

EXECUTIVE SUMMARY

In 1993, Public Law 103-52 amended the Social Security Act by requiring states to establish Worker Profiling and Reemployment Service (WPRS) systems whose objectives were to identify claimants likely to exhaust unemployment insurance (UI) benefits, refer them to reemployment services, and collect follow-up information on such services received and on employment outcomes. Reemployment services vary widely but often include an orientation workshop that provides an overview of available services; group workshops on topics such as resume writing, interviewing skills, local labor market information, and coping with job loss; staff-assisted or self-service use of career assessment tools and job listings; job clubs; and other activities to help claimants during their UI claim periods to find an appropriate job quickly and efficiently. The law also required claimants who were referred to services to participate in those or similar services as a condition for UI eligibility, unless they had just cause for not doing so. The intent of the legislation was to allocate reemployment services efficiently to UI claimants most likely to need assistance in finding employment (U.S. Department of Labor 1993). Research had also suggested that providing reemployment services to UI claimants was an effective strategy to reduce average durations of UI benefit receipt (Meyer 1995).

Since the legislation was enacted, all states have established WPRS systems, but the systems could be improved in several areas. An external evaluation and an internal review by the U.S. Department of Labor/Employment and Training Administration (DOL/ETA) (U.S. Department of Labor 1999a and 1999b) suggested updating and revising profiling models more often, increasing resources to serve more claimants, intensifying services, providing flexibility to shift resources across geographic areas to respond to needs, improving the data systems used to track services and outcomes, and furthering coordination and linkages among UI, Employment Services (ES), and Workforce Investment Act (WIA) programs.

In response to these findings, DOL/ETA awarded Significant Improvement Demonstration Grants (SIGs) to 11 states to improve reemployment services for UI claimants: Alaska, California, Louisiana, Maryland, Minnesota, New York, North Carolina, South Carolina, Washington, West Virginia, and Wisconsin. The two-year SIGs were intended to increase the effectiveness of reemployment services for UI claimants by improving the WPRS systems in grantee states. Further goals of the grants were to help shape future policy directions for reemployment services for UI claimants and to support implementation of the WIA.

Mathematica Policy Research, Inc. (MPR) has conducted a process/implementation evaluation of these grants. The evaluation comprised documenting the changes made with the SIGs and assessing the degree to which the proposed activities were implemented. We also documented reasons that states deviated from their implementation plans, when they did so, and provided implications of the SIG experiences for policy.

This final report describes findings from data collection activities conducted during 2000 and 2001. These activities included in-person visits to the 11 SIG states and telephone interviews with their staff. The staff we spoke with included SIG coordinators; UI, ES, WIA, and Management Information Systems (MIS) staff at the central office; and management and

reemployment services staff who conduct WPRS activities in the local offices and one-stops. The data collection also included a review of the grant proposals and relevant documents provided to DOL or for states' own internal use, as well as an analysis of state-level data on UI program activities and reemployment services provided as part of the states' reporting requirements to DOL.

We supplement our discussion of SIG-funded activities with information on some of the other innovative approaches states have taken to WPRS service delivery, even approaches not funded by the SIGs. We noted these improvements in their UI and one-stop systems to provide a comprehensive overview of the service delivery mechanisms of the 11 SIG states, as well as the associated strengths and potential pitfalls, so that DOL and other states can benefit.

This final report is an update to and an expansion of an interim report that described early implementation activities of the states, the problems encountered, and the lessons learned. Important expansions to the report include additional site-specific and cross-site lessons based on the full two years of SIG states' activities and a discussion of how patterns found across the SIG states illustrate how states may have difficulty achieving WPRS objectives. We also examine whether quantitative analysis of changes in service use and UI benefit receipt through pre-post-grant comparisons provides further information on the effects of the SIG efforts. However, this data analysis could not detect systematic patterns in the data over time. Many possible reasons for this exist, such as the effects of other factors on claimant outcomes (like changes in the economy or the broader UI and reemployment service system), poor data quality or changes in data quality, and the use of state-level data when SIG activities in some states were conducted only in some local offices. In addition, many of the grant activities, such as improvements in interagency coordination, are important but are likely to affect client outcomes only in the long run. We therefore view the primary contributions of this evaluation final report to be qualitative, with most of the lessons drawn from the implementation experiences of the states.

The activities of the 11 states awarded grants in June 1999 can be grouped into three main categories: (1) changing the mechanisms to identify and select claimants most in need of reemployment services, (2) improving these services, and (3) improving coordination among programs and agencies. Within these broad categories, the SIG states used a wide variety of approaches to improve their WPRS systems. Each state's experience was different because of the uniqueness of its SIG plans, its existing UI and reemployment services delivery system, and state labor market characteristics. Although there are patterns in the ways states used the grant money, these 11 different experiences provide a rich array of designs and approaches to ensure that claimants most in need of reemployment services receive them in a timely, effective way.

