

NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES

# Impacts of the March 2013 Sequestration on the Workforce Development System

*Evidence from a Survey of State Workforce Agencies*

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## **IMPACTS OF THE MARCH 2013 SEQUESTRATION ON THE WORKFORCE DEVELOPMENT SYSTEM**

The National Association of State Workforce Agencies recently asked members of its Employment and Training Committee, who are leaders in their state workforce development agencies, to participate in a survey to detail the impacts of sequestration on the workforce development system. With nearly a 76 percent response rate among the 37 states represented on the Committee, the survey results provide a representative snapshot of the impacts of the March 2013 sequestration on staffing, job center access, and services and programs. The states also report on innovations and cost-saving measures they used to reduce the adverse impacts of sequestration.

Taken together, the survey responses provide an indication of the future of the workforce system under ongoing budget constraints. Cuts to services include cuts in areas considered of high priority nationally, especially training, but also, in at least a couple states, initiatives related to UI claimant work test enforcement and reemployment. If trends continue, additional staffing reductions will result in fewer staff-assisted labor exchange services, less access to staffed job centers, and continued growing reliance on technology solutions for labor exchange activities. How the shift away from labor and toward technology impacts the quality of customer services will depend on a number of factors, such as the quality and sustainability of the tools and information, particular customer needs, and how well technology is adapted to populations who have difficulty with access.

With the caveat that the workforce development system is a state-local administered system, and the ability of states to provide information on their local areas on short notice varied, we present the findings below. As one state noted, "We attempted to provide an inclusive response; what we have provided gives a small snapshot of a few areas and by no means represents the experience/impacts of the entire state."

### **I. Impacts on Workforce System Staffing**

Fifty percent of states report reducing workforce system staff between April 1 and July 15, 2013 due to the March 2013 sequestration.

States achieved the staff reductions through one or a combination of means. While some states accomplished the reductions through layoffs, others report accomplishing some or all of the reductions through attrition. Permanent staff positions were impacted in many of these states. States also mentioned making reductions in staff hours, achieving some of the savings through (preexisting) mandatory state furloughs, or temporarily reassigning some staff to another program. Several states

noted they do not have information on local staff reductions (the structure of the workforce system varies greatly among the states, with some systems being more centralized than others).

The impacts of the staff reductions varied across states, with some states reporting reductions in customer service (see sections below on job center access and services), increases in waiting times, larger staff workloads, the adoption of more virtual technologies, or reengineering of business processes to promote efficiency.

When asked, few states (15 percent) reported planned reductions after mid-July due to the March 2013 sequestration. However, one state reported approximately 10% of the state's workforce staff will be reduced statewide by September 13, 2013. Another noted permanent cuts occurring at the local level, including a reduction in half of the FTE positions for WIA core services at a large urban center. Another said that "while there are no immediate plans to cut additional staff, positions that become vacant will not be filled if cuts continue and funding levels continue to decrease." This undoubtedly is the case in many other states.

#### **Exhibit 1: Examples of Changes to State and Local Staffing Due to the March 2013 Sequestration**

- *"In anticipation of funding cuts we have not filled positions vacated due to attrition. Of 274 positions previously filled, the state is keeping 34 vacant [12 percent]. As positions are vacated through attrition, Regional Directors are required to reassess how critical it is to fill the position. Positions cut are at the local and state level with program managers [now] managing multiple programs. One-on-one legacy services, satellite offices, and outreach to rural locations were functions performed by staff members whose positions have not been filled."*
- *"The state has experienced reduced staff. Vacancies remain unfilled in anticipation of sequester cuts."*
- *"For several years the Department has been underfunded with the exception of American Recovery & Reinvestment Act (ARRA). Sequestration has exacerbated the shortfall thus continuing our inability to fill vacancies. One WIB reported 2 staff positions eliminated in its One-Stops. Another WIB cut 1 full-time equivalent position—the Deputy Director. This permanent cut saved 2 lower-level jobs. A third WIB has made no cuts at this time, but two unfilled positions at the One-Stop level remain vacant."*
- *"In the Workforce Services Division (which is responsible for Field Office operations, WIA, Trade, local UI, Vets, Wagner Peyser, PROMISE JOBS, Food Assistance, WOTC, etc.) the affected positions include two managers (one bureau chief, one field office supervisor), nine front line field staff, four policy staff, and five vacant positions that are not being filled. We also reduced the number of district managers from five to four, and finalized reorganization of the division that began last fall. Impacts to customers were kept to a minimum by focusing the layoffs on management/administrative staff, not closing any offices, and maintaining our large network of virtual technology locations across the state."*

