

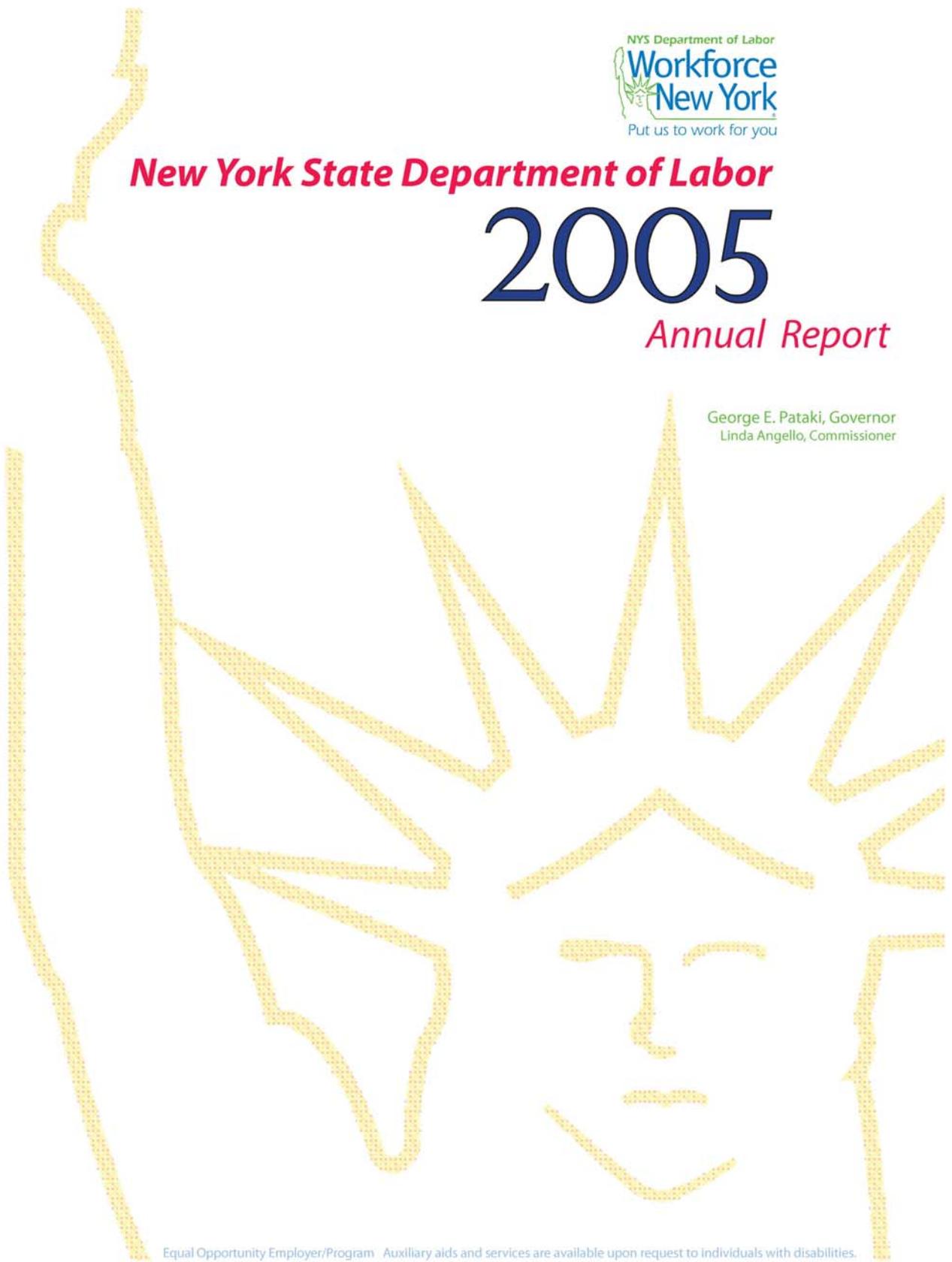


***New York State Department of Labor***

**2005**

***Annual Report***

George E. Pataki, Governor  
Linda Angello, Commissioner



Equal Opportunity Employer/Program Auxiliary aids and services are available upon request to individuals with disabilities.



# *Department of Labor 2005 Annual Report*

## *Commissioner's Message*

The New York State Department of Labor supports the economic interests of the people and businesses in New York State. We connect people to jobs, assist the unemployed, develop workplace skills and protect the public and the workforce.

In 2005, the Department of Labor looked inward to better articulate the moral compass that is the driving force behind our service to the people of New York State. We created a new mission, vision and values statement to more accurately reflect and guide the direction of the agency. We are aligned with a shared mission, vision and set of values that coordinate all our efforts into a seamless system. We continue to provide our customers with all the help they need, when they need it.

Working together with employers, educators and organized labor, we are committed to helping businesses and job seekers across New York State maximize their potential.

Our job training programs, like the NY SMART Manufacturing Grants Program, BUSINYS, High-tech manufacturing grants, and E-learning grants have improved the quality of New York's workforce. Since 1995, our agency has awarded more than \$116 million in workforce development grants to more than 7,000 companies, and we have trained nearly 141,000 workers statewide.

Our Disability Program Navigators ensure that job seekers with disabilities have the help they need to attain employment and reach education goals. At the same time we continue to develop new programs that help our nation's returning veterans.

We have also fought hard to protect the rights and safety of workers. The Fair Wage Task Force was created to protect the earnings of New Yorkers. In 2005, the Task Force completed more than 400 investigations and found more than \$5.3 million due to nearly 5,100 underpaid workers. Through enforcing the Child Performer Education and Trust Act, we protect our youngest workers. This ensures they receive a proper education and that a portion of their earnings is placed in trust.

We are proud to be a part of a national pilot program to prepare workers for entry-level jobs called the National Workforce Readiness Credential. This credential, which complements high school diplomas or GEDs, helps workers prepare for their first job, and gives employers confidence in their ability to hire qualified staff.

All New Yorkers should have the opportunity to live out their dreams. Our department's staff -- in conjunction with local boards, educators and organized labor -- stand ready to help New Yorkers help themselves to grow economically by improving employment for individuals and businesses, today and tomorrow.

## **I. EMPLOYMENT AND TRAINING**

### **A. Division of Employment Services**

The Division of Employment Services (DOES) manages and administers employment-related services to businesses and workers in the State of New York. In partnership with local agencies, the division's staff works within the mandates of the Workforce Investment Act (WIA) to meet the needs of New York's businesses and workforce. In addition, it provides core services for the Workforce system throughout the state. The DOES staff offers labor exchange services to employers, veterans, rural workers, Unemployment Insurance claimants, Social Services clients, youth and other jobseekers to promote economic development and a healthy economy.

#### ***Labor Exchange***

##### **Customers Served Calendar Year 2005 (January 1, 2005 to December 31, 2005)**

Total Job Seekers Served	424,659
Job Seekers Finding Work	270,481
UI Customers Served	307,423
Employers Served	27.756

The New York State Department of Labor (DOL) is the lead agency for workforce development in the state. One of the department's goals is to help businesses find workers and help people find jobs.

#### ***UI-to-Work Reemployment Services Program***

The UI-to-Work Reemployment Services Program greatly expands services to unemployment insurance benefit claimants, to help these individuals find new jobs as quickly as possible.

During Calendar Year 2005, approximately 307,400 new UI claimants reported, as scheduled, to a local office for a Reemployment Services Orientation. Across the state, UI customers participated in a variety of program activities/services, including other placement assistance, such as workshops in resume writing, searching for a job and interviewing skills. UI customers used resource rooms, which are staffed and equipped with personal computers and a variety of self-help software programs.

#### ***Reemployment and Eligibility Assessment (REA) Grant***

In 2005, NYSDOL was awarded funds to conduct in person reemployment and eligibility assessments (REAs) for UI customers in each of the three full service One-Stop Centers in the three county Oneida/Herkimer/Madison local workforce investment area of the Central Mohawk Valley region of upstate New York. This program is operated within the One Stop Career enter system to ensure that UI claimants have access and take full advantage of the full array of employment and training services available. The REA grant served 3,400 participants in FY 2005.

#### ***Rural Employment Program/Migrant Outreach***

The mission of the Rural Employment Program is to provide the full range of employment services to rural and agricultural sectors. The program assists agricultural and rural employers in locating workers needed to successfully conduct business. It also helps farm workers and other

rural residents find productive employment in agriculture or non-farm jobs, according to their abilities, interests and needs.

Operating since 1975, the program contacts migrant and seasonal farm workers to explain services available from the department and the One-Stop Career Centers, as well as other support services available. During Program Year 2004, the program reached 10,090 migrant and seasonal farm workers.

### ***Dislocated Worker Assistance Center***

The Dislocated Worker Assistance Center provides comprehensive services to dislocated workers in the Herkimer/Madison/Oneida Workforce Development Area. DWAC staff also work cooperatively with dislocated union members, to the degree possible, in other parts of the 10-county region. A service model for the Dislocated Worker population is developed jointly by DOL and the AFL-CIO. This model serves as a testing ground for innovative approaches to worker retraining, cultural diversity in the workplace and worker shortage issues facing the region in the next decade, as well as other issues confronting both the business community and the workforce.

### ***Alien Labor Certification***

The United States Department of Labor (USDOL) and the Department of Homeland Security are responsible for certifying employers to hire foreign workers on a temporary or permanent basis to fill jobs essential to the US economy. State Workforce Agencies receive Wagner-Peyser funding allocations to:

- Provide prevailing wage determinations to any employers applying for certification to hire workers under the H-1B Specialty (Professional) Workers who request this information (this function is currently handled by Research & Statistics staff in New York City).
- Provide prevailing wage determinations to all employers applying for certification to hire workers under the Permanent Labor Certification program (this function is currently handled by DoES staff in New York City).
- Conduct prevailing wage and prevailing practice surveys for the H-2A Temporary Labor Certification (Seasonal Agriculture) program (currently handled by Research and Statistics in Albany and Rural Employment Services staff in DoES – see H2A below).
- Accept applications from employers under the H-2A Temporary Labor Certification (Seasonal Agriculture) and H-2B Temporary Labor Certification (Non-agricultural program). H-2A activities are coordinated through the Rural Employment Services office in Building 12; H-2B activities are coordinated through the ALC unit at W. 54<sup>th</sup> Street in New York City.

### ***Office of Employer Services***

The Office of Employer Services provides technical assistance and support to local office staff and marketing representatives on employer-directed programs and/or services available through the New York State Department of Labor. Services provided to employers and businesses during 2005 include:

### ***New York State Job Bank***

**[www.ajb.org/NY](http://www.ajb.org/NY)** - The New York State Job Bank is available online. This feature allows our customers to post and update their current opportunities from home or office. Through this new service, connected to America's Job Bank, jobseekers can post their resumes and businesses can view hundreds of thousands of resumes connected to this national site. Thousands of businesses and hundreds of thousands of job seekers have used this extremely active site to meet their employment needs.

### ***Department of Labor Assistance Line***

1-800-HIRE-992 - This toll-free information line is available 8:00 am through 5:00 pm weekdays to assist employers and job seekers with labor-related questions and concerns. In 2005, over 30,000 calls were received on this help line, assisting both job seekers and employers and assisted with information to individuals in regard to the Flooding Disaster in July.

### ***Recruitments/Job Fair Promotions***

The Office of Employer Services lists local office and regional recruitments, as well as job fairs, on the department's web site **[www.labor.state.ny.us](http://www.labor.state.ny.us)**.

### ***HightechNY***

**[www.hightechny.com](http://www.hightechny.com)** - The New York State Department of Labor and the Empire State Development Corp. cooperated in the development of this web site to attract, assist and retain thousands of college students and other high-tech skilled job seekers searching for employment opportunities in New York State. There is no cost to employers listing their job openings. This active site lists thousands of high-tech positions.

### ***Empire Zones (EZ)***

The Empire Zones program is designed to stimulate economic growth in the most distressed areas of New York State. By offering wide-ranging financial incentives and community-based workforce enhancement, the program has become a catalyst for new business development, existing business expansion and job creation. During the past seven years, the program has expanded throughout the state. It now provides a greater variety of incentives to foster economic growth, including Income, Sales and Wage Tax Credits, utility rate reductions and property tax abatements.

The statewide total of certified zones is 72. In 2005, 1,286 EZ applications were received and 446 EZ applications were approved.

