A graphic of Employment Security Department's logo and agency name.

Labor Market and Economic Analysis, PO Box 9046, Olympia, WA 98507-9046

**ANNUAL WORKFORCE INFORMATION GRANT PERFORMANCE REPORT PY 2018**

October 1, 2019

Washington state is submitting its Workforce Information Grant (WIG) performance report for Program Year (PY) 2018, as required of grantees under Training and Employment Guidance Letter No. 20-17. This report summarizes accomplishments and challenges and provides recommendations for improvement to workforce information and services.

Washington state has completed the three deliverables required in PY 2018: maintaining the Workforce Information Database (WIDb) with state and local data; producing state and local industry and occupational employment projections; and a statewide annual economic analysis report.

**I. Populating the Workforce Information Database (WIDb) with state and   
local data**

Throughout PY 2018, the Washington State Employment Security Department’s Labor Market and Economic Analysis (LMEA) division continued to populate and maintain the database tables designated as core tables in accordance with guidelines issued by the Analyst Resource Center (ARC).

LMEA is up to date with version 2.7 of the Workforce Information Database. Our agency’s IT staff have improved documentation for upgrading and uploading data into the new WIDb, which will reduce delays in the future and have begun preparations for new versions.

The Infogroup ARC database, which we use to populate our Find Employers tool, was updated in May 2018.

**II. Producing and disseminating industry and occupational employment projections**

[*Employment projections*](https://esd.wa.gov/labormarketinfo/projections) provide a general outlook for industry and occupational employment in Washington state. They provide job seekers, policy makers and training providers an idea of how much an industry or occupation is projected to change over time and show the future demand for workers.

On an annual basis, the Employment Security Department produces industry employment projections for two, five and 10 years from a base period. The base period for the two-year (short-term) projections is second quarter 2017. The base period for the five-year (medium- term) and 10-year (long-term) projections is 2016. Staffing patterns for each industry are used to convert industry projections into occupational projections.

LMEA produced and distributed the industry and occupational [*Employment Projections*](https://esd.wa.gov/labormarketinfo/projections) for Washington state and its 12 local workforce development areas (WDAs) in June 2018. We continued our practice of annually updating these three sets of projections – two of which are required under this grant (two- and 10-year) and one of which is required by state law (five- year) – for the state as a whole and the 12 WDAs.

LMEA used a North American Industry Classification System (NAICS)-based historical industry employment time series from January 1990 through June 2018 for this project. However, they have been modified to match the industry definitions used by the U.S. Bureau of Labor Statistics’ (BLS) Occupational Employment Statistics (OES) program. These modified industry definitions are called Industry Control Totals (ICTs). The Standard Occupational Classification (SOC) system is used to group occupations.

The Projections Managing Partnership (PMP) methodology advises forecasters to combine alternative economic forecasting methods and to choose the best fitted model. The “fit” of a model is based on performance measures over the observed time periods. Washington state used this methodological approach, but implemented this based on the most advanced available models and tools. We also used leading economic indicators from IHS Global Insights forecast.

Since 2015, the primary software used for forecasting has been R-software (R). R is an open source, object-oriented language with advanced statistical and optimization features. It allows programmers to operate directly on vectors and matrices. This creates significant advantages over sequel-based languages, like SAS, when producing occupational projections. This year we improved our main industry projection code by incorporating the most up to data and best performing methods from the international M4 forecasting competition.

**The following four classes of models were used for projections:**

1. Exponential smoothing: innovations state space autoregressive model with optimized selection of smoothing parameters (criteria minimum Mean Absolute Percent Error [MAPE]).
2. Auto ARIMA: optimized selection of parameters of ARIMA, seasonal ARIMA, period of seasonality, etc., with regressors (criteria: AIC (Akaike’s information criterion) – this is probably the most sophisticated single equation model available.
3. Complex Exponential Smoothing (CES) Auto. Function estimates CES in state space form with information potential equal to errors with different seasonality types and chooses the one with the lowest information criteria(IC) value.
4. Theta model: decomposition approach to forecasting with optimized parameter of Box-Cox transformation. Model was the best performer in M3 forecasting competition data and used as one of the main benchmarks in M4 competition.

