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State of Wisconsin
Department of Workforce Development
Jim Doyle, Governor
Roberta Gassman, Secretary
Bill Clingan, Division Administrator

September 28, 2005

Mr. Byron Zuidema
Regional Administrator
U.S. Department of Labor/ETA
230 South Dearborn St., Room 638
Chicago, Illinois 60604

Dear Mr. Zuidema:

On behalf of the State of Wisconsin, I am pleased to submit our state's PY2004 Re-employment Services Program Narrative Report (ETA Form 9100). The report is submitted in compliance with, and pursuant to, instructions contained in Training and Employment Guidance Letter (TEGL) No. 5-04.

The narrative reports all activity for the Reemployment Services Program. It compares the accomplishments of planned performance goals, with the attainment of the performance indicators, including the goals identified in the approved PY2004 plan. The narrative also includes an explanation of problems or delays, corrective action plans and resulting outcomes, as well as program budget and modification details.

If you have any questions, please feel free to contact Brian Solomon, at 608-267-7514.

Sincerely,

Bill Clingan
Division Administrator

cc: Ms. Gay Gilbert, Administrator, OWI

REEMPLOYMENT SERVICES PERFORMANCE REPORT (RES)---ETA 9100
STATE OF WISCONSIN---PROGRAM YEAR 2004

In Program Year 2004 (PY04), Wisconsin profiled 18,312 Unemployment Insurance (UI) claimants and referred them to receive services via the Worker Profiling and Reemployment Services Program (WPRS) in 57 Job Center locations across the state. This number represents a decrease of 2,607 claimants from PY03. In PY04, 12,194 claimants reported to services.

PY03 reports from the UI Division showed \$17,888,264 in unclaimed benefits for claimants profiled in the first 3 quarters of the program year. PY04 data through the 3rd quarter show \$17,008,040 in unclaimed benefits for individuals referred to the program. This data represents an increase in the average savings per claimant services from \$855.12 to \$928.79/claimant profiled. While the re-employment services program may not deserve full credit for the reduction, claimant evaluations of the services provided continually show that they find value and benefit in the RES program and its services.

	<u>PY03</u>	<u>PY04</u>	<u>Var.</u>
Cost Savings	17,888,264	17,008,040	95.1%
Profiled Claimants	20,919	18,312	87.5%
Savings/Claimant	\$855.12	\$928.79	\$73.67

I. **Program Performance and Goals**

It is important to note that the combination of a reduction in the RES allocation from PY03 to PY04, the sluggish state economy with continued high unemployment rates and loss of manufacturing jobs, and the Job Service Bureau's inability to refill vacant positions, contributed to WPRS PY04 performance. Even with these factors present, Wisconsin served a larger-than-expected number of UI claimants and increased the high level of UI Trust Fund Savings. The WPRS funding allocation was used to support 13 Full Time Equivalent (FTE) positions, allocated among more than 50 Job Service field staff providing services to UI claimants.

Program Performance Outcomes

- A. Maintain 55.7% referral rate of UI claimants to WPRS services.

Achieved - According to UI Division data available through the first three quarters of PY04, Wisconsin achieved a penetration rate of 60.2%, with 24,071 claimants profiled and 14,491 referred to services.

- B. Maintain 85% completion rate of UI claimants referred who report for initial services.

Achieved - According to UI Division data available through the first two quarters of PY04, Wisconsin achieved a Service Completion Rate of 87.4% (see chart on following page).

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ETA-9048 Worker Profiling and Reemployment Services Activity

	Jul-Sep 04	Oct- Dec 04	Jan- Mar 05	Apr - Jun 05	2004 Total		
Profiled Claimants							
1. Total Profiled	48,733	52,064			100,797		
2. Number put in Selection "Pool/Queue"	25,569	31,838			57,407		
3. Number Referred to Services	5,791	7,130			12,921		
4. Number Exempted from Services	257	468			725		
Profiled Claimants Referred and Reporting to Services							
1. Number Reported to Services	4,447	5,556			10,003	77.4%	Report to Services Rate
2. Orientation	4,382	5,441			9,823		
3. Assessment	1,788	2,077			3,865		
4. Counseling	427	377			804		
5. Job Placement Svcs and Referrals to Employers	821	1,055			1,876		
6. Job Search Workshops or Job Clubs	2,482	3,035			5,517		
7. Referral to Education and Training	744	788			1,532		
8. Self Employment Program	0	0			0		
Profiled Claimants Referred and Completing Services							
1. Number Completing Services	5,104	6,193			11,297	87.4%	Service Completion Rate
2. Orientation	4,382	5,441			9,823		
3. Assessment	1,769	2,065			3,834		
4. Counseling	377	335			712		
5. Job Placement Svcs and Referrals to Employers	800	1,033			1,833		
6. Job Search Workshops or Job Clubs	2,034	2,618			4,652		
7. Referral to Education and Training	550	594			1,144		
8. Self Employment Program	0	0			0		

C. Maintain UI Trust Fund Savings of \$1,000 per claimant served.

Status Undetermined – While this goal was achieved for the first quarter, it was not for the second quarter, making the average below the outcome desired. (See chart on the following page). Once data is available for the final two quarters of PY04, we will know whether this outcome goal was achieved for PY2004.

