

Office of the Legislative Auditor General
Report to the UTAH LEGISLATURE





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April 15, 2025

TO: THE UTAH STATE LEGISLATURE

#### Transmitted herewith is our report:

"A Systemic Audit of the Department of Workforce Services: Focusing on Client Success" [Report 2025-06].

An audit summary is found at the front of the report. The scope and objectives of the audit are included in the audit summary. In addition, each chapter has a corresponding chapter summary found at its beginning.

<u>Utah Code 36-12-15.3(2)</u> requires the Office of the Legislative Auditor General to designate an audited entity's chief officer. Therefore, the designated chief officer for the Department of Workforce Services is Casey Cameron. Casey Cameron has been notified that they must comply with the audit response and reporting requirements as outlined in this section of *Utah Code*.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

Kade R. Minchey, CIA, CFE

Auditor General

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### **AUDIT SUMMARY**

REPORT 2025-06 | APRIL 2025

Office of the Legislative Auditor General | Kade R. Minchey, Auditor General



#### PERFORMANCE AUDIT

#### **AUDIT REQUEST**

The Legislative Audit
Subcommittee requested and
prioritized a systemic
performance audit of the
Department of Workforce
Services. We were also asked
to review the Medicaid
unwinding process and access
to Medicaid eligibility. This
audit's originally large scope
was reduced as risks were
identified.

#### **BACKGROUND**

The Department of Workforce Services has nine services divisions and seven internal services divisions. Among these divisions are Unemployment Insurance, Eligibility Services, Workforce Development, Office of Rehabilitation, Child Care, Homeless Services and Housing and Community Development.

### **DEPARTMENT OF WORKFORCE SERVICES**

### **S** KEY FINDINGS

- Potential for Greater Success is Available in Workforce Development Programs
- ✓ The Impact of Workforce Development Programs is Mixed When Compared to Similar Wage Earners; DWS Has Opportunity for Additional Research
- DWS Completed Medicaid Unwinding Quickly and According to State and Federal Requirements
- Eligibility Services Division's Call Wait Times Do Not Meet Legislative Targets

### **RECOMMENDATIONS**

- The Department of Workforce Services should identify factors leading to participant success including wage growth, long-term employment, and decreased use of eligibility programs then develop and implement a strategy to enhance Workforce Development Division programs around these potential factors of success.
- The Department of Workforce Services should develop and implement a strategy to reduce their call wait times to meet requirements set by the Legislature.
- The Department of Workforce Services should collect and analyze internal data to determine whether the time allowed for a customer to submit an online application for benefits is sufficient and, if warranted, allow more time to complete the application.

# LEGISLATIVE AUDITOR GENERAL

### **AUDIT SUMMARY**

#### **CONTINUED**



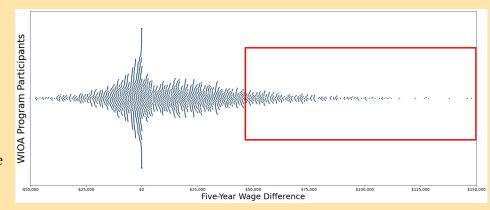
### Potential for Greater Success Is Available in Workforce Development Programs

Five years after entering a Workforce Development Division (WDD) program, on average, participants show a decrease in unemployment and use of eligibility services, and experience positive wage growth. However, WDD program success is coupled with many participants still struggling with consistent employment and achieving a living wage after participation. We recommend DWS identify factors leading to program success and model WDD programs around these factors of success.

# DWS Completed Medicaid Unwinding Quickly and According to State and Federal Requirements

The Department of Workforce Services (DWS) reset the Medicaid rolls after the COVID-19 increases relatively quickly according to Legislative intent. DWS completed the unwinding process in April 2024 after completing 521,000 reviews in 13 months, reducing overall Medicaid membership by 36 percent. The U.S. Department of Health and Human Services Office of Inspector General reports that "Utah generally completed Medicaid eligibility actions during the unwinding period in accordance with Federal and State Requirements." However, some advocates expressed concerns that the rapid unwinding led to some people being incorrectly denied renewal of their Medicaid health benefits. Contrarily, the inspector general estimates that most errors were actually towards incorrectly keeping members on Medicaid rather than incorrectly terminating members.

As Highlighted in Red, the Swarm Plot Shows WIOA Clients Who Now Make a Livable Wage After Participation. All programs show an increase in wages from the year they participated in the program to the fifth year after participation. All participant averages are still low when compared to the general Utah workforce.



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### **CHAPTER 1 Summary**

DWS Should Use Data to Further Improve Program Effectiveness



### **BACKGROUND**

The Workforce Development Division (WDD), housed at Workforce Services, primarily serves low wage, low skill workers, and disadvantaged populations. Our office analyzed employment, need of eligibility service, and wage growth over a five-year period after participation in WDD programs. Each program showed improvement for participants in all measures by varying degrees. In line with of DWS's guiding principle that "good isn't good enough" our office recommends further study and development of WDD programs around the factors of success that led some participants to achieving a living wage.

#### **FINDING 1.1**

On average WDD program participants show a decrease in unemployment and use of eligibility services and experience positive wage growth. However, WDD program success is coupled with many participants still struggling with consistent employment and achieving a living wage after participation.

#### **FINDING 1.2**

The impact of Workforce
Development programs is
mixed when compared to similar
wage earners; DWS has
opportunity for additional
research.

#### **RECOMMENDATION 1.1**

The Department of Workforce Services should identify factors leading to participant success including wage growth, long-term employment, and decreased use of eligibility programs then develop and implement a strategy to enhance Workforce Development Division programs around these potential factors of success.



### **CONCLUSION**

DWS should identify factors leading to participant success and model Workforce Development Divisions programs around these factors. Doing so will shift focus to participants, allow for innovation, and likely lead more participants to success in the workforce.





### **Chapter 1 DWS Should Use Data to Further Improve Program Effectiveness**

Despite many barriers, on average, participants of Workforce Development Division (WDD) programs decreased their use of other governmental assistance programs and increased wages over a five-year period. Other participants still relied on eligibility services and were not able to achieve a living wage five years after participation. Because of the successes of many WDD participants, the Department of Workforce Services (DWS) has the potential to further study programs in WDD and identify what factors lead to greater or less success. DWS's own Operational Success Cornerstone states "we deliver quality public service by implementing efficient solutions that are reliable and accurate." This chapter tries to present ways DWS can achieve efficient solutions. Greater programmatic success can lead to better efficiency and effectiveness.

WDD provides services to both job seekers and employers to support a stronger workforce in Utah. Within the division, there are 16 programs targeting unique groups, including those earning a low wage, individuals with disabilities, the formerly incarcerated, and those with skills deficiencies. To scope the large number of services provided, our office chose



WDD serves low wage, low skill workers and disadvantaged populations.

four programs based on diversity and size to research the success and effectiveness of WDD programs. These programs include the following:



#### Workforce Innovation and Opportunity Act (WIOA)

WIOA is designed to help job seekers access employment, education, training and supportive services to connect to the labor market and match employers with the workers they need. This includes programs focused on youth and dislocated workers.

<sup>&</sup>lt;sup>1</sup> For this audit, we used the Glassmier Living Wage Calculator to define living wage. We set parameters to one wage earner with zero children in the state of Utah. For more information, see https://livingwage.mit.edu/.



### Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T)



Individuals receiving SNAP benefits who meet certain criteria are selected to meet with a staff person to assist with their job search for three months.



Temporary Assistance to Needy Families Family Housing (TANF FEP)

Families who are not employed and receive short term non recurrent housing assistance through TANF are referred to employment counselors to help them with their job search.

### Temporary Assistance to Needy Families Non-Family Employment Program (TANF Non-FEP)



Provides funding for TANF eligible families to access employment, education, training, and supportive services to connect to the labor market and match employers with the workers they need.

To ensure trends were not isolated, we analyzed all participants in these four programs from 2017 and 2018 cohorts over a five-year period.<sup>2</sup> Over this period, we observed changes in their use of unemployment insurance (UI), SNAP,



DWS has the potential to further study programs in WDD and identify what factors lead to greater or less success.

employment duration, and program duration. These results were then compared to the general labor force of Utah. Because WDD serves low wages, low skill workers and disadvantaged populations, we also compared WDD participants to a control group of non-WDD participants with similar wages to when participants started their program.

<sup>&</sup>lt;sup>2</sup> A full list of all programs and descriptions, as provided by WDD, can be found in Appendix C.



DWS has the potential to further study programs in WDD and identify what factors lead to greater or less success. We recommend WDD then model programs around these factors.

### 1.1 Potential for Greater Success Is Available in **Workforce Development Programs**

Five years after entering a WDD program, on average, participants show a decrease in unemployment and use of eligibility services and experience positive wage growth. However, WDD program success is coupled with many participants still struggling with consistent employment and achieving a living wage after participation. We recommend DWS identify factors leading to program success and model WDD programs around these factors of success.



Participants show a decrease in unemployment and use of eligibility services five years after entering a WDD program.

To aid in choosing how to analyze program success, we looked at program specific goals. For example, some of WIOA's goals are to increase the prosperity of workers, reduce welfare dependency, and increase economic self-sufficiency. WDD has not been asked to report outcome metrics that specifically target these goals but rather to report on federal outcomes like employment in the 2<sup>nd</sup> and 4<sup>th</sup> quarter after exit. To better understand the success of WIOA and other WDD programs, we conducted analysis in-line with some of these unreported goals. More detail on the objectives and results from this analysis are found in Finding 1.2 of this chapter.

### **Identifying Why Some WDD Participants Experience Workforce Success Can Lead to Program Improvements**

In all four of the programs we examined, a portion of participants saw enough wage growth to achieve a living wage.<sup>3</sup> Figure 1.1 shows the wage needed to be considered a living wage in Utah in 2024.

<sup>&</sup>lt;sup>3</sup> To determine a living wage, we used Dr. Amy Glasmeier's living wage definition, which accounts for the cost of major expenses like housing, food, transportation, and taxes in Utah. It is localized to account for the costs of these goods and services in different areas.



**Figure 1.1 The Estimated Living Wage in Utah Increases with the Number of Children.** These figures are for a household with one income earner in 2024. Some WDD programs target households with children. Data was calculated using the MIT living wage calculator.

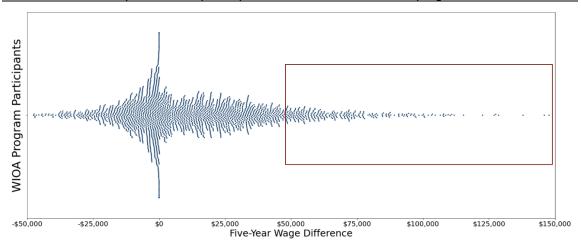
Living Wage in Utah for 1 Adult (2024)			
0 Children	1 Child	2 Children	3 Children
\$46,850	\$78,253	\$97,706	\$129,163

Source: Auditor generated from MIT Living Wage Calculator

In all programs we reviewed, at least 9 percent of participants made a living wage five years after participation as calculated for zero children.

Figure 1.2 represents the wage difference of all 2018 WIOA participants five years after initially participating in the program. <sup>4</sup> Highlighted in the red box are the participants making a living wage after participation. For WIOA, this accounts for 23.4 percent of the 2018 cohort.

**Figure 1.2 As Highlighted in Red, the Swarm Plot Shows Clients Who Now Make a Livable Wage After Participation.** Conclusions are mixed; after five years, many participants show zero-wage gains while 23.4 percent of participants make a living wage with zero children. Each point on the plot represents one individual in the program.



Source: Auditor generated from data provided by DWS's Workforce Research and Analysis (WRA)

We subtracted participants' annual wage after five years from their wage at the beginning. Most commonly, participants' wages didn't change (represented by the points centered on zero). Points to the right of zero represent individuals who gained wages after five years. Some individuals, represented by the points left of zero, experienced wage loss five years after participation.

<sup>&</sup>lt;sup>4</sup> Other sources of income and wealth were not obtainable. This includes payments like child support. See the full list of data limitations in Appendix B.



Like other WDD programs we looked at, WIOA has many participants still struggling with consistent employment and achieving a living wage after participation. We recognize the positive outcomes for some may be a result of factors outside of WDD programs; however, DWS should explore many variables that may lead to success, like demographics, fields, employers,

DWS should explore variables that may lead to success.

education programs, and employment councilors, to understand what factors uncommonly successful or unsuccessful participants' share. This may lead to additional outcome metrics for programs.