**An optimization model was used for creating combined forecasts:**

• “In sample” and “out of sample (hold-out sample)” forecasts for each model class and actual initial series were used for parameters.

• Weights for each of the four model classes were subject to optimization.

• Eight calculated variables (two for each model class) were used to define objective functions, subject to minimization. For each of the models the following were used: mean absolute scaled error (MASE) for testing “in full sample” and MASE for testing for 24- month “out of sample” (hold-out sample).

• The average between averages of four MASEs, for “in sample” and “out of sample” testing was subject to minimization.

**In addition, LMEA used some new forecasting tools:**

1. Hierarchy forecasting models, which allowed for the creation of additive forecasts for different levels of aggregation (e.g. between regions and the state).
2. Forecasting with limits achieved by sophisticated log transformation.

In addition, LMEA created change factors for a limited numbers of cells where state and national historical series were available and consistent with suggested change factors from national files.

LMEA started with aggregated levels of projections, and then used the IHS Global Insight model and inputs from forecasting staff from the Washington State Economic and Revenue Forecast Council (ERFC).

The state aggregated projections are used as regressors for state detailed industry forecasts, which then are used as regressors for regional detailed forecasts. All industry forecasts are additive between different levels of industry and area aggregations. The flexibility of the R- software models permitted the estimation of employment impacts from major labor market disruptions, such as plant closings or new plant openings.

We continued the process of converting occupational projections into skills projections. We rely on the content of employers’ job postings rather than the predefined, general O\*NET skills. The main source for this analysis was a download of the top 100 hard skills for each detailed (six-digit SOC) occupation for Washington state from WANTED Analytics. Again this year we used a three-year sample. This site is available through a contract with the Conference Board Help Wanted OnLine® (HWOL).

Short-term projections based on old staffing patterns were completed and delivered to the national Projections Central website, according to PMP requirements in February 2018. Short, medium- and long-term projections, based on new staffing patterns, were completed in the fourth quarter of PY 2018 and became available to the public in electronic form in June 2018. Statewide and sub-state short- and long-term projections are included in the June 2018 upload.

This year we continue the practice of using state specific alternative replacement rates. They are based on state unemployment records and staffing patterns and reflect the total numbers of state job openings. We used 10 pairs of wage files to estimate industry rates. The rates proved to be reasonable (from the perspective of average survival time) and relatively stable.

In our occupational employment projections, we present two sets of estimates for average annual job openings. One set is calculated using the job opening rates the Bureau of Labor Statistics (BLS) provides and the other one using Washington state specific job opening rates

that ESD creates. The former are referred to as BLS occupational separations rates and the latter as Washington state alternative occupational rates. These two data sets differ only in the calculation of openings due to replacements.

**Specific PY 2018 milestones were as follows:**

• Updated NAICS-based historical industry employment database – January 2018.

• Produced short-term statewide projections, based on old staffing patterns February 2018.

• Prepared and balanced NAICS-based short-, medium- and long-term industry projections for the state and all areas – March 2018.

• Prepared NAICS-based two versions of staffing patterns (with new OES codes and without them); derived from the latest OES survey data – April 2018.

• Prepared short-, medium- and long-term occupational projections – May 2018.

• Populated the Workforce Information Database (formerly ALMIS) and the Labor Market Information website (LMIS) with statewide and sub-state projections – June 2018.

Washington state law ([*RCW 50.38.050*](http://apps.leg.wa.gov/rcw/default.aspx?cite=50.38.050)) requires five-year employment projections by industry and occupation in addition to the two- and 10-year projections required by this grant.