### ***Work Opportunity Tax Credit (WOTC) and Welfare-To-Work (WTW) Tax Credit***

The federal Work Opportunity Tax Credit (WOTC) is designed to promote the employment of the following economically disadvantaged individuals:

- Aid to Families with Dependent Children (AFDC)/Temporary Assistance for Needy Families (TANF) Recipients

- Qualified Veterans

- High-Risk Youth Living in an Empowerment Zone or Enterprise Community

- Vocational Rehabilitation Recipients

- Qualified Food Stamp Recipients (at least 18 and not yet 25 years of age)

- Supplemental Security Income (SSI) Recipients

- Ex-felons

Employers may be eligible to earn a tax credit up to \$2,400 for each WOTC-certified person hired.

Employers hiring long-term TANF recipients (individuals who received TANF for 18 consecutive months before the time of hire) may be eligible for the federal Welfare-To-Work (WTW) tax credit. The credit is worth \$8,500 over a two-year period.

In 2005, 44,267 WOTC and WTWTC applications were received and 19,185 were certified.

### ***Workers with Disabilities Tax Credit (WETC)***

The Workers with Disabilities Employment Tax Credit (WETC) enables employers to earn a tax credit of \$2,100 for each qualified individual hired. WETC is New York State's initiative to assist the disabled in securing employment. To qualify for the credit, an employee must meet the eligibility requirements for certification under the Work Opportunity Tax Credit (WOTC) program as a vocational rehabilitation referral, and be certified by the New York State Education Department's Office of Vocational and Educational Services for Individuals with Disabilities (VESID); or be certified by the Office of Children and Family Services' Commission for the Blind and Visually Handicapped (CBVH).

In 2005, NY provided 889 WETC certifications.

### ***Special Employment Services – Parole Vocational Rehabilitation Services***

Parole Vocational Rehabilitation Services (PVRS) is a contract program that finds jobs for ex-offenders who have been referred by the Division of Parole.

### ***Veterans Program***

The Veterans Program provides priority employment services to military veterans, with the highest priority given to the needs of disabled veterans, recently separated veterans and "Campaign" veterans, as mandated by Title 38 of the United States Code and amended by Public Law 107-288. The Veterans Bill of Rights, Chapter 553 of the Laws of 1994, describes New York State's commitment to veterans' priority in obtaining employment services and training opportunities. Veterans may access employment services at One Stop Career Centers, NYS DOL offices, by calling the Veterans' Employment Helpline (1-800-HIRE-992) or by e-mailing VetsAsk@ labor.state.ny.us through the department web site.

Disabled Veterans Outreach Program Specialists (DVOPs) and Local Veterans Employment Representatives (LVERs) provide direct employment services to veterans statewide. Additionally, DVOPs specialize in providing intensive services to veterans with barriers to employment, while LVERs reach out to employers to develop career opportunities for veterans. Both DVOPs and LVERs work from a variety of locations, ranging from One-Stop Career Centers to Veteran Counseling Centers, in cooperation with our Workforce Investment Act partners and other local, state and veterans service providers.

During Program Year 2005, DVOPs and LVERs provided over 43,708 veterans with employment-related services and achieved a 62% entered employment rate for all veterans, including disabled and recently separated veterans.

DVOPs and LVERs also conduct Transition Assistance Program (TAP) workshops at four military installations in New York State. These workshops assist service members and their spouses as they transition from military service. During Fiscal Year 2005- 2006, DVOPS and LVERs conducted 75 TAP workshops for over 1,900 separating and retiring service members and their spouses.

## **B. Unemployment Insurance Division**

The Unemployment Insurance Division administers the State Unemployment Insurance Law, including both the unemployment insurance benefit payment program and the unemployment tax program.

The Unemployment Insurance Program assists eligible workers who become unemployed, by providing weekly unemployment insurance benefit payments to partially offset the loss of income while they seek new employment. Under the program, eligible persons file an initial claim for benefits and certify weekly during their eligibility period to collect benefits. .

An employer payroll tax supports the benefit portion of the program. Currently, the tax applies to the first \$8,500 in wages paid by the employer for each covered employee. The tax rate varies according to the employer's past experience in terms of tax payments made and benefits paid to former employees (experience rating). In addition to the normal contribution rate, employers are also assigned a re-employment services tax and subsidiary tax, depending on the balance of the general account and the size of fund index.

During 2005, an Interest Assessment Surcharge was billed to employers for the third year in a row, but at a lower percentage rate than in previous years. This surcharge covered the interest costs associated with borrowing Trust Fund monies from the federal government in order to meet our ongoing obligations to pay benefits to unemployed workers. As taxes collected from employers during 2005 were not sufficient to repay this federal loan by the time required under federal law, employers also experienced a reduction in the normal credit they receive for FUTA taxes paid.

Administrative costs for Unemployment Insurance are paid through the Federal Government from funds collected under the provisions of the Federal Unemployment Tax Act (FUTA) paid by employers.

Information regarding any of these programs can be found at:

[http://www.labor.state.ny.us/ui/ui\\_index.shtml](http://www.labor.state.ny.us/ui/ui_index.shtml)

### **Determination and Enforcement:**

**SUTA Dumping Legislation:** Effective 2006, a federal mandate will enact SUTA Dumping Legislation, which prohibits the practice of transferring payroll between financially related entities to reduce the appropriate amount of tax due. The statute imposes penalties on employers and employer representatives who are involved in processing such transactions. DOL staff are developing a SUTA Dumping Detection system using information contained in the Data Warehouse.

**Shared Work:** Shared Work is a voluntary program providing an alternative to layoffs for employers faced with a temporary decline in business. Rather than laying off a percentage of the workforce to cut costs, an employer can reduce the hours and wages of a particular group of employees, who can then receive partial unemployment insurance benefits to supplement their lost wages. The maximum duration for benefits is 20 weeks.

During 2005, 299 employers (involving 13,364 employees) took advantage of the shared work program. The savings to employers' UI accounts was \$28 million.

### **Benefit Payment and Tax Accounting:**

**Benefit Banking:** UI Division staff played a key part in the drafting, and eventual issuance of a first ever Benefit Banking RFP in 2005. This RFP was released in July, and

an award was made in late Fall after an extensive technical and cost review of four individual banking proposals. A 13-member Technical Review team made up of staff from DOL (UID, Planning and Technology, and Finance), Treasury and OSC conducted extensive technical reviews of the detailed banking services provisions included in these responses. They also conducted on-site visits at up to three sites for each of the four banks submitting proposals, at locations in New York, Massachusetts and New Jersey. As a result of this team effort, DOL is now working on a first ever contract to formalize a consistently high level of traditional bankcheck processing services and to eventually provide our customers with the electronic banking services of direct deposit and debit cards for receipt of weekly benefits. In their intensive work on this effort, this team demonstrated an outstanding commitment to teamwork, professionalism and excellence, and consistently had the goal of providing improved, innovative customer service to unemployed individuals.

**SingleFile:** The U.I. Division assisted in the preparation of a Federal Grant request for an Internet Tax and Wage Reporting System, to provide employers with the ability to electronically file the SingleFile quarterly report (NYS-45) in addition to the two current filing options (paper returns and magnetic media). An award was received for approximately \$500,000 for this initiative, and Division staff is currently taking part in DOL and DTF discussions to implement this method of providing improved customer service.

**FOIL Requests:** The UI Records Section provides wage verification information as requested by the Social Security Administration, Housing Authorities, insurance companies and claimants under the Freedom of Information Law. During 2005, 31,179 requests were handled.

**Telephone Claims Centers:**

**Virtual Call Center:** The department is proceeding with the implementation of UI benefit services utilizing new technology. Voice recognition capabilities, expanded WEB services and establishing a virtual claims processing network are current projects nearing completion. These projects will enable the Telephone Claim Centers to operate as a single seamless system, allowing customers to experience reduced wait times and greater accessibility to UI voice systems.

**Other 2005 UI Division Activities:**

New employers registered for unemployment insurance	62,724
Employer accounts maintained	497,317
Claimant and employer issue hearings processed	50,976
Total UI taxes collected *	\$2.76 billion
New UI claims taken	670,739
Average number of Original UI Claims processed weekly	12,930
Number of calls handled in the TCCs	1,678,084
Different languages UI services provided in	56

Average number of weekly benefit checks	163,780
Total benefits paid	\$2.33 billion
UI benefit overpayments repaid	\$33.8 million
Benefits recouped from the Child Support Intercept Program	\$34 million

\* Includes interest, penalties, the Interest Assessment Surcharge and the Re-employment Services Fund.

All sections of the UI Division have provided staff as Subject Matter Experts (SMEs) to work with the UISM staff to develop accurate models of the Division’s workflow. Staff has also worked with the vendor for Organization Change Management (OCM), to develop an “as is” analysis of the knowledge, skills and abilities needed to perform our tasks for the purpose of establishing training and development programs for staff transitioning to the new U.I. system.

The UI Division has taken an active role in the development strategies of the newly acquired Enterprise Content Manager, a document management system that will, in conjunction with the UISM Project, provide a more efficient workflow process. Enterprise Content Manager will also provide a more comprehensive filing and case management system with more options for system users and will result in improved customer service.

***Unemployment Insurance Systems Modernization (UISM) Project***

The UI Division (UID) continues working on a major multi-year project to modernize its computer systems and reengineer its business processes. The existing Unemployment Insurance (UI) systems were developed nearly 40 years ago. These systems require tremendous effort to maintain or change. The older file structures make it difficult to retrieve information, exchange data with external partners and meet the requirements of changing legislation. In addition, concerns over future Federal funding levels require that we improve our efficiency in the delivery of services to our customers.

The UISM Project is reengineering UI functions and will be using technological aids and custom software to automate many functions. This will provide staff with tools to better manage information, identify and resolve issues and complete their job tasks. The new UI System will be more scaleable, maintainable, supportable, reliable, effective and efficient.

The goal of the Unemployment Insurance Systems Modernization (UISM) Project is to make UI customer-oriented rather than process-driven. Modernization will improve the efficiency of UI operations and change the way staff offers services to customers, through easier access and a variety of service options.

The UISM Project has contracted with vendors to provide services for Business Process Reengineering (BPR), Quality Assurance/Quality Control (QA/QC), UI System Design/Development/Implementation, and Organizational Change Management (OCM) services. The Design/Development/Implementation effort is a three-phased approach: Phase I is the entire system design, based on results of the BPR vendor’s effort; Phase II will be the development of the Benefit Claims System; and Phase III will be the development of the Employer Tax System.

***UISM Project Accomplishments in 2005:***

In February 2005 IBM, the UI Modernization Analysis and Design Contract award winner, arrived on site to begin Phase 1 of the UI Modernization Project, the Analysis and Design Phase. Since that time IBM, the UI Modernization project team, and Unemployment Insurance Subject Matter Experts (SMEs) have been working together using specific methodologies and modeling tools to map UI business processes and functionality and develop use cases. Processes, technology, and business resources, are being put together to determine how business will be conducted in tomorrow's environment. Upon completion, IBM will provide NYSDOL with eighteen (18) System Requirements Analysis and System Design deliverables that will comprise the comprehensive system design for a new modernized UI System, which will be developed in subsequent phases of the UI Modernization Project.

The UI Modernization Project Design Deliverables received so far from IBM include a Software Development Plan; System Specifications; System Interface Requirements Specifications; Architectural Design Guidelines; Business Model Definitions; Security and Privacy Requirements; and Data Conversion and Migration.

First Data Government Solutions was awarded the contract for Quality Assurance/Quality Control (QA/QC) consulting services for the UI Modernization Project. The QA/QC effort started in January 2005 a few weeks in advance of IBM's arrival. First Data is providing assessment oversight and support to keep the project on schedule and make sure IBM delivers a quality product and to ensure that proper documentation of all needed information is obtained to move forward to the next phase of the UI Modernization Project. This includes both project management, and Cúram and Oracle technical oversight.

In 2005 Oasis Consulting LLC was awarded the contract for Organizational Change Management (OCM) consulting services. They started work on the OCM effort in August 2005. The OCM effort has been separated into two distinct phases: Organizational Design and Organizational Change Implementation. These two phases correspond to UI Modernization Project's phases. The Organizational Design will map out the determination of Human Capital needs while organizational change implementation will focus on the management and implementation of the organizational changes across the UI Division in coordination with the system implementations of the modernized UI computer system. These tasks will begin to develop the new Organizational Design for the modernized UI processes. The OCM effort will improve performance of the UI Division by creating an organization that is right sized and correctly skilled to support operation of the new UI system.

We are planning to begin work by mid-2006 on the development and build stages of the UISM Project relating to the Benefit Claims and the UI Fund Accounting Systems, which will be followed by the Employer Tax System.

### **C. Welfare-To-Work Division**

Welfare-To-Work oversees State and local Welfare-To-Work (WTW) programs, activities and services authorized under the Temporary Assistance for Needy Families Program (TANF), the Food Stamp Employment and Training Program (FSET), the Welfare-To-Work Block Grant Program and the Safety Net Program.

