



# **The Utah Model**

WORKFORCE PROGRAMS AND SERVICES  
INTEGRATION TOOL KIT

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A M E R I C A N   E N T E R P R I S E   I N S T I T U T E

# Executive Summary

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This tool kit provides an updated overview of Utah's innovative approach to managing and allocating federal funds for workforce development and social assistance programs. Utah's designation as a single-state area under the Workforce Investment Act and Workforce Innovation and Opportunity Act (WIOA) has enhanced its ability to leverage federal funds. By integrating WIOA Title I funds into the cost-allocation mechanism, Utah has created an efficient and comprehensive one-stop approach to administering workforce and human services programs, allowing employees to work on multiple programs without the burden of extensive time and effort reporting.

The state's system promotes the integration of larger programs, such as Temporary Assistance for Needy Families, with core services, while smaller programs such as WIOA are used for direct training.

Utah's ability to oversee all employment and training funds enables quick resource reallocation to areas with urgent economic, natural disaster, and social needs.

By centralizing and integrating benefit administration, Utah has simplified the application and qualification processes for individuals seeking assistance. Clients can access a single employment center and work with a dedicated case manager who identifies suitable services based on individual needs and circumstances. This approach reduces complexity and places the burden of navigating the system on the state rather than the individual. This approach is supported and supplemented by Utah's unique reporting and accountability relationship with the federal government that reduces administrative burdens and increases efficiency.



# The Utah Model

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## WORKFORCE PROGRAMS AND SERVICES INTEGRATION TOOL KIT

### Mason M. Bishop

The American Enterprise Institute has published a variety of reports and materials focused on the United States' public workforce system—its history, programs, and practices—and its implications for today's economy, such as the increasing need for workers with higher levels of technical and noncognitive skills. As we emerge from the COVID-induced recession of 2020 and its effects, looking for best practices in the delivery of federal employment and training resources is more important than ever as the US seeks to rebuild an economy that is participatory and improving.

Much of the public workforce system's legacy is one of questionable outcomes and performance, yet successive Congresses and presidential administrations continue to authorize additional employment and training programs and increase federal appropriations, especially during the post-COVID era. Just in the past year—through the CHIPS and Science Act, the Inflation Reduction Act, and the fiscal year 2023 omnibus appropriations—billions of dollars have been authorized and appropriated through myriad federal agencies to address worker skills, social mobility, unemployment and underemployment, and labor force attachment.

It is imperative that federal policymakers recognize public workforce system performance and prioritize support for models that achieve greater results in more efficient ways. Since passage of the

Workforce Investment Act (WIA) in 1998, we now have over two decades of experience to inform policies and practices. To that end, this tool kit is designed to recognize one of the models that has proven performance and results—the Utah Department of Workforce Services (DWS).

In a 2020 AEI report titled “Utah Department of Workforce Services: A System Integration Model,” I documented the unique features of the Utah approach that have led to what is arguably the most integrated and efficient public workforce system in the US.<sup>1</sup> As states look to implement reforms post-COVID, this tool kit builds on the 2020 report to provide information and explanations about the components of the Utah DWS model that have been crucial to implementing this approach.

The tool kit is divided into three major parts: (1) innovation in governance, (2) innovation in service delivery, and (3) innovation in financial management. These three areas form the foundation for the Utah DWS's success and continued improvements in delivering services and addressing the needs of employers, workers, and job seekers.

### Innovation in Governance

“Governance” refers to how states organize their programs and the extent to which integration in

governance functions streamlines the administration of employment and training and public assistance programs, leading to more direct services provision. This section focuses on three specific Utah innovations: (1) the single-state designation, (2) state and regional division of authority, and (3) program consolidation.

**Utah's Single-State Designation.** The Workforce Innovation and Opportunity Act (WIOA) establishes the state and local workforce system, which provides employment and job training services through an array of federally funded programs. WIOA structures the delivery of employment and job training services through the creation of Local Workforce Development Areas (LWDA).<sup>2</sup> LWDAs are regions in a state, designated by the governor, that are expected to align with labor market and economic development areas and have the resources available to effectively administer activities under WIOA.

Activities authorized by WIOA occur in LWDAs and are overseen by local workforce development boards (LWDB). These activities include conducting strategic planning for the region, identifying eligible providers for training, operating (or identifying contractors to operate) one-stop centers, managing budgets, and negotiating and meeting annual performance measures.

Governors designate LWDAs based on provisions in WIOA. These provisions allow LWDAs that were designated as local areas under WIOA's predecessor, the WIA, to remain intact unless they agree to a re-designation or fail to meet significant performance and fiscal-integrity requirements.

States that were designated as single-state LWDAs as of July 1, 2013, were grandfathered into the law and allowed to remain as such after passage. Single-state designation means there are no LWDAs and therefore no local boards, allowing the state workforce development board (SWDB) to assume the functions typically administered by local boards. The state, therefore, manages all funding, one-stop centers, and staff throughout the entire system but engages locally through state-designated administrative and economic service areas to ensure local workforce and training needs are met.

*Problem Statement.* Local and regional economies are dynamic, not static. WIOA requirements for LWDAs mean that boundaries are designed based on historical and political considerations rather than modern economic regional dynamics. Further, governors are hamstrung in responding effectively to “real-time” changes to industries, markets, and economic conditions. Administrative rigidities contribute to inefficiencies inherent in having too many local areas, duplicative service delivery, and poor alignment with community college-service areas or state economic development regions.