**Exhibit 1: Examples of Changes to State and Local Staffing Due to the March 2013 Sequestration  
(continued)**

- *“At the state level, reductions will be accomplished through attrition and reassignment.”*
- *“The State’s furlough program, which was implemented due to state budget shortfalls, was also applied to federally-funded state programs, including WIA and Wagner-Peyser. This created a temporary savings that helped to offset some of the sequestration cuts. The sequestration did, however, reduce the amount of state set-aside funds for serving special needs populations through state-level grant awards, thus eliminating the need to employ staff to monitor these grants. At the local level, workforce areas report some staffing reductions due to sequestration. The availability of carry-over funds was cited by many LWIBs as a saving grace. Some of the LWIBs reported their local governments contributed tax revenues to help the WIA program to continue to serve their residents, and some reported that they were able to temporarily reassign WIA-funded staff to the state’s TANF program, which received increased funding. Actual reductions in staffing were typically accomplished by not refilling vacancies and, in fewer instances, through furloughing all employees for short periods of time each week.”*
- *“The Department is unique in state government because our services touch nearly every citizen and business at some point. Our department also stands out as one of the few state agencies that receives most of its operational funding from the federal government. The Department is approximately 85 percent federally funded, and as such, the federal sequestration and formula budget cuts are having a profound impact on our current operations. When the department received the initial impacts the federal cuts would have on the agency’s budget, we were faced with a nearly \$7 million shortfall. Due to the diligence of staff, the shortfall has been reduced to \$3-4 million by implementing a number of non-labor cost saving measures. Now that the fourth quarter of the federal fiscal year has begun, we must implement the rest of the federally imposed funding reductions. The largest impact will be in administration versus field service delivery. To enhance our implementation efforts, the Department will undergo some additional reorganization to better support our ability to serve clients in an effective and efficient manner. In the area of workforce services, the Department will reduce the number of field districts from five to four to better align with the availability of federal funds. Although the state legislature gave the Department the authority to reduce the number of satellite offices from 4 to 3, we are not taking that action this fiscal year. However, staffing reductions will take place across the workforce services division. In order to better serve our customers, we are also reorganizing the Unemployment Insurance Division, Labor Market Information Division, Communications Bureau and the Information Technology Bureau. These changes will be implemented over the next 30-60 days. Overall the staffing levels across the agency will be reduced by 36 contract covered positions affecting 25 staff members and 6 non-contract positions affecting 5 staff members.”*
- *“We had to eliminate 29 clerk positions across the state in May 2013. All of them were state employees. As a result, most of their duties were transferred to the central office or to other one-stop center employees.”*

