

**Joint Legislative Committee on Performance
Evaluation and Expenditure Review (PEER)**

Report to
the Mississippi Legislature



A Limited Management Review of the Department of Employment Security and the Administration of the Workforce Investment Act

Mississippi's workforce investment system is a collaborative effort of key players at the state and local levels. The Department of Employment Security (MDES), designated by the Governor as the state Workforce Investment Act Administrator, receives federal funds from the U. S. Department of Labor and allocates them to the state's workforce areas in accordance with a federally approved formula. MDES also monitors the performance of workforce areas and submits progress reports to the Department of Labor.

In response to federal legislation in 1998, Mississippi consolidated its employment service programs into a one-stop delivery system. In 2004, state legislation dissolved the Mississippi Employment Security Commission and re-formed it as the Mississippi Department of Employment Security. The role of MDES is to serve as the interface for employers, jobseekers, and workforce development partners.

Available data shows that the state's workforce investment system has become more efficient since 2001, serving significantly more participants with fewer employees. These efficiency gains are partially attributable to improved customer service and public access through implementation of one-stop service sites and online service delivery systems. Regarding effectiveness, while the state's workforce investment system has met most federal performance standards since 2001, the state has experienced a decline in the rate of participants entering employment (probably due to the significant increase in the number of participants served) and a slight decline in the retention rate for those participants entering employment.

While the service delivery structure for filing unemployment insurance claims has shifted from "in person" at the WIN Job Centers to a more automated process at the MDES Call Centers, PEER could not determine that this shift in service delivery has had a negative impact on customer service or public access to the unemployment insurance program.

PEER recommends that MDES strengthen internal strategic planning, provide increased quality control of data validation at the WIN Job Centers, and provide more comprehensive performance reporting in regard to efficiency and effectiveness measures.

PEER: The Mississippi Legislature's Oversight Agency

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U. S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

Mississippi's constitution gives the Legislature broad power to conduct examinations and investigations. PEER is authorized by law to review any public entity, including contractors supported in whole or in part by public funds, and to address any issues that may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, special investigations, briefings to individual legislators, testimony, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, and the agency examined.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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December 8, 2009

Honorable Haley Barbour, Governor
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Honorable Billy McCoy, Speaker of the House
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On December 8, 2009, the PEER Committee authorized release of the report entitled **A Limited Management Review of the Department of Employment Security and the Administration of the Workforce Investment Act.**

A handwritten signature in cursive script that reads "Harvey Moss". The signature is written in black ink and is positioned above a horizontal line.

Representative Harvey Moss, Chair

This report does not recommend increased funding or additional staff.

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A Limited Management Review of the Department of Employment Security and the Administration of the Workforce Investment Act

Executive Summary

Introduction

In this review, PEER identified and described the changes that have occurred in both the structure and powers within the state's workforce investment system since 2000. PEER reviewed the performance measures for both the efficiency and effectiveness of the Workforce Investment Act Program from 2000 forward, as well as the accountability of the Mississippi Department of Employment Security's administration of the program at the state level. PEER also performed a limited review of recent organizational changes within the Mississippi Department of Employment Security (MDES) and to what extent MDES has addressed public access.

In performing this review, PEER sought to answer the following questions:

- What are the key players in the state's workforce investment system and what role does MDES play?
- What factors precipitated the changes in the state's workforce investment system?
- After passage of the 1998 and 2004 workforce legislation, what changes occurred in the state's workforce investment system and in the MDES organization?
- How has the performance of the state's workforce investment system changed since 2001?
- How has the performance of the state's unemployment insurance program changed since 2000?
- What improvements could be made within the state's workforce investment system?

The following section provides answers to these questions.

Conclusions

What are the key players in the state's workforce investment system and what role does MDES play?

Mississippi's workforce investment system is a collaborative effort of key players at the state and local levels.

- The State Workforce Investment Board was created as a key component of the federal Workforce Investment Act (WIA) of 1998. The primary function of the State Workforce Investment Board is to assist the Governor in meeting federally mandated responsibilities under the WIA and to ensure that the vision for an effective state workforce development system is realized.
- The Department of Employment Security has been designated by the Governor as the state Workforce Investment Act Administrator. Thus MDES receives federal funds from the U. S. Department of Labor and allocates the funds to the state's workforce areas in accordance with a federally approved allocation formula. MDES also monitors the performance of the workforce areas and submits progress reports to the Department of Labor.
- Other than MDES, at least five state agencies, as well as the community colleges and institutions of higher learning, participate in the state's workforce investment system. Multiple local and community partners are also involved in the system.

What factors precipitated the changes in the state's workforce investment system?

The WIA of 1998 established the framework for the current workforce investment system in Mississippi with the consolidation, coordination, and improvement of employment and training programs through a one-stop delivery system, known as the Workforce Investment Network (WIN), with access points called WIN Job Centers. This act established requirements for state and local workforce boards, core and intensive services to be provided, and a performance accountability system for WIA programs.

The Mississippi Comprehensive Workforce Training and Education Act of 2004 replaced the Mississippi Employment Security Commission (MESCC) with the Mississippi Department of Employment Security and consolidated six local workforce areas into four.

After passage of the 1998 and 2004 workforce legislation, what changes occurred in the state's workforce investment system and in the MDES organization?

The federal WIA of 1998 shifted the major responsibility for resource allocation and programmatic decisions from the state level to the local level and combined the programs and services of Employment Services and Unemployment Insurance. In 2005, in addition to the shift from MESC to MDES, state legislation shifted administration of the Workforce Investment Act to MDES, consolidated the State Workforce Investment Act Board with the State Workforce Development Council, and modified the amount of unemployment insurance taxes collected from employers to establish a stable funding source for employment and educational training purposes.

MDES now serves as the interface for employers, job seekers, and workforce development partners at the local level through the service delivery network of WIN Job Centers. MDES is also the lead support agency for the administration of the State Workforce Investment Board's functions. The local workforce areas have the ultimate authority in the physical location of the WIN Job Centers. The local workforce areas also have the responsibility to select the one-stop operators; in most cases, the one-stop operator selected is MDES.

Regarding specific agency organizational changes that occurred after the change in 2005 from MESC to MDES, MESC created a new layer of upper-level management. Then in 2008, MDES consolidated from three deputy directors to two deputy directors and added a second Call Center.

How has the performance of the state's Workforce Investment System changed since 2001?

The efficiency of the state's workforce investment system has increased since 2001 as measured by a decline in the number of employees providing services to a significantly increasing number of participants through the state's workforce investment system and a significant decrease in the cost per participant served.

Also, since program year 2001, Mississippi has annually met all performance standards set by the Department of Labor for the common measures that the department uses to assess the adequacy of a state's implementation of the Workforce Investment Act, with only two exceptions. However, the state's performance relative to one important measure, the "entered employment rate" for participants in the state's workforce investment system, has generally declined since 2001, despite a continual increase in the number of participants who have obtained a job during this same time frame. This decline may be attributable to

the increasing number of participants served through the system.

While Mississippi's workforce investment system experienced a net loss of twenty-one service delivery sites from 2000 through 2008, the number of participants served by the system increased by 1,468% during the same period, due in large part to implementation of one-stop service delivery sites combined with the increased use of online service delivery systems. "Mystery shoppers" hired by MDES to review the customer service experience at the state's WIN Job Centers reported generally high levels of satisfaction, with some complaints regarding difficulty in finding the centers.

How has the performance of the state's unemployment insurance program changed since 2000?

The shift from filing unemployment insurance claims at local offices to telephone and online programs began under the MESC and became fully implemented after the commission was dissolved and re-formed as the MDES.

Hurricane Katrina hastened the shift from filing claims at local offices to the current system of the MDES Call Centers. In April 2007 MDES opened the first Call Center in Canton to handle unemployment insurance claims and provide support services for WIA programs. While the MDES Call Centers became the sole means to file unemployment insurance claims in July 2009, PEER noted no negative impact on the public access or customer service.

What improvements could be made within the state's workforce investment system?

While MDES continues to be in compliance with federal regulations and guidelines, MDES should strengthen its internal strategic planning, provide increased quality control of the data validation process at the WIN Job Centers, and provide more comprehensive performance reporting in regard to efficiency and effectiveness measures.

Recommendations

1. Since MDES is the state WIA administrator, the agency should establish a state WIA policy requiring that a comprehensive needs assessment be performed by either MDES or the local workforce investment area, depending on the type of location and entity responsible for the placement of such location, in regard to the openings and closures of any public

access service points. This needs assessment should be objective and clearly define the criteria utilized to ensure that maximum service coverage is achieved or maintained and that resources are used efficiently.

2. Despite the fact that the WIA measure for customer satisfaction is no longer required to be reported to DOL, MDES should continue to utilize the mystery shop process to measure the quality of services provided through the WIN Job Centers. In addition, MDES should maintain historical data regarding the results of these mystery shops and ensure that the information is utilized in the strategic planning process to identify areas of improvement and potential best practices.
3. MDES should evaluate its marketing strategies any time a partnership is formed with the potential to be utilized as a venue for the advertising of MDES programs and services in order to determine which methods prove to be the most effective in increasing employment opportunities or performance.
4. Since MDES manages the WIA Eligible Training Provider List through an online system, it should track and periodically review which of these training providers are used more frequently than others and review reported performance levels of these training providers to identify best practices.
5. MDES should consider adding the verification of eligible training provider choice to its annual data validation process for WIA participant files where applicable. Another option would be for the MDES to develop a survey instrument for the follow-up of any WIA participant who receives training from an eligible training provider to verify whether the provider was the participant's first choice.
6. MDES should provide the source data used to calculate the efficiency measures in its WIA annual report narrative. Including this information would be more consistent with the reporting of the WIA effectiveness measures and provide for a clearer understanding of how and where the efficiency measure was calculated when reviewed by an outside party, such as DOL or the Legislature. MDES should also include in its narrative report the number of unemployed individuals who are served as a percentage of the total unemployed population at the state and local workforce area levels.
7. MDES should ensure that when the WINGS participant data collection and reporting system is fully operational, that it will have the capacity to report on the performance measures for efficiency and effectiveness for each individual WIN Job Center. In addition, once this is achieved, MDES should evaluate

and compare the performance of the WIN Job Centers operated by MDES and those operated by the community colleges.

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A Limited Management Review of the Department of Employment Security and the Administration of the Workforce Investment Act

Introduction

Authority

In response to a legislative inquiry, the PEER Committee reviewed the Department of Employment Security. PEER conducted the review pursuant to the authority granted by MISS. CODE ANN. Section 5-3-57 et seq. (1972).

Scope and Purpose

The original purpose of this review was to conduct a management review of the Department of Employment Security (MDES) and whether its responsibilities for administering programs and services within the state's workforce investment system have been performed more efficiently and effectively than when the agency was organized under the Mississippi Employment Security Commission (MESC). In addition, the requestor asked PEER to inquire how the change in the agency's organization has impacted public access to the service delivery structure regarding unemployment insurance claims.

However, PEER concluded that the original purposes of this review could not be completed because there were multiple key factors and changes within the state's workforce investment system that could not be solely attributed to MDES. As noted on page 10, there were multiple changes to the state's workforce investment system as a result of both federal and state legislation, with the actual change in organization from the MESC to the MDES being only one component of state legislation. Also, as noted on page 5, there are multiple key players within the workforce investment system at the federal, state, and local levels that are responsible for various elements and decisions within the system. Regarding specific agency organizational changes that occurred upon the change from the MESC to the MDES, there was a lack of some of the information from that time frame with which

to discern whether the current structure works more or less effectively than the MESC structure. Finally, the lack of some of the information from the time of MESC operations also impeded answering the question on public access to unemployment insurance claims. As noted on page 10, the prior system of providing employment services and filing unemployment claims through separate field offices began merging into the WIN Job Centers under the administration by MESC.

Therefore, PEER modified the scope and purpose of this review to identify and describe the changes that have occurred in both the structure and powers within the state's workforce investment system since 2000. PEER also reviewed the performance measures for both the efficiency and effectiveness of the Workforce Investment Act Program from 2000 forward, as well as the accountability of MDES's administration of the program at the state level. PEER also performed a limited review of the subsequent organizational changes within MDES and to what extent MDES has addressed public access through organization of its resources.

In performing this review, PEER sought to answer the following questions:

- What are the key players in the state's workforce investment system and what role does MDES play?
- What factors precipitated the changes in the state's workforce investment system?
- After passage of the 1998 and 2004 workforce legislation, what changes occurred in the state's workforce investment system and in the MDES organization?
- How has the performance of the state's workforce investment system changed since 2000?
- How has the performance of the state's unemployment insurance program changed since 2000?
- What improvements could be made within the state's workforce investment system?

Scope Limitation

Although PEER acknowledges the critical importance of the unemployment insurance program in Mississippi, PEER did not conduct an accountability review of that program as administered by MDES and defers to federal reporting and oversight through the U. S. Department of Labor (DOL).

PEER limited its review to assess whether MDES has been accountable in administering the federal Workforce Investment Act of 1998 and whether MDES has efficiently

and effectively organized its resources through the current service delivery structure. In addition, the analysis of performance data for the Workforce Investment Act (WIA) program is limited to the statewide level rather than for each individual workforce area due to two primary factors: the number of local workforce areas in the state shifted from six to four in 2004 (as noted on page 14) and the WIA of 1998 allows for the local workforce boards to determine the programs and policies that are unique to each area.

Method

In conducting this review, PEER:

- reviewed current and previous MDES organizational charts;
- reviewed State Personnel Board reports showing MDES's staffing levels from fiscal years 2000 through 2010;
- reviewed MDES reorganizational requests submitted to and approved by the State Personnel Board;
- reviewed the federal Workforce Investment Act (WIA) of 1998;
- reviewed the WIA Mississippi annual allocations from program years 2000 through 2009;
- reviewed the MDES formula used to allocate federal WIA funds to the four local workforce areas;
- reviewed the WIA annual performance reports submitted to the U. S. Department of Labor by MDES for program years 2000 through 2007;
- reviewed the WIA policies and procedures;
- interviewed MDES's staff at the home office;
- interviewed MDES's WIN Center staff;
- interviewed MDES's Call Center staff;
- interviewed regional U. S. Department of Labor staff;
- reviewed U. S. Department of Labor Training and Employment Guidance Letters;
- reviewed the MDES's budget requests to the Legislature for FY 2000 through FY 2010;
- reviewed the State Workforce Investment Board Strategic Plan for 2007 through 2009;
- reviewed the local strategic plan for each of the four workforce areas for 2007 through 2009;
- reviewed the program year 2008 contracts between MDES and the four local workforce areas;

- reviewed the most recent WIN Center monitoring audit letters performed on MDES by the local workforce areas;
- reviewed the mystery shop reviews for the WIN Centers from 2005, 2007, and 2008; and,
- examined the State Workforce Investment Board minutes for 2006 through July 2009.

What are the key players in the state's workforce investment system and what role does MDES play?

Mississippi's workforce investment system is a collaborative effort of key players at the state and local levels. The Department of Employment Security has been designated by the Governor as the state Workforce Investment Act Administrator. Thus MDES receives federal funds from the U. S. Department of Labor and allocates the funds to the state's workforce areas in accordance with a federally approved allocation formula. MDES also monitors the performance of the workforce areas and submits progress reports to the Department of Labor.

The federal Workforce Investment Act of 1998 established the framework for the Workforce Investment Network (WIN) in Mississippi, which is the formal structure of the state's workforce investment system. (See page 10 for a discussion of the Workforce Investment Act of 1998.) The Workforce Investment Act of 1998 designated the State Workforce Investment Board as the key component of the WIN, which combines federal, state, and community workforce development programs and services and makes them accessible to the state's citizens.

This chapter will address the following questions:

- What is the State Workforce Investment Board?
- What role does MDES have in the State Workforce Investment Board?
- What state agencies and other entities are involved in the state's workforce investment system?
- How is the state's workforce investment system funded?

What is the State Workforce Investment Board?

The State Workforce Investment Board was created as a key component of the federal Workforce Investment Act of 1998. The primary function of the SWIB is to assist the Governor in meeting federally mandated responsibilities under the WIA and to ensure that the vision for an effective state workforce development system is realized.

The State Workforce Investment Board was created as a key component of the federal Workforce Investment Act of 1998 (see discussion on page 10). The act establishes the membership requirements for the SWIB and states that the SWIB must represent diverse regions of the state and that the majority of its members, as well as the SWIB Chair, must be from the business sector.

The current Mississippi SWIB was formed through the Mississippi Comprehensive Workforce Training and Education Act of 2004 (see discussion on page 14). The primary function of the SWIB is to assist the Governor in meeting federally mandated responsibilities under the WIA of 1998, such as the development of a five-year state strategic workforce plan. The SWIB must also ensure that the vision for an effective state workforce development system is realized. For a comprehensive list of the membership requirements and duties, see the discussion of the WIA of 1998 on page 11.

The Mississippi SWIB established its mission, vision, and goals within its Strategic Plan for Workforce Development in Mississippi. According to this plan, the mission of the SWIB is to:

Develop and implement a state strategy to maximize the state's training resources in support of economic development.

As also stated within this plan, the Governor charged the SWIB with the following vision:

- *Centralize and streamline workforce training functions;*
- *Maximize and leverage all workforce training funds;*
- *Raise the skill level of Mississippi workers; and,*
- *Create job opportunities.*

The strategic plan continued to state that another major focus of the SWIB is to work with the MDES in order to increase employment in Mississippi by supporting the creation of new job opportunities through workforce training and working with existing businesses to provide training to their employees in response to changing technologies or processes.

What role does MDES have in the State Workforce Investment Board?

As the WIA Administrator for Mississippi, MDES receives federal funds, allocates them to the state's workforce areas in accordance with a federally approved allocation formula, and monitors and reports on performance.

The Workforce Investment Act of 1998 requires that the Governor of the state designate a state Workforce Investment Act Administrator. In 2005, the Governor designated MDES as the state WIA Administrator. (See page 19 for discussion.) As WIA administrator, MDES receives federal WIA allocations from the U. S. Department of Labor and allocates the funds to the four workforce areas. MDES also monitors the performance of the

workforce areas and submits quarterly and annual progress reports to the DOL.