LMEA receives state funding in order to produce the five-year projections and other specified labor market information. The grant money is used to produce the two- and 10-year projections. The funding from this grant, along with the five-year projections funding, enabled LMEA to provide Washington’s labor market information customers with a more detailed and comprehensive view of Washington’s economy. This detailed and comprehensive view would not have been possible without the funds from this grant.

**Continued improvements in the projections process:**

We are continually improving our processes, data analysis techniques, models, algorithms and codes.

PY 2018 main improvements were related to modifying main industry projections code by replacing two simple regression models with more advanced models, well performed on M4 competition 100,000 time series. The new code was also tested on series from M4 competition and demonstrated significant improvements in performance.

The alternative rate not only measures when workers leave one occupation for another or leave the workforce, but also measures openings created by turnover within occupations, i.e., workers stay within an occupation but transfer to different companies.

The data for the alternative rates come from Washington state wage files. We estimate the numbers of annual transfers between industries, inside industries and in and out of wage files. Then we use occupation-to-industry staffing patterns (shares of occupations for each industry) to convert industry transfers to occupational transfers.

Alternative replacement rates are calculated as the shares of total transfers, minus growth or decline, divided by estimated occupational employment for a base period.

Projections with alternative rates represent realistic estimations of total job openings comparable with other data sources. LMEA used this version of projections for creation Occupations in Demand (OID) list. The list is used for variety of state education and training programs.

The Employment Projections report and data tables can be found at:

[https://esd.wa.gov/labormarketinfo/projections.](https://esd.wa.gov/labormarketinfo/projections)

**III. Annual economic analysis and other reports**

Consistent with this grant and required by state law, LMEA published a detailed annual economic analysis report. This report provides statewide information for economic policy development, training program planning and resource allocation by the:

• Governor.

• State Workforce Investment Board (WIB, known as the Workforce Training and Education Coordinating Board).

• Local WIBs (known as Workforce Development Councils).

• State legislators.

• Other partners including community and technical colleges, economic development organizations and other talent development stakeholders.

The [*2017 labor market and economic report*](https://esdorchardstorage.blob.core.windows.net/esdwa/Default/ESDWAGOV/labor-market-info/Libraries/Economic-reports/Annual-Report/2017%20Labor%20Market%20and%20Economic%20Report.pdf) is an annual overview of Washington state’s economy. It includes analyses of employment conditions and trends, unemployment, wages, income and employment projections. The report also devotes greater detail on the seasonal, structural and cyclical aspects of employment and includes economic comparisons with other states.

Throughout the year, LMEA staff conducted special studies and economic analyses at the statewide and local levels. During this reporting period, 1,626 items were published. These reports and data sets are available on [*Washington state’s labor market information website*,](https://esd.wa.gov/labormarketinfo) and further detail on specific reports is provided below. We also added additional Tableau data visualizations to our web pages, many interactive, which were updated along with our statistical reports. Our website recorded 998,163 page views in PY 2018.

**Monthly**

• [*Monthly employment report*:](https://esd.wa.gov/labormarketinfo/monthly-employment-report) Comprehensive, monthly reports on Washington state’s job market. We report the unemployment rate statewide and by county, the number of people in Washington’s workforce and the number of people employed by industry and county. This report relies on current labor force statistics developed in partnership with the BLS and is the basis of a major monthly press release on the state’s economy, and is followed by a second press release by county.

• [*Labor area summaries*:](https://esd.wa.gov/labormarketinfo/labor-area-summaries) Monthly labor area summaries provide labor market information for each of the metropolitan areas and counties in Washington state. This information is screened by LMEA’s six regional labor economists who are located around the state and

are the primary points of contact for regional labor market information. The labor area summaries provide vital information to decision makers and media, timed according to the monthly release of local labor market statistics by BLS.