**Exhibit 1: Examples of Changes to State and Local Staffing Due to the March 2013 Sequestration  
(continued)**

- *“In the Workforce Services Division, which is responsible for Field Office operations, WIA, Trade, local UI, Vets, Wagner Peyser, PROMISE JOBS, Food Assistance, WOTC, etc., the affected positions include two managers (one bureau chief, one field office supervisor), nine front line field staff, four policy staff, and five vacant positions that are not being filled. We also reduced the number of district managers from five to four, and finalized reorganization of the division that began last fall. Impacts to customers was kept to a minimum by focusing the layoffs on management/administrative staff, not closing any offices, and maintaining our large network of virtual technology locations across the state.”*
- *“Some local workforce investment boards and their subcontractors reduced staff. The number of local individuals impacted is unknown [by the state]. Eight state staff members working in local one-stop centers were laid off. This represents approximately a 2% reduction of state staff [through layoffs]. In addition, staff vacancies were not backfilled as normal attrition occurred.”*
- *“The state has seen decreased funding for these programs. The Department has a supplemental fund that was covering shortfalls and allowing staffing levels to remain the same. That fund saw a dramatic cash balance reduction and in January 2013, the Department began to look at a statewide delivery model that would operate within the funding received from USDOL with minimal supplemental funding. In March 2013, the Department shared with the local WIA areas the budget issues and the need to reengineer the business. The result was a staff reduction statewide of Wagner Peyser (W-P) staff. We made significant cuts to W-P staff levels in November 2012, [and then again in] February 2013 and June 2013. These [later] cuts were not made due to sequestration but due to the decisions in January 2013, prior to sequestration information being available. However, we projected reductions [including sequestration] as a part of our reengineering project. The local WIA areas do not report their staff reductions to the state and we do not have local information readily available.”*
- *“Staff members located in the job centers charge across all funding streams. The number of full-time equivalent positions that were cut from April 1 through July 15th was 22. The state reduced the hours of 78 full-time equivalent positions from 39 to 35 hours per week. The reduction in hours equated to a cut of an additional five full-time equivalent positions. The department had a total of 17 retirements and six separations during this time period. The number of staff the department had before the cut, retirements, and separations was 650, and after the cut, retirements, and separations we have 603 staff. This equates to a 9% reduction in staffing. The positions were at the state and local level and consisted of state service, non-state service (state employees who work at the will and pleasure of the agency) and time limited staff. The staff provides Wagner Peyser and WIA services to customers. The services that customers receive were not significantly impacted. However, customers are experiencing longer wait time to be seen by a staff person. This is due to the reduction in the number of staff at each location.”*

**Exhibit 1: Examples of Changes to State and Local Staffing Due to the March 2013 Sequestration  
(continued)**

- *“While no formal reduction in force actions were taken, three to five vacant field office positions were not backfilled. These field office positions delivered direct services for labor exchange and UI programs.”*
- *“There have been cuts in state and local staff. Between five to seven positions have been either cut or not filled as a result of decreases in funding. These were permanent positions that provided WIA Adult and Dislocated Worker services and state positions that performed monitoring and program support functions. Decreased numbers of service provider staff is resulting in more itinerant service and fewer comprehensive centers. Decreases in state staff will impact monitoring and oversight of programs and create a greater workload for existing staff.”*
- *“At the state level, reductions were applied to all facets of operations, including curtailing staff travel, and staffing levels were significantly reduced. Four hundred full-time equivalent (FTE) positions were cut as a result of budget reductions. An example at one workforce development center is a net reduction of \$396,563 due to sequestration. This center reduced its force to compensate for this loss in funding by a factor of 4 FTE. Two of these FTEs were in the planning division (overseeing workforce grants and contracts), one was in the center’s IT department, and the final position was in customer service. All of these positions were permanent hires.”*
- *“The sequestration was at least partially responsible for 50 FTE’s we eliminated by the end of June 2013. Most of these were positions in our local field office operations. Approximately half of these came from W-P Act and WIA programs and the rest from UI.”*
- *“We have cut eight FTE’s. We have done this through attrition and have not had a reduction in force. These positions were at the local level; the cuts are permanent. The positions ranged from a local office manager, to WIA employment specialists, to ES employment representatives.”*

**II. Impacts on Job Center Access**

Forty-two percent of states report reductions in job center access between April 1 and July 15<sup>th</sup> due to the March 2013 sequestration.

In some states, one or more job centers were permanently closed due to sequestration--for example, six of 42 centers were closed in one state. Sequestration resulted in reduced job center hours in some areas of some states. In one state, for example, local workforce areas implemented furloughs for job center staff, which led to a reduction in the number of hours that centers are open to the public. These and other state examples are presented in Exhibit 2.

