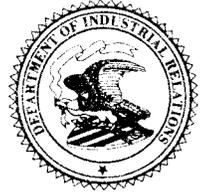




STATE OF ALABAMA
Department of Industrial Relations

Industrial Relations Building
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September 28, 2006

U.S. Department of Labor
Employment and Training Administration
Office of Workforce Investment
Room S-4231 Attn: Gene Tichenor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Dear Mr. Tichenor:

Transmitted herewith is the Reemployment Services Performance Report for Program Year 2005.

This Report describes activities and outcomes associated with the Reemployment Services Program and compares accomplishment of planned performance goals identified in the PY 2004-2005 Plan with the attainment of the performance indicators identified in the Plan.

If I can be of further assistance, or if more information is needed, please let me know.

Sincerely,

Phyllis Kennedy
Director

PK/SH/kd
Enclosures
cc: USDOL/ETA
Regional Office

REEMPLOYMENT SERVICES PERFORMANCE REPORT - PY 2005

STATE: ALABAMA

DATE: SEPTEMBER 28, 2006

I. PURPOSE / GOALS

The purpose of the Re-Employment Services (RES) Program has been to improve the quality and quantity of direct re-employment services for UI claimants. RES success and continuous improvement have been built upon successful initiatives spawned by the program since its inception in PY 2001, to supplement Wagner-Peyser Act allotments in order to increase services to UI claimants over and above regular services while targeting the funds where they are needed, and will have the most positive outcomes.

Goals of the RES Program, as stated in the PY 2004 Plan and pursued in the Plan's extension for PY 2005, include the following:

- 1) increasing the number of UI claimants entering employment.
- 2) increasing the number of UI claimants referred to jobs.
- 3) increasing the number of job development contacts for UI claimants.
- 4) increasing the number of UI claimants participating in Job Search Workshops.
- 5) increasing the number of job search plans for UI claimants.
- 6) increasing the number of UI claimants referred to support services.
- 7) reducing the rate of UI benefit exhaustion.
- 8) reducing the duration of UI claimants receiving benefits.
- 9) meet or exceed jobseeker entered employment rate.
- 10) meet or exceed the job seeker employment retention rate.

Paradigm changes in Alabama's Workforce Delivery System in PY 2005, however, hindered accomplishment of these goals, and in many instances, precluded the accurate measurement of progress made in their pursuit. The biggest change impacting the system was financial, where budgetary support was reduced 14% (-\$3.7M) in PY 2005, resulting in the closing of more than one-third (20) of the state's 54 points of service and a 20% reduction in staffing.

Another major change impacting the Workforce Delivery System was installation of a new server-based internet operating system, Alabama JobLink (AJL) in June 2005 featuring self-service options for jobseekers and employers. Training and adaptation in the new system affected productivity as staff progressed on the learning curve. In addition, the

new reporting system posed comparability issues with the previous system.

In the midst of these major changes, Common Measures were also implemented effective July 1, 2005 necessitating strategic changes in the delivery of labor exchange services that further distort reporting.

As a result of these changes impacting PY 2005, only six (6) of the ten goals (#s 1,2,7,8,9 and 10) had comparable, measurable data available. Four (4) of these goals, i.e., 7,8,9 and 10 were accomplished. These four goals: 7) reducing the rate of UI benefit exhaustion, 8) reducing the duration of UI claimants receiving benefits, 9) meeting or exceeding the job seeker entered employment rate, and 10) meeting or exceeding the job seeker employment retention rate, it should be noted, are "outcome results," not merely activity measures, thus highly indicative of direct improvement in the plight of UI claimants.

Only two (2) activity goals, i.e., 1) increasing the number of UI claimants entering employment, and 2) increasing the number of UI claimants referred to jobs were not met. This outcome appeared to be attributable to improvement in the state's economy which had 20% fewer unemployed in PY 2005, dropping the unemployment rate to a twenty-year low 3.7%.

The remaining goals, i.e., 3) increasing the number of job development contacts for UI claimants, 4) increasing the number of UI claimants participating in Job Search Workshops, 5) increasing the number of job search plans for UI claimants, and 6) increasing the number of UI claimants referred to supportive services could, unfortunately, not be definitively measured due to temporary unavailability of data associated with conversion to a new operating system. However, owing to the steep decline (- 43.5%) in the number of UI claimants served in PY 2005, it may be inferred that these activity-based goals would correlate to the number of claimants served and thus likely not be achieved.

