

**REPORT TO THE
UTAH LEGISLATURE**

Report No. 2000-03

**A Follow-up Review
of
Utah's Employment and
Training Programs**

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Table Of Contents

	Page
Digest	i
Chapter I	
Introduction	1
Audit Scope and Objectives	5
Chapter II	
Customer Service Has Improved	7
DWS Has Streamlined Service Delivery	7
Consolidation has Improved Customer Service And Reduced Duplication	11
Chapter III	
Reduction in Program Staff Was Less than Expected	15
DWS Met Many of its Staff Reduction Goals	15
Though Unemployment is Down More Program Staff May Be Needed	20
Chapter IV	
Governance has Improved but Some Concerns Remain	25
Governing Councils, Boards and Committees Have Been Streamlined	25
State and Regional Councils May Not Fulfill Ambitious Responsibilities	28
Legislature Could Provide Greater Oversight	32
Chapter V	
Issues Requiring Additional Consideration	37
How Should DWS Staff Levels Be Determined?	37
How Should Program Effectiveness Be Measured?	41

Table of Contents (Cont.)

Are Customers with Special Needs Being Adequately Served?	44
Should the State Office of Rehabilitation Be Consolidated with DWS?	48
Appendix	59
Agency Response	61

Digest of A Follow-up Review of Utah's Employment and Training Programs

The State of Utah has addressed most of the problems described in our 1992 audit of Utah's Employment and Training System but there are a few issue that still need to be addressed. Our audit led to a restructuring of the state's job training programs and employment services and the consolidation of these programs into a single Department of Workforce Services (DWS). The result has been an agency that is much more focused on customer service than the old workforce services system. In addition, consolidation has allowed the department to eliminate many administrative and support positions. However, the department has not able to reduce the number of employment counselors as expected. We also question whether the level of oversight provided by the state and regional councils is meeting the high expectations that are envisioned by the statute and whether the Legislature is sufficiently involved in deciding important policy matters. This report identifies several important policy issues that the state and regional councils, as well as the Legislature, should consider.

The following summarize the key findings and recommendations:

Customer Service Has Improved. DWS has succeeded in creating a more consumer-oriented employment and job training system. Those needing help finding a job and other related services can now go to a single, one-stop service center where a single employment counselor can address their needs. Those wishing to apply for special government assistance only need to fill out a single set of application forms. The department has also taken advantage of new technologies to improve client services. In comparison to the fragmented service delivery system we observed in 1992, clients have much easier access to the employment and job training services they need. In fact, Utah is considered a leader among a growing number of states that are revamping their workforce services systems.

Reduction in Program Staff Was less than Expected. The efforts by the Department of Workforce Services to streamline service delivery has not resulted in as large of a reduction in staff as many expected. Although the department has reduced the number of administrative and support staff, the number of program staff in the

regions (those who provide direct services to DWS clients) has increased slightly. The increase is surprising because one of the goals of consolidation was to reduce the duplication in the case management function so that more resources could be devoted to direct client services. Instead, the department has chosen to increase the number of employment counselors in order to provide more intensive job-related counseling.

Governance Has Improved but Some Concerns Remain. The problem of fragmented governance described in our 1992 audit was addressed by the Legislature at the same time the Department of Workforce Services was created. The legislation that established DWS consolidated many coordinating councils and governing boards that oversaw employment and training programs into a single state council supported by eight regional councils. As envisioned by the Governor's Task Force and codified by legislation, the regional councils have broad authority to guide local efforts while the state council ensures compliance with statewide policy. However, we question whether the councils are able to fully comply with the ambitious responsibilities assigned them. Furthermore, contrary to the intent of the federal Workforce Investment Act, the Legislature has little representation on the state council. Therefore, we feel the Legislature should review the current governance structure and determine if any adjustments are needed.

Summary of Recommendations:

- The state and regional councils, as well as the Legislature, should consider taking steps to strengthen the oversight of the Department of Workforce Services and whether revisions are needed in **Utah Code 35A-1-207**.

Issues Requiring Additional Consideration. One reason we feel governance structure should be reevaluated is to ensure that emerging policy issues are appropriately addressed. Four of the policy issues that need additional consideration are:

1. How should DWS staff levels be determined?
1. How should program effectiveness be measured?
2. Are customers with special needs being adequately served?
3. Should the State Office of Rehabilitation be consolidated with DWS?

Although each of the above issues was raised by the 1992 audit report and by the Governor's Task Force, they continue to be unresolved. This report contains specific recommendations to address the four policies issues above.

Summary of Recommendations:

- The Department of Workforce Services needs to identify the method the Department of Workforce Services should use to decide how many program staff should be assigned to each employment center.
- The state and regional councils need to identify the performance standards to measure the effectiveness of individual programs and employment centers.
- In order to determine the quality of service provided to customers with special needs, future surveys of customer satisfaction should identify the results for specific customer groups such as those clients receiving support services.
- The Office of Rehabilitation should be made into a separate division within the Department of Workforce Services. At the very least, the two agencies must take steps to improve coordination including sharing client information when possible and developing a shared service plan for each client.

Chapter I

Introduction

A 1992 audit report characterized Utah's employment and training system as fragmented and unresponsive to customers.

In 1992, the Legislative Auditor General issued a report criticizing Utah's employment and training system for failing to provide easy access to government services and for wasting resources. At the time, clients were required to navigate a complex set of bureaucratic programs and rules in order to get help finding a job. A great deal of duplication among government agencies serving the unemployed also existed. The audit report proposed that Utah's fragmented system of programs and agencies be consolidated into a system of one-stop centers from which a wide-range of government services could be obtained. This action, we believed, would make it easier for individuals to obtain services they need while reducing duplication of programs and services. The savings produced could then be used to provide job seekers with more services such as job training, child care, and subsidies for on-the-job training.

Fragmented System Made it Difficult for Clients to Obtain Services

In a 1992 audit report titled [A Review of the Coordination of Utah's Employment and Training Programs](#) (Report #92-10), we observed that employment and training services in Utah were:

fragmented among 23 separate state and federal programs, administered by six different state agencies, ...[and] each was created by a separate piece of legislation. [The six] agencies in turn were accountable to separate state legislative standing and appropriations committees. Each program also had its own advisory board and regional network of service delivery offices.

Case managers from different agencies competed for control over clients.

Although the agency staff in some regions did try to coordinate their efforts, most case managers were poorly informed about what services were offered in other agencies besides their own. In addition, we found that some case managers from different agencies were competing for control over clients that they jointly served. As a result, clients were not getting all of the services they needed either because they were not aware of what services were offered or because it was too intimidating or frustrating to visit several different agencies in order to get the services they needed.

Utah needed to create a more customer-oriented approach to service delivery.

To demonstrate how difficult it was for some clients to obtain services, we described the difficulty that “displaced homemakers” had in obtaining employment, training and other related services. The report states:

Since no single agency provides all services, some clients must apply to several agencies to obtain all the services they need. At each location the client is required to fill out a different intake form, take various skill tests, talk with a case manager, develop a job training or job search plan and participate in some kind of training or job search class... . Many have suggested that it is unfair to expect displaced homemakers to sort through a complex network of programs because they may already feel discouraged by divorce or the death of a spouse. They can get the impression that government is not really interested in helping them solve their problems.

After describing the competition for clients, the bureaucratic rules that were followed, and the difficulty that clients faced as they tried to obtain services, we concluded that Utah’s employment and training system was guided “more by the needs of the institutions than by the needs of its customers.” We recommended that the state develop a streamlined service delivery system that was more focused on the customers than on bureaucratic rules and policies. We also suggested that by reducing the administrative overhead and the number of case managers required to serve a client, the state would be able to devote more resources to client services.

**Fragmented Governance Prevented
The Development of State Policy**

The fragmented nature of the state’s employment and job training system also prevented the state from developing a unified policy for workforce services. The 1992 audit report pointed out that the state Job Training Coordinating Council was supposed to coordinate all of the agencies’ various policies and strategies for workforce development. However, because of “turfism” and “interagency conflicts,” the Job Training Coordinating Council was unable to do so. In addition, each agency that provided employment and training services had its own set of federal rules, reporting requirements, planning schedules and deadlines by which annual strategic plans were to be submitted. Each agency was also divided into separate regions with their own regional boundaries that rarely conformed to the boundaries of other state agencies. In spite of the

**Coordination
was also difficult
at the legislative
level.**

efforts of the Job Training Coordinating Council, the fragmented nature made it impossible for this group to effectively govern the system and to force agencies to work together.

Furthermore, the coordination was equally difficult at the legislative level. The Utah Legislature had five different standing and appropriations committees that were responsible for different employment and training programs. Both the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget had several different staff assigned to each of the different employment and training programs. We found that the budget analysts for each appropriations subcommittees were each drafting budgets and developing policies without conferring with one another. For this reason, we recommended that the Governor's Office and the Legislature conduct a strategic planning process to address the problems facing the state's employment and training system. We also recommended that the "Legislature coordinate the way it addresses the programs, policies, and budget relating to work force development."

Governor's Task Force on Workforce Development

In response to our recommendation, the Governor formed a Task Force for Workforce Development to consider ways to create a more unified employment and job training system. The task force, headed by the Lieutenant Governor, arrived at many of the same conclusions as the Legislative Auditor General. They said:

Though considerable effort has been made by the agencies to coordinate the delivery of services, significant red tape, duplication, and multiple case management still exist. Some case managers in these programs have said they spend up to one-half of their time just knowing the regulations and coordinating benefits with other case managers in other programs.

The task force proposed a unified case management approach that is "customer driven":

Under the new organization, clients – both employers and employees– would have dramatically improved access to the full-range of services they seek. Simplification of programs would enable employment assistance advisors to focus on clients not regulations. Efficiencies in

The Governor's Task Force concluded that consolidation would improve customer access to services and reduce duplication.

administration would enable proportionally more dollars to go directly to program services.

The Task Force said that consolidation should accomplish two basic goals: (1) provide customers with improved access to services; and, (2) allow government to provide services at a lower cost so that more funds could be used to provide direct services to clients.

The task force completed its work in October 1995 and made the recommendations shown in Figure 1 that were to be included in legislation proposed for the 1996 legislative session.

Figure 1. Recommendations of the Governor's Employment and Job Training Task Force. In 1995, the Governor's Task Force recommended the consolidation of job training programs and creation of a one-stop approach to service delivery.

1. Consolidate the Department of Employment Security, Office of Job Training, Office of Family Support and the Turning Point program.
2. Create a "one-stop" approach to service delivery "which would feature common case managers through which all services would be woven together in a comprehensive package of services."
3. Allow the "Office of Rehabilitation [to] remain separate from the new department" and that "once the new department is up and running, a comprehensive feasibility study should be conducted to determine the costs and benefits of including the Office of Rehabilitation in the new department."
4. Provide "an option for counties or regions to request and negotiate local administrative control within state guidelines and where local control is feasible."
5. Create a common data system that would link all programs that move people toward the world of work.

Each of the above recommendations was incorporated into H.B. 375 and was approved by the Legislature during the 1996 legislative session. The legislation allowed the Governor to appoint an Executive Director for the new department who, with a small transition team, would conduct a one-year planning process to prepare for the consolidation of the agencies on July 1, 1997.

Promised Efficiencies of Consolidation

During the 1997 session, the legislative appropriations subcommittee conducted its first budget hearings for the new Department of Workforce Services (DWS). During those hearings, the transition team predicted that the new department predicted it would be able to improve efficiency during the first year of operation by doing the following:

- Reducing FTEs
- Consolidating Employment Centers
- Consolidating of Administrative Functions
- Improving Service Delivery

Now that the Department of Workforce Services is in its third year of operation, legislators have asked the Auditor General to report on whether the department has address the issued described in the 1992 audit report and as well as the goals of the Governor's Task Force.

Audit Scope and Objectives

The primary objective of the current audit, then, was to determine whether the goals of consolidation have been achieved. Specifically, audit staff focused on the following four objectives:

- Determine if the goal of increased customer service has been achieved.
- Identify the efficiencies gained through consolidation.
- Determine the extent to which the governance and administration of workforce services programs were consolidated.
- Determine whether the major policy issues raised in the audit have been addressed.

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Chapter II

Customer Service Has Improved

The Department of Workforce Services (DWS) has succeeded in creating a more consumer-oriented employment and job training system. Those needing help finding a job and other related services can now go to a single, one-stop service center where a single employment counselor can address their needs. Those wishing to apply for special government assistance only need to fill out a single set of application forms. The department has also taken advantage of new technologies to improve client services. As a result, most of the duplication described in our 1992 audit report has been eliminated, and clients have easier access to the services they need. In fact, Utah is considered a leader among a growing number of states that are creating a one-stop delivery system.

DWS Has Streamlined Service Delivery

The Department of Workforce Services has succeeded in streamlining the delivery of employment, job training and other related services. They have

- consolidated the application process
- consolidated case management
- created call centers
- used technology to improve service and efficiency
- created “one-stop” service delivery centers.

The result is that clients have easier access to the services they need, and much of the duplication in the service delivery system has been eliminated.

Consolidated Application Process

Before the creation of the Department of Workforce Services, clients in need of employment and other related services had to fill out separate applications forms at each different agency from which they wanted to obtain services. One benefit of consolidation is that clients can now apply for a wide-range of services through a single application process.

DWS streamlined services by providing a single case manager and by reducing the number of facilities.

Typically, an employment counselor will sit down with a client and fill out a single set of application forms for the services they need. One reason the state needed to streamline the application process is that some people are intimidated by the prospect of having to go to a state agency, tell a government worker about their problems, and fill out forms that ask for highly personal information. By creating an application process in which people only have to fill out the forms once, the department has made it less intimidating for people to apply for the services they need. In addition, streamlining the application process makes it less expensive because fewer government workers are required to establish a customer's eligibility. Clients only have to be interviewed once rather than several times by different staff at each different agency.

Consolidated Case Management

Consolidating the case management function has also reduced the amount of staff time needed to provide the department's basic services. By reducing the amount of time that government employees spend with each client reviewing their cases it became more convenient and less time consuming for customers to get the services they need.

The term "case management" refers to those tasks associated with serving customers in need of special training, placement counseling or public assistance. Case managers test a customer's proficiency and job-related skills, search for positions for which a client might be qualified, prepare an employment development plan, and collect and enter client data into the computer.

Before the department was created, a client might have gone to several different agencies and at each location be assigned to a separate case manager. For a client to obtain all the services the state had to offer required that each of the client's case managers meet together to discuss the client's needs and jointly decide which agency would provide which services. Because case managers did not always communicate well with one another, clients' needs were not always met.

While consolidating the case management function has greatly improved customer service, there is still some room for improvement. Perhaps the greatest challenge has been to provide the employment counselors with enough training so they understand all of the different programs and services offered by the department. Adding to this challenge is the

One employment counselor can help a client access all the state's employment and training services.

significant turnover that the department underwent during its first two years of operation. As a result, some of the less experienced counselors may have difficulty serving clients with multiple barriers to employment or who require special services. However, the department and the Legislature have taken steps to reduce staff turnover. As employment counselors gain more experience, they will become more knowledgeable in the department's program offerings and will become better at matching those services with the needs of customers.

Created Call Centers

In the same way that many private businesses use telephone call centers to provide customer support, the Department of Workforce Services has created call centers to streamline the process of applying for services and for updating a client's eligibility status. Specifically, two types of telephone call centers have been created: one handles unemployment benefits; the other handles ongoing eligibility for public assistance. The centers are staffed by specially trained eligibility workers who are given real-time access to the department's database of client information.

The call center for unemployment insurance benefits has dramatically increased the productivity of the Unemployment Insurance Division. As a result, that division now has 49 fewer employees than it did in 1997. The call center has also improved customer service because those who are eligible for unemployment benefits no longer need to make a personal visit to the department in order to obtain services. Instead, they can apply for services over the phone.

Another set of call centers has been created to handle ongoing eligibility for those seeking public assistance. These are found in each service region of the state. The eligibility call centers are so new that we could not verify their impact on customer service. However, we believe that they will make it more convenient for the clients because the client will be able to contact the department by phone rather than coming into a service center and waiting for assistance.

Call centers allow DWS to quickly process applications and address client concerns.

Use of Technology to Improve Service and Efficiency

The department's use of technology has increased staff productivity by automating procedures that were formerly carried out by clerks and accounting technicians. The following are a few examples:

- **Internet Access to Job Listings.** The department's web site makes it possible for job seekers to identify positions for which they are qualified and to submit resumes electronically.
- **Horizon Cards.** The use of Horizon Cards allows staff to distribute public assistance benefits such as food stamps without actually having to issue coupons.
- **UWORKS.** The UWORKS computerized case management and tracking system allows DWS to manage the information associated with a customer's employment efforts. The intake process, assessment, program eligibility, employment plan, job search effort and placement can be tracked.
- **Job Connection Rooms.** Public access to computers and job searching tools is provided in every employment center.

