

U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION Reemployment Services
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TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 1-01

TO : ALL STATE WORKFORCE LIAISONS
ALL STATE EMPLOYMENT SECURITY AGENCIES
ALL STATE WORKER ADJUSTMENT LIAISONS
ALL ONE-STOP CENTER SYSTEM LEADS

Audrey McConnell

for
FROM : LENITA JACOBS-SIMMONS
Deputy Assistant Secretary

SUBJECT : Program Year (PY) 2001 Reemployment Services Allotments Planning
Guidance

1. Purpose. To provide State Agencies responsible for Wagner-Peyser (State Agencies) as the provider of labor exchange service within One-Stop Centers, with guidance for using Reemployment Allotments for PY 2001 announced in Training and Employment Guidance Letter No. 12-00: Workforce Investment Act (WIA) Allotments for Program Year (PY) 2001; Wagner-Peyser Act Preliminary Planning Estimates for PY 2001; and Reemployment Services Allotments for PY 2001

2. References.

- a. Training and Employment Guidance Letter (TEGL) 12-00: Workforce Investment Act (WIA) Allotments for Program Year (PY) 2001; Wagner-Peyser Act Preliminary Planning Estimates for PY 2001; and Reemployment Services Allotments for PY 2001
- b. TEGL No. 17-00: Automation of SESA Standard Form 269 Financial Reporting. April 5, 2001.
- c. Wagner-Peyser Act as amended, Section 3 (c) (3) (29 U.S.C. 49B) and Section 7 (e) (29 U.S.C. 49f).
- d. Assisting Unemployment Insurance Claimants: The Long-Term Impacts of the Job Search Assistance Demonstration. U.S. Department of Labor. 2000.
- e. Evaluation of Worker Profiling and Reemployment Services: Final Report. Research and Evaluation Report Series 99D. U.S. Department of Labor. 2000.
- f. Evaluation of the Impact of Telephone Initial Claims Filing. Information Technology Support Center and Mathematica Policy Research, Inc. March 2000.

RESCISSIONS	EXPIRATION DATE Continuing
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- g. USES Employment Service Program Letter No. 1-98: Reemployment Services for Unemployment Insurance (UI) Claimants Through State Worker Profiling and Reemployment Services (WPRS) Systems. 1999.
- h. Evaluation of Worker Profiling and Reemployment Services Policy Workgroup: Final Report and Recommendations. 1999
- i. Evaluation of the Maryland Unemployment Insurance Work Search Demonstration. U.S. Department Of Labor. 1998.
- j. Evaluation of Worker Profiling and Reemployment Services Systems: Report to Congress, U.S. Department of Labor, Employment and Training Administration, Office of Policy and Research, 1997.
- k. The New Jersey Unemployment Insurance Reemployment Demonstration Project: Six-year Follow-up and Summary Report. Corson, Walter and Haimson, Josua. Unemployment Insurance Occasional Paper 96-2, 1996.
- l. Worker Profiling and Reemployment Services (WPRS) Systems. National WPRS Colloquium, June 1996: Selected Papers and Materials. U.S. Department of Labor, Employment and Training Administration. 1996.
- m. Social Security Act as amended. Section 303 (a) and (j).

3. Background. The Workforce Investment Act of 1998 transformed the public labor exchange from a nationwide system of separate local employment offices into the foundation of the nation's One-Stop Centers. Through One-Stop Centers, job seekers need only make one stop to receive the services they need to enter or reenter the labor market. The reemployment allotments provided in the PY 2001 funding for Wagner-Peyser are intended to enhance and target the labor exchange services to unemployment insurance (UI) claimants provided within the framework of the One-Stop Centers. We expect that State Agencies will use these funds to expand integrated services that will increase the quality and quantity of services to UI claimants in the States. As part of the One-Stop Centers, State Agencies will provide UI claimants with early intervention and immediate referrals to suitable job openings, including employment services customized to their job finding needs, such as job search workshops, job development, and screening for referrals to jobs, training or other support services. This will speed UI claimants' reentry into employment.

To ensure that the guidance developed for distributing and using these funds is appropriate, reasonable, and designed to improve program effectiveness, a technical workgroup was formed with Federal (Regional and National Office) and State Agency participants. The guidance in this letter reflects the work of that group.

4. Funding for Reemployment Services. To enhance services to UI claimants, fiscal year 2001 funding for the Wagner-Peyser Act was expanded by the addition of \$35 million for reemployment services. These are the first new funds for Wagner-Peyser Act activities since FY 1995 and they represent a strong commitment to serving UI claimants under the Wagner-Peyser Act funding umbrella. These funds are designated as PY 2001 funds and are intended to supplement Wagner-Peyser Act allotments and thereby increase the services to UI claimants over and above regular services to UI claimants.

5. State Distribution Formula. Formula allotments for the reemployment services were determined on the basis of each State's share of UI first payments with every State Agency receiving a minimum of \$215,000. An advance allotment of funds (approximately one quarter funding) was issued to all States, along with the July base grant allotments. These funds must be expended in

accordance with the Wagner-Peyser Act and Regulations and the State's WIA/Wagner-Peyser Five-Year Strategic Plan.