Today, there are over 560 LWDAs across the country, with some states divided substantially, such as California (46), Texas (27), Florida (24), North Carolina (24), and New York (34). This has led to duplication of services and functions throughout the system, diverting resources away from direct employment and training services and maintaining arbitrary restrictions in a one-size-fits-all centralized approach to service delivery.

*Innovation.* In 1996, Utah passed legislation to reconstruct and consolidate its localized workforce and public assistance programs, and the regional area designations under which they were operating, into one statewide authority, the Department of Workforce Services (DWS). Because this happened before the enactment of WIA in 1998, the state has been able to maintain its single-state designation under both WIA and WIOA. Under federal law, Utah is not required to have local workforce areas.

Under state law, DWS manages services and resources through economic service areas. Until 2016, local economic service areas had advisory boards that provided input regarding local service delivery. Federal funds do not flow to these separate areas through LWDAs, but local leaders do have input into service delivery, organization, and priorities.

This single-state designation reduces inefficiencies and simplifies administration throughout Utah's workforce and human services system.

**Administrative efficiencies.** The one-stop delivery system was intended to provide job seekers,

workers, and employers with access to federally funded employment and training services under a single physical and virtual one-stop system. Unfortunately, the goal of a true one-stop delivery system has remained largely unfulfilled.

In non-single-area states, LWDAs are required to establish at least one comprehensive one-stop career center, which includes the associated infrastructure and staffing costs. Yet because these services are funded through different federal appropriations and federal agencies, they are often administered by different state agencies. States distribute WIOA funds to local areas, while other federal program funds may stay with the state and be delivered in local communities by state employees or through separate, local staff and infrastructure. The result of this fragmentation is that workers and job seekers must access two to four different physical locations or systems to obtain the services needed for employment.

Utah's single-state designation and accompanying program-consolidation efforts have allowed for a one-stop system in which physical one-stop centers are located where they are most needed. DWS also can maintain consistent virtual service options. DWS officials change strategic priorities as the economy changes and worker and employer needs evolve. This all aids in reducing infrastructure and administrative overhead costs, allowing for funds to be better targeted toward direct customer services.

**Funding flexibilities.** Some of the largest funding streams consolidated at DWS include Temporary Assistance for Needy Families (TANF); Vocational Rehabilitation; WIOA adult, dislocated worker, and youth programs; Wagner-Peyser employment services; Supplemental Nutrition Assistance Program (SNAP) benefits and employment and training; and subsidized childcare for working parents. Funding supports local employment, training, and support services, while the state retains the ability to shift funds around as demand grows or contracts. Unlike in the federal WIOA process, Utah does not have to recapture or reallocate funds to LWDAs.

Before DWS was created, a customer might have gone to several different agencies and been assigned

a separate case manager at each location. Today, each customer has one case manager and team delivering the services most appropriate for employment. Staff are assigned service roles such as eligibility intake, employment and training support, and business services, regardless of the funding source or program-specific requirements. This allows Utah to focus on service provision rather than program eligibility when addressing the needs of job seekers, workers, and employers.

**Service consistencies.** Utah has implemented and maintained a consistent one-stop delivery system for decades. Because of a consistent delivery structure implemented through DWS, the state has been able to integrate additional programs such as SNAP, Medicaid, and housing programs, which can be notoriously cumbersome to administer. Staff delivering the array of DWS programs are employed by a single organization under a consistent policy and practices framework, are provided uniform training, and use a common case-management system.

Because DWS operates all one-stop centers in Utah and does not devolve funds to LWDAs, the system's branding is consistent, and operations and procedures are the same throughout. Due to the single-state designation, programs, funding, and performance accountability are all overseen and coordinated at the state level, allowing each one-stop center to focus on providing uniform direct services to customers. This creates a seamless experience for every participant no matter which center they access in any community.

**Conclusion.** Since WIOA requires governors to recognize LWDAs that existed before WIOA enactment, there are limited options under current WIOA law for states to streamline and consolidate workforce and human services programs. To support streamlining, consolidation, and innovation, Congress should consider waivers and other statutory changes that would increase flexibility for states to pursue innovative approaches along the lines of Utah's experience. Existing waiver and demonstration authorities, such as Section 1115 of the Social Security Act, may also

provide avenues for experimentation, innovation, and replication of successful reform practices.<sup>3</sup>

**Utah's State and Regional Governance.** The United States public workforce system is governed by a series of state and local workforce development boards (WDB), which are created and authorized under WIOA. Each state designates LWDBs based on parameters outlined in WIOA. Throughout the US, there are roughly 560 of them.<sup>4</sup>

Each state has an SWDB charged the oversees workforce development policies and programs. LWDBs are responsible for overseeing workforce development activities in regions and communities, managing the local one-stop center system, and developing a memorandum of understanding to share costs among federal partner programs.

Membership of state and local WDBs is mandated under WIOA. LWDBs must have 30 or more members to meet WIOA's requirements,<sup>5</sup> and employer representatives must make up a majority of board members.

*Problem Statement.* State and local WDBs' purposes, roles, and oversight responsibilities are created and described under WIOA, specifically for the programs authorized by WIOA Title I: adult, dislocated worker, and youth. However, while state and local WDBs are envisioned to have oversight responsibility for other core and required partner programs as defined in WIOA, this input and oversight is limited based on the extent to which state and local program officials coordinate programming and policies.