MDES plays a key role in the administration of multiple federal programs, such as Unemployment Insurance, Wagner-Peyser, and the Workforce Investment Act. MDES's role in the workforce investment system is to serve as the interface for employers, job seekers, and workforce development partners at the local level. In addition, MDES is the lead support agency for the administration of the SWIB's functions and strives to encompass all of the state agency programs that have a workforce focus.

What state agencies and other entities are involved in the state's workforce investment system?

Other than MDES, at least five state agencies, as well as the community colleges and institutions of higher learning, participate in the state's workforce investment system. Multiple local and community partners are also involved in the system.

In addition to the Department of Employment Security, at least five other state agencies provide programs and services related to the state's workforce investment system: the departments of Corrections, Human Services, Rehabilitation Services, Education, and the Mississippi Development Authority, as well as the state's community and junior colleges and institutions of higher learning. Each of these entities has SWIB membership representation. Appendix A, page 65, lists these entities, their respective roles, and summarizes their related programs and services.

In addition to the state agencies that are involved with and have membership representation on the SWIB, numerous other local and community partners are involved in the state's workforce investment system. These partners include, but are not limited to, the following:

- Mississippi Legislature representation;
- Mississippi Association of Planning and Development Districts;
- Mississippi Manufacturers Association;
- Mississippi Association of Supervisors;
- Mississippi Municipal League;
- local elected officials and boards of supervisors;
- local workforce investment boards; and,
- representatives of business owners nominated by business and industry organizations.

How is the state's workforce investment system funded?

The Workforce Investment Act is funded through general federal revenues appropriated by Congress and distributed by the U. S. Department of Labor. MDES receives federal funds from the Department of Labor and allocates the funds to the state's four workforce areas.

The Workforce Investment Act (WIA) is funded through general federal revenues appropriated by Congress and distributed by the U. S. Department of Labor. The Department of Labor's Employment and Training Administration (ETA) utilizes statutory formulas for state allotments based on three major target populations and their respective activities: adult, dislocated worker, and youth. These statutory formulas utilize a "one-third" funding stream based on population in relation to the total funding available to the state. Each of these funding formulas is described in Appendix B, page 68.

Exhibit 1, page 9, shows the total WIA funding allocations by program area for Mississippi for program years 2000 through 2009. As shown in Exhibit 1, the total federal WIA funding varies from program year to program year. Total WIA funding for all programs ranged from \$32 million in program year 2005 to \$68 million in program year 2007. Once the total available WIA funding allocations have been distributed to the states by DOL, the state WIA administrator must then allocate these funds within each program area to the local workforce areas through federally approved funding distribution formulas. (See Appendix C on page 70 for a detailed description of these formulas and the annual amounts distributed to each of the local workforce areas.)

Exhibit 1: Mississippi WIA Funding Allocations by Program Area for Program Years 2000 through 2009

Program Year	Adult Funding	Dislocated Worker Funding	Youth Funding	Total Funding
2009	\$13,528,436	\$13,594,096	\$14,535,436	\$41,657,968
2008	14,486,102	27,431,802	15,536,771	57,454,675
2007	16,145,344	34,195,096	17,570,027	67,910,467
2006	12,419,490	20,237,178	13,515,405	46,172,073
2005	9,965,928	11,210,085	11,016,488	32,192,501
2004	11,101,321	13,723,973	12,349,400	37,174,694
2003	12,333,253	15,052,083	13,711,722	41,097,058
2002	14,484,593	19,710,556	17,273,760	51,468,909
2001	14,744,150	30,701,477	17,333,642	62,779,269
2000	11,341,654	13,390,794	12,562,595	37,295,043

SOURCE: MDES; WIA Funding Allocation Communication Letters from DOL.

What factors precipitated the changes in the state's workforce investment system?

As a result of federal legislation in 1998, Mississippi consolidated its employment service programs into a one-stop delivery system with access points known as WIN Job Centers. In 2004, state legislation further consolidated the state's workforce investment system, dissolving the Mississippi Employment Security Commission and re-forming it as the Mississippi Department of Employment Security.

The federal Workforce Investment Act of 1998 redesigned and became the framework for the state's workforce investment system. The Mississippi Comprehensive Workforce Training And Education Act of 2004 dissolved the MESCC, created the MDES, and modified the Mississippi Workforce Investment System to align with federally established guidelines.

The following discussion describes the changes that occurred as a result of these two key pieces of legislation. This chapter addresses the following questions:

- What was the impact of the Federal Workforce Investment Act of 1998 on the state's workforce investment system?
- What was the impact of the Mississippi Comprehensive Workforce Training and Education Act of 2004 on the state's workforce investment system?

What was the impact of the Federal Workforce Investment Act of 1998 on the state's workforce investment system?

The WIA of 1998 established the framework for the current workforce investment system in Mississippi with the consolidation, coordination, and improvement of employment and training programs through a one-stop delivery system, known as the Workforce Investment Network (WIN). This act established requirements for state and local workforce boards, core and intensive services to be provided, and a performance accountability system for WIA programs.

On August 7, 1998, President Clinton signed into law Public Law 105-220, known as the Workforce Investment Act of 1998 (20 USC 9201). Congress passed the act for purposes of consolidation, coordination, and improvement of employment, training, literacy, and vocational rehabilitation programs.

The act requires establishment of statewide and local workforce investment systems to provide workforce activities:

. . .that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation.

Major Components of the Federal Workforce Investment Act of 1998

The following discussion briefly describes major components of the Workforce Investment Act of 1998.

- *Creation of state workforce investment boards*--As noted previously, the act requires the Governor of each state to establish a State Workforce Investment Board (SWIB). The act further provides that the SWIB must represent diverse regions of the state and that the majority of its members must be from the business sector, including the chair of the board. Responsibilities of the SWIB include assisting the Governor in the development of a five-year state strategic plan for the workforce investment system, development of allocation formulas for distribution of funds to the local area, and preparation of an annual report to the DOL.
- *Creation of local workforce investment boards*--Local workforce investment boards are responsible for setting policy for their local workforce investment area. As with the state board, the majority of members must be from the business sector. The chief elected officials in each local area are responsible for appointing local board members. The Governor is responsible for certifying the local board for each local area in the state. Some of the key responsibilities of the local board include the development of a comprehensive five-year local plan in partnership with chief elected local officials and selection of the local area's one-stop operators.
- *Development of core service requirements for one-stop delivery systems*--The act also established the core services that a state's one-stop delivery system should provide, at a minimum, to adults and dislocated workers (e. g., assessment of skill levels, aptitudes, abilities, and supportive service needs; job search and placement assistance). Further, the act requires the provision of training services in a manner that maximizes consumer choice in the selection of an eligible service provider. In general, training services are provided through the use of individual training accounts provided to eligible individuals through the one-stop delivery system.

- *Development of intensive services requirements*--The act requires that the local area provide intensive services for adult and dislocated workers who are unemployed and unable to obtain employment through the core services and who have been determined by a one-stop operator to be in need of intensive services in order to obtain or retain employment. Intensive services may be provided by the one-stop operators or through contracts with service providers. Intensive services may include services such as development of an individual employment plan. The act also specifies that in the event that funds allocated to the local area for adult employment and training activities are limited, priority shall be given to recipients of public assistance and other low-income individuals.
- *Establishment of a performance accountability system*--The act establishes a comprehensive performance accountability system to assess effectiveness in achieving continuous improvement of workforce investment activities. The act establishes the following core indicators of performance for employment and training activities for participants other than youth ages fourteen through eighteen:
 - entry into unsubsidized employment;
 - retention in unsubsidized employment six months after entry;
 - earnings received in unsubsidized employment six months after entry; and,
 - attainment of a recognized credential relating to achievement of educational skills (e. g., secondary school diploma or its recognized equivalent) or occupational skills.

The act establishes the following core indicators for eligible youth ages fourteen through eighteen:

- attainment of basic skills and, as appropriate, work readiness or occupational skills;
- attainment of secondary school diplomas or their recognized equivalents; and,
- placement and retention in postsecondary education or advanced training or placement and retention in military service, employment, or qualified apprenticeships.

The act also requires the measurement of customer satisfaction, which may be achieved through surveys conducted after the conclusion of participation in workforce investment activities. In setting performance levels, the act directs both the state and local areas to take into account factors affecting performance, including differences in economic conditions,

characteristics of participants when the participants entered the program, and services to be provided.

Federal Updates of the WIA Provided through Training and Employment Guidance Letters

The DOL provides updates on federal requirements of the WIA program through issuance of Training and Employment Guidance Letters (TEGL). The DOL provides this information to MDES on an as-needed basis for all aspects of the federal funding and programs administered by or through MDES. Program and administration areas for which the DOL may provide MDES a TEGL include, but are not limited to, performance measures, funding allocations or funding changes, program policy changes, program regulation changes, and reporting requirements.

For example, in February 2006, DOL provided states with TEGL No. 17-05 for the purpose of providing all states with uniform guidance on the common measures and set forth one set of measures to be used for both common measure reporting purposes and WIA accountability purposes. Three common measures were selected to apply to programs serving adults and dislocated workers and three other common measures were also selected to apply to programs serving youth. A state's usage of the common measures must be approved by DOL and changes the measures that must be reported on from the initial requirements of the WIA of 1998.

Another example occurred when DOL submitted TEGL No. 9-07 to MDES with the purpose of providing all states with guidance on the U. S. Employment and Training Administration's (ETA) revised policy related to incentives and sanctions under the WIA for performance accountability purposes. This TEGL was issued in October 2007 due to the increased number of states reporting on the common measures only instead of the WIA statutory performance measures. (As of December 2008, DOL noted that thirty-one states, including Mississippi, have approved waivers to report only on common measures.) This TEGL stated that beginning with program year 2006, WIA incentive grant eligibility applies when *performance is at or above 90 percent of the negotiated level*. It also stated that sanctions would be applied to *any state that has failed to perform at 80 percent of the negotiated level for a specific performance for a second consecutive year*.

What was the impact of the Mississippi Comprehensive Workforce Training and Education Act of 2004 on the state's workforce investment system?

The Mississippi Comprehensive Workforce Training and Education Act of 2004 replaced MESC with the Mississippi Department of Employment Security and consolidated six local workforce areas into four.

The Mississippi Comprehensive Workforce Training and Education Act of 2004 replaced the Workforce and Education Act of 1994. The current workforce system is a direct result of this act.

Replacement of MESC with MDES

In addition to creating the State Workforce Investment Board (see page 5), the major impact of this legislation was that it reformed Mississippi's workforce system by consolidating employment and training programs into one new executive agency, the Mississippi Department of Employment Security. Under the prior system, the Mississippi Employment Security Commission was the lead workforce training entity in the state and was governed by a three-member commission appointed by the Governor, one from each Supreme Court district. In turn, this commission then appointed an Executive Director.

The Governor appoints the Executive Director of MDES with Senate advice and consent. Under this structure, the Executive Director retains all powers and duties granted to the state advisory council and the former Employment Security Commission.

Consolidation of Workforce Investment Areas

The act also consolidated local workforce investment areas from six to four:

There must be four workforce investment areas that are generally aligned with the planning and development district structure in Mississippi. The planning and development districts will serve as the fiscal agents to manage WIA funds, oversee and support the local workforce investment boards aligned with the area and the local programs and activities as delivered by the one stop employment and training system. The planning and development districts perform this function through provisions of the county cooperative service districts.

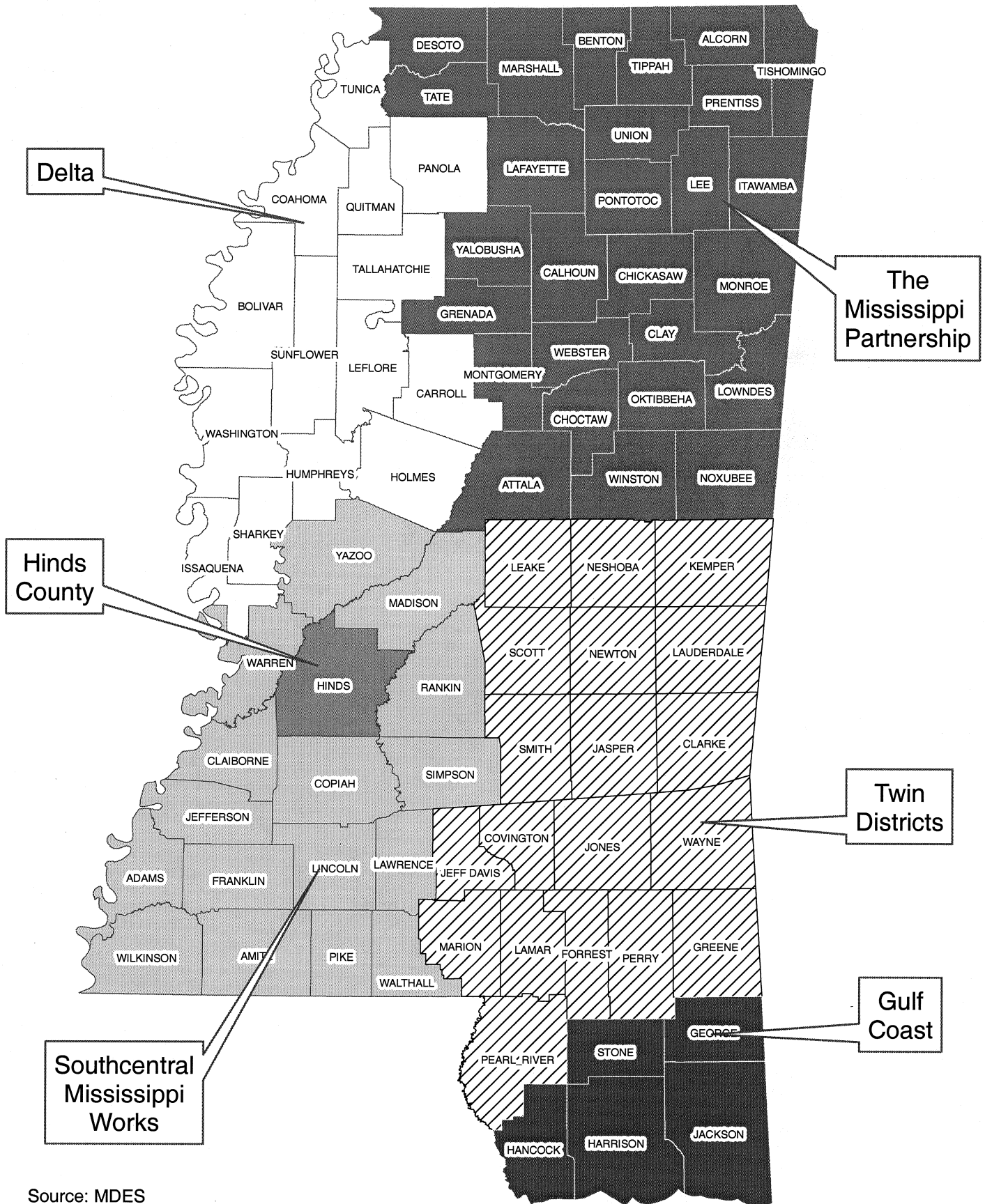
This change in the structure of the workforce system merged the Hinds County Workforce Investment Area into

the Southcentral Mississippi Works Workforce Investment Area and merged the Gulf Coast Workforce Investment Area into the Twin Districts Workforce Investment Area. As a result, the following four local workforce investment areas were established:

- Delta Workforce Investment Area (northwest portion of the state covering fourteen counties);
- Mississippi Partnership Workforce Investment Area (northeast portion of the state covering twenty-seven counties);
- Southcentral Mississippi Works Workforce Investment Area (southwest portion of the state covering seventeen counties); and,
- Twin Districts Workforce Investment Area (southeast portion of the state covering twenty-four counties).

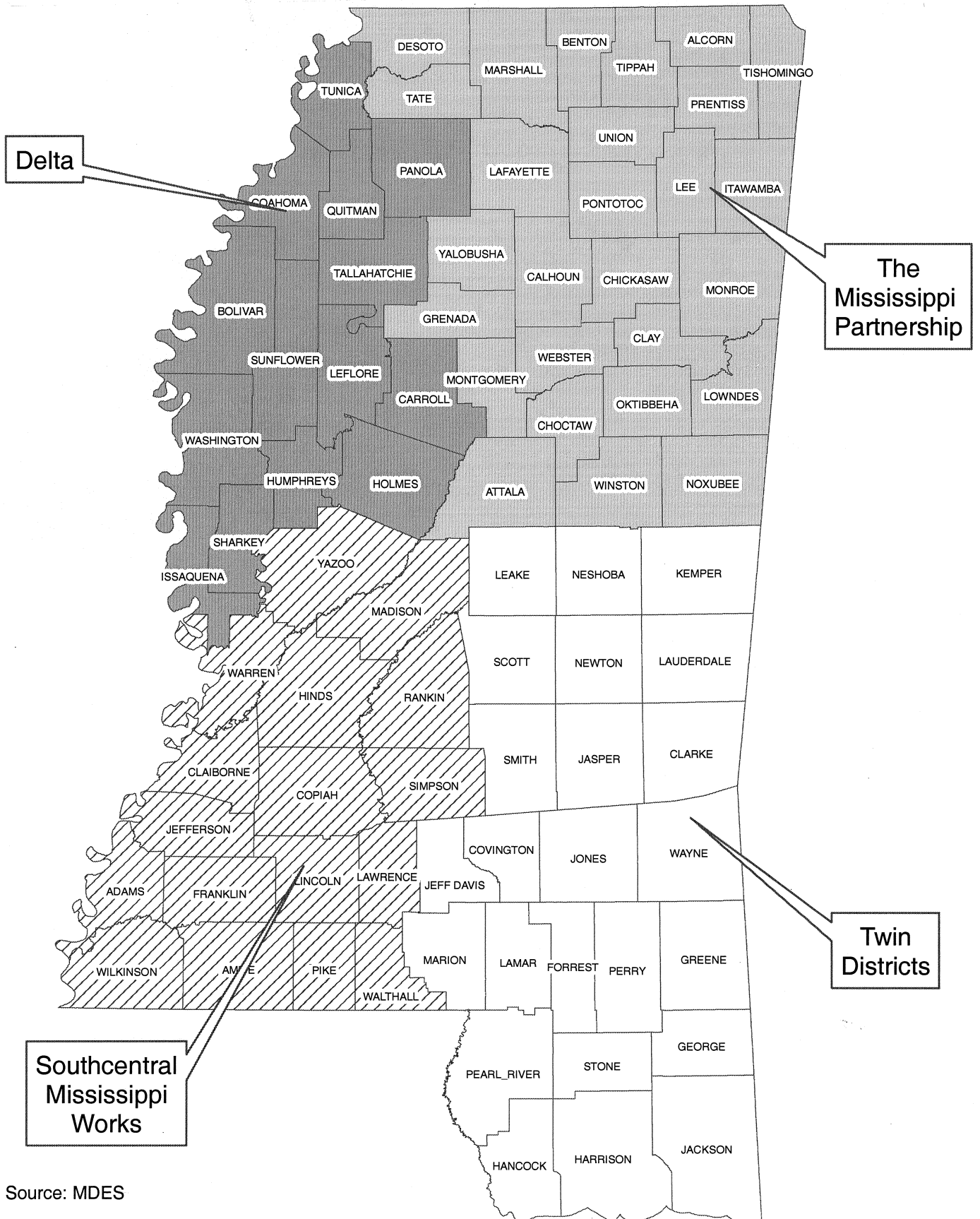
Exhibits 2 and 3 on pages 16 and 17 illustrate the Mississippi workforce areas in the prior and the current system. (Hereafter in this report, the workforce investment areas will be referred to by their abbreviated regional names [for example, the Southcentral Mississippi Works Workforce Investment Area will be called the Southcentral Area]).