6. Use of the Reemployment Funds. We recommend that through the One-Stop Centers, State Agencies pursue a strategy for improving the quality and quantity of reemployment services, building on existing initiatives and targeting the funds where they are needed and will have the most positive outcomes. To achieve this objective, State Agencies should review existing policies, procedures and research to determine best practices and next step strategies. Some information and research findings are provided in the attachments to this TEGL: "Activities For Reemployment Services" and "Worker Profiling and Reemployment Services Policy Workgroup: Final Report and Recommendations," (The Executive Summary), February 1999. (The complete report is available at <http://workforcesecurity.doleta.gov/employ/esdata.asp>) These materials may be helpful in determining which strategies could produce the most successful outcomes for the use of these new funds.

We encourage State Agencies to keep in mind three considerations as they begin to plan for the strategic use of these funds. First, the funds are intended to be used primarily to enhance direct service delivery to UI claimants. Second, given that many States have moved to telephone call centers as a primary method of service delivery, we strongly encourage those State Agencies to consider using these funds, or some portion of them, on strategies and service delivery methods that ensure claimants served through call centers are linked to all of the available reemployment services in their One-Stop service delivery system. Third, services provided should be integrated into the One-Stop service delivery system to ensure the maximum benefits for unemployment insurance claimants.

7. Grant Procedures. Funds are being provided to State Agencies for the provision of reemployment services to UI claimants. These services must be consistent with the instructions in this TEGL. In order to meet the requirements for these funds (advance plus allotment balance), States must submit a grant plan which conforms to the requirements of this issuance and the State's WIA/Wagner-Peyser Five-Year Strategic Plan.

- Grant Agreement. The Reemployment Services grant will be included in the current Wagner-Peyser Annual Funding Agreement. The Funding Agreement includes Assurances and Certifications which apply to all grants covered by the Agreement.
- State Program Plan. The Grant Application must include a signed transmittal letter, a signed Application for Federal Assistance (SF-424), Budget (SF-424A, Section D only) and Plan Program Narrative. States are requested to submit two signed copies of the Plan to the appropriate Regional Office and one copy to:

U.S. Department of Labor
Employment and Training Administration
Division of USES/ALMIS
Room S-4231
200 Constitution Avenue, N.W.
Washington, D.C. 20210
Attn: Donna Dye

The program plan should be developed in accordance with the following guidelines:

- ▶ The program plan must not exceed 12 months. This project must be completed within 12 months and a report submitted 90 days after the start of the project. It is important to demonstrate in a timely fashion that the use of these funds contributes significantly to positive outcomes for UI claimants.
- ▶ The program plan must describe how the funds will be used providing information about specific activities, milestones and positive outcomes expected. It must also describe how services will be delivered through the One-Stop system.
- ▶ The program plan must identify the specific program performance outcomes anticipated and method to measure attainment of those outcomes. The following are provided as examples of outcomes and tracking measures. State Agencies need to determine the most appropriate outcomes and tracking measures based on the program plan:

Outcome (Illustrative)	Measurement (Illustrative)
Reduce the duration of profiled UI claimants receiving benefits by %	Unemployment Insurance Report 9049 A.2. (UI-9049)
Reduce the rate of UI benefit exhaustion by %	Unemployment Insurance Report 9049 A.1
Increase number of UI claimants participating in customized services e.g. Job Search Workshops or Job Clinics by %	Unemployment Insurance Report 9048 C.6. (UI-9048)

- ▶ System building projects can be done but only if the projects are directly related to services delivery and performance outcomes measured in some way. For example, Significant Improvement Grants that are directly related to service delivery could be extended.
- Program Plan Approval. Regional Administrators are responsible for review, negotiation of changes, if appropriate, and final approval of the plan and will issue an approval letter, with a copy of the approved plan, to the State Agency and a copy of the approval letter and plan to the Grant Officer and the USES/ALMIS. A Notice of Obligation will be issued by the Grant Officer subsequent to the receipt of the Regional Office’s approval package.
- Program Report. State Agencies must submit a program narrative performance report using ETA Form 9096 which is due 90 days after the completion of the project. (See Attachment C., ETA Form 9096.) The performance report must compare accomplishment of planned performance goals with the attainment of the performance indicators identified by the State Agency in the program plan. State Agencies should describe activities and an overview of how the activities were accomplished. If the goals were not achieved, State Agencies should explain why the goals were not met and propose action that would correct the problem.

To evaluate the success of this effort, ETA will track for each State, the entered employment rate with a new employer by the end of the second quarter following registration with the labor exchange using the ETA 9002 report. In addition, ETA will track activity reported on the UI-9048 and UI-9049 reports. In particular, ETA will be noting increased reemployment services to UI claimants. Further, ETA will contract for a national evaluation of program implementation, planned activities compared to actual results and other aspects of the program that can be used to determine the impact of these new funds to increase the number of UI claimants that enter employment and increase reemployment services to UI claimants. State Agencies' participation will consist primarily of providing information about operational and technical components of the program and recommendations based on lessons learned.