Technology has reduced costs while increasing accessibility to services.

The department's use of technology has reduced the cost of providing services and has dramatically improved the ability of the department to serve the public. The use of the Internet to post job listings has improved customer access to the department's job listings resulting in far more customers reached with fewer staff than previously through local offices. Though it was only recently installed, UWORKS should improve the ability of case managers and other state officials to track a client's progress and service clients while reducing the time spent carrying out bureaucratic rules and procedures.

"One-stop" Service Delivery Centers

Consolidation of the state's employment and training programs has allowed the state to reduce the number and size of government facilities. Not only has the number of facilities been reduced but also the amount of space being used. In addition, the cost of operations and maintenance has declined.

Vacating 35 locations allowed DWS to cut its facility costs.

In Roosevelt, programs in four different facilities were moved to a single location.

From 1996 to 1999, the department vacated 35 facility locations that were used to house the different job training programs. Since DWS's creation, there has been a 12% reduction in office space from 756,645 to 668,573 square feet. For example, in Roosevelt, Utah, there were once separate facilities for the Division of Family Support, the Department of Employment Security, the local Job Training Partnership Act program and the Turning Point program. After the creation of the new Department of Workforce Services, the four programs were combined and moved into one location for a space savings of 24% or 2,235 square feet.

It is difficult to identify the entire savings related to the cost of facilities because some agencies that joined the Department of Workforce Services were not previously charged for occupying space or were not required to pay for the operations and maintenance of their facility. For example, in the Roosevelt example cited above, the Turning Point program was not charged for the office space at the Uintah Basin Applied Technology Center. As a result, when they were combined with the Department of Workforce Services, the cost savings could not be identified because they did not have a budget for leased space. But that space reverted back to the Applied Technology Center and presumably is being used for another purpose.

The new department might have saved even more money on facility costs if it had not inherited several facilities with long-term lease agreements. Some of these facilities will not be vacated for several years until after the leases expire. At that time, the department should be able to vacate those facilities and further reduce their space requirements.

Consolidation Has Improved Customer Service and Reduced Duplication

We have found that consolidation has both improved customer service and reduced duplication. This conclusion is supported by: (1) our own personal observations of employment centers and interviews with staff; (2) our interviews with the department's customers; and, (3) the comments made by a few out-of-state observers.

Observations of Audit Staff Validate Improvements

We have concluded that the Department of Workforce Services is an agency that is highly committed to improving customer services. After visiting many workforce services centers and interviewing dozens of staff, we found plenty of evidence that this agency is very committed to providing a high level of customer service. The layout of the service centers, the way that employees greet customers at the entry way, and small things such as a sign that reads *“If you have waited for more than 15 minutes, please ask for assistance at the front desk,”* all demonstrate a culture that is very customer oriented.

We also met many employment counselors that seem very committed to helping their customers become self-sufficient within the time limits set by law. We found that the service-oriented atmosphere among department staff was a stark contrast to the bureaucratic mindedness that we found among staff in 1992.

Customer Satisfaction Surveys Validate Improvements in Service

We also conducted client interviews to verify the improvement in customer service. Forty-five DWS customers were contacted either by telephone or through face-to-face interviews. Most of those interviewed were randomly selected from lists of clients enrolled in the Family Employment Program (FEP). We found that 87 percent of sampled customers said that they were generally pleased with the level of customer service they received. For example, one FEP recipient said that the consolidation of services is easier, especially for mothers, because they only have to make one stop.

The results of our individual client surveys are consistent with the department’s own surveys of its customers. DWS conducts annual surveys to determine how its customers feel about service quality and to find out if there are changes in customers’ perceptions of the department from year to year. These surveys show that customers give the department’s service quality a high rating.

On the other hand, it is important to recognize the limitations of any survey of the department’s customers. We found that many FEP customers do not have working phones. As a result, we were unable to contact many of the individuals who may be considered “hard to serve.”

The majority of customers are pleased with customer service.

An additional problem we found with the department's client surveys is that they do not differentiate between groups of customers such as those merely seeking a job and those seeking some form of public assistance and other intensive services. In Chapter V of this report we suggest that the department improve its ability to meet the needs of clients with special needs.

National Observers Also Recognize Utah's Progress

The observations of out-of-state groups also suggest that Utah's Department of Workforce Services has dramatically improved its customer service. We had the opportunity to speak with representatives from the General Accounting Office (GAO) who visited several of Utah's one-stop centers for a study requested by the U.S. Congress. The GAO had been asked by Congress to gather information regarding those states implementing the "one-stop shopping" concept of service delivery. GAO representatives told us Utah was the first state that they chose to visit because they wanted to find out why Utah was so far ahead of other states in creating one-stop centers. Because they had experience auditing employment and training programs in several other states, it is notable that the GAO staff felt that Utah's one-stop centers were very customer-oriented.

The National Conference of State Legislatures (NCSL) staff in Washington made similar comments about the customer focus of Utah's employment and training system. They said that they tell other states that "Utah is an example of how far a state can go in reforming and consolidating its employment and training system." DWS has also received numerous visits from those representing other states who are considering restructuring their workforce services system.

Even though much has been accomplished in the area of customer service, we found that some of the goals of consolidation have still not been met. These are described in the following chapters. In Chapter III, we point out that the department has not achieved the reduction of employment counselors and other program staff that was expected. In Chapter IV we recognize the improvements that have been made in the governance of the system but also suggest ways to improve the oversight of the department. Finally, in Chapter V, we raise several issues that were discussed in our 1992 audit report that still need to be addressed either by the Legislature or by the State Workforce Investment Council.

Utah is cited as an example of how far a state can go in reforming a state employment and training system.

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Chapter III Reduction in Program Staff Was less than Expected

The efforts by the Department of Workforce Services to streamline service delivery has not resulted in as large of a reduction in staff as many expected. Although the department has reduced the number of administrative and support staff, the number of program staff in the regions (those who provide direct services to DWS clients) has increased slightly. The increase is surprising because one of the goals of consolidation was to reduce the duplication in the case management function so that more resources could be devoted to direct client services. Instead, the department has chosen to increase the number of employment counselors in order to provide more intensive job-related counseling.

DWS Met Many of its Staff Reduction Goals

The reduction in staff has been slightly less than the department's administration predicted before the consolidation of agencies occurred. In a 1997 appropriations subcommittee meeting, the department told legislators that they expected the following reductions in full time equivalent (FTE) staff:

- employment counselors to be reduced by 58 FTEs
- unemployment insurance staff reduced from 10 to 7 FTEs
- Electronic Benefits System staff reduced by 7 FTEs
- management FTEs to be reduced at eliminated sites

There has been a decline in administrative and support positions, but the number of employment counselors has increased.

Since its creation, DWS has succeeded in reducing its administrative and support personnel by 91 FTEs. It also succeeded in reducing the program staff in its department-level units by 52 FTEs; however, the number of program staff in the service regions has actually increased by 25 FTEs. Despite the increase of program staff in the service regions, Figure 2 shows a combined reduction of 118 FTEs in department as a whole.

Figure 2. FTEs have Declined 6.5%. Full-time equivalent employees (FTEs) have declined 118 or 6.5% since the department as created.

	1-10-97	1-07-00	Change
Administrative & Support Staff ⁽¹⁾	525	434	-91
Program Staff in Department-level Units ⁽²⁾	268	216	-52
Program Staff in the Service Regions	1045	1070	+25
Total FTEs:	1838	1720	-118

(1) Includes both regional and department level staff.

(2) Includes program staff in Adjudication, Administration and Finance, Labor Market Information, Employment Development, and Unemployment Insurance.

Note: The data describes the full time equivalent employees (FTEs) on the payrolls for the date indicated. Because the organizational structure has changed, each FTE in 1997 was assigned to the organizational unit to which the position is currently assigned.

Figure 2 compares the number of staff FTEs before and after the creation of the department. The first column shows staffing levels from about six months before DWS began operating in July 1997. The FTE count was based on employee data obtained for the state’s January 10th payroll of 1997. The second column, also obtained from payroll data, shows DWS staff level in January 2000 after two and a half years of operation. The following describes the changes shown in Figure 2 in greater detail.

Reductions in Administrative and Support Staff

The reduction in administrative and support staff was directly related to the consolidation of programs and agencies. In many instances, the department was able to reduce the number of local program directors and office support staff because four local programs were combined into one. For example, in Roosevelt the Job Training Partnership Act (JTPA) program a local “Director” to manage that county program. In addition, the Department of Employment Security had a “Job Service Manager” who oversaw that agency in Roosevelt. The Turning Point program, whose office was located at the Uintah Basin Applied Technology Center, was also managed by a “Director” who spent about half her time managing that relatively small program. Finally, the Office of Family Support had a local “Manager.” With the consolidation of the four local offices, the four local manager positions were replaced by a single “Regional Manager II.” Some of the employees who were formerly program directors have now taken positions in which they provide direct services to the department’s customers.

Consolidation allowed DWS to eliminate some managerial positions.

Similarly, the department's streamlining reduced the need for many office support positions. For example, some of the programs had a receptionist in each office. With the consolidation of facilities, a single receptionist can handle telephone calls and receive people as they visit the center. In addition, there were several staff in each agency who handled the local finances and accounting or who maintained the computer systems. Those positions were consolidated as well. In all, the department achieved a net reduction of 91 FTEs among its administrative positions. See Appendix A for a detailed list of the changes in FTEs by organizational unit.

Reductions in Department-Level Program Staff

Some of the decline in FTEs can also be attributed to reductions in program staff within the department-level units such as the organizations that handle Unemployment Insurance and Labor Market Information. Figure 3 shows the change in program FTEs for these and other special department-level units.

Some direct services are offered through department level units. Since 1997, these units have eliminated 52 program staff FTEs.

Figure 3. 52 Program Staff FTEs have been Eliminated in Department-Level Units. Much of the department's decline in staff can be attributed to the declines experienced by Labor Market Information and the Unemployment Insurance programs.

DWS Department-Level Units	1-10-97	1-07-00	Change
Adjudication Division	23	21	-2
Labor Market Information	48	34	-14
Unemployment Insurance	193	140	-53
Other Department-Level Units ⁽¹⁾	5	22	+17
Total FTEs:	269	217	-52

1. Includes program staff in Executive Director's Office, Deputy Director's Office, Administration and Finance, and the Employment Development Division.

As mentioned in Chapter II, the use of a call center by the Unemployment Insurance Division has allowed that unit to reduce its staff. In February 1997, the department predicted a 10% reduction in personnel and a savings of \$500,000 annually. Figure 3 shows that the Unemployment Insurance Division was actually able to reduce its FTEs by 53 staff—a reduction of 27 percent.

A significant decline in the staff working within the Labor Market Information program also occurred. There were two reasons for the decline in staff in that unit: (1) many FTEs had been funded through outside contracts which were discontinued; and, (2) a reorganization of the unit allowed consolidation of several positions.

The increase of 17 program staff in the “Other Department-Level Units” is largely due to an increase in the Employment Development Division which added about 20 social workers and therapists. When considered together, the department-wide agencies experienced a net reduction of 52 program staff FTEs.

**Employment Counselor Positions
Have Not Declined**

Some also expected the new Department of Workforce Services would be able to operate with fewer staff who provide direct client services such as employment counseling—by far the position with the most staff FTEs. Instead, the department has slightly increased the number serving as program staff (employment counselors and others who provide direct client services) within its system of one-stop service centers. Figure 4 shows the increase of 25 program staff in the local service centers between 1997 and 2000.

DWS regions had 25 more program staff in January 2000 than they did in January 1997.

Figure 4. Program Staff Have Increased In the Regional Offices. Although the total department staff has declined, in January 2000, the department had 25 more program staff than before it was created.

DWS Region	1-10-97	1-7-00	+/- Change
Northern	280	266	-14
Central	401	408	+7
Mountainland	118	131	+13
Eastern	119	115	-4
Western	127	149	+22
Regional Program Staff:	1045	1070	+25

Figure 4 shows that although the department has made some adjustments in FTEs among the regions, the total number of program staff FTEs in the service regions has increased about 2%.

Consolidation Should Have Resulted in Fewer Program Staff

The slight increase in program staff is surprising because one of the main reasons for creating a new Department of Workforce Services was to reduce redundant program staff positions. Our 1992 audit report states that too many resources were going to pay for case manager salaries and that there were not enough resources for direct services such as tuition, books, and on-the-job training. On page 16 of the 1992 report, we said:

Managers from several agencies expressed concern that the work force development system does not offer enough funds for training clients. However, they each believe their agency should be the primary provider of case management services and that other agencies should provide more money for the actual cost of tuition, books, and on-the-job training.

We then concluded that—

Utah's work force development programs may be providing an excess of case management services at the same time there is a lack of funding for tuition, books, and other school fees that may help clients work toward self-sufficiency.

We suggested that eliminating the duplication among program staff would allow the state to free up resources for direct services. The Governor's Task Force agreed. They said that one benefit of consolidation would be that "*efficiencies in administration would enable proportionally more dollars to go directly to program services.*"

We were unable to determine how many program staff the department needs. However, several client advocates told us that they believe the department is still not devoting enough resources to training and other services that will help the most disadvantaged become self-sufficient. As we have considered the caseloads at each workforce services office and as we have discussed this matter with staff, we have concluded that the department needs to find a way of deciding how many program staff it needs and whether more resources couldn't be used to pay for other client services.

Consolidation was supposed to lead to a reduction in program staff.

Savings from staff reductions was supposed to help pay for more client services.

Though Unemployment Is Down More Program Staff May Be Needed

Although unemployment is low and public assistance caseloads have declined, some DWS officials claim that they need to retain or even increase their program staff in order to provide more intensive employment counseling services. They say that it is essential that they maintain and even increase program staff in some areas in order to address the demands of the state's new welfare policy. They also point out that since the latest round of welfare reforms, DWS is required to do much more for clients. Instead of simply providing welfare recipients with a benefit check, DWS staff are required to provide more intensive employment counseling services and regularly check to see if they are making progress towards self-sufficiency. In addition, DWS officials say there has been an increased demand for employment services among individuals who are already employed.

Declining Caseloads and Low Unemployment Raise Doubts about the Need for Additional Program Staff

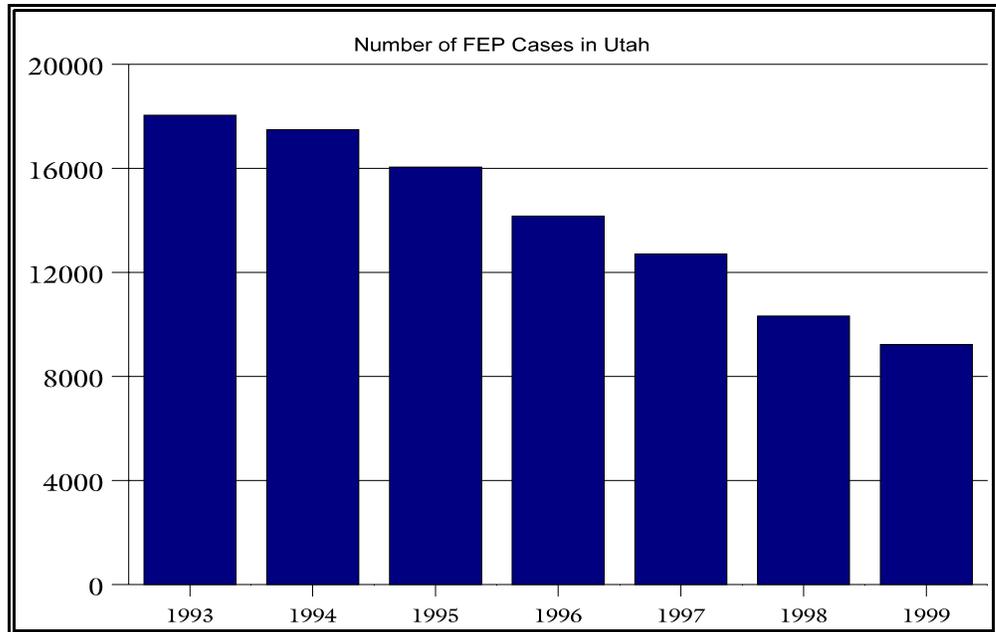
Two indicators of the demand for the department's services are the number enrolled in the Family Employment Program (FEP) and the unemployment rate. Recent declines in both indicators suggest there has been a declining demand for the department's services.

Utah has seen a significant decline in the number of individuals on public assistance.

FEP Cases Have Declined. The Family Employment Program or "FEP" is the state's major welfare-to-work program. It is an indicator of the number of individuals participating in the department's intensive services and training programs. FEP is largely supported by a Temporary Assistance for Needy Families (TANF) grant from the U.S. Department of Health and Human Services. TANF is also the department's single largest source of funding. Figure 5 shows the number of FEP cases has declined during the past several years.

Enrollment in the Family Employment Program is down sharply.