Oversight includes policy development, technical assistance to local social services districts and provider agencies, and contract development and monitoring. Operation of WTW programs remains the responsibility of local social services districts and the New York City Human Resources Administration.

#### ***The Wage Subsidy Program (WSP)***

This program provides wage subsidies to employers who hire and retain public assistance recipients and other low-income families who have not been successful in the labor market. This initiative uses community-based organizations to recruit and place these individuals with private and public sector employers and reimburse participating employers for the wages and fringe benefits they have paid the new employees during the subsidy period.

In 2003, eight new projects and seven existing high-performing projects were selected to operate the program for a two-year period beginning October 1, 2003. These projects continue to provide subsidized employment to approximately 1,321 participants.

#### ***Wheels for Work***

Wheels for Work projects help TANF-eligible participants obtain vehicles necessary for transportation to and from employment or other allowable work activities. Governor Pataki announced \$10 million in grants to 33 organizations serving 44 counties to operate Wheels for Work projects beginning in 2003. These programs provide a number of transportation-related services. They range from automobile insurance assistance to affordable car loans, donated cars, driver education, vehicle registration assistance, vehicle repair assistance and other forms of transportation support provided to eliminate each participant's transportation barriers. In 2004, more than 2,600 individuals were served.

#### ***Community Solutions for Transportation (CST)***

This program encourages counties and regional areas to collaborate on efforts to develop transportation solutions that fill the unmet employment-related needs of persons eligible for federal TANF services, so they can find and keep jobs. Since 2001, Governor Pataki has made over \$38 million available through CST to help individuals on public assistance obtain transportation so they can more readily be employed. Additional allocations have been made based on need as evidenced by expenditures. Local districts and/or their contractors operate a variety of transportation projects. These include: transportation coordinators/mobility managers, driver training programs, car loan/donation programs, transit pass programs, van/shuttle services, guaranteed ride projects and fixed-route public transportation services.

#### ***Built on Pride (BOP)***

This effort is designed to increase the number of eligible economically disadvantaged individuals who enter the skilled trades. The three components of BOP are Self-Sufficiency Training, Pre-Apprenticeship and Apprenticeship Training. An RFP was released in late 2000, with nine programs selected to operate projects beginning March 1, 2001. Through 2004, a total

of 1,714 individuals were served; with at least 803 individuals obtaining placements into registered apprenticeship positions.

### ***Family Loan Program (FLP)***

Family Loan is designed to make low-interest or no-interest loans available to help TANF families. Loan funds are used to assist families with short-term emergency financial problems that may affect their ability to remain employed or continue educational pursuits. Three programs were operating during the year.

### ***HIV/WTW***

The HIV/WTW program provides individuals infected with HIV and AIDS with various supports and services geared to assist participants to enter or re-enter the workforce, while taking into consideration the special needs and limitations of having the disease. A major program component is intensive case management services that help participants manage their health issues and successfully transition into employment and remain employed. The department is contracting with 10 organizations through August 31, 2005.

### ***Consolidated Application for State-Administered Programs (CASP)***

CASP is the vehicle through which local social services districts complete the application and planning process for New York Works Block Grant funding. This funding is used to expand the WTW programs, services and activities needed by Family Assistance recipients and other low-income households to gain employment. CASP gives local districts the flexibility to direct these resources to best meet the education, training and employment needs of their target populations.

### ***Teen Works***

This program helps at-risk high school students from low-income and Family Assistance families improve academic performance, remain in school through graduation and develop necessary job skills. Teen Works programs provide participating youth with the mentoring, tutoring, work experience and long-term guidance needed to be successful with school, work and social situations. An RFP released in the summer of 2000 led to the selection of three organizations to operate Teen Works projects from 2001 through September 2004. These programs assisted 2,604 at-risk youth.

### ***Bridge***

Administered by the University Center for Academic and Workforce Development of the State University of New York System Administration, the Bridge Program is entering its twelfth year. Bridge programs operate in selected Educational Opportunity Centers and Community Colleges, and offer TANF-eligible individuals work-based training employment and post-employment services.

### ***Education for Gainful Employment (EDGE)***

The department contracts with 75 organizations to provide literacy, English language instruction, job readiness, job placement and retention services.

### ***Family, Adult and Workplace Literacy (FAWL)***

Family literacy programs (FLP) promote family literacy by integrating early childhood education, adult basic education, parental education and parent-child literacy activities. Workplace literacy programs (WLP) help employees improve basic skills such as reading, writing

and computation, and to develop other job-related skills/qualities. Supported with \$1 million in funds, 10 organizations were selected to operate FAWL programs (eight WLP and two FLP) for a one-year period.

### ***English Language Instruction (ELI)***

English language instruction is offered to Limited English Proficient individuals. There are 10 agencies that will serve over 300 families from awards of \$1 million. Projects began in July 2004 and are expected to end in September 2005.

### ***The Employment Agency Initiative (EAI)***

This program applies the expertise of professional employment agencies to connect family assistance recipients with available jobs. The EAI contractors receive a fee each time they successfully place a candidate in a job. There are 19 employment agencies, which began serving seven local districts. These projects placed 954 Family Assistance recipients in jobs, as of the end of 2004.

### ***Temporary Assistance for Needy Families (TANF) Program***

This program was established by Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The United States Department of Health and Human Services administers the TANF program on the federal level. New York State receives about \$2.4 billion in federal TANF funding annually since the program was created. The TANF program is expected to be reauthorized in fiscal year 2004. TANF funds are used to support a variety of services for families, including Temporary Assistance (TA) benefits and employment and training programs.

The TANF program requires the State to achieve certain work participation rates for families receiving TA benefits. New York's TANF funds are used to provide employment and training services to TA recipients and families with incomes up to 200 percent of the federal poverty level. These services include work experience, job skills training, education related to employment and support services such as help paying for transportation expenses, car repairs and work-related clothing. Families are limited to 60 months of TANF-funded TA benefits but are not limited in the length of time they may receive TANF-funded employment services.

### ***Food Stamp Employment and Training (FSET) Program***

This effort is administered by the United States Department of Agriculture on the federal level. The FSET program, which is authorized by the Food Stamp Act, is designed to provide employment and training services to food stamp applicants and recipients.

### ***Welfare-To-Work Block Grant***

This program is administered by the United States Department of Labor at the federal level. New York State received \$97 million in 1998 and \$90 million in 1999 in federal funding to administer the program through September 2004. The grant provides funds to local workforce investment areas throughout the state and other entities to provide "work-first" employment and training services to long-term TANF recipients, non-custodial parents of low-income children and others.

### ***Safety Net Program (SN)***

The Safety Net Program is another aid source that provides TA benefits and services to individuals who are not eligible for federal benefits, primarily those without children. DOL provides

funds to social services districts and others to provide job placement and work programs for SN recipients.

***Welfare-To-Work Technical Assistance and Training***

The Welfare-To-Work Division employs staff to serve as Technical Advisors to social services districts, local workforce investment areas and other providers of Welfare-To-Work programs. Each social services district has a WTW Technical Advisor to support local compliance with federal and State requirements. They also develop program policies and procedures to help needy households enter the workforce and become self-sufficient.

**Workforce Development and Training Division**

The Workforce Development and Training Division oversees and administers a wide range of federal and state funded workforce preparation programs, including but not limited to the federal Workforce Investment Act (WIA), Trade Reform Act of 2002 and Apprenticeship Training Program. Central to these efforts is the Workforce Investment Act (WIA) of 1998, which provides the framework for the national, state, and local workforce preparation and employment system designed to meet the needs of business, job seekers, and incumbent workers.

***Apprenticeship Program***

As of December 31, 2005, there were approximately 21,629 apprentices active in the New York State Apprenticeship Training Program. The percentage of women among the total number of active apprentices was 8.2%, or 1,790 women apprentices. The percentage of minority apprentices was 35.5%, broken down as follows:

Blacks	4,081
Hispanics	3,008
Asian & Pacific Islanders	198
Native Americans	154
Other	245

At the end of December 2001, Governor Pataki signed important apprenticeship legislation amending the labor law to authorize governmental parties to a construction contract to require that contractors and subcontractors have approved apprenticeship programs, as a condition to the award of a public work contract. Several government entities have adopted this legislation in their construction contracts.

This was a very positive step to address the critical problem of a projected shortage of skilled workers due to the aging of our workforce. It is one of many initiatives by government and the Building Construction industry to ensure that there is an adequate skilled workforce in the future to maintain and build our state's cities, towns and our infrastructure.

***Program/Project Accomplishments: Workforce Investment Act***

The WIA operates under a semi-block grant basis with substantial discretion provided to the Governor and the State Workforce Investment Board on policy and procedural matters. However, program design is at the discretion of the Local Workforce Investment Board and Chief Local Elected Official(s), and service delivery is provided through a network of local One-Stop Career Centers and affiliated sites.

The New York State Department of Labor, as the Governor's Administrative Agent for WIA in New York State, provides policy, management, oversight, technical assistance, monitoring, evaluation and auditing services to the state's 33 Local Workforce Investment Areas. In addition, the department administers projects funded by state-level activity set-asides under WIA, and provides all necessary support staff and services for the Governor's State Workforce Investment Board.

The State of New York operates the WIA program in accordance with an approved WIA five-year strategic plan. Under WIA Title I, the State receives federal funding to provide workforce-related services to three target populations (Adult, Dislocated Worker and Youth) and to help local One-Stop Career Center systems, based on business demand. The New York State Department of Labor is responsible for allocating funding to the state's 33 local workforce investment areas, as well as certifying all local boards and approving all local plans.

For Program Year (PY) 2004 New York State's network of One-Stop Career Centers delivered high-quality results for WIA Title 1 program participants. For example, through the efforts of all WIA Title 1 and partner staff, New York State passed all 17 of its federal WIA performance measures, including exceeding 100 percent of the federal performance standard for 13 of the 17 measures.

New York State also performed better than the national average in terms of the number of customers served in comparison to the amount of WIA Title I dollars that are allotted to the state, ranking fifteenth nationally, surpassing such states as: California, Texas, New Jersey, Illinois, Florida, Ohio, Pennsylvania, and North Carolina.

While New York State received approximately 7 percent of the WIA Title I Adult funds in the nation, it provided services to approximately 14 percent of the total individuals served nationally with these funds. In the WIA Title I Dislocated Worker program, New York State was allotted less than 7 percent of the funds in the nation, but we accounted for 10 percent of the individuals served nationally through this funding stream. For the WIA Title I Youth program, New York State was allotted 6.5 percent of the funds, but our service levels account for approximately 7 to 9 percent of the client base nationally.

New York's One-Stop Career Centers continue to provide quality core and intensive services, with earnings outcomes for Adult and Dislocated Worker customers who received only core and intensive services exceeding those of customers who received training along with core and intensive. Dislocated worker special needs populations (including veterans, individuals with disabilities, older individuals and displaced homemakers) continue to benefit from WIA services with employment retention rates comparable to those of other dislocated workers. With the challenging economic picture in many of New York's workforce areas, it is particularly noteworthy that we met and exceeded both the Adult and Dislocated Worker earnings measures.

The chart below shows New York State's performance on all 17 of the federally required measures during Program Year 2004.

<b>WIA Performance Measure</b>	<b>PY 2004 Negotiated Level</b>	<b>PY 2004 Actual Performance</b>
<b>Adults</b>		
Entered Employment Rate	71%	73.5%
Employment Retention Rate	80%	85.7%
Earnings Gain Rate	\$2,600	\$3,117
Employment & Credential Rate	61%	73.7%
<b>Dislocated Workers</b>		
Entered Employment Rate	80%	78.1%
Employment Retention Rate	88%	87.9%
Earnings Replacement Rate	87%	89.5%
Employment & Credential Rate	53%	64.5%
<b>Older Youth 19 to 21 Years</b>		
Entered Employment Rate	63%	63.9%
Employment Retention Rate	77%	74.8%
Earnings Gain Rate	\$2,900	\$2,865
Employment & Credential Rate	43%	50.3%
<b>Younger Youth 14 to 18</b>		
Skill Goal Attainment Rate	70%	74.2%
Diploma Attainment Rate	43%	48.9%
Retention Rate	47%	49.4%
<b>Customer Satisfaction</b>		
Participants	72%	74.6%
Employers	69%	71.3%

The department, as the administrative agency for the WIA Title I program, conducts regular and periodic fiscal and program monitoring of local workforce areas. During the past year, department staff conducted a thorough analysis of local performance data; identifying weaknesses and the impact of program and fiscal decisions on performance results. This effort to better understand the dynamics behind the WIA program measures led to the development of technical assistance materials and statewide training sessions for local WIB staff, partner program staff and their contractors.