Exhibit 2: Local Workforce Investment Areas Prior to the Mississippi Comprehensive Workforce Training and Education Act of 2004



Source: MDES

Exhibit 3: Local Workforce Investment Areas After Passage of the Mississippi Comprehensive Workforce Training and Education Act of 2004



Source: MDES

After passage of the 1998 and 2004 workforce legislation, what changes occurred in the state's workforce investment system and in the MDES organization?

Upon passage of the federal Workforce Investment Act in 1998, the major administrative powers shifted from the state level to the local level. The act created the one-stop system that combined programs and services of Employment Services and Unemployment Insurance. Now the role of MDES is to serve as the interface for employers, job seekers, and workforce development partners.

This chapter will address the following questions:

- What changes occurred in the powers and responsibilities within the workforce system?
- What are the major decisions made within the current workforce system?
- What are the organizational changes that have occurred within MDES?

What changes occurred in the powers and responsibilities within the workforce system?

The federal WIA of 1998 shifted the major responsibility for resource allocation and programmatic decisions from the state level to the local level. The act created the one-stop system that combined the programs and services of Employment Services and Unemployment Insurance. In 2005, state legislation shifted administration of the WIA in Mississippi to MDES, consolidated the State WIA Board with the State Workforce Development Council, consolidated the local workforce areas, and eliminated the MESC and created the MDES. Other 2005 state legislation modified the amount of unemployment insurance taxes collected from employers to establish a stable funding source for employment and educational training purposes.

The following sections include a discussion of major changes in the powers and responsibilities within the state's workforce investment system that have resulted from recent federal and state legislation.

Shift in Responsibility for Resource Allocation and Programmatic Decisions from the State Level to the Local Level

Prior to the federal Workforce Investment Act of 1998, the primary federal legislation that drove the workforce systems within the states was the Job Training Partnership Act (JTPA). The JTPA was originally designed as a stand-

alone program that contained separately funded and authorized components administered from a top-down approach, with most of the funding and administrative decisions being made at the state level. The WIA of 1998 replaced the JTPA in order to be a more comprehensive and coordinated approach of employment and training programs that shifted the funding of programs to flow through the state level, with the resources being allocated at the local level through the local workforce boards. JTPA was administered in Mississippi through the Mississippi Employment Security Commission.

The 1998 WIA also gave the authority to select the one-stop (WIN center) operators to the local areas. The majority of the local workforce areas selected MESC to operate the one-stops.

Shift in the State-Level Responsibility for Administration of the WIA Program

Upon passage of the WIA of 1998, the Governor of each state was to serve as or designate a state WIA Administrator. The primary responsibilities of the state WIA Administrator are to set state-level WIA policies, allocate the federal WIA funding to the local levels, and report the state and local workforce areas' performance to the U. S. DOL. Even though MESC administered the prior JTPA, Governor Fordice designated the Mississippi Development Authority (MDA) as the state WIA Administrator in 1999. However, all of the other federal workforce programs remained under the administration of the MESC.

As state WIA administrator, the MDA administered the program and distributed the federal funds to the local workforce investment areas according to federally established funding formulas. However, as noted previously, the responsibility for administration of the WIA program shifted again in 2005 from the Mississippi Development Authority to the Mississippi Department of Employment Security.

Consolidation of Separate Field Offices for Employment and Unemployment Services into a One-Stop System

The Mississippi Employment Security Commission provided its services through field offices divided by two of the major program areas, Employment Services and Unemployment Insurance. These services were combined into the one-stop system (currently known in Mississippi as the WIN Job Centers) through the WIA of 1998 (see discussion on page 11).

According to the 2001 MESC office location maps, there was a comprehensive or affiliate (part-time) employment service office located in all but eight counties throughout the state. In regard to unemployment field offices, there was a full-time, part-time, or county-operated office in each of the eighty-two counties. Upon passage of the WIA of 1998, the old system of separate field offices for employment and unemployment services was driven into a more comprehensive one-stop system (as described on page 11) where one location would provide the programs and services of both major programmatic areas.

Creation of and Consolidation of State Boards

Governor Fordice established the State WIA Board in February 1999. Concurrent and prior to the federal WIA program, the State Workforce Development Council, which was established under the Mississippi Workforce and Education Act of 1994, provided the majority of specialized training programs throughout Mississippi through the network of community colleges. This council came as a result of a joint partnership between MDA, MESC, and the State Board for Community and Junior Colleges to form workforce development centers. These training programs and services were funded primarily through appropriations made by the Legislature. In 2004, the Legislature passed the Mississippi Comprehensive Workforce Training and Education Act, which created the current State Workforce Investment Board by merging the Workforce Development Advisory Council and the State WIA Board in order to consolidate and streamline workforce resources into a single statewide system.

Consolidation of the Local Workforce Investment Areas

Under the requirements of the WIA of 1998, Governor Fordice established six local workforce investment areas in Mississippi in 1999. In 2004, the Mississippi Legislature passed the Mississippi Comprehensive Workforce Training and Education Act that consolidated the local workforce areas from six to four.

Elimination of the MESC and Creation of the MDES

In 2004, the Mississippi Legislature passed the Mississippi Comprehensive Workforce Training and Education Act. The major impact of this legislation was that it reformed Mississippi's workforce system by consolidating employment and training programs into one new executive agency, the Mississippi Department of Employment Security, by dissolving the Mississippi Employment Security Commission.

Creation of the Workforce Enhancement Training Fund

Also during the 2005 Regular Session of the Legislature, Senate Bill 2480 established the Workforce Enhancement Training (WET) Fund effective January 1, 2005. This statute authorized a 0.3% reduction in the unemployment taxes collected from businesses by MDES and then added the same amount back in order to serve as employer contributions to the WET Fund. The WET Fund serves to provide a stable source of funds to be utilized exclusively by the State Board for Community and Junior Colleges in order to provide training efforts throughout the state via the workforce development centers at the community colleges. This fund was created to supplement the prior funding through appropriations of state general funds. These funds are available as long as the balance of the Unemployment Trust Fund remains above \$500,000,000.

What are the major decisions made within the current workforce system?

MDES serves as the interface for employers, job seekers, and workforce development partners at the local level through the service delivery network of WIN Job Centers. MDES is also the lead support agency for the administration of the State Workforce Investment Board's functions.

The current Mississippi Workforce Investment System is comprised of key players at the federal, state, and local level. The WIA of 1998 provided the framework for the current system and the delivery of programs and services through a system of one-stop centers and established specific guidelines and duties for the key players at each level.

While the current workforce investment system is designed to maximize the state's education, training, and employment service resources in support of economic development, the MDES plays a key role in the administration of multiple federal programs. MDES's role in the workforce investment system is to serve as the interface for employers, jobseekers, and workforce development partners at the local level through the network of WIN Job Centers. In addition, MDES is the lead support agency for the administration of the SWIB's functions and strives to encompass all of the state agency programs that have a workforce focus.

Exhibit 4 on pages 23 and 24 provides an overview of the key functions and responsibilities of each of the major key players at the federal, state, and local levels within the WIA system.

The local workforce areas have the ultimate authority in the physical location of the WIN Job Centers. The local workforce areas also have the responsibility to select the one-stop operators; in most cases, the one-stop operator selected is MDES.

MDES staff provided PEER with the program year 2008 contracts for the operation of WIN Job Centers in the four local workforce areas. Each of these contracts states the timeframe for operation of the WIN Job Centers by MDES, the number and locations of the centers, the type of center, the budget for operation of the centers, and the target groups for WIA programs and services provided through the centers. A summary of the elements specified within these contracts may be seen in Appendix D on page 76.

It should be noted that both the Southcentral Workforce Area and the Mississippi Partnership Workforce Area contract out the actual management of specified WIN Job Centers to both MDES and the community colleges. The Mississippi Partnership and Twin Districts workforce areas do not contract out the management of WIA youth programs and services to MDES. Also, while three of the four workforce areas specify within the contract the amount of funding available for both administration and services, the Twin Districts Workforce Area only specifies the amount of funding available for personnel and administration of the WIN Job Centers.

While these contracts specify the number, location, and type of WIN Job Centers within the local workforce areas, the contracts only specify those WIN Job Centers funded with local WIA allocations. In addition to the centers specified within the contracts, there are additional affiliate and comprehensive WIN Job Centers operated by MDES or another entity. For example, the Southcentral Workforce Area contract states the operation of six comprehensive centers, but does not specify any affiliate or part-time centers. However, the MDES service location map for this workforce area denotes two affiliate WIN Job Centers. These affiliate centers are part-time locations that are funded through MDES by WIA statewide funds and/or Wagner-Peyser funding. MDES staff also noted that several of the part-time locations listed on the MDES WIN Job Center map are operated through Wagner-Peyser funding, but also provide WIA core services. Another example is in the Mississippi Partnership Area. Senatobia has a full-time WIN Job Center, but this center is solely operated and managed by the local community college with no presence of MDES staff. Therefore, it was not specified within the MDES contract. For a map of the WIN Job Center locations as of 2008, see Appendix E on page 77.

Exhibit 4: WIA Functions and Responsibilities within the Workforce System

Key Players **WIA Functions and Responsibilities within the Workforce System**

FEDERAL LEVEL	Policy/Procedures	Funding	Administration	Oversight/Reporting
U.S. Department of Labor and Federal WIA of 1998	<ul style="list-style-type: none"> Establishes WIA program-wide policy applicable to all states Establishes SWIB and LWIB membership requirements Establishes WIA Core and Intensive Services 	<ul style="list-style-type: none"> Allocates WIA Funding to all states Issues incentive grants and sanctions Approves state WIA funding allocations to the local WF Areas Establishes general funding allocation percentages by program 	<ul style="list-style-type: none"> Issues Training and Employment Guidance Letters to the state WIA Administrator noting any program changes and requirements 	<ul style="list-style-type: none"> Monitors WIA statewide performance Negotiates statewide performance goals with WIA State Administrator Approves and certifies WIA State Plans Reviews WIA State and Local Programs Sets WIA reporting requirements
STATE LEVEL				
Governor	<ul style="list-style-type: none"> May impose additional SWIB and LWIB membership requirements 	<ul style="list-style-type: none"> May set aside up to 25% of the state's WIA dislocated worker allocation May set aside up to 10% of the state's program allocations for Governor's discretionary programs 	<ul style="list-style-type: none"> Appoints SWIB Members Approves SWIB State Strategic WF Plan Designates local WF Areas Designates state WIA Administrator Designates the fiscal agents for the LWIBs 	<ul style="list-style-type: none"> Certifies membership of the LWIBs
MDES	<ul style="list-style-type: none"> Establishes statewide WIA Policies Approves waivers for the local WF Areas 	<ul style="list-style-type: none"> Developed the local funding allocation formulas Allocates state WIA funding to the local WF Areas May set aside up to 5% of the state's WIA allocation for administration 	<ul style="list-style-type: none"> Provides administrative support to the SWIB Serves as the WIA State Administrator Prepares the WIA State Plan Maintains the state ETPL Provides technical assistance to the WF Areas Serves as the WIN Job Center operators (where applicable) 	<ul style="list-style-type: none"> Submits the SWIB state plan to DOL Submits the WIA State Plan to DOL Negotiates statewide WIA performance goals with DOL Provides quarterly and annual WIA performance reports to DOL for the state and local WF areas Approves the LWIB Plans Performs data validation
SWIB	<ul style="list-style-type: none"> Sets the state WF System Goals 		<ul style="list-style-type: none"> Develops the State WF Strategic Plan Forms state-level partnerships Identifies barriers and recommendations for the state WF system 	<ul style="list-style-type: none"> Provides general oversight of the state WF system

LOCAL LEVEL	Policy/Procedures	Funding	Administration	Oversight/Reporting
Local Workforce Investment Board and Local Elected Officials Board	<ul style="list-style-type: none"> Establishes local WIA policy Establishes local procurement practices Establishes local grievance procedures 	<ul style="list-style-type: none"> Designates the PDD within the local WF area as the fiscal agent to receive and manage WIA funds 	<ul style="list-style-type: none"> LEOB appoints LWIB members Develops local WF Strategic Plan Forms partnerships at the local level Selects the WIN Job Center Operator(s) Selects the physical location of the WIN Job Centers Approves eligible training providers and activities 	<ul style="list-style-type: none"> LEOB provides oversight of LWIB activities Measures training performance of WIA participants Negotiates local WIA performance goals with MDES Provides oversight of WIN Job Centers
Fiscal Agents	<ul style="list-style-type: none"> Assists the LWIB/LEOB in procurement practices 	<ul style="list-style-type: none"> Receives and manages the local WIA allocations Allocates WIA funding through contracts to grantees and to subgrantees 	<ul style="list-style-type: none"> Coordinates rapid response activities within the local WF area Develops financial and contractual documents Provides support staff to the LWIB and LEOB Manages the day-to-day operations of grant and subgrant supported activities 	<ul style="list-style-type: none"> Oversees procurement Monitors ITA delivery system Oversight of WIN Job Centers Certifies the WIN Job Centers every 2 years Monitors performance and fiscal compliance of WIN Job Centers Requires compliance with the Single Audit Act
WIN Job Center Managers			<ul style="list-style-type: none"> Responsible for the day-to-day operation of the WIN Job Centers Markets WIA programs and services to participants and the local community Forms local partnerships and programs Coordinates programs and services among local providers and partners 	<ul style="list-style-type: none"> Tracks and reports WIA participant, performance, and financial data to the WIN Job Center operator

SOURCE: PEER analysis.

What are the organizational changes that have occurred within MDES?

Regarding the specific agency organizational changes that occurred upon the change from the MESC to the MDES, the agency lacked information from that time frame to compare the effectiveness of the current structure to the MESC structure. According to organizational charts provided within the MDES budget requests, the only notable change that occurred upon elimination of the MESC was creation of a new layer of upper-level management. In 2008, subsequent changes occurred in which MDES consolidated from three deputy directors to two deputy directors and added a second MDES Call Center.

MDES could not provide conclusive documentation in regard to specific reorganizations that occurred upon elimination of the MESC. Also, the records retention period for the State Personnel Board includes only the most recent three years. Therefore, PEER obtained budget requests for MESC and MDES to compare changes in the organizational charts since Fiscal Year 2000. SPB also provided information on two organizational modifications that were approved for MDES in 2008. The following sections summarize the information obtained comparing the agency's former and current organizational structure.

Following elimination of the MESC, the positions for the three commissioners and state advisory council were dissolved and the powers and responsibilities were transferred to the Executive Director of the MDES. In addition, MDES created a new layer of upper-level management.

PEER reviewed organizational charts included in MDES's budget requests for fiscal years 2000 through 2010. No organizational chart was provided by MDES in the budget requests that would have reflected the agency's organization for 2005, which would have shown the structure of MDES in the year immediately following the changes implemented by the Mississippi Comprehensive Workforce Training and Education Act of 2004.

The only notable reorganization following the establishment of the MDES appeared in comparison of the 2004 and 2006 organizational structures. According to the 2006 organizational chart, the positions for the three commissioners and state advisory council were dissolved. In addition, MDES created a new layer of upper-level management (i. e., Deputy Director/Chief Financial Officer and Deputy Director/Chief Operations Officer).

In 2007, MDES established its first Call Center for filing and processing unemployment insurance claims. In 2008, MDES created a second MDES Call Center and consolidated a layer of upper-level management from three deputy directors to two deputy directors.

The State Personnel Board's Policy and Procedures Manual states that:

Agencies shall request the State Personnel Board to review major changes or movement of positions within the organizational structure. Major alterations, movements, or changes within the agency organizational structure must be approved by the State Personnel Board prior to implementation by the agency.

The State Personnel Board provided PEER with copies of approved reorganization proposals submitted by MDES. Since SPB retains reorganization proposals and approvals for only the most recent three years, SPB was only able to provide PEER with two approved reorganizations for MDES, both of which occurred in 2008.

The first reorganization was approved by SPB on March 20, 2008. The SPB approved establishment of the Hattiesburg Call Center, which was to be identical in structure to the Canton Call Center (which had opened in April 2007), effective March 1, 2008. MDES noted in this approved organization modification that fifty-seven employees would perform the functions that had formerly been performed by 130 employees. The Hattiesburg Call Center was to be staffed with positions that had been vacant and personnel hired from within the agency.