- Financial Report. State Agencies must report quarterly expenditures by direct data entry of Standard Form 269 into the web-based Enterprise Information Management System (EIMS). Reports must be submitted in accordance with guidance provided in TEGl No. 17-00, Automation of SESA Standard Form 269 Financial Reporting. Following the instructions in TEGl No. 17-00, Section 4., please provide appropriate contact information for data entry and data certification for reemployment services. If reemployment services will be added to a State Agency Contact Information Listing (Attachment II of TEGl No. 17-00) already submitted per instruction in TEGl No. 17-00, please re-submit that listing and identify as revised. If reemployment services contact information is different from that for all other State Agency programs, an additional Contact Information Sheet must be provided. As with all other SF 269 reporting, the data must be entered electronically into the system within 30 days after the end of each quarter.

8. OMB Approval. Persons are not required to respond to this request unless it displays an OMB approval number. Respondent's obligation to reply to these reporting requirements is required to receive reemployment services grants. Public reporting burden for this collection of information is estimated to average 56 hours for two reports per year including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding this estimate or any other aspect of this collection of information including suggestions for reducing this burden, please send them to the U.S. Department of Labor, U.S. Employment Service/ALMIS, Room C-4512, 200 Constitution Avenue, N.W., Washington, D.C. 20210 (Paperwork Reduction Project 1205-0424).

9. Action Required. State Agencies should develop a strategy for utilizing these reemployment funds and submit a plan outlining how the funds will be utilized during the year. Grant plans are due within 30 days of the date of this directive. Regional Offices may extend the due date, if necessary. State Agency Administrators are requested to:

- Immediately transmit this planning guidance to the appropriate State Agency office.
- Submit two signed copies of the PY 2001 grant plan to the appropriate Regional Administrator and one copy to the National Office address indicated in Section 7 above.

- Forward the Contact Information, as specified in Section 7., to Thomas C. Martin at tcmartin@doleta.gov, with a copy to the Regional Office.

10. Inquiries. Questions regarding this TEGL should be directed to the appropriate Regional Office.

11. Attachments.

- A. Activities For Reemployment Services
- B. Worker Profiling and Reemployment Services Policy Workgroup: Final Report and Recommendations (Executive Summary)
- C. ETA Form 9096

Activities For Reemployment Services

Keeping in mind that State Agencies have flexibility to determine the needs of the State and how the funds should be targeted, the following non-exhaustive list of activities is provided to assist in developing an action plan. The activities reflect research results and practical experience providing reemployment services.

- **Integrated UI/ES services.** While the relationship between the Employment Service (ES) and UI is longstanding, with the creation of One-Stop Centers and more use of technological tools to provide services, there is a need for the programs to develop an effective communication mechanism or linking process whereby UI claimants receive service in ES and the One-Stop Centers. This is particularly important for State Agencies doing remote initial claims filing such as telephone claims where UI claimants not familiar with ES services may not avail themselves of available assistance. Cross training staffing, requiring immediate registration and conducting early job matches have proved to be successful techniques.
- **More intensive or staff-assisted services.** A review of State activities since reemployment services were mandated under WPRS found that services received by claimants were, on the whole neither very intense nor clearly well matched to client needs. Nearly half the States neither required extensive services nor generally made them available. Only about one-third of the States required claimants to participate in 20 or more hours of services. Of the group who were referred to reemployment services, only one-third were reported as participating in job search workshops.

Research has found that job search techniques such as increasing the number of employer contacts and expanding job search to include secondary occupations and a broader geographic area were very effective in producing positive outcomes. The combined findings of several State demonstration projects--in Minnesota, Nevada, New Jersey, South Carolina and Washington--provide strong evidence that intensive reemployment services, such as job search assistance, are effective and result in positive outcomes.

A report on the Job Search Assistance Demonstration in the District of Columbia (DC) and Florida (see item c. in section 2 of this guidance letter) found that reemployment services encouraged more aggressive job search efforts, increased the number of employers contacted per week, and increased the hours of job search per week. The project used three job search service methods: structured job search assistance, individual job search assistance and individual job search assistance with training. While each of the three service methods reduced UI receipt, the largest impact occurred in the structured job search assistance group in DC, where UI receipt was reduced by more than a week. The other method groups across DC and Florida had more modest impacts, reducing UI receipt by about half a week on average. These services also reduced the percentage of claimants who exhausted their benefits. There was no evidence that methods pushed claimants into lower quality jobs in order to hasten reemployment. The service methods appear to have improved the quality of jobs found by participants in DC (although not in Florida) and did not affect the likelihood that claimants would switch occupations when they accepted a new job.

- **Early intervention services.** There is extensive research (see studies in section 2 of this guidance letter) to document that early intervention, (for example, identifying UI claimants who are likely to face lengthy unemployment early in their UI combined with job search and

similar services) is an effective approach to providing reemployment services resulting in positive outcomes.