Further, due to the number of LWDBs and LWDBs, service delivery and program engagement look different from community to community. Therefore, employers, workers, and job seekers do not experience consistent approaches or levels of service in addressing worker skill shortages or increased employment opportunities.

*Innovation.* By creating the DWS, Utah streamlined its governance structure. As part of the initial reform effort, Utah consolidated individual program oversight boards into a single SWDB. The

current SWDB membership and representatives meet WIOA's requirements.

Utah's local governance structure is also defined in state law. Because Utah is a single-state area and thus one statewide local area under WIOA, the SWDB also serves the function of the LWDBs as outlined in WIOA. Therefore, there is consistent oversight for the entire state workforce development system.

Further, in 1996 and 1997 reform legislation, Utah created five "administrative" regions and multiple "economic service areas" to govern both DWS and WIOA programs.<sup>6</sup> The administrative regions are staffed by DWS employees and led by a regional director, who manages the agency's day-to-day operations. Each regional director is required to be experienced in the administration and operations of these programs and report regularly to the SWDB.<sup>7</sup>

As part of the service-region design, until 2016, Utah law also authorized regional workforce advisory boards to monitor activities in economic service areas while collecting input and insight into workforce skill needs and job-growth strategies. Utah created and now maintains economic service areas based on how these areas align with economic development, transportation and infrastructure, and local labor markets.

Because economic service areas are functions of state law and policy, unlike the WIOA-defined LWDBs, Utah can update the number and location of these areas according to population shifts and growth; changes in city, suburban, and rural areas; or changes in economic and labor market conditions. Economic service area alignment must also factor in the number of individuals receiving employment and training services and public assistance benefits from a wide range of federal and state programs.<sup>8</sup>

*Conclusion.* Utah's aligned and state-defined governance system alleviates the burdens and mandates required under WIOA that often interfere with consistent and efficient service delivery. Utah's single-state area and commensurate governance structure have afforded Utah businesses and workers opportunities to realize consistent, quality services tailored

to their unique labor markets and economic sectors. Further, board governance aligned to a state department that directly administers the full host of federal and state employment and training programs means that board members have direct input into the *entire* system, not just a handful of programs operating alongside others that are separately administered.

**Utah's Workforce and Public Assistance Program Consolidation.** Today, there are more than 40 employment and training programs across the federal government serving similar populations with similar services. These programs total more than \$18 billion annually and are scattered across nine different federal agencies, including the US Departments of Education, Labor, and Health and Human Services (HHS).

In states, multiple state agencies allocate these federal resources and must adhere to different rules and requirements under each program. Since the 1998 WIA, states have been required to collocate programs in physical buildings, known as comprehensive and affiliate one-stop centers. There are more than 2,400 of these centers across the country, and many house close to 20 federal programs, which are often administered by separate state and local staff.

*Problem Statement.* While the one-stop system created under WIA and continued under WIOA was supposed to bring disparate programs and funding under one service-delivery mechanism, most states still maintain multiple delivery systems and locations. For instance, in most communities, workers, job seekers, and low-income residents access anywhere from two to four different systems and as many office locations to partake of all employment, training, and support services available to them.

The process that funnels programs and dollars from multiple federal agencies to multiple state agencies, requiring administration at both the state and local levels, has not yielded efficient and customer-focused service delivery.<sup>9</sup> Additionally, dividing program administration among multiple

state and local government agencies builds redundancies and administrative inefficiencies and costs into these systems. These include staffing redundancies and duplicate case-management systems, business services teams, and data and performance systems.

The most important negative effect of this siloing is that staff of these different agencies and programs cannot implement a comprehensive and cohesive set of services for participants most in need of help. Coordinating different case-management and data systems, cost-sharing agreements, and service-delivery designs produces management challenges. This all creates a confusing maze of programs for individuals and businesses to navigate, limiting the impact of federal and state employment and training dollars in addressing poverty, unemployment, and labor force attachment.

*Innovation.* In 1992, Utah conducted an audit to review its workforce development system and propose a plan to better coordinate employment and training efforts throughout the state. The audit found that “federal and state governments have created one employment and training program after another without adequately addressing how they should relate to similar existing programs.”<sup>10</sup> It identified 23 separate state and federal programs administered by six separate state agencies in Utah—each created by separate legislation, with separate advisory boards and regional delivery offices. Although the state had created the Job Training Coordinating Council (JTCC) with a mandate to improve service coordination, each agency still had separate rules, reporting requirements, and annual planning schedules and deadlines. They also had different regional geographies that rarely conformed to one another.

The audit concluded, “More attention needs to be given to resolving the natural conflicts between agencies that have resulted in ‘turfism’ and have made it difficult for agencies to agree on the role and authority of the JTCC.”<sup>11</sup> The report recommended that the governor appoint a strategic-planning task force of high-level government and business leaders to recommend a more coordinated and streamlined redesign



of workforce development and that the state legislature support these plans by enacting legislation and funding to ensure its success.