The second reorganization was approved by SPB on September 18, 2008. The SPB approved the consolidation of the MDES from three deputy directors to two, effective August 1, 2008. SPB noted that this organizational modification of the major MDES offices would streamline control of the agency. The result of this modification reassigned existing offices and divisions that formerly reported to the Chief Financial Officer under the Deputy Director of External Affairs and the Chief Operations Officer. This is the most recent organizational modification and therefore is reflected on the current MDES organizational chart in Exhibit 5, page 28.

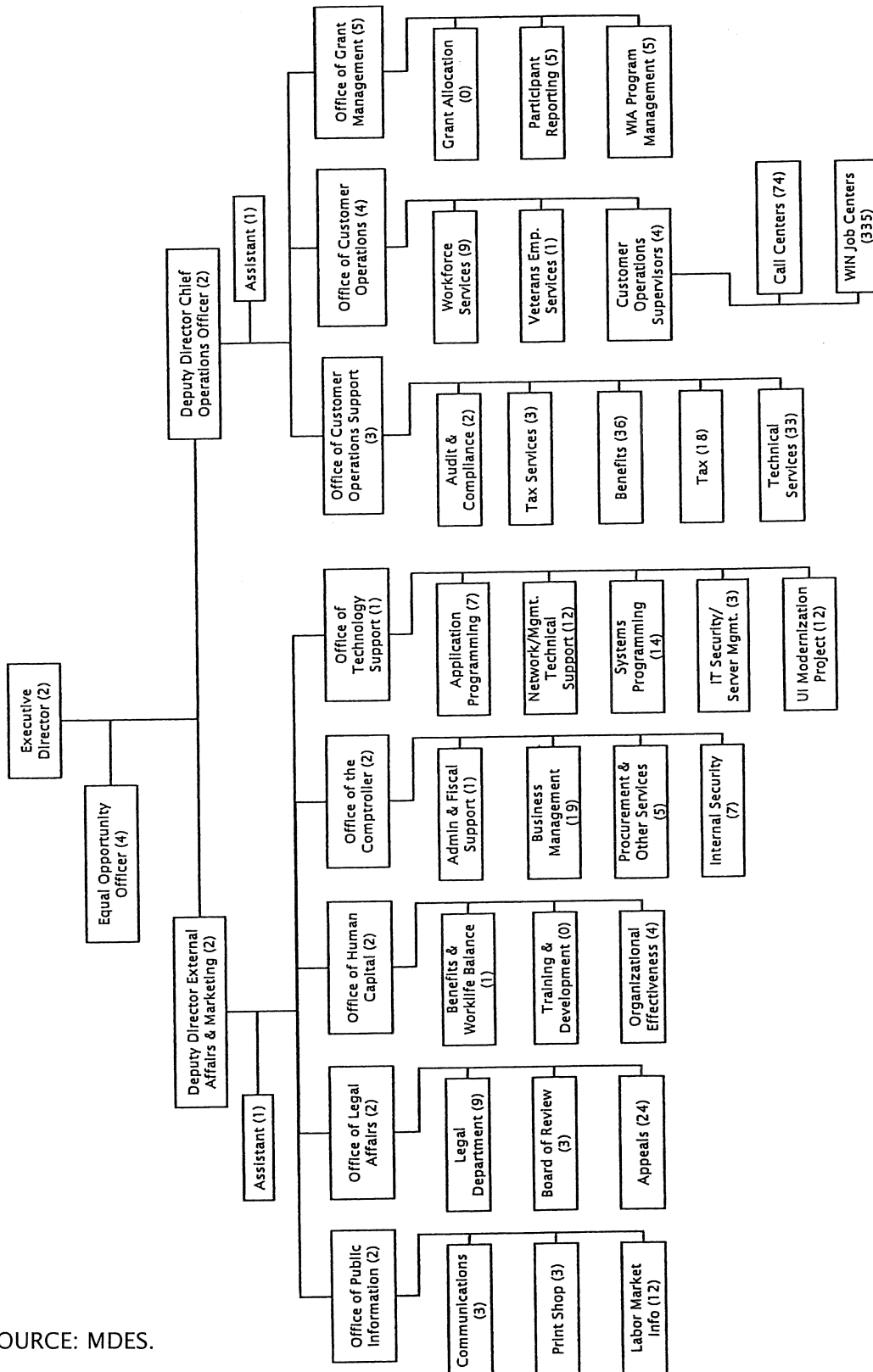
Currently, the leadership in most of the top MDES positions has been promoted from within the agency.

PEER reviewed the experience and salaries of the personnel currently in the upper levels of the organization at MDES to determine the length of time served in the position and the length of time the individual in the filled position has

worked for the agency in any capacity. Also, PEER utilized the comprehensive MDES organizational chart to obtain information on the current starting salaries of these respective position identification numbers (PINs).

Exhibit 6, page 29, lists the MDES positions surveyed based on length of service and starting salary. As shown in Exhibit 6, the leadership in most of the top MDES positions has been promoted from within the agency. Only two of the individuals in current MDES positions within this list of PINs were hired from outside the agency. These positions include the Director of the Office of Human Capital and the current Executive Director, who was hired into the agency originally as Director, Office of Unemployment Insurance.

Exhibit 5: MDES Organizational Chart as of September 30, 2009



SOURCE: MDES.

Exhibit 6: Experience and Starting Salaries of Top MDES Personnel

MDES Position	Time Served in Position¹	Time Served with the Agency¹	Position Starting Salary²
Executive Director	5 days	5 years	\$104,088.00
Equal Opportunity Officer	8 years	26 years, 8 months	57,500.00
Deputy Director, External Affairs and Support Services	7 months	29 years, 11 months	77,700.00
Deputy Director, Chief Operations Officer	Vacant	Vacant	77,700.00
Office of Public Information	1 year, 2 months	19 years	63,408.00
Office of Legal Affairs	8 years, 10 months	14 years	57,265.00
Office of Human Capital	4 years, 7 months	4 years, 7 months	63,408.00
Office of the Comptroller	1 year, 5 months	22 years, 2 months	63,408.00
Office of Technology Support	1 month	6 years, 1 month	63,408.00
Office of Customer Operations Support	6 months	20 years, 8 months	63,408.00
Office of Customer Operations	3 years, 8 months	33 years, 3 months	63,408.00
Office of Grant Management	1 year, 8 months	32 years, 3 months	63,408.00

¹Data as of October 6, 2009.

²Data as of November 24, 2009.

SOURCE: MDES.

How has the performance of the state's workforce investment system changed since 2001?

Beginning in 2001, available data shows that the state's workforce investment system has become more efficient, serving significantly more participants with fewer employees. These efficiency gains are partially attributable to improved customer service and public access through the implementation of one-stop service sites and online service delivery systems. Regarding effectiveness, while the state's workforce investment system has met most federal performance standards since 2001, the state has experienced a decline in the rate of participants entering employment (probably due to the significant increase in the number of participants served) and a slight decline in the retention rate for those participants entering employment.

This chapter will address the questions:

- How has efficiency of the state's workforce investment system changed since 2001?
- How has effectiveness of the state's workforce investment system changed since 2001?
- How has the state's workforce investment system addressed customer service and public access to programs and services?

In regard to efficiency and effectiveness measures, program year 2000 was the first year the WIA program was implemented. However, a consistent data collection and reporting system was not fully implemented in Mississippi during the initial WIA program year. Also, MDES did not complete the program year 2008 annual report until after PEER had completed its analysis. Therefore, PEER analyzed the efficiency and effectiveness of the WIA program from 2000 through 2007.

How has efficiency of the state's workforce investment system changed since 2001?

The efficiency of the state's workforce investment system has increased since 2001 as measured by a decline in the number of employees providing services to a significantly increasing number of participants through the state's workforce investment system and a significant decrease in the cost per participant served.

The number of MDES full-time employees providing employment services remained fairly constant from 2000 until a 15% decline in Fiscal Year 2008.

Responsibilities of MDES's employment services staff include staffing the fifty-two WIN Centers operated by or with services provided by MDES and providing central office support for the centers' employees, including staff within the offices of Customer Operations and Grant Management.

As shown in Exhibit 7, below, based on data reported to the Legislative Budget Office by MDES in its annual budget requests, over the period of fiscal years 2000 through 2008, the number of full-time staff assigned to employment services declined by 15%, from 538.94 in FY 2000 to 460.43 in FY 2008.

Exhibit 7: MDES Full-Time Employees Providing Employment Services from Fiscal Years 2000 through 2008

Fiscal Year	Employment Services
2008	460.43
2007	544.06
2006	539.73
2005	542.17
2004	539.73
2003	539.70
2002	546.18
2001	537.83
2000	538.94

SOURCE: MDES annual budget requests to Legislative Budget Office for FY 2002 through FY 2010.

Since 2001, the cost per participant served by the state's workforce investment system has declined by 82% based on total WIA funding allocations.

While, as shown in Exhibit 8, below, total allocations for WIA programs fluctuated during the period of program years 2001 through 2007, they have trended downward since 2001, with a slight increase in program years 2006 and 2007. In contrast, the number of total participants over this same period has increased dramatically, with a slight decline in 2007. Increasing program participation resulted in an 82% decrease in the cost per participant served by the state's workforce investment system--from \$3,154.26 per participant in program year 2001 to \$557.21 per participant in program year 2007.

Exhibit 8: Cost per Participant by WIA Funding Allocations from Program Years 2001 through 2007

Program Year	Total Allocation	Total Participants	Cost per Participant
2007	\$67,910,467	121,876	\$ 557.21
2006	46,172,073	146,222	315.77
2005	32,192,501	118,484	271.70
2004	37,174,694	90,618	410.24
2003	41,097,058	65,244	629.90
2002	51,468,909	39,270	1,310.64
2001	62,779,269	19,903	3,154.26

SOURCE: PEER analysis of MDES WIA Annual Reports and WIA Annual Funding Allocation Letters.

Although MDES typically calculates WIA cost per participant based on program expenditures versus participants, historical expenditure data was not available prior to program year 2005. Therefore, PEER calculated the WIA cost per participant based on WIA funding allocations instead of program expenditures.

This method of efficiency measurement is flawed in that all participants in the state's workforce investment system do not receive the same level of services.

One flaw in the current system of efficiency measurement is that all participants in the state's workforce investment system do not receive the same level of services. As a result, a large number of individuals receiving minimal services could skew the cost per participant results downward. For example, one "participant" may only access the online job system (the Mississippi Online Job Opportunities [MOJO]) at a WIN center one time, while

another “participant” may receive the full range of available services, including career counseling, skill building, and training programs. Beginning in program year 2008, in addition to reporting the cost per participant as an efficiency measure, MDES will also report the cost per participant who obtained a job through the state’s workforce investment system.

How has effectiveness of the state’s workforce investment system changed since 2001?

Since program year 2001, Mississippi has annually met all performance standards set by the Department of Labor for the common measures that the department uses to assess the adequacy of a state’s implementation of the Workforce Investment Act, with only two exceptions. However, the state’s performance relative to one important measure, the “entered employment rate” for participants in the state’s workforce investment system, has generally declined since 2001, despite a continual increase in the number of participants who have obtained a job during this same time frame. This decline may be attributable to the increasing number of participants served through the system.

PEER sought to examine the effectiveness of the WIA program in Mississippi by reviewing the system’s performance on the nine common measures promulgated by the Department of Labor. However, it is difficult to identify specific trends within the effectiveness measures of the WIA program due to the multiple changes within the state’s workforce investment system, such as the shift in the WIA state administrator, the use of common measures, and the effects of Hurricane Katrina on employment, all of which occurred in 2005.

What WIA performance measures are utilized by MDES and what standards has the Department of Labor set for performance on these measures?

MDES utilizes the same three common measures for both WIA adults and dislocated workers (i. e., six total) and a separate set of three common measures for WIA youth. According to DOL guidelines, a state’s actual performance must meet at least 80% of the negotiated goal to remain in compliance.

As stated on page 13, Mississippi utilizes the *common measures*. The purpose of common measures is to establish one set of measures for WIA performance and accountability purposes. DOL sets the methodology used to calculate performance results for each of the common measures (refer to Appendix F on page 78 for the methodology used to calculate each measure). The following three common measures apply to WIA programs serving adults and serving dislocated workers:

- Entered Employment Rate;
- Employment Retention Rate; and,
- Average Earnings Increase.

The following three common measures apply to WIA programs serving youth:

- Placement in Employment or Education;
- Attainment of a Degree or Certificate; and,
- Literacy or Numeracy Gains.

The primary difference in using common measures over the original performance measures in the WIA of 1998 is that customer satisfaction is no longer a required reporting measure. (See page 40 for a discussion of measuring customer satisfaction.) MDES staff negotiates specific performance levels and goals for each of the common measures with the DOL Regional Office staff on an annual basis.

The DOL requires that MDES report on the common measures for all WIA programs on a quarterly and annual basis. Even though MDES is required to report to DOL on performance of each of the four workforce areas using the common measures, DOL only awards incentive grants or imposes funding sanctions based on the performance of the state as a whole.

If a state fails to perform at eighty percent of the negotiated level for a specific performance measure for two consecutive years, DOL requires that state to complete a performance improvement plan. If the performance improvement plan is not successful or was not submitted, DOL could impose financial sanctions.

In addition to these reporting requirements, DOL requires data validation to be performed on WIA participant files on an annual basis and establishes guidelines on how to perform the validations.

Has Mississippi been in compliance with federal WIA performance standards for the common measures?

Mississippi has been in compliance with federal WIA performance standards for all nine of the common measures annually except for two instances--failure to meet the "literacy or numeracy gains" standard for youth in program year 2006 and the "entered employment rate" for dislocated workers in program year 2007. However, the "entered employment rate" for adult and dislocated workers generally declined during the period under review.

MDES provided PEER with its annual WIA reports showing both the state's and local workforce areas' actual performance against the negotiated common measures for adults, dislocated workers, and youth for program years

2001 through 2007. After examining the state's performance as a whole against all nine measures, PEER found only two instances in which the state had failed to achieve all nine measures--once in program year 2006 for one youth measure and once in program year 2007 for one dislocated worker measure. The state is currently in compliance with the federal performance standards, resulting in no sanctions.

Exhibits 9 through 11, pages 36 and 37, compare the state's actual performance on each common measure to the performance standard for each measure, by category of program participant: adult, dislocated worker, and youth.

Exhibit 9, page 36, shows the performance of Mississippi's workforce investment system on the three common measures for adult program participants for program years 2001 through 2007. As shown in the exhibit, the state's performance exceeded the federal standards for all three measures for all reported years. The exhibit shows that for the common measure "entered employment rate," the state's performance has generally declined since program year 2001.

This decline may be due in part to the significant increase in the number of participants being served through the state's workforce investment system. Staff of both MDES and DOL noted that there is an inherent conflict between WIA participation levels and performance on common measures. These staff noted that the general trend is that those states that serve more participants have lower performance on common measures. While an increase in the number of participants served would likely increase the chances for individuals to achieve employment and improve efficiency measures, DOL established the WIA effectiveness performance measures to focus on the entered employment rate and employment retention rate, not the total number of participants served. Therefore, an increase in the number of people served would likely result in a decrease in the entered employment and employment retention rates. PEER notes that states should not seek to limit the number of participants served in order to achieve better performance results.

Exhibit 9: State of Mississippi WIA Adult Performance Standards and Actual Performance for Program Years 2001 through 2007

Program Year	Entered Employment Rate		Employment Retention		Average Earnings Increase (\$)	
	Performance Standard	Actual Performance	Performance Standard	Actual Performance	Performance Standard	Actual Performance
2007	61.6	63.5	64.8	79.7	7,200	9,818
2006	61.6	62.4	64.8	75.5	6,125	9,334
2005	60.0	66.8	63.2	76.6	2,140	2,459
2004	58.3	71.9	64.3	84.1	2,533	2,584
2003	58.0	78.4	64.0	85.1	2,520	2,675
2002	56.8	83.5	64.0	83.6	2,636	2,980
2001	55.2	86.9	63.2	84.0	2,657	3,305

SOURCE: MDES, Office of Grants Management.

Exhibit 10, page 37, shows the performance of Mississippi's workforce investment system on the common measures for dislocated worker program participants for program years 2001 through 2007. As shown in the exhibit, the state's performance exceeded the federal performance standards each year, except for the entered employment rate in program year 2007. Also, similar to the previously described experience of adult participants in the state's workforce investment system, the entered employment rate for dislocated workers has declined steadily since program year 2001.

Exhibit 11, page 37, shows the performance of Mississippi's workforce investment system on the common measures for youth program participants for program years 2005 through 2007 (Mississippi did not adopt common measures for youth programs until program year 2005). As the exhibit shows, comparing program years 2005 to 2007, performance has improved significantly for all three common measures applicable to youth. One significant exception to this improved performance for WIA youth programs occurred in program year 2006, when the state's workforce investment system met only 39% of its performance standard for literacy or numeracy gains.

Exhibit 10: State of Mississippi WIA Dislocated Worker Performance Standards and Actual Performance for Program Years 2001 through 2007

Program Year	Entered Employment Rate		Employment Retention		Average Earnings Increase* (\$)	
	Performance Standard	Actual Performance	Performance Standard	Actual Performance	Performance Standard	Actual Performance
2007	68.0	65.9	67.2	82.1	8,480	11,148
2006	61.6	63.5	67.2	77.5	7,040	10,597
2005	64.0	70.3	66.4	79.7	577	857
2004	63.4	76.6	69.9	87	76.40%	121.50%
2003	63.1	83.5	69.6	88.9	76.00%	122.50%
2002	62.4	91.6	69.6	86.9	76.00%	121.00%
2001	61.6	95.4	68.8	89.4	75.20%	95.60%

*For program years prior to and including 2004, Average Earnings Increase was measured as a percentage and not a dollar amount.

SOURCE: MDES, Office of Grants Management.