II. ALLOCATION OF GRANT

Accomplishment of the goals of the RES program was pursued through the strategy of provision of direct services to UI claimants as quickly as possible. Therefore, the entirety of the RES grant was directed toward the allocation of seven and four-tenths (7.4) positions distributed among twenty-five (25) field offices. Targeting of these offices was determined by their proportionate share of the state's UI first payments, thus demonstrating need for these services, and by their likelihood for the most positive outcomes, as determined by comparative analysis of Workforce data, i.e., employment and unemployment levels and trends.

Offices selected and their position allocations for PY 2005 were: Albertville - 0.2 , Anniston - 0.2, Trussville - 0.4, Birmingham - 0.8, Alabaster - 0.3, Cullman - 0.1, Decatur - 0.4, Demopolis - 0.1, Dothan - 0.3, Enterprise - 0.1, Foley - 0.3, Ft. Payne - 0.1,

Gadsden - 0.2, Greenville - 0.2, Huntsville - 0.5, Jackson - 0.1, Jasper - 0.2, Mobile - 0.7, Montgomery - 0.6, Opelika - 0.4, Selma - 0.1, Sheffield - 0.3, Talladega - 0.3, Troy - 0.1, and Tuscaloosa - 0.4.

Delivery of Re-Employment Services by the Employment Service was accomplished through the state's One-Stop Career Center System. During PY 2005, Alabama had thirty (30) comprehensive One-Stop Centers and eight (8) affiliated one-stop sites linked electronically to the Career Center System blanketing the state to provide re-employment services. While all points of service are charged with providing re-employment services to UI claimants, RES resources were concentrated in those areas identified above with the greatest need, as well as the likelihood for success.

III. UTILIZATION / COST

RES funds for PY 2005 were expended in accordance with the state's approved Two Years of the Five Year Strategic Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act.

RES-funded positions were fully utilized during PY 2005 to provide re-employment services to UI claimants. The program year ended June 30, 2006, with 7.9 positions paid and 100.0% of RES funds (\$527,432) expended. Virtually all costs reflect direct personal services/benefits costs or allocated positional costs associated with the 7.4 field positions funded by this grant.

IV. ACTIVITIES / OVERVIEW

Early intervention with direct job search assistance has long been determined to be the most effective strategy to assist UI claimants in returning to employment in the shortest possible time. This strategy was effected through the following services:

- 1) Development/Enhancement of Resume in AJL
- 2) Referral and Placement
- 3) Development of Job Search Plans
- 3) Job Development
- 4) Provision of Labor Market Information
- 5) Job Search Workshops, including orientation to the One-Stop Resource Center
- 6) Follow-up, to determine the need for further services

This strategy has been conveyed to the field via ES Memorandum stating administrative policy on Re-employment Services, and reinforced through Local Office Annual Plans directing each office to develop a written plan on the provision of re-employment services to UI claimants.

Core employment services were provided to UI claimants as appropriate in PY 2005, to

include selection and referral to jobs, resume preparation, assessment, testing, job search planning, provision of labor market information, and job development. Selection and referral to work services for UI claimants were enhanced through amendment of administrative policy which recognized UI Claimants for priority of services, after Veterans, to include referral to job openings. This formal designation of UI claimants as a priority group recognizes the Employment Service's commitment to providing priority of services to UI claimants.

Job Search Workshop activity was conducted in conjunction with a WIA initiative to serve TAA and WARN Rapid Response claimants and made available through Career Centers or affiliated locations as needed. This intensive, cutting-edge service focuses on job search, application completion, resume preparation, and interviewing skills utilizing Workshop aids such as video tapes and workbooks. An electronic self-help Jobshop is also available through JobSeeker Links on the AJL homepage.

"Orientation" to the Career Center Resource Room remained a vital and integral part of every workshop. Claimant awareness of the resource room and its variety of print, video, and electronic career guidance tools and materials have proven vital in the empowerment of job seekers to pursue self-directed service requiring limited staff assisted service. Internet access is available at all career centers.

Partner agencies in the Career Center System were informed and kept abreast of the RES program and services available to assist UI claimants. Claimants determined to have employment barriers impeding or precluding their return to suitable work were referred to appropriate partner agencies in the One-Stop for more intensive services assistance. Partners in turn were also encouraged to refer qualified clients to appropriate RES-related services. Referral to intensive services and training was accomplished as indicated in the plan. All One-Stop partners have access to the profiled claimants in order to assist in their return to work.