In 1994, then-Utah Gov. Michael Leavitt appointed the workforce development task force, chaired by then-Lt. Gov. Olene Walker. Over the next 18 months, the task force reviewed Utah's workforce development and public assistance programs, finding similar fragmentation and duplication as the audit had found. It recommended consolidating programs and funds to provide participants "improved access to services" and "allow government to provide services at a lower cost so that more funds could be used to provide direct services to clients."<sup>12</sup> These recommendations spurred the passage of House Bill 375, which mandated a one-year planning period to streamline these programs into one agency, the DWS.

House Bill 375 required a set of working groups made up of state employees, private-sector leaders, labor union representatives, and employer and job-seeker customers. These groups reviewed a variety of issues, including coordinated service delivery among programs, organizational structure, facilities, and branding. Utah leadership also toured the state multiple times seeking input from regional and local leaders and program participants. Based on these reviews and conversations, state leaders began to redraw a coordinated set of regions based on geographic and labor market areas. They also began to consolidate organizational structures, department functions, and physical buildings.

In 1997, Senate Bill 166 officially created the new DWS, and House Bill 269 integrated the Office of Family Support, including the TANF program. This had significant budgetary impacts, as TANF was by far the largest source of federal funds for employment and training services and served some of the neediest families in the state. Ultimately, DWS was launched that year, consolidating 36 job training and public assistance programs under five distinct divisions with 1,718 employees.

*Conclusion.* What began as an attempt to better coordinate 23 job training programs grew into an overall mission and guiding set of priorities

aimed at strengthening "Utah's communities by supporting the economic stability and quality of our workforce."<sup>13</sup>

Today, nearly 30 years since the original audit was released, Utah has integrated all programs with employment and training responsibilities into one state agency. This includes TANF, SNAP, Vocational Rehabilitation, and support services such as Medicaid and housing assistance and subsidized childcare. Coordinating workforce and public assistance programs has allowed tremendous flexibility in the way services are provided to customers.

The state has consolidated the application process and case-management systems, aligning all programmatic eligibility intake, activities conducted, and outcomes achieved. This translates into a single employment plan for a customer, with integrated employment counselor teams all working toward common customer goals. It also means efficiencies in resource administration, as all employment and training programs are under a consolidated management structure at the state level.

## Innovation in Service Delivery

Service delivery encompasses the processes and approaches to providing services to customers, including employers, workers, and job seekers. This section focuses on three specific Utah innovations: (1) a "one-door" approach, (2) the integration of unemployment insurance with workforce services, and (3) case-management consolidation.

**Utah's "One-Door" Approach.** Under WIOA, every LWDA must have a minimum of one physical, comprehensive one-stop career center where an individual goes to receive employment and training services. Throughout the United States, there are more than 560 local workforce areas with more than 2,400 one-stop centers.<sup>14</sup> One-stop centers are also required to help business customers with recruitment and training services, including finding qualified talent and training providers to help a company expand or continue operations.



In addition to one-stop centers, many states have traditional social and human services centers where an individual can access a variety of public assistance benefits, including programs such as TANF, Medicaid, or food assistance. There are also vocational rehabilitation centers across states that provide an array of services to individuals with disabilities.

All these centers often serve similar populations: those who are low income, unemployed, or underemployed. Many provide career services, such as skills assessments, resume assistance, job placement, and training services, including occupational and work-readiness training.

*Problem Statement.* Most communities throughout the United States have multiple “doors” to receive services: (1) traditional one-stop centers, (2) social services offices, and (3) vocational rehabilitation centers, among others. Often, services are not colocated, despite WIOA’s intent, leaving many eligible participants going to multiple physical locations for help. This also translates to having multiple case managers using different employment or training goals and plans of action, despite the significant overlap in services these programs provide.

This system is complicated and confusing for job seekers and case managers juggling multiple programs and requirements. Businesses struggle with the system as well. A business may be contacted by several different program representatives to help connect job seekers to job opportunities—a problem exacerbated by requests from community colleges seeking to develop training programs to better equip workers for available jobs.

*Innovation.* In Utah, programs are integrated at the state level through the Utah DWS, and funds flow to 30 local employment centers throughout the state. Due to the state’s single-state designation, DWS operates, manages, and staffs the employment centers. Therefore, all employment centers are branded the same, staff receive consistent and uniform training, intake is conducted similarly, and customers know the one physical location in a community that provides employment and social services.

Utah’s one-door approach is similar to a franchise model, whereby state leadership sets the operational standards globally and provides guidance and support to ensure consistent services are integrated while allowing for local leaders to design specific service strategies for regional businesses and workers.

From the outset of the workforce system’s redesign in the mid-1990s, the governor and other leaders created an employment center–design task force that recommended a consistent set of standards, procedures, and staffing operations at each center. They also recommended similar signage and comparable floor plans to create a common atmosphere and experience. These recommendations were implemented from the outset of DWS’s existence on July 1, 1997. The ongoing philosophy has been to provide a consistent set of high-quality services so that job seekers or employers, no matter what community they reside in, know what to expect when they walk through an employment center door.

One of the hallmarks of this system is the consolidation of all program-eligibility determinations under one DWS division, Eligibility Services. This division determines participant eligibility for several programs, including food aid, cash assistance, and health care. When an individual enters an employment center, staff can quickly determine what programs that individual is eligible for and then develop one comprehensive and strategic plan to help the individual find employment that will lead to self-sufficiency.