The department continues to focus its efforts to work with and provide technical assistance to local workforce boards to better align locally designed programs to federal performance measures for all the WIA Title I programs. We have also begun analyzing the impact of the federal common measures and developing state guidance for full compliance with federal requirements, by providing consultation and assistance to local workforce boards and local partner programs.

***State Board Activities***

The mission of the New York State Workforce Investment Board (SWIB) is to ensure that New York's citizens and workers obtain and maintain the technical, career and academic skills needed for success in a changing state, national and world economy.

The New York SWIB and its four operating subcommittees met bimonthly during the past program year with a focus toward developing strategies to address continued economic growth through workforce development. Each subcommittee is co-chaired by one business and one public sector board member. Administrative support for all of the activities of the SWIB and its four subcommittees continues to be provided by the New York State Department of Labor, Workforce Development and Training Division.

In January 2005, the Systems Integration Subcommittee of the NYS Workforce Investment Board launched a project to aid system integration across all partner programs. It began by examining possible improvements in the way we deliver services to the disabled population through the One-Stop system. Through a day-long series of activities to promote dialogue, diagnosis of the situation, examination of the facts, analysis and reflection, we identified six key issues for immediate action. Of the six, improvements for two major issues offered the most immediate impact and benefit to the system.

As a result, the Systems Integration Subcommittee set up teams to develop action plans for "Intake, Eligibility and Referral" issues and "Communication" issues that relate to identifying and serving persons with disabilities. The following charter statements were developed for each team:

**Intake, Eligibility and Referral:** "Recommend strategies designed to streamline the intake and eligibility process for VESID and to create a process for partners to effectively identify functional limits and barriers and to create a referral process that gets customers to the right 'next' place."

**Communications:** "Recommend strategies designed to improve communication regarding services, processes, and outcomes among all partners."

The two teams, led by an expert content and process facilitator, are collecting customer data through focus groups, gathering one-stop staff comments through on-line surveys and benchmarking best practices. After synthesizing the data and determining possible improvement strategies, the teams will develop pilot projects to test proposed solutions. Then they will present the recommendations to the Subcommittee for system-wide integration.

Program Year 2004 was the second year of the State Board's policy on awarding Supplemental Dislocated Worker funding, which is tied to local area expenditures and service levels, to make critical dislocated workers services available throughout the state. Eleven local workforce areas benefited from an additional \$4,174,934 in funding to continue providing quality services where increased demand was clearly demonstrated through program registrations and expenditures. With this funding we provided 739 core/staff assisted, 608 intensive services and 405 training services.

The Governor and the State Workforce Investment Board continue to allocate statewide funds to address areas where significant workforce needs exist that are vital to the health and growth of the state's economy. The New York State Department of Labor's Research & Statistics Division provides statistical information to the State Board on employment and skills needs by industry sector, identifying those sectors where significant skill shortages exist. Additional information is acquired through state-level and local outreach to businesses through targeted surveys and evaluation, feedback from prior initiatives and projects. This information has helped

the State Board direct resources for skill development and upgrade training to meet the needs of businesses and their workers in various industry sectors.

### *Strategic Planning for a Human Capital Advantage*

The New York State Workforce Investment Board issued a competitive challenge to its 33 local boards at the close of Program Year 2002 to undertake strategic planning around regional human capital needs. The State Board's goal for this initiative was to help local boards and their communities to coordinate economic and workforce development needs with the policy, governance, and operational effectiveness of the local workforce system.

Twenty-eight local boards undertook the challenge at the beginning of Program Year 2003 and throughout Program Year 2004, using \$2.8 million of WIA Statewide Activities funds to define and organize local community workforce functions. By design, the process required strong community involvement and gave local boards time to analyze their results. Local boards are reporting many positive impacts:

- increased respect from their economic development partners;
- increased awareness of key issues and giving the board a role;
- clearer sense of focus;
- development of common goals for regional planning beyond the local workforce area boundaries;
- stronger engagement from the K-12 education system partners;
- opportunity to develop new partnerships and interested parties to help the board identify issues and carry out its mission.

Local boards report key Workforce issues emerging from the strategic planning process, which will provide both opportunity and challenge to the state and local boards as we identify goals and strategies to address these regional issues:

- demographic issues (including an aging workforce and losing our young people);
- entry-level skill issues (including literacy, foundational math and science skills);
- changing nature of work (including helping individuals move from larger organizations to smaller companies);
- strengthening the education-workforce connection;
- defining the labor and skill shortage in terms other than the unemployment insurance rate.

The value of these NYS-initiated and locally led strategic planning efforts cannot be understated. Workforce system policy and service design must match the needs identified through these private and public sector coordinated activities. Because New York State understands this, we want our local planning guidelines for WIA build upon the local strategic planning underway across the State and challenge other areas to begin this process for strengthening local board policies. State and local WIA planning must be fully integrated into State and local strategic planning. WIA resources, policies and activities must continue to be aligned with strategic planning needs to make the public workforce system effective and worthwhile. New York State and its local workforce areas are continuing this effort using state and local data and industry and business needs as the basis for continued workforce policy development and resource allocation.

### ***Building Skills in New York State (BUSINYS)***

BUSINYS is an effort to support employer strategies and local efforts for lifelong learning for the development of the incumbent (currently employed) worker by providing funds for upgrading the skills of those workers. In support of the State Board objectives to align the publicly funded workforce system around the identified needs of business, this incumbent worker training opportunity ensures that the skills of our State's workers do not deteriorate in a global economy where ever-improving technologies are the norm and competition is strong. The program funds projects that solve workforce problems by:

- addressing identified skilled worker shortages within an industry or within a single employer's establishment;
- promoting skills upgrading for incumbent workers.

Businesses applying for these funds must demonstrate that the training will result in the workers' acquisition of transferable skills or an industry recognized certification or credential. Funds are made available for each of the ten Labor Market Regions in New York State to ensure that businesses from each region of the State have the opportunity to benefit from the program. Applications are rated on criteria relevant to that particular labor market region and this initial evaluation is conducted by the local workforce investment boards.

BUSINYS continued its third year of availability during the past year. This state-local partnership provides WIA Statewide Activity funds to meet real-time business training needs. Local board staff joined with state board staff in evaluating 1,545 applications during the three years the program has operated. During this time, over \$47.5 million was awarded to some 865 companies leveraging training to 52,108 workers.

All sectors in New York's economy have benefited from these grants with training across a diverse range of skills. A full scale evaluation of the outcomes of this innovative grant program is currently well underway. The Department has developed an electronic survey instrument that is provided to all project awardees upon completion of their contract. Survey responses are collected in a database. The survey captures vital information on the outcomes of the project, number of employees trained, industry recognized credentials received, types of skills developed, impact of training on the business, level of satisfaction with training providers utilized, satisfaction with the application process, and overall satisfaction with the BUSINYS program. A comments section is also provided to allow businesses to further describe their experience with the program. Early results from these surveys indicate a high degree of overall satisfaction with the BUSINYS program and substantial positive outcomes from the training that was provided for both the individuals trained and the businesses they are employed by.

### ***NY SMART (New York Skilled Manufacturing Resource Training) Grants***

Two major new initiatives begun during Program Year 2003 and continued during the past year to provide training funds to assist companies across New York's vital manufacturing sector: the SMART and SMART 100 initiatives.

Under the Department's SMART initiative, WIA state level funds were made available to train new and incumbent workers in process improvement and/or productivity techniques in small and medium size firms (less than 100 workers) in the manufacturing sector. Applications from eligible businesses were accepted through June 2005. A prerequisite required applicant businesses to have had a management-level employees attend one of the Department-sponsored seminars

(solely at the Department's expense) on Lean Manufacturing or Six Sigma to ensure that the business was introduced to the concept and responsibilities needed to become a lean organization. At program year end, 211 applications had been received and 101 awards made totaling \$4.3 million. Some 3,033 workers will receive training through these awards. The Department will be utilizing an electronic survey process (similar to our BUSINYS program) to obtain key outcome and customer satisfaction information from awardees upon completion of their contracts.

Under the Department's SMART 100 initiative, manufacturing firms that employ 100 or more workers were eligible to apply for training grants of up to \$200,000 to train employees directly engaged in the manufacturing process. Eligible training could take the form of traditional classroom training, distance learning, in-house training, computer based training and other methods approved by the department. Process improvement efforts such as instruction in lean manufacturing principles, ISO training, and productivity enhancement training also qualified for consideration under this program. Applicants were required to demonstrate how their proposed program of training fit into the yearly training plan of the business under its strategic business plan, the types of transferable skills, credentials/certifications trainees would acquire, and measurable outcomes for the business (increased productivity, efficiency, sales, profit, customer retention/satisfaction, decreased cost, waste, inventory, production time, employee turnover, etc.) resulting from the training. A total of \$4,817,813 was awarded to 39 businesses to provide training for 7,365 workers under this initiative.

### ***Mapping Career Ladders in Key Industry Sectors***

During Program Year 2004 the State Board continued its "Mapping Career Ladders in Key Industry Sectors" initiative. This development project seeks to help business increase retention rates and meet their need for skilled workers through career ladder mapping and curriculum development. Two new projects are underway, in the Energy and Manufacturing sectors in the Oswego LWIA and in the Health Care sector in the Herkimer/Madison/Oneida LWIA. In addition, five projects have been completed.

One of the completed projects involved the Aerospace/Defense Industry cluster in the Long Island region. Two consultants with experience in the industry worked with members of the Long Island Regional Business Service Team and the three local workforce boards to create a detailed map of careers available across this industry. Gathering detailed input from some 24 participating aerospace/defense companies, the consultants created a database that enabled storage and analysis of information related to organizational structure, job descriptions, associated skill level requirements, educational requirements, wage rates/ranges for each job description, currently required training/certifications for each job description and potential career pathways within this industry. We are sharing the information from this project with the education and training community (K-12 school superintendents, universities, community colleges, proprietary training entities.) It will also become a main focus of strategic planning efforts by local boards to connect local workforce systems with key workforce issues in the Long Island region. We will make additional assignments as we receive project proposals from local board partnerships.

### ***Disability Program Navigator***

New York State is pleased to continue providing assistance to local workforce systems for serving individuals with disabilities through a unique funding award from the US Department of Labor and the Social Security Administration. The Disability Program Navigator (DPN) grant

awarded to NYS was supplemented by \$800,000 in WIA Statewide Activity funds to continue funding DPNs in 31 local workforce areas. We help 53 DPNs to develop strategies to increase the employment opportunities and self-sufficiency of persons with disabilities. DPNs are working closely with One-Stop Career Center staff, local business networks and supportive service providers to help individuals with disabilities “navigate” the opportunities available to them to secure meaningful employment.

### ***Developing a Worker-Readiness Credential***

During the past program year, New York State continued to participate in a multi-state and business partnership to create a worker-readiness credential that will certify that individuals have the knowledge, skills and abilities they need to succeed at entry-level work in the 21st Century workplace. The State Board’s support (investment of \$1 million) for this national project was predicated on results from previous State Board initiatives. Our studies indicate that one of the greatest areas of need expressed by businesses across New York State is for individuals who are work-ready and possess the basic skills and knowledge to perform entry-level work.

A joint subcommittee of the State Board (comprised of the Skill Standards and Assessment Subcommittee and the Emerging Worker Subcommittee) has taken a lead role in the planning and implementation of this credential in New York State. They have developed a business plan for forming an inter-agency workgroup and an external partners workgroup to assist with various aspects of implementation, including possibly using various franchise models and identifying potential pilots/early adopters; and a marketing strategy to engage businesses and develop/broaden connections with education and youth programs.

Work also continued on the credential by the national contractor and its various subcontractors, with input and direction from the state partners on the Policy Oversight Council. They finalized the profile for the credential and conducted a review of existing assessment tools for use with the credential. Further development was conducted using subject matter experts from many industries to devise tailored judgment test questions and structured interview process. We expect to complete field testing and validation of the assessment tools, as well as design and development of the delivery system, during the next program year. The credential should be available to the general public in the Spring of 2006.

### ***Youth Work-Readiness Initiative***

The \$4.75 million Youth Work Readiness Initiative continued to fund five programs during 2005 that provided work-readiness training to 524 WIA-eligible youth. Eligible applicants were permitted to adopt and implement a pre-existing model or devise and operate their own approach, which focuses on identified local needs. Funded proposals were expected to be innovative, effective and replicable in other areas throughout the state.