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Remaining Benefit Amount - Average Savings

	<u>Jul-Sep 04</u>	<u>Oct-Dec 04</u>	<u>Jan-Mar 05</u>	<u>Apr-Jun 05</u>	<u>Total</u>
PY03/SFY04	\$6,785,520	\$4,777,866	\$6,324,878	\$6,145,126	\$24,033,390
Total Pool	9,356	9,274	10,131	8,997	37,758
Total Selected/ Referred to RES	5,366	4,853	5,369	5,331	20,919
Avg. Savings/ Referred	\$1,265	\$985	\$1,178	\$1,153	\$1,149
PY04/SFY05	\$6,476,080	\$4,923,101			\$11,399,181
Total Pool	25,569	31,838			57,407
Total Selected/ Referred to RES	5,791	7,130			12,921
Avg. Savings/ Referred	\$1,118	\$690			\$882

D. Decrease UI claimant exhaustion rate of those served by WPRS by 1%.

Achieved – The most recent data for WPRS shows that claimants served in the WPRS program have a lower rate of benefit exhaustion (51.4%) than those claimants not served by the program (54.0%).

ETA-9049 Worker Profiling and Reemployment Services Outcomes

<u>Served</u>	<u>12/31/2003</u>	<u>9/30/2003</u>	<u>6/30/2003</u>	<u>3/31/2003</u>	<u>Total</u>	<u>Exhaust Rate</u>
Number Claimants	4,852	5,366	5,852	5,920	20,908	
Number Exhausted	2,460	2,574	3,040	3,063	10,747	51.4%
Average Compensated Duration	17	17	17	17	17	
Average Total Benefits Paid	\$4,317	\$4,161	\$4,237	\$4,179	\$4,272	
Total Base Period Wages	\$125,126,088	\$141,789,723	\$149,722,145	\$154,017,865	\$553,359,533	
<u>Exit Pool</u>	<u>12/31/2003</u>	<u>9/30/2003</u>	<u>6/30/2003</u>	<u>3/31/2003</u>	<u>Total</u>	
Number Claimants	6,358	6,265	5,829	6,680	24,824	
Number Exhausted	3,285	3,227	3,114	3,548	13,402	54.0%
Average Compensated Duration	17	17	17	17	17	
Average Total Benefits Paid	\$4,119	\$4,168	\$4,156	\$3,997	4,159	
Total Base Period Wages	\$151,150,009	\$149,794,288	\$141,433,085	\$152,561,334	\$595,237,119	

**REEMPLOYMENT SERVICES PERFORMANCE REPORT---ETA 9100
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Program Goals

Goal A. Maintain a high number of UI Claimants referrals to PY04 Worker Profiling and Reemployment Services (WPRS) Orientation, based on available funds and staffing allocations, as compared with PY03.

- **Not Achieved** – Wisconsin UI Division profiled 31,250 claimants in PY04, a decrease of 17.2% from the 37,758 profiled in PY03. In PY04, 18,530 claimants were referred to WPRS, a decrease of 11.4% from the 20,919 referred in PY03.

PROFILING PENETRATION

		Total Pool	Total Selected	Penetration Rate
PY03	Jul-Sep 03	9,356	5,366	57.4%
	Oct-Dec 03	9,274	4,853	52.3%
	Jan-Mar 04	10,131	5,369	53.0%
	Apr-Jun 04	<u>8,997</u>	<u>5,331</u>	<u>59.3%</u>
		37,758	20,919	55.4%
PY04	Jul-Sep 04	8,131	5,315	65.4%
	Oct-Dec 04	7,579	4,462	58.9%
	Jan-Mar 05	8,361	4,714	56.4%
	Apr-Jun 05	<u>7,179</u>	<u>4,039</u>	<u>56.3%</u>
		31,250	18,530	59.3%

Goal B. Maintain the high UI Trust Fund Savings. (Savings that result from shortened UI benefit claim duration for WPRS participants.)

- **Achieved** – The average cost savings for claimants referred to WPRS for the first 3 quarters of PY04 was \$1,174, an increase of 2% from the PY03 average of \$1,149 per claimant referred. (See table below).
4th Quarter PY04 data will be available in October 2005.

Remaining Benefit Amount - Average Savings

	<u>Jul-Sep</u>	<u>Oct-Dec</u>	<u>Jan-Mar</u>	<u>Apr-Jun</u>	Total
PY03/SFY04	\$6,785,520	\$4,777,866	\$6,324,878	\$6,145,126	\$24,033,390
Total Pool	9,356	9,274	10,131	8,997	37,758
Total Selected/ Referred to RES	5,366	4,853	5,369	5,331	20,919
Avg. Savings/ Referred	\$1,265	\$985	\$1,178	\$1,153	\$1,149

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	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
PY04/SFY05	\$6,476,080	\$4,923,101	\$5,608,859		\$17,008,040
Total Pool	8,131	7,579	8,361		24,071
Total Selected/ Referred to RES	5,315	4,462	4,714		14,491
Avg. Savings/ Referred	\$1,218	\$1,103	\$1,190		\$1,174

Goal C. Reduce the number of claimants that reach exhaustion of benefits.

- Achieved – The benefit exhaustion rate for claimants served by the WPRS program decreased each of the last four quarters for which data is available, and averages 51.4% for that period. This exhaustion rate is lower than the rate for claimants not referred to WPRS (54.0%). See table below.