- Eligibility Review Program (ERP) activities. ERP might be more effective if redesigned to provide services earlier, more frequently and to incorporate job search or other reemployment services in the ERP.
- Services that are integrated with Remote Initial Claims Filing. Telephone and Internet initial claims are widespread and in some States becoming the only way to register for UI. While this may increase the efficiency of delivering UI, it poses a serious problem for providing reemployment services. Often, the high cost of telephone service at remote locations prevents customer service representatives (CSAs) from spending more time with UI claimants on the telephone. To assure that UI claimants are provided reemployment services, State Agencies could provide CSRs with information and training for referring UI claimant to providers of reemployment services such as the local One-Stop or Toll Free Help Line.
- Services to claimants in targeted occupations or industries. Many States are facing the loss of jobs in specific industries or occupations. Particularly hard hit have been the textile, shoe, printing/publishing and some manufacturing industries. Reemployment services programs could be developed to customize service to UI claimants in a specific occupation or industry.
- Improved services to profiled claimant. Additional resources can be used to implement an approach to increase the number of UI claimants selected and provided targeted services that have produced positive outcomes. Projects to increase referrals and improve the intensity of reemployment services could be expanded. Better communications, linkages and procedures could be developed between and among the UI, ES and other members of the One-Stop Center. In addition, services could be provided earlier and be customized to respond to the needs of the UI claimant.
- Development of better career information tools. Good tools are critical for enabling effective service. Reemployment services funds could be used to develop specific tools needed to connect or link reemployment services within the One-Stop Center. New tools could be developed or available tools could be integrated into current State operating systems or career tools. For example, a number of career and guidance programs are available through private and public sources. Tools such as the America's Career Kit and O*NET can be uniquely integrated into operating systems or could become the basis of new tools developed to serve UI claimants. In particular, O*NET contains a feature that can help identify occupations related to past occupations which could be used to guide and enhance UI claimant's job search activities.
- Continue or improve on activities/services that State Agencies Implemented Using the Significant Improvements Grants (SIG). ETA funded demonstration projects to increase the effectiveness of reemployment services for UI claimants, to preview and shape future policy directions for reemployment services and to support implementation of the WIA. Where successful, these programs could be continued and/or enhanced with the additional reemployment services funds.

**Worker Profiling and Reemployment Services
Policy Workgroup:**

Final Report and Recommendations

The Executive Summary

Final Report of the Worker Profiling and Reemployment Services Policy Workgroup

February 1999

Abstract

Worker Profiling and Reemployment Services Policy Workgroup:

Final Report and Recommendations

The Worker Profiling and Reemployment Services (WPRS) Policy Workgroup was established in January 1998. The WPRS Policy Workgroup was composed of State, Regional and Federal workforce development staff. The Policy Workgroup's charge was to examine the WPRS system as it has evolved from 1994-98 and provide recommendations to improve its quality and to make it more effective in achieving its ultimate goal -- enabling dislocated workers to find new jobs as rapidly as possible at wages comparable to their prior wages. This paper presents a list of seven recommendations concerning the future direction of the WPRS system. Incorporated in these recommendations are the opinions solicited informally from stakeholders in the workforce development system by ETA concerning the document entitled, *A National Dialogue on The Unemployment Insurance Program in the Workforce Development System (1997)*. These recommendations address the following major topics: modeling and model use; how to profile; who and when to refer to reemployment services; what services and how many services to provide; program linkages between the Unemployment Insurance, Wagner-Peyser (Employment Service) and Dislocated Worker (JTPA Title III) programs; adequacy of funding; and communication, feedback systems, and reporting.

Co-Editors: Stephen A. Wandner and Jon C. Messenger

Worker Profiling and Reemployment Services Policy Workgroup Executive Summary

The Worker Profiling and Reemployment Services (WPRS) Policy Workgroup was established in January 1998. The WPRS Policy Workgroup is composed of State, regional and Federal workforce development staff. The Policy Workgroup's charge was to examine the WPRS system as it has evolved from 1994-98 and provide recommendations to improve its quality and to make it more effective in achieving its ultimate goal -- enabling dislocated workers to find new jobs as rapidly as possible at wages comparable to their prior wages. In response, the Policy Workgroup has developed seven summary recommendations, which are presented below.

I. Modeling & Model Use: Within State resource constraints, States should update and revise their profiling models regularly, as well as add new variables and revise model specifications, as appropriate. The U.S. Department of Labor (DOL) should provide technical assistance to the States in profiling model development and collect and disseminate best practices from the States.

One of the primary areas of concern for the Policy Workgroup is the statistical model that almost all States use to determine the probability that an individual claimant will exhaust unemployment insurance (UI) benefits. This is a vital stage in the WPRS process because in order to intervene early in the unemployment spell of a claimant likely to exhaust UI benefits, one must be able to accurately identify this population of claimants. As Unemployment Insurance Program Letter (UIPL) 41-94 explains, at minimum, States must use first payment, recall status, hiring halls (if used in the State), and either industry or occupation as profiling variables to identify claimants for the purpose of referral to reemployment services. Other variables such as unemployment rate, job tenure, and education are recommended but optional. In the profiling statistical model, each variable has a State-specific weight. In addition, many States have included additional variables in their profiling models that may warrant inclusion in the models of other States.