Exhibit 11: State of Mississippi WIA Youth Performance Standards and Actual Performance for Program Years 2005 through 2007

Program Year	Placement		Attainment		Literacy or Numeracy Gains	
	Performance Standard	Actual Performance	Performance Standard	Actual Performance	Performance Standard	Actual Performance
2007	52.8	79.4	39.2	70.7	36.0	66.6
2006	52.8	76.4	39.2	77.7	36.0	14
2005	52.0	53.6	38.4	42.1	32.0	38.7

SOURCE: MDES, Office of Grants Management.

Despite the observed general decline in the state’s “entered employment rate” for participants in the state’s workforce investment system, how many participants have entered employment since 2001?

Since program year 2000, 153,783 WIA participants have entered employment. Further, the number of WIA participants who became employed in program year 2007 increased by approximately 5,539% from program year 2001.

As shown in Exhibit 12, below, over the period of program years 2001 through 2007 a total of 153,783 WIA program participants entered employment, including 78,180 adult participants and 69,728 dislocated workers. Further, the total number of WIA participants who entered employment increased by 48% from program years 2006 to 2007 and by 5,539% from program year 2001 to 2007.

Exhibit 12: Total Number of WIA Participants Who Entered Employment from Program Years 2001 through 2007

Program Year	Adult	Dislocated Worker	Youth*	Total
2007	24,442	22,572	2,160	49,174
2006	16,884	14,405	1,842	33,131
2005	16,688	12,494	1,873	31,055
2004	11,419	11,251	-	22,670
2003	4,746	6,425	-	11,171
2002	3,562	2,148	-	5,710
2001	439	433	-	872
Total	78,180	69,728	5,875	153,783

*Because Mississippi utilizes common measures, youth participants include those youth who entered into employment or education upon implementation of the common measures in program year 2005.

SOURCE: MDES, WIA Annual Reports.

What percentage of the state’s unemployed population does the workforce investment system serve annually?

MDES only monitors WIA performance based on the common measures, which do not require MDES to report on the percentage of the unemployed population served in Mississippi. However, PEER calculated that the WIA program served approximately 60.4% of the state’s unemployed population in program year 2007 based on the total WIA participants who entered employment.

MDES only monitors WIA performance based on the established common measures. MDES does not monitor the percentage of the state’s unemployed population served by the WIA program. Therefore, PEER compared the

number of WIA participants who entered employment to the number of unemployed persons in Mississippi according to DOL from 2001 through 2007. PEER selected the month of June for the DOL unemployment numbers because it corresponds to the last month in the WIA program year. Exhibit 13, below, shows the percentage of the unemployed population in Mississippi who obtained employment through the WIA program.

Exhibit 13: Percentage of WIA Participants Who Entered Employment in Comparison to the Unemployed Population in Mississippi from 2001 through 2007

Program Year	Total WIA Participants who Entered Employment	Total Unemployed Persons	Percentage of Unemployed Served
2007	49,174	81,350	60.4%
2006	33,131	84,110	39.4%
2005	31,055	95,227	32.6%
2004	22,670	82,873	27.4%
2003	11,171	89,585	12.5%
2002	5,710	85,701	6.7%
2001	872	64,925	1.3%
Total	153,783	583,771	26.3%

SOURCE: MDES, WIA Annual Reports; DOL Local Area Unemployment Statistics.

As noted in the above exhibit, based on the number of WIA participants who have entered employment since program year 2001, the percentage of the unemployed population served by the WIA program has continually increased. The percentage of the unemployed population served ranged from 1.3% in program year 2001 to 60.4% in program year 2007.

How has the state's workforce investment system addressed customer service and public access to programs and services?

While Mississippi's workforce investment system experienced a net loss of twenty-one service delivery sites from 2000 through 2008, the number of participants served by the system increased by 1,468% during the same period, due in large part to implementation of one-stop service delivery sites combined with the increased use of online service delivery systems. "Mystery shoppers" hired by MDES to review the customer service experience at the state's WIN Job Centers reported generally high levels of satisfaction, with some complaints regarding difficulty in finding the centers.

PEER sought to examine how the MDES and the local workforce areas measured customer service of the WIN Job Center network and to determine how public access to programs and services has changed over time. PEER also reviewed participation levels of the programs and services provided through the WIN Job Centers.

How does MDES measure customer satisfaction?

The use of common measures for the WIA program no longer requires reporting to DOL on customer satisfaction. However, MDES hired "mystery shoppers" in program years 2005, 2007, and 2008 to review the customer service experience at the WIN Job Centers.

The purpose of the "mystery shopping" of WIN Job Centers was to measure the quality of services being provided to both employers and job seekers who use these facilities, as noted in the following excerpt from MDES's Mystery Shopping RFP:

The contractor will make personal and phone contact as a job seeker and phone contact as an employer with each of the specified Win Job (one-stop) Centers, posing as a customer seeking service, for the purpose of identifying strengths and weaknesses of services, facilities, information and resources, processes, customer service, and other pertinent items.

MDES contracted with the Center for Workforce Learning, a private company, for mystery shopping at the state's WIN Job Centers in 2005 and contracted with the nonprofit organization Dream, Inc., for mystery shopping at the centers in 2007 and 2008. (No mystery shopping was performed in 2006.) PEER reviewed the results of Dream, Inc.'s mystery shopping at forty-one WIN Job Centers in 2008.

Dream, Inc.'s 2008 mystery shoppers scored each of the forty-one centers reviewed from one to ten (with ten being

the best score) in three categories: Job Seeker Visits, Job Seeker Calls, and Employer Calls.

- In regard to “Job Seeker Visits,” twenty of the forty-one WIN Job Centers reviewed scored a ten, four scored a nine, seven scored an eight, three scored a seven, four scored a six, two scored a five, and one scored a four.
- In regard to “Job Seeker Calls,” ten centers scored a ten, sixteen scored a nine, eleven scored an eight, two scored a seven, one scored a six, and one scored a five.
- In regard to “Employer Calls,” the majority (thirty-three) of the centers were evenly distributed with a score from seven to a ten. Six centers scored between a three and a six and two centers scored a one.

On-site comments recorded during the 2008 mystery shopping at WIN Job Centers included the following:

- *no road signage directing the shopper to the WIN Center, nor was there signage on the building itself;*
- *not adequate signage at the intersection, and the shopper was not asked to sign in; and,*
- *shopper was asked to come back later in the day because it was close to lunch, and the facility was very hard to find.*

According to MDES staff, the results of these mystery shops have been used to make management changes. For example, MDES submitted a request to the Mississippi Department of Transportation in order to have directional road signs placed at each WIN Center.

How has the service delivery structure of WIN Job Centers changed since 2000?

Currently, there are fifty-three local WIN Job Centers throughout the state. While the number of WIN Job Centers has decreased over the years, as noted in the discussion on page 42, MDES has provided additional access to programs and services through technology that utilizes both the internet and the telephone. While the customer may still choose to receive services at a WIN Job Center, according to MDES the goal of utilizing this technology is to provide customers with multiple options to access programs and services through the method most convenient to them.

For example, Mississippi Online Job Opportunities (MOJO) is an online system that is accessible from any location with internet access that is used by employers seeking large numbers of job referrals or seeking applicants with specific skills and abilities. Job applicants may also apply for job orders that are posted by employers into the MOJO system.

Another example is the recent implementation of the MDES E-WIN Access program in 2008. The purpose of the program is to establish alternative and convenient sites for job searchers to perform job searches without visiting their local WIN Job Centers (see discussion on page 45).

In addition to the above services, in 2007 MDES opened its first Call Center to provide additional access to its customers. The Call Centers provide callers with access to filing unemployment insurance claims, inputting job orders, and registering job applicants (see discussion on page 48).

From 2000 through 2008, the state's workforce investment system experienced a net loss of twenty-one service delivery sites.

In 2001, there was a comprehensive or affiliate (part-time) employment service office/WIN Job Center in all but eight counties throughout the state.

Exhibit 14 on pages 43 and 44 provides a list of the WIN Job Centers by workforce area and by county through a comparison of locations in 2000, 2004, and 2008.

According to Exhibit 14, from 2000 through 2008 the following WIN Job Center openings and closings occurred in each of the state's four workforce areas:

- Delta: three openings and four closings (net loss of one center);
- Mississippi Partnership: two openings and eleven closings (net loss of nine centers);
- Southcentral: one opening and five closings (net loss of four centers); and,
- Twin Districts: one opening and eight closings (net loss of seven centers).

It should be noted that while Exhibit 14 shows the number of centers that have opened or closed from 2000 through 2008, it does not denote the type of center, such as full-time or part-time. The majority of the offices that closed during this time frame were part-time offices. For a map of the current WIN Job Center locations, see Appendix E on page 77.

Exhibit 14: Comparison of WIN Job Center Locations by Workforce Area and County in 2000, 2004, and 2008

Workforce Investment Area and County	2000	2004	2008
Delta			
Bolivar	√	√	√
Carroll	X	√	X
Coahoma	√	√	√
Holmes	√	√	√
Humphreys	√	√	√
Issaquena	X	√	X
Leflore	√	√	√
Panola	√	√	√
Quitman	X	√	X
Sharkey	√	√	√
Sunflower	√	√	√
Tallahatchie	√	√	X
Tunica	√	√	√
Washington	√	√	√
The Mississippi Partnership			
Alcorn	√	√√	√
Attala	√	√	√
Benton	X	X	X
Calhoun	√√	√√	X
Chickasaw	√	√	√
Choctaw	√	√	X
Clay	√	√	√
DeSoto	√	√	√
Grenada	√	√	√
Itawamba	√	√	√
Lafayette	√	√	√
Lee	√	√	√
Lowndes	√	√	√
Marshall	√	√	X
Monroe	√√	√	√
Montgomery	√	√	X
Noxubee	X	√	X
Oktibbeha	√	√	√
Pontotoc	√	√	√
Prentiss	√	√	X
Tate	√	√	√
Tippah	√	√	√
Tishomingo	√	√	√
Union	√	√	√
Webster	√	√	X
Winston	√	√	√
Yalobusha	√	√	X

Southcentral Mississippi Works			
Adams	√	√	√
Amite	X	X	X
Claiborne	√	√	X
Copiah	√	√	√
Franklin	√	√	X
Hinds	√√	√√√	√
Jefferson	X	X	X
Lawrence	√	√	X
Lincoln	√	√	√
Madison	√	√	√
Pike	√	√	√
Rankin	√	√	√
Simpson	√	√	√
Walthall	√	√	√
Warren	√	√	√
Wilkinson	X	X	X
Yazoo	√	√	√

Twin Districts			
Clarke	√	√	X
Covington	√	√	√
Forrest	√	√	√
George	√	√	X
Greene	X	X	X
Hancock	√	√	√
Harrison	√√	√√	√√
Jackson	√√	√	√
Jasper	√	√	√
Jefferson Davis	√	√	√
Jones	√	√	√
Kemper	√	√	X
Lamar	X	X	X
Lauderdale	√	√	√
Leake	√	√	√
Marion	√	√	√
Neshoba	√	√√	√√
Newton	√√	√√	√
Pearl River	√	√	√
Perry	X	X	X
Scott	√√	√√	√
Smith	√	√	X
Stone	X	X	X
Wayne	√	√	X

√ = Each checkmark denotes the presence of a WIN Job Center.
X = Denotes the absence of a WIN Job Center.

SOURCE: PEER Analysis of MESC and MDES Service Location Maps.

Does MDES address public access to the WIA program outside of the WIN Job Centers?

In 2008, MDES began to implement E-WIN Access Points in order to expand public access to WIA core job search services throughout the state. According to MDES, eight E-WIN Access Points are currently in operation and another three are in the process of being established.

A recent initiative of MDES is the E-WIN Access program, the purpose of which is to establish alternative and convenient sites for job searchers to perform job searches without visiting their local WIN Job Centers. The E-WIN Access Points are a partnership between MDES and faith-based and community organizations.

Establishment of each point begins with a Memorandum of Understanding (MOU), renewable on an annual basis, between the MDES, the E-WIN Access Point provider, and a local WIN Job Center. According to the MDES 2008 Annual Report, each point is to provide at least one publicly accessible computer with internet access. According to the E-WIN Access Point MOU:

E-WIN Access Points are strategically located throughout the state...These access points will target high-poverty, Limited English Proficiency, and other high-need populations to increase the access of job seekers to the workforce system.

MDES staff noted that the advantage to this program is that it is established on a volunteer basis, with the faith-based or community organization providing the physical space and a computer with internet access. This agreement is reached at no cost to MDES. MDES in turn provides a twelve-hour training session to the local point of contact and provides a resource manual on MDES services.

The first E-WIN Access Point opened in May 2008. According to MDES, there were fifteen E-WIN Access Points in operation as of November 23, 2009 (refer to Appendix G on page 80 for the location of these Access Points).

How have total participation levels changed since MDES began administering the WIA program?

Even with the decrease in the number of WIN Job Centers, total participation levels served since implementation of the WIA program in 2000 have continued to increase. Total participation levels for the first program year that MDES administered the WIA increased by approximately 31% over the previous program year and total participation levels increased by 1,468% during the period of program years 2000 through 2007.

Exhibit 15, below, shows the total WIA participants served from program years 2000 through 2007.

As shown in Exhibit 15, the total number of WIA participants has increased significantly over the period, from 9,687 participants in program year 2000 to 151,876 participants in program year 2007. While both the number of adults and dislocated workers served through the state's workforce investment system have increased significantly, the number of youth served by the system has fluctuated over the same period, peaking in program year 2002 at 8,849 participants and declining to a low of 3,696 participants in program year 2005. Since program year 2005, youth participation levels have continued to increase.

Exhibit 15: Total WIA Participants Served from Program Years 2000 through 2007

Program Year	WIA Adults	WIA Dislocated Workers	Youth	Total Participants
2007	70,067	76,236	5,573	151,876
2006	76,884	64,975	4,363	146,222
2005	60,399	54,389	3,696	118,484
2004	51,779	33,959	4,880	90,618
2003	33,407	25,377	6,460	65,244
2002	16,176	14,245	8,849	39,270
2001	9,249	3,879	6,775	19,903
2000	1,915	4,772	3,000	9,687
Total	319,876	277,832	43,596	641,304

SOURCE: MDES WIA Annual Reports.

How has the performance of the state's unemployment insurance program changed since 2000?

While the service delivery structure for filing unemployment insurance claims has shifted from “in person” at the WIN Job Centers to a more automated process at the MDES Call Centers, PEER could not determine that this shift in service delivery has had a negative impact on customer service or public access to the unemployment insurance program.

This chapter will address the question:

- How have customer service and public access to unemployment insurance benefits changed since 2000?

Although PEER acknowledges the critical importance of the unemployment insurance program in Mississippi, PEER did not conduct an accountability review of the efficiency and effectiveness measures for the program. According to MDES staff, the administration of the unemployment insurance program is currently in compliance with federal reporting and performance measures. Therefore, PEER defers to federal reporting and oversight through the U. S. Department of Labor (DOL) for this program at this time. PEER focused on how the change in the service delivery structure of the unemployment insurance program has impacted customer service and public access.

How have customer service and public access to unemployment insurance benefits changed since 2000?

The shift from filing unemployment insurance claims at local offices to telephone and online programs began under the MESC and became fully implemented after the commission was dissolved and re-formed as the MDES. In addition, Hurricane Katrina hastened the shift from filing claims at local offices to the current system of the MDES Call Centers. While the MDES Call Centers became the sole means of filing unemployment insurance claims in July 2009, PEER noted no negative impact on public access or customer service of the system.

MDES staff provided PEER with a summary of the technology strategic plan from the MESC regarding the unemployment insurance program. This summary highlights major technology goals for the unemployment insurance program from 2002 through 2005. Major elements of this plan included the following:

- In November 2003, the MESC implemented an interactive voice response system to allow people who

receive unemployment insurance benefits to file weekly claim certifications over the telephone.

- In December 2003, the MESC issued a request for proposals to develop an internet web design that could handle various services within the unemployment insurance program, employment services program, and labor market information program.
- In January 2004, MESC issued a request for proposals to design a new unemployment insurance benefits system.

After the last MESC request for proposals in 2004, MDES began the modernization project for the unemployment insurance system in January 2005. This project became the current Automated Comprehensive Claims and Employment Service System, commonly referred to as "ACCESS." The goal of the modernization project was to provide the agency with an updated technical solution to provide an increase in the number of self-service options accessible to MDES customers via the internet.

In regard to the unemployment field offices operated by MESC, in 2001 there was a full-time, part-time, or county operated office in each of the eighty-two counties. The services provided through these field offices were merged into the service options under the WIN Job Center network by 2002. Despite the reduction in the number of WIN Job Centers from 2000 through 2008, unemployment insurance claims may be filed via the internet or telephone from any location with access or through these same methods at any WIN Job Center.

Hurricane Katrina and the Shift from Local Unemployment Insurance Claims through the WIN Job Centers to the MDES Call Centers

In response to the effects of Hurricane Katrina on the state's workforce, in April 2007 MDES opened the first Call Center in Canton to handle unemployment insurance claims and provide support services for WIA programs.

MDES currently operates two Call Centers--one in Canton and one in Hattiesburg. MDES staff noted that the creation and establishment of a Call Center had been in the planning phases with the goal of processing unemployment insurance claims more efficiently, but Hurricane Katrina hastened the process.

After Hurricane Katrina, a temporary Call Center was established to process unemployment insurance claims by telephone in areas where the WIN Job Centers were destroyed or for displaced individuals who did not have access to a WIN Job Center. According to MDES staff, the Canton Call Center opened in April 2007. As a result of the

success of the Canton Call Center, MDES then opened a second Call Center in Hattiesburg in August 2008.

The MDES 2008 Annual Report states that the goal of the Call Centers is to provide maximum access to the highest quality resources and services for everyone. This report also states that the Call Centers provide callers with access to the following types of services:

- filing unemployment insurance claims;
- accepting appeals from customers;
- conducting claim investigations;
- inputting job orders; and,
- registering job applicants.