ETA-9049 Worker Profiling and Reemployment Services Outcomes

Served	12/31/2003	9/30/2003	6/30/2003	3/31/2003	Total	Exhaust Rate
Number Claimants	4,852	5,366	5,852	5,920	20,908	
Number Exhausted	2,460	2,574	3,040	3,063	10,747	51.4%
Average Compensated Duration	17	17	17	17	17	
Average Total Benefits Paid	\$4,317	\$4,161	\$4,237	\$4,179	\$4,272	
Exit Pool	12/31/2003	9/30/2003	6/30/2003	3/31/2003	Total	
Number Claimants	6,358	6,265	5,829	6,680	24,824	
Number Exhausted	3,285	3,227	3,114	3,548	13,402	54.0%
Average Compensated Duration	17	17	17	17	17	
Average Total Benefits Paid	\$4,119	\$4,168	\$4,156	\$3,997	4,159	

Goal D. Increase the number of UI Claimants referred to and completing services.

- Achieved – While fewer claimants have been referred in PY04 as compared to PY03, the percentage of claimants reporting for services increased from 76% to 77.4%. The percentage of claimants completing services in PY04 increased by 3.4% from PY03, from 84% to 87.4%. See table below.

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ETA-9048 Worker Profiling and Reemployment Services Activity

	Jul-Sep 04	Oct-Dec 04	PY04 YTD		Apr-Jun04	Jan-Mar 04	Oct-Dec 03	Jul-Sep 03	PY03	
Profiled Claimants										
1. Total Profiled	48,733	52,064	100,797		51,939	100,763	96,848	73,280	322,830	
2. Number put in Selection "Pool/Queue"	25,569	31,838	57,407		25,539	28,942	36,776	28,055	119,312	
3. Number Referred to Services	5,791	7,130	12,921		5,328	5,368	6,945	5,365	23,006	
4. Number Exempted from Services	257	468	725		209	186	254	228	877	
Profiled Claimants Referred and Reporting to Services										
1. Number Reported to Services	4,447	5,556	10,003	77.4%	4,101	4,109	5,228	4,136	17,574	76%
2. Orientation	4,382	5,441	9,823		4,014	4,026	5,142	4,004	17,186	
3. Assessment	1,788	2,077	3,865		1,795	1,956	2,425	1,830	8,006	
4. Counseling	427	377	804		376	423	616	517	1,932	
5. Job Placement Svcs and Referrals to Employers	821	1,055	1,876		907	1,039	1,215	748	3,909	
6. Job Search Workshops or Job Clubs	2,482	3,035	5,517		2,628	2,677	3,443	2,878	11,626	
7. Referral to Education and Training	744	788	1,532		575	736	980	853	3,144	
8. Self Employment Program	0	0	0		0	0	0	0	0	
Profiled Claimants Referred and Completing Services										
1. Number Completing Services	5,104	6,193	11,297	87.4%	4,504	4,512	5,743	4,542	19,301	84%
2. Orientation	4,382	5,441	9,823		4,014	4,026	5,142	4,004	17,186	
3. Assessment	1,769	2,065	3,834		1,773	1,940	2,384	1,782	7,879	
4. Counseling	377	335	712		328	370	549	454	1,701	
5. Job Placement Svcs and Referrals to Employers	800	1,033	1,833		888	1,026	1,199	731	3,844	
6. Job Search Workshops or Job Clubs	2,034	2,618	4,652		2,139	2,200	2,844	2,250	9,433	
7. Referral to Education and Training	550	594	1,144		407	607	734	657	2,405	
8. Self Employment Program	0	0	0		0	0	0	0	0	

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II. Program Activities

Claimant Notification Letter - No changes from PY03

Case Management

The "case management style" of service continued in PY04. However, fewer claimants were served as a result of the inability to refill vacated staff positions.

Services to claimants begin with an orientation session advising claimants of the availability and benefit of Re-employment Services and, if appropriate, an individual assessment of each claimant's need. Based on an individual reemployment service plan (ISP), the claimant may be referred to services tailored to the individual's needs. Service provided to the claimants is tracked in two systems: the UI Mainframe System, and in the Automated System Support for Employment and Training (ASSET), the Department's WIA case management system. The Job Service Bureau coordinates and collaborates with the UI Division to provide any necessary information relating to the claimant's continuing eligibility for UI.

Re-employment Services Orientation

Job Service staff conducts weekly reemployment orientation sessions in most locations. In those locations where resources are reduced, sessions may be scheduled twice each month or just once each month. Sessions are generally conducted weekly in locations where the "pool" is at least 15 claimants. More frequent sessions are scheduled where staff availability allows. On average, 7 to 15 claimants are scheduled for each session. However, the time of the year influences the size of the pool. Groups in excess of ten claimants require the designation of more than one staff to conduct individual assessments. All claimants selected for RES participation must register on the state's on-line job order system (JobNet), in the Job Center Resource Rooms. This registration creates their Wagner-Peyser client record, allowing staff to post services received by each claimant.

Initial Service Requirements

Staff conducts a one-on-one re-employment assessment with each claimant to determine their service needs. This meeting usually includes a review of a claimant self-assessment document that addresses whether the claimant:

- Needs help with applications, a resume or cover letter
- Needs help with job interview questions
- Would like further information about conducting a job search
- Feels undecided about career choices and would like career guidance or counseling
- Would like to assess their skills and interests
- Is a veteran who has served at least 180 days active duty
- Has a high school diploma, GED or HSED
- Feels they have job skills that are in demand

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- Has any degrees, occupational licenses or certificates
- Is currently enrolled in any school/training program
- Is interested in any school/training program (Dislocated Workers Participants)
- Is in need of support service referral for childcare, transportation, housing, etc.