This system empowers staff to spend more time assessing an individual’s employment status, educational and skills levels, training needs, available financial resources, and family needs. Individuals are provided an employment counselor to devise and develop one strategic plan to access the range of benefits and employment and training services available to them. This true one-door approach reduces redundancies and expedites services.

Employers using Utah’s integrated workforce–human services system also benefit from this approach. One employment center employee can help an employer access an array of business services that may otherwise be administered by different agencies.

A business can get help with recruiting workers, managing human resources, obtaining job training tax credits, and accessing resources for incumbent worker training. In Utah, unlike in other states, the business customer is not contacted by staff from multiple agencies who are seeking jobs for different, or even the same, customers. One DWS business services staff member is assigned to an employer and works to help that business access the full array of federal and state resources to hire, train, and retain employees.

*Conclusion.* Delivering a consistent set of high-quality services to customers is not easy in any industry, but with federal government programs, it is always tougher because of program duplication and bureaucracy. Despite the morass of federal, state, and local job training programs, Utah has for decades implemented and maintained a comprehensive one-stop delivery system that provides consistent, individually tailored services to its customers.

**Utah's Integration of Unemployment Insurance and Workforce Services.** The United States unemployment insurance (UI) system is a partnership between the federal government and the 50 states, the District of Columbia, Puerto Rico, and the US Virgin Islands. Although federal law sets out broad financing and benefit requirements, the specifics for administering the benefits are established by state law and practice. States are responsible for determining benefit eligibility, levels, and duration. While each state UI system is unique, most states provide up to 26 weeks of UI benefits to eligible individuals who become involuntarily unemployed for economic reasons.<sup>15</sup>

In addition to the common practice of 26 weeks, the federal law includes an automatic extension of UI benefits through the Extended Benefits (EB) program.<sup>16</sup> This program requires states to provide an additional 13 to 20 weeks of UI benefits in certain circumstances, depending on state law and economic conditions. Further, UI benefits determination and provision are often managed by state employees who have little interaction with local workforce

development services, despite the programs' shared goal of helping the unemployed while they look for full-time work.

The economic shock associated with the COVID-19 pandemic significantly affected UI systems and programs.<sup>17</sup> Congress made several temporary changes to the federal UI program that states implemented under emergency conditions. These changes included providing an extra \$600 in federal benefits to supplement the state benefit level and offering that benefit to individuals who are traditionally not eligible for unemployment benefits, such as the self-employed. The federal law also created new categories of eligibility: "unemployed, partially unemployed, or unable to work due to a specific COVID-19 reason" or "not able to telework and not receiving paid leave." Congress also changed the number of weeks a person could receive benefits by sandwiching an additional 13 weeks between the weeks provided under state law and the 13 to 20 weeks provided for under the federal EB program.<sup>18</sup>

*Problem Statement.* The sudden expansion of UI due to COVID-19 required states to update their UI systems quickly to adhere to the new rules and regulations and find additional staff to help administer the program to thousands of individuals accessing UI for the first time. Outdated systems, understaffing, changing eligibility requirements, and a surge in claimants overwhelmed many state UI systems in 2020–21. This resulted in billions of dollars spent on fraudulent claims, while many of those who were truly eligible for UI benefits had to wait in long lines for days or months to receive their benefits.

*Innovation.* When Utah created DWS, state policymakers determined that colocating UI, workforce development, and a host of other social service-program offices would be essential to redesigning its workforce and public assistance programs. Utah emphasized rapid labor force attachment throughout its programs as it integrated departments and programs. It also trained staff on multiple policies and procedures to better help customers achieve and maintain self-sufficiency.

The state cross-trained staff on different policies and programmatic operations to reduce inefficiencies in the system and provide a more uniform and consistent approach to service delivery. And since the state was the fiscal agent responsible for federally funded programs, it could easily move resources to specific initiatives if needed to build up staff and services in times of crisis. This proved to be crucial in spring 2020 when the global COVID-19 pandemic hit and the federal government made significant changes to the federal UI program administered by states.

Due to Utah's integration of services, the state could pivot resources to cross-train staff and administer UI benefits quickly. The staff cross-training allowed DWS to quickly build up its UI teams and use well-established technology to reach thousands of Utahns. The combination of colocation and cross-training had the added benefit of providing eligible individuals with not only immediate financial relief but access to longer-term employment and training services.

At the outset of the EB season, DWS called UI claimants who were eligible for the extended benefit to inform them about the broad array of employment services DWS provides.<sup>19</sup> Staff reached out to roughly 41,000 UI claimants and connected with 40 percent of them—an unusually high percentage of connectivity. DWS officials reasoned that so many Utahns answered the phone because they believed the state was calling them about the extended UI benefit. What they thought was a call about a benefit morphed into a call about how DWS could help them find a job.

DWS used the calls to promote job fairs, skills assessments, and job training. DWS provided important information about workforce development services that could help claimants find jobs. This service also helped ensure that people in need of UI benefits continued to receive them because these calls qualified as part of UI's "work search" requirements. Thus, well-coordinated DWS outreach to UI claimants both mitigated hardships during the COVID-19 crisis and a provided pathway for finding a new job.

*Conclusion.* This unique model of reaching those suffering from chronic unemployment can be traced directly back to why and how DWS was devised. Since the beginning of the pandemic, much focus has been placed on outdated or ineffective UI systems and the undue burdens placed on those systems. Several state UI systems failed to get UI payments to people on time and issued millions of payments based on fraudulent claims.

