

To Governor Joe Manchin and All West Virginians

Dear Governor Manchin:

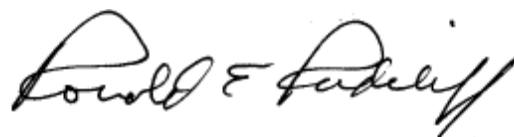
As the Executive Director of WORKFORCE West Virginia, I submit this, the 2005 Annual Report, to Governor Joe Manchin and all West Virginians.

This year's Annual Report provides an overview of our accomplishments and numerous changes that occurred during fiscal year 2005.

WORKFORCE West Virginia is comprised of four (4) resource bearing components: the Employment Service (ES) Division, the Workforce Investment Act Programs Division, the Unemployment Compensation (UC) Division and the Research, Information and Analysis (RIA) Division. Although we have continued to face budgetary constraints and static or dwindling staffing levels, all divisions have experienced improved performances as they strive to exceed Federal and State requirements and/or expectations.

Our staff continues to implement procedures and innovations to reach out to our customers in order to enhance the business environment while providing support and skills enhancement for those seeking employment. For example, West Virginia's operational proper payment rate for unemployment benefits was 97.3% during Calendar Year (CY) 2004, which means that West Virginia saved \$3.7 million dollars more in employers' taxes than average because of more accurate payments. Likewise, the ES Division increased the number of businesses exclusively using their services for all hiring by over 300 percent. The Workforce Investment Act Division continues to make great strides in integrating all workforce entities into a cohesive service delivery system

With the continuation of system enhancements and coordinated efforts, I am confident that WORKFORCE West Virginia will continue to be an integral part of West Virginia's workforce effort.



Introduction

Numerous state-level individuals and organizations are a part of the delivery of workforce services across West Virginia. The Governor, with the advice and assistance of the West Virginia Workforce Investment Council, works with the Legislature and various administrative agencies to shape a comprehensive workforce development system. These entities work to continue the growth and improvement of workforce development services in West Virginia.

At the forefront of state-level workforce development is the newly created WORKFORCE West Virginia division within the Bureau of Commerce. In January, 2005, analysis began regarding the unification of two separate state entities, the Bureau of Employment Programs and the Governor's Workforce Investment Division. The resulting merger of these operations into the single WORKFORCE West Virginia entity within the Department of Commerce serves to unite a number of functions vital to workforce investment activities within the state, including administration of the Workforce Investment Act, Wagner-Peyser Act programs, veterans employment initiatives, Trade Adjustment Assistance programs, and the state's Unemployment Compensation program. Thus, WORKFORCE West Virginia is positioned to serve as the lead state agency for workforce investment matters in the state.

Table of Contents

Program Divisions	4
Support Divisions	19
Statistical Reports	24

Program Divisions

Employment Service Division

The Employment Service Division (ES) promotes economic security for West Virginia's citizens by meeting the needs of our workforce and employers. It is a federally funded program offering many services to employers and jobseekers. The division primarily provides assistance to employers in finding qualified workers and assists workers in finding suitable jobs. Many new initiatives are in progress to improve services to both employers and jobseekers.

Services are available at no charge to our customers, whether employers or jobseekers. Assistance provided by WORKFORCE West Virginia Career Centers and Job Service (Employment Service) field offices include outreach, interviewing, testing, counseling, referral to placement, training, and other services designed to prepare individuals for employment. The WORKFORCE West Virginia Career Center designation is given to Job Service offices offering services from several state and/or local agencies at one centralized site. These offices are also known as One-Stops.

Currently, the 21 field offices are Beckley, Charleston, Clarksburg, Elkins, Fairmont, Greenbrier Valley (Ronceverte), Huntington, Logan, Martinsburg, Mercer County (Princeton), Morgantown, New Martinsville, Parkersburg, Point Pleasant, Putnam County (Hurricane), South Branch (Moorefield), Summersville, Weirton, Welch, Wheeling, and Williamson.

With the onset of numerous changes within WORKFORCE West Virginia, the ES Division's core services have evolved. Along with previous partnerships, new initiatives have been developed which will provide a much-needed competitive edge in the employer community. Consequently, job seekers will benefit from a better and broader base of services and employment opportunities.

BUSINESS SERVICES UNIT

The Business Service Unit has been in operation for one (1) full program year. The unit has worked throughout the State to create an infrastructure that will allow business services outreach as well as marketing of the WORKFORCE West Virginia systems to business as our priority customer, using an Internet-based business services tracking system. The system is a part of the Mid Atlantic Career Consortium (MACC), and has made it possible to track and record all business services. In this program year, representatives of the Business Service Team visited over 11,655 businesses. Membership in the West Virginia Employer Advisory Committee (WVEAC) increased 61%. The increase in business customers using the WORKFORCE West Virginia system exclusively for all hiring increased from 160 to 520.

ES FIELD OPERATIONS

Over the past two (2) years, Field Operations has consistently changed its focus from job seekers to employers. Six (6) state performance standards were implemented to ensure continuous improvements to serve our customers. This includes number placed and obtained employment, number of job openings received, number of Unemployment Insurance applicants placed, number of applicants with post secondary education, number placed after job development, and documented employer visits. Statewide, four (4) of the six (6) performance standards were met at a 99% level, exceeding the required 80% goal. Additionally, 88% of customers not filing a claim for unemployment compensation registered on-line, which exceeded the required 75% initiative established by Field Operations. In addition to state performance standards, ES exceeded United States Department of Labor negotiated performance goals for the entire year. All seven (7) goals established in ES Field Operations' 2004 Strategic Plan were met.

The Personal Reemployment Accounts (PRA) pilot program was initiated on a statewide basis on March 16, 2005. The purpose of the program is to provide early intervention with new Unemployment Compensation (UC) claimants by providing a PRA that may be used for training and reemployment incentives resulting in employment and lessening of the impact on the UC Trust Fund. Currently, 131 customers are participating in the program. This represents 70% of our goal, which is to serve 193 customers during the term of the program that ends on March 31, 2007.