While unemployment insurance claims may be filed via telephone or the internet, the MDES Call Centers currently serve as the primary means for filing claims. The MDES 2008 Annual Report stated that over fifty percent of claims are processed through the Call Centers. MDES staff noted that as of July 13, 2009, all unemployment insurance claims are processed through the Call Centers or the internet. MDES staff also noted that individuals who wish to file unemployment insurance claims at the WIN Job Centers are provided with internet and telephone access through the resource center, with MDES staff available to provide assistance in filing claims via these methods.

How have the MDES unemployment insurance staffing levels been impacted by the Call Centers?

The number of MDES full-time employees providing unemployment insurance services remained fairly constant from 2000 until a 19% decline in Fiscal Year 2008.

Responsibilities of MDES's unemployment insurance staff include staffing the two Call Centers operated by MDES and providing central office support, including administrative staff within the Office of Customer Operation Support and the Office of Information Technology.

As shown in Exhibit 16, page 50, based on data reported to the Legislative Budget Office by MDES in its annual budget requests, over the period of fiscal years 2000 through 2008, the number of full-time staff assigned to unemployment insurance services declined by 19%, from 594.87 in FY 2007 to 483.27 in FY 2008. This decrease in the number of staffing charged to the unemployment insurance program corresponds to the time frame when the method for filing claims was being phased into the Call Center structure.

Exhibit 16: MDES Full-Time Employees Providing Unemployment Insurance Services from Fiscal Years 2000 through 2008

Fiscal Year	Unemployment Insurance
2008	483.27
2007	594.87
2006	576.58
2005	590.02
2004	576.58
2003	576.62
2002	572.16
2001	580.69
2000	579.49

SOURCE: MDES annual budget requests to Legislative Budget Office for FY 2002 through FY 2010.

How has the shift in public access to the unemployment insurance program been impacted by the Call Centers in regard to total claims filed?

Based on a 38% increase in the total number of claims filed in 2008 and the fact that unemployment insurance claims were not solely filed through the Call Centers until July 2009, PEER could not determine that the implementation of filing claims through the MDES Call Centers has produced a negative impact to public access to the unemployment insurance program.

MDES provided PEER with the total number of regular unemployment insurance claims filed from calendar years 2002 through 2008. According to MDES staff, a “regular claim” is a claim for regular unemployment benefits, which includes unemployment insurance, federal, and military unemployment claims. It does not include any special federal programs such as Disaster Unemployment Assistance, Extended Benefits, Emergency Unemployment Compensation, and Trade Readjustment Assistance. PEER focused on the total number of regular claims because MDES also stated that all individuals have to file for regular benefits before they could be potentially eligible for any special federal programs.

As shown in Exhibit 17, page 51, the total number of regular unemployment insurance claims declined by 4%, from 194,192 in 2002 to 186,849, in 2008. However, two significant increases in the number of regular claims filed occurred in both 2005 and 2008. In 2005, the number of regular claims increased by 39% from the prior year, which could be attributed to the impact of the large number of Hurricane Katrina claims. The second increase in claims occurred in 2008, when there was a 38% increase over the prior year. Based on the total number of claims filed, the spike in claims filed in 2008, and the fact that

unemployment insurance claims were not solely filed through the Call Centers until July 2009, PEER could not determine that the implementation of filing claims through the Call Centers produced a negative impact to public access to the unemployment insurance program.

Exhibit 17: Total Number of Regular Unemployment Insurance Claims Filed in Mississippi from 2002 through 2008

Calendar Year	Regular Unemployment Insurance Claims Filed
2008	186,849
2007	135,493
2006	132,254
2005	212,753
2004	152,580
2003	180,061
2002	194,192

SOURCE: MDES.

How has the shift to the MDES Call Centers affected customer service of the unemployment insurance program?

Since January 2009, the MDES Call Centers have experienced a 59% increase in the number of calls received (as of October 2009). Also, the average wait time experienced by a caller decreased by 79% over this same time frame. Because no data was tracked by MDES regarding the average wait time when unemployment insurance claims were filed in person, PEER could not determine whether the Call Centers are providing a better level of customer service through more efficient filing of claims.

MDES provided PEER with the total number of calls handled and average wait time by month for 2009. As shown in Exhibit 18, page 52, the number of total calls handled increased from January to October, while the average wait time for a caller decreased. The number of calls handled by the centers increased by 59%, from 48,815 in January to 77,749, in October. The average wait time decreased by 79%, from 14:59 minutes in January to 3:13 minutes in October.

Exhibit 18: Total Number of Calls Received and the Average Wait Time for the MDES Call Centers in 2009 (through October)

Month	Number of Calls	Average Wait Time (Minutes)
January	48,815	14:59
February	50,485	5:03
March	63,604	4:19
April	59,929	3:46
May	64,471	4:17
June	80,810	5:38
July	76,271	3:24
August	77,180	3:20
September	74,183	2:20
October	77,749	3:13

SOURCE: MDES.

While there was a substantial decrease in average wait time after January, MDES noted that multiple process improvements took place, such as estimated wait time announcements, announcements that advised of shorter average wait times later in the week, and additional Call Center staff training activities to minimize wait time. While PEER inquired about the average wait time for the Call Centers versus the average wait time at a WIN Job Center, MDES noted that no average wait time was monitored and reported when claims were filed in person. MDES also noted that the average wait time for filing claims in person might not have been accurately tracked due to multiple factors, such as overall caseloads by center and also the driving time to reach a center.

What improvements could be made within the state's workforce investment system?

While MDES continues to be in compliance with federal regulations and guidelines, MDES should strengthen its internal strategic planning, provide increased quality control of the data validation process at the WIN Job Centers, and provide more comprehensive performance reporting in regard to efficiency and effectiveness measures.

Any entity that receives public funds should be held accountable for the efficient and effective use of such funds. In reviewing the MDES and its current organizational structure and administration of the WIA in Mississippi, PEER noted that MDES continues to be in compliance with the major aspects of federal regulations and guidelines of the WIA of 1998 and the U. S. DOL, such as performance on the common measures, reporting requirements, and data validation. While the change from the MESD to the MDES created internal organizational modifications, PEER noted no evidence that the new organization was performing less efficiently or effectively than in prior years.

However, PEER found that the MDES and its role in the state's workforce investment system could be strengthened to better achieve its mission of increasing employment in Mississippi, including:

- a need for stronger internal strategic planning, such as needs assessments, balancing participants with performance, marketing, and best practices;
- stronger quality control of data validation regarding training providers at the local WIN Job Centers; and,
- more comprehensive performance reporting in regard to efficiency and effectiveness measures.

The following discussion notes potential issues and areas in which MDES could strengthen its accountability for providing services to its customers and the administration of its programs.

Need for Internal Strategic Planning

MDES should strengthen its strategic planning process by establishing comprehensive needs assessments regarding the location of and closures of public access service points, as well as expanding the monitoring of efficiency and effectiveness of the WIA program to incorporate the number of unemployed participants served in comparison to the total unemployed population. MDES should also evaluate its marketing strategies and establish best practices in the comparison of services provided through WIN Job Centers managed by MDES and those managed by the community college system.

PEER believes that MDES has a need for an increased level of internal strategic planning that could improve the quality and effectiveness of the programs and services provided, such as comprehensive needs assessments, balancing participants with performance, marketing, and best practices.

Comprehensive Needs Assessments

MDES continues to carry out its role in the state's workforce investment system in compliance with federal and state requirements. However, MDES could strengthen its internal strategic planning through comprehensive needs assessments.

One primary example of the need for improved strategic planning is how WIN Job Centers are located and whether a comprehensive needs assessment is performed when the decision is made to close a public access service point.

The WIA of 1998 requires that only one comprehensive one-stop location be present in each of the designated local workforce areas. The WIA of 1998 also established that the local workforce areas would make the decisions regarding the number and the location of the one-stop centers. For example, the Southcentral Mississippi Works Local Workforce Area Strategic Plan for July 1, 2007, through June 30, 2009, states:

The Local Workforce Investment Board initially reviewed the employment and training needs of the area and developed a "One-Stop" Career Center plan designed to provide maximum access to employers, job seekers, and incumbent workers. Based on the distribution of population across the area, nine sites were identified as potential locations for WIN Job Centers. More than 83% of the Area's population is within 20 miles of one or more of these locations.

While this plan places the comprehensive WIN Job Centers in the workforce area based on population, PEER notes

that there are also two part-time WIN Job Centers on the MDES service map that are not specified within the local workforce area's plan. While MDES staff noted that these sites are operated by MDES through preexisting sites for employment services offices and staffed by the nearby full-time WIN Job Centers staff, there was no explanation or assessment provided in regard to the site location of these two part-time centers. Also, MDES noted that WIN Job Centers were placed in areas of need, but could not provide a detailed description of the criteria utilized to establish a definition for need.

MDES provided PEER with a list of MDES WIN Job Center closings from April 1, 2005, through March 31, 2006. PEER notes that while this list of closures does provide some of the basic service data (such as number of registrations, number of referrals, entered employment rate, job order, and initial claims filed), no formal criteria or needs assessment was provided along with this document stating an established minimum level of service that would render a center no longer efficient in providing services to its customers. Also, while MDES provided this document, the document does not state by whom these offices were closed--whether by MDES or by the local workforce investment areas. Since the mission of the MDES is to increase employment in Mississippi, any time that a service point is closed, there should be a justification for the decrease in public access to the state's workforce investment system.

Another example for the need for a comprehensive needs assessment is the E-WIN Access program. The purpose of the program is to establish alternative and convenient sites for job searchers to perform job searches without visiting their local WIN Job Centers. According to the E-WIN Access Point MOU:

E-WIN Access Points are strategically located throughout the state...These access points will target high-poverty, Limited English Proficiency, and other high-need populations to increase the access of job seekers to the workforce system.

While PEER acknowledges the importance of increasing access and exposure throughout the state in relation to the agency's mission of increasing employment in Mississippi, when PEER interviewed MDES staff and requested the strategic plan and thresholds that define the criteria of where an E-WIN Access Point was needed, no answer was provided. MDES provided no clear definition of the method of selecting potential sites in regard to at what level a population or geographic location is considered high-need.

Balancing Participants with Performance

Both MDES staff and DOL staff note an inherent conflict in the number of WIA participants served versus a state's performance in relation to the established annual WIA measures of performance.

One potential issue within the state's workforce investment system and MDES's administration of the WIA is established through the organization of the performance measures and the overall goal of the MDES and the SWIB.

As noted earlier, according to MDES, its mission is increasing employment in Mississippi. The mission of the SWIB is to develop and implement a state strategy to maximize the state's training resources in support of economic development. In order to be more likely to accomplish these two missions, an increase in access and the number of participants served would likely increase the chances for individuals to achieve employment and improve efficiency measures.

However, DOL established the WIA effectiveness performance measures to focus on the entered employment rate and employment retention rate, not the total number of participants served. Therefore, because as a general rule in a declining economy jobs are not created as quickly as people become unemployed, or that there are not enough existing jobs to encompass the total unemployed population within a state, an increase in the number of people served would likely result in a decrease in the entered employment and employment retention rates.

This inherent conflict in efficiency and effectiveness is also acknowledged through presentations provided by the U. S. DOL, showing that states with higher participant counts tend to have lower actual performance results in comparison to the goals. Furthermore, if the state continuously misses its performance goals, then it could potentially receive a sanction in federal funding, which in turn would reduce the amount of available services to program participants.

PEER cautions that services should not be organized and managed efficiently to the extent that vital training and educational services are not provided to certain groups or geographic areas in an attempt to achieve a balance between participants served versus performance in order to show high performance measures, such as closing an Access Point in an area where a large number of participants are served but the entered employment or placement rates are low. PEER does acknowledge that participation is important, but that other measures should also be taken into account and reported on rather than solely on the total raw participation number, such as the

number of unemployed served versus the total number of unemployed within the respective workforce area.

Marketing and Best Practices

While the MDES Vision of Success statement refers to aggressive marketing and best practices, PEER noted potential issues in the strategic planning of marketing and best practices for both services and physical locations of the WIN Job Centers.

Key components in the success of any business or entity that operates programs, services, or products to customers include marketing strategies and utilization of best practices.

Even though the MDES is a state agency, it has designed its service delivery structure to treat businesses, current employees, and job seekers as its customers. Any of these individuals who interact with MDES through the WIN Job Centers do so in order to receive or participate in a specific program or service, whether it is to seek core services such as job search and job placement assistance or more intensive services such as counseling and specialized skill training. MDES has touched on these components within its Vision of Success statement, which includes:

- *(MDES) aggressively markets its services;*
- *is sought of first by employers and employees in need of job services; and,*
- *...to seek best practices and process improvement.*

PEER noted potential issues in both of these areas in regard to internal strategic planning.

Marketing Strategies

PEER interviewed MDES staff within the Office of Public Information in regard to the marketing strategies available to MDES for its programs and services. The Director of the Office of Public Information stated that federal funds from DOL could not be utilized for marketing campaigns and advertisements. MDES noted that it was limited in the materials it is able to produce and distribute as press releases, public service announcements, and informational pamphlets and materials distributed through WIN Job Centers. However, MDES staff did state that the agency is required to put the web address and telephone number on any materials sent to customers that describe any of its programs or services. MDES staff noted that the agency's primary means of advertising its programs and services is through word-of-mouth and referrals through other entities.

MDES staff did state that the agency is able to form any partnership and utilize any means of advertising that is free. For example, MDES does currently partner with Mississippi Public Broadcasting (MPB) and Debut Broadcasting in the Delta Workforce Area. Job orders listed with MDES are randomly selected based on the location of the job and from a sample of different position types and provided to these two broadcasters for weekly advertisement. The advertising of these job orders through MPB is provided by and paid for by the Mississippi Association of Workforce Areas (MAWA) at no cost to MDES.

The Director of the Office of Public Information also stated that MDES provided job orders to the WLBT Job Bank for many years until June 2009, when WLBT created its own job bank with job orders. While PEER acknowledges the importance of such partnerships and their potential to inform people about job openings and MDES itself, when PEER inquired about which of these methods was most effective and how it compared to other approved means of advertising, such as job fairs and the MDES telethon, MDES staff stated there has not been an analysis of whether the job order numbers advertised through WLBT, MPB, and Debut were filled more effectively than through the online job database alone. Any partnership that MDES forms with the potential to be utilized as a venue for the marketing of its programs and services should be evaluated to determine which means are most effective in terms of best practices.

Signage for WIN Job Centers

Another potential area of concern is the signage that denotes the directions to and the location of the WIN Job Centers throughout the state. Due to the locations of the various WIN Job Centers (i. e., on a main thoroughfare versus a less visible location), the standard signage may not be adequate for some centers.

When PEER interviewed MDES staff, they noted that federal funding could not be used for advertisement signs and that only roadside and standard highway signs were permissible. Such issues were also noted within the MDES Mystery Shopping results. The 2008 mystery shopping performed by Dream, Inc., included within its reports to MDES the on-site comments. For each of the WIN Job Centers that scored at fifty percent or below, the comments included some aspect regarding the signage of the WIN Center or the ease of locating the center. Comments for these particular site visits scoring a low rating included:

- *No road signage directing the shopper to the WIN Center, nor was there signage on the building itself;*

- *Not adequate signage at the intersection, and the shopper was not asked to sign in; and,*
- *Shopper was asked to come back later in the day because it was close to lunch, and the facility was very hard to find.*

MDES should coordinate with the local workforce areas to ensure that adequate signage is present for those locations at which the WIN Job Center buildings are not readily visible from the road.

This issue is also compounded by the shift in the filing of unemployment insurance claims from the previous in-person claims filed and processed at the WIN Job Centers to the current system of the MDES Call Centers. Upon interviewing MDES staff, PEER noted that one earlier method of marketing for the WIN Job Centers occurred through the filing of unemployment claims, because individuals who wanted to receive these benefits had to travel to the nearest WIN Job Center to file a claim and could also learn about the services available at each respective center. However, now that MDES files and processes unemployment insurance claims through the two Call Centers, it is important for MDES to assess how the WIN Job Centers are marketed to ensure that people know the location and services provided through the network of the centers.

Comparison of Services Provided by or through MDES

Because the MDES administers WIA funds that are utilized for training, and administers the Eligible Training Provider List (ETPL), MDES should evaluate the reported results of trainers among its list, both public and private, and compare these results to similar entities in the private sector that may not be on the ETPL. This potential issue was also noted within a 2004 State Auditor's Report entitled *An Informational Report on State and Federal Workforce Training Activities*. Specifically, this report stated:

...private providers may charge higher fees, but if they have fewer requirements or are more convenient in some other way, they may be more attractive, especially if the costs are not borne directly by the training recipient. The bottom line for more prospective trainees would appear to be more about the likelihood of graduation and immediate job placement.

This same philosophy could be applied to other services provided by or through MDES in regard to the WIN Job Centers. For example, also incorporating the issue of marketing and advertising, is there a process in place that

examines the effectiveness or ease of use for the MOJO in comparison to a private or more widely advertised online job search and job posting system? MDES should ensure that its services are competitive and see how its service results compare to similar entities in the private sector.

Another example is a comparison of the performance among the WIN Job Centers managed by MDES and those WIN Job Centers managed by the community colleges. Since the local workforce area has selected both of these entities to manage different WIN Job Centers, the MDES and the SWIB should evaluate the performance among these centers to determine best practices in regard to efficiency and effectiveness measures.

Data Validation Regarding Eligible WIA Training Providers

While DOL requires annual data validation for WIA participant files, PEER noted two potential concerns regarding eligible WIA training providers: the process in place used to validate that a participant who receives training through WIA funding receives his or her first choice without the influence of staff at the WIN Center level and the evaluation of which training providers on the ETPL are utilized significantly more than others.

Although MDES is required to perform data validation tests for each of its major programs, such as WIA and unemployment insurance, there is potential concern over the quality control measures within data entry at the WIN Job Center level, particularly regarding training providers.