### Average Wages Increased in All WDD Programs, But Many Still Struggle to Make a Living Wage

Wage changes were positive across all four programs five years after participation, as seen in Figure 1.3.5 Although each program saw increases, participants' wage after five years varies from program to program.

Figure 1.3 Median Wage and Median Wage Gains Increased Five Years After Participation. All program participants show an increase in wages from the year they participated in the program to the fifth year after participation. All participant averages are still low when compared to the general Utah workforce. For more information on objectives for this research, see Finding 1.2.

Median Wage and Change in Median Wages Five Years After Participation				
Program	Participants in Program	In-Program Wage	Five Years After Wage	% Change in Wage
WIOA	2,756	\$9,606	\$31,855	<b>▲</b> 231.6%
SNAP E&T	8,838	\$6,722	\$24,375	<b>▲</b> 262.6%
TANF FEP	617	\$14,827	\$47,688	▲ 221.6%
TANF Non-FEP	3,604	\$6,835	\$20,179	▲ 195.2%

Source: Auditor generated from data provided by Workforce Research and Analysis (WRA)

Programs showed similar percentage wage gains, with SNAP E&T starting from the lowest initial wage and increasing the most (by percent).6 Notably, TANF Non-FEP participants made an average of \$47,688 in the fifth year after participation, which would be a living wage for an individual with no child dependents. 7

<sup>&</sup>lt;sup>5</sup> These are nonzero wages, a term used in this audit to refer to an individual with an annual wage greater than \$0. Individuals may have had one or more quarters with no wage but are still counted if annual wage is greater than \$0.

<sup>&</sup>lt;sup>6</sup> We note the phenomena of percentage illusion, which can occur when an absolute change begins on a smaller value such as WDD participants.

<sup>&</sup>lt;sup>7</sup> TANF requires an individual have a dependent. Dependent records and other financial obligations were not available so while some individuals may make a living wage others may not.



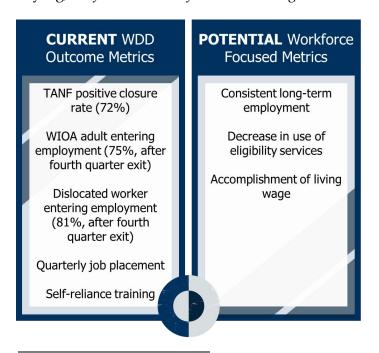
Because of favorable economic conditions during the observed years, WDD participant success or failure may have come from factors outside of the programs. This further emphasizes the need to innovate and analyze reasons for success.

### Possible New Outcome Metrics Encourage Innovation and Participant Success

Letting the factors of workforce success in WDD drive change within the agency with additional metrics could improve both the success of participants and department culture.

Two of the ten guidelines of innovation, found in our offices Best Practice Handbook, direct organizations to put customers first with a mindset of serving them and to use data to identify areas needing improvement. These factors could be gleaned from specific employment counselors, employers, education programs, areas, or programs within WDD.

Results from our culture survey<sup>8</sup> for employment councilors at WDD were among the worst division with current performance metrics being cited as a major reason for employee discouragement. Many employees expressed frustration over current metrics. One employee summarized the frustration by saying, "It feels like it is often a numbers game instead of helping people."



As seen in the infographic, current outcome metrics focus in-part, on funding from the federal government. Additional future metrics should be based on internal research, and lead to consistent long-term employment, decreased use in eligibility programs, and accomplishment of a living wage.

<sup>&</sup>lt;sup>9</sup> These factors should be adjusted to account for economic conditions outside of the control of DWS.



By Allowing Innovation Through the Study of Successful WDD Participants, the Department Has the Potential to Improve More Participants' Lives and the Culture of Their Department. Having metrics that focus on long-term outcomes can shift the focus to individuals' workforce success.

DWS already collects meaningful information on participants, but workforce development outcome metrics currently focus on federal standards, not necessarily workforce success. In the 2018 audit "A Performance Audit of Utah's TANF Program (2018–10)", our office recommended that "DWS Needs to Study and Track More Meaningful Outcome Metrics." We re-emphasize this recommendation, specifically targeting WDD programs.

Outcome metrics should measure how well an organization is achieving a desired outcome. The current outcome metrics of WDD are required for funding from federal sources, which represent 81.8 percent of WDD's budget. The state funds represent those required for federal matching and maintenance requirements. WDD should not abandon



**Allowing outcome** metrics to be adjusted around participant success drives change and innovation.

required federal metrics for funding. However, we recommend WDD add additional metrics like consistent long-term employment, decreased eligibility use, or achievement of a living wage<sup>9</sup> that focus on the long-term success within programs or between programs of WDD participants. Allowing outcome metrics to be adjusted around participant success drives change and innovation within the department while focusing on the success of WDD participants.

#### **RECOMMENDATION 1.1**

The Department of Workforce Services should identify factors leading to participant success including wage growth, long-term employment, and decreased use of eligibility programs then develop and implement a strategy to enhance Workforce Development Division programs around these potential factors of success.

<sup>&</sup>lt;sup>9</sup> These factors should be adjusted to account for economic conditions outside of the control of DWS.



### 1.2 The Impact of Workforce Development Programs Is Mixed When Compared to Similar Wage Earners; DWS Has Opportunity for Additional Research

Our analysis of the four WDD programs included four research objectives:

- 1. Understand employment success after participating in a program
- 2. Understand dependence on SNAP and the use of UI<sup>10</sup>
- 3. Understand changes in wage after participation in a program
- 4. Understand how wages and changes in wages compare to non-participants<sup>11</sup>

In all objectives, WDD participants showed improvement—although only moderate improvement in some cases. This improvement occurred despite some of the unique challenges that WDD participants face. DWS has an opportunity to innovate and explore the factors that lead some participants to success.

### While WDD Participants Have Success in Decreasing Use of UI, Many Also Experience Long Periods of No Wages

As seen in Figure 1.4, on average participants in WDD programs decreased UI claims across all programs over five years. <sup>12</sup> The number of claims five years after participation decreased by as much as 11 percent with WIOA. Although the percent of participants making a UI claim decreased, WDD participants still make claims more often than the general population.

**Figure 1.4 The Average Number of UI Claims Decreased Five Years After Participation (2018 Cohort).** All programs show fewer participants making UI claims five years after participation. They also show an average percentage of claims higher than the general claim rate for Utah in 2023.

Unemployment Insurance Average Claims and Change in Claims Five Years After Participation			
Program	Participants in Program	Five-Year Change	Year Five UI Claims (%)
WIOA	2,756	▼11%	4.6%
SNAP E&T	8,838	▼3.7%	4.2%
TANF FEP	617	▼1%	4.5%
TANF Non-FEP	3,604	▼7%	5.4%

Source: Auditor generated from data provided by Workforce Research and Analysis (WRA)

<sup>&</sup>lt;sup>10</sup> More detailed information on eligibility services and UI can be found in Appendix C.

<sup>&</sup>lt;sup>11</sup> Details on individuals participating in multiple selected WDD programs can be found in Appendix B.

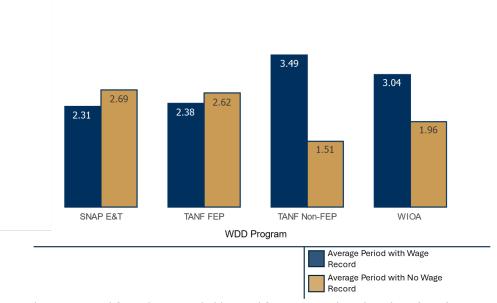
<sup>&</sup>lt;sup>12</sup> UI is not an eligibility service but an insurance paid by the employee and employer.



UI is intended to be short-term insurance and not long-term support like Medicaid or disability benefits. UI can be claimed in Utah for a maximum of 26 consecutive weeks but does not have a lifetime cap. 13

Because of the temporary nature of UI, we analyzed the duration of employment on a quarterly basis over five years. 14 By analyzing employment on a longer term, a better perspective of WDD participants' employment success or failure can be understood. Results of this exercise are seen in Figure 1.5.

Figure 1.5 On Average, WDD Participants Experience Long Periods Without a Wage. All four programs show WDD participants, on average, struggle with consistent employment over the five-year period (2018–2023). Units are measured in years.



Source: Auditor generated from data provided by Workforce Research and Analysis (WRA)

On average, TANF Non-FEP participants had the most time, with wages at 3.5 years. SNAP E&T participants saw shortest time, with wages at 2.3 years from 2018 to 2023. 15 In other words, WDD participants went with no recorded wage and thus no reported income for 1.52.7 years in our five years of analysis. This illustrates the complexity of serving the unique population that participates in WDD programs. As discussed later in this section, many participants often face

<sup>&</sup>lt;sup>13</sup> More information on UI is available in Appendix C.

<sup>&</sup>lt;sup>14</sup> The wage was summed on a quarterly basis; any quarter with a wage record greater than zero was counted as "with a wage record," while any quarter with a zero-dollar or NA wage was counted as "no wage record" of the five-year period after participation.

<sup>&</sup>lt;sup>15</sup> This analysis includes the period of COVID-19 pandemic, which affected the entire labor market. See the data limitations section in Appendix B for additional details.



unique employment hurdles that stem from prior abuse, teenage pregnancy, difficulty reading, drug dependency, and physical or mental health problems.

Apart from the period of COVID-19 pandemic restrictions, the five years we analyzed had low unemployment both nationally and in the state. Despite favorable employment conditions, participants in WDD programs needed additional assistance finding work.

### On Average, Dependence on SNAP Decreased Five Years After WDD Participation

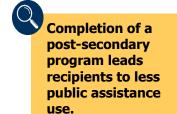
As seen in Figure 1.6, WDD participants' SNAP use, like UI, also saw a decrease over time.

**Figure 1.6 Average SNAP Usage Decreased Five Years After Participation (2018 Cohort).** After five years, over 20 percent of participants in all programs still use SNAP, compared to 4.7 percent of Utah's population. By further comparison, the lowest program participant uses over four times that amount.

SNAP Average Claims and Change in Claims Five Years After Participation			
Program	Participants in Program	Five-Year Change	Year Five SNAP Particpants (%)
WIOA	2,756	<b>▼22.8%</b>	21.4%
SNAP E&T	8,838	▼61.5%	35.6%
TANF FEP	617	▼43.6%	53.4%
TANF Non-FEP	3,604	<b>▼43.4</b> %	24.1%

Source: Auditor generated from data provided by Workforce Research and Analysis (WRA)

The SNAP E&T program began with the highest rate of SNAP usage at the beginning of our observation and, likewise, experienced the largest percentage decrease in usage. However, five years after participating in the program, many individuals were still in need of SNAP assistance. TANF FEP participants saw the highest percentage of usage at 53.4 percent, while WIOA participants saw the lowest at 21.4 percent five years after participation began. This is much higher than the state average of 4.7 percent.



A 2023 study conducted by the Utah Data Research Center concluded that completion of a post-secondary program leads recipients of TANF and SNAP to less public assistance use; recipients also have a higher likelihood to be employed after using public assistance. <sup>16</sup> DWS leadership agrees that education,

which is an important element of TANF Non-FEP and WIOA programs, is likely a factor of success.

<sup>&</sup>lt;sup>16</sup> https://udrc.ushe.edu/research/RA9\_SNAP/documents/ra9-final-draft.pdf



### **WDD Participants Average Wage Lags the General Population**

As seen in the infographic to the right, WDD participant wages lag wages for the general Utah population. 17, 18 Participants' wage growth followed similar upward trends to the general Utah workforce.

In Utah, average personal income grew \$18,702 from 2018 to 2023. After five years, participant wages in all programs fell below living wage with the exception of TANF FEP, where median wage was \$47,688. This may be due to the unique population that participates in WDD programs.

**Utah Average Personal** Income 2023: \$64,175. Federal Reserve Economic Data (FRED) Living Wage: 0 children - \$46,850 1 child – \$78,253 MIT Living Wage Calculator (Utah)

Because of their challenges, which are discussed in-depth in the following section, it may be difficult to glean meaningful conclusions through comparison with the general population. However, general population wage growth can be used to measure the progress of participants with consideration to economic factors outside of the control of DWS.

#### **WDD Serves a Unique Population**

As discussed in Section 1.1, WDD programs generally serve low wage, low skill workers and disadvantaged populations. WDD leadership shared that many participants struggle with situations not recorded in the data, such as drug addiction, abuse, and mental illness. A 2020 University of Utah study reported the following percentages about FEP participants:

5.8%	44%	27.7%	10.4%
Bachelors Degree	Teenage Pregnancy	Difficulty Reading and Writing	Drug Dependency

Source: Auditor Generated from a study conducted by the University of Utah Social Research Institute.