• [*Employer demand reports*:](https://esd.wa.gov/labormarketinfo/employer-demand) Monthly series of four reports reflecting the top 25 skill sets and certifications that employers are looking for in workers, as well as the top 25 occupations and employers. These reports are based on WANTED Analytics and Help Wanted OnLine® data from the Conference Board, which provide a measure of real-time labor demand gathered from online job ads.

• [*Labor market supply/demand reports:*](https://esd.wa.gov/labormarketinfo/supply-demand-report) The labor market supply/demand reports provide a gap analysis for detailed occupations along with comparisons of online job postings and Employment Security Department data on unemployment insurance (UI) claimants. An annual version took into account the number of graduates from colleges and universities entering the workforce as well as the number of UI claimants.

• [*Washington employment estimates*:](https://esd.wa.gov/labormarketinfo/employment-estimates) This data series provides monthly estimates of nonfarm employment by industry in Washington state. Current employment statistics (CES) survey data and quarterly benchmarked data are provided at the state, metropolitan areas and county levels.

• [*Unemployment benefits report*:](https://esd.wa.gov/labormarketinfo/unemployment-insurance-data) Monthly unemployment benefits reports by county, as well as monthly reports on federally funded extended benefits and outstanding loan balances from the federal unemployment insurance trust fund.

• [*Labor force:*](https://esd.wa.gov/labormarketinfo/labor-force) Local area unemployment statistics (LAUS) are monthly estimates of the labor force including employment, unemployment and unemployment rates statewide, by county, by city, by WDA and by metropolitan area.

**Quarterly**

• [*Business employment dynamics*:](https://esd.wa.gov/labormarketinfo/business-employment-dynamics) A national and state view of changes to businesses and the job market.

• [*Unemployment insurance trust fund forecast*:](https://esd.wa.gov/labormarketinfo/UI-trust-fund) This report provides the status and updated projections of the state’s unemployment insurance trust fund.

• [*Covered employment (Quarterly Census of Employment and Wages [QCEW])*:](https://esd.wa.gov/labormarketinfo/covered-employment) Industry employment and wage data from employer tax records.

• [*WorkSource system performance reports:*](https://esd.wa.gov/labormarketinfo/WorkSource-system-performance) The WorkSource system performance dashboards provide data and analysis for the state’s WorkSource system. The LMEA division produces them for the state and its 12 individual workforce development areas (WDAs). The statewide dashboard contains the performance indicators and data for each quarter.

**Annually**

• [*Learn about an occupation*:](https://esd.wa.gov/labormarketinfo/LAAO) These tools distinguish among occupations as “in demand,” “balanced” and “not in demand” across the state and within individual WDAs. We evaluate short- and long-term employment projections to determine whether employment opportunities in more than 800 occupations are expected to increase or decrease. The local workforce development councils (WDCs) then review, adjust and approve that initial list based on their local, on-the-ground experience, and make revisions throughout the year. The [*Occupation in Demand list*](https://esd.wa.gov/labormarketinfo/learn-about-an-occupation%23/search) is used to determine eligibility for a variety of training and support programs. During PY 2018, we continued to make improvements to the information available for each specific occupation by area, making it easier for job seekers to directly connect to job postings and further details on occupation and training options. These tools are the most visited pages on LMEA’s website, and received over 527,000 page views in PY 2018.

• [*Find employers*:](https://fortress.wa.gov/esd/employmentdata/Widgets/EEIS/ReportsAndPublications/Reports/ShowReport.aspx?id=a0e158f5-56e4-4909-9d83-839cc6d6c28d) LMEA’s website allows users to find contact information for more than 300,000 employers in Washington state. Users can search by area for an industry or occupation or employer name. Since identifiable information gathered through the BLS is strictly confidential, this information is provided by Infogroup.

• [*Labor market and economic report*:](https://esd.wa.gov/labormarketinfo/annual-report) Provides an annual overview of Washington state’s economy (discussed in more detail above).