Meanwhile, less attention has been placed on the integration of UI with employment and training services and the extent to which UI claimants were provided reemployment services. This UI-workforce integration was a key advantage for DWS in providing comprehensive services to UI claimants during the COVID-19 pandemic. It was particularly advantageous to have staff cross-trained on programmatic operations and policies at the local level so staff could be properly allocated to the activities and services necessary during the dramatic uptick in UI claims. In turn, this has helped contribute to Utah's economic recovery—one of the fastest in the nation.

**Utah's Single Case-Management System.** Federal government public assistance and workforce development services are delivered to individual participants through case-management systems. In the workforce system, case managers, often called "employment counselors" or "career specialists," provide a range of services that include skills assessments, job coaching, and referrals to job training. The goal of case management is to provide participants with one-on-one support and guidance to meet an employment or training goal and access needed benefits that support such goals, leading to self-sufficiency and upward mobility.

*Problem Statement.* State agencies use case-management systems for many federally funded programs. A number of these programs serve similar and sometimes identical populations but have duplicative systems and processes. For example, many federal public assistance programs—such as those providing food aid and cash assistance—also require participants to receive employment and training services to maintain social assistance eligibility. In



many states, this has led to individuals having two or three different case managers providing common yet often uncoordinated services.

The 2014 reauthorization of WIOA took some steps to assist states in creating a more holistic approach to case management. WIOA required governors to physically colocate similar programs, particularly TANF, in one-stop centers. WIOA also streamlined some of the performance metrics and planning processes for these programs to ease state administration.

TANF and WIOA allow many similar uses of funds: employment services, job training, and supportive services. Since TANF is a large social services program that issues cash benefits to participants, case managers must focus on the rules and regulations around participant services and eligibility; hence, focus and expertise may not be as connected to participants' labor market outcomes. WIOA case managers' primary responsibility is employment and training, and they may not be as connected to the supportive services available. Perhaps more importantly, each type of case manager keeps notes, works cases, and uploads documentation to separate case-management systems while participants use these and other programs.

*Innovation.* Utah created a completely integrated case-management system in which any Utah DWS employee providing case-management or employment-counseling services can document and see all case-management notes and services provided. In addition, DWS team members can identify other services a participant might need and create immediate connections within the DWS services portfolio and outside to other agencies. Because DWS is also programmatically integrated, many services participants need (such as childcare, food assistance, and disability services) are truly one stop away.

In 1999, DWS developed one of the first comprehensive case-management systems in the nation, known as Utah's Workforce System (UWORKS).<sup>20</sup> This system has gone through multiple iterations since it was first established, but it maintains its core mission of tracking the employment and training activities of all customers—both job seekers

and employers—from initial contact through full employment, so that employment counselors can spend more time on providing hands-on, direct services rather than navigating the maze of federal programs. Since UWORKS tracks all activities and outcomes for every employment and training program under one system, case managers see the complete picture of participant engagement.

In addition, UWORKS assists staff and participants in determining eligibility for a multitude of programs, including WIOA, TANF, SNAP, and subsidized childcare. UWORKS also tracks an individual's progress throughout his or her engagement in these programs. The system integrates local labor market information data and provides access to performance outcomes for different education and training providers in the state.

The breadth of data UWORKS collects and manages is the key to reducing duplication of services and increasing informed decision-making by both staff and participants. The system is fully accessible online, allowing customers to see their information from anywhere without having to go into a physical office. This is important because Utah has vast geographic distances with smaller populations, making it challenging to access workforce services at physical locations. It also means that Utah was better prepared than most states to provide important employment and social services during the COVID-19 pandemic amid a drastic economic downturn.

In addition to establishing and improving UWORKS, the state centralized most of its eligibility program staff and services under one division at DWS—Eligibility Services—in 2009.<sup>21</sup> Today, Eligibility Services provides thousands of Utahns with a single destination to determine accurate benefits and a comprehensive plan for addressing basic needs and gaining employment and self-sufficiency. Staff are now continuously trained on multiple programs under DWS's portfolio, ensuring consistency in policies and procedures across myriad programs.

At the local level, the system DWS established translates into staff conducting work based on functional areas such as administration, eligibility intake, employment and training activities, and business

services. It also means customers have one point of contact with one employment plan, helping them access benefits and services while focusing on obtaining good jobs.

*Conclusion.* To date, Utah is one of a handful of states providing comprehensive case management for multiple programs, including WIOA and TANF. Although the state started this process over 20 years ago, many approaches applied in DWS are available to states today. Establishing a lead employment counselor to manage a participant's needs and ability to access an array of services through a comprehensive management system has been key to Utah's success in providing tailored services to Utah citizens efficiently and effectively.

Further, technology makes it much easier to establish a single-base case-management system across multiple programs. States now have access to much more sophisticated and affordable systems that can manage the complexity of numerous federal and state programs, leverage their funds, and provide customized service to individuals.

## Innovation in Financial Management

"Financial management" refers to the wide array of fiscal requirements placed on federal-funds recipients and to the framework for managing different program funds and rules. This section focuses on two specific Utah innovations: (1) its cost-allocation methodology and (2) its braiding of federal funds.