ONE-STOP SHOPS

Seventeen local ES and UC offices are located within the One-Stop Shops/WORKFORCE West Virginia Career Centers. By locating the offices within the One-Stop Shop, customers have easy access to reemployment services. Additionally, location in the One-Stop Shop facilitates our coordination efforts with various employment and training programs by streamlining the referral process, improving data exchange, staff sharing and other activities.

FOREIGN LABOR CERTIFICATION (FLC)

Employment Service Division's Alien Labor Certification (ALC) Unit provides American employers access to foreign labor. It permits United States employers to hire foreign workers on a temporary or permanent basis to fill jobs essential to the United States' economy. Foreign Labor Certification may be obtained in cases where it can be demonstrated that there are insufficient qualified United States workers available who are willing to perform the work at wages that meet or exceed the prevailing wage paid for the occupation in the area of intended employment.

During FY 2004, the ALC Unit staff processed approximately 384 wage determinations, a total of 344 permanent labor certification applications (PERM), a total of 13 H-2B applications, one (1) H-2 A agricultural clearance order and one (1) H-2 A logging clearance order. Nine (9) housing inspections were conducted and one (1) prevailing wage/practice survey was completed.

During this program year, 102 Prevailing Wage Requests , 11 Labor Certification Petitions, and four (4) Job Orders were processed for West Virginia University.

WORK OPPORTUNITY AND WELFARE-to-WORK TAX CREDITS

As part of the Welfare Reform Initiative, the Work Opportunity and Welfare-to-Work Tax Credits (WOTC/W-t-W) are federal tax credits available to private-for-profit employers who hire new employees who historically have difficulty in securing employment. These employees are welfare and food stamp recipients; veterans receiving food stamps or who are disabled and completing rehabilitative services; qualified residents of one (1) of the federally designated Empowerment Zones (EZ), Enterprise Communities (EC); qualified ex-offenders; high-risk youths; vocational rehabilitation clients; and Social Security Insurance clients.

From July 1, 2004 through June 30, 2005, West Virginia employers have claimed approximately 5,830 tax credits in the amount of \$2,400 per employee under the WOTC program and approximately 1,078 tax credits in the amount of \$8,500 per employee under the W-t-W tax credit program.

WORKFORCE INVESTMENT ACT

Assessment and Case Management Review

Within the Employment Services Program Unit, a new sub-unit was created to conduct internal reviews to check the quality, efficiency and effectiveness of our services in order to provide a program review to determine compliance with the Workforce Investment Act (WIA) regulations and the local Workforce Investment Boards' (WIB) Memoranda of Understanding. We strive for excellence in service by using self-assessment and review processes.

COMMON INTAKE

On April 18, 2005, the common intake form for ES and UI was implemented statewide. This form allows the customer to complete one (1) form rather than multiple forms. Use of this form in the new process allows the customer to simultaneously register for work and file their unemployment claim. Not only does the use of the form eliminate the need to complete multiple forms, but it also eliminates the need for customers to visit various offices to receive services or register for work. Customer feedback on the common intake form has been positive and encouraging. Customers appreciate our efforts to simply the process by integrating our services.

STAFF DEVELOPMENT TEAM

As part of the ES and UC cross training initiative, the Staff Development Team was given the charge of developing and presenting Customer Service workshops to all ES and UC field staff. The Team's first workshops, which focused on customer service, were delivered to all ES and UI field and central office staff across the State.

Unemployment Compensation Division

The Unemployment Compensation (UC) Division provides temporary income as compensation to unemployed workers. The United States Department of Labor (DOL) and the individual states administer the program jointly. The federal government establishes guidelines and pays administrative costs from funds collected under provisions of the Federal Unemployment Tax Act (FUTA). Although states are one hundred percent federally funded, they have direct responsibility for the operation of their UC programs.

Regular unemployment compensation is an employer-paid insurance program that helps workers who are unemployed through no fault of their own. It provides temporary financial help to qualified individuals, based on their prior earnings, while they are looking for other work. Several other types of unemployment benefits are available to meet varied needs including Unemployment Compensation for Ex-Service personnel (UCX), Unemployment Compensation for Ex-Federal Employees (UCFE), Trade Readjustment Assistance (TRA) for those laid off due to foreign imports, and Disaster Unemployment Assistance (DUA), all paid by federal funds.

Employer taxes and reimbursements support the Unemployment Trust Fund. Federal law mandates employer participation in the program to provide for their workers when unemployed and, in some cases, fund certain retraining programs. Funds that are collected are maintained in federal accounts for the State of West Virginia.

The UC Division maintains field offices located in strategic areas across the state, specifically, Beckley, Charleston, Clarksburg, Elkins, Fairmont, Greenbrier Valley (Ronceverte), Huntington, Logan, Martinsburg, Mercer County (Princeton), Morgantown, New Martinsville, Parkersburg, Point Pleasant, South Branch (Moorefield), Summersville, Weirton, Welch, Wheeling, and Williamson. There is an Interstate Claims Office located in the Central Office for claims filed in other states against West Virginia. All unemployment claims are submitted through these twenty-one field offices. The UC Division has staff that performs employer audits for compliance with UC statutes, and monitors UC records for fraudulently collected benefits. Additionally, this Division contains an Employer Contributions Section and a Benefits and Technical Support Section.

West Virginia's operational proper payment rate for unemployment benefits was 97.3% during Calendar Year (CY) 2004. Our proper payment rate was the ninth highest in the nation and above the national average of 94.8%. The difference in our proper payment rate of 97.3% and the national average of 94.8% means that West Virginia saved \$3.7 million dollars more in employers' taxes than average states because of more accurate payments.

National performance measurements showed West Virginia's Unemployment Compensation program performed above the national average in 62 of the 80 measured areas. Also, the state was ranked in the top ten in 21 areas. The performance measurements cover timeliness, quality and accuracy of each state's benefit and tax operations.

Fraud was detected in claims filed by 465 individuals during Fiscal Year (FY) 2005. In addition to administrative penalties applied to all individuals, misdemeanor arrest warrants were requested for 177 claimants. During this period, \$375,383.98 in fraudulently obtained benefits was recovered. Additionally, \$1,045,135.85 in non-fraudulent overpayments was recovered, bringing a combined total of overpayment recoveries in FY2005 to \$1,420,519.83.