<sup>18</sup> As compared to wage records of US Census data.

<sup>&</sup>lt;sup>17</sup> See Figure 1.6



Factors like a lack of higher education, early pregnancy, and difficulty reading can be barriers to employment. Participants cited mental and physical health as the main barriers to employment. Many participants also reported adverse childhood experiences, with 70.9 percent reporting severe domestic violence. Because of these unique situations, participant wages entering a program are generally low. To better understand changes in WDD participant wage, a group of individuals not participating in WDD programs with similar starting wage is used in the next section.

# WDD Participant Wage and Wage Growth Success Differs by Program; There Is an Opportunity for Research to Learn How Programs Can Be More Successful

All four programs and the comparison group increased wages over the period. As shown in Figure 1.8, wages for participants in the two WDD programs rose above the wages for participants in the control group (those with similar starting wage to WDD participants who did not participate in WDD), while wages for participants in the other two WDD programs remained below the control group. The biggest five-year difference came from TANF Non-FEP participants, who saw an average (mean) increase of \$8,271. However, overall wages for participants in all four WDD programs and the control group remained below wages of the general UT population.

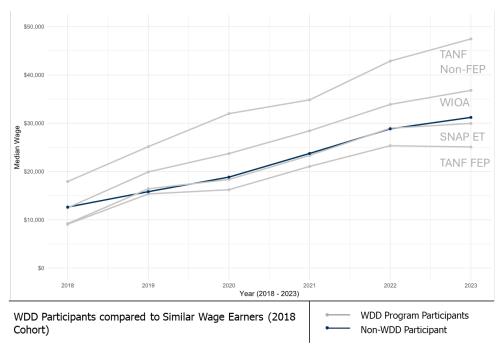
Figure 1.8 visualizes the changes in *median wage* for the 2018 cohort programs compared to their comparison group of non-participants.

A Systemic Audit of the Department of Workforce Services: Focusing on Client Success

<sup>&</sup>lt;sup>19</sup> The University of Utah Social Research Institute. https://socialwork.utah.edu/research/reports/posts/family-employment-program-refocus-study-dec2020.pdf



Figure 1.8 WDD Participants and the Comparison Group of Non-Participants Increased Wages by Varying Amounts in the 2018 Cohort. Differences in the changes in wages vary from program to program. Differences in wage for WDD participants (grey) as compared to non-WDD participants (blue) with a similar starting wage are also mixed—both positive and negative—across the four programs analyzed.



Source: Auditor generated from data provided by Workforce Research and Analysis (WRA)

Approaching wage differences with statistical analysis, <sup>20</sup> we subtracted wage from the year entering the program from wage five years after. Results from this difference were also mixed with some programs seeing higher growth and others less. WIOA did not show a significant difference, <sup>21</sup> SNAP E&T and TANF FEP lagged in growth, and TANF Non-FEP showed higher growth against the comparison group. These results, with some variation, were consistent in both the 2017 and 2018 cohort. Like with any comparison group, this does not come without limitations. One major limitation is familial background, physical, and mental health. In the same study of FEP participants by the University of Utah, researchers found participants were more likely to have experienced adverse conditions in childhood like abuse, neglect, or family disfunction. Additionally, participants in the program were more likely to be in poor physical health.

<sup>&</sup>lt;sup>20</sup> More in-depth results are shown in Appendix B.

 $<sup>^{21}</sup>$  [(WDD Participant Wage  $Y_5$ ) – (WDD Participant Wage  $Y_0$ )] – [(Non-Participant Wage  $Y_5$ ) – (Non-Participant Wage  $Y_0$ )].



As shown in Figure 1.8, all four programs' median wages went up, as did the wages of the comparison group. We excluded individuals who reported zero wages in any year from both WDD participants and the comparison group. Recommendation 1.1 addresses the need to study these differences between programs.

# UI Wage Records Suggest Many WDD Participants Reported Zero Income Five Years After Participation; There Is an Opportunity to Innovate to Help More Participants

Among the four WDD programs we researched, participants who had zero wages in the fifth year after participation varied from 24.8% to 45.6%. Eligibility services like SNAP and TANF have wage requirements that non-wage earners would meet. This explains, in part, a portion of the higher rates of eligibility service use discussed earlier. As discussed in Figure 1.2, which includes zero-wage participants, the maximum point of distribution (mode) for all programs is zero—meaning many participants did not make a wage over the five-year period. These participants were not included in prior wage analysis and are another illustration of the unique population that uses WDD services.

Our findings suggest that WDD programs positively impact the lives of many participants. The research also shows that many WDD participants still depend on government assistance and make wages lower than the general population. In relation to such programs, Lorette Mester of the Federal Reserve in Cleveland said the following:

"Funding is scarce, so it is important that initiatives be regularly evaluated, based on objective evidence and informed by research, to help ensure that the investment in workforce development is money well spent and that programs are designed to be effective so that they can help the most people.<sup>23</sup>"

By understanding what factors lead to the success of some participants, DWS has the opportunity to innovate, use data to identify areas needing improvement, and focus on factors that lead to workforce success.

 $<sup>^{22}</sup>$  Data was collected through UI wage records and queried by workforce research and analysis.

See Appendix B for data limitations on UI wage records.

 $<sup>^{\</sup>rm 23}$  "Successful Workforce Development Programs: Four Lessons from Four Decades of Federal Reserve Research and Outreach". Ohio Economic Forum 2022.



### **CHAPTER 2 Summary**

DWS Completed Medicaid Unwinding Quickly and According to State and Federal Requirements



### **BACKGROUND**

Due to the COVID-19 public health emergency, Congress required states to continuously enroll most individuals for Medicaid benefits. This meant that when ESD employees conducted required yearly reviews for eligibility, individuals could not be terminated from their Medicaid membership. Subsequently, Medicaid membership increased about 66 percent during this time as few members were terminated. In 2023, Congress ended continuous enrollment, initiating the Medicaid unwinding process. Consequently, states had to conduct renewal reviews for all enrollees, potentially resulting in termination of Medicaid enrollment for ineligible individuals.

FINDING 2.1 DWS Accelerated Utah's Covid Unwinding

#### **RECOMMENDATION 2.1**

No Recommendation



### **CONCLUSION**

The Department of Workforce Services (DWS) reset the Medicaid rolls after the COVID-19 increases relatively quickly according to Legislative intent. A federal Inspector General's review of Utah's unwinding also concluded that it was generally done in accordance with state and federal requirements.





# Chapter 2 DWS Completed Medicaid Unwinding Quickly and According to State and Federal Requirements

According to Legislative intent, the Department of Workforce Services (DWS) reset the Medicaid rolls relatively quickly after COVID-19 related enrollment increases. A federal Inspector General's review of Utah's unwinding also concluded that it was generally done in accordance with state and federal requirements. Our own review supported these findings. During the Medicaid unwinding period from March 2023 to April 2024, DWS's Eligibility Services Division (ESD) reviewed 521,000 Medicaid cases for renewal, which reduced Medicaid enrollment by 36 percent. Because of this rapid unwinding, we were specifically asked to review the process due to concerns that some people were incorrectly denied Medicaid health benefits.

Due to the COVID-19 public health emergency, Congress required states to continuously enroll most individuals for Medicaid benefits.<sup>24</sup> This meant that when ESD employees conducted required yearly reviews for eligibility, individuals could not be terminated from their Medicaid membership. Subsequently, Medicaid membership increased about 66 percent after Covid began as few members were terminated. In 2023, Congress ended continuous enrollment, initiating Medicaid unwinding.<sup>25</sup> Consequently, states had to conduct renewal reviews for all enrollees, potentially resulting in termination of Medicaid enrollment for ineligible individuals.

### 2.1 DWS Accelerated Utah's Covid Unwinding

DWS completed the unwinding process in April 2024 after conducting 521,000 reviews in 13 months, reducing overall Medicaid membership by 36 percent. DWS leadership reports that in July of 2023, some Utah legislators requested that

<sup>&</sup>lt;sup>24</sup> This was done through the enactment of the Families First Coronavirus Response Act of March 2020.

<sup>&</sup>lt;sup>25</sup> Congress ended continuous enrollment through the Consolidated Appropriations Act of 2023.



DHHS and DWS look at ways to accelerate their unwinding process. The federal government offered several waivers to states to allow them to extend the unwinding processes. Utah's Health and Human Services Department (DHHS) claimed fewer of these waivers than other states.

The U.S. Department of Health and Human Services Office of Inspector General reports that Utah "generally completed Medicaid eligibility actions in accordance with Federal and State Requirement during the unwinding period." However, some advocates expressed concerns that the unwinding led to



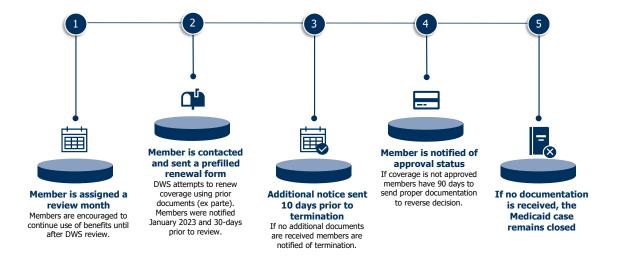
DWS completed the unwinding process in April 2024 after conducting 521,000 reviews in 13 months, reducing overall Medicaid membership by 36 percent.

some people being incorrectly denied renewal of their Medicaid health benefits. Contrarily, the inspector general estimates that most errors were actually towards incorrectly keeping members on Medicaid rather than incorrectly terminating members. While we do not have the expertise to determine whether cases were reviewed correctly, we're experts at reviewing policies and how those policies are implemented. Our review determined that DWS's policies were in line with federal requirements and that they implemented unwinding according to their plans.

### **DWS Gave Enrollees Multiple Chances to Participate in the Renewal Process**

DWS's process to notify enrollees that their renewal was coming up and they would need to submit their documentation was extensive. We heard concerns that enrollees were summarily dropped from Medicaid, but this does not appear to be accurate. DWS attempted to notify beneficiaries in the renewal process multiple times. The following figure demonstrates the process for both notifying enrollees that their renewal was upcoming and informing them of the need to submit documentation.



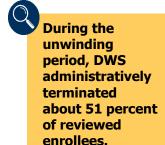


In addition to contact by DWS, the insurance provider reaches out to member.

Insurers may call, email, or mail members to remind them to submit proper documentation to extend coverage.

Source: Auditor Generated from information provided by the Eligibility Services Division.

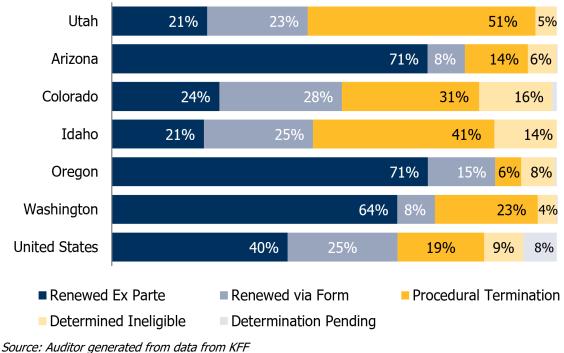
If the Medicaid member provides the needed information, ESD either continues Medicaid coverage or terminates it due to ineligibility. However, if the member does not respond to ESD's requests for information in the renewal process, their coverage is then terminated. This is referred to as a procedural termination.



During the unwinding period, DWS administratively terminated about 51 percent of reviewed enrollees. This was one of the highest rates in the United States and among comparable western states, as shown in Figure 2.1. These procedural terminations are important to note, because while DWS has been accused of dropping clients with no warning, in reality, clients were given multiple notices of this process.



Figure 2.1 States Vary Considerably in Their Rates of Medicaid Renewal or Terminations During the Unwinding. This chart shows the total Medicaid renewal determinations during the unwinding period up to August 2024. Among similar western states, Utah had the highest rate of procedural terminations.



