i>	<i>3.7%</i>	<i>1.8%</i>	<i>1.5%</i>	<i>-20.1%</i>	<i>15.8%</i>
Other Services	1.2	3.0	1.5	-9.2	7.0
<i>OTY Percentage Change</i>	<i>1.3%</i>	<i>3.3%</i>	<i>1.6%</i>	<i>-9.7%</i>	<i>8.2%</i>
Government	4.6	2.2	3.9	-16.9	5.0
<i>OTY Percentage Change</i>	<i>1.2%</i>	<i>0.6%</i>	<i>1.0%</i>	<i>-4.4%</i>	<i>1.4%</i>

Figure A6: Arizona Employment Growth by Industry (Not Seasonally Adjusted)

Source: OEO in cooperation with Bureau of Labor Statistics, Current Employment Statistics

The distribution of job growth is predominantly concentrated in Phoenix Metropolitan Statistical Area (MSA), though in PY 2020, three of the seven Arizona MSAs grew at rates exceeding the job growth rate of Arizona (5.5 percent): Phoenix MSA (6.6 percent), Flagstaff MSA (6.3 percent), and Prescott MSA (6.3 percent). These three MSAs also surpassed the United States' job growth rate of 5.8 percent. Yuma MSA grew 4.6 percent in PY 2020, followed by Sierra Vista-Douglas MSA with 4.2 percent growth, and Lake Havasu City-Kingman MSA with 3.8 percent growth. Tucson MSA had the lowest job growth rate among Arizona MSAs in PY 2020 with a growth rate of 2.8 percent.

	PY 2016	PY 2017	PY 2018	PY 2019	PY 2020
Arizona	79.6	70.8	81.5	129.2	151.9
<i>OTY Percentage Change</i>	<i>3.0%</i>	<i>2.6%</i>	<i>2.9%</i>	<i>-4.5%</i>	<i>5.5%</i>
United States	2,363	2,362	1,786	-13,215	8,016
<i>OTY Percentage Change</i>	<i>1.6%</i>	<i>1.6%</i>	<i>1.2%</i>	<i>-8.7%</i>	<i>5.8%</i>
Flagstaff MSA	1.5	0.6	0.3	-7.0	3.8
<i>OTY Percentage Change</i>	<i>2.3%</i>	<i>0.9%</i>	<i>0.4%</i>	<i>-10.4%</i>	<i>6.3%</i>
Lake Havasu City-Kingman MSA	1.6	1.5	0.8	-1.4	1.9
<i>OTY Percentage Change</i>	<i>3.4%</i>	<i>3.0%</i>	<i>1.6%</i>	<i>-2.7%</i>	<i>3.8%</i>
Phoenix-Mesa-Scottsdale MSA	71.7	57.9	69.0	-86.3	134.3
<i>OTY Percentage Change</i>	<i>3.7%</i>	<i>2.9%</i>	<i>3.3%</i>	<i>-4.0%</i>	<i>6.6%</i>
Prescott MSA	1.5	1.6	0.2	-3.0	3.9
<i>OTY Percentage Change</i>	<i>2.4%</i>	<i>2.5%</i>	<i>0.3%</i>	<i>-4.6%</i>	<i>6.3%</i>
Sierra Vista-Douglas MSA	0.4	0.1	-0.0	0.4	1.4
<i>OTY Percentage Change</i>	<i>1.2%</i>	<i>0.3%</i>	<i>-0.0%</i>	<i>1.2%</i>	<i>4.2%</i>
Tucson MSA	5.3	4.7	8.5	-20.9	9.9
<i>OTY Percentage Change</i>	<i>1.5%</i>	<i>1.3%</i>	<i>2.3%</i>	<i>-5.5%</i>	<i>2.8%</i>
Yuma MSA	1.0	0.9	1.8	-2.6	2.4
<i>OTY Percentage Change</i>	<i>1.9%</i>	<i>1.7%</i>	<i>3.4%</i>	<i>-4.7%</i>	<i>4.6%</i>

Figure A7: Arizona Total Nonfarm Gains by Region (Not Seasonally Adjusted)
Source: OEO in coordination with Bureau of Labor Statistics, Current Employment Statistics

Figure A8 shows how the composition of Arizona’s economy has changed in the past decade. From June 2011 to June 2021, Construction increased its share of nonfarm employment by 1.3 percentage points, the largest share increase over this period. Other supersectors that recorded positive employment share gains included Education & Health Services (1.2 percentage points), Financial Activities (0.8 percentage points), Trade, Transportation & Utilities (0.2 percentage points), and Professional & Business Services (0.6 percent). The largest decrease in nonfarm employment share occurred in Government, losing 2.8 percentage points. This was followed by Other Services (-0.6 percentage points), Leisure & Hospitality (-0.5 percentage points), Manufacturing (-0.2 percentage points), Information (-0.1 percent), and Natural Resources & Mining (-0.1 percent).