## **Exhibit 2: Examples of Changes to Job Center Access Due to the March 2013 Sequestration**

- *“A few local workforce boards reported that they implemented staff furloughs in their Job Centers, thereby reducing the number of hours open to the public.”*
- *“Hours to a Job Center providing services on a Native American reservation have been reduced to one day per week. Service is provided by staff traveling from a Job Center 75 miles away.”*
- *“Six of forty-two local one-stop career centers were closed.”*
- *“One workforce investment board has eliminated night hours at one of its one-stops.”*
- *“There has been no change in the number of the one-stops, satellite locations and virtual access points. However, two of the satellites have gone to part-time hours. One is open two days per week instead of five, and the other is open part-time four days a week. The other two satellites have had staffing reduced, and services moved to the nearest one-stop, such as workshops and training.”*
- *“We have not reduced the number of local offices, but some of our smaller offices located in rural or remote areas have had to reduce resource center customer hours.”*
- *“We have closed 2 centers and now provide itinerant services to the communities previously served.”*
- *“Since April, the state has one less center and vacant positions are not being filled.”*
- *“The Department closed six full-time job centers and seven part-time centers. We’ve reduced the days of operations of five (5) part-time centers and reduced the hours of operation of three (3) part-time centers.”*
- *“In March 2013 we announced to the local WIA areas the Department would be reducing staff. This caused the local areas to reassess their ability to staff the centers in their respective areas. Some areas chose to change locations and increase part-time access points. Several chose to keep all centers operational, [but with] some reduced days/hours. One area reduced [the number of] centers and went to a mobile team approach. These changes were not directly related to sequestration. They were in response to fewer staff being available to man centers due to our budget reductions [including sequestration].”*

### III. Impacts on Services, Programs, Activities and Projects

Twenty-one percent of states report sequestration reduced or eliminated some employment or reemployment services, programs, activities or projects between April 1 and July 15, 2013. Thirty percent of states report reductions or eliminations after July 15<sup>th</sup>.

Impacts in this area appear to lag cuts to staff and center access, with impacts extending into the late summer. One state noted they did not have plans to reduce employment/reemployment services, programs, activities, or projects, but that “continued funding reductions would likely force the permanent reduction of state and local staff, thus negatively affecting the existing programs and services.” Details provided by other states are presented in Exhibit 3. The exhibit shows that cuts to services include cuts in areas considered of high priority nationally, especially training, but also, in at least two states, UI claimant work test enforcement or reemployment. Some states halted customer enrollments in job training or job search programs.

#### **Exhibit 3: Examples of Reductions in Services, Programs, Projects and Activities Due to the March 2013 Sequestration**

##### ***April 1 – July 15***

- *“Actual program enrollments (number of customers served) have been reduced during a key timeframe of the start of a college school year.”*
- *“Several LWIBs reported suspending participant enrollment during the first (severely sequestered) quarter. Reductions in employment/reemployment services, programs, activities, and projects (especially Training and Supportive Services) due to the federal sequester are modest because most of LWIBs were able to use carryover funds from previous years to bridge the funding gap. This only acted as a temporary solution, by reducing the costs which were paid to or on behalf of participants, leaving costs which could not be reduced for the first quarter, such as staffing and overhead, largely untouched.”*
- *“The greatest impact was to WIA training funding. Based on very limited carry-in and cuts to 1st quarter funding, we had fewer dollars to allocate to training programs, which correlates directly to fewer individuals trained.”*
- *“In May of 2012 we limited new participants in WIA programs to continue service of existing participants with no new [participants] unless the current budgets would allow for new. Priority was set to those who were current participants. We do not anticipate any significant new WIA participants until late September or early October.”*

**Exhibit 3: Examples of Reductions in Services, Programs, Projects and Activities  
Due to the March 2013 Sequestration (continued)**

