



WORKFORCE SERVICES JOB GROWTH PROJECTS

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

SUMMARY

During the 2012 General Session the Legislature appropriated \$6,480,000 to the Department of Workforce Services (DWS) to support job grow projects in Utah from the Special Administrative Expense Account (SAEA). The SAEA consists of interest and penalties collected in connection to the Utah Unemployment Compensation Fund. DWS is requesting an additional \$4,828,100 appropriation in the 2013 General Session from the SAEA for job growth projects. This brief summarizes the DWS rationale for these projects, gives a brief description of the nine projects making up 88 percent of the 2012 appropriation (*Appendix A*), and provides a detailed list of all projects approved to receive funding from the 2012 appropriation (*Appendix B*). This brief is provided for information only.

LEGISLATIVE ACTION

No Legislative action is required. This brief is for background information only given that DWS has requested an additional \$4,828,100 in one-time funding from the Special Administrative Expense Account to fund additional job growth projects in FY 2014.

OVERVIEW

During the 2012 General Session the Legislature appropriated \$6,480,000 to the Department of Workforce Services to support job grow projects in Utah. The appropriation came from the Unemployment Insurance [Special Administration Expense Restricted Account](#). The Department of Workforce Services has standardized how funds would be distributed among three different areas affecting jobs: 1) job creation, 2) job placement, and 3) training programs. DWS has attempted to optimize “how money is used to create new jobs, help public assistance customers find work and develop training programs that align with industry demand.” The department has made efforts to distribute the funding throughout the state and give priority to small businesses and rural programs. With prior year carry forward funds, DWS has \$9,935,595 available for job growth projects. Although Appendix B shows that as of January 23, 2013 only \$563,312 of the available funds has been spent, this is due to the way the program has been set up. DWS states, “It is important to note that DWS is working on a post-performance and reimbursement basis for programs and grantees external to DWS. This means that before funds can be spent the outcome must have already occurred and the cost has already been paid by the grantee. This ensures that the money is only used where there is a demonstrated allowable cost. This is also the reason why some outcomes have occurred while there has not yet been a billing.”

HIGHLIGHTS ASSOCIATED WITH THE 2012 APPROPRIATED FUNDS

The Department of Workforce Services has provided the following highlights associated so far with the 2012 appropriated funding:

- Allocated \$2.3 million to small businesses and rural job creation support programs throughout the state. Over 145 businesses have applied and are scheduled to create 1,037 new jobs
- Provided \$1.2 million of Unemployment Insurance Special Administration Fund (UISAF) monies to the Governor’s Office of Economic Development to provide training funds that are leveraged with other business recruitment programs. This funding has been obligated to 10 different companies that will use the funds to train 1,793 new employees.
- Allocated \$453,200 to placement programs that help public assistance customers find employment. These programs help public assistance programs “save significant amounts of money, help businesses find skilled employees and have already helped 399 people find employment.”
- Allocated \$2.8 million for the creation or enlargement of certificate and degree programs. Typically these grants are provided to educational institutions to fund the approved start-up costs of new programs. To date 221 people

are enrolled in or have graduated from these new programs. “Educational institutions must demonstrate, using labor market information and industry support, that there is a need for these programs. Many of these new educational programs are being developed or implemented, so enrollment numbers will increase substantially by the end of the fiscal year.”

- To date, UISAF funds have helped businesses create 2,830 jobs, have helped place 399 people into employment, and are helping 159 people upgrade their skills in training programs.

APPENDIX A: DESCRIPTION OF THE 9 PROJECTS/PROGRAMS THAT COMPRISE 88% OF THE FUNDING

Nine programs/projects encompass 88 percent of the total 2012 Legislative appropriation. These nine projects are listed below with a brief explanation of each project:

1. ***Small Business Bridge Program (Job Creation - \$2,100,000)*** - The [Small Business Bridge Program](#) (Bridge Program) provides a limited reimbursement opportunity to small businesses that incur training costs from the creation of new jobs. The main objectives of the Bridge Program are to provide training reimbursement to small businesses and create new revenue to the Utah Unemployment Compensation Fund (Fund) from the creation of new jobs. Small businesses make up the vast majority of businesses in the State and they have unique constraints when it comes to creating new jobs; finding and retaining the right personnel to fill new positions is particularly difficult. The Bridge program helps to offset some of the costs created for a small business when they hire and train personnel for newly created jobs.
2. ***GOED Training Incentive (Job Creation - \$1,220,000)*** – [GOED Training Incentive program](#) Funds are to be used by GOED to assist businesses being recruited to or expanding in the State with their training of new employees. The funds are meant to help persuade companies to locate to or expand in Utah. The training curriculums may be based in-house or hosted by an external education institution. The funds are awarded by GOED on a post-performance basis.
3. ***ACE Veteran Credentialing Program (Educational Partnership - \$1,000,000)*** – the [Accelerated Credentialing Program for Veterans](#) (ACE) “was developed in response to a large number of service members finding themselves unable to attain work equivalent to their military occupational skills (MOS). Through a state grant, funds were provided to allow for civilian licensing and credentialing assisting the service member in finding their MOS equivalent civilian employment opportunity. The department is also working with its partners in higher education to assist service members in obtaining official training records for review by the schools admission office for consideration of transfer of credit and CLEP opportunities, accelerating the pathway to certificate or degree.”
4. ***Utah Futures (Educational Partnership - \$500,000)*** - [UtahFutures.org](#) is “Utah's career information system for students, job seekers, employment service providers, educational institutions and more... featuring cutting-edge career planning tools, leading labor market information, job search success skills, education and training options and direct links to Utah employers and employment opportunities. Any Utah resident can create a free personal account to create resumes, create a career plan, and take practice tests.”
5. ***UCAP (Educational Partnership - \$300,000)*** - “The Utah System of Higher Education (USHE) has partnered with Utah’s Department of Workforce Services (DWS) and the Governor’s Office of Economic Development (GOED) to improve the coordination and leveraging of Utah’s economic development endeavors and resources. The objective of [UCAP](#) is to accelerate key industry clusters as engines of job creation and economic growth. Clusters provide a framework for formulating and implementing effective public policies and making public investments to foster economic development. . . . This untapped potential, if capitalized on successfully, will directly contribute to the acceleration of targeted industries as well as the wide spectrum of economic growth opportunities across the state.”
6. ***Step Up Program (Job Placement – 268,500)*** – The [Step Up program](#) funds are to be used as “an incentive to hire current UI claimants. Step-Up targets UI 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.”
7. ***Park City School District (Educational Partnership - \$150,000)*** – DWS has provided funding to the Park City School District to help create the Center for Advanced Professional Studies (CAPS). This program provides advanced curriculum and allows students to work with businesses to solve real problems. This program is based on similar programs in Utah and around the country, that have a demonstrated track record of better preparing students for high demand industries, such as engineering, information technology, etc.

8. **NAAN (Educational Partnership - \$150,000)** – The [New American Academic Network](#) (NAAN) is a “partnership between the University of Utah, University Neighborhood Partners, and the International Center, the department of Workforce Services and resettlement organizations of Utah. The goals of the partnership are to connect individuals of immigrant and refugee background with higher education, creating opportunities for them to return to school and/or employment. Many new arriving populations resettle in Utah with education and training from their native country; however, due to the circumstances that preceded resettlement, many individuals arrive without the proper credentials to enter higher education or a professional level of employment. The Department of Workforce Services is partnering with the University of Utah to assist these individuals in gaining additional educational and experiences that will allow them to re-enter their professions.”
9. **Utah NFB – Project STRIVE (Educational Partnership - \$114,800)** – The National Federation of the Blind (NFB) of Utah has created [Project STRIVE](#) (Successful Transition Requires Independence, Vocation, and Education) as a transition program “designed to help blind youth (from 7th grade to age 26) gain confidence in their ability to become strong, successful, self-sufficient individuals. . . . Project STRIVE meets one Saturday each month. . . . These activities included small group rotations including “Cooking without Looking”, “Teen Talk” and “Technology Time.”