Supersector Title	June 2011 Share	June 2021 Share	Share Change	Numeric Change
Education & Health Services	14.9%	16.1%	1.2%	116,400
Construction	4.7%	6.0%	1.3%	64,100
Financial Activities	7.2%	8.0%	0.8%	62,600
Professional & Business Services	14.5%	15.1%	0.6%	96,900
Natural Resources & Mining	0.5%	0.4%	-0.1%	1,200
Information	1.6%	1.5%	-0.1%	5,600
Manufacturing	6.4%	6.2%	-0.2%	29,000
Trade, Transportation, & Utilities	19.8%	20.0%	0.2%	111,700
Other Services	3.8%	3.2%	-0.6%	3,300
Leisure & Hospitality	11.0%	10.5%	-0.5%	45,300
Government	15.6%	12.8%	-2.8%	3,900
Total	100.0%	100.0%	0.0%	540,000

Figure A8: Arizona Employment Shares June 2011 to June 2021 (Not Seasonally Adjusted)

Source: OEO in coordination with Bureau of Labor Statistics, Current Employment Statistics

Figure A9 shows the short-term employment projections for supersectors in Arizona. The short-term projections use Q2 2020 as base employment and therefore reflect the recent impacts of the COVID-19 Pandemic. Because of this, short-term employment growth is projected to be relatively higher compared to previous short-term projections.

Ten of the eleven supersectors, along with Self-Employed, are projected to gain jobs in Arizona from Q2 2020 – Q2 2022. The largest percent increase is projected to occur in Leisure & Hospitality (27.3 percent), followed by Trade, Transportation & Utilities (16.2 percent), and Self-Employed (14.3 percent). Numerically, Trade, Transportation & Utilities is projected to gain the most jobs (86,473), followed by Leisure & Hospitality (69,901) and Education & Health Services (63,533). The Government supersector is projected to lose 1,649 jobs (-1.0 percent), the only supersector to do so.

Supersector Title	Base Employment 2020 Q2	Projected Employment 2022 Q2	Numeric Change	Percent Change
Leisure & Hospitality	255,734	325,635	69,901	27.3%
Trade, Transportation, & Utilities	532,242	618,715	86,473	16.2%
Self-Employed	120,936	138,171	17,235	14.3%
Other Services	88,833	99,090	10,257	11.5%
Education & Health Services	606,430	669,963	63,533	10.5%
Information	45,008	49,147	4,139	9.2%
Professional & Business Services	421,533	459,728	38,195	9.1%
Financial Activities	223,935	239,295	15,360	6.9%
Manufacturing	174,008	184,899	10,891	6.3%
Construction	174,655	184,499	9,844	5.6%
Natural Resources & Mining	48,670	49,531	861	1.8%
Government	161,662	160,013	-1,649	-1.0%

Figure A9: Arizona Short-Term Industry Employment Projections 2020-2022
Source: OEO using Short Term Industry Employment Projections 2020-2022

Coincident Index

The coincident economic activity index is an economic indicator compiled by the Federal Reserve that tends to correlate with economic growth. Figure A10 shows the changes in the coincident economic activity index over the past ten years. The index combines four variables: Total nonfarm employment, average hours worked in manufacturing, the unemployment rate, and wages. As the coincident index increases, economic growth tends to increase. After experiencing 125 continuous months of growth, Arizona’s coincident index declined by 0.1 in March 2020, dropping to 151.3. The coincident index declined again in April 2020 to 126.3. By June 2020, Arizona’s index was at 135.6. In June 2021, the end of PY 20, Arizona’s coincident economic activity index had improved to 153.0.

