

Highlights of **GAO-07-680**, a report to congressional requesters

UNEMPLOYMENT INSURANCE

More Guidance and Evaluation of Worker-Profiling Initiative Could Help Improve State Efforts

Why GAO Did This Study

Changes to the U.S. economy have led to longer-term unemployment. Many unemployed workers receive Unemployment Insurance (UI), which provided about \$30 billion in benefits in 2006. In 1993, Congress established requirements—now known as the Worker Profiling and Reemployment Services (WPRS) initiative—for state UI agencies to identify claimants who are most likely to exhaust their benefits, and then refer such claimants to reemployment services.

To assess the implementation and effect of the initiative, GAO examined (1) how states identify claimants who are most likely to exhaust benefits, (2) to what extent states provide reemployment services as recommended by the Department of Labor (Labor), and (3) what is known about the effectiveness of the initiative in accelerating reemployment. To answer these questions, we used a combination of national data; review of seven states, including visits to local service providers in four states; and existing studies and interviews with Labor and subject matter experts.

What GAO Recommends

GAO recommends that Labor reevaluate worker-profiling data collection, take a more active role in ensuring the accuracy of state models, encourage states to adhere to Labor’s vision for reemployment services, and consider evaluating the impact of the program. The Secretary of Labor generally agreed with our findings and recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-680.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sigurd Nilsen at (202) 512-7215 or nilsens@gao.gov.

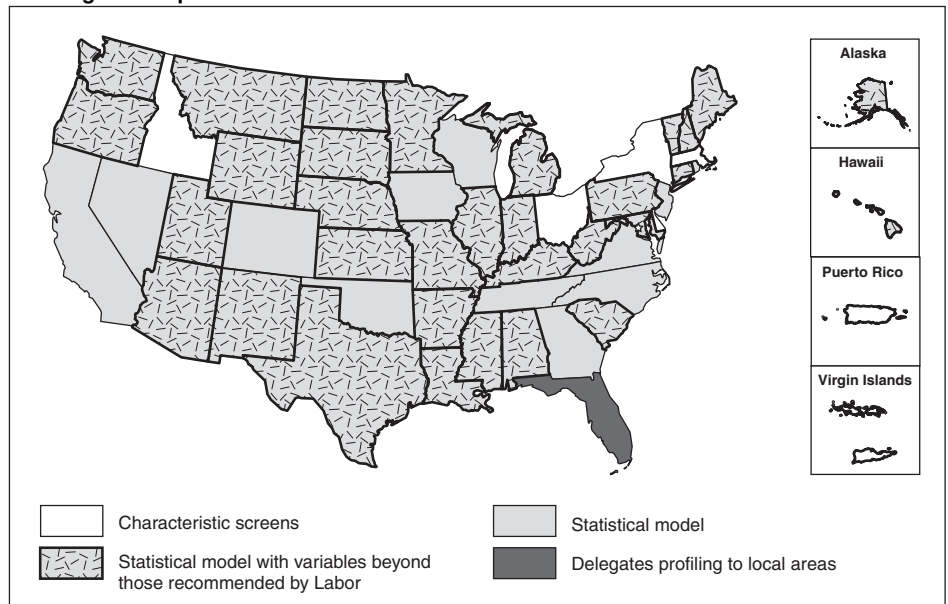
What GAO Found

Forty-five of the 53 states and territories use statistical models that facilitate the ranking of claimants by their likelihood to exhaust benefits, while 7 states use more limited screening tools that do not facilitate a ranking. Florida delegates the selection of profiling tools to local areas in the state. Factors used to determine the probability of exhaustion include a claimant’s education, occupation, and job tenure. Many states have not regularly maintained their models, and as a result, the models in some states may not be accurately identifying claimants who are likely to exhaust benefits.

Although Labor data provide a limited picture of states’ implementation of the worker-profiling initiative, 6 of the 7 states we studied did not provide the in-depth approach to services as recommended by Labor. Overall, an average of 15 percent of profiled UI claimants were referred to reemployment services, and 11 percent completed these services between 2002 and 2006. Six of the 7 states we contacted referred claimants to services, held them accountable for attending the services, and provided an orientation. However, only 1 of the 7 states provided individualized needs assessments, and developed service plans, as recommended.

Little is known about the effectiveness of the worker-profiling initiative as it is currently operating. Although studies using data from the 1990s generally indicated that claimants who were referred to services had reduced reliance on UI, there are no more up-to-date studies. Further, some of the program data collected by Labor are not reliable, and the data are not being used by Labor or states to evaluate the initiative.

Profiling Techniques Used in the United States



Source: GAO analysis of U.S. Department of Labor data; (Map) Map Resources.