From the experiences of the past few years, the Policy Workgroup has learned that States generally have not updated their profiling models since implementing their WPRS systems. This is likely to reduce the accuracy of the models over time--both because of changing conditions in the State and because the provision of reemployment services to referred claimants gradually changes the profile of claimants most likely to need services due to the impacts of the services¹. For these reasons, the Policy Workgroup encourages States to update the weights in their models periodically

¹ Marisa Kelso, "Worker Profiling and Reemployment Services Profiling Methods: Lessons Learned." U.S. Department of Labor, unpublished working paper, 1998. The provision of services to referred claimants gradually changes the profile of claimants likely to need assistance because the impact of the services on participants. For example, reductions in UI benefit durations among claimants who are WARS participants will mean that claimants who are not served will have a *relatively* higher likelihood of benefit exhaustion, making them *relatively* more likely to be referred to services in the future. This is an evolutionary process.

to reflect changes in their economy and in the demographic composition and labor market experience of unemployed workers.

II. How to Profile: States should profile all claimants who file an new initial claim to better serve the widest possible group of dislocated workers. The Policy Workgroup believes that this change should be implemented in combination with additional resources for reemployment services (See Recommendation VI). Otherwise the total number of dislocated workers referred to services via profiling would not increase, since without an increase in funding for services, as more non-UI recipients are served, fewer UI recipients could be served. Thus, States will need flexibility in implementing this recommendation depending upon available resources.

As stated above, early intervention is one of the primary objectives of the WPRS system. Enactment of worker profiling legislation was meant to better meet dislocated workers' needs for early reemployment services by using the UI program to identify those workers most "at-risk" of long-term unemployment and then link them with the services they need to accelerate their reemployment. In turn, this would increase workers' total employment and shorten claimants' unemployment duration, thereby also providing a savings to the UI trust fund. Moreover, these studies indicate that job search assistance is most effective when it is provided both intensively and early in workers' spells of unemployment.

The combined findings of several State research demonstration projects -- in Minnesota, Nevada, New Jersey, South Carolina, and Washington -- provide strong evidence that intensive reemployment services, such as job search assistance services, for dislocated workers is an effective and efficient use of public resources. All of these projects were conducted as random assignment experiments (i.e., individuals were randomly placed into either a "participant group" that received some set of special program services or in a "control group" that did not receive those services). Although the results varied somewhat across the projects, overall, they showed the following common results:

- *Job search assistance participants found a new job more quickly and the duration of UI benefit payments was reduced.* Individuals receiving job search assistance (JSA) found new employment one-half to 4 weeks sooner (depending upon the State) than similar individuals who did not receive assistance.
- *The program was cost-effective for the government.* In each State experiment, the savings in UI benefit payments plus the increase in tax receipts due to faster reemployment were more than enough to pay for program costs. Savings to the government averaged around \$2 for every \$1 invested in targeted JSA services.
- *Shorter job searches did not lead to jobs that paid less.* In the two experiments where earnings data were available, job search participants not only found a job more quickly, but hourly earnings were similar to those in jobs found by non-participant workers. This additional employment also resulted in increased total earnings in the year after the UI claim.²

² U.S. Department of Labor, Office of the Chief Economist, "What's Working (and what's not): A Summary of Research of the Economic Impacts of Employment and Training Program," Washington, D.C., January 1995, p. 49 (Table

Taken together, the strength of these results indicates that providing reemployment services to dislocated UI claimants as early in their unemployment spell as possible is of vital importance.

UIPL 41-94 stated that, although claimants likely to exhaust UI benefits can be identified prior to receipt of first payment, the Department of Labor recommended referral at the point of first payment. However, even then the need for early intervention was evident by the fact that the Department of Labor recommended that claimants be removed from the selection pool after only four weeks. When one takes into account the amount of time it takes for claimants to receive their first payment (generally about two weeks but often longer), it becomes evident that this delay limits the ability of the WPRS system to intervene early in a claimant's unemployment spell. Therefore, the Policy Workgroup recommends that States profile *all* new claimants for regular compensation at the time when they file a claim for UI benefits.

III. Who and When to Refer: States should accelerate their profiling and referral process to be certain that those individuals identified as likely to exhaust UI benefits and referred to reemployment services truly receive early intervention assistance, and ensure that the WPRS selection pool is limited to those claimants who are most likely to exhaust UI benefits. Also, States should consider using individualized reporting for claimants with high probabilities of exhausting benefits, especially for conducting Eligibility Reviews. Interstate claimants should participate in the WPRS system, using an approach that the States and DOL should jointly develop. In addition, DOL should provide technical assistance to the States in improving their selection and referral processes and collect and disseminate best practices from the States.

Based upon data from the ETA 9048 Report for Calendar Year 1997, the Policy Workgroup found that, *nationwide, only about one-third of all claimants profiled and subsequently placed in the "selection pool" gets referred to reemployment services.*³ This is of great consequence because all claimants in the selection pool have been deemed "likely to exhaust their benefits." These data highlight the need for a reexamination of how one determines which claimants are placed in the selection pool and when reemployment services can be provided to claimants most in need of assistance. The WPRS Evaluation Report to Congress found that about one-third of the States did not have the flexibility to change the number of individuals referred to services based on need. As a result, ". . . areas with relatively low levels of dislocation served claimants with relatively low probabilities of exhaustion, while areas with larger dislocations served only those with the highest probabilities of exhaustion."⁴ To address this concern, the WPRS Evaluation Report to Congress recommends that:

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³ This analysis is based on nationwide data from the ETA 9048 Report for Calendar Year (CY) 1997. This data is presented in Figure 2 of Appendix C of this paper.