### ***Promoting Local Workforce Development Promising Practices***

We continue to reserve WIA Statewide Activity for local incentive awards of \$75,000 each for innovative, results-based promising practices in five different categories: Services to Business Customers; Services to Job Seekers; Local Board Development/Practices; One-Stop Design and Management; Workforce Development Partnership Initiatives. Since its inception, 12 awards totaling \$900,000 have been made to local workforce areas for promising practices in such areas as: developing career ladders for entry-level health care workers, community partnerships to increase referrals of adults and youth to the one-stop system, establishment of a regional

warehouse/distribution training center, increasing access to the one-stop system for individuals with disabilities, development of an out-of-school youth internship program, development and implementation of a practice to coordinate and integrate services to TANF customers through the One-Stop, and creating a grant application consulting team to help businesses take advantage of grant opportunities. All promising practices receiving these incentive awards are posted on the state's Workforce New York website for the widest possible dissemination. Local workforce areas receiving these awards include: Genesee/Livingston/Orleans/Wyoming; Herkimer/Madison/Oneida; Tompkins; Broome/Tioga; Town of Hempstead; Columbia/Greene; Monroe; and Orange County.

### ***Monitoring Front Door Traffic at One-Stop Career Centers***

During Program Year 2004, the department continued to support mandated swipe card systems at the State's One-Stop Career Centers. The State Board invested in this technology in 2002/2003 to gather and compile more complete information about the business and jobseeker customers who use the statewide one-stop system for unregistered core services. Preliminary data for Program Year 2004 shows 1,025,539 visits to our One-Stop Career Centers, an increase of 27% from PY 2003. Local board staff have found the data useful in discussions with front-line staff about repeat customer usage, services being accessed (or not) and ratios of unregistered core customers to registered core customers.

### ***Continuous Learning & Improvement***

During Program Year 2004, state and local staff focused attention on WIA program performance improvement and management, gaining a better understanding of USDOL/ETA's Common Measures Policy and EMILE reporting format, and on improving data quality.

With regard to WIA program performance management, local board staff continued strategic planning meetings with state board staff on issues of state and national concern. In addition, state board staff continued to prepare and disseminate quarterly "Local Area Report Cards" during the year, with an open dialogue among all local Workforce Investment Board Directors on using the reports for program improvement and policy adjustment. These report cards provide snapshots of local area enrollments, expenditures, performance standards, swipe card data and other data analysis related to local workforce systems. They focused on program improvements that help achieve the adult earnings change measure and the older youth earnings change measure, which many local areas were consistently failing. In Program Year 2004, 10 local areas were able to remove their sanction status for these measures.

State Board staff also made considerable progress in Program Year 2004 understanding and implementing the federal guidance on the "Common Measures Policy," including requiring data from local areas on the Literacy and Numeracy youth common measure for Program Year 2004. Staff also modified the State's One-Stop Operating System to comply with the Common Measures Policy, and expect the system to be fully compliant in early Program Year 2005.

Data quality was also a high priority for State Board staff in Program Year 2004. State and local staff worked on validating and improving data quality. USDOL/ETA has continuously expressed appreciation for the state's efforts with regard to data validation. Both the U.S. Government Accountability Office (GAO) and USDOL/ETA asked us to share the state's experience with data element validation and how the process could be improved.

In conjunction with New York Association of Training and Employment Professionals (NYATEP), we held nine One-Stop Operator Communities of Practice meeting during PY 2004 to allow one-stop operators to raise issues of immediate and long-range operational concern.

Working with NYATEP, the department also hosted four webinars on topics including: OSOS data entry for Adults, Dislocated Workers and Trade Act; OSOS WIA youth data entry; TAA service delivery; and WIA performance and common measures. Participation was approximately 100 per session. In addition, NYATEP sponsored six additional training events (via teleconference or webinar) on a variety of workforce development topics with national workforce experts Greg Newton, Kip Stottlemeyer, Rochelle Daniels, and Jodie Sue Kelly. Finally, New York State remains committed to bringing together workforce professionals from across the state. We joined with NYATEP, the USDOL and the State University of New York to sponsor two major workforce conferences during PY 2004.

### ***Trade Adjustment Assistance (TAA)***

During the past year, New York State's local workforce investment areas worked to integrate the benefits and services under the Trade Adjustment Assistance (TAA) program with those of the WIA Dislocated Worker program. Working with their state and local partners, local areas examined service provision and determined how best to serve dislocated workers' needs with available resources. Making the one-stop center the point of contact and delivery of benefits/services has ensured coordination and efficient service delivery for trade-affected dislocated workers.

During the program year USDOL certified 56 petitions for TAA, representing approximately 2,056 trade affected workers throughout the state. Alternative Trade Adjustment Assistance was certified for 35 of the 56 petitions, meaning that most of the affected workers were over 50, had job skills that didn't transfer easily, and that there were adverse competitive conditions within the specific industries. A total 3,913 individuals were determined eligible for TAA during the period.

### **Services and Outcomes:**

- We approved 38 individuals for OJT during the report period. The average OJT wage was \$11.01 per hour and the range was \$6.83 to \$26.44 per hour. We obligated a total \$137,450 in TAA funds to support OJT activities.
- We approved 1,195 trade-affected workers for training that started in the report period. We provided \$2.5 million in TAA funds to 23 local areas to support 707 individual training plans totaling more than \$5.3 million. A total \$162,955 was committed in WIA Title I funds to support the plans. Additional funds identified to support these training plans included TAP, Pell, Veterans Benefits, Company Benefits and Training Vendor Scholarships.
- We obligated a total of \$5,770 in TAA funds to support allowances for eight job searches statewide.
- We obligated \$48,613 in TAA funds to support 10 relocation allowances statewide.
- Under the Alternative Trade Adjustment Assistance Program, 116 individuals received \$343,846 in payments. This program provides a wage subsidy, equal to 50 percent of the difference between the worker's former wage and the new wage, up to \$10,000, to qualified workers.
- Of the 860 individuals expected to complete occupational training during the report period, 573 individuals had wages in at least one of the four quarters from July 1, 2004 to June 30, 2005. A total 3,107 of the 3,913 individuals determined eligible had wages in at least one of the four quarters from July 1, 2004 to June 30, 2005. Wage information is limited beyond July 1, 2005.

### ***Chamber of Commerce OJT Program***

The New York State Chamber of Commerce On-the-Job Training (OJT) program has operated for more than 28 years. In the 2004-2005 program year, WIA Statewide Activities funds assisted New York State business that participated in the program by offering training and long-term employment in skilled occupations. The 04-05 program year focused on integration of the

Chamber program with the WIA One-Stop system of workforce development service delivery. We encouraged Chamber of Commerce program operators to build or enhance workforce development relationships with local One-Stop operators.

Seven Chambers each received \$104,857 to develop on-the-job training programs with local area businesses during the period September 1, 2004 through September 30, 2005. The Chamber program operators, Jamaica, Greater Olean, Plattsburgh/North Country, Poughkeepsie, Saratoga, Greater Watertown/North Country and City of Yonkers, expended more than 90 percent of the allotted funds assisting more than 110 New York State businesses. There were 186 trainees enrolled in the program. Businesses and jobseekers benefited from the program, as 87 percent of those who were enrolled in the program completed the training. Of those who completed, 98 percent were still employed 30 days after completing the training. In the 04-05 program year, the number of Veterans served increased by 1 percent.

Program year 2004-2005 was the final year of a five-year, multi-year award. The success of this model for providing training and long-term employment is illustrated by the program's five-year statistics: more than 660 businesses received assistance with the extraordinary costs of training and expended an average of 95.3 percent of all funds received. Total enrollment was 1281 trainees with 88 percent, or 1,130 employees, completing the training. Of those, 93 percent, or 1,055, were retained on the job 30 days after the completing the training. Of the total number of jobseekers served, 59 percent were Unemployment Insurance recipients or economically disadvantaged individuals. The percent of Veterans served was 12 percent. The Chamber of Commerce OJT program continues to operate in 2005-2006 as a result of a new, competitive RFP process.

### ***Displaced Homemaker Program***

The Displaced Homemaker Program provides vocational services to eligible individuals who have been displaced from their positions as unpaid homemakers and who must enter the workforce. The program encourages these individuals to develop and implement sound vocational plans that will lead to stable employment and economic independence. When necessary, it also offers crisis intervention, counseling, and referral to relevant community service agencies.

Program participants engage in structured Job-Readiness programs that teach skills ranging from assertiveness to decision making, from resume writing to job-seeking strategies. The program offers individual counseling and placement services, including assessment and resume preparation to participants, as well. Job preparation components include Job Readiness, Self Development and Job Clubs.

The 2004-2005 statewide program consisted of 21 centers and enrolled a total of 4,325 eligible participants during the contract year.

The 2005-06 statewide program consists of 22 centers, including the recently opened center at the LaGuardia Community College in Queens.

### ***Health Care Worker Training Program***

The Health Care Worker Training Program provides financial support to programs that demonstrate innovative and cooperative approaches to solving critical worker shortages and skills gaps in the health care industry. During 2005, the department funded one project under this

program initiative. The State Labor Department funded two programs in 2003-2004 program year that addressed worker-retention issues through mentoring, recognition and assimilation into facility teams. These initiatives affected 360 health care workers and benefited more than 220,000 New York State Health Care Customers.

## **II. PLANNING AND TECHNOLOGY**

The Division of Planning and Technology (P&T works with department program divisions, One-Stop Career Center partners, and other federal and state government entities to provide efficient and appropriate technology solutions and planning/strategic services that help the department to fulfill its mission.

The division also develops and provides support services for the technical and operational aspects of sharing information in a secure environment, for both internal and external Department of Labor customers.

### **A. Service Delivery**

The Service Delivery units deliver application services to their respective program areas: Unemployment Insurance Benefits, Unemployment Insurance Tax Processing, America's Job Bank, Workforce Development, Worker Protection, or DOL Administration.

### **B. Customer Service**

The Customer Service units act as liaisons and advocates for all DOL program or administrative units that require services from P&T. They evaluate needs and conduct analysis and feasibility studies employing business expertise, combined with technical and analytical skills, to help find the best solutions to business problems. In addition, the unit reviews and analyzes legislation to determine the impact on existing systems, or to determine if there is a need for new software development.

### **C. Technical Support**

The Technical Support unit provides aid to P&T and DOL's other divisions, departments and offices, so they may focus on their customers. This includes statewide telephone services, document management (Imaging), database configuration and administration, systems administration, PC installations and support, and mail services.

### **D. Technical Services**

The Technical Services unit supports the Service Delivery areas by providing infrastructure and technical expertise; provisioning development servers, quality assurance testing, code management, and web-based services.

### **E. Enterprise Planning & Architecture Strategies**

The Enterprise Planning & Architecture Strategies (EPAS) team helps P&T executives create, maintain, and refine the key planning disciplines required to manage an effective IT organization. Through planning, architecture, and best practices, IT organizations can better manage business requirements, coordinate processes and technology with business strategy, and deliver greater value to the department.

### **F. Project Management Office**

The Project Management Office (PMO) staff help divisions manage their projects for greater success, and guide project selection in line with the department's strategic direction. They establish and communicate NYS DOL Planning & Technology PM policies, standards, and processes and act in various PM capacities to complete P&T projects.

### **G. Information Security Office**

The goal of the Information Security Office (ISO) is to build an information security infrastructure to meet federal and state mandates. It also meets the information security business needs of the department in the areas of confidentiality, integrity, and availability for all information, regardless of the format. This is accomplished through risk-based policies, standards, and procedures, and awareness and active involvement in the information-sharing process.

### **H. Projects and Initiatives in 2005**

The division meets the everyday business needs of the program areas and helps the agency find new solutions. P&T worked on the following projects and initiatives during 2005: the Application Development Test Environment; Asset Center Upgrade, Building 12 HSEN Network Upgrade; New PC Rollout; Enterprise Content Manager and xPressions; the Online Worker Protection System; the Information Security Infrastructure Upgrade – Gap Analysis, Policy, and Risk Management, OnDemand Server Implementation; LDAP Implementation; the Reemployment Operating System; Trade Act Expansion; and several Unemployment Insurance program projects - Appeals Board, GORR/OPAL E-Reg, Virtual Contact Center, TCC Voice/Web Convergence, and the Unemployment Insurance System Modernization project.

## **III. DIVISION OF RESEARCH AND STATISTICS**

The Division of Research and Statistics is the primary source of labor market information in New York State. The division administers required federal statistical programs - including programs related to occupational and industrial employment, wages and local area unemployment. Division staff tailor the data obtained through these federal programs in order to meet the needs of the department, elected officials, businesses, jobseekers and others.