**Utah's Cost-Allocation Methodology.** States receiving federal block and formula grant funds must demonstrate how many of their citizens are receiving services from each federal program as part of program reporting requirements. For example, the United States Department of Agriculture (USDA) requires states to report how many customers receive SNAP benefits to determine the appropriate level of funds allocated to SNAP and ensure SNAP funds are not being misspent or misdirected. To make that calculation for the USDA and other federal agencies, a state

must adhere to complex federal regulations known as "cost allocation."<sup>22</sup>

In the federal government, cost allocation is a process of accounting and recording the full costs of services provided, including both the direct costs, such as staff salaries and materials, and the indirect costs, such as overhead and shared services. To receive grant funds from the federal government, states are required to submit a formal cost-allocation plan governed by the federal Office of Management and Budget (OMB). OMB's "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (known as "Uniform Guidance") establishes the principles and standards for a state when allocating federal funds.<sup>23</sup>

One common method to determine cost allocation is to use time sheets to charge programs directly for personnel costs. Under this method, if an employee works on only one program, that employee's costs are allocated 100 percent to that one federal program. If an employee spends time working among multiple federal programs, a detailed time sheet must be filled out specifying how many hours were worked on each program.

*Problem Statement.* There are many federal programs to assist low-income individuals and their families, including financial assistance, food assistance (SNAP), health care assistance (Medicaid), and housing assistance. The sheer number of these programs and commensurate requirements creates a complex patchwork of available services in which state and local governments must allocate costs across all programs and often report spending separately to each federal agency responsible for providing federal program allotments. This makes the accounting processes required for managing federal funds bureaucratic and time-consuming.

*Innovation.* In 1996, in preparation for the creation of DWS, Utah devised and tested a new fiscal methodology to determine cost allocation. The new methodology—random moment time sample or study (RMTS)—was subsequently approved by the federal government in 1997.<sup>24</sup> Additionally, until

2011, DWS was funded through a single line item in the state budget, which allowed funds to be shifted across programs without state legislative approval.<sup>25</sup>

Under the RMTS system, employees do not have to fill out daily time sheets with estimates on how much time they spend working with customers eligible for various programs. Rather, RMTS is a system that randomly selects employees at unannounced times during the workday and asks them a series of questions to determine work activity.

Specifically, a random set of employees is polled electronically throughout the day. These polling moments are known as RMTS strikes. When a strike occurs, the worker is asked a series of questions to determine the funding source that best aligns with the employee's reported activity.

DWS conducts more than 3,000 strikes quarterly and uses these data to track monthly expenses and costs by offices, programs, and activities. Managers can then track their budgets against actual expenditures to make appropriate adjustments to services and staff.

This innovative approach to allocating costs for a variety of federal programs is foundational for empowering the state to productively braid federal funding streams to serve its customers "in a holistic and individual-centric manner."<sup>26</sup>

In addition to approving the RMTS cost-allocation system, the federal government assigned one federal agency, the HHS, to serve as the "cognizant" agency and single point of contact on cost-allocation issues and questions. This step radically simplified Utah's relationship to federal agencies as it reports its use of federal funds. For example, even if DWS has a cost-allocation amendment affecting a non-HHS federal agency, such as the USDA, DWS contacts HHS, which is responsible for coordinating with the USDA and other federal agencies.

At the same time as DWS was implementing and testing its innovative cost-allocation system, the US Department of Labor recognized Utah as a designated single state under the WIA of 1998 and subsequently under WIOA. This designation meant that WIOA Title I funds could be included in the new cost-allocation mechanism that applied to several

federal programs administered by the state. If Utah had not been granted the single-state designation before WIA and WIOA, it would have been required to adhere to WIOA Title I fund requirements, in which a percentage of the allotment is sent directly to fiscal agents (typically counties) serving LWDA's. Under federal regulations, the responsibility for local cost allocation is divided among representatives of state and local agencies delivering services funded by federal WIOA partner programs.

Since DWS was created to streamline and customize services to individuals in their unique circumstances, a DWS employee could be working on several different programs throughout the day. Without the RMTS system, DWS employees would be unduly burdened with time and effort reporting, and financial staff would spend unnecessary time developing and monitoring a complicated cost-allocation plan while working with multiple federal agencies. RMTS, combined with the single-state designation for WIOA programs, empowered the state to create a genuine one-stop approach to designing, administering, and reporting on a wide range of workforce and human services programs.

*Conclusion.* Efforts to consolidate programs and leverage funds across multiple federal programs can only be successful if the state has developed and modeled a mechanism for administering those program funds to support a diversified and individualized approach to customer service.

The federal government must approve fiscal innovation in distributing federal funds, and it is more likely to approve innovations that are tested, modeled, and shown to be efficient and effective in serving the diverse needs of low-income populations. Creating a cost-allocation mechanism to apply universally to a variety of employment and human services programs has allowed Utah to focus more time on services and less time on unnecessary bureaucracy. DWS staff have indicated that interfacing with only one federal agency on cost-allocation issues has saved significant time and avoided confusion that comes from having multiple conversations with various federal agencies.



**Utah's Braiding of Federal Funds.** There are over 40 federal programs providing education and training services to unemployed and underemployed US citizens. Funding from these federal programs is provided to states through different federal agencies, each with its own authorizing statute, line-item appropriation, and eligibility criteria. Many of the programs are funded by formula grants to states based on factors such as unemployment rates and the number of disadvantaged individuals. Depending on the program, states either distribute funding locally or provide services through state agencies and employees.