Claimants are assisted in completing a reemployment plan identifying activities required as a condition of their continued eligibility for UI benefits. Staff then determines the services to be included in the reemployment plan, along with one or more of the following:

- Job search using JobNet in a Job Center Resource Room
- Job search using Internet at home with weekly email or phone call to staff on progress for three weeks
- Job search using toll-free Job Line at home with weekly phone call to staff on progress
- Required attendance at one or more Job Center workshops
- A one-on-one meeting with staff within 30-days of Orientation Session

State Data Tracking/Reporting Systems

When an application for a new UI claim is filed, UI staff identifies which claimants do not have a recall to work, those who are not in school, and those that are not affiliated with a union hiring hall. UI staff identifies the primary employer, and gathers additional information on occupation, job tenure and education level for these claimants. A profiling record is built for each of these claimants on the UI database. In general, individuals who are selected for profiling are those workers who are permanently separated from their jobs, and who have a high likelihood of exhausting their unemployment benefits.

Actual payment of the first UI check triggers the selection process. When the first payment is made, the system uses the information gathered from the initial claim in a mathematical formula. Each claimant is assigned a probability factor for exhaustion of UI benefits (expressed as a percentage). If there is no first payment within five weeks, the system no longer considers the claimant a potential candidate. Active WIA Dislocated Worker Program participants and Trade Act clients are exempt from further participation based on their receipt of similar services.

Scheduling for the UI Profiling program is automated and is, as stated above, triggered by payment of the first UI check. This facilitates a quick entry into program services. However, local offices have the responsibility of rescheduling individuals who are unable to attend the initially scheduled sessions. This initial session is primarily an orientation to the UI Profiling program - thus, the need to move individuals into workshops, JobNet usage and other services as quickly as possible, remains constant throughout the program.

The individuals who are selected for UI Profiling and Reemployment Services are required to participate in the activities identified as necessary by Job Center staff as a condition of continuing eligibility for UI. Job Center staff provides the UI Division with all necessary information relating to the claimant's activities through the use of automated reporting and case management tools.

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PY04 Services - ETA-9048 Worker Profiling and Reemployment Services Activity
(3rd Quarter Data will be available in October 2005, 4th Quarter Data will be available in January 2006)

	Jul-Sep 04	Oct-Dec 04	PY04 YTD	
Profiled Claimants				
1. Total Profiled	48,733	52,064	100,797	
2. Number put in Selection "Pool/Queue"	25,569	31,838	57,407	
3. Number Referred to Services	5,791	7,130	12,921	
4. Number Exempted from Services	257	468	725	
Profiled Claimants Referred and Reporting to Services				
1. Number Reported to Services	4,447	5,556	10,003	77.4%
2. Orientation	4,382	5,441	9,823	
3. Assessment	1,788	2,077	3,865	
4. Counseling	427	377	804	
5. Job Placement Svcs and Referrals to Employers	821	1,055	1,876	
6. Job Search Workshops or Job Clubs	2,482	3,035	5,517	
7. Referral to Education and Training	744	788	1,532	
8. Self Employment Program	0	0	0	
Profiled Claimants Referred and Completing Services				
1. Number Completing Services	5,104	6,193	11,297	87.4%
2. Orientation	4,382	5,441	9,823	
3. Assessment	1,769	2,065	3,834	
4. Counseling	377	335	712	
5. Job Placement Svcs and Referrals to Employers	800	1,033	1,833	
6. Job Search Workshops or Job Clubs	2,034	2,618	4,652	
7. Referral to Education and Training	550	594	1,144	
8. Self Employment Program	0	0	0	

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PY03 Outcomes (Summary of ETA-9049 Quarterly Reports)

The due date for PY03 data to the ETA National Office (from UI Reports Handbook No. 401) is the 20th day of the second month in the 7th quarter following the quarter in which the claimants were first referred to services. By example, outcome data on claimants referred in the first quarter of PY03 (7/1/03-9/30/03) is due to ETA on May 20, 2005. The most recent 9049 data available is for the quarter ending 12/31/03 (see table below):

ETA 9049 - Worker Profiling & Reemployment Services Outcomes				
Report Quarter Ending: 12/31/03				
1. Number Exhausted	2,460			
2. Average Compensated Duration	17 Weeks			
3. Average Total Benefits Paid	\$4,317			
4. Total Base Period Wages	\$125,126,088			
Employment activity for those Profiled Claimants who were first selected through the WPRS and referred in the report quarter and who were employed in the reference quarter	<u>Quarter After Referral</u>			
Reference Quarter Ending:	03/31/04	06/30/04	09/30/04	12/31/04
1. Number Employed	2,269	3,015	3,215	3,252
2. Total Base Period Wages	\$61,633,476	\$77,637,705	\$83,104,169	\$83,800,570
3. Number Employed in Different Industry	1,614	2,258	2,478	2,554
4. Wages Earned in Quarter	\$10,996,309	\$14,841,499	\$17,866,519	\$19,292,581
Total Wages Earned	\$62,996,909			

III. Budget and Expenditures

The State of Wisconsin received a grant award of \$941,759 for the federal grant period of July 1, 2004 through June 30, 2005. A total of \$681,883 was expended against the PY2004 grant allocation during the July 1, 2004 through June 30, 2005. As mentioned before, it is important to note that the combination of a sluggish state economy and the Job Service Bureau's inability to refill vacant positions, contributed to expending less than planned. The unexpended amount, \$259,876, will be available for program use during the period of July 1, 2005 through June 30, 2006 (in addition to the PY2005 allocation). Please refer to the enclosed SF-424 forms.