Beneficiaries whose coverage is procedurally terminated can reapply for benefits within 90 days and, if determined eligible, have their coverage applied retroactively for the time their benefits were lost. DWS reports that 24 percent of those terminated procedurally during the unwinding subsequently submitted the

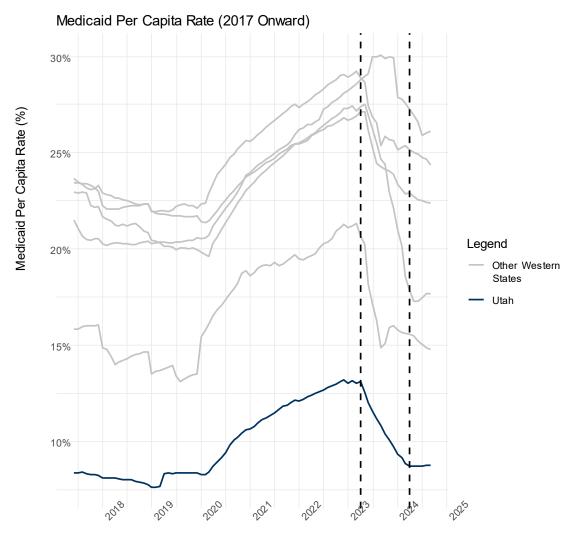
appropriate paperwork within the 90-day period.

Despite the increase in enrollment associated with the COVID-19 pandemic, Utah's per capita rate of Medicaid is relatively low. Figure 2.2 shows the Medicaid enrollment rate of comparable local states before, during, and after the unwinding.

**Beneficiaries** whose coverage is procedurally terminated can reapply for benefits within 90 days and, if determined eligible, have their coverage applied retroactively for the time their benefits were lost.



**Figure 2.2 Utah Has the Lowest Per Capita Medicaid Enrollment Rate Compared to Other Western States.** The percent of Utah's population on Medicaid over the years (represented by the blue line) shows that even during the expansion of Medicaid after Covid, Utah's rate was still lower than other states. The vertical dashed lines indicate the Medicaid Unwinding period from March 2023 to April 2024.



Source: Auditor generated from Centers for Medicare and Medicaid Services and the U.S. Census Bureau

Utah made the policy decision not to extend the duration of the unwinding period. According to Utah's Department of Health and Human Services (DHHS), they received communication from legislators asking if they could speed up the unwinding process. DHHS states they revised their unwinding plan to accelerate the reviews of eligibility categories while remaining compliant with federal requirements. Also, the federal government offered several waivers to states which allowed them to modify cases as a way to maintain coverage for as many people as possible on Medicaid.





unwinding.

While several states applied for a waiver that allowed them to delay procedural terminations, DHHS did not. It is our opinion that these and other differences contributed to Utah's higher procedural termination rate. Utah retained the lowest per capita rate of Medicaid enrollees of any state before and after the unwinding. Overall, our review finds that DWS

reviews were generally completed in accordance with federal and state requirements.

### For Most Terminated Medicaid Recipients, Household Income Was Too High or They Had Other Health Insurance

DHHS contracted with a private research firm to conduct a survey of former Medicaid members.<sup>26</sup> When asked why they are no longer enrolled in Medicaid, 51 percent said their household income was too high. The survey also found that 30 percent of respondents say they are uninsured, with 61 percent saying they insured by their employer, Medicare or the marketplace.

In this same survey those who did not attempt to renew were asked why. Thirty-five percent of respondents said they did not need Medicaid anymore, 19 percent said they never received renewal documents from DWS, 14 percent said they did not get around to doing the paperwork and 13 percent said the paperwork was too difficult to complete. Thus, just over 1 in 10 members had difficulty in filling out eligibility paperwork. This concern was brought up by community advocates that say some clients can have difficulty obtaining and filling out paperwork because they may be homeless, have mental illness, or other reasons. We look further into the accessibility of Medicaid eligibility services in Chapter III.

### Medicaid Unwinding Reduced Medicaid Membership by 36 Percent While CHIP Enrollment Increased

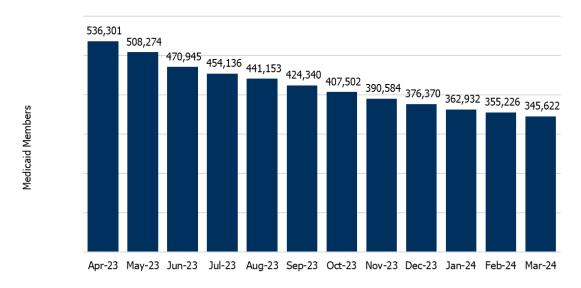
During this Medicaid unwinding period from March 2023 to April 2024, DHHS and DWS report that they reviewed 521,000 Medicaid members. As Figure 2.3 shows, enrollment decreased 36 percent from 536,301 to 345,622.

A Systemic Audit of the Department of Workforce Services: Focusing on Client Success

<sup>&</sup>lt;sup>26</sup> The survey questioned 1,003 former Utah Medicaid recipients and issued the findings in December 2023.



**Figure 2.3 Medicaid Membership Decreased by a Third During the Medicaid Unwinding.** DWS and DHHS report that from March 2023 through April 2024, DWS's Eligibility Services Division reviewed 521,000 cases.

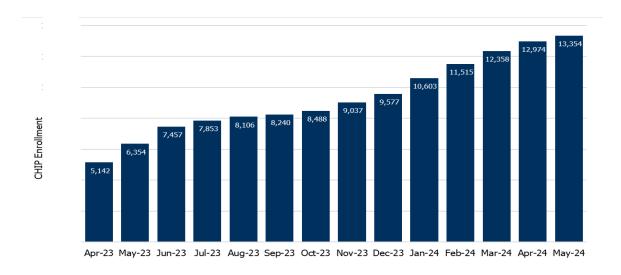


Source: DWS and DHHS data

During the unwinding, other alternative methods of health insurance had to be considered by federal requirement. For those terminated from Medicaid, a survey shows that 15 percent are now getting insurance from the marketplace, while those eligible were enrolled in the Children's Health Insurance Plan (CHIP), which increased in enrollment during the unwinding period. Figure 2.2 shows this enrollment increase.



**Figure 2.2 CHIP Enrollment Increased During the Unwinding.** CHIP enrollment more than doubled during the Medicaid Unwinding period as one avenue to provide health insurance coverage for some of those terminated from Medicaid.



Source: DWS data

### **Inspector General Says Utah Generally Completed Medicaid Eligibility Unwinding in Accordance With Federal and State Requirements**

Advocates have expressed concern that clients who should have remained on the Medicaid rolls were incorrectly removed. Although this is the case, it appears to be a small percentage of enrollees. The Office of the Inspector General (OIG) of the U.S. Department of Health and Human Services sampled enrollees whose coverage was renewed or terminated during the Medicaid unwinding period. They estimated that DWS incorrectly renewed or terminated Medicaid eligibility

for about three percent of enrollees during the audit period.<sup>27</sup> Of that 3 percent, they estimate that 93 percent were incorrectly determined to be still eligible, leaving only a small number who were removed from the Medicaid rolls incorrectly.<sup>28</sup> Most who lost Medicaid coverage were

Only a small number were removed from the Medicaid rolls

incorrectly.

<sup>&</sup>lt;sup>27</sup> The OIG sampled 140 of 193,009 enrollees whose coverage was renewed or terminated from April 1 to September 30, 2023. They determined that DWS incorrectly renewed or terminated Medicaid eligibility for 6 enrollees. Subsequently, they project that DWS incorrectly determined 5,233 of the 193,009 during their audit period.

<sup>&</sup>lt;sup>28</sup> The OIG concluded, "We estimated that eligibility for 4,846 enrollees was incorrectly renewed on an ex parte basis or was incorrectly renewed using a renewal form. We have chosen not to report the estimated number of incorrect eligibility terminations because of the low number of enrollees in our sample who were incorrectly determined to be ineligible or who had their coverage incorrectly terminated for procedural reasons."



terminated for procedural reasons, meaning the members often failed to provide proper documentation to maintain coverage.

During this audit, we reviewed DWS's unwinding policy and the way they implemented unwinding. Our review found that they generally complied with their own policy and the OIG found their unwinding was in accordance with federal requirements. Each state chose different methods by which to unwind Medicaid; In our opinion Utah prioritized efficiency.





# **CHAPTER 3 Summary**

More Accessibility Can be Provided by DWS Eligibility Services



# **BACKGROUND**

The Eligibility Services Division (ESD), a division of the Department of Workforce Services (DWS), processes applications for public financial, medical, and nutritional benefits programs in Utah. Their staff reviews each applicant's eligibility and helps those needing help with the application process. The division connects Utahns with the services they are entitled to. We were asked to evaluate the accessibility of this process and identify areas of concern.

FINDING 3.1 ESD's Call Wait Times Do Not Meet Legislative Targets

#### **RECOMMENDATION 3.1**

The Department of Workforce Services should develop and implement a strategy to reduce their call wait times to meet requirements set by the Legislature.

#### **RECOMMENDATION 3.2**

The Department of Workforce Services should develop and implement a plan to extend their phone line operating hours.

FINDING 3.2 DWS Allows Significantly Less Time to Complete Online Applications Than Other States

#### **RECOMMENDATION 3.3**

The Department of Workforce Services should collect and analyze internal data to determine whether the time allowed for a customer to submit an online application for benefits is sufficient and, if warranted, allow more time to complete the application.



# **CONCLUSION**

We compared many of ESD's accessibility measures with other states. We found that DWS must reduce their call wait times to meet performance measures set in law by the Legislature. Also, their 24-hour limit to complete online applications for benefits also poses a barrier given the substantial amount of information required. While there are valid concerns with complexity of the Medicaid application, much of this is determined by the federal government. DWS requires only what is necessary to determine eligibility.





# Chapter 3 DWS Eligibility Services Division Can Provide Greater Accessibility

We compared different elements of the Eligibility Services Division (ESD or the division)'s accessibility to resources with other states, and found there are still areas with barriers to services. The division should consider whether the current allotted time for online applications for benefits to be submitted is an accessibility barrier. They should also ensure their average call wait time complies with requirements set by the Legislature. ESD, a division of the

The Eligibility
Services Division
processes
applications for all
public financial,

medical, and

nutritional benefits

programs in Utah.

Department of Workforce Services (DWS), processes applications and renewals for public financial, medical, and nutritional benefits programs in Utah. Their staff reviews each applicant's eligibility and helps those needing help with the application process. The division connects Utahns with the services they are entitled to. We were asked to evaluate the

accessibility of this process and identify areas of concern.

# 3.1 ESD's Call Wait Times Do Not Meet Legislative Targets

In 2024, the Legislature passed HB 7, the Social Services Base Budget, which established a performance goal for ESD to answer customers' calls for assistance

within 18 minutes. ESD's wait time has averaged around 20 minutes in 2024. Call wait times peaked at the start of the Medicaid unwinding period at 40 minutes on average. While they have reduced since, wait times generally remain higher than the new target goal of 18 minutes enacted by the Legislature since it was implemented in 2024. We recommend DWS examine ways to reduce call wait times for people seeking access to services.

In 2024, the
Legislature set the
goal of having call
wait times be no
more than 18
minutes on
average.

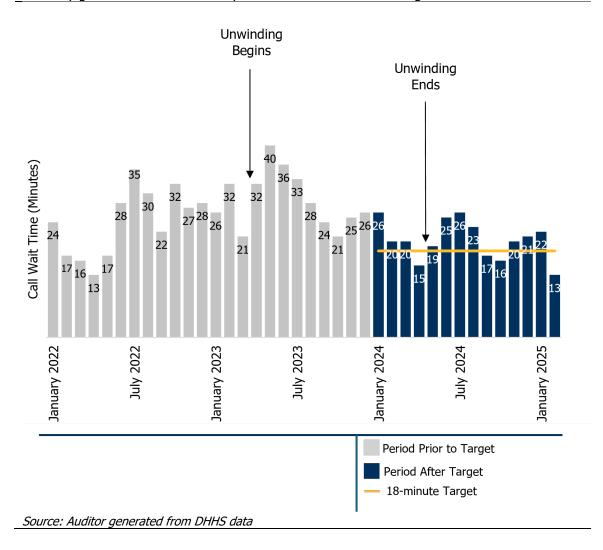
# **ESD Management Should Consider Options to Reduce Wait Times**

During the COVID-19 pandemic, enrollment in Medicaid soared. Beginning in March 2023, the federal government allowed states to restart requiring proof that recipients were indeed eligible. Utah subsequently started what is called



Medicaid unwinding.<sup>29</sup> As shown in Figure 3.1, when the division resumed terminating coverage for those who were no longer eligible, call wait times spiked. While wait times have stabilized somewhat, they frequently exceed the statutory target of 18 minutes.