⁴ Katherine P. Dickinson, Suzanne D. Kreutzer, and Paul T. Decker, *Evaluation of Worker Profiling and Reemployment Services Systems: Report to Congress*, U.S. Department of Labor, Employment and Training Administration, Office of Policy and Research, Washington, D.C., 1997, p. E-3.

Both states and ETA should provide greater oversight and ongoing monitoring of profiling and referral practices to ensure that they are being carried out so that claimants with the highest probability of exhausting their UI benefits are given priority for services.⁵

An analysis of the early stages of the WPRS implementation by Dr. Terry Johnson of the Battelle Memorial Institute in Seattle prepared for the National WPRS Colloquium drew similar conclusions. Johnson found that States varied dramatically in the percentage of UI claimants referred to reemployment services (from less than 3 percent to more than 75 percent) and in the scope and intensity of reemployment services provided (from orientation alone to orientation, assessment, and additional job search workshops). His analysis of the data indicated that States that use a more highly selective profiling strategy are generally much more likely to provide job search workshops to referred claimants than States that use a less selective profiling strategy.⁶

One way of implementing a “more highly selective profiling strategy” is for States that have not already done so to consider establishing a “threshold probability”-- a probability of exhaustion score below which profiled claimants would *not* be considered likely to exhaust their UI benefits and thus should *not* be referred to reemployment services. The establishment of such a threshold probability recognizes the fact that not all profiled claimants who are assigned a probability score actually need reemployment services, and would establish a mechanism within State WPRS systems to ensure that these claimants are not placed in the selection pool. This ensures that the WPRS selection pool is limited to only those claimants who have a relatively high likelihood of exhausting benefits (as established by the State), which in turn helps to ensure that available funds for reemployment services are used efficiently. At the same time, it needs to be recognized that some individuals with low exhaustion probabilities may need services and have the option of volunteering for services. Consideration should also be given to making special referrals for claimants found to have been inaccurately profiled (e.g., due to inaccurate data).

Another major issue considered by the Policy Workgroup concerns which claimants are being profiled and referred to services and when to refer claimants to services. UIPL 41-94 states that the UI agency ultimately will profile *all* claimants -- intrastate, interstate, ex-service members, federal workers, and combined wage claimants. Up until now, interstate claimants have not been profiled; logistical problems resulted in the decision to delay the inclusion of interstate claimants in the population of claimants who are profiled and referred to services. Now that State WPRS systems are fully operational, the Policy Workgroup believes that the time is ripe for considering an expansion of WPRS to serve interstate claimants as well, and that a pilot test of interstate claimant profiling might be a useful first step in this direction.

IV. What Services/How Many Services: States should continually evaluate the reemployment services provided to profiled and referred claimants and seek to continually improve those services by ensuring that these individuals are provided with an orientation and assessment and receive assistance in preparing individual service plans that will ensure that they receive

⁵ *Ibid.*, p. E-9.

⁶ Terry R. Johnson, "Reemployment Service Strategies for Dislocated Workers: Lessons Learned from Research," *Worker Profiling and Reemployment Services (WPRS) System: National WPRS Colloquium, June 1996: Selected Papers and Materials*, U.S. Department of Labor, Employment and Training Administration, Washington, D.C., 1996.

additional services tailored to their individual needs. Since the receipt of job search assistance services has been shown to be cost-effective for dislocated workers, and the provision of more services generally yields greater customer satisfaction, existing resources should be allocated to provide these services, and additional resources should be provided to enable States to provide more intensive, in-depth services to WPRS participants. States should also consider linking the UI Eligibility Review process with WPRS to provide for follow-up with those profiled and referred claimants who are still unable to return to work, and thus may need further assistance later in their unemployment spell.

States vary widely in the breadth and depth of the reemployment services that are provided to profiled and referred claimants. According to the WPRS Evaluation Report to Congress, in three-quarters of the States, a “core” set of mandatory services is required to be provided to WPRS participants. These required services included a brief (one hour or less) orientation in virtually all States and, in about half of the States, a group workshop providing reemployment services-- typically, four hours or less.⁷ The report found that:

“In about one-third of these States, almost no claimants were required to participate in any services beyond the mandatory core services. In contrast, in 45 percent of the States, more than half of WPRS claimants were required to participate in additional services, as specified in their service plan. *These latter States were more in conformance with ETA’s ‘basic operational concept’ of customized services based on each claimant’s need.*”⁸

Thus, a third of States were providing only minimal reemployment services--five hours or less, on average--to WPRS participants. These minimal services are a major departure from the intensive JSA service strategies tested in New Jersey and other State demonstration projects, which produced the significant impacts described earlier; therefore, they are unlikely to produce the desired impacts on WPRS participants in terms of reduced unemployment and early return to work. In addition to the research results showing that intensive JSA services are cost-effective, the results of a WPRS customer satisfaction survey conducted for the WPRS Evaluation Interim Report clearly show that overall customer satisfaction was higher when individual service plans were created and when claimants received more intensive services.⁹

Dr. Terry Johnson’s analysis provides some prescriptions for suggested reemployment services practices based upon the research literature on these types of services:

- Although there is strong evidence that providing intensive reemployment services early in the unemployment spell is cost-effective, don’t package together any single set of

⁷ Dickinson, Kreutzer, and Decker, 1997, pp. E-3 and E-4.