- *“As a result of sequestration, there are less comprehensive centers in the state. The availability and consistency of the service to individuals and business will be impacted. Where centers were closed, customers will have to travel to the nearest centers or access service electronically (self-service). The state has requested a waiver from ETA to be exempt from performing certain required statewide activities under WIA such as providing incentives to local boards and additional assistance to areas with high concentrations of eligible youth.”*
- *“[An urban] Workforce Investment Board reports that the individual training account funding was frozen. We estimate that approximately \$200,000 would have been awarded to job-seekers in the absence of sequestration. This impacted approximately 50 customers, and represents 20% of PY12 planned training funds. A WIB in the southern central area reduced the number of ITAs and OJTs funded through WIA Adult and WIA Dislocated Worker programs. An eastern WIB reduced the number of workshops offered to job seekers, and significantly reduced support services and training funds (ITAs). A WIB in the southwest has made no cuts to services thus far.”*

**July 15 – end of summer**

- *“Halted new enrollments into both the Individual Training Accounts(Scholarships) and into On-the-Job Training contracts for ADULTS only for the 65 county Workforce Investment Area for the first Quarter PY13 (July-September 2013).”*
- *“State legislation was passed that eliminated the requirement for UI customers to provide physical in-person reporting at a one-stop career center once every four weeks. Reporting and re-employment activities are still mandated to remain eligible for UI benefits. Reporting work search activity can be accomplished electronically and through other methods.”*
- *“In general we will have fewer funds to spend on intensive and training services for individuals. Staffing is relative to funding and though we are not laying off any staff, we are moving staff to non WIA/WP funded positions or absorbing through attrition.”*
- *“Department staff had been previously contacting all UI claimants about to exhaust benefits to make sure they had information and assistance needed for continued job search or referral to local service agencies. This contact will no longer be provided. WIA funding for statewide youth activities and certified work ready communities was reduced. This is in addition to previous leadership (staff) reductions due to sequestration.”*
- *“We will have fewer customers served, with reduced training enrollments.”*

**Exhibit 3: Examples of Reductions in Services, Programs, Projects and Activities  
Due to the March 2013 Sequestration (continued)**

- *“According to [a large urban] Workforce Investment Board, reduced funding for ITAs continue. Without sequestration the WIB estimates 50 more ITAs would have been funded. State/W-P employees will be staffing the “front door” of centers, limiting the availability of career counseling and other in-depth services. The WIB would have added slots to its WIA Youth programs had sequestration not occurred. We estimate the impact at \$150,000, or 20 out-of-school youth slots. The WIB in the east reduced available ITA and Support Services funding. Our WIB in the southwest has planned no cuts at this time--will review if necessary in 2nd Quarter.”*

**IV. Other Impacts**

Thirty-two percent of states report sequestration of WIA and W-P Act funds resulted in other impacts.

Most of these “other” impacts were in the areas of staff training and travel. Some state examples are presented in Exhibit 4.

**Exhibit 4: Examples of Other Impacts Due to the March 2013 Sequestration**

- *“The Department reduced its contractual services (memberships, subscriptions, personal services contracts, hardware and software maintenance, lawn care etc.) to reduce spending and will only provide staff training where necessary. The Department is also working toward disposal of certain obsolete and rarely used property.”*
- *“Travel budgets are reduced and the opportunities for staff training are more limited.”*
- *“Travel for training/monitoring purposes will continue but will also be looked at very closely to ensure all functions are being performed in the most cost-effective manner. Examples may include “train the trainer” type events rather than traveling several individuals for training events.”*
- *“In our eastern WIB, staff training that was planned has now been put on hold. Program clerical support staff hours have been reduced. In our southwest WIB, limited staff training is available.”*
- *“The Department is committed to continuing to provide continued quality customer service and access to programs and products. Therefore, we have tried to make the cuts as unobtrusive as possible to the general public by reducing administration staff, staff training, staff travel, equipment purchases, using email instead of US postage, etc.”*

#### **Exhibit 4: Examples of Other Impacts Due to the March 2013 Sequestration (continued)**

- *“Staff training and travel has been reduced. Use of webinars and other training methods have increased. These restrictions will remain in effect until funding allocations increase. In addition, the state has eliminated establishing a staff career ladder and professional certification fees will no longer be funded. Effects later in the summer will include a large urban WIB cutting back on the number of conferences and professional development activities offered to staff. For example, in PY 12 there were 10 internal staff development days, including some training from national experts. This year there will be 3. A southern central WIB has shifted funding for some of these services [staff development] to other grants.”*
- *“Staffing and other resources [to support] State WIA and Wagner-Peyser Act guidance and staff capacity building [training] has been reduced due to sequestration.”*
- *“We are not filling 1 FTE critical monitoring staff. The monitoring expertise and capacity is now reduced.”*

#### **V. Additional Budgetary Information and Comments**

A handful of states provided additional budgetary information and comments to help describe the sequestration impacts. These state details are presented in Exhibit 5.