Labor Market Information staff in Albany monitor the state's economic climate, and prepare periodic reports on the employment situation in the state and its regions.

The division also maintains a network of local Labor Market Analysts in ten regions across New York State. These analysts provide localized information based upon local surveys or gleaned through contacts with the local business community.

Research and Statistics also supports department operations in a number of ways, such as evaluating departmental programs and complying with federal reporting requirements, including WIA, Unemployment Insurance programs, Employment Services and Welfare-To-Work.

### **A. Labor Market Information**

The division continued its long-term partnership with the Federal Bureau of Labor Statistics and the Employment and Training Administration in developing, analyzing and disseminating key local and statewide labor market statistics and economic data. Staff collected and provided monthly information on employment and unemployment, including jobs by industry, for the state, its labor areas and counties.

Additionally, staff developed estimates of wages and employment by occupation for the state and selected areas, and annual estimates of occupational injuries and illnesses. The division continues to support CareerZone, an online career exploration/information delivery system that features an interactive career portfolio, assessment tools and access to information on college and job opportunities in New York State. The system receives approximately 75,000 visitors a month, and 96,000 CareerZone portfolios are currently in use. Enhancements to the

system include a new jobseeker portfolio. In addition, the division offers an online distribution of all its major statistical series.

The division maintains its network of local Labor Market Analysts, who serve as resources for the department. They also assist local workforce investment boards, area economic development officials, school personnel, business and others in need of labor market and career-related information.

## **B. Unemployment Insurance/Employment Services**

The division continued to meet its federal and state management reporting requirements on the activities of the New York State Unemployment Insurance and Employment Services programs. Staff also developed actuarial reports on the status of the Unemployment Insurance Fund. Additionally, division staff developed and provided prevailing wage data and expert testimony for the Unemployment Insurance Division, as well as a variety of information tools to support the Division of Employment Services. Staff also provided input into the Unemployment Insurance Systems Modernization process and conducted surveys to identify potential improvements and future needs. Division of Research and Statistics staff have also participated in the design and development of the Reemployment Operating System (REOS) and will provide key occupational demand data that will be used to help UI beneficiaries return to work.

## **C. Workforce Investment Act (WIA) and Workforce Development**

Division staff continued to support the state and local workforce investment boards and the Workforce Development and Training Division. Division staff prepared and submitted required federal quarterly and annual reports. Staff also developed online management reports accessible by state and local program managers. Division staff also participated in the testing and implementation of Federal Data Validation software and other federally sponsored report systems. Staff provided economic data and analysis for state planning efforts and helped review plans and RFPs. The division conducted a series of workforce requirement surveys of area businesses, and assisted local boards in developing their state-of-the-workforce reports. Staff worked with local workforce investment boards to prepare and refine lists of demand occupations, as well as a database of eligible training providers. Research and Statistics staff also prepared estimates of New York State's share of national Workforce Investment Act appropriations and participated in WIA performance negotiations with the USDOL Employment and Training Administration.

## **D. Welfare-To-Work programs**

The division continued to work with the Welfare-To-Work Division to meet reporting requirements and assist in the design of reporting databases and management reporting needs. Division staff also provide program-related information used to make program management and policy decisions at the state and local levels. Division staff trained local DSS staff in the use of labor market information.

## **E. Worker Protection**

Research staff provided information and technical support in a variety of areas, including the Survey of Occupational Injuries and Illnesses in the Public Sector, development of new management reports for the Division of Labor Standards and research of minimum wage issues.

## IV. WORKER PROTECTION

### A. Division of Labor Standards

The Labor Department's Division of Labor Standards administers the New York Labor Law provisions covering minimum wage, payment of agreed wages and wage supplements, child labor, hours of work, migrant farm labor, industrial homework, record-keeping and conditions in the apparel industry. It is also responsible for licensing professional employer organizations, employment agencies outside New York City, and issuing permits to child performers and certificates to entities that employ them.

In 2005 the Fair Wages Task Force was created to investigate industries where wages were low and workers, especially recent immigrants and those who lacked training for high skilled jobs, were likely to be exploited. This task force expanded the mission of the division's Apparel Industry Task Force, which had concentrated its efforts in the garment industry. In 2005 the division disbursed a record \$10,364,000 to 16,208 affected employees. A large portion of this money -- \$3,856,000 -- resulted from the efforts of the two task forces.

The Central Investigation Unit, using mail and phones, initially investigates all claims for unpaid agreed wages and wage supplements cases that are filed by the public. This allows enforcement district staff to concentrate on field investigations of complex cases and complaints involving egregious Labor Law violators. In 2005 the unit handled 4,351 cases, completing 2,497 and forwarding 1,573 cases to enforcement districts for further action.

The division maintains a web site to respond to questions from the public regarding the laws that the department enforces. The majority of these inquiries are answered within one business day. During 2005 this site responded to 5,442 inquiries.

Wherever possible, the division attempts to obtain compliance through the use of educational seminars for employers, employee groups and trade associations. In 2005 the division conducted 94 of these seminars that were attended by 3,854 persons

#### Division of Labor Standards Data

Total Monetary Cases	7,547
Total Wages Disbursed	\$10,364,000
Affected Employees Paid	16,208
Establishments Involved	4,451

### B. Bureau of Public Work

The Labor Law requires contractors and subcontractors on public work projects to pay laborers, workers or mechanics employed in the performance of a public work contract not less than the prevailing rate of wage and supplements (fringe benefits) in the locality where the work is performed.

The Bureau of Public Work is responsible for the administration of Articles 8 and 9 of the New York State Labor Law. Article 8 covers public construction and Article 9 covers building service contracts. The Labor Department issues wage schedules on a county-by-county basis that contain minimum rates of pay for different work classifications. State law requires that these schedules be made part of all contracts between a government entity and a contractor.

Restitution collected for workers in 2004 was in excess of \$6 million.

**Web Site Publication**

The Commissioner of Labor is required to make an annual determination of the prevailing wage rates. The department has published the annual determination of prevailing rate schedules on the Internet, which allows New York State businesses and their employees to immediately obtain the most current prevailing rate information.

The web site also allows the department to communicate rapidly with the contracting community on any corrections or changes to the wage schedule. To make it even easier, corrections are posted to the web site on the first business day of each month. This gives employers immediate and timely access to this information and saves them from having to constantly check the site for updates.

In partnership with the Dormitory Authority of the State of New York (DASNY), a public work wage investigator in our New York City office is assigned to work full-time on complaints filed against contractors on Dormitory Authority projects. This item is funded by DASNY and may become a prototype for future similar partnerships with other state agencies.

**Bureau of Public Work Data**

	<b>2004</b>	<b>2005</b>
<b>Cases opened</b>	<b>534</b>	<b>638</b>
Cases closed	679	1103
<b>Money collected</b>	<b>\$6,864,093</b>	<b>\$ 9,030,998</b>
Penalty imposed	\$ 541,407	\$ 657,580
<b>Workers paid</b>	<b>4,056</b>	<b>4776</b>

**C. Division of Safety and Health (DOSH)**

*Protecting New York's Workforce*

Protecting workers in their work environment is the priority of the Division of Safety and Health (DOSH). Ten programs plus a Licensing and Certification Document Center come under this DOSH umbrella of protection. DOSH is proud of the fact that workplace injury and illness rates have steadily declined throughout New York State over the last several years. In 2004, private-sector work-related injuries and illnesses in New York fell to 166,600, a decline of some 5,500 cases from the 2003 level, according to the annual Survey of Occupational Injuries and Illnesses. In addition, New York posted its second lowest total public sector (state and local government) work-related injury and illness incidence rate since 1992. This data clearly shows that each year New York's workplaces become safer and healthier.

Last year, DOSH Bureaus continued to focus on customer-oriented workplace safety and health programs and successfully implemented several compliance assistance initiatives designed to reduce workplace injury and illness.

The Public Employee Safety and Health (PESH) Bureau oversees workplace protection of public employees at the state and local level. In 2005, PESH performed 2,027 public worksite

inspections and 407 consultations. Response times to employee complaints improved, as did the issuance of inspection findings. PESH continued to focus on compliance assistance activities for public sector employment disciplines that included Highway and Street Construction Trade, the Nursing and Veterans Home Industry and Fire Fighters, working cooperatively with employers and employees to lower workplace illness and injury rates.

The On-Site Consultation Bureau provides guidance to private employers, at no cost to them, to help them determine whether they are in compliance with federal safety and health standards and to show them how to eliminate hazards that are found. Program staff conducted 2,251 consultation assistance visits to small and medium-sized business employers within the state to help employers improve safety and health standards within their workplaces. Consultations emphasized assistance to high-hazard employers in construction and non-construction worksites. Approximately 221,722 private sector workers were covered by the consultation surveys performed. Consultants identified and assisted employers to correct 8,397 serious hazards, 2,181 other-than-serious hazards, and 287 regulatory items. Additionally, the program conducted 151 occupational safety and health training sessions and trained approximately 3,914 employers and employer representatives and over 500 of New York's youth as they enter the workforce.

The Radiological Health Unit (RHU) helps protect against the dangers of exposure to radioactive materials and hazards from laser energy. Last year the Radiological Health Unit completed 414 licensing actions, including 47 new requests, and conducted periodic inspections of 277 licensed facilities; assessing the adequacy of licensees' radiation protection programs, measuring radiation levels in the workplace and taking samples for radionuclide analysis in our Radiation Laboratory. RHU also responded to 39 incidents involving radiation sources.

The Asbestos Control Bureau (ACB) helps protect the public against toxic hazards from asbestos fiber exposure associated with the demolition, rehabilitation and renovation of buildings and other structures that contain asbestos. Last year staff responded to more than 545 asbestos complaints, processed 12,190 asbestos project notifications and performed 5,233 worksite inspections. Numerous Asbestos Compliance Conferences, designed to negotiate settlements with contractors in violation of Code Rule 56 were also conducted, resulting in much faster settlements of violations and enhanced compliance within the program. In addition, Code Rule 56 underwent major revisions to ensure it is consistent with federal regulations and is more user- and business-friendly by incorporating routine applicable and site-specific variances.

The Engineering Services Unit (ESU) reviews and approves applications for places of public assembly, ski tows, tramways, elevators and escalators, large tents for 300 or more occupants, bleachers, window cleaning scaffolds and other devices. The ESU also issues variances from Code Rule 56 (Asbestos) and other Department of Labor regulations. The unit reviewed and approved 54 applications for power operated window cleaning equipment and 2,425 variances/plans as shown below:

<b>Variances/Reviews</b>	
Asbestos Variances	1,831
Asbestos Variance Re-openings	522
Window Cleaning Variances	7
Boiler Variances	25
Plan Reviews	40

The Industry Inspection Bureau has jurisdiction over ski tows and passenger tramways, places of public assembly (except in New York City and other exempt communities), storage and use of explosives outside of New York City, amusement devices and temporary structures, coin operated machines, aerial performers, glass doors, window cleaning devices, crane operators, elevators in factory and mercantile establishments, protection of the public at construction demolition and excavation sites, electrical hazardous proximity and plumbing materials. During 2005, the staff conducted 10,591 inspections, examining 80,338 devices and identifying 12,207 workplace violations.

The License and Certification Unit issues licenses to companies involved with explosives and asbestos removal and issues certificates to asbestos handlers, crane operators, workplace safety consultants, blasters and users of explosives, and mobile laser operators. Last year the Licensing and Certification Unit's Document Center issued 18,731 employee or user certifications or tests, 1,418 company licenses and 1,781 permits.

The Boiler Safety Bureau assures that high and low pressure boilers are running safely and cost-effectively. Bureau or certified Insurance Industry Inspectors inspected approximately 36,600 high- and low-pressure commercial boilers last year. Boiler staff performed nearly 3,000 informational and educational visits to assist customers in the operation and installation of boilers. They inspected and certified 12 boiler repair shops to perform welded repairs on boilers within New York State. Bureau staff also notified boiler owners of 3,800 safety deficiencies and investigated 4 boiler accidents. The bureau's staff monitored over 1,900 insurance company inspections and certified or recertified over 320 insurance company inspectors to work within New York State. With the addition of the Praeses Jurisdiction On-Line Database, the bureau data management and operation system is operating in a more effective and efficient manner.

The Mine Safety Training Program provides safety and health training for workers in mining industries within New York State. During 2005, staff conducted 125 classes, training more than 3,400 mine employees from 900 employers. This program provides instruction on a variety of safety subjects that are required for surface mine operations under 30 CFR Part 46.