• [*Agricultural employment*](https://esd.wa.gov/labormarketinfo/ag-employment-and-wages) *and wages:* LMEA has produced agricultural workforce reports since 1999. These reports provide information on agricultural employment, wage rates and H-2A prevailing wages and employment practices. Beginning in 2015, LMEA began conducting the survey annually and surveying for all occupations and activities for which employers have requested temporary workers through the agricultural recruitment system. For 2016, LMEA conducted both employer and worker surveys to gain a greater understanding of agricultural wages and practices in Washington state. Data collection of the 2016 surveys ended December 16, 2016.

• [*Employment projections*: Two-, five- and 10-year industry and occupational projections (discussed in more detail above). Users have access to a report based on the projections, detailed methodology information and detailed data tables for the three sets of projections.](https://esd.wa.gov/labormarketinfo/projections)

• [*County profiles*:](https://esd.wa.gov/labormarketinfo/county-profiles) County profiles highlight aspects of the economic health of each of Washington’s 39 counties. The facts and figures are useful for grant applications, strategic planning, economic development and other research projects. We compose each county profile using data we collect and data from the U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, U.S. Census Bureau, Washington State Department of Revenue, Washington State Office of Financial Management and other resources. They received over 87,000 page views in PY 2018.

• [*Occupational employment and wage estimates:*](https://esd.wa.gov/labormarketinfo/occupations) Our occupational employment and wage estimates are counts of workers and entry-level, average and experienced-worker wage estimates for more than 800 occupations. Data are displayed statewide, by metropolitan statistical area and nonmetropolitan area.

• [*Median and average hourly wage report:*](https://esd.wa.gov/labormarketinfo/median-hourly-wages) The median and average hourly wage reports contain hourly and annualized wage estimates for the state as a whole and by county. The tables include annual data going back to 1990 for the state and each county. Unadjusted, inflation-adjusted and annualized data are listed, as well as a breakout for the private sector.

• [*Distressed areas list:*](https://esd.wa.gov/labormarketinfo/distressed-areas) LMEA produces the list of distressed areas – counties where the three- year unemployment rate is at least 20 percent higher than the statewide average – to assist users with identifying areas that may qualify for certain publicly funded programs to spur job growth and economic development.

• [*EB-5 investor targeted employment areas:*](https://esd.wa.gov/labormarketinfo/EB-5) LMEA identifies the list of sub-county areas (census tracts and block groups) that qualify as targeted employment areas (TEA) – where unemployment is at least 50 percent higher than the national rate – to assist users with identifying areas that may qualify for special exceptions under the federal EB-5 foreign investment program. There were 73 TEA designations processed in PY 2018. The Employment Security Department also provides additional technical assistance, if requested, for information on sub-county geographic areas.

• [*Training benefits report:*](https://esd.wa.gov/labormarketinfo/training-benefits) Our report to the Washington State Legislature providing an update on the unemployment insurance [*Training Benefits Program*.](https://esd.wa.gov/jobs-and-training/training-benefits-program) The Training Benefits Program pays extended unemployment benefits to eligible participants while they attend approved training to learn new job skills. The report is based on a survey of Training Benefits participants, unemployment insurance administrative data, and community and technical college enrollment data.

• [*Establishment size report:*](https://esd.wa.gov/labormarketinfo/establishment-size) Establishment size data provide a count of establishments and their size class based on their number of employees for each county. We tabulate the number of establishments by size class and industry sector and subsector and for the state.

**IV. Customer consultations**

LMEA has maintained multiple methods of collecting feedback from customers regarding their use of and need for labor market information (LMI) products and services. Methods for collecting data on customers’ use of LMI products and services include web visitor analytics, a website feedback page, and automated tracking of ad hoc requests.

LMEA uses customer feedback to improve both its deliverables and its delivery system. To assist customers in accessing and understanding LMI posted on its labor market information website, the LMEA division offers an [*online interface*](https://esd.wa.gov/labormarketinfo/contact) as well as contact information for our [*regional economists*.](https://esd.wa.gov/labormarketinfo/economists) Trained individuals staffing that center can assist clients in locating the appropriate information and answer questions about it.