The Employment Service, through the One-Stop Career Center system, is the primary service provider for Worker Profiling Re-employment Services (WPRS), providing services to those claimants identified by UI according to profile data. Profiled UI claimants are provided services on a timely basis with individualized service plans for their return to the work force.

IV. ACCOMPLISHMENT OF PERFORMANCE GOALS

Outcomes achieved in these performance measures in PY 2005 must be judged in the context of the state's economic performance during this period. Unemployment during PY 2005 continued to improve, declining from PY 04s 4.6% to a three decade low 3.7%. Employment during this period also posted its best gain in a number of years, expanding by 2.1% in PY 05.

Goals were attained in four (4) of the ten (10) performance standards measured for PY 2005. All of these, i.e., 1) reducing the duration of UI claimants receiving benefits, 2) reducing the rate of UI benefit exhaustion, 3) meeting or exceeding the job seeker entered employment rate, and 4) meeting or exceeding the job seeker employment retention rate are, it should be noted, outcome results, not merely activity measures, and thus highly indicative of direct improvement in the plight of UI claimants.

Failure to attain goals 1) increasing the number of UI claimants entering employment, and 2) increasing the number of UI claimants referred to jobs was linked to a decline in the number of UI claimants available and seeking assistance. The UI claimant jobseekers pool shrank by 43.5% to 71,187 in PY 05, as the state's economy grew stronger posting the best employment expansion and lowest unemployment in recent years.

Goals 3-6, i.e., 3) increasing the number of job development contacts for UI claimants, 4) increasing the number of UI claimants participating in Job Search Workshops, 5) increasing the number of job search plans for UI claimants, and 6) increasing the number of UI claimants referred to supportive services could not be definitively measured due to temporary unavailability of data associated with conversion to a new operating system. However, owing to a decline of 43.5% in the number of UI claimants in PY 2005, it may be inferred that these activity-based goals would likely not be achieved.

Analysis of these goals and their performance indicators would indicate that the PY 2004-05 RES Plan was properly targeted and helped bring about improvement to the plight of UI claimants.

Following is a summation of the outcomes/accomplishments as measured by the performance indicators of the goals stated in the PY 2004-05 RES Plan. The first group are indicators of outcomes, not measures of activity.

- The rate of UI benefit exhaustion declined in PY 05 from 30.4% to 26.9% marking its most significant improvement in ten (10) years to reach its lowest level in four (4) years.
- The duration of UI claimants receiving benefits declined for the third consecutive year in PY 05 dropping to 11.5 weeks, down from 12.0 weeks in PY 2004.
- The Entered Employment Rate (EER) achieved in PY 05 was 63.7%. The EER for UI claimants bested this figure with an EER of 64.1%.
- The Employment Retention Rate (ERR) achieved in PY 05 was 79.4%. Again the ERR for UI claimants surpassed overall performance with 81.2% retaining employment.

- UI claimants entering employment in PY 05 declined 17.7% reflecting the drop in claimants and good economic conditions.

The following performance indicators are measures of activity, not outcomes, and are driven by the number of UI claimants seeking services:

- The number of active UI claimant jobseekers available in PY 05, numbered 71,187 representing a decrease of -54,853 or 43.5%. This resulted in UI claimants' share of the applicant pool shrinking from 37.2% to 21.8%.
- UI claimants referred to jobs in PY 05 declined 50.5% again reflecting shrinkage in the applicant pool.
- Job Search Planning data for PY 2005 is not available.
- Job Search Workshops data for PY 2005 is not available.
- Job development contacts data for PY 2005 is not available.
- Referrals to support services data for PY 2005 is not available.

V. CONCLUSIONS / PROPOSED ACTION

Despite the magnitude of multiple changes encountered in PY 2005, and the paucity of comparative performance data, the “key outcome measures” available in Common Measures (EER & ERR), the rate of UI benefit exhaustion, and the duration of UI claimants receiving benefits all attained their goals indicating direct improvement in the plight of UI claimants.

Activity measures, while important, are dependent upon and driven by the total pool of clients available for services. Failure to achieve these goals was felt to be more a reflection of improving economic conditions rather than the strategies implemented to achieve these goals.

Based upon the performance outcome results achieved, no major actions or changes would be contemplated for the continued effective, efficient delivery of Re-Employment Services (RES). The RES program has consistently provided enhanced direct services to UI claimants over and above universal core services resulting in continuous improvement in returning claimants to work as quickly as possible.