Trade Readjustment Assistance Unit

During fiscal year 2005, all Trade Readjustment Assistance (TRA) paper files were converted to computer images. Also, during Calendar Year 2004, \$5,140,235.00 in weekly benefits to individuals whose jobs were adversely affected by foreign imports were paid.

Employer Audit

For CY2004, the UC Field Audit Unit ranked fourth in the nation with an audit penetration rate of 2.6% of active employers. The unit ranked tenth in the nation in percentage of total reported wages audited with a rate of 2.0%. The annual Tax Performance Systems (TPS) review revealed that fifty-four of the fifty-nine audits that were selected for review scored 100%. The passing score per audit is 80%. This unit ranked fifth in the nation in securing 98.8% reports from contributory employers. The Compliance Unit ranked tenth in the nation in resolved reports from contributory employers.

Joint Managers

A committee was formed to develop a Dual Management Pilot Procedure. The charge was to develop a system or method to provide single management for UC and JS local offices, and also determine if the pilot project would provide cost savings to each division.

The pilot has been tested in seven local offices (Fairmont, Morgantown, New Martinsville, South Branch, Summersville, Weirton and Welch). The pilot has been successful and the dual management concept will expand to other offices in the future as appropriate.

Regional Deputy

As a result of budget reductions, not filling vacancies for the past year and technology advancements, we are currently piloting a regional deputy concept for issuing nonmonetary decisions, which must be issued to claimants whenever a matter arises that has the potential to affect their past, present or future benefits. Two deputies have been designated Regional Deputies.

Integrity Programs

The following enhancements to our integrity programs will protect the Unemployment Trust Fund by improving accuracy of payments, detection of overpayments, collection of employer taxes and collection of overpayments.

Prison System Computer Crossmatch: Programming has been completed on a computer

crossmatch that compares unemployment benefits paid to individuals incarcerated in our state prison system to insure proper payment of benefits. The progress of this activity is currently being delayed due to the implementation of a new computer system by the Department of Corrections.

Social Security Data Exchange: An agreement has been signed with the Social Security Administration (SSA) to allow our agency to access SSA data. When this program is implemented in January 2006, we will be able to detect individual claims with incorrect Social Security Numbers, identify individuals receiving SSA payments and detect individuals enrolling in disability programs.

Employer Tax Dumping System: Plans are being made to obtain and implement an automated system to detect employer tax rate manipulation. This system will increase our tax collection and insure all employers pay their fair share of unemployment taxes.

Multiple Individuals Using the Same Social Security Number: A system is in place to help prevent improper payments and detect individuals involved with possible identity theft.

Workforce Investment Act Programs

Similar to many states, West Virginia continues to see its economy change. Employment opportunities have continued to shift as certain industries decline and others emerge. Unfortunately, these economic shifts have in many instances resulted in worker dislocations. Thus, both individuals looking to enter the workforce for the first time and individuals looking to return to work must acquire the skills needed to take advantage of the available opportunities in the labor market. At the same time, businesses with employment opportunities continue to seek workers with the appropriate skills.

The WORKFORCE West Virginia system continues to make every effort to provide the services needed to furnish appropriately skilled workers for the business community. The delivery of workforce services requires the participation of a complex network of individuals and organizations. Elected officials, state and local workforce boards, partner agencies, service providers, and others all play a role in the delivery of needed services. Unfortunately, many of the necessary services must continue to be provided during a time of decreasing resources. Thus, as evidenced by the activities highlighted in this report, efforts have continued to provide quality services while also addressing the delivery of these services in the most efficient and effective manner.

The WORKFORCE West Virginia System

The delivery of workforce services involves both state-level and local efforts across West Virginia. The federal Workforce Investment Act of 1998, the key legislation driving the delivery of workforce services, emphasizes a locally driven system that meshes federal, state, and local resources to respond to the needs of individuals and businesses. The focal point for the delivery of these services is the statewide network of “One-Stop” service locations, known as WORKFORCE West Virginia Centers.

This emphasis on local control is reflected in the state’s reliance on seven local workforce investment regions. These regions, each overseen by a local board appointed by local elected officials, provide locally driven services to individuals and businesses within the framework established by the federal Workforce Investment Act and the State of West Virginia. A brief description of the seven local regions, as well as the WORKFORCE West Virginia Centers, follows.

Local Workforce Investment Regions

Region One: The Region One Workforce Investment Board administers eleven southeastern counties. Primarily rural and mountainous, the region nevertheless has a variety of employment sectors. While traditional employment sectors such as mining continue to be vital to the regional economy, it is also expected that areas of growth in the near future will be in industries relating to services, construction and retail trade.

Region Two: The Southwestern West Virginia Workforce Investment Board oversees service delivery in this seven county region. The region is a mix of rural counties, small towns, and

more urban settings. Currently, opportunities for growth exist in areas such as mining and other energy related fields, as well as industries ranging from healthcare to construction.

Region Three: The Workforce Investment Board of Kanawha County is responsible for the state's only single county workforce investment region. As the home of the capital city of Charleston, Kanawha County combines government service with private sector employment (including chemical production and service industries) to form the basis of its economy.

Region Four: Stretching from the western border to the interior of the state, the nine counties comprising the Workforce Investment Board of the Mid-Ohio Valley are a mix of rural and more metropolitan areas. Future growth is expected in economic sectors such as healthcare, tourism, and services.

Region Five: Six counties comprise the area overseen by the Northern Panhandle Workforce Investment Board. While traditional industries such as steel production have been experiencing difficult times in this region, growth is expected to occur in services, trade, and tourism.

Region Six: The Region Six Workforce Investment Board governs a large area of thirteen counties that features a mix of cities and rural, mountainous terrain. Future growth is expected in sectors such as technology, research, and service-related industries.