IV. General Economic Conditions

Wisconsin's Labor Market July 2004 – June 2005

The period July 2004 through June 2005 (04/05) showed labor force improvement compared to the previous 12-month period (03/04). Wisconsin's unemployment rate was 4.7 percent in 04/05 compared to the 5.3 percent in 03/04. As of June 2005, Wisconsin's labor force averaged 3,060,000 total participants over the last 12 months with 144,000 of them being unemployed. This is an improvement compared to 03/04, which averaged close to 163,000 unemployed residents per month. Pockets of the state still harbor higher than state average unemployment rates, especially

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the urban areas of southeastern Wisconsin such as the cities of Milwaukee and Racine, which have maintained unemployment rates in the seven to nine percent range in 04/05.

Unemployment insurance claims have continued to fall to levels to what one could describe as "pre-recession", but this does not imply that they were being filed at historically low numbers as seen in the late 1990s. The 04/05 period averaged about 11,900 initial claims per week compared to about 13,000 per week in 03/04. This represents eight percent fewer initial claims per week. Continued claims dropped even more sharply, -14 percent, as 04/05 averaged 74,300 weekly claims versus 86,400 in 03/04. The sharper drop in continued claims is noteworthy because it somewhat comments on the length of unemployment of jobseekers. Continued claims were lower because the percentage of those expecting to be recalled back to work was considerably higher in 2005 than it has been in recent years. Year-to-date, about 65 percent of those filing initial claims expected to be recalled back to work by their employers compared to rates that were in the 50-percent range in recent years. The hiring of more workers in manufacturing and construction has also kept claims lower. These two industry sectors usually account for 45 to 55 percent of all claimants on a weekly basis.

Wisconsin's total nonfarm wage and salary industry employment averaged close to 2,818,000 jobs per month in 04/05. This average is approximately 33,400 jobs higher than in 03/04 for a growth rate of about 1.2 percent. The education and health services sector gained the most jobs annually, adding about 11,100 since 03/04. The professional and business services sector has continued to gain jobs increasing by 3,600 jobs since 03/04. The two main goods-producing industries, construction and manufacturing, gained 3,100 and 3,400 jobs, respectively. There were no net job losses measured at the broad industry sector levels, but some more specific industries such as finance and insurance; professional, scientific, and technical services; management of companies and enterprises; federal government; and local government each reported job decreases in 04/05 compared to 03/04.

The average hourly wage for Wisconsin's non-supervisory production workers in the manufacturing sector was \$16.23 in 04/05. This is only four cents per hour higher than in 03/04 so it is virtually unchanged, if not a loss in real terms, particularly when one considers that consumer prices rose about 2.5 to 3.0 percent over the last 12 months. But it is noteworthy that this flat wage growth is not as negative as it may seem at first glance. As described in last year's write up, which also showed sluggish hourly wage growth, the accelerated hiring of more production workers in manufacturing has likely manifested itself at the lower end of the wage scale as workers with little or no experience are paid at lower scales compared to their more senior counterparts. In a macro view, this is evidence of an expanding market, but to what degree the expansion is not well known. Anecdotally, manufacturers are becoming more vocal about labor shortages of skilled workers, especially employers in rural counties. This will ultimately pressure wages upward. Other sources of wage data are not current enough to reflect 2005, but it is assumed that overall average wage growth for all workers in all industries will have been about three percent in 04/05.

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V. Future Plans and Outcomes (PY 05WPRS Action Plan)

Program Budget Allocation

PY04 allocation of \$955,495 (Awaiting DOL guidance letter for actual PY05 plan submission).

Staff/Sites

Based upon the anticipated reduction in the PY04 allocation, Wisconsin plans to continue providing existing levels and types of services, with permanent staff. It is not anticipated that new sites will be added, due to the reduced allocation, expected staff turnover, and the continuing hiring freeze within the Wisconsin Department of Workforce Development. In locations where staff assignments include both RES and Trade Act, there may be an actual reduction in the profiling activity, as Trade Act services receive priority.

Policy

There are no anticipated policy changes at this time.

It is the policy of Wisconsin Job Service to provide the following services to profiled claimants at locations where the RES program is funded:

Re-employment Services Orientation

- Job Service staff conducts Reemployment Services Orientation Sessions at least twice per month, as scheduled on the ROST screens of the UI Mainframe.
- Sessions should be conducted weekly in locations where the "pool" of claimants is at least 15. More than one session can be scheduled in a week where staff availability allows. On average, seven (7) to fifteen (15) claimants should be scheduled for each session. However, the time of the year influences the size of the pool. In general, groups in excess of seven (7) claimants require the designation of more than one staff to conduct individual assessments.
- All claimants selected for RES participation must register on JobNet.

Initial Service Requirements (Tiers)

- Staff conducts a one-on-one Reemployment Assessment with each claimant to assess their service needs. This meeting may include a review of a claimant self-assessment document.
- Staff assists each claimant in completing an Individual Service Plan, identifying activities required of the claimant as a condition of their continued eligibility for UI benefits.
- Staff determine which Reemployment Services are included in the Individual Service Plan, by choosing one or more of the following:
 - Job search using JobNet in Resource Room once per week for three weeks;
 - Job search using Internet at home with weekly email or phone call to staff on progress for three weeks;
 - Job search using toll-free Job Line at home with weekly phone call to staff on progress;
 - Required attendance at one workshop or a 1-on-1 meeting with staff within 30 days of Orientation Session;

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Additional Funding Requests for WPRS Services

A budget request for \$1-million in Reed Act funds for the Reemployment services was denied by the Joint Finance Committee of the Wisconsin State Legislature.