Figure 3.1 ESD Is Not Meeting New Performance Targets Set by the Legislature. While average monthly call wait times have reduced since the unwinding, they have generally exceeded the Legislature's current 18-minute target. The blue represents months in which the statutory goal was in force and the yellow line is the 18-minute target.



Besides the increased call volume associated with the unwinding, the department attributes the current high call wait times to their effort to minimize the time applicants must wait for a decision on their application once completed. ESD employees divide their time between processing applications and

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<sup>&</sup>lt;sup>29</sup> The Medicaid unwinding process is discussed in more detail in Chapter 2.



answering phones to assist callers. This model presents a balancing act for ESD management; should they focus on phones or determinations? Currently, ESD employees spend part of their day on phones and part on making

ESD employees divide their time between processing applications and answering phone

presents a

calls. This model

balancing act for

ESD management.

determinations. While ESD's phone wait times exceed legislative targets, they have met their prescribed target for the average number of days to make an eligibility decision for 2024. The division reports that after an application was completed, it took, on average, 13 days for employees to make an eligibility decision in 2024. The Legislature set the goal to make these decisions in 15 days or less.

**Figure 3.2 ESD Days to Decision Have Remained Fairly Consistent.** Despite the increased workload caused by the unwinding, the average time required to make an eligibility determination has remained fairly consistent. The blue represents the year the statutory goal was in force, and the yellow line is the 15-day target.



Source: Auditor generated from ESD's calculated metrics

When ESD employees move from processing applications to answering phones, the amount of time eligible applicants must wait to receive an eligibility determination for benefits naturally increases. The department attests from experience that increasing the time applicants must wait for their applications to be processed increases call volume, which then further increases wait times on applications because employees are answering phones instead of processing applications. While the division has not conducted analysis to confirm this cycle,



management has prioritized reducing determination time. While this emphasis may be their focus, their average call wait times have not met the performance measure set in law by the Legislature and should reduce them.

There are several options available to reduce call wait times. Considering the balancing act of days to decision and call volume, the division could dedicate more staff time to answering phones. While having fewer people processing applications would possibly increase their days to decision

ESD is not meeting performance targets for call wait times set in law by the Legislature.

average, ESD's metrics suggest they have been within their required target for this metric. But, considering the division reports that keeping their days to decision metric low is the priority, care should be taken to maximize efficiency of both the determination process and call times.

The division reports that they are considering enhancing their online features and self-service options for beneficiaries. They also report working to increase their automated responses with AI to answer some routine questions callers have. We believe this could be particularly effective if their system could automatically identify callers' identity to provide individualized information regarding their cases. The division could also consider extending the hours when their call services are open (see below). This could potentially spread the call volume over a longer period, reducing call wait times.

If the metric continues to be unattainable even after maximizing its efforts and efficiency, the division could consider requesting that the Legislature revise the performance metric. This could be considered if the department and the Legislature consider the days to decision metric to be a higher priority than call center wait times.

Since the 2024 implementation of this goal, DWS's call wait times frequently exceeded the 18 minute expectation. The department should consider ways to ensure that their average call wait time complies with the target set by the Legislature.

#### **RECOMMENDATION 3.1**

The Department of Workforce Services should develop and implement a strategy to reduce their call wait times to meet requirements set by the Legislature.

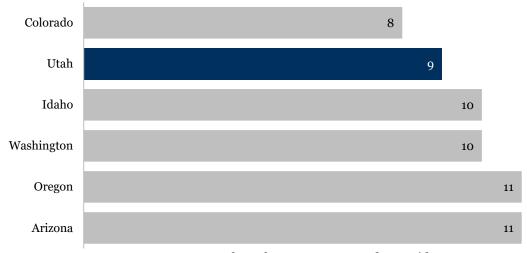


# **ESD's Phone Line Hours Are Slightly Less Than Neighboring States' Medicaid Phone Hours**

ESD's phone hours for application assistance are from 8:00 a.m. to 5:00 p.m., Monday through Friday. This is slightly less time than other states. We were asked to determine if these operating hours pose a barrier to accessing services. A concern is that if operating hours are only available during standard working hours, then Utahns who work or have other necessary obligations during the day are unable to apply for benefits or have questions answered via phone.

We examined neighboring states' offices and phone hours to see if they offered extended hours or additional days to extend the reach of their services. As seen in Figure 3.3, some states do indeed offer extended hours for their call centers.

**Figure 3.3 ESD's Application Phone Hours Are Slightly Less Than Most Other Western States.** Utah operates its application call center from 8 a.m. to 5 p.m. Other states' help lines offer slightly more time than Utah. All states exclusively operate their phones Monday–Friday.



Number of Hours Open Monday - Friday

Source: Auditor generated from public data

We believe extending operating hours of their phone lines could assist in both reducing call wait times and the overall accessibility of DWS services. DWS could consider the following options:

- Extending hours open per day
- Extending hours on some days of the week
- Having some operating hours during weekends



DWS may be able to experiment with these options before fully committing to a particular strategy.

#### **RECOMMENDATION 3.2**

The Department of Workforce Services should develop and implement a plan to extend their phone line operating hours.

# 3.2 DWS Should Study Whether Their Set Time Limit for Online Applications for Benefits Is Restrictive

Community advocates are concerned that DWS services can be inaccessible to vulnerable or at-risk Utahns. We found that DWS's Medicaid application portal saves applicant data for only 24 hours. Since other states offer significantly more time, we recommend that ESD consider extending the time customers have to submit an application.

### **Neighboring States' Portals Allow More Time to Submit Online Applications**

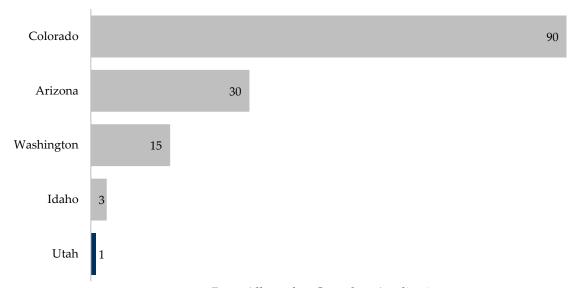


All states we examined allow significantly more time to complete online benefit applications than Utah does.

A common way people apply for benefits is through their respective states' online portal. Figure 3.4 shows that all states we examined allow significantly more time than Utah to complete their respective applications.



**Figure 3.4 Surrounding States Allow More Time to Submit Online Applications.** We believe this additional time can facilitate applications to be completed over multiple sittings.



Days Allowed to Complete Application

Source: Auditor generated from data collected from states' Medicaid application systems

DWS explained that the 24-hour application limit was originally made several years ago under different leadership. This decision was made under the assumption that applications which remained unsubmitted after 24 hours rarely ended up being completed.

While we separately found that Utah's application for benefits does not contain unnecessary content, we believe the amount of information required to fully complete it is substantial. This information includes personal identifying information, employment history, income and assets, expenses and

While Utah's application for benefits does not contain unnecessary content, the amount of information required to fully complete it is substantial.

deductions, participation in other government programs, and more. Applicants are required to upload documents to support this information as well. Additionally, those who have other people living with them generally must also submit this information for each member of their household. There is a concern that those applying give up either because of the length or complexity of the application.



#### **RECOMMENDATION 3.3**

The Department of Workforce Services should collect and analyze internal data to determine whether the time allowed for a customer to submit an online application for benefits is sufficient and, if warranted, allow more time to complete the application.

# **Utah's Application for Benefits Does Not Contain Unnecessary Content**

We reviewed DWS's application for Medicaid services to determine if it contains requirements for information that unnecessarily burden applicants. While we believe the application could be lengthy and difficult for individuals to fill out,

Federal law
determines what
can and cannot be
included in
applications for
benefits. ESD is

compliant with these regulations.

our review concluded it is no more burdensome than federal regulations require. Federal law requires that applications for Medicaid only request information that is necessary in determining the applicant's eligibility. It also generally prohibits applications from being more burdensome to complete than necessary. We reviewed the application while comparing it to those federal requirements and

concluded that it is compliant with these regulations and does not contain unnecessary content.

Again, this is not to say that the application isn't complex. Applicants must gather and submit many detailed financial items. Despite concerns with the complexity of the application, DWS is requiring only what is necessary to make a determination.



# Complete List of Audit Recommendations





# **Complete List of Audit Recommendations**

This report made the following four recommendations. The numbering convention assigned to each recommendation consists of its chapter followed by a period and recommendation number within that chapter.

### **Recommendation 1.1**

The Department of Workforce Services should identify factors leading to participant success including wage growth, longterm employment, and decreased use of eligibility programs then develop and implement a strategy to enhance Workforce Development Division programs around these potential factors of success.

### **Recommendation 3.1**

The Department of Workforce Services should develop and implement a strategy to reduce their call wait times to meet requirements set by the Legislature.

# Recommendation 3.2

The Department of Workforce Services should develop and implement a plan to extend their phone line operating hours.

### **Recommendation 3.3**

The Department of Workforce Services should collect and analyze internal data to determine whether the time allowed for a customer to submit an online application for benefits is sufficient and, if warranted, allow more time to complete the application.





# Appendices





**A. DWS Survey Results** 

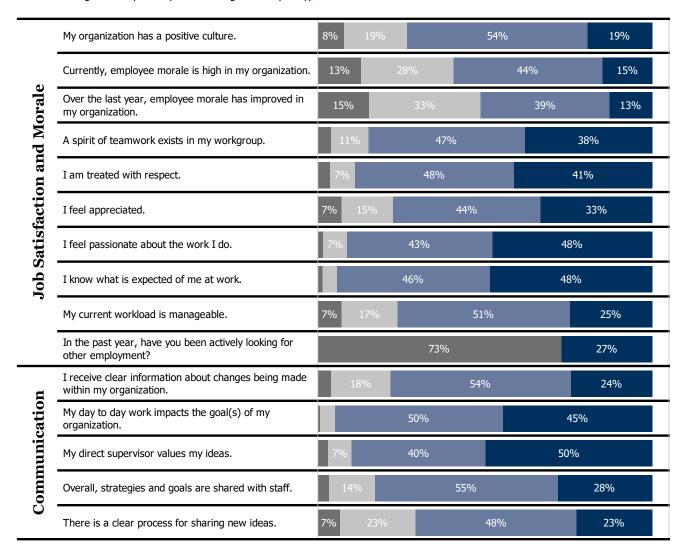




Survey Invitations - 2,111 Number of Responses - 1,189 Response Rate - 56%

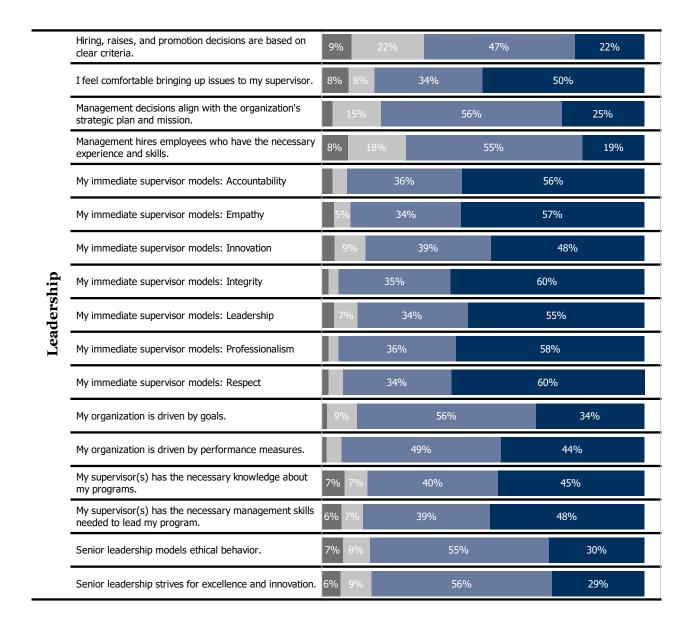
How likely would you be to recommend your organization to someone seeking employment? (with 0 being extremely unlikely and 10 being extremely likely)