Region Seven: Eight counties comprise the area served by the Region Seven Workforce Investment Board. While the more populous eastern counties border the metropolitan areas of Washington, DC, the western portions of the region are more rural in nature. This region has economic growth opportunities in sectors as diverse as government employment and food production and processing.

The WORKFORCE West Virginia Centers

Based on the vision set forth by the Workforce Investment Act, West Virginia has established a network of "One-Stop" service centers to provide access to the array of services necessary in the field of workforce investment. Branded the WORKFORCE West Virginia Centers, these locations provide access to services by means of a combination of partners physically located within the center and services accessible via electronic linkages.

The Workforce Investment Act requires each local workforce region to have a comprehensive "One-Stop" facility. The local areas of West Virginia have gone beyond this basic requirement in order to provide the best possible access to services. While each local region has one or more comprehensive WORKFORCE West Virginia Centers numerous affiliate and satellite sites have been established that provide access to services on a more limited basis.

West Virginia continues to place emphasis on continuous improvement of the WORKFORCE West Virginia Centers across the state. As part of this effort, the West Virginia Workforce Investment Council produces a comprehensive "State of the One-Stops" report annually. This report includes information ranging from center locations to the

financial contributions of partner agencies within the system. Reports are available at www.wvwc.org.

Milestones and Achievements of the Program Year

Many of the highlights and achievements are due not only to the programs operated under this legislation but to the efforts put forth by the entire WORKFORCE West Virginia system. The continued growth and success of a comprehensive workforce delivery system such as WORKFORCE West Virginia requires the work of dedicated individuals from the state level to the front-line staff found at the WORKFORCE West Virginia Centers across the state.

Enhanced Service to Business

Building on previous successes in enhancing service to business, WORKFORCE West Virginia continued to emphasize the provision of quality services to the business community. The message delivered to businesses is that the system is driven by their input. The WORKFORCE West Virginia system continues to refine its delivery of business services. The utilization of regional Business Services Teams encourages collaboration among public entities providing services to employers to both reduce duplication and enhance business services. This effort has been supported by the publication of a handbook entitled *Successful Business Services Teams*, a technical assistance guide for establishing and organizing regional teams. The handbook also contains a comprehensive asset mapping table outlining the resources available to businesses through the WORKFORCE West Virginia system. Finally, business services have been enhanced by the combination of state-level business services personnel from the Bureau of Employment Programs and Governor's Workforce Investment Division as part of the implementation of the singular WORKFORCE West Virginia entity.

The Interagency Collaborative Team (ICT)

The ICT, codified by the West Virginia Legislature, is comprised of representatives from numerous state-level entities that provide services as part of the WORKFORCE West Virginia system. The ICT is chaired by the Executive Director of WORKFORCE West Virginia and includes representatives from organizations such as the following: Bureau of Senior Services, Council for Community and Technical College Education, Department of Education and the Arts, Department of Health and Human Resources, and Department of Military Affairs and Public Safety. The ICT meets month to track issues and progress toward their resolution.

Improved Access to Services

The WORKFORCE West Virginia system continues to make every effort to assure access to its services for all West Virginians. The emphasis on access is for both physical access to WORKFORCE West Virginia Centers and access to services through technology. Many of these efforts have centered on the efforts of the Building Inclusive One-Stop Systems (BIOSS) program. This grant-funded program has been utilized to greatly enhance the

physical and technological accessibility of the WORKFORCE West Virginia Centers for individuals with disabilities. Efforts have ranged from providing training for WORKFORCE West Virginia Center staff to assisting with physical accessibility issues. Assistive technology ranging from accessible computers and software to TTY phones has also been installed in WORKFORCE West Virginia Centers as part of the efforts undertaken in this initiative. While this initiative ended on June 30, 2005 with the expiration of federal grant monies, the impacts of the efforts made by those participating in this program will be felt for years to come.

It is hoped that in the coming year additional assistance will be made available to those with disabilities through the so-called “Navigator” program. Application has been made for federal grant monies designed to, among other things, provide trained staff that will assist those with disabilities in finding their way through the workforce development system and accessing the full range of services and opportunities available.

The West Virginia MACC System

The technological backbone of the WORKFORCE West Virginia network, the West Virginia MACC is the state’s comprehensive management information system. Housing case management, reporting, and other information related functions, the West Virginia MACC currently supports over 50,000 active users and processes approximately 2 million transactions per day.

The system continues to be refined and enhanced to provide for the needs of its users, who range from the members of the public at large to businesses seeking employees, service providers and partners, and WORKFORCE West Virginia system employees charged with case management and performance functions. Recent improvements include enhanced features related to business services, as well as improvements that have made the system fully prepared to implement the tracking and reporting of the “Common Measures” prescribed by the federal government for workforce programs.

As part of the ongoing process of enhancing the delivery of information through technology, WORKFORCE West Virginia will use portals such as the West Virginia MACC system to provide access to ever-improving data related to employment and workforce issues. For instance, efforts are currently underway to make use of labor market information and available technologies to provide even more real time data to business and governmental agencies seeking information vital to economic development and training programs. This will continue the process of addressing needs for current and future employment demands.

WORKFORCE West Virginia Collaboration and Partnering

The individuals and entities comprising the WORKFORCE West Virginia system have continued to come together in various ways to continuously improve the delivery of services to West Virginians. In addition to the efforts highlighted elsewhere in this report, other ongoing efforts warrant mention.