DOL Demonstration Grant - Wisconsin Reemployment Connection

Wisconsin's Department of Workforce Development, together with the Department of Labor, is conducting a demonstration project to find ways to better connect unemployment insurance claimants with available reemployment services. Project goals include:

- Implementing new approaches to increase awareness of reemployment services available through Wisconsin's One-Stop System.
- Connecting unemployment insurance claimants with employment and/or Workforce Investment Act (WIA) Title I training, preferably in a key target industry in need of skilled workers.
- Providing project participants with the effective work skills that will be valuable in assisting them to permanently succeed in the workforce of "Grow Wisconsin."

The reemployment connection includes sharing data between Unemployment Insurance and the Job Centers to appropriately connect UI claimants to programs and services for which they may be eligible.

- Work Registration
 - Skills Assessment
 - Employment Plan Development and Review
 - Practice Interviewing
 - Work Search Workshops
 - Job and Training Referrals
 - Employer Contacts
 - Peer-to-Peer Job Networking
- (See Attachment 1 for an "Interim Briefing Report Evaluation" of the DOL Demonstration Grant Project.)

VI. Self-Assessment

Job Service and UI Division staff continue to work closely in identifying areas where each can make program improvements, such as planning for the DOL demonstration grant and initiating discussions about conducting a review of the statistical model to determine ways to target claimants, based on local area workforce changes.

The Job Service Bureau will continue all efforts to maintain staff capacity to provide RES activities to assist UI claimants' re-entry to employment. Wisconsin feels that its RES program adequately targets, enhances, and expands labor exchange services that address citizens' re-employment needs.

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(ATTACHMENT 1)

{Evaluation of the Strengthening Connections Between Unemployment Insurance and One-Stop Delivery Systems Project (**Interim Brief: July 8, 2005**)}

Submitted to: David Balducchi Federal Project Officer US Department of Labor Employment and Training Administration Office of Policy Development, Evaluation and Research 200 Constitution Ave., NW Room N5637 Washington, DC 20210

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“Strengthening Connections Between UI and One-Stop Delivery Systems Project”

Interim Brief

Introduction

During the last decade, strides in technology have allowed states such as Wisconsin to more efficiently deliver UI services. Almost all Unemployment Insurance (UI) services are now delivered remotely, with unemployed individuals making initial claims either by telephone to a centralized benefit center or via the Internet. As a result of such strategies, however, in many states, the physical presence and interactions of UI staff with One-Stop Center staff in facilitating the reemployment of UI claimants has diminished. At the same time that remote filing for UI benefits has become popular, UI recipients are receiving benefits for longer periods of time, are more likely to exhaust their benefits, are less likely to be reemployed at a high wage, and are less likely to be actively looking for work than had been the case in the recent past {Katz and Krueger, 1999 (1) and Needels, et al., 2001 (2)}.

Given that remote filing has many advantages and is likely to remain a favored method of administering UI claims, {Barnow and King, 2005 (3)} recently concluded that balancing the effects of using UI call centers and online claims processing with the effectiveness of One-Stop Center services is a looming challenge of the workforce development system. The primary purpose of this demonstration project and its evaluation is to find innovative and effective approaches to facilitate the linkages between these two components of workforce investment services.

In June 2003, the Department of Labor, Employment and Training Administration funded the Wisconsin Department of Workforce Development (DWD) to implement the *Strengthening Connections Between UI and One-Stop Delivery Systems* demonstration project. The Wisconsin project is attempting to reconnect UI services and One-Stop services by implementing a limited demonstration of new operational linkages encompassing three One-Stop Centers and two UI call centers.

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These new organizational and operational features, currently being evaluated through a comparison methodology, include:

- Integration of UI and One-Stop computer systems such that demonstration UI claimants are automatically registered for work;
- One-Stop staff making personal contact via telephone with UI claimants selected for Worker Profiling and Reemployment Services (WPRS) demonstration services;
- Development of strong working relationships between UI call center staff and One-Stop Center staff. While in the rest of the state call center staff and One-Stop Center staff have limited interactions, the demonstration's call center staff assist in the reemployment orientation sessions conducted at the Wisconsin Job Centers, and return at the end of participants' service periods to conduct a joint UI/One-Stop staff Review of Employment Plan (REP) – a type of UI eligibility review;
- Expanded reemployment workshops (e.g., job search assistance and referral to skill training, as appropriate) and new curricula, such as "Introduction to Computers;"
- Provision of reemployment services expanded to all UI WPRS claimants who are referred from the WPRS pool; and
- Provision of at least one staff-assisted job referral to all demonstration participants who participate in the reemployment workshops. Such referrals do not happen elsewhere in the state.

At the same time that Wisconsin began its demonstration project, the Department engaged Berkeley Policy Associates (BPA) to evaluate the demonstration and to provide technical assistance in its design. This Interim Brief summarizes the demonstration's design and progress to date, the evaluation design, and interim findings from the evaluation's outcome study.

The Demonstration

Wisconsin's demonstration project, called the Wisconsin Reemployment Connection, has two primary goals:

- 1) To better connect UI claimants with Job Center reemployment services; and
- 2) To better connect its UI and Employment Service divisions via data-sharing and joint provision of services.