6.7



Legend

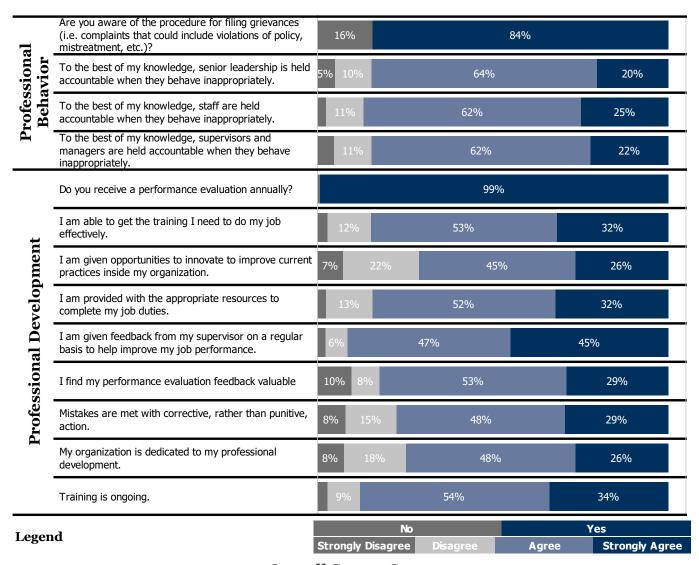
No		Yes	
Strongly Disagree	Disagree	Agree	Strongly Agree



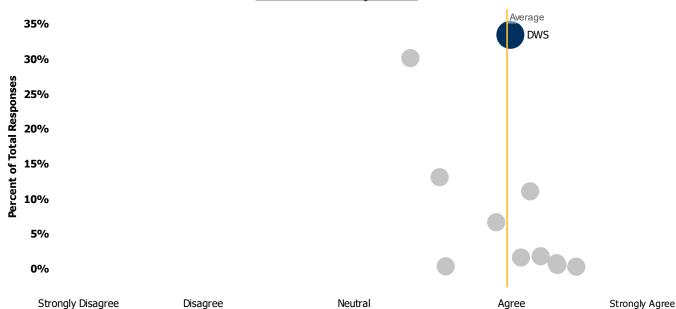
Legend

No		Yes	
Strongly Disagree	Disagree	Agree	Strongly Agree





### **Overall Survey Score**







**B. WDD Evaluation Supplementary Information** 







# **Appendix B. WDD Evaluation Supplementary Information**

### 1. WDD Programs

The following is a list of WDD programs in the audit. Programs were selected based on size and diversity of participants.

# Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T)

Individuals receiving SNAP benefits who meet certain criteria are selected to meet with a staff person to assist with job search for three months.

# Temporary Assistance to Needy Families Non Family Employment Program (TANF Non-FEP)

Provides funding for TANF eligible families to access employment, education, training and supportive services to connect to the labor market and match employers with workers they need.

# Temporary Assistance to Needy Families Family Housing (TANF Family Housing)

Families who are not employed and receive short term non-recurrent housing assistance through TANF are referred to employment counselors to help them job search.

### Workforce Innovation and Opportunity Act (WIOA)

WIOA is designed to help job seekers access employment, education, training and supportive services to connect to the labor market and match employers with workers they need.

• Adult: Age 18 + intended to serve at risk populations including low income, veterans, eligible



spouses of veterans, formerly incarcerated, and basic skills deficient individuals.

• Dislocated Worker: Individuals who have been laid off and need assistance to reconnect to the

### workforce.

• Youth: Ages 14 - 24 intended to serve primarily out of school youth (age 16-24) with barriers including; basic skill deficient, dropout, formerly incarcerated, homeless, runaway, in foster care, aged out of foster care, pregnant, disabled, substance abuse, victim or witness of domestic violence, and child of incarcerated parent.

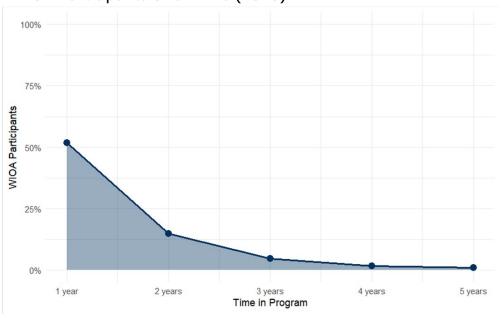


### 2. WDD Program Duration

Below are area charts for the four WDD programs evaluated. The duration of time spent in the program is as expected. We believe with TANF programs and WIOA having education elements, some participants stay on the program longer. TANF Non-FEP and WIOA have some cross over in program participants which may explain why duration looks similar.

### **WIOA**

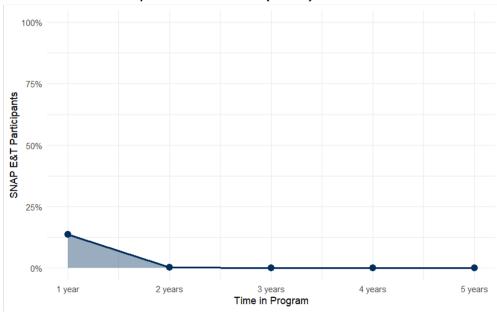






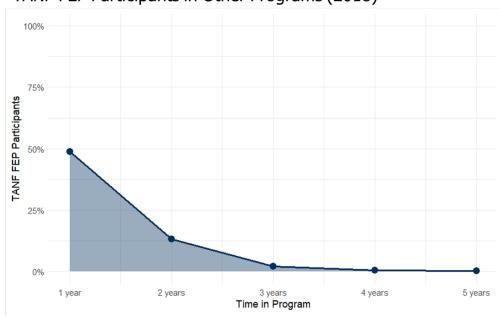
### **SNAP E&T**

# SNAP E&T Participants Over Time(2018)



### TANF FEP

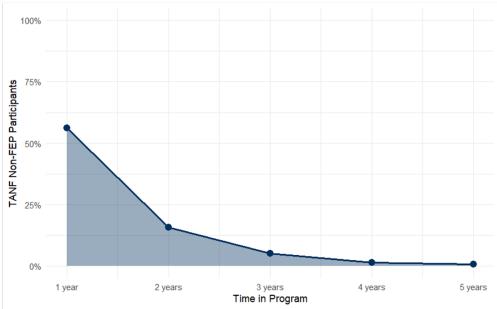
# TANF FEP Participants in Other Programs (2018)





#### **TANF Non-FEP**





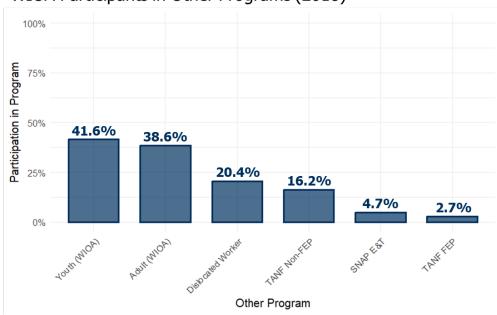
### 3. WDD Participation in Multiple Programs

As seen in the graphs, participants in SNAP E&T and TANF FEP rarely participate in multiple programs. Some participants of WIOA and TANF Non-FEP do participate in both programs. This may be due to the active coenrollment WDD emphasizes between the two programs to both meet the needs of participants and funding sources. Adult, youth, and dislocated workers are all a part of WIOA.



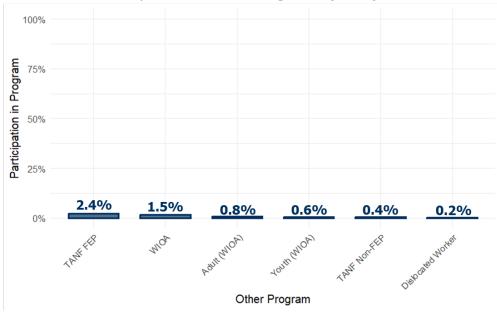
### **WIOA**

# WIOA Participants in Other Programs (2018)



### **SNAP E&T**

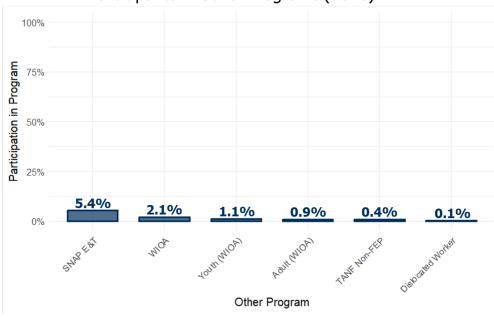
# SNAP E&T Participants in Other Programs (2018)





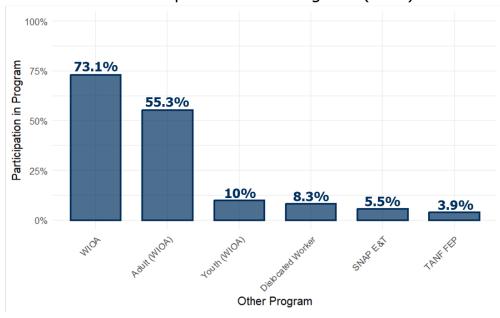
### **TANF FEP**

TANF FEP Participants in Other Programs (2018)



### **TANF Non-FEP**

TANF Non-FEP Participants in Other Programs (2018)

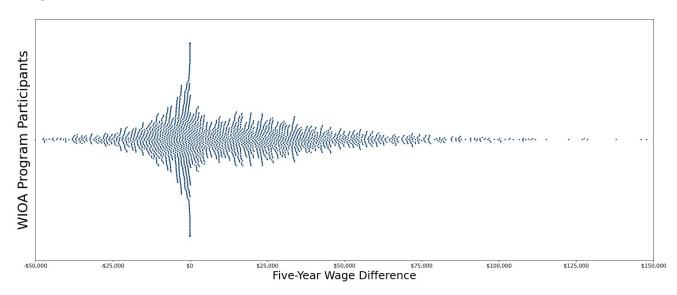




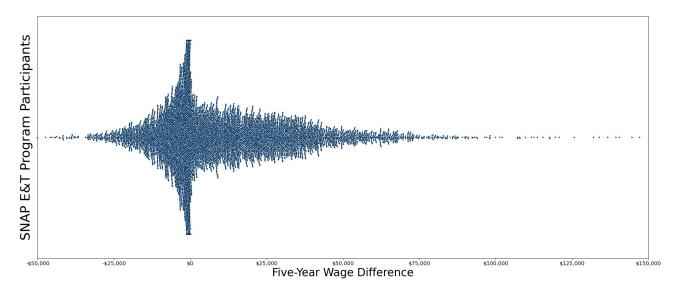
### 4. WDD Participants Wage Difference Five Years After Participation

Participant wage was taken from the fifth year of participation (2023) from the year they entered the program (2018). Included are participants with no wage record.

### **WIOA**

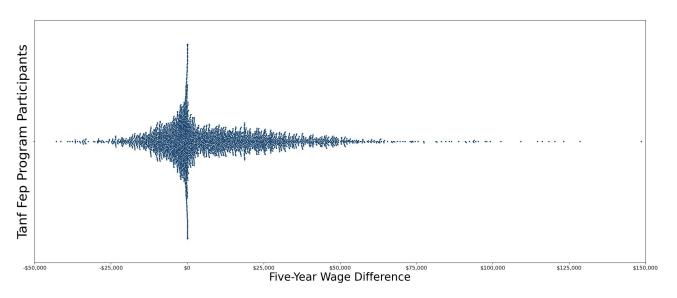


### **SNAP E&T**

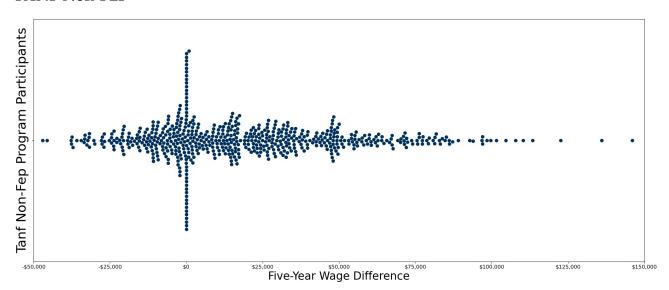


TANF FEP





### **TANF Non-FEP**





### 5. Unemployment Insurance Wage Records Data Limitations

The following is an edited excerpt from a report published by the Utah Data Research Center explaining the limitations of UI wage records.

Wage data from UI records do not capture all income. For example, income from self-employment, federal agencies, black market transactions, non-profit employment, and agriculture may not be subject to UI wage reporting requirements. Income derived outside of the workforce (dividends, real estate, child support payments, etc.) is not recorded in wage records. Any income earned outside of the state of Utah is also not available. While results drawn from DWS data may not be generalized to all income, the U.S. BLS (2018) indicates that over 90% of workers are included in UI records. The findings from this research are significant.

UI wage records provide no detail on hours worked. Because of this, seasonal workers may also be excluded from the consideration of some analysis.