- Collaboration continues between the WORKFORCE West Virginia division and the seven local workforce boards. In addition to ongoing monitoring and technical assistance matters, state personnel and local boards have continued to collaborate in areas such as: continued monthly meetings between local directors and WORKFORCE West Virginia staff, working to blend and leverage funds (where possible) from sources such as the federal Workforce Investment Act and state-funded programs such as the Governor's Guaranteed Workforce Program, and promoting and executing a series of local events designed to inform veterans of the opportunities available to them within the WORKFORCE West Virginia Centers.
- The West Virginia Workforce Investment Council continued to work with state and local partners in fulfilling its role in shaping workforce development matters in the state. The Council, with staff support from WORKFORCE West Virginia personnel, continued to meet at least quarterly throughout the program year, with committees often convening to perform assigned tasks between Council meetings. The continued assistance of the Council has resulted in achievements such as the ongoing evaluation of policy matters, the creation and distribution of information such as the "State of the One-Stops" report, and the design of the state's new five-year plan for workforce investment that has been approved by the United States Department of Labor.
- The West Virginia Legislature has continued to work closely with the WORKFORCE West Virginia system during the previous program year. Through an oversight commission comprised of members from both the Senate and House of Delegates, legislators continue to receive updates and information from various partners within the WORKFORCE West Virginia system. They have also continued to receive and evaluate reports such as the "State of the One-Stops" report and an annual compilation of funds available and expended in the state on workforce investment activities. This so-called "Funding Stream Report" is compiled by WORKFORCE West Virginia staff in conjunction with input from partner agencies in order to examine the funding and outcomes associated with workforce investment across West Virginia.
- Partnering and collaboration also take the form of continual technical assistance and training for those involved in the WORKFORCE West Virginia system. In addition to technical assistance provided on a daily basis, WORKFORCE West Virginia was also pleased to continue its tradition of hosting the annual WORKFORCE West Virginia Conference in July 2005. This event continues to serve as both a capstone to the previous program year and a way to energize everyone for the year ahead. Over 300 individuals were able to attend this year's conference and take away valuable information to assist them in the upcoming program year.

Performance and Cost Relative to Effort Analysis

In October, 2004, WORKFORCE West Virginia was able to report that it had met or exceeded all 17 Workforce Investment Act performance standards for Program Year 2003. Fortunately, West Virginia is pleased to report that it has also met or exceeded its negotiated performance standards for Program Year 2004. Our local workforce boards are also making significant progress in meeting or exceeding their negotiated performance goals. However, certain issues of concern remain. West Virginia continues to see the loss of

jobs in what have traditionally been higher paying sectors of its economy, including steel and chemical production. Thus, WORKFORCE West Virginia staff will continue to closely monitor issues of performance and service delivery throughout Program Year 2005.

General Analysis of Numbers Served and Cost Per Served

For Program Year 2004, the total number of Workforce Investment Act participants served was 10,710. The total of WIA funds expended was \$19,071,794. This yields an average cost per participant of \$1,780.75. Following is pertinent data by funding stream.

Adults*

Number Served	3,591
Number Received ITA	523
Number Received Customized Training	50
Number Received Intensive Services	1,212
Number Received Core Services	1,963
Number Received OJT	205

Dislocated Workers*

Number Served	3,697
Number Received ITA	976
Number Received Customized Training	94
Number Received Intensive Services	1,348
Number Received Core Services	1,907
Number Received OJT	84

Older and Younger Youth*

Number Served	3,422
Received Educational Services	579
Received Employment Services	1,773
Received Occupational Skills Training	828
Received Summer Employment	519

Additional Analysis for Adults and Dislocated Workers

WORKFORCE West Virginia performance staff continually monitors for issues and opportunities related to improving performance within the workforce system. For participants served under WIA adult and dislocated worker programs, analysis is ongoing to determine the benefits associated with particular types of services. One analytical tool employed is a comparison of the benefits for those receiving training services versus those receiving only core and intensive services. Using the standard WIA performance measures for adults and dislocated workers as a means of analysis, a significant increase is noted in the outcomes for those receiving training services.

Measure	Received Training Services	Received Only Core and Intensive Services
Adult Entered Employment	89.76%	75.09%
Adult Employment Retention	89.11%	87.11%
Adult Earnings Change	\$4,792	\$3,127
Dislocated Entered Employment	94.69%	88.08%
Dislocated Employment Retention	94.54%	91.79%
Dislocated Earnings Replacement	116.89%	112.68%

The preceding table clearly indicates the increased benefits derived from training services. This may well be reflective of the fact that many West Virginians receiving workforce services often face the task of transitioning from more traditional employment in manufacturing and related industries to “new economy” opportunities in service, healthcare and other market segments that require very different skill sets. These individuals almost certainly benefit from training opportunities. Certainly, the need for training services is reflected in the high percentage of individuals participating in WIA programs who receive training. For Program Year 2004, 81.8% of exiters received training services.

Further examination of the training opportunities provided indicates the segments of the economy where adult and dislocated worker program participants are pursuing employment. Among the highest-ranking fields in terms of Individual Training Accounts provided are: truck driving, Licenced Practical Nurse, Medical Assistant, Registered Nurse, and Information Technology Technician. This certainly reflects a shift toward healthcare and other careers that a more a part of the “new economy”.

Additional Analysis for Youth

Regarding service to youth (including both older and younger youth), analysis has focused on analyzing the services provided to youth participants and comparing the frequency of use of particular service categories to the benefit of such services. For exiters in program Year 2004, the most frequently used services are as follows:

Leadership Development	3,691
Comprehensive Guidance and Counseling	3,660
Tutoring	3,240
Summer Employment	2,758
Adult Mentoring	2,643
Follow-up/Placement Services	2,565

A general trend analysis reveals that the most frequently utilized service categories generally have a positive correlation to the services that have the most impact on participant success and WIA performance under the youth measures. In particular,

services such as Summer Employment and Follow-up/Placement Services are shown to greatly impact success. Additional analysis will continue in the upcoming program year to further enhance the use of service categories versus performance impact as a means of ongoing program analysis.

Ongoing State Evaluation of Workforce Investment Activities

As the preceding sections show, WORKFORCE West Virginia personnel continue to maintain an ongoing process for evaluating workforce investment activities. For example, there is an ongoing use of performance data to analyze and evaluate current and projected performance. This allows state and local staff to not only evaluate the impact of services on participants (such as the above information regarding the impact of training services on outcomes), but also allows for an evaluation of progress toward meeting negotiated performance goals. WORKFORCE West Virginia technical and performance staff provide continual feedback regarding performance to local workforce personnel to allow local personnel the ability to focus on any performance issues within a particular region, from performance issues for entire population segments to performance issues for individual participants. The outcome of this effort is, ultimately, both enhanced service to participants and enhanced performance reporting for the WIA program.