Connecting UI Claimants to Job Center Services

The demonstration began providing services in Oshkosh in July 2004 and in two Milwaukee Job Centers in September 2004, using an expanded model of the Worker Profiling Reemployment Services (WPRS) system currently provided nationwide to UI claimants most likely to exhaust their benefits. Project staff contacts all claimants in each month's profiling pool by letter and by phone,

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informing them that they have been selected for services. At the required orientation to One-Stop services, demonstration staff sort participants into two groups based on their preparedness for conducting a job search, knowledge of the local labor market, and knowledge of job search skills and strategies. Group A consist of individuals who have more relevant and/or transferable work skills and/or job search skills, and receive "light touch" reemployment services. Group B is made up of those who are less prepared for looking for a job; members receive more intensive services than Group A. Members of both Group A and Group B are required to register for work, and as of April 2005, all Group B members receive a referral to an appropriate job opening.

Members of Group B, as well as many Group A members, are directed to attend concentrated job search workshops that may last up to four weeks from beginning to end of project participation. Those who fail to attend any of the sessions are subject to a suspension of their UI benefits. Another requirement of participation is that claimants must make at least five job contacts per week, although their benefits are not affected if they fail to do so.

The workshop curricula includes resume development, interviewing skills, preparation for job fairs, career change, networking skills, labor market projections of "hot jobs," budgeting, and stress management. The staff in Milwaukee have discovered that many participants have no experience using a computer, and have added a three hour "Introduction to the Computer" session to their curricula. The last session of the workshop is a formal, individual Review of Employment Plan REP (4) with each participant who has not yet found a job. Beginning in March 2005, demonstration staff began conducting follow-up contacts with participants 30 days after the REP.

Connecting UI and Job Service Divisions

Mechanisms to facilitate linkages between UI and Job Service staff include improved data-sharing between the two agencies' computer systems, resulting in automatic registration for work upon filing a UI claim. This seemingly straightforward task has involved staff from all levels of both agencies in joint agency workgroups, mapping electronic data processes, and troubleshooting as the electronic interchange of data has been developed. Another strategy that has brought the two divisions together has been the inclusion of UI staff in the demonstration's reemployment service orientation to the One-Stop Center. UI staff also participate in the post-reemployment services REP with the project's Job Service staff and demonstration participants.

The Evaluation

The goal of the evaluation is to document the linkages that develop between Wisconsin's UI and Job Service agencies as a result of the demonstration, and to assess whether the demonstration services, and these linkages, have an impact on claimants' employment outcomes. The evaluation design includes both process and outcome components, with the outcome study using a quasi-experimental design. (5)

The process study is documenting the demonstration's implementation, describing the specific linkages created between the Wisconsin Division of Workforce Solutions Job Service, which operates the state's One-Stop Career Centers (called Job Centers), and the state Division of Unemployment Insurance. Furthermore, BPA is identifying lessons learned during the

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implementation of the Wisconsin project that may be useful for other state workforce agencies seeking to strengthen connections between their UI agencies and One-Stop Centers.

The goal of the outcome study is to assess the effectiveness of the demonstration's service model in increasing UI claimants' return to work and in reducing duration of benefits. While this evaluation component does not specifically document the linkages between UI and Job Centers forged by the demonstration, it documents the impact of those linkages on claimant outcomes, as the linkages are embodied in demonstration services.

The quasi-experimental outcome study compares characteristics, service use, and employment outcomes of the demonstration participants with those of similar UI claimants in adjacent zip code areas. The comparison group receives the same services they would in the absence of the demonstration, and are chosen from both individuals who receive WPRS and those who do not receive WPRS services. This design ensures that the comparison group, like the demonstration group, includes claimants with a range of profiling scores.

The evaluation team uses a matching algorithm to link each sample member in the demonstration group to multiple sample members in the comparison group. This approach increases the statistical precision of the study's estimates and takes advantage of the fact that more comparison group members are available to the evaluation than are program group members. Matches are made on a propensity score that is calculated using individual background characteristics, including employment history and profiling score.

Interim Findings of Outcome Study

Through May 2005, the three demonstration sites had served a total of 731 participants, with just over half (383) being members of Group B. The results below focus on a smaller number of participants (those served during the first five months of the demonstration) through November 2004. The evaluation relies on UI wage records to document employment and earnings and since employers are required to report their workers' earnings 90 days after the end of the calendar quarter, the November 2004 cohort is the most recent group of participants for whom complete UI wage records are available. The total number of demonstration participants included in these analyses was 486.

To assess the impact of the demonstration on participants, their outcomes were compared with those of the comparison group using three models:

- **Model 1** used all 486 of the claimants in the demonstration site profiling pools through the November 2004 cohort, including those who: entered employment before the date of the orientation; received employment services from another program; or failed to respond to contacts from project staff. The corresponding comparison group numbered 1,302 members. This model takes into account the potential impact that the letter and telephone call from the project might have on claimants in the profiling pool who did not actively participate in demonstration services.

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- **Model 2** used only claimants in the demonstration site profiling pools through November 2004 who had WPRS scores of 47% or higher. This cutoff was chosen based on the lowest WPRS score of comparison group members who attended a Job Center orientation (most likely those required to attend reemployment services [RES]). These 413 individuals represented the participants most in need of reemployment services. Their matched comparison group totaled 1,110 members.
- **Model 3** narrowed the demonstration and comparison groups further. The demonstration group included only those claimants who actually received services from the project, the 237 members of Groups A and B served through the November 2004 cohort. Their comparison group consisted of the 390 claimants at the comparison sites who attended a Job Center orientation. This model provides a comparison between individuals who received RES under the existing model of services (the comparison group) and those who participated in the demonstration.