APPENDIX B: DWS JOB CREATION, JOB PLACEMENT, AND EDUCATIONAL PARTNERSHIP PROGRAMS

Table 2, prepared by the Department of Workforce Services, shows the various projects and programs associated with the 2012 Legislative appropriation from the Special Administrative Expense Restricted Account:

Table 1



DEPARTMENT OF WORKFORCE SERVICES

Unemployment Insurance Special Administration Fund (UISAF) Programs and Targets

Project Name	Total Funding Allocated*	Contractually Obligated or Program Obligated**	Spent To Date	Outcome Target***	Scheduled Outcomes	Target Cost Per Outcome	Target Date for Achievement	Outcome Measurement	Program Description
Job Creation Programs:									
Small Business Bridge Program	\$4,994,595	\$2,100,000	\$113,500	1665	659	\$3,000	6/30/2013	Job Creation	Small business job creation support program
GOED Training Incentive	\$1,220,000	\$1,220,000	\$0	407	1793	\$3,000	6/30/2013	Job Creation	Training dollars that DWS provides to GOED to leverage with other business incentives for recruitment initiatives
Southern Utah University Bear Program ¹	\$10,000	\$10,000	\$900	3	111	\$3,000	6/30/2013	Job Creation	Technical Support for rural businesses that want to hire additional employees - Beaver, Iron, Kane & Garfield Co.
Custom Fit ²	\$69,011	\$69,011	\$0	23	261	\$3,000	6/30/2013	Job Creation	Partnership with the Mountainland ATC custom fit program to help train those filling newly created jobs
Washington County Bear Program ³	\$7,500	\$7,500	\$0	3	4	\$3,000	6/30/2013	Job Creation	Technical Support for rural businesses that want to hire additional employees - Washington County
Weber County - Housing Program	\$63,926	\$63,926	\$49,069	21	2	\$3,000	6/30/2013	Job Creation	Construction program nearing completion in Ogden
	\$6,365,032	\$3,470,437	\$163,469	2099	2830				

Job Placement Programs:									
Bear River Refugee	\$25,000	\$25,000	\$500	13	1	\$2,000	6/30/2013	Placement	Refugee job placement program in the Bear River Area
Bear River TA Incentive	\$10,000	\$10,000	\$141	5	14	\$2,000	6/30/2013	Placement	Pilot program that provides additional help to those on public assistance find work in the Bear River Area
Step Up Program	\$268,500	\$268,500	\$194,500	245	182	\$2,000	6/30/2013	Placement	Placement program that helps those on public assistance find work
Bear River Another Chance	\$45,000	\$45,000	\$2,000	23	9	\$2,000	6/30/2013	Placement	Pilot program that helps ex-offenders find meaningful employment - Bear River Area
Restart	\$62,000	\$62,000	\$1,161	31	1	\$2,000	6/30/2013	Placement	Pilot program that helps ex-offenders find meaningful employment - Davis, Morgan, Weber Counties
UBATC - CDL Program ⁴	\$25,000	\$25,000	\$0	13	192	\$2,000	6/30/2013	Placement	This grant will help the UBATC to fill the demand for commercial truck drivers in the Uintah Basin area.
World Trade Center	\$17,672	\$17,672	\$0	N/A	N/A	\$2,000	6/30/2013	Placement	License funding for WTC, helps generate reports on exporting companies.
	\$ 453,172	\$ 453,172	\$ 198,302	329	399				