Ongoing analysis also includes issues aside from performance. For example, the previously cited “State of the one-Stops” report is used annually as a means to evaluate the current status and future needs for the WORKFORCE West Virginia Centers that are the focal point of service delivery. Using a combination of statistical, financial, and programmatic information compiled from across the state, this report evaluates both positive achievements of the WORKFORCE West Virginia Centers and opportunities for improvement within the system. This annual report delivers a unique picture of the current status of One-Stop operations and also helps to set the stage for actions aimed at continuous system improvement.

Another ongoing evaluation tool is the annual “Funding Stream Report”. This report compiles data from various state agencies to provide a picture of the funding expended on public workforce investment activities across the state, including both state and federal funds, and captures the outcomes associated with these expenditures. This report provides a snapshot of the array of funding available for workforce-related matters, including everything from WIA funds to funds appropriated for education in the state.

Service Divisions

Research, Information and Analysis

The Research, Information and Analysis Division has many types of customers throughout the private and public sectors. Perhaps no fact is more telling of this than a look at the number of hits the division's dual web sites received in 2004. During that year, West Virginia's population average was 1.8 million, there were 788,000 people in the state's civilian labor force, 46,000+ employers did business in the state—and there were 1.3 million hits on the division's sites. Through its regular web site and the new Virtual Labor Market Information (LMI) web site, the division provides the latest and most comprehensive information available to anyone needing specific insights into the state's economy and its labor market, from the county to statewide level.

This year, the division assisted in the agency's Personal Reemployment Account project by compiling thorough employment guidance material for each applicant in the project. The division continued to excel in meeting federal program standards in its Bureau of Labor Statistics federal/state cooperative statistical programs and in its core products for labor market information program through the U. S. Department of Labor's Employment and Training Administration.

Fiscal and Administrative Management

WORKFORCE West Virginia has been implementing an advanced automation program to provide more efficient handling of mail production and to lower postage costs. This approach uses advanced Pitney Bowes StreamWeaver Print Enhancement Software and advanced Series 8 Inserter to enable the Division to convert print-for-mail jobs to a more efficient and cost saving process.

The converted jobs provide increasing levels of significant postal savings. The basis for the system is bar-coding and tracking each piece of paper as it goes through the production and mailing processes. Specific areas of realized savings include;

- 1) A reduction in the number of pre-printed windowed envelopes that have to be purchased, since the system prints the address and return address on a standard envelope,
- 2) A virtual elimination of mismarked and returned mail, and
- 3) Combined print-jobs - when multiple documents are going to the same address, they are combined and mailed in the same envelope instead of being mailed separately.

Currently four Employer and seven Claimant mail merged print-jobs are in production, with several more in the development pipeline. An additional thirteen single-run print jobs are in Streamweaver production and using the 'multiple-stuff' capability. We've also developed the capability for 'custom mass mailings' and have produced several.

In addition to continued print-job conversions for increased savings and efficiencies, there are additional capabilities for the system are in design and development that should provide further benefits. These include;

- 1) Integrating mail accounting functions in order to track postal costs. This will allow the identification of further savings opportunities, and enable the proper charge back of costs at the individual document level.
- 2) Implementing additional technologies including address cleansing and postal pre-sort.
- 3) Identification and implementation of advanced mail processing procedures that can be applied division-wide; Training geared specifically to Mail Operations Management is in the pipe for project personnel.

Human Resources

The Human Resources Unit maintains the workflow process for WORKFORCE West Virginia's 407 authorized full time positions, as well as the additional contract and state temporary positions in 6 Divisions. The Human Resources handled the processes for transferring 31 employees from the Workforce Investment Office.

The Human Resource Unit is responsible for compliance, implementation, and interpretation of policy as directed by the State Division of Personnel Administrative Rule and clarified by the Bureau's Administrative Directives on-line. The Human Resources staff provides technical assistance and composition of correspondence related to the Bureau's disciplinary actions, dismissals, leave issues and other human resources related issues. Research and responses related to legal interrogatories, civil litigation, FOIA, and the grievance process are also provided as well as the training functions.

The Personnel Administrator continues to be the Commissioner's designee in the third and fourth levels of the state employee grievance procedure. This activity entails working closely with assigned attorneys as well as the state attorney general's office. He also serves as advisor to the agency representative and attends these hearings in various offices around the state.

Legal Services

The general function of the FAM Legal Section is to provide legal services to the Bureau of Employment Programs

Collection of Overdue Unemployment Compensation Tax Accounts

The majority of the time spent by the staff of the Legal Section is on collection of delinquent unemployment compensation tax accounts. The activities include actions to insure that:

- Notices of Tax Liens are filed in appropriate county clerks' offices;
- Civil actions/executions/levies/suggestee executions for collection are filed in the circuit courts;
- Payments on accounts are received, properly credited and documented;
- Release of liens and partial releases are prepared;

- Respond to all bankruptcy filings pertaining to the Agency;
- File injunction proceedings against delinquent employer accounts when requested;
- Negotiation of payment arrangements with delinquent employers;
- Representation of the Bureau before Courts; and
- Daily contact with delinquent employers and their representatives.

Represent Commissioner in Unemployment Compensation Appeals

The Legal Section represents the commissioner before the Unemployment Compensation Board of Review on appeals of decisions concerning unemployment compensation benefits. Representation may also be provided in Circuit Court and the Supreme Court of Appeals. This activity involves legal research, drafting briefs and oral presentations before the board and Courts, as required. The section also certifies decisions of Circuit Court and Supreme Court, relating to unemployment compensation to the U. S. Department of Labor, Regional Office of Employment and Training Administration.

Serve as Special Deputy to Hear and Decide Chargeability Issues Under Regulation 17

Acting as a Special Deputy for the Commissioner for the purpose of conducting hearings to determine the chargeability of unemployment compensation benefits against employers' unemployment compensation tax accounts, the rate of the tax, scheduling and conducting hearings, legal research on issues raised, prepare and issue decisions thereon. The section also represents the Bureau before the UC Board of Review, Circuit Court and the Supreme Court if decisions are appealed.