Figure 5. Utah's FEP Cases Have Declined. In 1999, Utah had half as many Family Employment Program Cases (FEP) than in 1993.



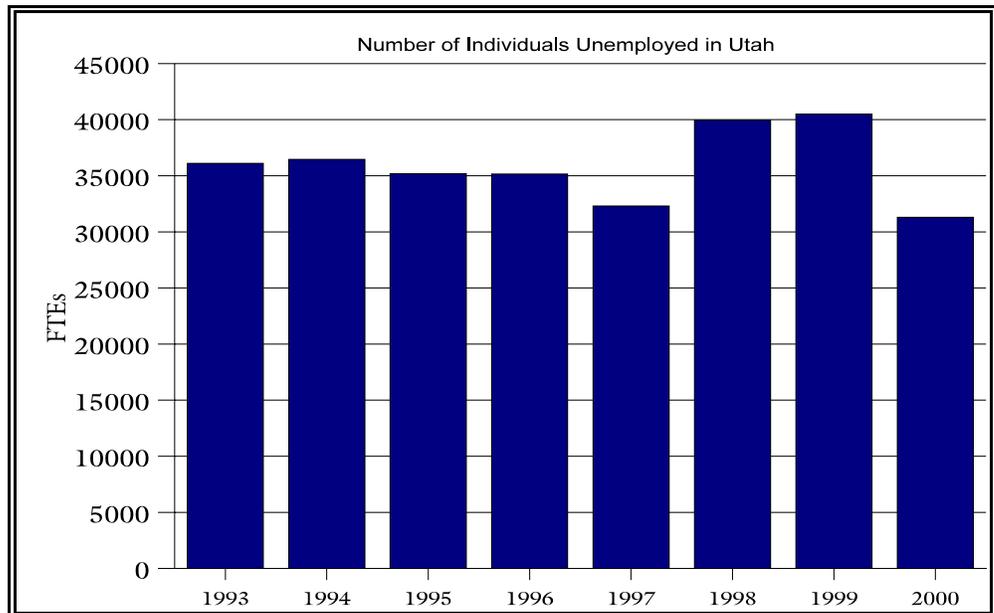
Note: Year 1993 shows the data from July to December only.

Figure 5 shows the number of individuals participating in the state's FEP program since 1993. For the years 1993 to mid 1997, the data is actually the number that were enrolled in "Aid to Families with Dependent Children (AFDC)"—the program that preceded Temporary Assistance for Needy Families (TANF). Since 1997, the year the department was created, AFDC was replaced by TANF. In Utah, TANF funds were largely used for the Family Employment Program (FEP). Since 1997 FEP cases have dropped by 27 percent. There were similar declines in some of the department's other public assistance programs including food stamps and medicaid as well.

Unemployment Is Down. Since DWS helps people find jobs, the state's unemployment rate is another rough indicator of the demand for the department's services. In fact, much of the funding the department receives from the U.S. Department of Labor is based on the state's unemployment rate. From June 1998 until June 2000, the state's unemployment rate declined from 3.8 percent to 2.7 percent. Another way to look at unemployment is the number of unemployed individuals. Figure 6 shows that there was an increase during 1998 and 1999, but lately the number of unemployed has dropped significantly.

Unemployment is the lowest it has been in many years.

Figure 6. Utah Has Historic Low Unemployment. The number of individuals unemployed is currently at a historic low level.



Note: Year 2000 data is the average number of unemployed from January through May.

Figure 6 shows that the number of unemployed has declined by about 1,300 individuals since 1997, the year the department was created. In 1998 unemployment was the highest it had been in seven years. Since 1998 the number of unemployed has declined from about 40,000 to about 32,200. With an unemployment rate of only 2.9% in May 2000, Utah has roughly 7,800 fewer individuals who are unemployed than in 1998. In fact, unemployment has been so low in recent months that the department's economists report that the "extreme tightness" in the market is making it difficult for employers to hire additional workers. The tight labor market and declining public assistance cases casts doubt on the claims that the department needs to increase its program staff.

Employers are having difficulty finding the workers they need.

Mission Changes May Justify Current Staffing Levels

Officials from the Department of Workforce Services have given several reasons why they believe that the department needs to maintain the current number of program staff. Most importantly, they point out that the 1996 welfare reform legislation brought significant changes to the department's mission. Therefore, the expectations for reductions in program staff in the regions that accompanied the department's creation may not be relevant. Additional reasons to maintain staff levels are the increasing use of employment services and as a protection against

Some DWS staff suggest that FTEs should remain at current levels or even be increased.

Many of those remaining on public assistance face serious barriers to employment.

potential economic downturns. The following paragraphs summarize four explanations DWS staff gave us.

- 1. Utah’s Welfare-to-Work Policy Requires a More Intensive Service.** Whereas the state’s old welfare policy focused on entitlements, the state’s new “welfare-to-work” policy requires those who receive public assistance work towards self-sufficiency through employment. One of the arguments for creating the new department was that it enabled the state to more effectively carry out its welfare to work policy. It made it possible for the state to combine the process of applying for public assistance with the process of seeking employment.

Consequently, the state’s welfare-to-work policy has been very successful. Thousands of individuals who were on public assistance have now entered the workforce with the help of the department’s employment counselors. However, several department officials report that it requires more staff time to help an individual progress towards self-sufficiency than it did when the primary focus was not on employment. They point out that the old policy simply required that case workers verify clients’ eligibility each month and encourage them to find a job.

- 2. Those who remain on Public Assistance Require More Attention from Staff.** Another reason that department officials believe they need to retain current staffing levels is that those who remain on public assistance require a very intensive level of counseling. They say that welfare reform has succeeded in getting most welfare recipients off public assistance and into jobs. However, an increasing portion of those who remain on public assistance face serious barriers to employment.

According to department staff, these customers require much more intensive counseling and job coaching than most. As a result, department staff are telling us that they need to spend more time with each client in order to help him or her become independent.

- 3. More Demand for Employment Services.** Department officials also report an increased demand for services by individuals who already have a job but want to upgrade their employment. The department uses the term “core services” to describe the traditional service of matching job seekers and

Some say that DWS needs to retain its current staffing levels in case unemployment increases.

employers. Reportedly, as the economy has improved and the demand for employees has increased, so have the opportunities increased for people to move into higher-paying jobs. Thus, more people are asking for the department's core services so they can find better jobs. The department points out that the Workforce Investment Act requires that they serve everyone that asks for its core services regardless as to their employment status or income level. In addition, the department reports increased demand for services from employers who want to hold job fairs and obtain assistance in identifying qualified workers.

4. **Unemployment May Increase.** Some department officials also warn that the level of unemployment and the need for public assistance is cyclical and that Utah is currently at the bottom of the cycle. They say that if the department reduces its staffing levels, it may not be able to hire and train new employees if the economy suddenly weakens. To be prepared for a sudden increase in the demand for services, some have argued that the department needs to maintain its current level of staff FTEs.

In conclusion, the expected reduction in program staff in the regions has not been achieved. While there may be valid reasons for maintaining staff FTEs at the current level, we believe that the department needs a better approach for deciding how many staff it assigns to local offices. If the department could measure the effect of the above four items on its workload, these items could certainly be considered to reevaluate the department's staffing needs. In Chapter V, we include the department's staffing level among those policy issues that should be decided by the Legislature or the State Council for Workforce Services. However, before we discuss the policy issues facing the department, we discuss our concerns about how policy matters are addressed by the department's—specifically, our concerns about the department's governing boards.

Chapter IV Governance Has Improved but Some Concerns Remain

The problem of fragmented governance that we found in 1992 was addressed by the Legislature at the same time the Department of Workforce Services was created. The legislation that established DWS consolidated the governance of employment and training programs into a single state council supported by eight regional councils. As envisioned by the Governor's Task Force and codified by legislation, the regional councils have broad authority to guide local efforts while the state council ensures compliance with statewide policy. However, we question whether the councils are able to fully comply with the ambitious responsibilities assigned them. Furthermore, contrary to the intent of the federal Workforce Investment Act, the Legislature has little representation on the state council. Therefore, we feel the Legislature should review the current governance structure and determine if any adjustments are needed.

Governing Councils, Boards and Committees Have Been Streamlined

Utah has succeeded in streamlining the governing structure of its employment and training system. In the 1992 audit report, we said that the governance in Utah was "fragmented" among several different coordinating councils and governing boards at both the state and local levels. With so many different groups involved in the governance of the system, it was difficult for the state to develop a unified policy for workforce services. The same legislation that created the Department of Workforce Services also streamlined the governance of the system by reducing the number of councils and boards that oversee employment and training programs in the state. The Legislature also reduced the number of legislative committees that are involved in workforce services issues.

State and Local Oversight Boards Were Consolidated

During our 1992 audit, we found that each agency providing employment and training services had its own separate advisory committee and governing board. Each group also prepared its own

**Consolidation
streamlined
governance by
reducing the
number of
boards that
oversee
employment and
training
programs.**

separate strategic plan. Often, these plans were prepared independently of one another even though the agencies provided similar services to the same clients. The Legislature eliminated most of the overlap between agency councils and oversight boards by creating a single State Council on Workforce Services (herein referred to as the “state council”). The state council also serves as the State Workforce Investment Board required by the federal Workforce Investment Act. In addition, the Legislature consolidated the local boards and committees into eight regional councils. The regional councils were given considerable policy making authority over the department’s operations in their regions in order to provide for strong local governance and to make the system more responsive to the needs of local employers and job seekers.

Legislative Oversight Also Consolidated

The Legislature also reduced the number of legislative committees that oversee programs. In 1992 we recommended that the Legislature consolidate its oversight of workforce services programs into a single appropriations and single standing committee. By doing so, the Legislature is now better able to develop policies for the workforce services system as a whole, to provide a single funding package to carry out those policies, and to hold the system accountable for its accomplishments.

In our 1992 report, for example, we identified five appropriations subcommittees that reviewed the budgets for work force development programs. These included subcommittees for:

- Public Education
- Higher Education
- Community and Economic Development
- Business, Labor, and Agriculture
- Human Services and Health

Because of the number of legislative appropriations subcommittees, the separate agencies could each approach different subcommittee for funding even though they served similar client populations. For example, five different programs provided assistance to single heads of households commonly described as “displaced homemakers.” Each of these five programs sought funding from three different appropriations subcommittees shown in Figure 7 below.

In 1992, five separate legislative committees oversaw employment and training programs.

Figure 7. In 1992 Three Legislative Appropriations Subcommittees Approved Funding for Programs that Help Single Parents. Prior to consolidation, three legislative committees allocated funding to five distinct employment and training programs for single heads of households.

Program	Department	Subcommittee
Single Head of Household	Community and Economic Development	Community and Economic Development
Job Training Partnership Act	Community and Economic Development	Community and Economic Development
Carl Perkins Single Parent or Displaced Homemaker	State Office of Education	Public Education
Utah Displaced Homemaker	State Office of Education	Public Education
Job Opportunity and Basic Skills	Human Services	Social Services and Health

With the creation of DWS, legislative committee oversight and budget development were simplified.

Figure 7 lists the employment programs for single heads of households and the legislative appropriations subcommittees that provided funds for those programs. By shifting responsibility for these programs to a single appropriations subcommittee, the Legislature was able to consolidate its oversight of state spending for programs serving the state’s unemployed.

By consolidating the appropriations subcommittees, the Legislature allowed the Legislative Fiscal Analyst and the Governor’s Office to reduce the number of different staff needed to prepare budgets for workforce development programs. For example, in 1992 we reported that there was one legislative fiscal analyst who prepared the budget for the JOBS program and another analyst prepared the budget for the Single Head of Household program even though the two programs served similar client populations. A similar situation existed in the Governor’s Office of Planning and Budget. Analysts from both offices told us that they often had difficulty keeping informed about other related programs and that there was little effort to coordinate those budgets. Once the programs were consolidated into a single department and assigned to a single appropriations subcommittee, the Office of the Legislative Fiscal Analyst and the Governor’s Office of Planning and Budget could assign a single analyst to prepare the budget for all workforce services programs.

State and Regional Councils May Not Fulfill Ambitious Responsibilities

Although the governance of Utah’s Workforce Services System has been consolidated, we question whether the state and regional councils are providing the level of oversight that was anticipated for the new department. When state officials first proposed creating a consolidated workforce services system, they envisioned a department that would be responsive to the needs of local employers and job seekers. Therefore, local businessmen and community leaders were placed on the regional councils to ensure that the services provided would meet local needs. By placing most decision making authority at the local level, it was hoped that the state could create a “customer-oriented” set of programs and services. In addition to the regional councils, the state council was designed to provide statewide policy, to ensure that local service strategies were consistent with state guidelines, and to measure the effectiveness of services provided in each region.

In practice, we found that there is some confusion about the roles of the state and regional councils and about the issues that they should address. It appears that the regional councils are not carrying out all of the responsibilities given them in the statute. Instead, many important policy decisions—such as whether the department has too many staff or whether it is providing sufficient client services—are being decided by the department’s administrative staff.

If the oversight by the state and regional councils is to become as “customer-driven” as intended by the Governor’s Task Force and to develop creative solutions that meet local needs, then the state and regional councils will need to increase their efforts. However, some question whether local council members have enough time to make the considerable commitment that such involvement would require. For this reason, legislators may want to reevaluate whether the current governing structure as defined by the statute is workable. They may need to redefine the roles of the state and regional councils. This issue could also be addressed by the Legislative Workforce Services Interim Committee.

Most regional councils do not carry out all their responsibilities as outlined in the code.

Regional Councils Could Provide More Leadership

According to the Governor’s Task Force, the Regional Councils for Workforce Services were to become the focal point for leadership and

policy development in the employment and training system. The responsibilities given them in statute reflect this important role. In discussions with the regional council chairs, we found some apparent inconsistency in the roles performed by the eight regional councils. Our impression is that each of the state's eight regional councils consist if individuals who are very much committed to helping the department create an effective workforce services system. However, we also observed that few, if any, of the eight regional councils are carrying out all the responsibilities given to them in the **Utah Code**. It may be that the regional council members simply can not devote the amount of time that would be required to meet the high expectations of the Governor's Task Force on Workforce Development.

Regional Councils Were Envisioned as the Focal Point for Leadership. According to the Governor's Task Force, one of the goals of the legislation creating the Department of Workforce Services was to give the Regional Councils responsibility for how services are delivered in their regions. The task force said that one of the "underlying principles" of the proposed reorganization of the state employment and training system was that it would be "*state-based but locally designed and delivered.*" To encourage "*local control*" the task force also said the councils

. . . would have considerable policy-making authority. This authority includes: 1) determining, in consultation with the department executive director, the number and geographic boundaries of the regional workforce service delivery areas, 2) developing and approving annual regional workforce service plans that describe the needs of the region, the mix of services to be delivered in the region, and the budget to support the regional programs, 3) identifying the location of employment assistance centers in the regions, 4) conducting program oversight and evaluation, and 5) having joint authority with the executive Director over the appointment of the regional executive director.

The Governor's Task Force wanted regional councils to have broad authority to govern their regions.

This broad authority suggests that the task force envisioned a workforce services system that would be "customer-driven" because it would be overseen not by bureaucrats but by local businessmen and community leaders who truly understand the needs of local businesses and job seekers. These councils would be empowered to identify local needs, to develop a strategy for addressing those needs, to identify the mix of staff and direct services to meet those needs, and to draft a budget to accomplish those needs.

The statute gives the regional councils broad authority to address local employment needs.

In keeping with the task force’s vision of regional leadership, **Utah Code 35A-1-207 (2)** gives the regional councils broad authority to govern the regions. Among other things, the **Utah Code** requires regional councils to determine:

- the needs of employers and job seekers in the region
- the location of employment centers
- the number of staff required to deliver services
- the services to be provided, such as assessment, support services, job training, job placement and employer outreach
- a regional budget outlining administration, customer support and services expenditures
- regional outcome-based performance standards that ensure equitable services to clients
- regional oversight processes to evaluate program effectiveness

Thus, regional councils are given authority to address the unique needs of employers and job seekers in their regions. If, for example, a regional council has a problem that it wants to focus on—perhaps high unemployment among Native Americans or a group of workers who have been laid off by a major employer—the regional council would develop a strategy for addressing that need. The strategy might be to hire additional employment counselors who could provide special counseling services to the group in need. Or the council might decide instead to use its resources to pay for on-the-job training. In either case, it should be the regional council that develops a strategy that meets local needs, that allocates the resources to meet those needs, and that identifies performance measures to determine the success of their strategy.

Regional Councils May Not Fulfill High Expectations. We attempted to assess the type of leadership provided by regional councils by interviewing council chairs and reviewing recent annual plans. While we did not complete in-depth audit work, it does not appear to us that the regional councils are providing the level of leadership envisioned by the Governor’s Task Force. Of course, the task force expected an extremely high level of involvement by these councils. We found some inconsistency in how regional council chairs view their roles and some statutory responsibilities that did not appear to be completed.