This issue was presented through an anonymous complaint that was submitted to PEER. The complainant stated he was a training provider approved and currently on the state Eligible Training Provider List (ETPL). The ETPL is managed by and maintained by MDES and is a comprehensive list of all of the training providers eligible to receive federal training funds to provide services to WIA participants. The complainant explained in detail that his training entity was having an issue with one particular WIN Job Center in the area in regard to training referrals and participants. The complainant claimed that the staff at this particular center lobbied multiple participants referred by the trainer to apply for WIA funds with another provider, even misleading these participants by saying the complainant's training course was full or unavailable and once again referring these participants to the other training entity. Therefore, the complainant initially contacted PEER to obtain information on the process for filing a formal complaint against the particular WIN Job Center.

PEER interviewed MDES staff within the Office of Customer Operations and the Equal Employment Officer to inquire about the grievance process available within MDES and the state's workforce investment system. An individual may

choose to file a complaint through any of multiple outlets. The Equal Opportunity Officer noted that he primarily handles cases that are deemed as discrimination through the Civil Rights Act. However, he did state that he refers all program and service complaints to the respective office director of the program. In regard to a complaint against a WIN Job Center, this would be forwarded to the Director of the Office of Customer Operations and his staff. When PEER interviewed Office of Customer Operations staff, the staff noted that this particular complaint could be submitted directly to MDES or the Manager of the particular WIN Job Center. In addition, MDES noted that each local workforce board has a grievance process and staff that review complaints against the WIN Job Centers within their respective workforce area.

While PEER did not investigate or validate the extent of the complaint, it raised two concerns within the workforce system and the MDES: the process in place used to validate that a participant who receives training through WIA funding receives his or her first choice without the influence of staff at the WIN Center and the evaluation of which training providers on the ETPL are utilized significantly more than others.

MDES noted that the Workforce Investment Act of 1998 states that the training system is designed around customer choice. Also, DOL requires data validation for a sample of WIA participant files annually in regard to the data elements entered on the intake form and source documentation. However, MDES staff also stated that there is no means in place that validates whether the training provider utilized was a participant's first choice. Since MDES manages the ETPL list through an online system, MDES should be able to monitor whether one particular training provider is utilized far more than any others in a particular workforce area. Monitoring the usage of ETPL providers also has the potential for MDES and the local workforce areas to examine best practices based on the performance results from one provider to the next. MDES staff did note that it currently tracks the usage of training providers solely for Individual Training Accounts.

More Comprehensive Performance Reporting

MDES is required to report to DOL the values used to calculate the actual performance based on the common measures within the WIA annual data report, but it is not required to provide the same information regarding the efficiency measures in the narrative report. Also, the current data collection and reporting system was not designed to capture performance at the WIN Job Center level.

As noted on page 3, PEER reviewed the WIA annual data and narrative reports provided to DOL by MDES. It was

only in program year 2008 that MDES included more detailed performance information in the annual narrative report, such as the Mississippi and local workforce area actual WIA performance in regard to the common measure goals, rather than just the cost per participant data.

Upon review of the annual narrative reports, PEER found that while the efficiency measure of cost per participant was provided, no source documentation for the calculations utilized to reach these cost per participant measures were provided within the report. When PEER requested the source documentation for these efficiency estimates from MDES, the specific data used to calculate the cost per participant could not be provided prior to program year 2006. Therefore, the validity of the efficiency measures could not be validated for prior program years. While MDES is required to report the values to calculate the actual performance based on the common measures within the WIA annual data report, it is not required to provide the same information regarding the efficiency measures in the narrative report.

Another limitation in the reporting of WIA performance data can be attributed to the data collection and reporting through the current WIA participant reporting system. The system is an older mainframe-based data collection system that was developed when the WIA program was administered by MDA to monitor WIA participant data. Upon moving the administration of the WIA program from MDA to MDES in 2005 in response to state law, the system remained housed within MDA but is used by MDES. Therefore, MDES contracts with MDA to maintain the system and must request that reports be generated for the information to be used by MDES to complete the WIA quarterly and annual reports to DOL.

Another limitation of the WIA participant reporting system is that it can only provide WIA performance data to the local workforce area level and not by individual WIN Job Center. In an effort to improve data collection and reporting, MDES launched a multi-year project to develop a unified participant reporting system known as Workforce Investment Network Global Services (WINGS). Once completed, WINGS will be utilized for the WIA, Trade Adjustment Act, and Wagner-Peyser programs, thus eliminating the current method of a separate data collection system for each program. The advantage of WINGS is that it is a web-based application that can be accessed from any computer with internet access, versus the current system that may only be accessed by designated points connected to the mainframe. MDES noted that one goal of the new WINGS system is to have the ability to provide performance data by individual WIN Job Center in addition to the current information available only at the state and local workforce area levels.

Recommendations

1. Since MDES is the state WIA administrator, the agency should establish a state WIA policy requiring that a comprehensive needs assessment be performed by either MDES or the local workforce investment area, depending on the type of location and entity responsible for the placement of such location, in regard to the openings and closures of any public access service points. This needs assessment should be objective and clearly define the criteria utilized to ensure that maximum service coverage is achieved or maintained and that resources are used efficiently.
2. Despite the fact that the WIA measure for customer satisfaction is no longer required to be reported to DOL, MDES should continue to utilize the mystery shop process to measure the quality of services provided through the WIN Job Centers. In addition, MDES should maintain historical data regarding the results of these mystery shops and ensure that the information is utilized in the strategic planning process to identify areas of improvement and potential best practices.
3. MDES should evaluate its marketing strategies any time a partnership is formed with the potential to be utilized as a venue for the advertising of MDES programs and services in order to determine which methods prove to be the most effective in increasing employment opportunities or performance.
4. Since MDES manages the WIA Eligible Training Provider List through an online system, it should track and periodically review which of these training providers are used more frequently than others and review reported performance levels of these training providers to identify best practices.
5. MDES should consider adding the verification of eligible training provider choice to its annual data validation process for WIA participant files where applicable. Another option would be for the MDES to develop a survey instrument for the follow-up of any WIA participant who receives training from an eligible training provider to

verify whether the provider was the participant's first choice.

6. MDES should provide the source data used to calculate the efficiency measures in its WIA annual report narrative. Including this information would be more consistent with the reporting of the WIA effectiveness measures and provide for a clearer understanding of how and where the efficiency measure was calculated when reviewed by an outside party, such as DOL or the Legislature. MDES should also include in its narrative report the number of unemployed individuals who are served as a percentage of the total unemployed population at the state and local workforce area levels.
7. MDES should ensure that when the WINGS participant data collection and reporting system is fully operational, that it will have the capacity to report on the performance measures for efficiency and effectiveness for each individual WIN Job Center. In addition, once this is achieved, MDES should evaluate and compare the performance of the WIN Job Centers operated by MDES and those operated by the community colleges.

Appendix A: Role of State Agencies and Other Entities Represented on the SWIB in Mississippi's Workforce Investment System

Department of Corrections

The mission of the Department of Corrections is to provide and promote public safety through efficient and effective offender custody, care, control, and treatment consistent with sound correctional principles and constitutional standards. As noted by the Strategic Plan for Workforce Development in the challenges to the workforce system, one key target population for workforce training and education programs includes ex-offenders. In January 2009, the South Mississippi Correctional Facility and Jones County Community College, with the assistance of the Laurel WIN Job Center, began a two-year pilot program to provide skills training to inmates who are in good behavioral standing and are on track to be released from incarceration.

Department of Human Services

The mission of the Department of Human Services is to provide services for people in need by optimizing all available resources to sustain the family unit and to encourage traditional family values, thereby promoting self-sufficiency and personal responsibility for all Mississippians. The Department of Human Services administers the Temporary Assistance to Needy Families (TANF) Work Program, which provides the following to TANF participants: provides orientation about work program requirements; assesses skills and abilities to get and keep a job; and assists in determining an employment goal and developing a plan that may provide a chance to learn new skills and receive training to become self-sufficient.

Department of Rehabilitation Services

It is the mission of the Department of Rehabilitation Services to provide appropriate and comprehensive services to Mississippians with disabilities in a timely and effective manner. The Department of Rehabilitation Services' programs and services assist individuals with disabilities to gain employment, retain employment, and

live more independently. The department's Office of Vocational Rehabilitation provides services that assist eligible individuals in overcoming the limitations imposed by physical or mental disabilities while maximizing their potential for employment. The department's Office of Vocational Rehabilitation for the Blind specializes in working with blind individuals and those with low vision to optimize their opportunities for inclusion into the workforce, community, and home.

Department of Education

The mission of the Department of Education's Office of Dropout Prevention is to work in collaboration with all of the department's offices, the community, and other organizations to empower school districts to ensure student success in educational and lifelong learning skills. In addition, the department's Office of Vocational Education and Workforce Development provides career and technical skills by developing and implementing research-based instructional programs that meet the needs of a changing workforce and promote economic development.

Board for Community and Junior Colleges

The Board for Community and Junior Colleges provides education across a wide spectrum of subject areas, including university-track academic classes, career and technical skills, and workforce education directed toward specific jobs, as well as adult basic education and GED preparation. The Adult Basic Education Programs are designed to offer opportunities that will enhance the skills and abilities of individuals preparing for the workforce or preparing for additional educational opportunities in the areas of math, reading, writing, communication, teamwork, and computer skills. The Workforce, Career and Technical Education Division is responsible for the provision of service, support, and resources to Mississippi's fifteen community and junior colleges, in order to facilitate the following three goals:

- provide workforce training and career and technical education to the people of Mississippi needed to get jobs, retain jobs, advance in those jobs, and have an improved quality of life;
- provide current and prospective employers of Mississippi with a trained and educated workforce, enabling our state to retain and grow existing businesses and industries and attract new ones; and,

- promote effective communication, efficient use of state resources, and improved educational outcomes through program assessment and accountability.

Board of Trustees of State Institutions of Higher Learning

The Board of Trustees of State Institutions of Higher Learning provides guidance and management for the public universities in Mississippi. Its goal is to create an academic environment that allows students to receive a quality education--one that will equip them to contribute to the workforce and to be responsible citizens.

Mississippi Development Authority

The Mississippi Development Authority (MDA) is Mississippi's lead economic and community development agency. The Economic Development Group at MDA focuses its efforts in traditional business recruitment and retention, community development, tourism development and export development. MDA administers a variety of incentive programs designed to assist businesses with their development and expansion needs and to posture the state as an aggressive competitor in the global marketplace. MDA also works with minority and women-owned businesses to facilitate networking with key industry partners from public and private sectors.

SOURCE: PEER analysis.

Appendix B: Description of the Calculation of WIA Funding Levels

In regard to WIA Adult Activities, funding is allocated based on the following formula:

- 1/3: the state relative share of total unemployed in areas of substantial unemployment;
- 1/3: the state relative share of excess unemployed; and,
- 1/3: the state relative share of economically disadvantaged adults.

An *area of substantial unemployment* is defined by DOL as a contiguous area with a current population of at least 10,000 and an average unemployment rate of at least 6.5 percent for the twelve-month reference period. *Excess unemployment* is defined by DOL as an unemployment rate in excess of 4.5%. DOL defines *economically disadvantaged adults* as individuals from ages twenty-two through seventy-two meeting the poverty level or 70% of the lower living standard income level. The WIA Adult Activities formula also has minimum and maximum funding standards. The minimum standard states that:

If the total amount available for States is \$960 million or less, then the state allotment cannot be less than 90% of State relative share of prior year funding or 0.25% of total available funds for states.

The maximum standard states that funding cannot exceed 130% of the state relative share of prior year funding.

The formula for WIA Dislocated Worker Activities is allocated based on the following:

- 1/3: the state relative share of total unemployed;
- 1/3: the state relative share of excess unemployed; and,
- 1/3: the state relative share of long-term unemployed.

DOL defines the *long-term unemployed* as an individual who has been unemployed for fifteen or more weeks. The WIA Dislocated Worker Activities formula has no minimum or maximum funding standard.

The formula for WIA Youth Activities is very similar to the adult formula. WIA Youth Activities funding is allocated based on the following formula:

- 1/3: the state relative share of total unemployed in areas of substantial unemployment;
- 1/3: the state relative share of excess unemployed; and,
- 1/3: the state relative share of economically disadvantaged youth.

DOL defines *economically disadvantaged youth* as individuals from age sixteen through twenty-one meeting the poverty level or 70% of lower living standard income level. The WIA Youth Activities formula also has minimum and maximum funding standards. The minimum standard states that:

If the total amount available for States is \$1 billion or less, then the state allotment cannot be less than 90% of State relative share of prior year funding or 0.25% of total available funds for states.

The maximum standard states that funding cannot exceed 130% of the state relative share of prior year funding.

SOURCE: U. S. Department of Labor.

Appendix C: WIA Funding of the Mississippi Local Workforce Investment Areas

The state WIA administrator is responsible for allocating WIA funds within each program area to the local workforce areas. Since the Governor has designated MDES, Office of Grants Management, as the Mississippi WIA Administrator, MDES must distribute the WIA funding for Adults, Dislocated Workers, and Youth to the four local workforce areas.

When distributing the funds to the local workforce areas, the state WIA administrator may also set aside certain funding amounts based on the total WIA funding available to the state. The Workforce Investment Act of 1998 stated that the state WIA administrator may withhold no more than five percent of the total available funding for administration of the act. The act also stated that ten percent of the total available funding may be withheld for utilization for programs and services at the state level.

In addition to these general provisions, the act also requires the Governor to reserve not more than twenty-five percent of the state's allotment for statewide rapid response activities, which includes additional assistance to local areas that experience disasters, mass layoffs, plant closings, or other events that precipitate substantial increases in the number of unemployed individuals. Exhibit 19, below, provides a general overview of the total funding percentages available at the state and local levels.

Exhibit 19: Overview of the Flow of WIA Funding in Mississippi

WIA Funding Flow	Adult Activities	Dislocated Worker Activities	Youth Activities
Local Areas	85%	60%	85%
Statewide Activities	10%	10%	10%
WIA State Administration	5%	5%	5%
Rapid Response		25%	

SOURCE: MDES.

In order to distribute these funds to the local workforce areas, MDES may apply the federal statutory formulas to each local area or utilize a separate allocation formula. If the state selects to use a separate allocation formula, then the formula must be submitted for review and approved by DOL. MDES has elected to not use the DOL discretionary formula established through the WIA of 1998. The following discussion briefly describes the funding formulas utilized by MDES.

In order to calculate the local Adult Activities WIA funding amounts for the four local workforce areas, the MDES utilizes a formula that takes into account the following:

- MDES Labor Market Information for the total number employed, total number of unemployed, total labor force, and the adjusted excess unemployed; and,
- 2000 Census data for the number of disadvantaged adults.

Each of the above mentioned data elements is calculated for each of the four workforce areas in order to obtain respective percentages in relation to the total. These percentages are then applied to the total funding amount available for the three adult classifications: Substantial Unemployment, Excess Unemployment, and Economically Disadvantaged. Once the initial calculations are performed, MDES then applies the “hold harmless” calculation to the local totals. According to the WIA of 1998, if a state elects to apply this provision:

A local area must not receive an allocation amount for a fiscal year that is less than 90 percent of the average allocation of the local area for the preceding two years.

Once this provision has been calculated, then MDES will allocate funds to the local areas based on its calculations, unless the amount is less than the hold harmless provision. If the hold harmless provision is higher than the calculated amount, the hold harmless amount is allocated.

In order to calculate the local Dislocated Worker Activities WIA funding amounts for the four local workforce areas, the MDES utilizes a weighted formula developed by the Governor. This formula is comprised of seven factors, each with its own weight in relation to the total funding amount. It should be noted that there is no hold harmless calculation for dislocated worker funding amounts. Exhibit 20, page 72, shows the factors and their respective weights in the formula for dislocated workers.

Exhibit 20: Overview of the Dislocated Worker WIA Funding Formula

Allocation Factor	Weight
Insured Unemployment	10%
Unemployment Concentrations	25%
Plant Closings and Mass Layoffs	5%
Declining Industries	10%
Farmer-Rancher Economic Hardships	5%
Long-Term Unemployment	30%
Number of Dislocated Workers	15%

SOURCE: Mississippi State WIA and Wagner-Peyser Plan.

In order to calculate the local Youth Activities WIA funding amounts for the four local workforce areas, the MDES utilizes a formula that takes into account the same percentages of substantial and excess unemployment as calculated from the adult table, but also utilizes 2000 Census data for the number of disadvantaged youth.

Each of the above mentioned data elements is calculated for each of the four workforce areas in order to obtain respective percentages in relation to the total. These percentages are then applied to the total funding amount available for the three youth classifications: Substantial Unemployment, Excess Unemployment, and Economically Disadvantaged. Once the initial calculations are performed, MDES then applies the “hold harmless” calculation to the local totals. Once this provision has been calculated, MDES will allocate funds to the local areas based on its calculations, unless the amount is less than the hold harmless provision. If the hold harmless provision is higher than the calculated amount, the hold harmless amount is allocated.

The following exhibits provide the WIA funding allocation totals by program for program years 2000 through 2009 for the Delta, Mississippi Partnership, Southcentral, and Twin Districts workforce areas, respectively.

Exhibit 21: Delta WIA Funding Allocations by Program Area for Program Years 2000 through 2009

Program Year	Adult Funding	Dislocated Worker Funding	Youth Funding	Total Funding
2009	\$2,589,435	\$1,845,153	\$2,805,433	\$ 7,240,021
2008	2,822,194	2,516,003	3,077,185	8,415,382
2007	3,040,046	3,498,226	3,312,640	9,850,912
2006	2,523,240	2,212,865	2,844,085	7,580,190
2005	2,160,100	1,324,636	2,295,054	5,779,790
2004	2,120,085	1,637,747	2,621,897	6,379,729
2003	2,608,078	1,950,382	3,072,429	7,630,889
2002	3,114,878	2,790,069	3,939,481	9,844,428
2001	3,044,936	4,094,484	3,805,292	10,944,712
2000	2,375,829	1,843,409	2,795,078	7,014,316

SOURCE: MDES; WIA Funding Allocation Communication Letters from DOL.

