

REEMPLOYMENT SERVICES PERFORMANCE REPORT

STATE: Texas

DATE: October 2, 2006

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.

Use of Program Year 2005 RES Funds for Concurrent ES-UI Registration

Since Program Year (PY) 2001, the Department of Labor (DOL) has made available approximately \$35 million annually to provide direct reemployment services to unemployment insurance (UI) claimants. These funds supplemented the Wagner-Peyser (W-P) Act state allotments and were intended to enhance and target the core employment services to UI claimants provided within the framework of the workforce investment system and One-Stop Career Centers.

PY 2005 funding is to be used for direct services to UI claimants. Texas' allotment for PY 2005 is \$1,457,022. These funds supplement the W-P Act allotments to increase and enhance services to UI claimants over and above universal core services. TEGL 7-05 indicates that the RES funds are intended to "improve the quality and the quantity of reemployment services for UI claimants, build on existing initiatives, and target geographic areas where funding is most needed and will have the most positive outcomes."

At the direction of the Commission, TWC staff has developed a concurrent ES/UI registration initiative intended to direct UI claimants to reemployment services offered in the Texas Workforce Centers and to strengthen their reattachment to the workforce by availing themselves of those services.¹

In Texas, where initial UI claims are filed either by telephone or Internet, it is sometimes difficult to link claimants to the services offered in the Workforce Centers. Thus, concurrent ES/UI registration would integrate reemployment services in workforce centers with the remote initial claims filing process. Typically, the remote initial claims taking process does not lend itself easily to discussion of the services offered the workforce centers. By developing a concurrent ES/UI registration, however, customer service representatives would have greater opportunity to discuss with UI claimants the reemployment services in the workforce centers and reinforce the importance of work registration in the process of returning to work.

At the May 9, 2006 TWC meeting, the Commission considered the use of the State's RES allotment to support concurrent ES/UI registration. Applying RES funds to this project would fall within the guidance provided by DOL regarding activities and resources for improving

¹ Title IV, Texas Labor Code, §207.021 (a)(1) requires UI claimants in Texas, unless otherwise exempted, to register for work. In Texas, claimants access the automated WorkInTexas.com system to accomplish this requirement.

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reemployment services. In particular, concurrent UI/ES registration would meet two of the suggested activities aimed at providing effective reemployment services.

At the June 21, 2006 TWC Information Technology Work Session, the ES/UI concurrent registration project was identified as one of TWC's primary technology initiatives. Work is scheduled to begin in September of 2007. Texas' PY2005 RES funds allocation, which is available until June 30, 2008, will be an integral portion of this initiative's funding.

Attachment 1 provides an overview of the proposed ES/UI concurrent registration project.

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ATTACHMENT 1 EMPLOYMENT SERVICE/UNEMPLOYMENT INSURANCE INTEGRATION

Background

At the May 9, 2006 Commission Meeting, staff provided an update on steps that have been taken regarding the integration of the UI initial claim filing and work registration processes into a concurrent registration process.

As a part of TWC's Information Technology (IT) project on Employment Service (ES)/Unemployment Insurance (UI) Integration, the following phases remain:

- Phase 2: Redesign the WorkInTexas job seeker registration flow to get a better quality résumé/application for claimants, to help them return to work sooner.
- Phase 3: Implement other integration enhancements between UI and WorkInTexas.com if budget allows.

Full Integration (Phase 3 of ES/UI Integration)

Upon review of statutory and rule requirements, current UI initial claim filing and work registration processes, practices of comparator states, TWC Office of General Counsel's review of process alternatives, and guidance from the Commission, staff has developed potential system enhancements to achieve full integration of the UI initial claim filing and work registration processes. In developing the components which comprise this strategy, staff has attempted to balance several competing factors, including:

- the need to provide easy-to-understand systems for UI claimants and job seekers, without creating an undue data burden;
- keeping claimants and job seekers fully invested in successful reemployment outcomes as soon as possible;
- matching Texas employers with qualified applicants; and
- operating and maintaining efficient, cost-effective systems.

Moving ahead with a fully integrated system, with an effective work registration, will require extensive modifications to our technology platforms and business processes.

Note: Staff has determined capital appropriation authority does not exist for Phase 3, and will be required prior to project implementation. Capital appropriation authority could be requested as part of the Commission's Legislative Appropriations Request for Fiscal Years 2008-2009 biennium.

Telephone and Internet UI Initial Claim Filing with Full Work Registration

This approach would modify both the telephone claim filing process and the Internet UI initial claim filing system, *Apply for Benefits*, to collect the 16 additional work-search related WorkInTexas.com data elements (Attachment 1). All data elements collected at the time of UI initial claim filing, regardless of filing methodology, would be automatically transmitted to WorkInTexas.com, generating a concurrent work registration.

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Bringing this approach on-line would involve a complete rewrite of the *Apply for Benefits* application to include the necessary work registration fields. The enhanced application would use the same logon and home pages as the UI Payment Request application, which creates an Internet portal framework for the services TWC currently provides to claimants, including work registration, UI Payment Request and *Apply for Benefits*. It can seamlessly forward the claimant into WorkInTexas.com once the claim and registration are complete to encourage ongoing work search activities.

With regard to telephone claim filing, this approach would retool the current telephone UI initial claim filing process with greater use of the Interactive Voice Response (IVR) system and limiting customer service representative (CSR) claimant interaction only to those questions requiring free text responses or database look ups, which includes all WorkInTexas.com data elements as well as all appropriate *UI initial claims* data elements. An additional 23 CSRs are estimated to be needed.

The entire process will take approximately 12–18 months to operationalize, with work beginning in FY2008, at a total one-time technology cost of \$2.08 million and no ongoing costs apart from system maintenance. Total costs for the additional 23 CSRs would run to approximately \$800,000 per year. Also required would be an on-going \$156,000 IVR cost. Attachment 2 provides detailed technology cost estimates and captures all costs except the 23 additional CSRs.

Staff estimates that TWC will see an estimated \$1 million in cost offsets related to work-registration appeals and the Boards can expect to see offsets of approximately \$180,000 associated with staff-assisted work registration. Attachment 3 describes those projected offsets.

Alternative Funding Solution

Staff has investigated the possibility of using Program Year 2005 (PY'05) Reemployment Services (RES) grant funds to offset some of the costs associated with this strategy. Texas' allotment for PY'05 is \$1,457,022. Applying RES funds to the \$2.08 million for one-time technology costs falls within the guidance provided by the U.S. Department of Labor (DOL) regarding activities and resources for improving reemployment services.