⁸ *Ibid.*, p. E-4. Emphasis Added.

⁹ Evelyn K. Hawkins, Katherine P. Dickinson, Suzanne D. Kreutzer, Paul T. Decker, and Walter S. Corson, *Evaluation of Worker Profiling and Reemployment Services Systems: Interim Report*, U.S. Department of Labor, Unemployment Insurance Occasional Paper 96-1, Washington, D.C., 1994. See page A-19 of this report for an in-depth description of these customer satisfaction findings.

services and provide them to everyone. This approach will not be as effective as individually developed service plans.

- Do not target broadly and spread a thin layer of reemployment services over the broad population. It will have a limited impact. Instead, target selectively and offer in-depth services to the targeted group. Give people the reemployment services they need to return to work.
- If you offer a job search workshop, make sure it is in-depth. Brief workshops will not provide real services to the participants.¹⁰

In keeping with these research-based prescriptions, the Policy Workgroup recommends that States provide comprehensive, in-depth reemployment services to WPRS participants, based upon the development of an individual service plan for each participant. This includes linking the UI Eligibility Review process with WPRS to provide a point of follow-up with participants who may need additional assistance later in their unemployment spell.

V. Program Linkages: For WPRS purposes and as part of the One-Stop initiative, operational linkages between the Wagner-Peyser Act, JTPA Title III and UI programs should be further strengthened. The organizations responsible for operating these three programs should work closely together in the profiling/referral process, the providing of reemployment services, and in communications and feedback systems.

An issue of great concern to the Policy Workgroup is linkages between employment and training programs in the operation of State WPRS systems. The WPRS Evaluation Report to Congress found that, “In many States UI, ES, and EDWAA [JTPA Title III] coordinated extensively in WPRS-related activities.”¹¹ Linkages between the UI and Wagner-Peyser Act programs were working relatively well in almost all States, and in 60 percent of the States, EDWAA was “substantially involved” in at least one major WPRS task. However, in the remaining 40 percent of States, the linkages between UI/Wagner-Peyser Act programs with the JTPA Title III program were less well-established.¹²

For this reason, the Policy Workgroup recommends that operational linkages between these three programs should be strengthened to better serve their common customer: dislocated workers. In particular, States should make a greater effort to improve linkages with the JTPA Title III (EDWAA) program on WPRS tasks. As stated in the WPRS Evaluation Report to Congress,

¹⁰ Terry R. Johnson, "Reemployment Service Strategies for Dislocated Workers: Lessons Learned from Research," *Worker Profiling and Reemployment Services (WPRS) System: National WPRS Colloquium, June 1996: Selected Papers and Materials*, U.S. Department of Labor, Employment and Training Administration, Washington, D.C., 1996, p. 209.

¹¹ Dickinson, Kreutzer, and Decker, 1997, p. E-6.

¹² *Ibid.*

“Such cooperation not only may increase the menu of services available to WPRS claimants, but will also better align the major source of WPRS funding [for reemployment services] with EDWAA agencies’ involvement in and ‘ownership’ of the WPRS system.”¹³

VI. Funding: Since the provision of intensive and comprehensive reemployment services increases program effectiveness and customer satisfaction, it is crucial that adequate funds are devoted to providing these services through State WPRS systems. Additional resources for reemployment services could be provided through increased appropriations, or through a reallocation of resources between employment and training fund sources.

The key arguments for increased funding for WPRS reemployment services are based on findings that show job search assistance services to be cost-effective and valued by customers who receive these services. We have seen from the experiments in five States that individuals receiving substantial amounts of job search assistance (JSA) found jobs more quickly, increasing their employment and earnings. Providing this JSA proved cost effective to the government sector--due both to savings in UI payments and to increased tax receipts due to participants’ increased employment.

An impact analysis of the prototype and test States conducted as part of the WPRS Evaluation confirmed these findings for the three States that had reliable data. The impact analysis for the WPRS Evaluation Report to Congress indicates that “Estimates based on the early implementation States provide reasonably strong evidence that WPRS, as it was implemented in those States, [statistically] significantly reduced UI benefit receipt.”¹⁴ On average, UI payments to profiled and referred claimants were reduced by more than half a week--which translates into a UI savings of about \$100 per referred claimant on average. In one of three States--the State with the most intensive set of services (New Jersey)--the evaluation also found that WPRS significantly reduced the proportion of UI benefit entitlement received by participants by about 2 percentage points and the rate of UI benefit exhaustion by more than 4 percent, when compared with the comparison group.¹⁵

Overall, “WPRS claimants received substantially more services than comparable claimants who were not referred to WPRS.”¹⁶ For example, these claimants were more likely to receive assessment services; more likely to receive other types of job search assistance services, with the specific services depending on the State (e.g., job placements and referrals in Delaware, job search workshops in New Jersey); and more likely to enroll in the JTPA Title III program. WPRS also changed the timing of services to dislocated workers so that they typically received services earlier in their unemployment spells.