Exhibit 22: MS Partnership WIA Funding Allocations by Program Area for Program Years 2000 through 2009

Program Year	Adult Funding	Dislocated Worker Funding	Youth Funding	Total Funding
2009	\$3,041,560	\$2,300,078	\$3,293,709	\$ 8,635,347
2008	3,346,065	5,071,464	3,612,497	12,030,026
2007	3,539,223	4,601,728	3,889,457	12,030,408
2006	3,055,678	3,251,258	3,338,302	9,645,238
2005	2,396,666	1,726,329	2,695,695	6,818,690
2004	2,786,698	2,266,274	3,075,675	8,128,647
2003	2,948,842	2,336,003	3,197,876	8,482,721
2002	3,106,228	3,027,967	3,604,170	9,738,365
2001	2,714,799	4,158,685	3,091,051	9,964,535
2000	2,389,822	2,434,670	2,574,220	7,398,712

SOURCE: MDES; WIA Funding Allocation Communication Letters from DOL.

Exhibit 23: Southcentral WIA Funding Allocations by Program Area for Program Years 2000 through 2009

Program Year	Adult Funding	Dislocated Worker Funding	Youth Funding	Total Funding
2009	\$2,507,051	\$1,762,424	\$2,615,856	\$6,885,331
2008	2,822,222	3,608,425	2,876,665	9,307,312
2007	2,852,001	4,086,528	3,081,368	10,019,897
2006	2,465,219	3,061,320	2,674,164	8,200,703
2005	1,928,427	1,842,539	2,106,186	5,877,152
2004	2,180,225	1,803,711	2,356,853	6,340,789
2003	1,581,767	1,251,665	1,725,517	4,558,949
2002	1,948,059	1,562,128	2,276,849	5,787,036
2001	2,219,377	2,623,798	2,562,672	7,405,847
2000	1,734,697	1,499,565	1,887,745	5,122,007

SOURCE: MDES; WIA Funding Allocation Communication Letters from DOL.

Exhibit 24: Twin Districts WIA Funding Allocations by Program Area for Program Years 2000 through 2009

Program Year	Adult Funding	Dislocated Worker Funding	Youth Funding	Total Funding
2009	\$3,361,125	\$2,248,803	\$3,640,123	\$ 9,250,051
2008	3,322,706	5,263,189	3,639,908	12,225,803
2007	4,292,272	8,330,579	4,651,058	17,273,909
2006	2,512,430	3,616,868	2,631,543	8,760,841
2005	1,985,846	1,832,560	2,267,080	6,085,486
2004	2,349,115	2,526,655	2,442,565	7,318,335
2003	1,727,429	1,708,231	1,887,471	5,323,131
2002	2,109,877	1,991,318	2,474,474	6,575,669
2001	2,326,679	3,270,419	2,693,483	8,290,581
2000	1,714,506	1,706,176	1,868,759	5,289,441

SOURCE: MDES; WIA Funding Allocation Communication Letters from DOL.

Based on the local WIA funding allocation amounts in the above exhibits, the funding trends in comparison to the total WIA funding allocated for program years 2000 through 2009 were evenly distributed among the four workforce areas. The total local WIA allocations over this

time frame equal approximately \$329.5 million. Out of this total, the Delta Workforce Area received approximately 25%, the MS Partnership received approximately 28%, the Southcentral Workforce Area received approximately 21%, and the Twin Districts Workforce Area received approximately 26%.

SOURCE: PEER analysis of WIA Annual Funding Allocation Letters, Program Years 2000 through 2009.

Appendix D: LWIB Contracts with MDES for Program Year 2008

<p><u>Delta</u></p> <ul style="list-style-type: none"> • Contract Period: July 1, 2008 – June 30, 2009 • WIN Center Operations: <ul style="list-style-type: none"> ○ Comprehensive – 7 ○ Affiliate – 3 • Budget: \$4,800,981 <ul style="list-style-type: none"> ○ Adult: \$1,477,984.46 ○ Dislocated Worker: \$1,321,228.54 ○ Youth ITAs: \$75,000 ○ Personnel/Overhead: \$1,826,768 ○ Administration: \$100,000 • Target Groups: <ul style="list-style-type: none"> ○ Adults ○ Dislocated Workers ○ Youth 	<p><u>MS Partnership</u>¹</p> <ul style="list-style-type: none"> • Contract Period: July 1, 2008 – June 30, 2009 • WIN Center Operations: <ul style="list-style-type: none"> ○ Comprehensive – 4 ○ Affiliate – 0 • Budget: \$4,126,662 <ul style="list-style-type: none"> ○ Adult: \$2,370,000 ○ Dislocated Worker: \$1,580,000 ○ Special Dislocated Worker: \$33,662 ○ Administration: \$143,000 • Target Groups: <ul style="list-style-type: none"> ○ Adults ○ Dislocated Workers
<p><u>Southcentral</u>²</p> <ul style="list-style-type: none"> • Contract Period: July 1, 2008 – June 30, 2009 • WIN Center Operations: <ul style="list-style-type: none"> ○ Comprehensive – 6 ○ Affiliate – 0 • Budget: \$7,034,981 <ul style="list-style-type: none"> ○ Adult: \$2,798,652 ○ Adult Work Study: \$36,750 ○ Dislocated Worker: \$1,785,889 ○ Dislocated Worker Work Study: \$22,500 ○ Out-of-School Youth: \$1,715,077 ○ Youth Work Study: \$15,750 ○ Senior Transition Program: \$572,500 ○ Administration: \$87,863 • Target Groups: <ul style="list-style-type: none"> ○ Adults ○ Dislocated Workers ○ Youth 	<p><u>Twin Districts</u></p> <ul style="list-style-type: none"> • Contract Period: July 1, 2008 – June 30, 2009 • WIN Center Operations: <ul style="list-style-type: none"> ○ Comprehensive – 12 ○ Affiliate – 3 • Budget: \$2,075,000 <ul style="list-style-type: none"> ○ Adult: \$790,000 ○ Dislocated Worker: \$1,185,000 ○ Administration: \$100,000 • Target Groups: <ul style="list-style-type: none"> ○ Adults ○ Dislocated Workers

¹MDES is not the sole operator of the WIN Job Centers in this workforce area. This contract covers all MDES-operated WIN Job Centers and OJT, Core, and Intensive WIA Services in all of the WIN Job Centers within this area.

²MDES is not the sole operator of the WIN Job Centers in this workforce area.

SOURCE: PEER analysis of MDES Program Year 2008 WIN Job Center contracts.

Appendix F: Description of the Calculation of WIA Common Performance Measures

The following discussion provides an explanation of how each of the common measures is calculated for adults, dislocated workers, and youth in the WIA program.

Adults and Dislocated Workers

The following specifications provide guidance for states to calculate performance for two sets of adults and dislocated workers who exited from WIA services during a specific reporting period:

Entered Employment Rate

Of those who are not employed at the date of participation:

of participants who are employed in the first quarter (qtr) after the exit qtr divided by
of participants who exit during the qtr

Employment Retention Rate

Of those who are employed in the first quarter after the exit qtr:

of participants who are employed in *both* the second and third qtrs after the exit qtr divided by
of participants who exit during the qtr

Average Earnings

Of those who are employed in the first, second, and third quarters after the exit quarter:

[Total earnings in the second quarter plus total earnings in the third quarter after the exit quarter] divided by
of participants who exit during the qtr

Youth

The following specifications provide guidance for states to calculate youth who received services during a specific reporting period:

Placement in Employment or Education

Of those who are not in post-secondary education or employment (including the military) at the date of participation:

of participants who are in employment (including the military) or enrolled in postsecondary education and/or advanced training/occupational skills training in the first quarter (qtr) after the exit qtr divided by

of participants who exit during the qtr

Attainment of a Degree or Certificate

Of those enrolled in education (at the date of participation or at any point during the program):

of participants who attain a diploma, GED, or certificate by the end of the third qtr after the exit qtr divided by

of participants who exit during the qtr

Literacy and Numeracy Gains

Of those out-of-school youth who are basic skills deficient:

of participants who increase one or more educational functioning levels divided by

of participants who have completed a year in the youth program (i. e., one year from the date of first youth program service) *plus* the # of participants who exit before completing a year in the youth program

SOURCE: PEER analysis.

Appendix G: List of E-WIN Access Point Locations

According to MDES, there were fifteen E-WIN Access Points in operation as of November 23, 2009.

Delta Workforce Area

City Hall of Hollandale
200 East Avenue South
Hollandale, MS 38748

Metcalf Library
315 Martin Luther King Blvd.
Metcalf, MS 38760

Vaiden City Hall
201 Mulberry Street
Vaiden, MS 39176

Youth Opportunities Unlimited, Inc.
721 Riverside Drive
Lambert, MS 38643

Mississippi Partnership Workforce Area

Blackmur Memorial Library
608 Blackmur Drive
Water Valley, MS 38965

Building and Developing Communities
145 B Rust Avenue
Holly Springs, MS 38635

Southcentral Workforce Area

Franklin County Public Library
38 First Street
Meadville, MS 39653

Jefferson County Economic Development
137 Medgar Evers Blvd.
Fayette, MS 39069

The Opportunity Center
845 West Amite Street
Jackson, MS 39203

Twin Districts Workforce Area

Collins Public Library
403 South Fir Street
Collins, MS 39428

Leakesville Public Library
301 Lafayette Street
Leakesville, MS 39451

Quitman Public Library
116 Water Street
Quitman, MS 39355

Richton Public Library
210 Front Street
Richton, MS 39476

Stone County Public Library
242 2nd Street
Wiggins, MS 39577

Waynesboro-Wayne County Library
1103 A Mississippi Drive
Waynesboro, MS 39367

SOURCE: PEER analysis.

Agency Response



MISSISSIPPI DEPARTMENT *of* EMPLOYMENT SECURITY

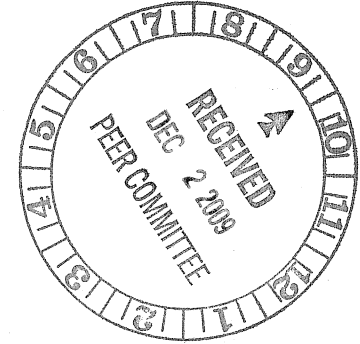
OFFICE OF THE GOVERNOR

LES RANGE

EXECUTIVE DIRECTOR

December 1, 2009

Dr. Max K. Arinder
Executive Director
Joint Committee on Performance Evaluation and
Expenditure Review
P.O. Box 1204
Jackson, MS 39215



Dear Dr. Arinder:

As the newly appointed Executive Director of the Mississippi Department of Employment Security (MDES) I want to express my appreciation to you and your staff for the effort put into the report titled, "A Limited Management Review of the Department of Employment Security and the Administration of the Workforce Investment Act." We commend the staff who worked on this in-depth review for their probing questions and their professional conduct. They had the daunting task of reviewing a complex federal, state, and local partnership that is 100% federally funded.

MDES considers this report as validation that our agency is meeting the legislative intent of serving in the "key role as the administrator of multiple federal programs," as well as successfully delivering in its role as the "interface for employers, job seekers, and workforce development partners at the local level." In fact, we believe that this report serves as a strong foundation for the Mississippi Legislature to reauthorize the agency during the 2010 legislative session.

Since its creation in 2004, MDES has maintained a steadfast commitment to increasing employment in Mississippi by incorporating performance management, strategic planning and customer service as hallmarks of our mission and vision. Likewise, we recognize that even high performing agencies can identify areas of improvement; therefore, MDES will study PEER's recommendations and adopt best practices that enhance the agency's mission.

MDES will establish a Performance Management Team which will be responsible for identifying all of the suggestions presented in this report aimed at making further improvements in the state workforce system. This team will report to the MDES Executive Team on a quarterly basis with recommendations on how to provide more strategic and intentional services with the

federal resources allocated. MDES will also consider ways to implement program evaluation components to better measure our outcomes.

We note that some of the strategic planning observations and suggestions relate to the State Workforce Investment Board (SWIB). PEER's recommendations are timely because the SWIB and Local Workforce Investment Boards (LWIB) are both currently engaged in a strategic planning process. The suggestions and ideas brought out by the report pertaining to the workforce system will be shared with the members of these boards.

Because of our unique federal, state, and local partnership, we will need to approach this strategic planning and program evaluation with an eye toward meeting our federally mandated measures as well as our public accountability responsibilities. The upcoming reauthorization of the Workforce Investment Act (WIA) should give us an opportunity to comment at the federal level about PEER's concern regarding balancing participants with performance.

With respect to the seven recommendations in the report, our specific and detailed responses are presented below:

RESPONSE TO RECOMMENDATIONS

PEER RECOMMENDATION

1. *“Since MDES is the state WIA administrator, the agency should establish a state WIA Policy requiring a comprehensive needs assessment be performed by either MDES or the local workforce investment area, depending on the type of location and entity responsible for the placement of such location, in regards to the openings and closures of any public access service points. This needs assessment should be objective and clearly define the criteria utilized to ensure that maximum service coverage is achieved or maintained and that resources are used efficiently.”*

MDES RESPONSE: MDES concurs with this recommendation that a needs assessment policy be established.

The agency will utilize the Performance Management Team along with the SWIB and Local Workforce Investment Areas (LWIA) strategic planning process to accomplish this task. This will include a prioritization strategy for locating E-WIN access points.

PEER RECOMMENDATION

2. *“Despite the fact that the WIA measure for customer satisfaction is no longer required to be reported to DOL, MDES should continue to utilize the mystery shop process to measure the quality of services provided through the WIN Job Centers. In addition, MDES should maintain historical data regarding the results of these mystery shops and ensure that the information is utilized in the strategic planning process to identify areas of improvement and potential best practices.”*

MDES RESPONSE: MDES concurs with this recommendation.

MDES will continue the process of mystery shopping for current programs and intends to broaden the scope as new programs are implemented. The results will be provided to the Performance Management Team for action.

PEER RECOMMENDATION

3. *“MDES should evaluate its marketing strategies anytime a partnership is formed with the potential to be utilized as a venue for the advertising of MDES programs and services in order to determine which methods prove to be the most effective in increasing employment opportunities or performance.”*

MDES RESPONSE: MDES concurs with this recommendation.

MDES will develop a communications plan that will address outreach strategies allowable under Federal guidelines identified in OMB Circular A-87. The plan will contain a strategy for further developing outreach opportunities with existing partners and an on-going approach for new partners.

The plan will include tracking and reporting methods that will be utilized to determine effectiveness and best practices.

PEER RECOMMENDATION

4. *“Since MDES manages the WIA Eligible Training Provider List through an online system, it should track and periodically review which of these training providers are used more frequently than others and review reported performance levels of these training providers to identify best practices.”*

MDES RESPONSE: MDES concurs with this recommendation.

The agency’s WIA Eligible Training Provider List (ETPL) is a web based program that allows the agency to incorporate all of the business practices associated with the State’s eligible training providers and the participants who are served through an individual training account (ITA) to pay for workforce related training. The on-line program is still in development to incorporate a final component that allows for electronic interface with the Department of Finance and Administration (DFA) for the payment of ITA invoices and to develop the fiscal tracking and reporting associated with these business practices. Once this component is complete, the agency and LWIAs will be able to generate all data specific to the outcomes associated with all eligible training providers and their courses.

MDES and the LWIAs will be able to identify the training providers who are selected more frequently than others to review their performance outcomes and identify best practices.

PEER RECOMMENDATION

5. ***“MDES should consider adding the verification of eligible training provider choice to its annual data validation process for WIA participant files where applicable. Another option would be for the MDES to develop a survey instrument for the follow-up of any WIA participant who receives training from an eligible training provider to verify whether the provider was the participant’s first choice.”***

MDES RESPONSE: MDES concurs with this recommendation.

Traditionally, performance outcomes are the measures used to determine the success of a training provider. These outcomes are set by the State Workforce Investment Board (SWIB) and published in state policy # 5 Attachment A. This procedure is driven by the guidelines set forth in WIA law sections 663.530, 663.535, and 663.540.

Community and Junior Colleges and Universities make up approximately 80% of the training courses offered on the ETPL. These training providers will continue to receive the majority of participants who qualify for WIA funds. The remaining 20% of course offerings are provided by proprietary schools. While one provider might be a first choice, the bottom line as to who the participant chooses to receive training from is based on cost efficiency, availability, and accessibility.

Providing participants with a survey at the end of training can provide valuable information, including whether or not the training provider was their first choice and if not, the reason(s) why their first choice was not selected.

PEER RECOMMENDATION

6. ***“MDES should provide the source data used to calculate the efficiency measures in its WIA annual report narrative. Including this information would be more consistent with the reporting of the WIA effectiveness measures and provide for a clearer understanding of how and where the efficiency measure was calculated when reviewed by an outside party, such as DOL or the Legislature. MDES should also include in its narrative report the number of unemployed individuals who are served as a percentage of the total unemployed population at the state and local workforce area levels.”***

MDES RESPONSE: MDES concurs with this recommendation.

Beginning with the next WIA Annual Report, due October 1, 2010, MDES will include source data used to calculate efficiency measures.

MDES’ current participant reporting system, WINGS, captures the employment status for each participant. This data will be utilized to present a comparison of served unemployed individuals vs. the state and workforce area total unemployment populations.

PEER RECOMMENDATION

7. *“MDES should ensure that when the WINGS participant data collection and reporting system is fully operational, that it will have the capacity to report on the performance measures for efficiency and effectiveness for each individual WIN Job Center. In addition, once this is achieved, MDES should evaluate and compare the performance of the WIN Job Centers operated by MDES and those operated by the community colleges.”*

MDES RESPONSE: MDES concurs with this recommendation.

One of the goals of the WINGS system is to provide calculation of performance measure attainment by WIN Job Centers, not just by LWIA or statewide. This report function will be a priority as development of the system continues. These reports will be used to evaluate and compare performance of the WIN Job Centers when they become available.

My staff is available to provide additional information or to discuss this response further if necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Les Range', written over the printed name and title.

Les Range
Executive Director

PEER Committee Staff

Max Arinder, Executive Director
James Barber, Deputy Director
Ted Booth, General Counsel

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Linda Triplett, Division Manager
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