### 6. Limitations of Statistical Analysis (Section 1.2)

Information of economic endowments like education, time in industry, and skill were not obtained or available. Disability and age elements were not obtained from the comparison group. To make WDD participants more commensurate compared to comparison group, which was assumed to be representative of the general workforce, individuals that reported disabilities or were over the age of 60 were excluded. Any individual with 0 wage in a given year was excluded. Disability is self reported and not verified by DWS. Starting wage for the comparison group was estimated by taking the median wage of participants starting the program in their respective cohort year. Data prior to beginning the program and more than 5 years after completion was not obtained.



#### 7. Results of Statistical Analysis

Differences in wage from the fifth year after participation ( $Y_5$ ) was subtracted from the year participants began the program ( $Y_0$ ) and compared to the control group in the same year. Such that

$$b4 = (\begin{subarray}{c} y|D=1, Period\ 2) - (\begin{subarray}{c} y|D=1, Period\ 1) - (\begin{subarray}{c} y|D=0, Period\ 2) - (\begin{subarray}{c} y|D=0, Pe$$

 $\alpha$  = .05 was chosen as the critical value. Results from the 2018 cohort are shown below. The significance and coefficient direction for both cohorts were consistent.

Program	Program Mean	Comparison Mean	Difference	P-value	Accept / Reject Rule
WIOA	25576.19	23729.22	1846.97	0.07604	Fail to Reject
SNAP E&T	21376.27	23729.22	-2352.95	0.002925	Reject
TANF Non-FEP	32000.37	23729.22	8271.15	0.0000504	Reject
TANF FEP	17448.88	23729.22	-6280.34	2.505E-12	Reject

Median wage growth was also considered with the conclusion that results are mixed being the same as seen in Section 1.2 of the audit.







**C. Service and Insurance Snapshots** 



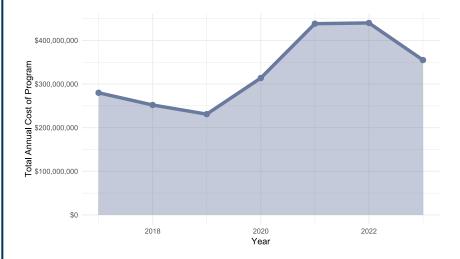


# SNAP Supplemental Nutrition Assistance Program

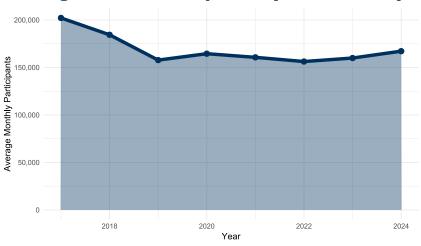
SNAP, also called food stamps, offers people with low incomes funds for the purchase of food. Qualification for SNAP requires net income to be 100 percent below Federal poverty level; this equates to about \$2,000 a month for a household of four.

Utah's usage of SNAP is the lowest in the nation at 4.7%. The nominal monthly cost of SNAP was \$32.6 million dollars in February 2024. Total annual cost reached a seven year high in 2022; however, individual cost increases with the price of food. Monthly participation varied between 156,000 to 202,000 participants.

#### **Annual Cost of SNAP (2017 – 2023)**



#### Average SNAP Participation (2017 – 2023)



## **SNAP Participation by State**

SINAP Part	icipation b	y State	
State	SNAP Participants	% of Population	Rank
Alabama	769,894	15.1%	42
Alaska	54,745	7.5%	8
Arizona	909,476	12.2%	31
Arkansas	247,947	8.1%	12
California	5,260,012	13.5%	35
Colorado	568,838	9.7%	17
Connecticut	393,825	10.9%	22
Delaware	120,259	11.7%	27
District of Columbia	138,304	20.4%	50
Florida	3,044,119	13.5%	34
Georgia	1,494,457	13.5%	37
Hawaii	160,491	11.2%	24
Idaho	124,969	6.4%	6
Illinois	2,004,170	16.0%	45
Indiana	602,793	8.8%	15
Iowa	261,059	8.1%	13
Kansas	186,480	6.3%	5
Kentucky	558,563	12.3%	32
Louisiana	889,511	19.4%	49
Maine	167,926	12.0%	30
Maryland	681,203	11.0%	23
Massachusetts	1,092,219	15.6%	43
Michigan	1,449,405	14.4%	39
Minnesota	459,585	8.0%	11
Mississippi	397,607	13.5%	36
Missouri	659,731	10.6%	19
Montana	83,507	7.4%	7
Nebraska	155,975	7.9%	10
Nevada	499,758	15.6%	44
New Hampshire	76,161	5.4%	3
New Jersey	776,059	8.4%	14
New Mexico	466,381	22.1%	51
New York	2,885,526	14.7%	40
North Carolina	1,558,138	14.4%	38
North Dakota	45,254	5.8%	4
Ohio	1,399,710	11.9%	28
Oklahoma	680,097	16.8%	47
Oregon	735,358	17.4%	48
Pennsylvania	1,949,023	15.0%	41
Rhode Island	143,267	13.1%	33
South Carolina	613,558	11.4%	26
South Dakota	72,167	7.9%	9
Tennessee	732,750	10.3%	18
	3,289,224	10.8%	
Texas	159,943	70.000.000.000	21
Utah	69,645	<b>4.7</b> % <b>10.8</b> %	20
Vermont	the section of the section of		20
Virginia	841,462	9.7% 11.4%	16
Washington	887,817	200.000.000.0000	25
West Virginia	295,675	16.7%	46
Wisconsin	708,363	12.0%	29
Wyoming	29,452	5.0%	2
United States	41,920,896	12.5%	

# **SNAP Continued**

To better understand how SNAP participation changes over time a cohort of participants from 2018 (Jan. 2018 - Dec. 2018) was observed over five years. 38.6% of the population is disabled. 12.9% are over the age of 60, thus the majority (51.5%) of those on SNAP are either disabled or over 60 in 2018. 60 was chosen as opposed to 65 because the cohort is observed over five years. This cohort was separated by those with a disability and over the age of 60 as work force outcomes may be different for this group. Participation slowly goes down after the initial exit of 51.1% after the first year. After 1 year and 7 months the majority of the cohort still participating in SNAP is over the age of 60 or disabled.

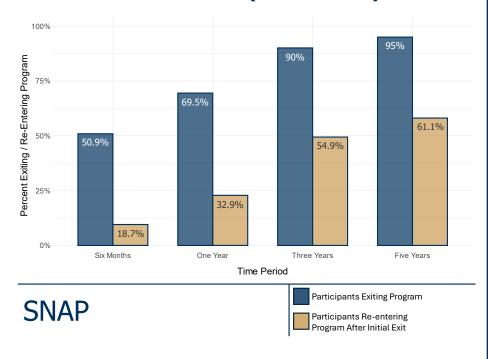
TSNAP

TS

**Duration of time participating in SNAP (2018** 

Examining the same cohort, we also looked at re-entrance into SNAP. 50.9% of participants exited sometime within the first six months; of those 18.7% re-entered. Over five years, 95% of SNAP participants will exit sometime during that period. Unfortunately, of those who exit 61.1% will once again enter the program. This illustrates the unfortunate struggle and cycle of poverty.

#### **Re-Entrance into SNAP (2018 Cohort)**



Data for cost, participation and rank provided by the US Department of Agriculture.

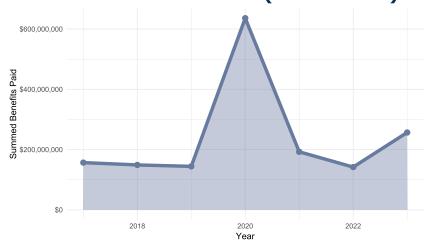
Data for duration, disability and age, and re-entrance provided by Workforce Research and Analysis, a division of the Department of Workforce Services. All analysis and visualization performed by OLAG.

# UI Unemployment Insurance

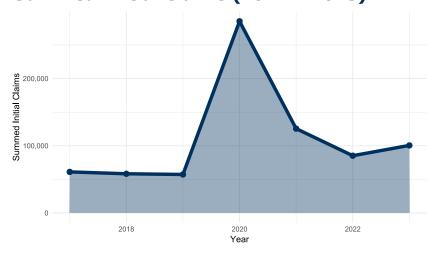
Unemployment Insurance, or UI, is an insurance paid for by employers. It is not an eligibility service and is administered separately from Eligibility Services. In Utah, UI can be claimed for a maximum of 26 consecutive weeks but does not have a lifetime cap. UI not only serves those who are unemployed from lay-offs or termination, but also those whose work is seasonal. This includes fields like road work or construction.

A low percentage of unemployment claims is a signal of a healthy economy. This is shown by our lower than national average initial claims of 2.9% in 2023. During the covid pandemic benefits spiked that have since decreased.

### Annual Paid Benefits of UI (2017 - 2023)



## **Summed Initial Claims (2017 – 2023)**

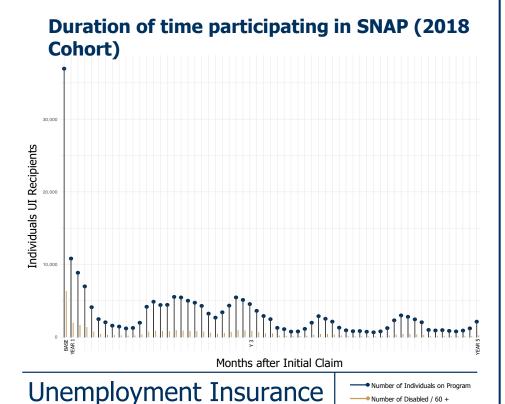


#### **UI Initial Claims by State**

OT TUITIBL	Claims by St	ate	
State	UI Annual Initial Claims	% of Population	Rank
Alabama	124,959	2.4%	18
Alaska	36,711	5.0%	43
Arizona	184,088	2.5%	19
Arkansas	82,492	2.7%	22
California	2,325,099	6.0%	50
Colorado	193,881	3.3%	32
Connecticut	208,040	5.8%	49
Delaware	31,768	3.1%	29
District of Columbia	29,822	4.4%	40
Florida	299,377	1.3%	2
Georgia	306,659	2.8%	25
Hawaii	78,530	5.5%	47
Idaho	62,947	3.2%	30
Illinois	501,017	4.0%	37
Indiana	196,586	2.9%	27
lowa	115,270	3.6%	33
Kansas	69,756	2.4%	15
Kentucky	125,598	2.8%	24
Louisiana	92,140	2.0%	10
Maine	31,982	2.3%	14
Maryland	139,462	2.3%	13
Massachusetts	483,863	6.9%	51
Michigan	364,975	3.6%	34
Minnesota	257,885	4.5%	41
Mississippi	57,709	2.0%	8
Missouri	174,788	2.8%	26
Montana	31,287	2.8%	23
Nebraska	36,442	1.8%	6
Nevada	124,579	3.9%	35
New Hampshire	22,956	1.6%	4
New Jersey	487,559	5.2%	46
New Mexico	50,913	2.4%	16
New York	859,496	4.4%	39
North Carolina	183,585	1.7%	5
North Dakota	17,322	2.2%	12
Ohio	613,079	5.2%	45
Oklahoma	79,595	2.0%	9
Oregon	238,543	5.6%	48
Pennsylvania	555,047	4.3%	38
Rhode Island	54,987	5.0%	44
South Carolina	117,098	2.2%	11
South Dakota	9,948	1.1%	1
Tennessee	137,240	1.9%	7
Texas	818,861	2.7%	21
Utah	100,499	2.9%	28
Vermont	21,194	3.3%	31
Virginia	138,260	1.6%	3
Washington	359,944	4.6%	42
West Virginia	43,010	2.4%	17
Wisconsin	233,209	3.9%	36
Wyoming	14,879	2.5%	20
United States	12,001,296	3.6%	

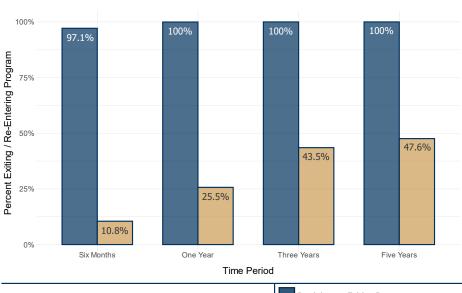
# **UI** Continued

To better understand how UI claims change over time a cohort of participants from 2018 (Jan. 2018 – Dec. 2018) was observed over five years. 4.7% of claimants reported a disability, 12.9% are over the age of 60. 60 was chosen as opposed to 65 because the cohort is observed over five years. The cyclical benefit of UI is shown in the duration graph to the left. After the dramatic drop after 1 year, some individuals cyclically use UI. This is most likely individuals in fields like road work or construction. UI serves as an insurance not only for those losing work but for those with an expected stop of work like individuals in these fields.