Educational Partnerships:									
ACE Veteran Credentialing Program	\$ 1,000,000	\$ 1,000,000	\$ 124,433	667	89	\$1,500	6/30/2013	Cert./Degree Graduate	This program helps veterans receive credentialing for skills they obtained while serving in the military
Tooele ATC - Ind. Maintenance	\$98,000	\$98,000	\$0	65	15	\$1,500	6/30/2013	Cert./Degree Graduate	Certificate program that was formed at the request of industry, classes start on January 28, with 15 enrolled
USU Eastern Medical Assistant	\$50,607	\$50,607	\$0	34	0	\$1,500	6/30/2013	Cert./Degree Graduate	This grant will pay start up costs for the program, which is being requested by health care companies in Moab
Snow College Industrial Tech	\$25,000	\$25,000	\$18,751	17	10	\$1,500	6/30/2013	Cert./Degree Graduate	Certificate program that was formed at the request of manufacturing companies in the Central Utah area
Snow College Natural Resources Program	\$10,000	\$10,000	\$0	7	0	\$1,500	6/30/2013	Cert./Degree Graduate	Program to help graduates get real world experience with employers in the Central Utah Area
Uintah Basin ATC Welding	\$58,995	\$58,995	\$0	39	0	\$1,500	6/30/2013	Cert./Degree Graduate	This grant will help the UBATC to fill the demand for welders in the Uintah Basin area.
Southwest Utah Internship Program	\$50,000	\$50,000	\$0	33	0	\$1,500	6/30/2013	Cert./Degree Graduate	Higher education partnership grant to help internship outreach programs in Southwest Utah
Ogden School District GED	\$15,000	\$15,000	\$0	10	0	\$1,500	6/30/2013	Cert./Degree Graduate	Partnership with the Ogden School District to help adults obtain their GED and meaningful employment
Dixie ATC CNC Program	\$38,900	\$38,900	\$0	26	12	\$1,500	6/30/2013	Cert./Degree Graduate	This program is being requested by employers in Southwest Utah to fill the demand for specially skilled labor
Davis/Weber Education Partnership	\$50,000	\$50,000	\$0	33	0	\$1,500	6/30/2013	Cert./Degree Graduate	This program is a partnership to help train those who are looking for work in Weber and Davis counties
Box Elder School District PLTW	\$54,203	\$54,203	\$0	36	0	\$1,500	6/30/2013	Cert./Degree Graduate	This grant will help to pay the start up costs for a K-12 engineering program at the Box Elder School District
Park City School District	\$150,000	\$150,000	\$0	100	0	\$1,500	6/30/2013	Cert./Degree Graduate	This grant will help to pay the start up costs for a K-12 industry interface program for students in Park City
UCAP	\$300,000	\$300,000	\$0	200	0	\$1,500	6/30/2013	Cert./Degree Graduate	Industry alignment partnership with DWS, GOED and USHE
Utah Futures	\$500,000	\$500,000	\$0	N/A	N/A	\$1,500	6/30/2013	Cert./Degree Graduate	This funding will help to enhance the Utah Futures website, which website is designed for career planning
Job Behaviour Assessments	\$39,500	\$39,500	\$39,500	N/A ⁵	N/A	\$1,500	6/30/2013	Cert./Degree Graduate	Assesment program to help students understand their likelihood for success as a commercial truck driver.
Utah NFB - Project STRIVE	\$114,831	\$114,831	\$18,857	77	33	\$1,500	6/30/2013	Cert./Degree Graduate	This program helps blind students get career ready skills
NAAN	\$150,000	\$150,000	\$41,332	100	62	\$1,500	6/30/2013	Cert./Degree Graduate	This program helps refugees receive credentialing for their education/skills obtained in another country
Unobligated Educational Partnerships	\$412,355	\$0	\$0	275	0	\$1,500	6/30/2013	Cert./Degree Graduate	This funding will be obligated to qualifying educational partnerships.
	\$3,117,391	\$2,705,036	\$201,540	1619	159				

Grand Totals \$ 9,935,595 \$ 6,628,645 \$ 563,312 4046 3,388

UI Special Administrative Fund - Revenue ⁶	
FY 2013 Legislative Appropriation	\$ 6,480,000
Prior Year Carry Forward Funds	\$ 3,455,595
Total Available	\$ 9,935,595

Footnotes:

- *All program outcomes are for the current fiscal year unless otherwise stated.
- **All funds have been contractly obligated, a contract is in process to obligate funds, or funds have been obligated to a DWS program that does not need a contract to expend funds. Contracts and programs stipulate that all funding must be expended by DWS by June 30, 2013.
- ***Outcomes targets are determined by the total amount of funding allocated to the project, divided by the target cost per outcome. The target cost per outcome is the Department's expectation for how much funding should be allocated to each single outcome.
- 1 The reporting outcomes provided for this program were from January 1, 2010 through December 27, 2012
- 2 The reporting outcomes provided for this program were from the fourth quarter of 2011 through the fourth quarter of 2012
- 3 The reporting outcomes provided for this program were from January 1, 2010 through December 27, 2012
- 4 Reporting outcomes for this program included outcomes that occurred during the calendar year 2012.
- 5 This program provides an assesment for those considering an occupation as a commercial truck driver. These assesments provide students a likelihood of success or failure in this career and have reduced turnover in CDL certificate training programs.
- 6 This is the revenue amount authorized by the Legislature during the 2012 General Session. The actual revenue amount may change depending upon collection results.