#### **Exhibit 5: Additional Budgetary Information and Comments**

- *“The state’s sequestration cuts were less than 3%. The state and local workforce regions planned for carry-in to PY13. [Our state] has state funds that supplement federal workforce funds. We were able to get an increase in these funds for PY13 to offset the sequestration cuts.”*
- *“For our state, sequestration has exacerbated the budgetary shortfall thus continuing the inability to fill vacancies. Our large urban WIB reports that it is fortunate to have state funding for its welfare-to-work program, which is integrated into the One-Stop. Thirty-nine FTEs are currently supported with State funds; however, the WIB’s experience is that lower than projected revenues often lead to rescission of state funds. In PY12, the state rescinded \$287,000 from the WIB’s allocation. The WIB also receives some private foundation funding, primarily to support youth programs. The State also funds a youth employment program that operates through the WIB primarily in the summer.”*
- *“Although the state had sufficient carry-forward funding to mitigate cuts due to sequestration, the cumulative effect of these cuts along with a reduction in the state set-aside under WIA and decreases in the new allotment for WIA and Wagner-Peyser and TANF funding has and will result in staff layoffs, one-stop closures, and reduction in services at remaining one-stop centers.”*

### Exhibit 5: Additional Budgetary Information and Comments (continued)

- *“Our state does not receive supplemental state funding.”*
- *“The consequences of sequestration will be continued staff reductions, office closures and reductions in contractual services. The Department will intensely scrutinize all expenditures to ensure that operating expenses are kept to a minimum. It proposes having greater flexibility in utilization of funds. The ability to have authority to make determinations of how funding is spent for and among Wagner Peyser, WIA and UI programs is critical for continued service to customers. In addition, the Department proposes support for more workforce technology development to help mitigate continued decline in staffing funds. “*
- *“WIA Sequestration has made it impossible to have enough working capital to support the program.”*
- *“Sequestration combined with the decrease in the State Governor's Reserve fund has eliminated support of innovation and/or special projects with promise or demonstrated effectiveness. Additionally, we have requested a waiver from ETA to exempt the State from required WIA state activities such as incentives to local boards and additional assistance to areas with high concentrations of eligible youth in order to prioritize available funds for those areas that are vital to the administration of programs.”*
- *“The overall impact of sequestration in the state was minor, primarily due to the fact that our overall funding levels in the state actually increased over the previous year's [levels].”*
- *“To support the implementation of WIA and W-P programs during the sequestration, the Department is supplementing federal funds with nearly \$1.4 million of state resources.”*
- *“We have received no state supplemental funding.”*
- *“For training programs we are encouraging co-enrollment in TANF funded programs when individuals are eligible (TANF is part of our agency) to help mitigate impacts to individuals.”*
- *“Our state was awarded a WIA Incentive Grant based on performance. We plan to use a large portion of this grant to help Local Workforce Investment Boards provide youth work experience programs next summer (June-August 2014).”*

## VI. Innovations and Cost-Saving Measures

We asked states if they implemented innovations or cost-saving measures to reduce the impacts of sequestration, and, if so, to please share general information on these innovations or measures. Exhibit 6 presents state responses. These responses are supplements to the responses above that detail

reductions in staffing, job center access, and services and program. A text analysis of these responses revealed the two most common words were “customers” and “reduce.” States describe below how they are trying to address *customer* needs with *reduced* funding through self-help options, reduced facility expenditures, virtual technologies, online learning, leveraging or even appropriating resources of other programs, and consortium approaches.