Examining the same cohort, we also looked at re-entrance into UI. 97.1% of participants exited sometime within the first six months; of those 10.8% re-entered. Because UI is limited to 26 weeks, 100% of participants exited after 1 year. Reentrance levels off around 47.6% of the cohort re-entering sometime in the five-year period.

### Re-Entrance into UI (2018 Cohort)



Unemployment Insurance

Participants Exiting Program Participants Re-entering Program After Initial Exit

Number of Disabled / 60 + Individuals on Program

Data for cost, participation and rank by the US Department of Labor.

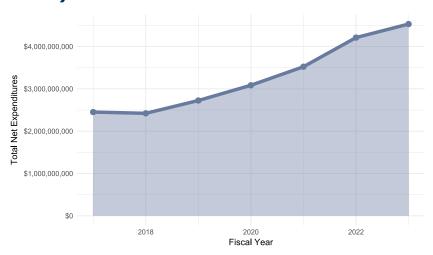
Data for duration, disability and age, and re-entrance provided by Workforce Research and Analysis, a division of the Department of Workforce Services. All analysis and visualization performed by OLAG.



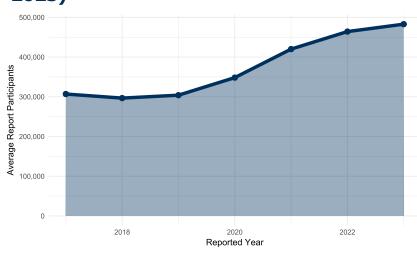
In Utah, Medicaid eligibility service is housed at DWS while administration of services is done by the Department of Health and Human Services. Much of chapters 2 and 3 of this audit are dedicated to the unwinding and accessibility of Medicaid. This data is supplementary for those chapters.

Utah's young population and strong economy may facilitate less of a need for Medicaid. Utah ranks the lowest in participation by capita in the nation. As the state continues to grow and age the cost and participation of Medicaid continues to gradually rise as seen in the figures below.

# Annual Expenditures of Medicaid (2017 – 2023)



# Average Medicaid Participation (2017 – 2023)



#### **Medicaid Participation by State**

medicaid	Participation	n by Sta	te
State	Medicaid Participants	% of Population	Rank
Alabama	1,171,765	22.9%	13
Alaska	258,267	35.2%	46
Arizona	2,176,739	29.3%	35
Arkansas	926,134	30.2%	39
California	14,231,317	36.5%	47
Colorado	1,626,986	27.7%	29
Connecticut	995,265	27.5%	28
Delaware	302,669	29.3%	36
District of Columbia	290,837	42.8%	51
Florida	4,575,956	20.2%	10
Georgia	2,428,987	22.0%	12
Hawaii	457,258	31.9%	41
Idaho	387,597	19.7%	8
Illinois	3,806,069	30.3%	40
Indiana	1,978,496	28.8%	34
lowa	802,634	25.0%	21
Kansas	483,759	16.5%	6
Kentucky	1,590,942	35.1%	45
Louisiana	1,868,667	40.9%	50
Maine	376,023	26.9%	25
Maryland	1,692,912	27.4%	27
Massachusetts	1,974,158	28.2%	32
Michigan	3,024,466	30.1%	37
Minnesota	1,387,433	24.2%	19
Mississippi	760,547	25.9%	22
Missouri	1,484,468	24.0%	17
Montana	295,832	26.1%	23
Nebraska	390,528	19.7%	9
Nevada	874,414	27.4%	26
New Hampshire	210,266	15.0%	4
New Jersey	2,234,156	24.0%	18
New Mexico	841,132	39.8%	49
New York	7,460,364	38.1%	48
North Carolina	2,322,886	21.4%	11
North Dakota	126,643	16.2%	5
Ohio	3,288,691	27.9%	31
Oklahoma	1,221,785	30.1%	38
Oregon	1,435,409	33.9%	43
Pennsylvania	3,616,198	27.9%	30
Rhode Island	367,273	33.5%	42
South Carolina	1,273,461	23.7%	15
South Dakota	126,880	13.8%	2
Tennessee	1,757,854	24.7%	20
Texas	5,464,180	17.9%	7
Utah	439,543	12.9%	1
Vermont	185,335	28.6%	33
Virginia	2,017,304	23.1%	14
Washington	2,073,497	26.5%	24
West Virginia	603,875	34.1%	44
Wisconsin	1,413,800	23.9%	16
Wyoming	81,219	13.9%	3
United States	91,182,873	26.7%	
D		1 1 6	

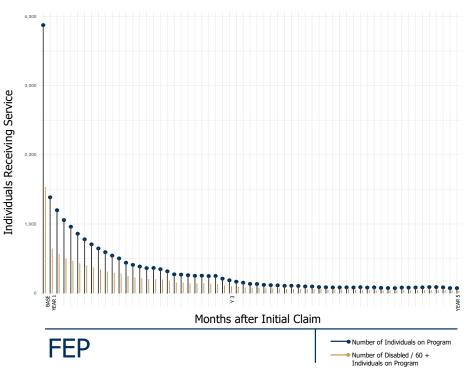
Data for cost, participation and rank from Medicaid.gov. Analysis by OLAG.

# FEP Family Employment Program

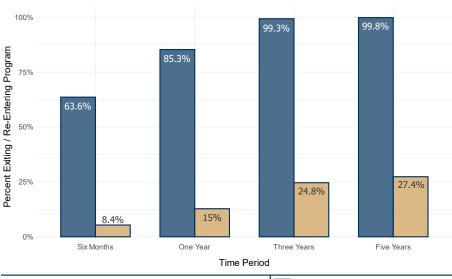
FEP provides cash assistance to parents. It is limited to 7 consecutive months in a 13-month period and 36 lifetime months. Assistance can be given to a single parent or two-parent household.

FEP provides participants with an eligibility worker and employment councilor to provide training to work toward independence. 40.8% of participants reported a disability and .5% are over the age 60 in the 2018 cohort. Because of the limits of FEP, use dramatically falls after 1 year and re-entrance is low as compared to other programs. More information on wage and use of other services are found in Chapter 1 of this audit.

# **Duration of time participating in FEP (2018 Cohort)**



#### **Re-Entrance into FEP (2018 Cohort)**



FEP

Participants Exiting Program
Participants Re-entering
Program After Initial Exit

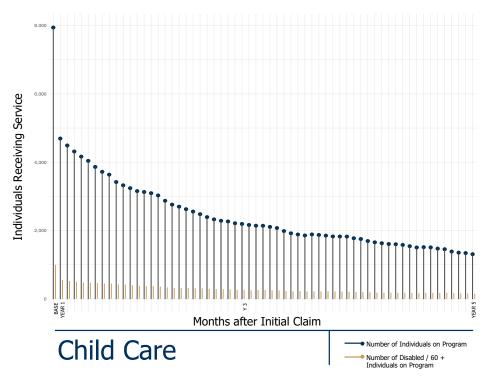
Data Provided by Workforce Research and Analysis. Analysis performed by OLAG.

# Child Care

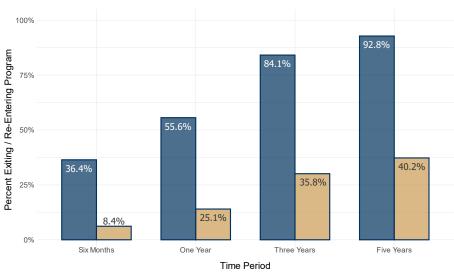
Child Care operates as a separate division within Workforce Services. Participants of Child Care Services must make less than 85% of median income and have income reviewed once every 12 months.

11.1% of participants in the Child Care program self reported a disability and .3% were over the age of 60. Participation drops after one year in a linear pattern. This is likely due to children aging childcare no longer in need of childcare service. Re-entrance back into the program after five years is 40.2% of those that exited. This may be due to additional children needing care as counts were by adult and not children.

# **Duration of time participating in Child Care** (2018 Cohort)



#### **Re-Entrance into Child Care (2018 Cohort)**



Child Care

Participants Exiting Program
Participants Re-entering
Program After Initial Exit

Data Provided by Workforce Research and Analysis. Analysis performed by OLAG.





**D. DWS Divisions** 







EST. 1997

## Services

#### **Eligibility Services –**

Snap (food stamps), Child Care, Financial Support, Medical (including Medicaid).

## Housing and Community

**Development** – Public Services (i.e. utilities), Community Development, Affordable Housing. **Child Care** – Child Care (providers, benefits), Professional Development.

#### **Refugee Services –**

Employment Services, Resettlement, Integration.

#### **Unemployment**

**Insurance** – Employers, Claimants, Eligibility.

#### **Office of Homeless**

**Services** – Homelessness board, Founding Sources.

#### Office of Rehabilitation

Blind / Visually Impaired,
 Deaf / Hearing Impaired,
 Vocational Rehabilitation,
 Disability Determination.

#### Workforce Development –

Employers, Job Seekers, Partners.

#### **Workforce Research and**

**Analysis** – Economic Data, Bureau of Labor Statistics, Management Information Systems (federal and state).

## **Internal Services**

## **Executive Directors Office** –

Casey Cameron (2020 – Present)

## Adjudications –

Legal team and service appeals.

#### Communications

**Human Resources** (HR)

#### **Internal Audit**

Technology Services (IT)

# Administrative Support

Employee Success and Strategic Initiatives





# Agency Response Plan



## Department of Workforce Services

CASEY R. CAMERON

Executive Director

REBECCA BANNER

Deputy Director

KEVIN BURT

Deputy Director

**GREG PARAS**Deputy Director

April 1, 2025

Kade R. Minchey, CIA, CFE, Auditor General Office of the Legislative Auditor General Utah State Capitol Complex Rebecca Lockhart House Building, Suite W315 PO Box 145315 Salt Lake City, UT 84114-5315 kminchey@le.utah.gov

Dear Mr. Minchey,

On behalf of the department, I would like to thank you and your team for the professionalism and transparency extended to our department and staff throughout the many months of this review.

Included is the response from the Utah Department of Workforce Services regarding the *Systemic Audit of Utah's Department of Workforce Services: Focusing on Client Success* audit report.

I look forward to working with my team to address the findings in this report, as we continue to improve services for the citizens of Utah.

Sincerely,

Casey R. Cameron Executive Director

Department of Workforce Services



#### **Recommendation 1.1**

The Department of Workforce Services should identify factors leading to participant success including wage growth, long-term employment, and decreased use of eligibility programs then develop and implement a strategy to enhance Workforce Development Division programs around these potential factors of success.

#### Department's Response:

The department agrees with this recommendation. The department will conduct research to identify factors that could improve wage outcomes for participants in these federal programs. As applicable, the department will work with the Legislature and the Governor's Office to address any programmatic or funding needs.

<u>Responsible individual:</u> Elizabeth Carver, Division Director, Workforce Development Division <u>Estimated date of completion:</u> February 28, 2026

#### **Recommendation 3.1**

The Department of Workforce Services should develop and implement a strategy to reduce their call wait times to meet requirements set by the Legislature.

#### Department's Response:

The department agrees with this recommendation. The department will continue to implement strategies to reduce call wait times and meet the requirements set by the Legislature.

<u>Responsible Individual:</u> Muris Prses, Division Director, Eligibility Services Division Estimated Date of Completion: July 1, 2025

#### **Recommendation 3.2**

The Department of Workforce Services should develop and implement a plan to extend their phone line operating hours.

#### Department's Response:

The department agrees with this recommendation. The department will work to identify a plan to extend phone line operating hours. As recommended by the audit, the department will experiment before fully committing to any extended schedule.

<u>Responsible Individual:</u> Muris Prses, Division Director, Eligibility Services Division <u>Estimated Date of Completion:</u> August 31, 2025

#### **Recommendation 3.3**

The Department of Workforce Services should collect and analyze internal data to determine whether the time allowed for a customer to submit an online application for benefits is sufficient and, if warranted, allow more time to complete the application.

#### Department's Response:

The department agrees with this recommendation. The department will extend the time allotted to complete the online application.

<u>Responsible Individual:</u> Muris Prses, Division Director, Eligibility Services Division <u>Estimated Date of Completion:</u> May 31, 2025



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