The Workplace Safety and Loss Prevention Program, which was created in 1997, requires a mandatory workplace safety and loss prevention consultation for employers whose most recent annual payroll is in excess of \$800,000 and whose most recent experience rating exceeds the level of 1.2. The division developed Industrial Code Rule 59, available on our web site, which establishes standards necessary for certifying private Safety and Loss Consultants who can perform such consultations. Employers may also utilize the services of the division for these consultations.

The Hazard Abatement Board (HAB) Occupational Safety and Health Training and Education Program awards grants for programs that provide occupational safety and health training for public and private employers, labor organizations, educational institutions, non-profit organizations and trade associations. Last year the HAB approved almost \$6 million to fund 150 training and education grants to a variety of applicants throughout New York State. These grants provide workers with valuable workplace safety training that otherwise would not be readily available. Training grant applications are available electronically from the Hazard Abatement Board's web site.

### ***Preparing for Workplace Emergencies or Disasters***

The DOSH "Crisis Response Plan," which identifies how to provide safety and health assistance in support of state and local-government emergency responders for natural and man-made disasters, including terrorist actions, continues to be refined. DOSH safety and health assistance is provided at the request of the New York State Emergency Management Office (SEMO). Last year DOSH accomplished a number of activities designed to enhance emergency preparedness readiness and response capabilities. These activities include:

- Coordination with New York State Emergency Management Office (SEMO), the Weapons of Mass Destruction Task Force, the State Office of Public Security and the Division of State Police on the DOSH emergency response mission and procedures;
- Providing support to the agencies that comprise the NYS Chemical Biological Radiological, Nuclear and Explosive (CBRNE) Task Force to develop specific safety and health emergency plans;
- Coordination with OSHA on our respective Safety and Health procedures;
- Delivery of necessary training (i.e., HAZWOPER, Incident Command, etc.) for DOSH employees who may be called upon to assist state and local government response activities in time of crisis;
- Purchase and readying of supplies and materials that would be needed to support emergency response actions;
- Participation in State and Local Agency Emergency Preparedness exercises designed to enhance safety and health operational procedures for first responders; and
- Conducting training and awareness activities for local emergency response personnel, which may include the following activities:
  - Pre-crisis planning with emergency responders
  - On -site monitoring and observation of drills or responses to identify safety or health hazards
  - Providing industrial hygiene sampling and monitoring when needed
  - Identifying hazards and recommending control measures
  - Providing safety and health training on numerous topics
  - Providing expertise on personal protective equipment selection
  - Conducting or training on qualitative or quantitative fit testing
  - Developing site-specific safety and health plans
  - Providing technical advice and expertise on a variety of other safety and health issues.

Last year, DOSH staff conducted an in-house functional exercise to test and evaluate emergency response procedures that included the ability to conduct respirator fit testing, perform personal protective equipment assessment, develop and conduct worksite safety and health training and perform various industrial hygiene sampling procedures.

### ***Improving Customer Access***

DOSH continues to employ Internet technology to make it faster and easier for customers to transmit required applications and notifications, to communicate with division employees and to obtain necessary information on division programs. The division has posted petitions for variances, application forms, PESH complaint forms and petitions to modify abatement dates, Code Rules and Regulations on the department's web site for easy access by customers. Boiler

Inspections and other pertinent data are now also available to users on a specially designed web site. The division will continue to implement other innovative customer electronic access improvements.

## **V. OFFICE OF THE INSPECTOR GENERAL**

The Inspector General's Office (IG) provides investigative support for the county district attorneys who initiate criminal prosecutions in unemployment insurance fraud cases. The office ensures the accuracy of unemployment insurance eligibility and monitors procedures at local offices. The office also performs internal audits and allocates the proper grants to families affected by natural disasters in New York State. The IG's Office consists of the Investigations Section, UI Fraud Investigations, UI Fraud Prosecution, the Internal Audit Unit, the Internal Security Unit, the Contract Audit Unit, the Security Unit and Disaster Preparedness.

The Investigations Section and the Internal Security Office cooperate to ensure the accuracy of unemployment insurance eligibility through a system of prevention, detection and investigation of fraud perpetrated against the UI system. The IG investigators review allegations of impropriety or malfeasance by department employees, and assist the Investigations Section in larger examinations of mass unemployment insurance fraud. They also support the department's Office of Employee Relations during disciplinary proceedings.

The IG's Office is the department's liaison to all federal, state and local police agencies. The Internal Audit Unit helps Labor Department staff effectively discharge their responsibilities by focusing on management objectives that relate to: the reliability and integrity of information; compliance with policies, plans, procedures, laws and regulations; safeguarding assets; the economical and efficient use of resources; and meeting objectives and goals for the operation of programs.

The Inspector General's Office also oversees security at DOL offices around the state. The IG's Office hires State guards or works with private security companies to arrange for guard services to protect DOL customers, employees and property. IG staff also work with local DOL staff and outside vendors to install and manage swipe-card access systems in many DOL buildings. The Office of General Services is converting their access systems from bar code readers to proximity readers, which has forced DOL to do the same. This ongoing project will require considerable effort to work with local staff to obtain new identification cards for DOL employees and to purchase and install the new equipment.

In addition, the IG's Office acts as the department's representative to the New York State Disaster Preparedness Commission and oversees relief programs for families affected by natural disasters in New York State.

### **A. Investigations Unit (Internal/Employee Investigations)**

The Investigations Unit conducts investigations of suspected and identified cases of fraud, abuse, waste, corruption, staff misconduct and criminal activities within the Department of Labor. The Investigations Unit assists the UI Fraud Investigations Section by conducting investigations of complex or sensitive cases of UI fraud, as well as conducting investigations of criminal activities by outside persons committed against the staff, property or interests of the department. This unit assists law enforcement authorities to pursue various criminal cases and frequently assists department managers by doing investigative research and fact finding. The Investigations

Unit also plays a leading role in handling threats and harassment against department staff, or any threat to the department's property or interests. These actions serve to deter crime and fraud involving the department, provide for security in the workplace, and promote integrity, accountability and efficiency in the delivery of vital labor services to the public.

In 2005, the Investigations Unit conducted 59 full-scale internal investigations, 47 of which are now closed cases: 24 of these cases resulted in a finding of the allegations or complaints being substantiated; 19 of the cases resulted in the identification of DOL employee misconduct. In 2005, the Investigations Unit also opened and completed 84 additional miscellaneous cases involving complaints against the department, requests for assistance by law enforcement and governmental agencies, or from the general public, as well as situations involving threats and other security issues.

## **B. UI Fraud Investigations**

The UI Fraud Investigation Section's primary mission is the deterrence, detection, investigation and prosecution of Unemployment Insurance fraud. With the advent of processing UI claims through Telephone Claims Centers, this section has become the primary organization in the department to combat fraud.

The UI Investigation Section conducts investigations based on leads provided by employers, the public and other Labor Department operating units. In 2005, the section completed over 36,000 investigations; 62% resulted in overpayment determinations. Total overpayments established for 2005 amounted to \$37.1 million based on 22,786 overpayments. There were also 1,306,191 penalty days (326,547 weeks) of forfeit for future benefits as a result of the overpayment determinations.

## **C. UI Fraud Prosecution**

The UI fraud prosecution program seeks criminal prosecution of UI claimants who have defrauded the UI Trust Fund. County District Attorneys prosecuted approximately 740 claimants in 2005 for defrauding the department of approximately \$4,560,000. A guilty plea and restitution to the Department of Labor of the amount stolen typically disposed of each case. Prior to this program effort, claimants who defrauded the UI Trust Fund were pursued only through collection activity and charge-backs against future claims.

The criminal prosecution of UI fraud serves to return money stolen from the UI Trust Fund and to assure taxpaying business owners that the tax money they pay is efficiently handled. In addition, the UI fraud prosecution program joins local District Attorneys in seeking local media coverage of "sweep arrests" in order to deter future frauds and to publicize that state government does not allow people to cheat the system.

## **D. Internal Audit Unit**

The Internal Audit Unit provides an independent appraisal function established within the Department of Labor to help staff effectively discharge their responsibilities. To achieve its purpose, the Internal Audit Unit examines and evaluates department activities and provides analyses, appraisals, recommendations and information concerning the activities reviewed. When conducting its reviews and analyses, the Internal Audit Unit focuses on management objectives relating to the reliability and integrity of information; compliance with policies, plans, procedures, laws and regulations; internal control standards; safeguarding assets; economical and efficient

use of resources; and accomplishment of established objectives and goals for the operation of programs.

In 2005, the unit worked on a review of the department's overpayment file to determine if hearing flags were being removed in a timely fashion. Internal Audit discovered that flags were still on the file for hearings that were held as long as six years ago. This review led to the removal of hearing flags for over 2,600 claimants and to billing for over \$6.0 million in overpayments. Another focus of the unit was on reviewing various aspects of the performance of the UI Division. One area of concentration involved an analysis of the timeliness of non-monetary determinations by the TCCs. The unit found that staff often entered incorrect detection dates that resulted in errors in the time lapse calculations. This discovery led to the development of a training program. The unit also provided detailed analytical data on TCC performance by time frame and issue type. In addition, the unit worked on a review of the financial records of a union local. This review covered more than five years of information and was performed at the request of the State Attorney General's Office and the department's Counsels Office.

The Internal Audit Unit also participated in workgroups concerning the following: UI check-writing MOU, UI debit card/direct deposit, data warehouse usage, National Directory of New Hire usage, the department's mission, vision and values statement, Communications Team and Strategic Development.

#### ***External Audit Coordination***

The Internal Audit Unit helped with nine audits, reviews and studies completed by external agencies on department operations. These were: one audit conducted by the Office of the State Comptroller, two studies conducted by the General Accounting Office at the request of Congress, four reviews conducted by USDOL and the department's portions of the NYS Single Audit and two by KPMG, Peat Marwick. The unit coordinated and prepared formal written responses for five of the completed audits and reviews. In addition, at the end of 2005, there were nine ongoing audits, reviews and studies.

#### **E. Internal Security Unit**

The primary mission of the Internal Security Unit is to monitor UI operations to help detect and prevent fraud, waste and abuse within the Unemployment Insurance system. When the unit was created in the early 1980s, its focus was on the prevention and detection of Department of Labor employee fraud. Today, that continues to be one of the unit's functions; however, the role of the unit has also greatly expanded over the years. Currently, the Internal Security Unit expends most of its efforts on the detection of fraud by claimants. The unit uses 15 different crossmatch programs on a continuous basis. The two crossmatches that result in the detection of the greatest number of frauds follow:

- (1) Internal Security performs a weekly crossmatch of the Unemployment Insurance Benefit File against the "new hire" records submitted by employers. The Internal Security Unit investigates the leads for the downstate region and forwards the upstate leads to the Investigations Section. In 2005, the Internal Security Unit established overpayments for over 4,300 claimants and wrote overpayments totaling more than \$4.6 million. In the upstate region, investigators found over 1,600 individuals falsely collecting unemployment benefits and established overpayments totaling more than \$2 million. In addition, the two units assessed over 247,000 forfeit days on cases identified by the new hire system. One of the benefits of the "new hire" system is that it can identify some

frauds while they are occurring. We estimate that the “new hire” system stopped fraudulent payment requests from more than 1,000 individuals last year.

- (2) During 2005, the Internal Security Unit’s monthly crossmatch of State payroll information against the Unemployment Insurance Benefit File led to the identification of 198 New York State employees who were working while collecting benefits. Approximately \$200,000 in overpayments was identified for these employees.

## **F. Contract Audit Unit**

### ***Single Audits***

The New York State Department of Labor has been designated the primary recipient of Workforce Investment Act (WIA) funds for New York State and has ultimate responsibility for these funds and successful management of the WIA program. The State Labor Department receives over \$275 million annually from the United States Department of Labor to implement the WIA program. The department transfers most of the funds to Local Workforce Investment Areas (LWIAs), in accordance with WIA regulations. New York State currently has 33 LWIAs.

The Single Audit Act and OMB circular A-133 established requirements for audits of governmental subrecipients. The A-133 circular states that the pass-through entity (the State Labor Department) must have internal control over compliance in place to determine that the subrecipient audit reports have been received. In addition, where necessary, the department must issue audit determination letters on findings and ensure that corrective action plans have been developed to address any reportable conditions contained in the audit reports. This process provides assurance concerning the \$275 million in annual WIA expenditures in New York State.