CHANGING THE MECHANISMS TO IDENTIFY AND SELECT CLAIMANTS MOST IN NEED OF REEMPLOYMENT SERVICES

A number of states used grant funds to address weaknesses in their WPRS systems resulting from delays in claimants' participation in reemployment services, low levels of participation, or poor identification of claimants most in need. The main strategies used to do so were:

- ***Developing Systems to Select Claimants for Services After Their Initial Claims.*** Calling in claimants at initial claim rather than first payment can reduce the length of time to service receipt, speed their return to work, and reduce their UI benefits. However, such profiling involves trade-offs. After changing to initial-claim profiling, Minnesota gave local offices discretion about whether to call in claimants with separation issues or denials. In contrast, Alaska had planned to change to profiling at initial claim but, because of concerns about the increased staff burden from serving more claimants and investigating the situations of claimants in denial periods, decided against doing so. South Carolina changed to initial-claim profiling but encountered problems calling in claimants who were ineligible for benefits. States that switched to initial-claim profiling were generally successful at reducing time to service receipt.
- ***Expanding the Group of Claimants in the WPRS Selection Pools.*** Some states originally excluded some claimants from their profiling selection pools because of the statistical complexity in calculating scores for them or difficulties accessing the necessary data. Several SIG states developed mechanisms to include groups that had previously been excluded, such as claimants with short potential durations or missing scores. Washington originally planned to include additional initial claimants in the WPRS process so that local office staff could invite them to attend reemployment services; however, the state developed a simpler strategy. Generally, including more claimants in the WPRS process means that more claimants may be required to participate in services when offices have the capacity to serve them. When a one-stop cannot serve all claimants in its pool, increasing the number of claimants in the pool may alter who is called in for services but will not increase the number served.
- ***Improving the Statistical Precision of Profiling Models.*** Several states included additional variables or reconfigured variables already in their models. Most states did so within the SIG period; those that did not alter how claimants in a local office are ranked faced constraints on the availability of programming resources. Many model changes may result in a better identification of high-risk claimants and a greater likelihood that these claimants will be served. However, some model changes, using characteristics that vary only across offices, will not affect how claimants in each office are ranked unless service delivery resources can be shifted from one geographic area to another. More generally, states were challenged in figuring out how to specify their models and implement diagnostics tests. They may benefit from more DOL assistance for the task.

IMPROVING REEMPLOYMENT SERVICES

Delivering reemployment services is central to WPRS's goal of promoting reemployment and reducing UI duration. Many states used their SIG funds to improve reemployment service delivery or increase their capacity to offer these services. Their main approaches were:

- ***Improving Orientation and Reemployment Workshops.*** Several states used the SIG to improve and standardize the content and style of workshops that one-stops offer, with the common goal of increasing claimant participation and engagement. They also updated the information presented to incorporate changes resulting from

implementation of WIA and new technologies and resources available in one-stops. In several states, central office staff revamped their workshops and trained local office staff on the changes. In contrast, Wisconsin asked several local office staff to assess and improve their workshops. Alaska facilitated sharing of workshop strategies among local office staff through regularly scheduled teleconferences and workshops.

- ***Strengthening the Assessment Process.*** Four states used the SIG to strengthen the ability of staff to tailor service plans to the unique needs of individual claimants. Minnesota and Washington developed assessment forms to identify claimants' needs for reemployment services. Alaska and Minnesota also examined strategies to identify sensitive personal barriers that might interfere with reemployment. New York used SIG funds to provide local offices with commercial career assessment software. As part of these efforts, these states established confidentiality policies.
- ***Enhancing Follow-Up Activities.*** Several states used the SIG to strengthen claimants' involvement in reemployment services during their UI claim periods. Wisconsin developed procedures for contacting claimants at specific intervals to encourage voluntary participation. Other states developed and implemented requirements for claimants who continue to collect UI benefits, often tying these activities to eligibility reviews. These and other follow-up activities facilitate learning about claimants' employment statuses, which can improve statistics on claimant outcomes.
- ***Facilitating Receipt of Self-Access Services.*** WIA's emphasis on self-service activities, along with changes in technology, has influenced state approaches to self-access services. Several states encouraged the use of new technology by making computers, the Internet, and computer-based resources more available. All states, in their regular operations, provide one-on-one staff assistance or special workshops on the use of new technology, but California explored making such assistance a formal part of WPRS. California developed and pilot-tested a WPRS orientation workshop component to teach claimants how to use the Internet to find jobs.
- ***Increasing Service Capacity.*** Because WPRS is designed to allocate resources to claimants most likely to exhaust UI benefits, North Carolina, West Virginia, and Wisconsin allocated new SIG-funded staff to areas with either historically low service capacity or anticipated high needs. North Carolina specifically targeted workers from declining industries to receive intensive reemployment services.