Regional council chairs characterize their roles in a variety of ways. We tried to understand the level of oversight provided by each regional councils by asking the chair whether their regional council functioned

Regional council chairs differ on whether the councils are advisory or decision-making entities.

Regional councils may not fulfill all their statutory responsibilities.

more like a board of directors or more like an advisory council. Four said their role was more that of a board of directors while three said their role was more like an advisory council; one chair was unsure but said the council did not have much power. Additionally, one chair indicated that his council was changing from being more like a board of directors to being more advisory while another chair indicated the opposite change was occurring.

We also received a variety of responses when we asked regional council chairs about specific statutory responsibilities. The one responsibility that all councils appear to complete is the selection of employment center locations. On the other hand, none of the chairs reported much involvement in the department staffing level decisions. The completion of other responsibilities varied depending on the region. One chair expressed some reluctance to carry out all of the responsibilities in **Utah Code**. He said that there are responsibilities outlined in the statute which the regional council does not tackle and that they may not be the best individuals to do so. Because the regional council is made up of volunteers, he felt that the issues that they address should be kept simple. In addition, another council chair mentioned that the regional council doesn't develop a budget because council members are not in the trenches so they let the regional staff do the leg work.

State Council Could Provide Greater Leadership

Similar to the regional councils, we found that the state council may have difficulty fulfilling the role envisioned by the Governor's Task Force. The State Council tends to defer important policy decisions to the department's management team.

The state council is made up of volunteers and only meets quarterly. There is a limit to the number of issues they can consider.

According to the chair of the Workforce Investment Council, council members are committed to the success of the Department of Workforce Services, but they have limited ability to provide detailed guidance. Since the council members are volunteers who only meet once a quarter, he said they cannot devote much time to becoming familiar with the operations of the department. He said their primary mandate from the Legislature was to consolidate the state's employment and training programs; thus, issues surrounding the consolidation have been their primary focus. He also said that the council is intensely dependent on the management team. Several of the regional council chairs, who all serve as state council members, also said that the department's management team—not the state

Many policy decisions at the state level are made by administrators and not the state council.

council—has assumed responsibility for making most decisions regarding policies, programs and budgetary issues.

We also asked the state council chair about a few specific policy issues. For example, we asked about the inherent trade-off between using limited funds to pay for staff or to pay for services, such as job training. Every dollar used to pay for staff to provide case management services is not available to pay for direct customer services. He told us that trade-off has not been discussed by the state council; such decisions were largely made by the department’s management team. He also indicated that the state council has had limited involvement in reviewing the department’s budget although he felt that was changing to some degree. Since the state council meets only quarterly, they do not have sufficient time to become familiar with all the policy issues that could be presented to them. For this reason they tend to defer those policy issues to the department’s management team.

Legislature Could Provide Greater Oversight

Just like the state and regional councils, the Legislature also seems to have allowed many important policy issues to be decided by the department’s administrative staff. One example, described below, is the use of Temporary Assistance for Needed Families (TANF) and Workforce Investment Act (WIA) funds. Although Congress has given state lawmakers a great deal of flexibility in deciding how to use these funds, the Legislature has allowed the department administrative staff to decide how these funds may be used. If the Legislature chooses to do so, there are several steps that can be taken to increase its involvement in this and other important policy decisions.

Utah Legislature Can Decide Use of TANF and WIA Funds

Utah legislators can take a more active role in deciding the uses of TANF and WIA Funds.

Lawmakers should reconsider whether the department’s use of TANF and WIA reflects their priorities. Legislators may not realize that there are many alternative uses for these funds besides paying for the salaries and benefits of employment counselors. According to the National Conference of State Legislatures some legislatures have not exerted their authority to make workforce policy decisions.

With the 1998 passage of the federal Workforce Investment Act (WIA), Congress handed state legislatures the keys for driving their workforce development system. The law allows legislative leaders to appoint lawmakers to the state workforce board, gives legislatures the appropriation authority for all training funds, and permits legislators to approve the inclusion of vocational education funds with training money. Some legislatures have already gotten behind the wheel while others are still in the back seat being taken for a ride.

In Utah, the Legislature has little representation on the state workforce board and may not have been fully involved in the decision making process for how TANF and WIA funds might be used.

Flexibility has been Built Into WIA and TANF Programs. Congress has given the states a great deal of flexibility to design their workforce services and welfare systems in a way that meets their local needs and policy goals. Although Utah's Department of Workforce Services is a national leader in many areas, such as the creation of one stop centers, other states have been more innovative in using these federal funds to pay for programs that help individuals with many barriers to employment.

According to federal law, TANF funds can be used for programs that meet any of the following needs:

1. Provide assistance to needy families
2. End the dependence of needy parents by promoting job preparation, work and marriage
3. Prevent and reduce out-of-wedlock pregnancies
4. Encourage the formation and maintenance of two-parent families

TANF funds can be used to prevent out-of-wedlock pregnancies and to promote marriage.

The federal government has placed limitations on who may participate in programs for items 1 and 2 above. However, any program that meets needs 3 and 4 are not held to any type of eligibility standard for its participants. Inasmuch as there are so many different needs, it is surprising that Utah has, to a great extent, limited its use of these funds to the payment of staff salaries and benefits within the Department of Workforce Services and for cash benefits to those on public assistance. The use of these funds for staff salaries is particularly surprising because one of the original goals of the Governor's Task Force was to reduce staff so more funds could be devoted to direct client services. For example, if legislators want to, they could use its TANF funds to supplement programs such as those that prevent high school dropouts or teen

Other states have found many creative uses for TANF and WIA funds -- such as Missouri's foster grandparent program.

pregnancies or address other behaviors that prevent young people from becoming self-sufficient.

There are Many Uses for TANF and WIA Funds. Other states use their TANF and WIA funding to address specific local needs which reflect each state's policies and spending priorities. In Florida, for example, legislators were concerned about the effect the state's high school dropout rate was having on employment and the demand for public assistance. To address the problem, Florida used WIA funds to support its drop-out prevention programs. Legislators in Missouri used TANF funds for a "Grandparents as Foster Parents" program. Participating grandparents are eligible for the standard foster care payment and support services including respite and child care.

High school dropouts and foster grandparents may or may not be programs that the Utah State Legislators would consider their top priorities. However, TANF and WIA funds are available for whatever strategy Utah chooses to reduce unemployment and public dependency. Our concern is that the Legislature may not have been adequately involved in deciding how these funds might best be used. Perhaps the reason more creative uses for these funds has not been considered is that such decisions have largely been left up to the department's top officials to decide. The following suggests a few ways that the Legislature might become more involved in deciding how TANF and WIA funds are used.

Legislative Oversight Could be Strengthened

If legislators would like to have greater involvement in deciding workforce services policy and how the department uses its resources, there are two options they should consider:

1. The Legislature could increase its membership on the Workforce Investment Board (the state council)
2. The Workforce Services Interim Committee could address key policy issues such as how WIA and TANF funds might be used.

Increase Legislative Membership on State Council. The Workforce Investment Act passed by Congress in 1998 envisions a significant involvement by legislators on the Workforce Investment Board. The act requires that legislators be given four positions on the board. However, Utah has only one legislator on the board, and he is not a voting member.

Because Utah’s state council existed before passage of the Federal Workforce Investment Act, DWS was able to use a “grand fathering” provision in WIA to designate the state council as its Workforce Investment Board. One way to increase legislators’ ability to help guide the Department of Workforce Services would be for legislators to increase their membership to the four positions required by WIA. However, DWS staff advised us that the U.S. Department of Labor may not allow our state council to continue serving as the Workforce Investment Board if its membership were changed. Still, we feel legislative involvement in workforce issues is so important that increased legislative representation should be considered even if it means other changes to the state council also must be made.

Seek Broad Input on Use of TANF and WIA Funds. The Legislature could also consider soliciting suggestions from advocacy groups and other organizations about how TANF and WIA funds should be used. As mentioned earlier, Utah does not appear to have taken advantage of flexibility provided by federal law for innovative uses of these funds. One possibility would be for the Workforce Services Interim Committee to hold hearings on possible uses of TANF and WIA funding and invite broad input from the community. Because the law does not require that TANF and WIA funds be spent directly by the Department of Workforce Services, other state agencies might also be asked to propose alternative uses for these funds.

Currently, Utah has \$18 Million in TANF funds that are uncommitted.

Legislators could also invite the department to describe the benefits that they hope to gain by retaining those funds—either to maintain its current program staff or by hiring additional employment counselors or to use those funds for direct client services. The interim committee might then be in a position to weigh the options. Currently, there is \$18 Million in TANF funds that remain uncommitted. The Legislature could either use those uncommitted funds or require a reduction in department FTEs or both to meet any other needs that the Legislature deems most beneficial to the state’s unemployed.

In conclusion, the Department of Workforce Services is going through a transition period in which many important policy decision must be made. We are concerned that too many of those decision are being made by department officials rather than by the state and regional councils or by the Legislature. Legislators may want to reevaluate the role of the state and regional councils and consider providing greater policy oversight of the department. In the following chapter we identify several additional

policy issues that should be resolved either by the state or regional councils or by the Legislature.

Recommendations:

1. We recommend that the State Council on Workforce Services and the Regional Councils on Workforce Services carefully review their responsibilities described in **Utah Code 35A-1-207** and report to the Legislature any obstacles that prevent them from fully complying with their statutory responsibilities.
2. We recommend that the Legislature revise **Utah Code 35A-1-207** to clarify the roles and decision-making authority of the state and regional workforce investment councils.
3. We recommend that the Legislature consider the following options to increase its involvement in workforce services policy decisions:
 - a. Amend **Utah Code** to increase its legislative membership on the state Workforce Investment Board to four as intended by the federal Workforce Investment Act.
 - b. Solicit broad input and review how Federal Temporary Assistance for Needy Families (TANF) funds and Workforce Investment Act (WIA) funds are being used in Utah and whether there are not more innovative programs that could benefit from those funds.

Chapter V Issues Requiring Additional Consideration

Utah's employment and job training programs have greatly improved under DWS.

We believe the establishment of the Department of Workforce Services has greatly improved the state's employment and job training programs. The consolidation of programs has been challenging, but in many respects, Utah programs are a model for other states. Despite the many successes, additional policy challenges remain. One reason we feel governance structure should be reevaluated is to ensure that emerging policy issues are appropriately addressed. This chapter discusses four of the policy issues that we feel need additional consideration:

1. How should DWS staff levels be determined?
2. How should program effectiveness be measured?
3. Are customers with special needs being adequately served?
4. Should the State Office of Rehabilitation be consolidated with DWS?

Despite successes, additional policy challenges remain.

Although each of the above issues was raised by the 1992 audit report and by the Governor's Task Force, they continue to be unresolved. We strongly encourage the Legislature and the State Workforce Services Council to consider these important policy issues. Our specific recommendations are provided at the end of this chapter.

How Should DWS Staff Levels Be Determined?

In previous chapters we questioned whether the department should be able to reduce its staff. Although the department has made an effort to do so, it has not yet developed a satisfactory approach to identifying its staffing needs. The work of a department committee indicates that a significant increase in regional staff may be warranted. While additional staff could provide more case management services to customers, the cost needs to be weighed against possible increases in direct services such as training or child care and against the option of reducing the budget.

Below we discuss three approaches to determining staff levels. First, the Legislature could simply cut the authorized FTEs in proportion to the reduction in Family Employment Program (FEP) caseload or by some

other measure of workload. Second, the Department could conduct a thorough test of the time requirements necessary to handle each type of customer and estimate the number of staff required. A third option, which appears to be consistent with the intent of the Governor's Task Force and the statute, would be to give the regional councils discretion over the use of resources in their regions and to decide the tradeoff between hiring additional staff or using those resources to increase other client services.

Department's Workload Committee Says Regions Need More Staff

The department has not yet developed a satisfactory approach for deciding how many staff are needed in an employment center. In February 1997, several months before the department was created, the department's transition team told a legislative committee that "*staffing levels for [the] Department [would] be finally determined over the next year.*" This determination did not occur. However, in January 2000 a Workload Standards Workgroup was assigned the task of determining the best way to allocate staff resources among the five service regions. One of the more surprising conclusions of the task force was that the department needed more, not fewer staff, in the regional offices.

The conclusions of the workgroup were based on the amount of staff time they felt was needed to carry out each task performed by employment counselors. For example, the workgroup determined that an employment counselor should spend 2 hours with the average "core" customer in need of the department's basic counseling services. This time frame included estimates for each task performed by an employment counselor such as 15 minutes to greet the customer and ask standard questions, 15 minutes to enter basic customer information in the computer, 20 minutes to assist the customer in preparing a resume, etc. When the workload standards were applied to recent caseload levels, it was determined that the department needed to increase its staff by 140 FTEs. Figure 8 shows the number of new FTEs they recommended for each region.

**A DWS
workgroup found
the department
needs 140 more
employment
counselors.**

Figure 8. Study Found that More Regional Staff is Needed. The Department’s workload standards workgroup determined that regional staff should increase by 140 FTEs.

Region	FTEs on 1-07-00	FTEs Recommended by Workgroup	Recommended Increase in Staff FTEs
Northern	296.2	335.2	39.0
Central	452.3	535.5	83.2
Mountainland	155.6	170.5	14.9
Eastern	141.4	144.5	3.1
Western	171.2	171.0	-.2
Total:	1216.7	1356.7	140.0

Figure 8 shows that the department’s analysis of its staffing needs requires that the regional staff be increased by 140 FTEs, or by 11%. According to the workgroup’s results, the Western Region is the only one that does not need additional staff.

There are two reasons why we question the method used to calculate the department’s staffing requirements and the results. First, the analysis is not based on an objective review of the time required to perform the various staff functions. Instead, the workgroup assembled a group of employment counselors and asked them to estimate the amount of time they thought would be needed to perform various tasks. When we discussed the workgroup’s conclusions with some of its members, they recognized this shortcoming in their analysis and told us that in the future they plan to conduct a test of the actual time required by staff in the field to perform certain tasks.

The second reason we question the workgroup’s results is that they are not consistent with what the employment counselors told us. We asked many employment counselors about their workload and whether they believe they could handle more cases if they were asked to do so. Specifically, we suggested a scenario in which unemployment suddenly increased and they were asked to handle a 10% increase in customers. We asked how they would respond. Almost every employment counselor said he or she would have little difficulty handling more customers but that it would require providing less individual attention to each person than is

DWS should identify the actual time employment counselors need to carry out their jobs.

At what point does more time with an employment counselor become less beneficial than other services?

currently offered. The comments by employment counselors about whether they might handle additional cases raises an important question about how employment counselors spend their time. Our impression is that employment counselors are very much committed to helping their customers. They are always trying to find ways to help their customers have a greater chance of finding employment. We question, however, whether the department recognizes that at some point additional services from an employment counselor will have diminishing value to the customer and to the state. At some point, other services will be more valuable to the client such as technical training they might receive from an Applied Technology Center or subsidized, on-the-job training at local businesses. For this reason, the department may want to consider not only how long it should take an employment counselor to perform each task but also what level of service from an employment counselor is really essential to a successful outcome.

How Might Staffing Levels Be Determined?

There are several ways to address the staffing issue. One approach would be for the Legislature to reduce the number of authorized FTEs in proportion to the decline in the case load handled by the department's employment counselors. If this option is selected, the Legislature should require the Legislative Fiscal Analyst to identify the historic ratio of program staff to FEP cases and other workload measures and recommend a proportionate reduction in personnel in the 2001 budget recommendation.

Decisions about staff levels could be made by the Legislature, department, or regional councils.

A second option, already proposed by department officials, would be to require the department to conduct a detailed study of its staffing needs. The Workload Standards Workgroup might be asked to identify the essential tasks required by employment counselors to perform their jobs. They might then determine how long it takes to actually perform each task. Based on the results, they could estimate the number of clients served by each employment center and the number of staff required to handle that caseload. As mentioned, this is an approach that some department administrators hope to carry out during the next year.

A third option would be to delegate the responsibility for staff resources to the regional councils, to allow them to decide how many staff to place in each center, and then to hold them accountable for the results. Each region would have to operate within the parameters established by the state council. However, each regional council would decide itself whether

By statute, regional councils should identify staffing needs in their annual strategic plans.

its region would place more emphasis on providing direct services such as job training or whether to use those resources to hire additional employment counselors. As mentioned in Chapter IV, this approach is consistent with the intentions of the Governor’s Task Force on Workforce Development and with the role that the statute gives to the regional councils.