Under WIOA, the federal government distributes funding to states and measures performance through six core programs, including WIOA's Title I adult, dislocated worker, and youth services programs; Title II adult education and literacy program; Title III Wagner-Peyser Act employment service program; and Title IV vocational rehabilitation services for individuals with disabilities.<sup>27</sup> Services are provided through the one-stop system, which can also deliver a number of other federally funded employment and training programs, including TANF and SNAP employment and training services. In 2021, the federal government distributed close to \$15 billion in workforce development funding through both formula and discretionary grants to states.

*Problem Statement.* In 2019, the United States Government Accountability Office found that most of the roughly 43 employment and training programs "generally overlap in that they provide similar services to similar populations."<sup>28</sup> Most programs targeted the general population, with an emphasis on low-income individuals. And most programs provided a common set of activities, including skill assessments, employment counseling, job search and placement services, and job readiness training.

States can employ two approaches for using federal funding streams from different programs to achieve a shared purpose, such as helping the unemployed and underemployed move to economic self-sufficiency. Each approach is available to states based on congressional statutory and appropriations authority.

One approach is called "blending." Blending funds entails mixing funds from multiple sources to support a common goal, but in doing so, each individual source loses its program-specific identity. This approach often requires statutory authority and is sometimes referred to as block granting or consolidating programs.

The other approach is known as "braiding." Braiding laces together moneys from multiple programs to support a common goal, but each individual funding source maintains its specific identity. While this approach generally does not require statutory authority, it may require some level of approval from the relevant federal agency. It is also more labor-intensive than blending, as it requires a state or locality to track and report expenditures program by program.

*Innovation.* In 1997, Utah moved the management of the largest federally funded employment and training and health and human services assistance programs into one department, DWS. The impetus behind DWS was to create a system that would leverage federal and state programs and funding to provide customized services to clients. To accomplish this, Utah created a system to braid federal funds through an innovative mechanism that eliminated many of the complex hurdles typically attached to braiding approaches.

DWS braids the federal funds it manages through the RMTS cost-allocation methodology, discussed in the previous section, and a single administrative management structure and financial management system, which dramatically simplifies accounting for program dollars and reporting to the federal government. Braiding several federal funding streams has allowed Utah to service participants through different programs more flexibly and effectively.

Additionally, Utah's unique system empowers the state to use a large federal program to support core services and smaller programs for direct training. For example, the state primarily uses TANF funding (one of the largest and most stable federal funding streams to assist low-income individuals) to fund personnel and administer many of the DWS employment centers' career services—including eligibility

intake, assessments, and basic job search and readiness activities. This frees up WIOA dollars to be spent on more direct training services, such as occupational skills training. Utah can braid these funds because both TANF and WIOA provide funds for career services and job training.

Further, because the state oversees all employment and training funds, it can flexibly target resources toward geographic areas within the state as needs emerge. For instance, if a major plant shuts down, causing a large job loss in the northern part of Utah, the state can quickly redirect funding to the region to help individuals.

One of the biggest benefits to the DWS approach is that it leverages resources to assist individuals in need. Customers no longer are overwhelmed by the complexity of discerning which federal program provides which service or which government employees to contact for which need. Rather, under Utah's approach, an individual can go into a single employment center to be assigned a single case manager who can determine what services the client is eligible for and which services meet the client's unique circumstances. In Utah, the burden of navigating a complex system of assistance rightly falls to the state, not the individual.

*Conclusion.* Utah notes that fiscal integration and consolidation does provide cost savings. However, the state has consistently taken a broader view that fiscal integration is a way to better support workers transitioning into the workforce and people in poverty

moving to self-sufficiency. Leveraging federal funds to assist individuals is better for them because it allows states to target resources to match appropriate services with identified needs and reduces the complexity of accessing services.

## Conclusion

Renewed interest in the Utah model of integrated workforce and social assistance program administration and service delivery offers the opportunity to examine characteristics and features of the Utah DWS for application to other states. This tool kit report is designed to examine the key components of the Utah DWS for federal and state legislative and administrative policy consideration. In turn, states implementing these components of the Utah model can do so with the right underpinnings for delivering more efficient and effective services to the residents served.

## About the Author

**Mason M. Bishop** is a nonresident fellow at AEI and is the owner of WorkED Consulting. He was the principal deputy assistant secretary during the George W. Bush administration and vice president of institutional advancement at Salt Lake Community College. He helped negotiate the state legislation that created the Utah Department of Workforce Services and was the department's first public affairs director.

# Notes

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3. There are provisions in the law that allow the streamlining of local areas through a regional approach. All designated local areas in an “economic service area,” as outlined under the Workforce Innovation and Opportunity Act (WIOA) Section 106(c)(1), can make a request to the governor to consolidate into a region, creating a new single local area. This may be easier for states that have a small number of local areas from the outset. For local areas that fall into the same economic service area whose requests are approved, the state can serve as the single local area.  
  
States can also request a waiver from the Department of Labor for the state workforce development board to essentially serve as the local workforce development board, performing all its functions and responsibilities. The department granted a number of waivers as recently as 2020, allowing states to streamline local board functions and oversight.  
  
States can also petition the administration and their congressional delegation to allow single-state designations. This would require a statutory change, but as WIOA is up for reauthorization, this is a good time for interested states to petition Congress to permit additional single-state designations.
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