¹³ Dickinson, Kreutzer, and Decker, 1997, p. E-8.

¹⁴ *Ibid.*, p. E-10.

¹⁵ *Ibid.*

¹⁶ *Ibid.*, p. E-9.

Despite declining resources provided for the Wagner-Peyser programs over the past two decades, job search assistance services provided to UI claimants have been increasing, especially in the past few years with the enactment of WPRS legislation. ETA 9002 Report data on job search assistance services provided to UI claimants show that *ES-provided Job Search Activities (JSA) for claimants increased 40 percent from PY 1994 to PY 1996--from 1,740,208 claimants receiving JSA in PY 1994 to 2,306,738 claimants who received JSA in PY 1996. Much of this increase appeared to be attributable to the reemployment services provided to profiled and referred claimants through WPRS.*¹⁷ It is clear that the provision of JTPA Title III services to UI claimants who are dislocated workers has also increased, but specific national figures will not be available until the revised JTPA reporting system data for Program Year 1998--which will break out claimants referred through worker profiling as a separate subgroup--becomes available.

Despite these substantial increases in the provision of job search assistance services to UI claimants, *nationwide, only a third of those profiled claimants in the WPRS selection pool ever get referred to reemployment services.*¹⁸ Also, while there are modest seasonal fluctuations from one quarter to another, the most significant finding was the wide variation among States in their ability to match the supply of reemployment services with the need for these services. *While several States are able to refer more than 90 percent of claimants in the selection pool to services, other States are unable to refer even 20 percent of these claimants to services.*¹⁹ Overall, the Policy Workgroup believes that these data clearly demonstrate the supply of reemployment services is a significant issue that needs to be addressed, and therefore, that additional resources need to be devoted to funding reemployment services provided through State WPRS systems.

The enactment of the Workforce Investment Act of 1998 places great emphasis on making a core set of employment-related services available through One-Stop Centers. This offers an important new opportunity to expand funding for job search assistance to serve both UI claimants and other job seekers in need of reemployment services.

VII. Communication, Feedback Systems, and Reporting: WPRS data and communications should be improved. States should improve the accuracy and timeliness of their reporting data, improve their WPRS communications and feedback mechanisms, and share data among State partners. DOL should monitor the WPRS outcomes from State reporting data, and disseminate

¹⁷ U.S. Department of Labor, Employment and Training Administration, U.S. Employment Service, "U.S. Employment Service Annual Report: PY 1996 Program Report Data," U.S. Department of Labor, December 1997, p. C-3.

¹⁸ This analysis is based on nationwide data from the ETA 9048 Report for Calendar Year (CY) 1997. This data is presented in Figure 2 of Appendix C of this paper.

¹⁹ This analysis is based on data for the individual States from the ETA 9048 Report for the 4th Quarter of CY 1997. This State-by-State data is presented in Figure 3 of Appendix C. While there is variation in referral rates within States across quarters (State-by-State 9048 data for other quarters is not presented in this report), the overall finding of wide variations in WPRS referral rates across States holds for all quarters in CY 1997.

data and program analysis to the employment and training system. DOL should also provide technical assistance to the States in developing their communications, feedback, and reporting mechanisms, and collect and disseminate best practices from the States.

According to the WPRS Evaluation Report to Congress, virtually all States had developed an automated data system to track referred claimants' progress in reemployment services, and about half of the States developed new data systems specifically for WPRS. In many cases, however, the UI data systems and the service providers' or WPRS-specific data systems were not linked electronically. This often resulted in duplicate data entry and the need to resort to paper reports for communicating about the status of WPRS participants. As a result, the report states that "It is clear that further automation of claimant tracking processes, especially automated service plans, could make these processes more efficient."²⁰

Since State WPRS systems depend on the coordinated efforts of several different partners, communication and feedback systems are vital to making sure WPRS works effectively and serves its customers well. Partners need to keep good records and work to efficiently exchange the data needed to operate and manage the WPRS system. Also, DOL needs good reporting and evaluation data, if it is to be able to provide program analysis and best practices information on WPRS to the entire workforce development system. For all of these reasons, the Policy Workgroup recommends that the data and communications systems that support WPRS should be improved as follows: States should report WPRS data as accurately and timely as possible and share this data among State partners; DOL should monitor the outcomes of profiling using the ETA 9049 Report and WPRS evaluations; and States should increase the level of automation of their feedback mechanisms and WPRS operating systems. In addition, a data validation process for WPRS reports may also need to be created.

²⁰ Dickinson, Kreutzer, and Decker, 1997, p. E-5.

REEMPLOYMENT SERVICES PERFORMANCE REPORT

STATE: _____

DATE: _____

STATE SPECIFIC PERFORMANCE REPORT (Add additional sheets if necessary.)

Describe activities and an overview of how the activities were accomplished. Include milestones, and positive outcomes achieved. Compare accomplishment of planned performance goals with the attainment of the performance indicators identified by the State in the annual plan.