If this third option were pursued, the Legislature and the state council would require regional councils to prepare more detailed plans than they currently do. The plans could identify local needs and the strategies to address those needs and also prepare budgets that allow the carrying out of those strategies. The plans would also have to identify how many staff are required to serve each of the workforce services centers and whether some resources currently going to pay for staff salaries should be used for direct client services or budget reductions instead. If the state were to grant the regional councils such authority, it would require that the Legislature or the state council develop a formula for allocating a budget to each region. The Legislature and the state council might then shift their attention away from such issues as whether the regions have too many staff and begin to focus on the performance of each region and individual employment centers. As mentioned below, this “results-based” and “market-driven” approach is really what was envisioned by the Governor’s Task Force when they developed their plans to create the Department of Workforce Services.

How Should Program Effectiveness Be Measured?

The statute requires that regional plans contain “regional outcome-based performance standards.”

The Governor’s Task Force envisioned a workforce services system that would focused on results rather than on process. However, the department is not yet to the point that they can identify which of its programs and employment centers are most effective at accomplishing the department’s goals. The department’s management team has made significant progress towards identifying performance standards that might be used to judge the effectiveness of individual programs and workforce services centers. However, in order to make sure the system is truly responsive to local needs, the governor’s task force wanted the state council and especially the regional councils to play a major role in developing what the statute refers to as “regional outcome-based performance standards...” (See **Utah Code 35A-1-207**). For this reason, we encourage the department’s management team to involve the state and

regional councils as much as possible in the development of its performance standards.

DWS Should be “Results-based and Accountable Throughout”

One of the expectations of the new Department of Workforce Services was that it would allow the state to hold its employment and training system accountable for its success. In our 1992 Audit Report we stated that there was a lack of performance data to monitor the effectiveness of individual programs. We said on page 17 of that report:

Many of the state's job training programs have management information systems that provide plenty of descriptive information about their programs but little of it can be used to demonstrate how effective each program is in helping people get and maintain quality jobs.

We then suggested:

At some point the Legislature may wish to know which of the five programs aimed at displaced homemakers is the most effective and which, if any, should be dropped. Without accurate and independent performance measures, it will be difficult for Legislators to make this kind of decision.

The Governor’s task force wanted a “market-driven training and education system.”

The Governor’s Task Force for Workforce Development also suggested that the new department would be “*results-based and accountable throughout*” and that performance measures would result in “*market-driven training and education.*”

The legislation that created the new department gave the state council and the regional councils responsibility to monitor the effectiveness of their programs. The statute gives the state council the responsibility to identify “state outcome-based standards for measuring program performance to ensure equitable service to all clients.” See **Utah Code 35A-1-207 (1)(c)**. Likewise regional councils are to develop “regional outcome-based performance standards that ensure equitable services to all clients.” See **Utah Code 35A-1-207 (2)(g)**. Finally, the legislation provided broad guidance for what indicators of performance might be used. Specifically, **Utah Code 35A-1-207 (3)(b)** requires that outcome measures include:

- (i) *unemployment rates;*
- (ii) *placement rates;*
- (iii) *number of employees placed that are still employed after 12 months;*
and,
- (iv) *changes in participation in employment assistance programs.*

This shows that it is essential that the state and regional councils are active in identifying performance standards and that they include, as a minimum, the four standards required by law.

Department is Developing Performance Measures

The department does not yet have a system in place to identify the effectiveness of individual employment programs or to judge the performance of a workforce services center. However, a considerable effort has been made by the department's management team to identify key business processes and the measures they will use to monitor both the activity level and performance of each process. We encourage them to continue to involve both the State and Regional Councils in this process.

Initially, the involvement by the state and regional councils in identifying performance measures was limited. In fact, in its first five year plan the state council reported that *"DWS does not currently collect performance or other information concerning training providers."* Due to the limited amount of time they have been able to devote to such issues, council members have played a limited role in developing the department's business plan and the key performance indicators. However, in recent months the department has taken steps to involve the councils to a greater degree. In addition, the State Council formed an Operations and Performance Committee that is currently considering ways to measure the department's effectiveness. The department's management team recognizes that they need to increase the involvement of this State Council committee and of the regional councils in the development of the department's performance measures.

We believe that it is essential that the department involve not only the state and regional councils in the development of its performance indicators, but also the Legislature should be informed of the method being used to judge the department's performance. Ultimately it is the State and Regional Councils, not the department staff, who need to decide what the department should try to accomplish and how to judge whether its those objectives have been met.

DWS is developing performance measures for key business processes.

The state and regional councils could become more involved in setting DWS performance measures.

Are Customers with Special Needs Being Adequately Served?

Advocacy groups say DWS emphasizes employment over training, education and other services.

Some client advocates we spoke with question whether the department is doing enough to serve clients with special needs. The Governor’s Task Force said that *“much of the reorganization is designed to enable the state to more effectively address the needs of special populations.”* However, many client advocates are concerned that those with special needs such as those who suffer from depression, a lack of training or a lack of self confidence are not receiving enough attention from the department. They claim that the department emphasizes employment over job training, education and other services. These services, they say, are necessary if customers with special needs are to become self-sufficient. Policy makers need to ensure that the department’s efforts to streamline its programs and services do not prevent it from attending to the special needs of clients with multiple barriers to employment.

Advocates Have Raised Concerns about Services to Those with Special Needs

Most advocates feel that consolidation did not improve customer service for all DWS clients.

Most advocacy group representatives feel that consolidation has not improved customer service for all DWS customers. One of the most common concerns raised by the client advocates is that the state is not offering enough services to help those with special needs and those who have serious barriers to employment. The client advocates also told us there needs to be more emphasis on training and to other direct services that would help clients get off public assistance and obtain a job that would allow them to support their families.

The client advocates that we interviewed represent organizations such as Utah Issues, Traveler’s Aid Society, JEDI Women, Utahns Against Hunger, and Crossroads Urban Center. These organizations serve a small proportion of DWS customers—those who typically have the most difficulty obtaining employment. Clients with special needs include dislocated workers with outdated skills, displaced homemakers, the physically or mentally handicapped, multi-generational or long-term welfare recipients, and senior workers who lose their jobs yet lack the resources to retire. Some special needs clients may face the loss of public assistance due to the time limits placed on those benefits. In any event, each of these problems represent special obstacles people have to employment. The department needs to retain the ability to meet these needs while at the same time it streamlines its service delivery system.

Some say DWS focuses too much on getting people off of public assistance.

In response to our interviews, several advocacy groups provided us with the following feedback regarding some of their feelings on the creation and current operation of the Department of Workforce Services which is as follows:

- Too much “employment” emphasis over “human services” emphasis.
- Time limits are too hard on clients with multiple barriers to employment.
- DWS employees do not know the information, rules, and/or regulations they ought to know.
- DWS customers do not have the same case manager.
- The concept of a one-stop center does not work.
- DWS emphasizes getting a job instead of training and education.

One complaint we heard from several advocates is that the high turnover rate of DWS employees is preventing the effective and efficient operation of the one-stop center. The one-stop concept is based on the idea that a single case manager can provide a wide-range of services to a client thus avoiding the confusion and fragmented service that was offered when many different case managers served a client. However, because of the high turnover in some DWS service centers, clients are not receiving assistance from a single case manager who knows them and understands their needs.

Another common concern was that the department places too much emphasis on getting people off welfare and into any job rather than helping them develop a long-term strategy for becoming self-sufficient. As one client advocate said:

The paradigm that is set up with DWS when it comes to measuring success is to get people off assistance. However, this doesn't mean people are really getting the help that they need.

DWS may need a better strategy to help people achieve long-term self sufficiency.

This individual raised two important questions: (1) is the department too short sighted in getting individuals off assistance and into any job, and (2) does the use of performance measures focus only on the short-term goal of getting a job rather than providing the job training and other services necessary to achieve long term self-sufficiency? We believe the department needs to develop a strategy for helping clients become self-sufficient in the long-term. To develop such a strategy, the department

may need to consider adopting performance measures that measure its clients' long-term success.

DWS Should Measure Success with Special Needs Clients

In our view, the department needs to reassure the public that it has not placed so much emphasis on streamlining the service delivery system that it is not longer capable of serving customers with special needs. An important way the department might demonstrate its success in serving clients with special needs would be to measure its effectiveness in serving special client populations and not just all customers in general. In addition, the department should consider separately monitoring the responses by clients with special needs when it conducts surveys of customer satisfaction. Depending on its monitoring of special populations, DWS may need to develop special strategies to better serve these clients.

DWS should measure its success serving customers with special needs.

Measure Long-term Success in Improving Self-sufficiency. Although helping individuals obtain any job as quickly as possible is a worthy short-term goal for the unemployed, the department's job is not done once the individual has a job and is off public assistance. However, this goal of quickly finding people jobs seems to be the focus of the performance measures the department plans to adopt for its employment counselors.

They are:

1. Rate of Family Employment Program and food stamp cases with earnings,
2. Rate of Family Employment Program case closures with earnings,
3. Rate of Family Employment Program cases with 24 or fewer months.

DWS should monitor customers' progress from low wage jobs to higher wage jobs.

These goals seem to focus on the short-term objective of quickly placing customers in a job. However, if the department's objective is, as they say, "first a job, then a better job, then a career," then the department should monitor its performance in terms of the client's improvement from the low-wage job to a higher paying job. The fact that the department does not have those longer term goals seems to lend credence to the criticism of client advocates that the department places too much emphasis on getting people off public assistance without regard to whether they can provide long-term support for themselves and their families. If the department has a long-term view, it should develop performance

indicators that track the increase in wages and the duration or stability of customers' employment.

Survey the Customer Satisfaction of Special Needs Clients. The department's customer satisfaction surveys do not attempt to identify the department's success with its special needs customers. As mentioned, the vast majority of the department's customers are job seekers in need of "core services." That is, they are skilled workers seeking job search assistance and require far less attention for employment counselors than do the customers with special needs. Yet, when the department conducts its customer satisfaction surveys, it does not break down the results by customer group. The risk is that favorable responses from mainstream job seekers, the majority of DWS clients, may hide possible poor customer service responses made by special needs clients.

In 1997 the department's consultant said future surveys should include data from specific customer groups.

One way to find out if the department is serving each client group effectively would be to conduct a separate customer satisfaction survey for each population. This recommendation was made by the department's own consultant who performed the department's first customer survey in 1997. She recommended that future surveys include survey data for specific customer groups such as those clients receiving "support services only." Attempts were made by DWS to distinguish between groups of customers, but survey researchers felt that the results weren't accurate and discontinued asking the survey question regarding the "type of services" a customer was receiving. According to survey administrators, the respondents were confused on what to mark as their primary reason for visiting DWS.

Special Strategies May Sometimes Be Needed. Hopefully, by measuring the effectiveness of its services to special needs populations, DWS will show that all its customers receive adequate services. However, if some customer groups are not as well served special steps may be needed. One way the department could address such problems would be to prepare specific strategies for serving specific client groups with special needs. We have reviewed the department's five-year investment plan and its 2001 operational plan, its budgets, and its performance measures and have found little reference to how the department plans to serve its special needs customers. However, there is currently no clear evidence that specific strategies are needed.

In conclusion, the state's workforce policy will not be successful unless special needs populations are adequately served by DWS. Policy makers

need to ensure that the department adequately monitors the effectiveness of its services to special needs populations and, if necessary, develops special strategies to meet their unique needs. As the department shows it can effectively serve clients with special needs, we believe the Legislature should consider consolidating the State Office of Rehabilitation with DWS, as discussed in the next section.

Should the State Office of Rehabilitation Be Consolidated with DWS?

There is a significant overlap in services between the Department of Workforce Services (DWS) and the Utah State Office of Rehabilitation (USOR). In fact, two-thirds of USOR clients are also clients of DWS. Just as we reported in our 1992 audit, we found that clients are still caught between two agencies that duplicate their efforts, that do not coordinate with one another, and that have very different policies. In order to reduce duplication and improve service delivery, we recommend that the State Office of Rehabilitation become a separate division within the Department of Workforce Services. If this is not possible, the two agencies should at least try to coordinate their efforts in a way that allows clients to receive the services of both agencies through a single case manager.

It was originally assumed that little overlap exists between USOR clients and those of other agencies.

The USOR was originally included among those agencies that were to be consolidated into the Department of Workforce Services. However, the Governor's Task Force was told that USOR clients were typically not among those being served by other agencies. In addition, some client advocates argued that people with a disability require specialized services that could not be provided by the Department of Workforce Services. As a result, the Governor's Task Force recommended that the issue be studied further rather than including USOR in the new department. The legislation creating the new department included language requiring such a study. However, funding for the study was never provided and the requirement was repealed during the 2000 Legislative Session.

We found that most USOR clients are in fact clients of the Department of Workforce Services. In addition, if USOR is transferred to DWS as a separate division, USOR clients would continue to be served by rehabilitation counselors. In fact clients would be able to receive better

service because their rehabilitation counselors would be able to draw from additional services and benefits offered by DWS.

Lack of Coordination Between Agencies Results in Inefficient Administration of Services

The USOR was not included among the agencies that were consolidated into DWS because many believed that the USOR served a unique client population. However, over two-thirds of the clients served by USOR in 1999 were also clients of DWS. That statistic, plus our own review of 23 case files of clients served by both agencies, led us to conclude that there is significant duplication in some services between the agencies. In addition, some clients may not be receiving some benefits and services that they would have received if they were served by a common case manager.

69% of USOR clients are also DWS customers.

Sixty-nine Percent of USOR Clients are Also Served by DWS. Of the 21,152 clients that were served by USOR during fiscal year 1999, at least 14,593 (or 69 percent) were also clients of the Department of Workforce Services. USOR staff report that the overlap results from their policy of having all clients register with DWS as soon as they are job ready. Thus, rather than indicating duplication, USOR staff feel the client overlap reflects efforts to coordinate services. Still, so many clients receiving services from both agencies indicates that there could be some benefit from consolidation. The client overlap raises the same concerns we raised in 1992 regarding the poor customer service and inefficiency that results from a fragmented service delivery system. For example, clients must fill out two sets of applications, pass through two eligibility reviews, and work with two separate employment plans developed by both DWS and USOR.

A client's USOR employment plan often conflicts with his or her DWS plan.

Lack of Coordination Results in Disjointed Services. As a result of our review of client case files and through interviews with staff we found that both DWS and the USOR are often unaware of whether clients are receiving services from the other agency. As a result, the employment development plan prepared by DWS often conflicts with the rehabilitation plan prepared by USOR. In addition, if not identified early on in the process, a person with a disability may use up some of their time limited benefits before they begin receiving rehabilitation services.

One problem that both agencies have is determining which clients are receiving services from the other agency. Since neither agency has access

to the other's client databases, they must rely on the client in providing this information. As a result, opportunities to coordinate service plans early on are often lost placing an added strain on DWS eligibility time limits.

For example, in over one-half of the case files that we reviewed, DWS and USOR did not recognize the same disabilities of their mutual clients. Much of this difference can be attributed to USOR's more in-depth assessment of a person's disabilities. In addition, DWS's failure to recognize all of a client's disabilities could result in the ineffective delivery of services to those with a disability. In some instances, DWS does not recognize their clients have certain disabilities until months after they have started using DWS benefits. In one instance, DWS failed to recognize a client's psychological disorder until some time after she had begun using up her FEP benefits.

DWS does not always recognize a customer's disability.

We also found that valuable time can be wasted when a client is referred from DWS to USOR. DWS may take a few weeks or months working with an individual before they realize that he or she has a disability and is referred to USOR. If the customer is relying on time-limited benefits, the delay may compromise his or her ability to complete some USOR training programs. In addition, it takes USOR an average of 53 days to verify eligibility and begin delivering services. Thus, a customer may use up several months of their time-limited benefits before beginning their USOR training program.

DWS needs to do a better job of identifying those who may have a disability early in the process to allow the most efficient use of both agencies' resources and to achieve the most effective results. In addition, both agencies should have access to the other's client database (if permissible under federal requirements) to improve the timing and distribution of services between the two agencies.

It's possible that both agencies could pay for a customer's food or transportation expenses.

Both Agencies Pay for Client Supportive Services. An additional concern we have is that some clients might be paid by both agencies for the same exact service. In a review of 23 case files of clients served by both agencies, we found two cases in which clients received the same type of services from both agencies. However, we could not determine whether there was any double payment for the exact same service because the lack of documentation in the files. One of these clients received bus passes from both DWS and USOR and the other client received groceries

from USOR, food stamps from DWS and child care from both agencies as well. We are concerned about the possibility that clients may apply to both agencies for the same types of expenses, since neither agency coordinates services on a routine basis.

Separate Policies Create Problems

One of the issues raised in the 1992 audit, which still exists between USOR and DWS, is the problem of having agencies with different policies serve the same clients. In our 1992 audit report, we addressed the difficulties that are created when the state tries to provide clients with a consistent package of services when they are served by different agencies, each with their own policies and budgets. This still remains a problem with DWS and USOR.

USOR’s Philosophy Focuses on Training and Education While DWS’s Philosophy Focuses on Employment. Both DWS and USOR have the same goal of having clients obtain employment and become self-sufficient. However, the two agencies take different approaches to achieving that goal. DWS places a priority on placing a client in a job as soon as possible while USOR focuses more on helping individuals improve their skills.