General Legal Services

- Routine legal advice on various topics of concern to the Bureau pertaining to legal issues and advice;
- Review agency contracts and other documents prior to final agency approval;
- Respond to inquiries from managers for 21 UC Claims field offices and 21 Job Service field offices;
- Respond to general inquiries from the public directed to the Bureau;
- Respond to civil and criminal subpoenas and Freedom of Information Act (FOIA) requests;
- Provide legal representation as requested in grievances.

Legislative Activities

The Legal Section drafts legislation, monitors legislation and obtains and distributes legislative materials to appropriate division directors.

Unemployment Compensation Board of Review

The Board of Review adjudicates Unemployment Compensation matters with a process that includes development of an evidentiary record and rendering decisions on appeal. At the lower authority level, administrative law judges conduct hearings throughout the state. The mission of the three-member board is to carry out its duty to determine entitlement to benefits for eligible, qualified unemployed workers in a courteous, consumer-friendly manner, and to meet federal productivity and quality standards. The board meets twice monthly to review appeals and render decisions. Decisions rendered by the Board of Review may be further appealed to Kanawha County Circuit Court.

One of the board's key achievements is the outstanding quality evaluation scores for judge's hearings and decisions. The board provides fundamental customer service in the area of fair hearings and legally sound decisions. Each quarter, 20 cases are randomly selected by the U. S. Department of Labor, reviewed and scored on 31 separate criteria to measure the quality of the lower authority appeals processes. Evaluations are done to ensure a high quality appellate process that is fair and provides procedural due process of law to all interested parties, and is sound, practical and cost effective. The scores remain excellent placing West Virginia's state performance ranking at the top of the nation. West Virginia is one of 14 states demonstrating 100% compliance with the federal criteria of lower authority appeal quality.

The Board of Review received over 4,800 lower authority appeals of unemployment compensation cases over the last year. The state performance ranking concerning timeliness remains outstanding. The Board consistently exceeds the federal criteria concerning timeliness by issuing an administrative law judge decision within 30 days of the appeal in over 75% of the cases. Nearly 95% of the decisions are issued within 45 days from the appeal of the deputy's decision.

In addition to a timely decision, customers can expect a full and fair hearing and well-reasoned decision from the board's judges. West Virginia continues to demonstrate outstanding performance measurements according to the federal quality standards for lower authority appeals, hearings and decisions. Each calendar quarter cases are randomly selected to be evaluated by the quality criteria promulgated by the U. S. Department of Labor. Our scores for the last half of 2004, and the first half of 2005 were an average of 97%, which exceeds the federal minimum of 85%.

Our three member board received over 800 higher authority appeals over the last year. The board exceeds federal standards for appeal completion by issuing a decision within 45 days of the appeal in over 85% of the cases. Over 95% of the decisions are rendered with 75 days from the appeal of the administrative law judge's decision.

The board is continuing a major technology initiative to enhance the automated case management system. The case management system has been 95% completed in the past

year. Not only does the board print all notices of hearing through the mainframe for automated processing through the mailroom, but now are able to print lower and higher authority decisions in the same manner. Staff are able to do remand orders and have the cases automatically going into the database for rescheduling. This has greatly improved time management and has enabled the staff to have a better overall work performance.

The board will continue to automation updates of the system with the goal of processing appeals more timely. The labor dispute section of the database will be completed in the coming year. Staff will also be working on the ability to generate reports from the database, such as the number of cases received; the number of cases closing within the 30- and 45-day time lapse and; number of cases going to the higher authority. The use of technology for statistical case tracking is much more reliable and efficient for our Staff. Finally, the board intends to explore the feasibility of the digital recording of hearings. It is anticipated that digital recording of hearings and dictation will improve the turnaround time of decisions by one to two workdays. The electronic transmittal of hearing testimony and decision dictation will greatly eliminate the time loss associated with manual mailings.

UC Trust Fund Receipts And Disbursements

July 1, 2003 – June 30, 2004

Balance June 30, 2004		\$218,919,453.49
 ADD RECEIPTS:		
Contributions	\$133,964,094.48	
Penalty/Interest	\$335,859.94	
U.S. Treasury Interest Credits	\$10,932,452.88	
Title IX Funds – (Reed Act)	\$423,277.97	
Intra-Account Transfer	\$266,381,264.56	
From Other States-Interstate Benefits	\$5,724,883.73	
FECA Advances/Reimbursements – UCX	\$4,885,105.92	
Local Government & Other Political Subdivisions	\$2,574,572.79	
State Government including State Hospitals and State Institutions of Higher Education	\$479,425.64	
Nonprofit organization reimbursements	\$2,423,044.66	
Federal Share Extended Benefit Receipts	\$0.00	
Federal Emergency Compensation Receipts	\$0.00	
FECA Advances/Reimbursements-UCFE	\$910,000.00	
Revenue Bonds Receipts (Net)	\$16,207.67	
Reduced Tax Credits & EUC CWC	\$0.00	
		\$429,050,180.24
 LESS DISBURSEMENTS:		
Regular UC Benefits Paid	\$123,269,815.60	
Local Government & Other Political Subdivisions	\$1,855,240.12	
State Government including State Hospitals and State Institutions of Higher Education	\$1,409,097.94	
Nonprofit organization payments	\$2,383,326.34	
FECA Net Benefit Payments-UCX	\$5,196,263.16	
Net Federal Benefits – Regular	\$0.00	
Net Federal Benefits - Extended	\$0.00	
Federal Emergency Compensation	(\$71,546.80)	
To Other States – Interstate Benefits (CWC)	\$12,789,320.36	
Title IX Funds – Withdrawn (Reed Act)	\$660,000.00	
To Special Funds (Penalty and Interest)	\$335,859.94	
FECA Net Benefit Payments-UCFE	\$967,517.35	
Intra-Account Transfer	\$266,381,264.56	
Other	\$(417,303.93)	
		\$414,758,854.64
 Balance June 30, 2005		 \$233,210,779.09

