

Under Commissioner Dale Peinecke's leadership, the Employment Security Department continued efforts to implement Lean efficiencies while improving the agency's technology to better serve customers. He also continued efforts to transform ESD's culture, encouraging employees to "Be the Bridge" by closing skills gaps and linking workers to employers, jobs and a brighter future. These efforts and more set the stage for changes coming under the Workforce Innovation and Opportunity Act (WIOA), the new federal workforce development law, which ESD is playing a major role in interpreting and implementing.

Improving technology to better serve our customers and staff

Employment Security entered 2015 with **ambitious** New Year's resolutions to improve service to our customers and save money by upgrading our technology infrastructure.

- **Redesign of ESD's public website (www.esd.wa.gov):** On June 30, ESD unveiled a redesigned website providing a new, modernized content architecture that Washington citizens can access from mobile phones, tablets, or personal computers. Increasing numbers of smartphone owners rely on their phone as their sole source of Internet access—especially younger adults, minorities and those with lower incomes. The site improves access to information for both employers and job seekers.
- **New social media outreach in Spanish:** Recognizing the needs of our Spanish-speaking customers, ESD launched its Spanish-language Facebook page: [Departamento para la Seguridad del Empleo - Estado de Washington](#). Here, our Spanish-speaking customers can find job announcements and links to upcoming classes across the state.
- **New phone system:** ESD's Unemployment Insurance Claims Centers replaced its old phone system with a new software-based system that is more economical, easier to support, and improves business functions. Customers will experience a familiar phone menu but will enjoy better customer service.
- **State data center move:** More than 40 staff from work teams across ESD came together to successfully move agency servers from the OB2 Data Center to the State Data Center. This move improved computing performance and security, reduced equipment footprint to more than half, and saved ESD more than \$422,000 per year in data center costs.

New locations improve access, save money

Roughly 27 WorkSource office leases are set to expire between 2015 and 2017. ESD facilities staff are working with our WorkSource staff and partners to review these leases to improve our program delivery and reduce costs. This work has already resulted in roughly \$1 million in savings.

- **Grays Harbor:** After more than 30 years in the same location, WorkSource Grays Harbor moved into a smaller, modern office building with better access to other service providers and resulting in substantial savings in lease and utility costs.
- **Spokane:** Similarly, the Spokane Unemployment Insurance Claims Center vacated one-third of its building, allowing leaders to reinvest one-third of their lease costs.

ESD has committed to driving savings back into front-line staffing to better serve our customers in the field, both in our claims centers and WorkSource offices.

Culture matters: OneESD

ESD's unprecedented OneESD partnership with the Washington Federation of State Employees continues, working to develop an adaptive, Lean culture across the agency. After training all leaders, managers and supervisors to develop strong, engaged teams, the OneESD team unveiled "Why Culture Matters" training for all employees.

Now divisions across the agency are living what they learned—and engaging staff from the front line to upper management. We are OneESD—all on a mission to improve customer service, workforce system partnerships and transitions from unemployment to provide top-notch employment and career outcomes.

Lean efforts paying off in improved quality and savings

Earlier this year, Employment Security hired a new director of the Office of Lean Transformation and Quality Improvement. While the agency was well underway in developing its 2015 strategic plan and cascading those plans to the division and team levels, the new director has helped Executive Leadership Team members to develop visual boards for each of their areas, including measures and milestones. Each week, the team visits different divisions where executive leaders and their teams present their progress. The team stops to review and update the entire agency plan every six weeks. From January to June:

- Employment Security graduated 37 employees with their Green Belt Certification in Lean and continues to support employees working toward this certification.
- The Document Entry, Storage and Retrieval Unit Fix-It Team has saved the agency nearly \$150,000 and 9,185 hours in redundant DESR work – a nearly 15 percent increase in productivity. They achieved the largest cost savings by eliminating the imaging of returned mail. Instead, the unit handles returned mail itself, correcting addresses and stopping costly and inaccurate mailings.
- The Finance & Administrative Services (FAS) Division identified and discontinued \$346,000 worth of cellphone, desk phone, email account, VPN, Air Card, and related services that were no longer in use. They continue to refine processes to ensure proper future deployment.
- FAS also renegotiated our banking contract, saving \$700,000 annually.
- The Tax & Wage Division developed a process to allow staff to update employers' accounts when they call, instead of requiring them to make updates via email or paper, simplifying service and reducing the backlog of required documents needing entry into the system from 4,258 to 2,686.
- The Workforce & Career Development Division automated the Work Opportunity Tax Credit (WOTC) employer application process, increasing the average number of employer applications certified by more than 29,000 in 2015Q2 and resulting in as much as \$69.6 million in tax credits for Washington employers.

ESD supports strategic initiatives in Washington

WIOA implementation: ESD has a dedicated cross-divisional team of experts to help implement the Workforce Innovation and Opportunity Act (WIOA) in Washington. To date, the Employment System Administration & Policy unit has helped this team issue 14 WIOA Title I state policies with roughly another dozen in the development stage. ESD's team also participates in the WIOA implementation steering committee, as well as other task forces and subcommittees.

Dislocated workers: Washington recently won a \$6.9 million Sector Partnership National Emergency Grant (NEG) to serve targeted industry sectors and increase services for dislocated workers across the state.

YouthWorks: In its first quarter of implementation (Jan-Mar 2015), YouthWorks created business mentorships/graduation coaches for 993 youths, 90-hour business internships for 319 youths and other work-based learning for 716 youths. This includes students in high schools and middle schools, as well as youths in dropout re-engagement programs.

ESD by the numbers: Serving employers and job seekers

State unemployment dropped from 6.2 percent in December 2014 to 5.3 percent in June 2015.

WorkSource: Together with partners in the statewide WorkSource system, we help close skills gaps, connect employers with skilled workers, and assist jobseekers in mapping new careers through a variety of training programs. From January to June 2015, staff at more than 60 WorkSource offices statewide recruited and screened candidates for more than 2,789 employers seeking to fill 25,088 jobs. In the last federal reporting period (7/2013-6/2014), WorkSource helped 112,215 people find jobs.

Shared Work: ESD's Shared Work program saves jobs by letting businesses reduce workers' hours instead of laying them off then allowing workers to collect partial unemployment benefits to replace a portion of the lost wages. From January- June 2015, ESD approved more than 831 employers and 12,988 workers to participate.

Unemployment benefits: ESD paid more than \$544.5 million in unemployment benefits to 155,820 individuals to assist them in transition from January through June 2015.