USOR emphasizes training while DWS emphasizes immediate placement in a job.

Clients of USOR qualify for services by having a disability that prevents them from working. In addition, they must be able to re-enter the workforce through education, training or assistive technology. It is also policy of USOR to allow clients to decide what their career objectives are and therefore the type of training they will receive. This freedom to choose their own career objective even goes so far as to allow USOR clients to switch to new fields of study in the middle of a training program.

In contrast to the USOR policy that places no time limits on benefits, DWS operates under a policy in which a time limits are placed on most customer benefits. Specifically, a customer on the family employment program has 36 months to become self-sufficient; however, only 24 of those months can be used for training. Moreover, a customer on general assistance may obtain two years of assistance within five years. DWS does permit time extensions if valid reasons are given. As a result, it is the policy of DWS to encourage its customers to find a job as soon as possible.

USOR may choose to enroll someone in a four year college program while DWS prefers to limit training to 2 years.

Because the two agencies operate under different policies, serious problems for the client can occur. For example, clients of USOR may wish to pursue a two or four-year program; however, we found that the majority of clients experience set-backs while in their programs delaying their program completion times. Furthermore, USOR clients often start their training program after having started receiving benefits at DWS. Either situation makes them unable to follow their USOR service plan because of the deadlines at DWS, and adjustments need to be made. As one example, we found in our case file reviews that one female client decided midway through her training program to switch to a new career, even though her TANF benefits were running out and she hadn't begun the new program yet. Her DWS employment counselor said that it is a very difficult decision to extend DWS benefits because it would be difficult for the client to become self-sufficient and employable within the time requirements if she chose to pursue a different course of training.

Legislature Should Consider Ways to Reconcile Conflicting Policy Objectives. The Legislature may want to address the conflicts between the state's policies for vocational rehabilitation and workforce services. One way to bring greater policy consistency between USOR and DWS would be to place the two agencies within the same department and have them report to the same legislative committee. If USOR were made into a separate division within DWS, it would have to develop a set of program policies that are consistent with the state's welfare-to-work program while retaining specific flexibility to meet the requirements of its federal grants.

Legislators should consider ways to resolve policies differences.

Legislators might also consider adopting a policy similar to the one used in California to limit client's ability to change vocational rehabilitation plans. The California State Auditor pointed out that some regions of the California Office of Rehabilitation conserve limited resources with the following policy.

The Fresno and Greater Los Angeles districts emphasize to their counselors the importance of constantly evaluating client needs versus wants and also giving clients only what they need to support their plans for employment. Further, counselors stress to every client that the plan for employment is essentially a contract and generally it will not be changed except to accommodate an alteration in the client's disability. . . . This discourages clients from repeatedly changing their vocational goals and optimizes the district's use of money and resources.

When this policy was suggested to the USOR, staff told us that they believed that restricting a client’s ability to change their training program would violate the “informed choice” provision of federal law and would not stand up to a court challenge. Clearly, further study would be needed to determine how these regions in California are able to comply with the requirement of giving clients an informed choice.

Consolidation May Improve Case Management

In Chapter II of this report, we suggested that one of the benefits of consolidation is that all employment and training services can be provided through a single case manager who has access to all services that the state can offer a client. Bringing USOR within DWS would make it possible for a single rehabilitation counselor to oversee all of the services provided to a person with a disability. The rehabilitation counselors would be authorized to draw from every source of funding and services offered by the state and use those to develop a comprehensive employment plan.

If consolidated, rehabilitation counselors should continue to function separately from employment counselors.

USOR Could Be Incorporated into DWS as a Separate Division to Facilitate Coordination of Services. If the Legislature chooses to integrate DWS and USOR, we recommend that the vocational rehabilitation counselors remain separate from other DWS employees because of their specialized training. This is necessary in order to retain USOR’s highly trained staff of rehabilitation counselors. According to the Associate Commissioner for Rehabilitation Services Administration within the U.S. Department of Education, Utah is one of only a few states that require rehabilitation counselors to have a masters degree in rehabilitation. She said that this placed Utah far ahead of other states in terms of the professionalism of their staff. She said that studies by Rehabilitation Services Administration show a strong correlation between the education level of a state’s rehabilitation counselors and a state’s placement rate. For this reason she suggests that if the Office of Rehabilitation is combined with the Department of Workforce Services, the rehabilitation counselors should remain a separate position.

We agree that if USOR is made into a separate division within the Department of Workforce Services, that the state’s highly qualified rehabilitation counselors should continue to provide rehabilitation services to people with disabilities. This means that individuals who have a disability would be assigned to a rehabilitation counselor who could then oversee all the services provided to that client. Because they will be a part

Consolidation should help the state monitor performance of programs serving individuals with disabilities.

Several states have combined their vocational rehabilitation and workforce services agencies.

of DWS, the rehabilitation counselors would be able to draft an employment plan that draws from all the different state employment and training services for which the client is eligible. This, in our view, would greatly improve the quality and quantity of services that the state offers to people with disabilities.

Consolidation Will Improve Program Assessment. Another reason to consolidate DWS and USOR is that it will allow legislators and administrators to accurately assess performance. As long as the two agencies share clients and both have a goal of placing those individuals in a job, it will be difficult to hold both agencies accountable for successful or for poor performance. If a client is successfully placed in a good job, both agencies could take credit for that placement. On the other hand, if a client remains in the system for years without achieving self sufficiency, both agencies could blame the other for not providing adequate services. Placing both programs in the same department would make it easier for the Legislature to provide consistent policy and budget oversight and hold them accountable for their performance.

Some States have Combined Rehabilitation and Workforce Services. During a review of other state vocational rehabilitation programs, we found that there is no predominate location for vocational rehabilitation in state governments. In many states, like Utah, vocational rehabilitation is considered an educational program. Many other states include vocational rehabilitation within its human services department. However, with the passage of the Workforce Investment Act and the move towards one-stop service centers for employment and training programs, several states have recently combined their vocational rehabilitation programs with their agencies for employment and training.

According to representatives at two national organizations that we spoke with—the Rehabilitation Services Association and the Rehabilitation Services Administration within the U.S. Department of Education—a few states began consolidating vocational rehabilitation with workforce services several years ago because it was viewed as a way to reduce the cost of service delivery. Then, with the passage of WIA, which requires a high level of coordination between the two programs, even more states chose to consolidate these agencies. Examples include Minnesota, Wisconsin, Michigan, New Jersey, Wyoming and Nevada. When we asked whether the vocational rehabilitation program has suffered as a result of consolidation, they said that there is no evidence that the quality of

Choose to Work program created a synergy between USOR and DWS staff in the program.

rehabilitation services have declined or clients that have been adversely effected by the change. But at the very least, these states consider it to be a good way to improve the efficiency of service delivery if not improve service quality.

“Choose to Work” Program Shows That Combining USOR and DWS Improves Services. The joint effort between USOR and DWS in creating their “Choose to Work” program shows that the two agencies can, in fact, combine their efforts to form an effective program that meets the needs of clients of both agencies. The success of the “Choose to Work” program can also be considered a reason why consolidation could be beneficial.

Since October 1999, the “Choose to Work” program has placed 310 out of 550 individuals receiving TANF, General Assistance, SSI, or SSDI benefits in jobs. This equates to a 56 percent placement rate. According to the co-coordinator of the Choose to Work program, “For most individuals, even those with strong disabilities, this program can work for them.”

One reason why coordination of services is beneficial to USOR is because it lacks the employer contacts and the focus on developing these contacts with the employer community. By creating teams of DWS staff, who are effective at the placement process, with the vocational rehabilitation staff, who are effective at the rehabilitation process, the trial program demonstrates how there may be a synergy created by combining DWS and USOR. Each has a skill that complements the other.

USOR Officials Oppose Consolidation

USOR officials are concerned about the risks of consolidation.

Officials from the Utah Office of Rehabilitation have expressed opposition to consolidating their agency with the Department of Workforce Services. They feel USOR operates one of the best rehabilitation programs in the country and Utah should not risk damaging such a successful program. USOR staff expressed the following concerns about consolidation.

1. USOR and people with disabilities that they serve would lose visibility with the Legislature,

USOR might lose its visibility with the Legislature.

2. The quality of services provided to clients would suffer under DWS's welfare reform mentality, and
3. Consolidation has not worked in other states that have tried it.

USOR officials may be correct in believing that consolidation would lessen their visibility with the Legislature. Currently, USOR does enjoy some distinction with the Legislature as a separate state agency. Appropriations to USOR are made as a separate line item in the state budget. As one of many specific programs within DWS, USOR might not receive the same recognition from legislators. In addition, all appropriations to DWS is currently made as a single line item. Legislators would have to decide whether to include USOR within that budget or to continue to give them a separate line item in the budget.

We have no evidence to support the latter two concerns expressed by USOR. In our opinion, the quality of services to rehabilitation clients can improve by making USOR a division within DWS. Most of the USOR programs would remain intact and counselors would be able to draw on additional programs and services offered by DWS. As far as the experience of other state's is concerned, the individuals from other states and national organizations with whom we spoke said there is no evidence that rehabilitation services have suffered as a result of their consolidating vocational rehabilitation with their state's employment and training agency.

If Consolidation is Not Possible, Coordination Must Improve

If the Legislature determines that USOR should remain a separate agency, an effort should be made to integrate the services offered by the two agencies as much as possible. Our primary concern is that clients will not be well served as long as their employment development and training is handled by two separate case managers who follow two different sets of policies.

If they are not combined, the two agencies should explore ways to improve their efforts to coordinate services. For example, USOR and DWS might explore the possibility of entering into a contractual relationship which would allow USOR to manage the entire range of services that are currently provided by DWS and USOR separately. This means the Vocational Rehabilitation Counselor would need to have authority to incorporate all of the public assistance benefits, funds for

If consolidation is not possible, USOR and DWS should share client data and co-locate as much as possible.

training, and food stamps that are currently handled DWS, into a client's employment plan.

In addition, USOR and DWS should investigate ways to enhance the ways they coordinate now. For example, efforts to share client databases can be enhanced. USOR staff feel that DWS's new UWORKS system may enable greater information sharing. Also, efforts to locate USOR staff within the one-stop service centers operated by DWS can be increased. USOR staff report they are trying to co-locate with DWS as much as possible, but DWS has sometimes not been able to accommodate USOR staff.

Finally, an effort should be made to resolve the policy differences between the two agencies so that DWS isn't trying to immediately place the individual in a job while USOR is trying to implement a three or four-year training program. In our opinion, clients should not have to sort out conflicting messages from two case managers.

Recommendations:

1. We recommend that the Legislature or the State Council on Workforce Services identify the method the Department of Workforce Services should use to decide how many program staff should be assigned to each employment center.
2. We recommend that the State Council on Workforce Services, after consulting with each regional council, identify the performance standards to measure the effectiveness of individual programs and employment centers.
3. We recommend that future surveys of customer satisfaction include survey results for specific customer groups such as those clients receiving support services.
4. When customer monitoring indicates it is needed, we recommend that the Department of Workforce Services describe in its strategic plans the strategies that will be used to meet the needs of specific client groups with special needs.

5. We recommend that the Office of Rehabilitation be made into a separate division within the Department of Workforce Services.
6. If the Office of Rehabilitation is not transferred to the Department of Workforce Services, we recommend the agencies take steps to improve coordination including sharing client information when possible and developing a shared service plan for each client.

Appendix

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Agency Response

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August 11, 2000

Wayne Welsh
Office of the Legislative Auditor General
130 State Capitol
P.O. Box 140151
Salt Lake City, UT 84114-0151

Dear Mr. Welsh:

As chairman of the State Council on Workforce Services (also the State Workforce Investment Board), I welcomed the information contained in the "Follow-up Review of Utah's Employment and Training Programs" and the praise it gives to the Department of Workforce Services and the State and Regional Councils. The creation of the department has been a herculean task as the audit accurately points out. The fact that, in three short years, we have created a customer focused system with few, if any, national peers as role models is the distinguished accomplishment of the State Legislature, the State and Regional Councils, and the Department's Executive Staff as well as its front-line service providers.

When I was appointed to the State Council as an employer representative, I knew little if anything about the five agencies that came together to form Utah's new workforce development system; yet I understood my duty to lend private sector leadership to its development. I studied the 1992 Legislative Auditor General's report on Utah's employment and training systems, the recommendations from the Governor's Task Force on Workforce Services, and the 1996 and 1997 legislation that created the department. It was clear to me then, as it is today, that the State and Regional Councils provide leadership and a real world perspective to the new system.

I join with the audit and applaud my colleagues on the State and Regional Councils for the exceptional work they have performed. Since H.B. 375 was passed and the department created, the important federal philosophical underpinning of workforce development has changed. The Personal Responsibility and Work Opportunities Reconciliation Act of 1996 ushered in the monumental welfare reform. What is more, the Workforce Investment Act of 1998 (WIA) required us to look at our customer and service delivery system much differently than before. And since eighty five percent of the department's funding flows from the federal government, the fact that we now serve universal customers with a much wider array of available services and an employment-first emphasis is not to be understated. This makes it that much more impressive that the State and Regional Councils have accomplished their statutory duties. I was personally involved in the creation of the initial integrated Workforce Services Plan that captured all the state and local statutory responsibilities while insuring federal compliance with the new laws and, most importantly, follows the vision and goals set cooperatively between the State and Regional Councils.



First Security Insurance 405 South Main Street P.O. Box 957 Salt Lake City, Utah 84110 Telephone 801-246-1900
A financial services company of First Security Corporation

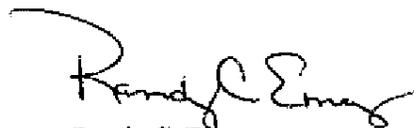
Yet, we continue to evolve. I have been asked on several occasions to speak at national forums, and have participated many times with interested guests from all over the nation to explain how Utah, and its respective councils (or boards) have been so successful in creating what they look to as the national model of a "Workforce Development System." My response parallels my comments included in the audit: The State and Regional Councils have evolved into a vision setting, coordinating, convening, brokering, and performance accountability role. Consequently, I believe a public policy question now before the legislature asks if the duties chartered to the State and Regional Councils are still necessarily ours, or if we have evolved to an enhanced leadership role unforeseen in 1996 and 1997.

While both the State and Regional Councils are an important aspect of the process and provide a valuable resource to the executive management team, it is imperative that private volunteer council members rely heavily on the day-to-day expertise of senior management and their staff. These are the individuals who have the micro detail understanding to make the day-to-day decisions. It is the Regional and State Council members' role to provide guidance, question, evaluate and make recommendations for continued improvement in the process. Consequently, I would concur with the audit in suggesting that "... the state council may have difficulty fulfilling the role envisioned by the Governor's Task Force..." if that role is to be one of detailed oversight management. We need to remember that most council members, while dedicated to the process, are volunteers who have other full-time commitments.

I am also concerned with one specific recommendation included in the audit. If we were to add any additional members to the State Council, federal guidelines require that we will then need to fully comply with the WIA, a condition which was waived when we "grandfathered" the State Council into the State Workforce Investment Board role last year. This could take us to over forty members. I find such numbers unwieldy and, from my private sector board experience, that is too many people to nurture useful dialogue and to accomplish our purposes.

Finally, I wish to thank the Department, from the service providers on the front lines throughout the state to the excellent management team in place, for the successful working relationship we have developed. The State Council has been keenly aware of the cuts in "middle-management" FTEs, nearly seven percent of the department total, and the successful accomplishment of our goal to push more jobs to the front-line in direct customer service capacities. What is more, I commend the legislature for its forward-thinking, almost prophetic workforce development invention and support for what has truly proven a success -- the Department of Workforce Services.

Sincerely,



Randy C. Emery
Chairman, State Council on Workforce Services
First Security Insurance



State of Utah

DEPARTMENT OF WORKFORCE SERVICES

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Michael O. Leavitt
Governor

Robert C. Gross
Executive Director

Equal Opportunity Employer

August 11, 2000

Wayne Welsh
Office of the Legislative Auditor General
130 State Capitol
P.O. Box 140151
Salt Lake City, UT 84114-0151

Dear Mr. Welsh:

The Utah Department of Workforce Services is very interested in learning if we have achieved the original goals of the department's creation and consolidation, as outlined in the original 1992 Legislative Auditor General's Report on Utah's Employment and Training Systems, recommendations from the Governor's Task Force on Workforce Services, and in the 1996 and 1997 legislation that created the department. This is especially important to us in light of substantial changes made by Congress and federal regulatory agencies to workforce and welfare programs since the department began operation on July 1, 1997.

We have appreciated the opportunity to provide you with input and information to assist you in these efforts. Overall, we feel the report positively reflects on many of the department's accomplishments over the past three years. We agree with suggestions made in the audit that service to our customers (employers, job seekers, and the community) has been and will continue to be the department's number one priority, even as we continue to improve the work lives of our employees and protect taxpayer investment in the state's workforce and welfare systems.