For all three models, up to three comparison group members were chosen for each demonstration participant from the profiling pools for the comparison sites through the November 2004 cohort. 6 Comparison group members were matched to demonstration participants using a propensity score calculated using personal and work history characteristics shown in previous research to be related to employment outcomes. Each of the three analyses examined outcomes utilizing a regression adjusted method using the following variables: had a disability; limited English proficiency; single parent; and number of previous UI claims.

The outcomes used in all three models included the rate of claimants entering employment at any time after the initial claim was filed through December 2004 7, average quarterly earnings, average benefit duration in weeks, average total UI benefits paid through May 2005, and the rate of claimants entering jobs in high growth industries. Table 1 on Page 20 presents the results of these three analyses.

Across all three models, demonstration participants consistently fared better on each of the outcome measures than did comparison group members. The difference between the two groups varied, however, both in magnitude and in degree of statistical significance across models and measures.

Both the demonstration and comparison group members included in Model 1 had the highest quarterly earnings of the three models, the shortest duration of UI benefits, and the smallest average amount of benefits drawn down. While the differences between the two groups on these measures were statistically significant, the other two Models showed larger differences—also statistically significant—between participants and demonstration group members on earnings and benefit drawdown (Model 2), and on benefit duration (Model 3).

Demonstration participants included in Model 2 achieved the highest rate of entering employment (53%) of the three models. This Model also showed the largest difference in quarterly earnings between the demonstration and comparison groups, and all of the differences between the two groups (except rate of obtaining jobs in high growth industries for this Model were significant at the .01 level.)

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Fewer differences between demonstration participants and comparison group members for Model 3 were statistically significant, which is not surprising given the relatively small sample sizes used in this analysis. Nonetheless, the magnitude of the differences between groups on the outcome measures were largest for this Model. Over 9% more participants entered employment than did comparison group members, and the comparison group, on average, drew down \$468 more in UI benefits than did the demonstration group.

Overall, the study's interim findings suggest that demonstration services are indeed having a positive effect on the employment and UI benefit outcomes of participants. The fact that the results of all three models document similar types of impact on participant outcomes is especially encouraging.

The evaluation's final report will include the results of these analyses using data for participants served through December 2005. The study team will also describe the participants served at the three demonstration sites, compare the proportion of demonstration and comparison group members who exhaust their benefits, examine use of individual core RES components and Job Center services, and explore the extent to which particular services or service components contribute to the positive employment outcomes of participants.

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**Table 1
Interim Impacts of the Wisconsin Reemployment Connection Program**

Program Outcome	Model 1 All Demo Participants vs. Matched Comparison Group			Model 2 Demo Participants vs. Comparisons with WPRS Scores of 47%+			Model 3 Demo Groups A & B vs. Comparisons who Received RES		
	Dem o	Comparis on	Differen ce	Dem o	Comparis on	Differen ce	Dem o	Comparis on	Differen ce
Sample Size	486	1,302	--	413	1,110	--	237	390	--
Employed After First Week (a)	52%	45%	6.3%**	53%	45%	7.7%***	45%	35%	9.3%**
Avg. Quarterly Earnings (a)	\$2,896	\$2,097	\$799***	\$2,896	\$2,026	\$870***	\$1,595	\$1,438	\$157
Avg. Benefit Duration	14.8	16.3	-1.5***	14.9	16.5	-1.6***	17.8	19.6	-1.8***
Avg. UI Benefits Drawn (b)	\$3,632	\$4,032	-\$400***	\$3,664	\$4,080	-\$416***	\$4,543	\$5,011	-\$468
% Entering High Growth Employment (a)	19%	18%	1.4%	18%	18%	0.0%	17%	14%	2.7%

(a) Employment outcomes through 4th quarter 2004
(b) Benefit drawdown through May 2005

***.01 significance level
** .05 significance level
* .10 significance level

Model 1

- Demonstration group includes everyone in the profiling pools for the demonstration sites through the November 2004 cohort
- Comparison group includes members selected from the profiling pools for the comparison sites through the November 2004 cohort

Model 2

- Demonstration group includes everyone in the profiling pools for the demonstration sites through the November 2004 cohort who had WPRS score of 47% or higher
- Comparison group includes members selected from the profiling pools for the comparison sites through the November 2004 cohort who had WPRS scores of 47% or higher

Model 3

- Demonstration group includes all Group A and Group B members through the November 2004 cohort.

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- Comparison group includes members selected from the profiling pools for the comparison sites through the November 2004 cohort who received RES services

Sources and Notes Of Attachment 1.

1. Katz, L.F. and A.B. Krueger. 1999. "The High Pressure U.S. Labor Market of the 1990s." *Brookings Papers on Economic Activity*. Washington, DC: 1999, vol. 1, pp.1-87.
2. Needels, K., W. Corson, and W. Nicholson. 2001. *Is the UI Claimant Population Changing? Implications for Reemployment Policies*. Princeton, NJ: Mathematica Policy Research.
3. Barnow, B., and C. King. May 2005. *The Workforce Investment Act in Eight States: Final Report*, ETA Occasional Paper 2005-01.
4. The REP is an updated version of the traditional Employment Review Plan (ERP).
5. For more information, see BPA's *Strengthening Connections Between UI and One-Stop Delivery Systems Project: Evaluation Plan*, December 10, 2004.
6. Comparison group members had to have propensity scores within one point of a participant's score to be considered a match. For some participants, fewer than three comparison group members had scores that fell within the appropriate range. As a result, the number of comparison group members used in each model is not three times the number of participants. Similarly, participants were dropped from analysis if no comparison group members matched on propensity score.
7. Since demonstration group members were assumed not to have received RES, we could not measure whether they became employed after they started receiving services.