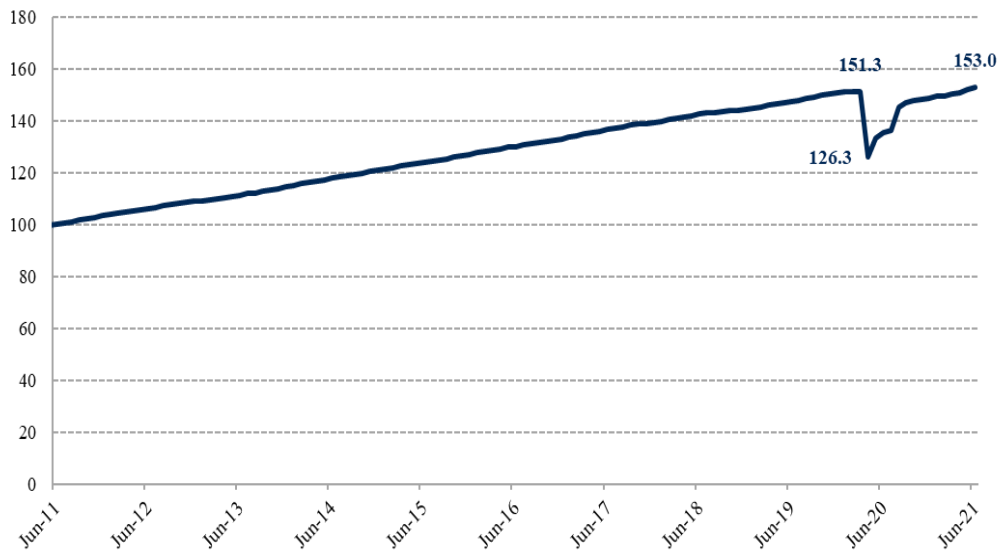


Figure A10: Arizona Coincident Economic Activity
 Source: Federal Reserve Bank of St. Louis

Per Capita Personal Income

Arizona's per capita personal income in 2020 was \$48,950, an increase of 6.5 percent from 2019's per capita personal income of \$45,975 (see figure 11). Over the same period, per capita income in the United States grew by 5.8 percent, going from \$56,474 in 2019 to \$59,729 in 2020. Among the states, Arizona ranked 42nd in per capita personal income in 2020.

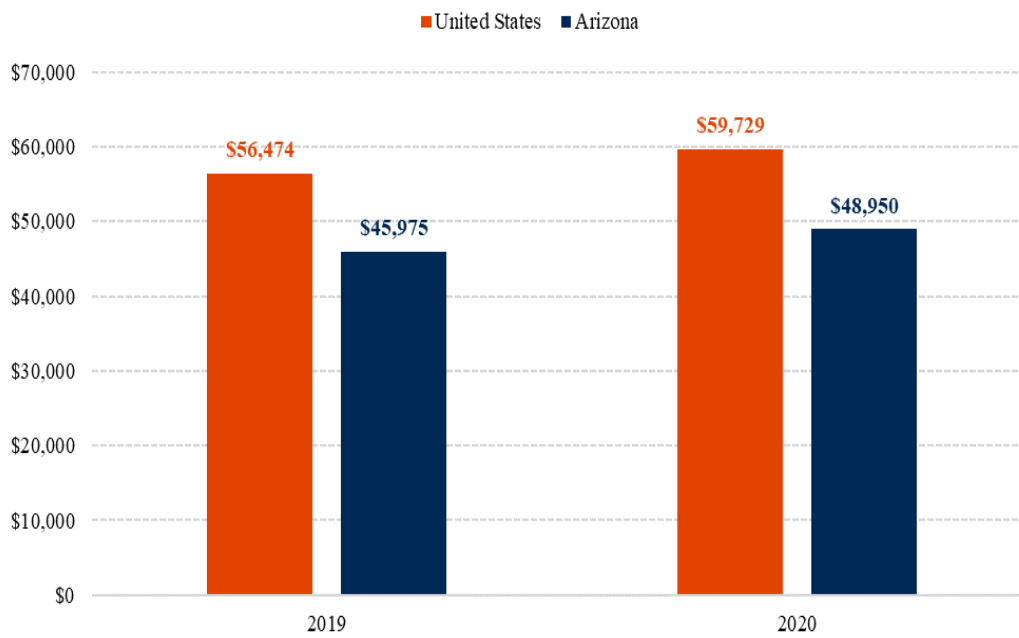


Figure A11: Arizona and United States Per Capita Personal Income
 Source: OEO in cooperation with the Bureau of Economic Analysis

Appendix B: Customer Satisfaction Surveys

Exited Participants

Number of Completed Surveys	Number of Customers Eligible for the Survey	Number of Customers Included in the Sample	Response Rate	Satisfaction Score
611	10,668	710	86%	87%

Table B1: Exited Participants Survey Results

Overall Satisfaction With Services	Services Met Expectations	Services Matched Skill Set
8.88	8.77	8.70
85.73%	85.34%	83.72%

Table B2: Satisfaction Rate Per Survey Criterion

Employers

Number of Completed Surveys	Number of Customers Eligible for the Survey	Number of Customers Included in the Sample	Response Rate	Satisfaction Score
309	3,253	642	48%	79%

Table B3: Employer Survey Results

Overall Satisfaction with Services	Services Met Expectations	Services Matched Job-Seeker Skill Set	Qualified Job Applicants Identified
8.77	7.73	7.43	
86.32%	74.76%	71.41%	47%