LMEA provides training to the WorkSource centers in order to facilitate a better understanding of the current tools available, how to use them, and information on new products which are then transmitted to their customers. In effect, this gives LMEA a larger impact by having the WorkSource centers play a key role in making LMI more accessible around the state.

LMEA solicits input from WorkSource (Washington’s One-Stop system), WDC managers and other customers on the regional labor economists’ performance of their responsibilities. That feedback is incorporated into our publications and communications strategies, as well as in broader planning for products and services.

**V. Activities undertaken to meet customer needs**

LMEA has further developed the use of The Conference Board’s Help Wanted OnLine® data to meet our customers’ needs. We have developed monthly [*labor market supply/demand reports*,](https://esd.wa.gov/labormarketinfo/supply-demand-report)which provide a comparison of online job postings and the Employment Security Department’s data on UI claimants. The data is organized by WDA and occupation category.

These reports provide a measure of real-time labor demand gathered from online job ads, and combine that with what we know about individuals currently looking for work with relevant experience. The annual version of the supply/demand report takes into account the number of graduates from colleges and universities entering the workforce as well as the number of UI claimants.

Given the importance of the [learn about an occupation tool](https://esd.wa.gov/labormarketinfo/LAAO) to our customers, we make updates to the information for each specific occupation several times per year, making it easier for job seekers to directly connect to current details on occupation and training options in their geographical area of interest. As in years past, the learn about an occupation tool was the most frequently visited page on LMEA’s website in PY 2018.

LMEA presented our annual economic symposium in Olympia on October 20, 2017. On the agenda this year, our Regional Labor Economists and Chief Technology Officer spoke on the state of Technology and the Future of Work in Washington state, as well as an overview of the new visual tools and features on our website.

**VI. New tools and resources**

We continue to develop a wide range of data visualizations using Tableau software. These visualizations allow visitors to immediately engage with the data. This past year we continue to upgrade our monthly supply/demand tool from Excel to Tableau so that users can visualize he data directly in a web browser rather than downloading a file. LMEA has served as a leader among Washington’s state agencies in supporting and developing the state’s open data portal, [Data.WA.gov.](https://data.wa.gov/browse?category=Employment) We currently publish LAUS, OES and Nonfarm Employment Estimates on this site, under the Employment category.

**VII. Efforts to create and support partnerships and collaborations**

**Regional labor economists**

LMEA’s six regional labor economists continued to work with local partners, including workforce development councils, economic development councils, WorkSource Centers and legislative entities, to better understand local labor markets and effectively communicate that information to customers with varying degrees of knowledge and expertise. The regional labor economists, who are located in WorkSource centers, worked throughout the year with these local partners to identify their specific needs and tailor information and services to meet those needs. The services included periodic economic briefings on changes in local labor market conditions, including regional symposiums, training on occupational and career information and tools, and input and technical assistance with local strategic planning. In PY 2018, their contacts by customer type broke out as follows:

• Workforce organization/councils 16%

• Media – newspaper, radio, TV 21%

• Government agency 13%

• Business/business association 17%

• Educational institution 12%

• Economic development organization 11%

• Other customers 9%

**Occupations in demand**

On an annual basis, LMEA and the local WDCs have continued to partner on an occupations in demand (OID) list, which is used for determining individuals’ eligibility for a variety of training and support programs and populates our website’s [learn about an occupation tool:.](https://esd.wa.gov/labormarketinfo/LAAO) LMEA initiates the annual process by distinguishing among occupations that are “in demand,” “balanced” and “not in demand” on the state and WDA level. The WDCs then review, adjust and approve that initial list based on their local, on-the-ground experience. As changes in economic conditions throughout the year effected occupational demand, the WDC staff made updates to the list to reflect current occupational demand and supply conditions. In accordance with state law, the WDCs are responsible for changes to the list throughout the year, and LMEA’s regional labor economists provide technical assistance as requested.