The Contract Audit Unit has been given the responsibility for this process. In 2005, we received 31 of 33 audit reports that had been issued by the subrecipient entities for the calendar year ending December 31, 2004 for the county governments that were grant recipients and the fiscal year ending June 30, 2004 for the non-county governmental organizations. All audits were received and all reviews performed on a timely basis for all WIA-related audit findings. During 2005, the Contract Audit Unit issued one audit determination letter on findings and corrective action plans. There were no questioned costs identified in the audit reports. Our review confirmed the correct application of WIA laws and regulations pertaining to this issue. Thus, the review process provided assurances to the State Labor Department that the recipients of the WIA funds are managing their programs in compliance with applicable laws and regulations, and that all pertinent corrective action plans have been developed and implemented.

### ***Financial and Compliance Audits***

The Contract Audit Unit completed 20 financial and compliance audits, and 1 review, of State Labor Department contractors receiving state funds to conduct employment and training programs; issuing 23 final reports. The goal of these audits was to determine whether an entity’s financial operations were conducted properly, the financial reports were presented fairly and that they complied with all applicable laws and regulations. The draft audits issued in 2005 disclosed questioned costs of \$366,405.

In addition, the Contract Audit Unit began fraud examinations of two federal contractors and one state contractor. This work will be completed in 2006 and we expect to have questioned costs.

## **G. Security Unit**

The Office of the Inspector General's Security Unit is responsible for Physical Security at Department of Labor locations where assigned. In keeping with State Labor Department policy, Security fully supports the Workforce mission.

During calendar year 2005, the Security Officers received American Red Cross and OSHA federally approved training, and merited certification in Emergency First Aid response, and Adult CPR Training w/ Automatic External Defibrillators (AED).

The Security Officers in the New York City Region in December 2005 provided support of the Governor's commitment to the continuation of state services in the New York City Region during the three days of the Metropolitan Transit Authority (MTA) Transit Strike. They offered seamless emergency contingency coverage for all Department of Labor locations in New York City where Security is normally assigned and a secure environment for staff and the Department of Labor's vendors and customers, as well.

The Security Officers, in addition to the many duties inherent in the position, at various times and locations during 2005, actively participated in Fire and Emergency Evacuation Drills. The unit stands ready to help further protect the Department of Labor's most valuable resource ... its people, and its customers.

In addition, the Security Unit is in constant communication with the Inspector General's Office regarding ID access cards for the Department of Labor staff. The Security Officers use the Inspector General's Standard Operating Procedures Manual for all security matters and operations, including Disaster Preparedness.

## **H. Disaster Preparedness**

### ***Individual and Household Program/Other Needs Assistance***

The Individual and Household Program (IHP) continued to provide recovery assistance to the citizens of New York State in 2005. Under the IHP, FEMA and the State of New York may provide assistance to individuals and households that have disaster-related necessary expenses and serious needs not covered by insurance or any other type of assistance. The Other Needs Assistance (ONA) portion of the IHP, which is administered by the State Labor Department, allows for assistance in the areas of medical, dental, funeral expenses, personal property losses, transportation and other disaster- specific expenses.

In 2005, ONA continued to help New Yorker's affected by the remnants of Hurricanes Frances and Ivan and the series of severe storms that occurred in 2004. In addition, in April of 2005, New York was once again hit by severe storms and flooding, which affected 11 counties. Thus an additional disaster was declared. As of the end of 2005, the ONA program helped over 2,226 New Yorker's and paid out nearly \$4,500,000 in benefits.

The Department of Labor continues to work closely with FEMA through the newly created Department of Homeland Security. The unit will assure that in the future the Department of Labor is in a position to provide disaster-related benefits to the citizens of the State of New York, should that need arise.

## **VI. ADMINISTRATIVE SUPPORT OPERATIONS**

### **A. Human Resources**

The Human Resources Division of the Labor Department has four subdivisions.

The Employee Relations Office administers the state's collectively negotiated agreements within the department, while maintaining a good working relationship with public employee unions. The office handles disciplinary actions, grievance procedures and workplace mediation. The office conducts quarterly labor/management meetings with public employee unions to discuss topics of concern. The office co-chairs the Department of Labor Statewide Health and Safety Committee, as well as the Capital District Health and Safety Committee. The office participates in training classes to update supervisory staff and train new supervisors in all aspects of employee relations.

The Office of Staff and Organizational Development (OSOD) in its vision, planning, coordination and evaluation of training provides leadership and guidance to the department's managers and staff, as well as numerous outside state agencies. Keeping our customers in mind, OSOD has:

- designed and coordinated a series of Manager and Supervisor Discussion groups, which included presentations by the department's Offices of Personnel, Employee Relations and Inspector General;

- designed and delivered a four-week training program to employees of the Division of Employment Services (DOES) covering every aspect of their jobs;

- provided the Management Development Institute, a competency-based certification program for managers and supervisors;

- conducted an e-learning, web-based pilot project training session, in association with New York Wired for Education. The program libraries included the following skills: Computer (basic and Java Script C+++, LAN Administration and Web Page Making), Communication, Negotiation, Conflict Resolution, Interviewing and Team-building;

- supported, under an agreement with SUNY Training Technology Exchange, opportunities for Department of Labor employees to attend computer classes not offered here, at no cost;

- helped the Unemployment Insurance Division to update and modernize their system by eliciting and documenting information from employees in preparation for the planned modernization;

- offered the exciting new technology capabilities of videoconferencing to management and staff for trainings, meetings and conferences, enabling more productive use of time, reducing travel costs and increasing communication frequency;

- enhanced the skills of the Worker Protection Division staff through problem-solving efforts and education toward achieving compliance; and

- provided required new procedures training to department staff and partner agencies, mandated by the Federal Workforce Investment Act legislation.

OSOD continued to offer PC applications training in Microsoft Office Suite from beginning level classes to help department staff develop the computer application expertise that they need to be effective and productive in their jobs.

The Personnel Office has continued to provide assistance and guidance to both employees and managers on issues related to classification, recruitment, examinations, and benefits. Major accomplishments include: the development and implementation of a decentralized continuous recruitment examination for the Public Work Wage Investigator, a title that has historically been difficult to fill. The movement to this examination approach provides managers with well-qualified candidates on a timely basis. Additionally, staff worked with the NYS Department of Civil Service to develop examinations for over 25 different titles used by the Department of Labor. They assisted managers on organization changes needed to meet the goals of the agency. In the area of Administrative Services, staff have processed over 1,500 transactions to the Department of Civil Service to ensure the accurate status of our workforce; managed over 130 workers compensation claims and implemented the National Medical Support Act requirements. In addition, the Personnel Office is responsible for the agency blood donor program and the Employee Suggestion Program. Over 300 vacancy announcements have been prepared and more than 700 requests for Civil Service eligible lists to assure that our managers have qualified candidates available.

The Division of Equal Opportunity Development (DEOD), under the direction of the Commissioner of Labor, develops and maintains an ongoing affirmative action program, promotes equal opportunity and ensures non-discriminatory policies and practices in internal and external matters.

DEOD is empowered by the department to foster a commitment to diversity and to ensure our programs guarantee full participation of all New Yorkers, regardless of race, creed, color, gender, national origin, disability, sexual orientation or veteran status. To ensure compliance with all mandates, rules and regulations, DEOD monitors all DoES offices, One-Stop Career Centers, Apprenticeship Programs and Local Workforce Investment Areas (LWIAs). DEOD provides feedback to those in full compliance and establishes timeframes for corrective action for those with deficiencies.

DEOD also has responsibility for informing and protecting the department's employees about non-discriminatory terms and conditions in all aspects of their employment. Whenever there are violations of employee rights, DEOD investigates complaints and recommends corrective action initiatives.

## **B. Administrative Finance Bureau**

The Administrative Finance Bureau (AFB) is responsible for the budgeting, management, accounting and expenditure of all department funds. It also offers property management services covering lease, space planning and project oversight, as well as building maintenance oversight. The AFB ensures that resources are managed in a fiscally responsible and efficient manner and that funds are expended in accordance with appropriate state and federal rules and regulations. In addition, this bureau maintains and ensures the accuracy of the department's payroll system, and offers a variety of support services, such as purchasing, inventory control, fleet management, records management, warehousing and maintenance functions.

These are some of the major accomplishments of the AFB during 2004:

As a result of reductions to both federal and state funding streams, which support this agency's operations, the department has continued to implement austerity measures to maintain existing operations. Such measures included joint efforts between AFB and the other divisions to streamline services to maximize resources and plan for the future. One

example was working with the divisions to evaluate their needs and consolidate offices to more efficiently deliver program services at a reduced cost, such as integrating Division of Employment Services offices into the One-Stop Career Center System.

Assisted the UI Division and the Department of Tax and Finance in the successful implementation of the Singlefile - Lockbox, Deposit, Remittance Processing, and Controlled Disbursement/Account Reconciliation processing with BankOne. In addition, AFB worked with other divisions in the development of an RFP for Unemployment Insurance Banking Services for benefit payments.

Worked with Worker Protection staff in planning and implementing procedures to enable the Department to receive payment of fees and permits via Electronic Value Transfer transactions (VISA/Master Card and American Express).

### **C. Communications**

The Office of Communications provides information about the functions of the State Labor Department to the public through publications, the press, radio and television. Materials highlight the many facets of the State Labor Law and the complex functions and responsibilities of the various operating divisions in the Labor Department. They provide educational information in a variety of press releases and regular publications, and arrange news media interviews. All press inquiries to staff are directed to the Communications Office.

In 2005, the Office of Communications continued our efforts to roll out the new Workforce New York brand. We undertook several projects to raise awareness of the Workforce New York system, including printed materials for each Workforce Investment Board, data wheels listing Labor Market information by region, a "Top 10" CD of services offered by the department, and advertising on the Yankees' Radio Network.

In addition to our marketing efforts, we worked closely with the Division of Workforce Development and Lt. Governor Mary O. Donohue to award a variety of training grants to businesses across the state. The grants included Skilled Manufacturing and Resource Training (SMART) for companies with less than 100 employees, SMART 100 – for companies with more than 100 employees, and Building Skills in New York State (BUSINYS). In total, these grants have trained more than 141,000 workers.

### **D. Strategic Development**

One of the biggest undertakings of the year was the development of a Mission, Vision and set of Values for the department. Thanks to much hard work and dedication, we successfully developed a Mission, Vision and set of Values for the department that clearly reflect what our collective efforts are all about and will help us maintain and improve our services by strategically focusing our resources and setting the course for our agency for the next five to ten years. We began the process of incorporating the Mission, Vision and Values into all aspects of our everyday work life.

The department's effort to clarify our Mission, Vision and Values began in February, 2005. After considering many thoughtful comments, we shared the results with the department in July and posted the final product on the Intranet. To help unify us under our central mission, shared vision and common set of values, we applied for and received a grant from the Governor's Office of Employee Relations in September. That grant allowed us to issue a Request for Services Proposal for a Strategic Development Consultant in October.

Following receipt and review of proposals, we chose The Public Strategies Group as the consultant. They began work with the department in early December. They are began helping us develop a way to keep an agency-wide conversation going about our progress toward fully achieving our Mission, Vision and Values and how we can help each other get there.

In support all these efforts, The Office for Strategic Development was established to:

- develop a strategic management system to help the Department focus the many and varied jobs it does around a shared set of Mission, Vision and Value statements;
- work with the Communications Office, OSOD and each business unit to make sure everyone knows and understands the Mission, Vision and Values;
- assist business units with the development of their Strategy Maps and Balanced Scorecards; and
- support business units in their efforts to achieve their strategic objectives through Communities of Practice.

#### **VII. Counsel's Office**

The Counsel's Office renders legal opinions and provides legal services to the Commissioner of Labor, Executive Deputy Commissioner, Deputy Commissioners, division directors and other department officials responsible for program activities, as well as to the Legislature, regulated parties and the general public. The office also handles all Freedom of Information Law requests submitted to the department. Staff from Counsel's Office represents the department in administrative proceedings throughout the state.

During 2005, Counsel's Office represented the department in all administrative enforcement hearings; defended the department in employment discrimination and other matters; promoted the department's legislative program; provided legal assistance to the Unemployment Insurance (UI) Division to recover unpaid UI contributions; and assisted the Attorney General in the preparation of cases in defense of the department in litigation.

Counsel's Office also provides legal advice and assistance to program and administrative staff that are involved in the contracts/grants process. The department has implemented a procedure whereby all Requests for Proposals (RFPs) are developed by teams comprised of program, Finance and Counsel's Office staff. Counsel's Office assigned an attorney to work on each of these teams. The attorneys provided legal advice regarding the RFPs and any subsequent questions that arose regarding the contracts awarded as a result of these RFPs.

Counsel's Office continued to implement usage of an enhanced case tracking system to improve management of workload and reporting function. Initially, the system was used mainly for case tracking purposes. Counsel's Office is continuing to develop the work management function to improve office productivity.