Table B4: Satisfaction Rate Per Survey Criterion

Appendix C: Local Workforce Development Area Negotiated Levels of Performance

Local Workforce Development Area	Performance Indicators				
	Employment Rate - 2nd Quarter After Exit	Employment Rate - 4th Quarter After Exit	Median Earnings - 2nd Quarter After Exit	Credential Attainment Rate	Measurable Skill Gains Rate
City of Phoenix	67.2%	65.2%	\$5,850	71.1%	59.2%
Coconino County	71.4%	64.1%	\$4,679	71.4%	59.2%
Maricopa County	71.4%	67.5%	\$7,158	74.8%	59.2%
Mohave/La Paz Counties	71.4%	67.0%	\$4,732	66.5%	59.2%
Nineteen Tribal Nations	62.0%	60.0%	\$5,177	64.0%	59.2%
Northeastern Arizona	67.5%	57.0%	\$6,500	62.5%	59.2%
Pima County	68.0%	67.0%	\$5,693	68.9%	59.2%
Pinal County	70.5%	71.0%	\$5,200	70.0%	59.2%
Santa Cruz County	55.0%	65.0%	\$3,500	74.5%	59.2%
Southeastern Arizona	72.0%	73.8%	\$6,500	68.0%	59.2%
Yavapai County	80.0%	79.7%	\$6,963	78.7%	59.2%
Yuma County	76.9%	71.4%	\$5,400	66.0%	59.2%

Table C1: Adult Program

Local Workforce Development Area	Performance Indicators				
	Employment Rate - 2nd Quarter After Exit	Employment Rate - 4th Quarter After Exit	Median Earnings - 2nd Quarter After Exit	Credential Attainment Rate	Measurable Skill Gains Rate
City of Phoenix	75.3%	72.3%	\$8,646	70.0%	50.0%
Coconino County	78.0%	68.1%	\$8,766	70.8%	50.0%
Maricopa County	77.0%	71.3%	\$8,795	79.7%	50.0%
Mohave/La Paz Counties	83.5%	70.2%	\$8,646	72.8%	50.0%
Nineteen Tribal Nations	71.8%	73.2%	\$8,200	72.8%	50.0%
Northeastern Arizona	72.6%	62.0%	\$8,646	67.3%	50.0%
Pima County	75.6%	71.0%	\$7,917	65.9%	50.0%
Pinal County	79.0%	75.0%	\$8,646	69.1%	50.0%

Santa Cruz County	70.0%	65.0%	\$3,500	70.0%	50.0%
Southeastern Arizona	78.0%	75.0%	\$8,646	75.0%	50.0%
Yavapai County	86.0%	73.2%	\$6,231	71.0%	50.0%
Yuma County	78.0%	75.0%	\$5,400	71.1%	50.0%

Table C2: Dislocated Worker Program

Local Workforce Development Area	Performance Indicators				
	Employment Rate - 2nd Quarter After Exit	Employment Rate - 4th Quarter After Exit	Median Earnings - 2nd Quarter After Exit	Credential Attainment Rate	Measurable Skill Gains Rate
City of Phoenix	71.3%	67.0%	\$4,500	44.0%	52.8%
Coconino County	75.0%	66.5%	\$4,500	57.0%	52.8%
Maricopa County	75.0%	67.8%	\$4,500	59.0%	52.8%
Mohave/La Paz Counties	72%	67.0%	\$4,500	54.0%	52.8%
Nineteen Tribal Nations	57.1%	60.0%	\$4,500	50.0%	52.8%
Northeastern Arizona	77.3%	67.9%	\$4,500	54.0%	52.8%
Pima County	68%	66.8%	\$4,450	52.0%	52.8%
Pinal County	74.0%	69.0%	\$4,500	50.0%	52.8%
Santa Cruz County	75.0%	67.0%	\$4,500	54.0%	52.8%
Southeastern Arizona	75.0%	72.0%	\$4,500	45.0%	52.8%
Yavapai County	80.0%	78.0%	\$4,635	55.6%	52.8%
Yuma County	76.0%	74.6%	\$4,500	54.0%	52.8%

Table C3: Youth Program

Appendix D: Informational Broadcasts and Guides

In PY 2020, ADES issued several informational broadcasts, guides, and tools, including the following:

- Adding Client Budgets in the AJC System;
- Updated Training Program Credential Checklist;
- Revision to Training Provider Assurances Form;
- Basic Skills Assessments Updates;
- Increase in the Arizona Minimum Wage;
- Guidance on Use of WIOA Funds for Activities Related to Medical/Recreational Marijuana;
- Lower Living Standard Income Level 2021 Matrix;
- Job Center Memorandum of Understanding/Infrastructure Funding Agreement (IFA) Submission Requirements;
- IFA Review Checklist;
- Training Provider Assurances Form;
- Training Provider Credential Checklist;
- Measurable Skills Gains Guide;
- The ETPL Program Monitoring Checklist and Tool;
- The ETPL Training Program Industry- Recognized Credential Standards Form;
- Reporting Procedures for Training and Career Services Expenditures for the Youth, Adult and the Dislocated Worker ProgramsThe WIOA Title I-B Data Validation Procedures; and
- WIOA Title I-B Data Validation Checklist.