The local, state, and national environment of workforce development has evolved substantially since the time the Governor's Task Force on Workforce Services made its recommendations, and since the passing in 1996 of H.B. 375, which created the department. Changes to federal programs include the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which overhauled the state and federal welfare system, and the 1998 Workforce Investment Act (WIA), which replaced and substantially expanded the scope of the Job Training Partnership Act (JTPA) by changing the focus of the employment and training system from a "training first" system to a "work first" system. The department owes the legislature a debt of gratitude for having the foresight to acknowledge that massive changes were needed in Utah's employment, training, and welfare programs. That foresight and those very changes have paved

the way for Utah to become the national leader in workforce development and welfare reform that it is today.

The department has undergone a tremendous metamorphosis during the past three years. In addition to consolidating five separate state and local agencies and their various programs, the department has implemented the many changes required under PRWORA and was one of only nine states to implement the federal WIA a year ahead of the mandatory schedule of July, 2000. The principal intent of the PRWORA law is to end adult dependency on public assistance. The law places a heavy emphasis on employment and holds states accountable to minimum work participation rates for families receiving assistance funded by the Temporary Assistance for Needy Families (TANF) block grant. WIA has also significantly impacted the role of workforce service agencies by ensuring that they provide employment and training services to the “universal customer,” rather than to income eligible participants. This law has substantially expanding the customer base previously served under the Job Training Partnership Act. Workforce service agencies such as our department, are now required to provide at least three levels of employment and training (core, intensive, and training services) to all who seek such services. This is to be done in collaboration with other agencies by leveraging essentially the same amount of federal funds as were available under JTPA with other state and federal funding resources. These programs, by their very nature, create the need for more one-on-one intensive services being provided to some of our hardest-to-serve customers.

A key accomplishment of the department’s consolidation has been the total revamping of its service delivery structure. The center piece of the structure has been the creation of thirty-eight “one-stop service centers” that offer a full array of placement, training, and case management services to the job seeker customer in community location. At the same time, the Unemployment Insurance Claim Center (UICC) was created allowing customers to call and process unemployment insurance claims at their own convenience. A claims process that usually took an hour or more was reduced to minutes. Because of the success of the UICC phone center, and our goal to maintain an “employment focus” in one stop centers, the department has achieved similar goals of increased customer service and efficiency by creating regional call centers for supportive service program eligibility.

According to the audit, the department has realized a total reduction of 118 FTE’s. We are very pleased with these reductions as they have been incurred mostly at the senior management and administrative level. The minimal increases noted in the audit have occurred at the local employment center level where we believe they should occur in any entity directed towards customer service. These adjustments have not prevented us from providing increasingly higher levels of customer service nor reduced the availability of direct services which include far more than job training. In fact, the range of services previously offered by the individual five state agencies has been expanded to meet the needs of ongoing and future job seekers and employers. For example, all of our one-stop employment centers now have self-help job connection rooms which provide job seekers expanded access to available jobs, training opportunities, resume and career information. The availability of such expanded services, along with the increased visibility of the department, has caused an increase in daily “foot” traffic in all of our offices. Moreover, as the Social Research Institute’s recently released study, “Multiple Impacts of Welfare Reform in Utah: Experiences of Former Long-Term Welfare Recipients” indicates, one

of the most important indicators of success for our long term TANF customers is the relationship they have with their employment counselor.

Determining appropriate staffing levels has been a complex process that the department has been involved in almost constantly since its formation and is committed to completing for ongoing human resource management. It is important to remember that federal funds appropriated by Congress approximate 85 percent of the department's total budget and that almost all of these federal programs which constitute the bulk of the department's activities have undergone substantial change in focus and purpose during the department's formation. Such changes have posed additional challenges in determining appropriate staffing levels as we have dealt with program and service delivery modifications. Additionally, although TANF makes up a large portion of the department's overall funding, many other programs are administered that provide direct services. For example, the department administers the Food Stamp and TANF portion of Medicaid; the Food Stamp program; TANF; Child Care; the Family Employment Program (FEP), General Assistance; WIA; and Wagner-Peyser. In addition to these direct services provided by the department, WIA requires employment counselors to understand services offered by other partner agencies such as Housing, Vocational Rehabilitation, Adult Education, etc. An employment counselor previously assigned to working FEP cases is now required to understand and serve customers who are employed and looking for a better job, require additional training, need referrals to services such as; Housing Assistance, Vocational Rehabilitation, and/or Adult Education. Additionally, as previously mentioned, a number of factors have contributed to changes in customer pathways, increased activity and customer volume and traffic in our offices, and more concentrated efforts with job seeking customers served, all of which have made staffing level determinations more challenging during the department's evolution. The department is confident that it will come to a resolution in this matter and will actively engage input from the State Council and the Legislature.

During the past three year transition period, one of the department's key initiatives has been to build trust with local elected officials throughout the state to address balance between state and local service delivery. This concern was of paramount importance to local elected officials at the time the Legislature created the department. Immeasurable hours by our Senior Management and our Regional Directors have been devoted to this ongoing task. We believe that we are making tremendous progress in building those trust levels, primarily through a strong emphasis on regional council involvement.

Governance is another issue that we would like to briefly address. The audit underscores a challenge for the department and one common in most states recently and historically: board/council governance. Recommendations from the Governor's Task Force, and state and federal statutory requirements under H.B. 375 and the WIA, create an employer designed and led system. The intent behind such a design is laudable, but, through practical input and the experiences of both past and present council members, we have come to realize that few of these business and community leaders have the time to perform the kind of governance the audit suggests that the state and federal statutes require. In the remarks by the Council members interviewed for the audit this point is made clear. Utah's councils have been evolving since the creation of the department and their role has gradually shifted from one of oversight of a major consolidation of state agencies to implementation of WIA and PRWORA. This shift in

responsibility has required many of our councils members to climb a steep learning curve while assuming broader oversight responsibilities.

The department is committed to engaging our council members, as well as legislators, whenever possible in department business. We are optimistic that councils will become more integral over time as they grow into their new local, state, and federal roles. We do so to determine the appropriate balance of governance and responsibility for council members while recognizing the time constraints of these volunteer members.

The department is also concerned with recommendations to change the membership on the State Council on Workforce Services. As an early implementing state under WIA, Utah was able to “grandfather” its statutorily required council. Changes to membership would eliminate the state’s waiver and membership would need to be expanded to the more than 40 member board defined by WIA. Nationally, states are having difficulty managing such large boards and results have become even harder to obtain.

Finally, the department is committed to serving customers with special needs and will continue to improve the process by which we obtain feedback and measure the satisfaction of our customers. Recent surveys have eliminated often misunderstood questions relating to program involvement by customers. Certain questions were eliminated in an attempt to measure whether customers truly perceived the department as a “one-stop center” where services could be obtained no matter what the initial need. The department is committed to continuous improvement and will review what things can be done to ensure quality service is being delivered to customers with special needs.

Thank you for the opportunity to respond to the recommendations outlined in the audit.

Sincerely,



Robert C. Gross
Executive Director

cc: Rich McKeown
Vicki Varela
Lynne Ward
John Nixon

August 9, 2000

Wayne Welsh
Auditor General
130 State Capitol
Salt Lake City UT 84114-0151

Dear Mr. Welsh,

The Utah State Office of Rehabilitation (USOR) has reviewed the Legislative Auditor's report entitled, "A Follow-up Review of Utah's Employment and Training Programs", and does not support the auditor's recommendation to move the USOR into the Department of Workforce Services (DWS). The crux of the auditor's report is found on page 48 and states, "...we found that clients are caught between two agencies that duplicate their efforts, that do not coordinate with one another, and that have very different policies." In the following pages, the USOR will address these concerns and show that:

7. Individuals with disabilities have been served very effectively and efficiently by the Utah State Office of Rehabilitation under the leadership of the Utah State Board for Applied Technology Education.
8. The unique problems in preparing individuals with disabilities for employment and independence requires an agency dedicated to this end with specialized services, staff, and resources.
9. The differing policies are a result of differing but complimentary federal mandates.
10. Under the Workforce Investment Act of 1998 (WIA), the intent of Congress was clear that the Vocational Rehabilitation (VR) program should be a partner with other programs in the state's workforce system but that the unique nature and integrity of the VR program must be maintained.
11. As a separate entity under the State Board for Applied Technology Education, the USOR has department status which has provided people with disabilities greater access to the legislature and enabled services for individuals with disabilities to be developed and improved dramatically.

In the following pages, the USOR will explain each reason and relate it to the auditor's report.

1. Individuals with disabilities have been served very effectively and efficiently by the Utah State Office of Rehabilitation under the leadership of the Utah State Board for Applied Technology Education.

For the last 80 years, the USOR has flourished under the leadership of the Utah State Board for Applied Technology Education. From a consumer's perspective, Utah's Vocational Rehabilitation (VR) program placed 3,413 individuals with disabilities into employment last year. By federal definition, 79% of the individuals placed into employment were significantly disabled. Two separate independent studies have demonstrated Utah's VR program consistently ranks near the 90 percent level in consumer satisfaction.

The audit report mentions performance and accountability as things that the workforce system needs to develop. As legislators and the public read this report, the USOR wants all to know that Utah's VR program is the most productive and most cost effective program in the 10 western states (see chart below).

**STATE BY STATE COMPARISON OF VR PROGRAMS - 10 WESTERN STATES
FY 1999 DATA**

	UT	CO	MT	ND	SD	WY	ID	AZ	NM	NV
# Clients Placed in Jobs	3,413	2,671	925	904	954	666	1,442	2,139	1,481	1,043
Avg. # Placed in Jobs Per Counselor	32	22	24	22	24	26	22	13	24	28
Cost per Client Rehabilitated	\$8,388	\$13,279	\$12,345	\$11,366	\$11,803	\$16,747	\$10,610	\$22,189	\$15,946	\$12,918

In addition to the state by state comparisons above, the latest (1997) National Data Tables from the Rehabilitation Services Administration indicate that Utah ranks second highest in percent of persons served who achieved a successful employment outcome. The individuals with disabilities placed into employment by Utah's VR program have the third highest

average weekly earnings of all vocational rehabilitation programs in the nation. Utah also ranks fourth lowest in cost per successful client placed into employment.

The audit also talks about the need for accountability with respect to the impact of services. Since 1992, Utah’s VR program has been participating in a national longitudinal study of the Vocational Rehabilitation Services Program being conducted by the Research Triangle Institute of North Carolina. From that study, the following data were gathered about consumers who obtained competitive employment as a result of vocational rehabilitation services.

National Vocational Rehabilitation Services Longitudinal Study Results 2000

	Employment	Hourly Earnings		Receiving Health Benefits
		Mean	Median	
At Closure	100% working	\$7.56	\$6.25	38.2%
At 1 year	84.1% working	\$8.23	\$7.00	48.8%
At 2 years	81.2% working	\$10.25	\$7.50	55.0%
At 3 years	78.3% working	\$13.48	\$8.00	58.8%

With respect to performance, accountability, and impact, Utah’s Vocational Rehabilitation program has proven to be very effective and efficient, therefore, producing a lasting positive impact on those individuals served.

Nationally, Rehabilitation is under the United States Department of Education (DOE). Support from the DOE includes funding, policy, monitoring and technical assistance. In Utah, schools are a major partner with the USOR in transitioning students with disabilities into training and employment. This critical partnership with schools is facilitated and enhanced by being under the Utah State Board for Applied Technology Education. The USOR has rehabilitation counselors assigned to each of Utah’s high schools to work with school personnel in transitioning students with disabilities into training or employment. Schools continue to be one of the major sources of referrals for the vocational rehabilitation program.

- 2. The unique problems in preparing individuals with disabilities for employment and independence requires an agency dedicated to this end with specialized services, staff, and resources.**

The auditor’s report fails to address that USOR is more than a training and employment

program. In order to address the unique needs of individuals with disabilities, the USOR has developed a service infrastructure of specialized staff, divisions, and programs. The USOR has four divisions including the Division of Services for the Deaf and Hard-of-Hearing, the Division of Services for the Blind and Visually Impaired, the Division of Disability Determination Services, and the Division of Rehabilitation Services. These divisions offer a variety of services including, but not limited to, low vision services, adjudication of Social Security disability cases, educational programs for the deaf, educational services for the blind, transition services for students with disabilities, independent living, mobility training for the blind, deaf/blind services, interpreter services, assistive technology and vision screening. This unique variety of programs and services is needed to address the special and multiple needs of people with disabilities as they move toward employment and self-sufficiency.

In the report the auditor spends a considerable amount of time in Chapter V making the case that customers with special needs are not receiving adequate services through the Department of Workforce Services. The auditor indicates that he has “...reviewed the Department’s [DWS] five year investment plan and its 2001 Operational Plan, its budget, and its performance measures and have found little reference to how the Department plans to serve its special needs customers.” Since all VR consumers have special needs, and have been served effectively by VR, the rationale for adding this population to a reportedly ineffective service structure is questioned. Why would the state want to consider such a move? In addition USOR believes such a move would be disruptive to individuals with disabilities and potentially weaken the services received.

3. The differing policies are a result of differing but complimentary federal mandates.

On page 51 of the report, the auditor recognizes that the USOR and the DWS have a different focus, philosophy, and approach to the goal of preparing for and obtaining employment. The USOR’s approach and philosophy are driven by the requirements in the Rehabilitation Act, an Act that has been designed by Congress and citizens with disabilities, who know what they need to realize their employment goals. The auditor suggests that by becoming part of the DWS that the USOR would change its approach to be more in line with the welfare-to-work philosophy. Yet, earlier in the report, beginning with page 44, the auditor makes the case that consumers with special needs require a different approach.

Vocational rehabilitation uses an approach that has proven to be successful with individuals with disabilities because it focuses on individual needs, in-depth assessments, informed choice, planning, and the provision of services that will address the effects of the disability and the preparation of the individual for self-sufficiency, not just a job. It is the USOR’s opinion that the change recommended by the auditor would impede VR services and would violate federal policy and the Rehabilitation Act as follows:

- A) Federal regulations state that the VR agency **may not place absolute dollar limits on specific service categories** or on total services provided to an individual.
[34 CFR 361.50(b)(3)]

- B) Federal regulations state the VR agency **may not establish absolute time limits on the provision of specific services** or on the provision of services to an individual. The duration of each service needed by an individual must be determined on an individualized basis and reflected in that individual's plan.
[34 CFR 361.50(c)(2)]

- C) The Rehabilitation Act requires that the state VR agency inform each applicant and eligible individual about the availability and opportunities to exercise informed choice, including the availability of support services for individuals with cognitive or other disabilities who require assistance in exercising informed choice, throughout the vocational rehabilitation process. **This includes exercising informed choice in the selection of the employment outcome; the specific vocational rehabilitation services needed to achieve the employment outcome; the entity that will provide the services; the employment setting and the settings in which the services will be provided; and the methods available for procuring the services.**
[Sec. 102(d)(1) and Sec. 102(d)(4)(A thru E)].

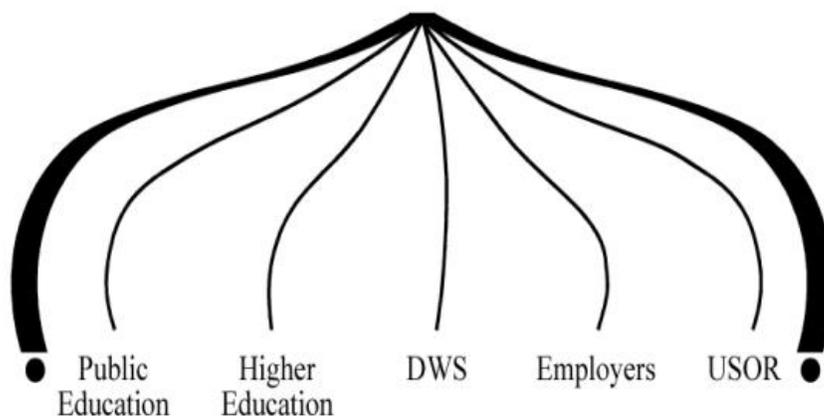
To change policies, as recommended by the auditor, would require changing the Rehabilitation Act, not state policy. To try and make the VR program consistent with the state's welfare-to-work program would invite legal challenges and potentially lead to significant and costly audit exceptions.

On page 52, the auditor quotes a policy from California and suggests that this policy limits the client's ability to change their plans and thus conserves resources. This policy is not in compliance with federal regulation as described in 3(C) above. In response to conserving resources, it has already been demonstrated that Utah's VR program is the most productive and cost effective of the 10 western states. To reach this level of performance means that Utah has already taken appropriate action to conserve resources and expedite employment outcomes. Given the success of Utah's VR program as previously described, it is unclear as to why the state would want to pursue such a policy.