**CALENDAR YEAR 2004
WAGES PAID IN UC-COVERED EMPLOYMENT BY INDUSTRY**

<u>INDUSTRY</u>	<u>TOTAL WAGES PAID</u>
Agriculture, Forestry, Fishing, and Hunting	\$46,467,027.21
Mining	\$1,241,440,505.37
Utilities	\$388,397,248.15
Construction	\$1,120,554,845.17
Manufacturing	\$2,729,539,433.43
Wholesale Trade	\$937,319,212.41
Retail Trade	\$1,800,664,391.84
Transportation and Warehousing	\$551,545,463.87
Information	\$447,487,552.56
Finance and Insurance	\$728,574,756.14
Real Estate, Rental, and Leasing	\$173,910,642.90
Professional, Scientific and Technical Services	\$891,772,972.21
Management of Companies and Enterprises	\$43,196,951.65
Administrative, Support, Waste Management & Remediation Services	\$630,532,357.86
Educational Services	\$117,395,094.36
Health Care and Social Assistance	\$3,112,566,136.31
Arts, Entertainment, and Recreation	\$172,215,781.17
Accommodation and Food Services	\$680,018,876.60
Other Services (Except Public Administration)	\$456,424,824.67
Public Administration	\$3,418,348,452.10
Other*	\$30,037,642.29
TOTAL	\$19,718,410,168.27

**Includes wages of workers "unclassified by industry"*

Summary Of Benefits Paid By County

Calendar Year 2004

UC Benefits	Regular and Temporary Emergency Benefits	Federal and Military Assistance	Trade Readjustment Assistance	Disaster Unemployment Paid	Total Benefits
Barbour	\$1,491,199	\$45,673	\$15,106		\$1,551,978
Berkeley	\$3,691,897	\$233,750	\$126,220		\$4,051,867
Boone	\$1,249,531	\$59,063			\$1,308,594
Braxton	\$1,450,578	\$98,454	\$1,664		\$1,550,696
Brooke	\$2,784,032	\$27,635	\$326,421	\$5,548	\$3,143,636
Cabell	\$5,563,401	\$206,029	\$86,010	\$2,989	\$5,858,429
Calhoun	\$1,163,869	\$17,766	\$319,082		\$1,500,717
Clay	\$1,015,140	\$40,337			\$1,055,477
Doddridge	\$383,227	\$7,790	\$6,531		\$397,548
Fayette	\$3,653,737	\$144,129	\$047,921		\$3,845,787
Gilmer	\$392,028	\$30,671	\$50,766		\$473,465
Grant	\$1,138,707	\$2,411			\$1,141,118
Greenbrier	\$3,810,821	\$134,123	\$6,592	\$880	\$3,952,416
Hampshire	\$617,346	\$15,312			\$632,559
Hancock	\$4,382,582	\$80,670	\$607,668	\$953	\$5,071,873
Hardy	\$775,201	\$15,615			\$790,816
Harrison	\$5,856,108	\$125,315	\$67,902		\$6,049,325
Jackson	\$2,547,891	\$42,142	\$403,611	\$220	\$2,993,864
Jefferson	\$1,313,336	\$97,185			\$1,410,521
Kanawha	\$17,065,149	\$424,043	\$185,195	\$2,394	\$17,676,781
Lewis	\$1,331,127	\$38,585	\$314,633		\$1,684,345
Lincoln	\$1,656,922	\$43,530	\$5,755		\$1,706,207
Logan	\$1,747,558	\$55,428	\$1,584	\$1,071	\$1,805,641
Mcdowell	\$1,540,682	\$26,705			\$1,567,387
Marion	\$3,859,649	\$190,295	\$9,855		\$4,059,799
Marshall	\$2,023,597	\$47,440	\$1,074		\$2,2,072,111
Mason	\$2,324,406	\$59,111	\$137,991		\$2,521,508
Mercer	\$3,998,150	176,785	\$435,651	\$1,834	\$4,612,420
Mineral	\$1,285,049	\$34,821			\$1,319,870
Mingo	\$1,204,317	\$15,356		\$9,586	\$1,229,259
Monongalia	\$3,439,135	\$262,962	\$1,400		\$3,703,497

Monroe	\$726,697	\$43,735	\$702		\$771,134
Morgan	\$385,953	\$26,057			\$412,010
Nicholas	\$1,733,703	\$97,490		\$24	\$1,831,217
Ohio	\$2,258,625	\$62,914	\$7,328	\$14,687	\$2,343,554
Pendleton	\$361,446	\$6,249			\$367,695
Pleasants	\$653,053	\$20,697	\$5,232		\$678,982
Pocahontas	\$816,441	\$18,341			\$834,782
Preston	\$2,156,707	\$54,620	\$43,577		\$2,254,904
Putnam	\$5,240,492	\$124,570	\$91,697		\$5,456,759
Raleigh	\$4,977,561	\$154,342	\$54,007		\$5,185,910
Randolph	\$2,464,178	\$36,350			\$2,500,528
Ritchie	\$961,566	\$35,844	\$4,016		\$1,001,426
Roane	\$1,842,836	\$48,790	\$130,504		\$2,022,130
Summers	\$971,246	\$38,338			\$1,009,584
Taylor	\$1,068,561	\$55,307	\$19,502		\$1,143,370
Tucker	\$809,697	\$10,671			\$820,368
Tyler	\$759,039	\$31,746			\$790,785
Upshur	\$2,029,767	\$94,450	\$71,568		\$2,195,785
Wayne	\$2,264,166	\$58,808	30,907		\$2,353,881
Webster	\$501,299	\$15,164			\$516,463
Wetzel	\$1,429,188	\$38,410	\$716	\$3,312	\$1,471,626
Wirt	\$660,622	\$17,360	\$174,110		\$852,092
Wood	\$7,459,240	\$233,442	\$368,058		\$8,060,740
Wyoming	\$1,614,939	\$66,618	\$6,290	\$965	\$1,688,812
Out of State and/ or unidentified by County	\$17,558,950	\$378,392	\$973,389	\$4,717	\$18,915,448
Grand Totals	\$146,462,344	\$4,567,737	\$5,140,235	\$49,180	\$156,219,496