

TRANSMITTAL #7

MEMORANDUM

DATE: August 13, 2012

TO: Workforce Development Council

FROM: Roger Madsen, Director *Roger B. Madsen*

SUBJECT: Workforce Development Training Fund Assessment and Response

BACKGROUND:

In June 2012 an in-depth analysis was done on the Workforce Development Training Fund. Since the program's inception, 275 contracts have been written. This report focuses on 160 contracts for the time period from 2000-2009. A copy of the report can be obtained at the department website at www.labor.idaho.gov. The report highlights the positive impact these training funds have on participating workers, wages and job retention. It also recommends areas in need of administrative process improvements, which are being made by the department.

Positive Worker Outcomes Reported:

- Training fund trainees realized annualized average wage increases of 6.2 percent over the two years following training while wages for the private sector labor force only increased 2.8 percent.
- Fifty-seven percent of all workers trained through the fund received wage increases two years after training.
- Eighty-five percent of training fund trainees still held their jobs, either with the participating employer or a different employer, two years after participation in training.

Data Quality Process Improvements:

The report also highlighted some data quality reporting issues that require administrative process improvements to assure quality control over training reimbursements.

- There were 403 individual workers (2.5 percent of the 16,000 workers trained during the assessment period) for which a training reimbursement was made, but no record of those individuals working for the employer was found in the department's unemployment insurance system during contract period or two years after training.
- There were three cases in which a training reimbursement was made for individuals who had Social Security numbers for deceased individuals during or before contract period. An investigation found that one of the cases involved a typographical error in the Social Security number, and the correct number matched the person who had wages with the company. The

other two instances occurred in 2001 and 2002, and records could not be found to determine whether they also involved erroneous Social Security numbers. The department's new process prohibits training reimbursement until trainee Social Security numbers match the department's wage file.

- The number of workers who have received training has been overstated by 7.9 percent in department records.

The large majority of these errors are attributable to data input errors. In order to improve data quality, the department is establishing the following improved procedures:

- A desk guide will be developed so that all processes and procedures are documented.
- A WDTF trainee spreadsheet will cross match against internal unemployment insurance systems to eliminate errors in data reporting. Specifically the new automated system will:
 - Cross match Social Security numbers entered in the WDTF spreadsheet with our internal system to ensure the number is correct and matches the correct worker name.
 - Cross match the employer's Federal Employer Identification Number with our internal system to ensure accuracy and that it matches the correct employer name and that the company is still active.
 - The spreadsheet will only allow an individual Social Security number to be listed once per employer.

Contacts:	Primary	Dwight Johnson	(208) 332-3570, ext. 3335
	Secondary	Jenny Hemly	(208) 332-3570, ext. 3480