**Sharing Data**

LMEA continues to serve as a leader among Washington’s state agencies in protecting data and supporting those in need of the vital information we can provide. We continue to work with our local partners, including government agencies, planning councils, education institutions and research centers to provide consistent support for their data needs to help grow the workforce.

LMEA provides data-sharing training and education to help entities understand current laws and regulations, and helps them protect the data they request. LMEA has taken the lead in working with state agencies to update our data sharing agreements, data security and flow of data, yielding a more efficient and secure data-share process. Our [data-sharing request page](https://esd.wa.gov/newsroom/data-sharing) includes an online request form, sample data-sharing agreements, eligibility criteria and definitions of confidential data.

**One-Stop management reports**

Our division continues to publish performance measures, [labor market supply/demand reports](https://esd.wa.gov/labormarketinfo/supply-demand-report) for our state’s WorkSource (One-Stop) system. The labor market supply/demand reports represent comparisons of online job postings and data on UI claimants and WorkSource job seekers. The data is organized by WDA and occupation category.

The [quarterly performance dashboards](https://esd.wa.gov/labormarketinfo/WorkSource-system-performance) provide meaningful data and analysis to WorkSource system leaders in order to develop better customer service strategies. Every customer using this information is speaking the same performance language, from the U.S. Department of Labor (DOL) and our Governor to the WDC board members and contractors.

**Performance**

LMEA continued to take a leadership role for developing and maintaining outcome measures and leading indicators for each of the agency’s four goals. The Executive Leadership Team relies on our knowledge and insights to guide what we measure and why.

**WIOA implementation**

LMEA has provided full support to Washington’s WIOA implementation efforts in PY 2018. The LMEA director served on subcommittees and task forces convened by the state workforce board, particularly focused on performance. The LMEA director participated with the National Association of State Workforce Agency’s Labor Market Information Committee.

**VIII. Activities to leverage LMI-WI funding**

LMEA continued to actively support the [Washington’s Statewide Longitudinal Data System (SLDS)](https://nces.ed.gov/programs/slds/state.asp?stateabbr=WA) by sharing weekly UI claims information, UI wage records and Labor Exchange Reporting System (LERS) files. The state’s [Education Research and Data Center](http://www.erdc.wa.gov/) (ERDC) will continue to refine requirements for analytical data marts that link education and workforce data to better serve research and policy analysts.

LMEA’s deliverables related to this effort will enhance job seekers’, employers’ and policy makers’ abilities to make informed decisions.

**IX. Recommendations to the Employment and Training Administration for changes and improvements to WIG requirements**

We encourage the Employment and Training Administration (ETA) to continue their much needed and appreciated support for the infrastructure essential to developing short-, mid-, and long-term employment projections, which includes everything from the Local Employment and Wage Information System (LEWIS), to the Analyst Resource Center (ARC) and the new replacement methodology.

Finally, we want ETA to recognize that the State-Federal BLS infrastructure is in decay. QCEW editing software used by the states is fairly archaic and funding for basic maintenance has been in decline for many years. This decline affects the quality and timeliness of local LMI, projections, the OES sample, and the accuracy of the ETA’s estimates of FUTA. The OES survey software has been in need of modernization for multiple years, and unfortunately lacks the funds essential to migrate/upgrade to a more mature modern-state. The lack of modernization means we can’t perform the time series, which would create substantial impacts on the production of “real time” occupational demand. However, the necessary funding for these improvements is not part of the BLS Budget agenda. The decay of infrastructure should become a priority and we hope to partner with you to overcome this barrier. After all, without proper oversight and support for these necessary upgrades, we will begin running out of options when it comes to preventing negative impacts for critical programs, which has a direct negative impact on our customers. Thank you again for your continued support.