#### **Exhibit 6: Innovations and Cost-Saving Measures**

- *“At the state level, the state continues to streamline services by implementing new automated systems for Unemployment Insurance and Disability Insurance, to promote self-help options for customers, and reduce staffing costs. In addition, it is implementing a new employment services system to more efficiently and effectively serve the customer.”*
- *“The state has developed Virtual Job Fair technology to affect cost savings related to hiring events, resources fairs and career fairs held at the state and local level. The Department has achieved vacancy savings over the last several years at the state level.”*
- *“The Department is incorporating the loss of funding into our projections of funding availability in order to determine current and future sustainable staffing levels in our job centers. We may not be able to fill all of our recent vacancies due to the sequestration. The large urban WIB has increased online learning offerings in response to funding reductions over the past decade. This allows us to provide services with fewer staff and a smaller facility footprint.”*
- *“We are currently going through the Lean office efficiency process with TechHelp (experts in this area) to review our current state of UI processes and determine efficiencies for implementation in the future state. We are also ready to update our labor exchange system, WIA MIS and Trade MIS to be part of the AJLA system and moving forward with replacing our UI legacy system with a new modern web-based UI benefit and tax system called iUS. The state’s sequestration cuts were less than 3%. The state and local workforce regions planned for carry-in to PY13. The state has state funds that supplement federal workforce funds. We were able to get an increase in these funds for PY13 to offset the sequestration cuts.”*
- *“The state implemented a service delivery model entitled the Next Generation Career Center (NGCC). This model leverages funding from Wagner-Peyser and WIA to open access to products and services previously only available to limited numbers of customers. The NGCC model streamlined eligibility so that customers have access to skill assessments, skill enhancement activities and labor market information at the core level.”*
- *“The Department has implemented the following innovative cost saving measures: Enhancements to the Workforce and UI Technology systems to capture information relevant to customers Workforce and UI needs in one step. The Department is encouraging greater customer use of self-service/online tools and is exploring consortium opportunities to reduce costs. We also are leveraging funding available thru State University Extension Service to train our customers to use the internet with a practical application being Department online services. The Department has installed the Session Initiation Protocol (SIP) system to reduce the cost of telecommunications.”*

### **Exhibit 6: Innovations and Cost-Saving Measures (continued)**

- *“As mentioned before: Some outreach and satellite offices have reductions in hours or been closed due to staff reductions. These offices were not staffed directly, but were staffed from other larger offices on an itinerant basis, but because of reductions in staff those were the 1st to be cut. Reductions also include limiting staff travel. In May of 2012, we limited new participants in WIA programs. We do not anticipate any significant new WIA participants until late September or early October.”*
- *“FTE vacancies remained unfilled in anticipation of the pending sequester and will continue throughout the program year due to the sequestration reduction.”*
- *“Cost Saving Measures: 1) Staff has been relocated to smaller and less costly office space 2) Travel has been curtailed 3) Downsizing - Positions that become vacant are not being filled with functions being taken on by remaining staff 4) Seek other sources of funding - leveraging funds when possible.”*
- *“Have combined the ‘Welcome Process,’ which includes a one-on-one contact with all new UI claimants, with the required REA (Reemployment Eligibility Assessment) conversation. This allows that function [Welcome Process] to be funded with REA funds for those claimants identified for REA Assessments, reducing the costs for this activity on Wagner Peyser funding. We also reduced the number of small rural offices, shifted REA to the intake process, and eliminated calls [to support] UI exhaustees.”*
- *“Local-area: The Workforce Development Council of one county will be moving its headquarters to a site with reduced rent to save funds and continue to allocate funds into the community.”*
- *“The Department had to minimize the amount of services (i.e. workshops) not due to sequestration but due to EUC/REA as resources have been redirected to complete the requirements of that program. If we want to meet the needs of our customers, programs need to be funded adequately to meet those needs. In anticipation of reduced funding over the long-term, our large urban WIB reports that it did not expand staff or square footage under ARRA, and planned to achieve efficiencies - doing more with less. As a result, we have been able to maintain basic core services, online tools and resources to offset the reduction in training that is the main effect of sequestration in our region.”*