- 4. **Under the Workforce Investment Act of 1998, the intent of Congress was clear that the Vocational Rehabilitation (VR) program should be a partner with other programs in the state's workforce system but that the unique nature and integrity of the VR program must be maintained.**

For years, the Governor, the Legislature, and state auditors have placed emphasis on collaboration and partnerships. The Workforce Investment Act of 1998 describes the need for a workforce system made up of many different and distinct partners. VR's unique role was recognized by Congress as reflected by the fact that the Rehabilitation Act, as a whole, was placed in WIA as a separate title (Title IV). The following chart symbolizes the workforce system partnership described in WIA.

Workforce System Partnership



The USOR has a history of working diligently to establish collaborative partnerships that enhance services to individuals with disabilities. In the audit report, page 49, it was stated that the agencies do not coordinate with one another. The auditor fails to state the significant coordination that these two agencies have identified and are implementing in a signed cooperative agreement (see attached agreement). Cooperative efforts include: Co-location; liaison assignments; common referral process and referral form; materials exchange; cross training; employer involvement coordination; and information systems linkage, including joint access to selected customer data elements. The USOR also believes that the most effective means of achieving this collaboration is through implementation of the cooperative agreement. The USOR will continue to work with the DWS to increase and enhance collaboration.

The USOR is aware that implementation of this cooperative agreement will require planned and ongoing efforts by both the DWS and the USOR. Sharing consumer data electronically as identified in the cooperative agreement and recommended in the auditor's report will take time since the DWS only implemented their U-Works system in June of this year. Implementation of other components of the cooperative agreement will have to be worked into the DWS's considerable internal task of coordinating the programs that were consolidated in 1997.

In addition, the auditor criticizes the USOR because two-thirds of the VR clientele are also involved with the DWS. The auditor presents no substantial data that duplication of services exists. In reality, the USOR and the DWS have been doing exactly what has been expected by providing the services each does best. By law, VR is required to seek comparable services and benefits that are provided by other agencies. This mandate and USOR procedures encourage rehabilitation counselors to have consumers register with the DWS to take advantage of job placement and other services. The two-thirds figure is a result of collaboration, not duplication. On page 55, the auditor uses the Choose to Work Program as rationale for combining the USOR with the DWS. Again, this is a prime example of USOR's and DWS's partnership efforts to enhance services and shows that the agencies can and are working together effectively, not that they should be combined.

The auditor's report points out the policy difference of the time limits associated with DWS and the lack of any such limits in the VR program. The USOR agrees that this difference may present a problem to some TANF consumers when considering their employment plans. To address the needs of individuals with disabilities often requires longer time frames and more complex services. A solution that is working in some states is entering into a formal agreement with the TANF agency that once an individual is determined eligible for VR services and a vocational plan is written, the execution of that plan is considered a fulfillment of an individual's work requirement. Again, the USOR believes collaboration is the preferred method of enhancing services to job seekers with disabilities.

On page 54 paragraph 3, the auditor talks about other states that have combined vocational rehabilitation and workforce services as a way to reduce costs and improve performance. His conclusions in this section of the report are based on the opinion of those agencies and does not include an analysis of actual data. Following is a comparison of those states and Utah. The comparison clearly shows that combining vocational rehabilitation with workforce has not enabled those states to surpass or even approach the performance and cost effectiveness of Utah's VR program. Again, this raises grave questions as to why the USOR should be consolidated into DWS when the current organizational structure has worked so well.

**State by State Comparison Using National Data Tables
Rehabilitation Services Administration
1997 Data**

STATE	Cost Efficiency		Production	Rehabilitation Rate*	
	<i>National Rank</i>	<i>Cost per Client Rehabilitation</i>	<i>Average Closures Per Counselor</i>	<i>National Rank</i>	<i>Percent</i>
UTAH	4	\$7,711	30.7	2	75.63
Minnesota	15	\$10,306	21.6	8	70.19
Wisconsin	34	\$13,369	20.6	27	59.70
Michigan	31	\$12,919	24.8	20	60.03
New Jersey	17	\$10,794	22.9	36	57.39
Wyoming	28	\$12,571	21.9	43	53.17
Nevada	40	\$15,485	19.5	46	50.03

**Rehabilitation rate is calculated by determining the number of individuals that achieve employment as a percentage of those that initiate a plan of services.*

- As a separate entity under the State Board for Applied Technology Education, the USOR has department status which has provided people with disabilities greater access to the legislature and enabled services for individuals with disabilities to be developed and improved dramatically.

On page 56 paragraph 1, the auditor talks about the USOR and individuals with disabilities losing visibility with the legislature. Under the Utah State Board of Applied Technology Education, the USOR has greater access to the legislature and a line item appropriation. Individuals with disabilities have benefitted significantly from the USOR's organizational structure and location under the Utah State Board of Applied Technology Education. Under this structure legislative requests are prioritized, presented, and funded specifically for the USOR, a situation that would not exist under any other organizational structure, including the DWS. The fact that the Utah State Board of Applied Technology Education has independent budget authority to decide and request funds for the USOR has enabled rehabilitation services to be enhanced and expanded in behalf of individuals with disabilities. The impact of such authority has been particularly positive since 1989 when the USOR was made a separate entity under the Board. To once again relegate USOR to divisional status would be a step back and severely impair the agency's ability to meet the needs of

individuals with disabilities. This is an important issue to Utah citizens with disabilities since there remains many unmet needs to achieving equal opportunities for employment and independence.

SUMMARY:

The crux of the auditor's report is found on page 48 and states, "...we found that clients are caught between two agencies that duplicate their efforts, that do not coordinate with one another, and that have very different policies." In the previous pages, the USOR has addressed those issues and has shown that vocational rehabilitation services are extremely effective and efficient in serving individuals with disabilities. Coordination and collaboration is taking place and if implemented according to the signed cooperative agreement, will enhance Utah's Workforce System.

There are differences in philosophy and policy between the USOR and the DWS, most of which are federal requirements under the Rehabilitation Act. These intended differences have been crafted over 80 years to meet the unique needs of individuals with disabilities. This is not to say that one philosophy or policy is better than the other, but that they have evolved from different perspectives to meet different social and individual needs.

The State Board for Applied Technology Education and the USOR firmly supports and is committed to efforts of collaboration to increase the effectiveness of the States's Workforce System. This includes electronic sharing of consumer information and enhanced coordination of consumers plans for employment. The Board does not support the recommendation that the USOR be consolidated under the DWS. Under the leadership of the State Board for Applied Technology Education, the USOR has developed highly effective and productive programs which individuals with disabilities continue to rely on to obtain employment and increase self-sufficiency.

Sincerely,

Steven O. Laing
Chief Executive Officer
Utah State Board for
Applied Technology Education

Blaine Petersen
Executive Director
Utah State Office of Rehabilitation

**COOPERATIVE AGREEMENT
BETWEEN
UTAH STATE OFFICE OF REHABILITATION
AND
UTAH DEPARTMENT OF WORKFORCE SERVICES**

I. Purpose

The purpose of this agreement is to ensure that all individuals with disabilities will have equal access to workforce investment activities designed to assist them in preparing for and obtaining employment.

This document is provided as a special provision to the Memorandum Of Understanding State of Utah One Stop Partners. The document provides specific guidelines for the coordination of services to people with disabilities between the Utah State Office of Rehabilitation (USOR) and the Department of Workforce Services (DWS).

II. Introduction

The Workforce Investment Act of 1998 requires USOR, DWS, and other agencies and organizations to develop partnerships with each other and employers to form Utah's Workforce Development System. Many linkages between these agencies and employers have been in place for years and are being expanded through this agreement.

As a group, individuals with disabilities represent the most underemployed and unemployed segment of society. The National Center for Health Statistics indicates that over 22 million working-age Americans are disabled in such a way as to limit their ability to work. In Utah, there are approximately 89,865 individuals with disabilities who fall into this classification. According to the 1998 Harris Survey of Americans with Disabilities, "only three in ten working- age adults with disabilities are employed full- or part-time . . . even though almost three out of four who are not working say that they would prefer to be working."

Utilizing the services of DWS and USOR in a collaborative manner is essential to ensure that Utahns with disabilities will have the appropriate, cost-effective, and accountable service system they need to prepare for and obtain competitive employment in integrated settings.

III. Equal and Effective Access

It is the goal of USOR and DWS to provide Utah job seekers with disabilities equal and effective access to services offered through Utah's Workforce Development System. In order to achieve this goal it is essential that USOR and DWS work together effectively as partners.

As partners, USOR and DWS agree to give job seekers with disabilities equal and effective access to Utah's Workforce Development System. This partnership will ensure that Utah job seekers with disabilities will have coordinated and effective methods by which they can access the type and level of service they need to obtain and maintain employment. The following provides the process to establish physical and program accessibility to DWS Employment Centers for people with disabilities.

1. Accessible Employment Centers: As the operator of Utah's Employment Centers, DWS agrees to operate under the requirements of the Americans with Disabilities Act (ADA).

When requested, USOR will provide DWS with technical assistance concerning:

- A. The evaluation of accessibility of Employment Centers.
- B. Modification to achieve accessibility.
- C. Acquisition of accessible equipment and materials.
- D. Obtaining auxiliary aids and services.

Any costs associated with bringing Employment Centers into compliance with ADA will be the responsibility of DWS.

2. Program Accessibility: Utah job seekers with disabilities shall have equal access to the type and level of Employment Center services that are determined appropriate for their individual employment needs and circumstances. This will be accomplished by the implementation of the following cooperative efforts by USOR and DWS.

- A. Co-location: When appropriate and possible, USOR and DWS agree to physical co-location within Utah's Employment Centers. USOR staff who are co-located in Employment Centers will remain under the operational control of USOR.

In Employment Centers where co-location does not occur, DWS and USOR agree to the establishment of electronic linkages and referral processes between the two entities.

- B. Employment Center Liaison: USOR will assign a staff liaison for each of Utah's Employment Centers. The liaison will work closely with a DWS appointed Employment Center liaison to facilitate an effective working partnership between USOR and DWS. The liaison duties will include partnership building, first line problem resolution, coordination of cross training activities, communication between USOR and the Employment Center, coordination of technical assistance concerning vocational rehabilitation services, coordination of referrals, and staffing of mutual consumers.
- C. Referral Process: Job seekers with disabilities who can achieve their employment goals through the provision of Employment Center services will be provided those services by DWS staff. These services include core services, intensive services, and training services as funding allows.

The pathway of accessing these services is through an Employment Center information specialist or case manager, or by electronic referral to the Employment Center by a USOR vocational rehabilitation counselor.

Job seekers with disabilities who, by necessity or by informed choice, pursue the specialized services of the vocational rehabilitation program to reach their employment goals will be referred to the said program. If eligible, those services will be provided through the vocational rehabilitation program. These services include eligibility determination for vocational rehabilitation services, development of an Individual Plan for Employment (IPE), and provision of services as identified under the IPE.

The pathway for accessing vocational rehabilitation services will be through a DWS Employment Center employee electronically referring appropriate vocational rehabilitation candidates. This typically will occur when an Employment Center information specialist or a employment counselor determines that the job seeker with a disability needs intensive level services that can best be met by services offered through the state vocational rehabilitation program. After referral and determination of eligibility, USOR will be responsible for the provision of services according to federal regulations.

- D. Brochure and Materials Exchange: In each of Utah's Employment Centers, DWS will provide space for USOR program materials and the Client Assistance Program (CAP) materials. USOR and CAP will be responsible for restocking those materials as needed.
3. Model Demonstration Project: To help ensure equal and effective access to the Workforce Development System, USOR and DWS have jointly implemented a five-year

demonstration job development and placement service for Utah job seekers with disabilities. With a combination of USOR, DWS, and Rehabilitation Services Administration grant funding, the Choose to Work Utah project has hired a total of 17 full-time employees to provide statewide individualized job development and placement services to individuals with disabilities referred from either DWS or USOR. The project is jointly administered by USOR and DWS co-directors and is overseen by a multi-agency consortium. If successful and if funds are available, this significant partnership will be jointly funded for continuance at the completion of the demonstration process.

IV. Cross-Training

In order to have effective coordination of services to people with disabilities, it is essential that DWS and USOR staff have a functional understanding of each other's programs and services. To achieve this understanding, DWS and USOR will develop a cross-training package.

USOR and DWS will develop a cross-training curriculum for current and new DWS and USOR staff statewide. This cross-training will increase the understanding of each agency's staff concerning available services and supports which will result in enhanced coordination and effectiveness of services to job seekers with disabilities. The curriculum will at a minimum contain an overview of each of the following:

- A. Each agency's basic mission and philosophy.
- B. Types of services available to customers including customers with disabilities.
- C. Eligibility requirements of each agency.
- D. Referral process to each agency's programs and services.

The cross-training will also convey the expectation of a consistent statewide implementation of policy and encourage continuous improvement of local pathways for service delivery.

Training will be developed using video or CD-ROM technology provided by DWS or USOR. All service providers will be expected to view and become familiar with the information. DWS and USOR will identify the responsible staff to provide curriculum development and presentation of the computer-based training curriculum. Completion of the curriculum including distribution to and review by staff will be accomplished by March 1, 2000.

V. Information Systems Linkage

In order to avoid duplication and enhance service delivery to job seekers with disabilities, DWS and USOR will coordinate their electronic information systems in the following manner.

- A. Wage and Benefits Information Screen: Prior to January 1, 2000, USOR and DWS will finalize an information exchange agreement that provides USOR with specified information from the Wage and Benefits database. USOR will provide DWS with a quarterly list of individuals identified by Social Security account numbers. DWS will produce an electronic report providing specified Wage and Benefits information on the requested individuals to USOR. The electronic report will be in a format determined useful by USOR. USOR will pay for all programming, materials, and staff costs concerning this report.
- B. Cooperative Access to the State of Utah Wide Area Network: USOR and DWS will assist the staff who are temporarily serving customers in the other agency's office by providing access to the State WAN for Internet connection. Each agency would be responsible to provide computer data jacks capable of connecting to their respective WAN resources.
- C. Feasibility Study of Linkage of the USOR and DWS Information Systems: The study, to be conducted and completed during FY 2000, will focus on the desirability and feasibility of joint access to select customer data elements from existing data bases. Sharing of data shall require the informed consent of the consumer. Consumers choosing not to give consent shall not be denied any available services.

VI. Cooperative Efforts with Employers

The involvement of Utah's employers in the Workforce Development System is critical to increasing employment opportunities for job seekers with disabilities. USOR and DWS will develop and implement programs and activities, as funding allows, to demonstrate to Utah's employers the benefits of including people with disabilities in the workforce. These activities include:

- A. Develop a statewide employer network system where employers can exchange information and experiences in hiring and managing individuals with disabilities.
- B. Provide disability awareness services to Utah employers. These services will include disability sensitivity training and disability and employment information. When requested by DWS, USOR will provide disability awareness services to employers identified and selected by DWS.

- C. Conduct public relations activities to increase employer and public awareness of the benefits of employing individuals with disabilities.
- D. In coordination with the Governor's Committee for Employment of People with Disabilities, conduct statewide employer recognition activities to encourage hiring individuals with disabilities.

VII. Board and Councils Participation

- A. The Executive Director of USOR will serve and participate as a full member of the State Workforce Investment Board, also known as the State Council on Workforce Services.
- B. Representatives from USOR will be selected and will participate as standing members of each DWS Regional Council on Workforce Services.
- C. A representative from the State Workforce Investment Board will serve and participate as a standing member of the USOR State Rehabilitation Council.

VIII. Cost Allocation

In Utah Employment Centers where USOR vocational rehabilitation staff are housed, USOR will participate in the operational costs of the center based on a mutually accepted cost allocation method that is reasonable and equitable, proportionate to use, and allocatable according to OMB cost principles.

IX. Dispute Resolution

- A. Consumer/Customer Grievances: When customers have grievances, they will be informed of the grievance procedure of DWS or the Employment Center Partner that provided the service. DWS and the Employment Center Partners will be responsible for ensuring that the customer is provided with all applicable information about their grievance procedures and pathways. DWS and the Employment Center Partners will have information posted in visible locations informing customers of their rights and responsibilities and will provide brochures that also contain information regarding complaints and grievance processes and procedures and customer rights and responsibilities.
- B. Grievances Between USOR and DWS: Operational procedural disputes will be resolved,

when possible, by the USOR designated Employment Center liaison and the Employment Center manager. Disputes that cannot be resolved at the local level will be channeled to designated USOR and DWS administrative staff.

X. Time Frame

This cooperative agreement shall cover the time period beginning October 1, 1999, and ending June 30, 2005.

XI. Amendments

Amendments to this agreement may be requested and may be made at anytime upon approval of the Executive Director of USOR and the Executive Director of DWS.

XII. Signatures

_____ Date _____ 1/24/00 _____
Blaine Petersen, Executive Director
Utah State Office of Rehabilitation

_____ Date _____ 1/24/00 _____
Robert Gross, Executive Director
Department of Workforce Services