States generally were successful at implementing their proposed improvements to service delivery. A key element of their success was that central office staff directing the SIG efforts either had the authority to implement changes and train local office staff about them or had well-established procedures to work with staff who did have such authority.

IMPROVING COORDINATION AMONG PROGRAMS AND AGENCIES

For WPRS systems to be successful, good linkages are needed among UI, ES, and WIA data systems and agency staff. Developing good data linkages is challenging, since, in most states,

these three programs have separate data systems. Developing linkages and fostering cooperation among staff is also difficult. The goals of the programs differ, and they are managed separately, sometimes through different agencies and levels of government.

Several SIG states used some of their grant funds to address these coordination issues, particularly linkages among data systems. The main data system improvements they made were:

- ***Improving the Link Between Identification of WPRS-Eligible Claimants and the Call-In Process for Local Office Services.*** Maryland developed a new local-office-based WPRS data system that reduced the time between initial claims and delivery of reemployment services. Washington made similar improvements to its system prior to the SIG and considered further improvements, but it put those plans on hold pending development of a new one-stop operating system.
- ***Improving the Link from Service Delivery to UI Adjudication.*** The switch to remote initial-claims filing makes this link important, since adjudicators are no longer based in local offices. Several SIG states developed electronic forms to replace manual communication systems.
- ***Enhancing Reemployment Service Delivery and Performance Monitoring.*** The SIG states used several approaches to achieve this objective.
 - ***Improving Links Among Data Systems and Providing Wider Access to Multiple Data Systems.*** Linking data systems reduces the need to enter data in more than one system. Several states worked on these improvements to enable staff in different programs to cross-reference services and benefits their clients receive from other programs.
 - ***Creating Local Office Claimant-Level Reports.*** Louisiana and South Carolina created additional claimant-level reports to enable local offices to monitor and manage their workloads better, to identify claimants who need follow-up calls to offer additional services, or to record information on obtained employment.
 - ***Creating Local Office Summary Reports.*** Alaska, South Carolina, and Washington created summary reports to measure and monitor performance. In Washington's case, links were developed among separate data systems so that a cross-program measure of the percent of benefits collected could be used. This measure, calculated for profiled claimants who are called in for services and who attend at least one workshop, relies on data from both UI and ES programs.

Many of these data system changes were successfully implemented within the grant period, but because WPRS operates in a broader program environment, some states encountered difficulty. Four states developed ways to improve their tracking systems, but they decided against implementing at least one piece of the improvements because the WPRS computer systems are part of a larger computer system undergoing changes over several years.

Several SIG states also tried to improve coordination and cooperation among programs and between central and local office staff, such as by using some of the data system improvements listed earlier. States used cross-office training sessions to standardize the delivery of services, and Alaska also used them to build relationships among staff from different agencies. That state used annual statewide conferences and monthly teleconferences as forums for various agencies to describe their programs to WPRS staff, with the goal of promoting referrals for profiled claimants. Finally, South Carolina used its SIG to fund field coordinators to improve communication between the central office and the local offices throughout the state.

INFERENCES ABOUT WPRS SYSTEMS NATIONWIDE

Collectively, the 11 SIG states represent a range of strategies for operating WPRS systems, and their systems are probably typical of those of other states. With this in mind, we used our in-depth analysis of the experiences of the SIG states to identify several broad patterns about WPRS systems nationwide. We found that:

- ***States may not have proper allocations of resources across geographic regions to serve the highest-risk claimants.*** Distributional issues within a state may prevent some offices from targeting services to claimants with the highest profiling scores, even when the WPRS model identifies them as most in need. These resource misallocations may arise from historical patterns in funding allocations across regions within a state or from political considerations. Temporary supplemental funds, such as the SIGs, can supplement other funding sources by giving states more flexibility in directing reemployment services to clients who need them most.
- ***States may not be providing intensive and individualized services, coupled with enforcement, as envisioned for WPRS.*** The services we observed in most SIG states were not as intensive or individualized as those envisioned for WPRS (U.S. Department of Labor 1999b). Although the types of services offered may vary across local offices within a state and according to variations in WPRS workloads over time, most states used one of two possible strategies for providing services. Some provided intensive services, which were minimally individualized, by requiring all WPRS claimants to participate in an in-depth workshop that provided advice on a wide range of job search strategies and lasted up to 10 hours. Others provided individualized services that were not likely to be as intensive. These states required WPRS-mandated claimants to participate in a brief orientation that covered the availability of services and sometimes an introduction to job search strategies. Some states required a follow-up service (often selected by the claimants and usually of short duration and low intensity) or one-on-one meetings with staff. Other states required no follow-up services. Staff frequently were reluctant to assign and enforce participation in follow-up services based on their subjective assessments of a claimant's need.
- ***States varied in the strength of their operational linkages between agencies.*** States varied widely in their coordination between UI, JS, and WIA. In several cases, state-level staff involved in the SIG activities commented that the WPRS program is perceived as being run primarily by only one agency (usually either UI or ES). WPRS tasks and authority may have been divided among agencies when the system was designed (in the mid-1990s). One or more agencies within a state may have

failed to become involved in the continual efforts needed to update and improve the system so that potential UI exhaustees are correctly identified, referred to services, and tracked to ensure that their needs are met. This challenge may be exacerbated by the lack of a separate WPRS funding stream. For more effective WPRS programs, states may need to exert deliberate efforts to strengthen their linkages between the programs that serve claimants the WPRS system identifies as likely exhaustees.

- ***Some states were developing non-WPRS orientation workshops to introduce claimants to services and considering how to integrate them with WPRS.*** Some policymakers have been concerned that remote initial-claim filing will reduce the likelihood that claimants will go voluntarily to ES—because claimants are not already in local offices and because call center workers are unlikely to make systematic referrals to reemployment services (U.S. Department of Labor 2000). The WPRS system may counteract this concern in part, since it requires some claimants to visit a local office early in their spells to learn about services. However, other claimants may not systematically be made aware of and be offered services. As a result, some SIG states have begun developing procedures to inform most or all non-job-attached claimants of services by requiring them to participate in orientation workshops that are independent of WPRS. These SIG states were investigating ways either to integrate this workshop with the WPRS-mandated orientation workshop for selected claimants or to ensure that the information presented was not redundant. However, these states have not yet had the opportunity to refine their processes and offer lessons about the most efficient use of staff’s and claimants’ time.

We also identified ways in which states may encounter trade-offs in designing or modifying their WPRS systems:

- ***Changing from profiling at first payment to at initial claim may influence a state’s ability to target services and decrease trust fund expenditures.*** Changing profiling from at first payment to at initial claim is likely to improve a state’s ability to provide services earlier in claimants’ UI spells. States may expect this to lead to decreased UI durations and trust fund expenditures. However, these intended results may not occur, because initial-claim profiling is likely to reduce a state’s ability to target services to potential UI exhaustees. Some claimants who do not receive benefits and claimants who receive only a few weeks of benefits may be called in for services. The later service delivery is, the higher is the concentration of potential exhaustees who receive those services, and the better targeted those services are. For a fixed level of resources, therefore, it is an empirical question whether profiling at first payment or at initial claim is more effective at reducing weeks of UI benefits paid and trust fund expenditures. Policymakers also may want to weigh the effects of providing services to unemployed workers who are disqualified from UI but are at a high risk of long unemployment durations in their decision making.
- ***States face trade-offs between ensuring claimant cooperation in service receipt and enforcing participation requirements.*** States grappled with how to achieve a cooperative and constructive relationship with claimants while simultaneously enforcing participation requirements. Different states may choose different strategies

for balancing these issues, but their decision influences their ability to achieve other WPRS system objectives, such as early intervention and efficient use of staff time. When claimants who do not show up for services fail to contact the local office to provide a reason and reschedule, the state must decide how to respond to this nonparticipation. Some SIG states give claimants several chances to attend an orientation session before they are subject to adjudication. As a result, some claimants who eventually receive WPRS services may do so quite late in their unemployment spells, which would reduce the potential benefits of early intervention. However, allowing claimants more than one opportunity to participate may avoid unnecessary adjudications. In contrast, other SIG states instruct local office staff to report a no-show for UI adjudication the first time a claimant fails to report to a WPRS activity. This speedy enforcement of requirements may help ensure that claimants who receive services do so early in their unemployment spells. However, it may hinder a cooperative relationship between claimants and staff when the claimants eventually do participate, and adjudication rates are likely to increase. If the adjudication identifies primarily claimants who failed to show for just cause, then workloads for adjudication staff may increase without saving UI trust funds or improving program integrity. However, if the quick referral to adjudication is accurately identifying uncooperative claimants, denials also will increase and program integrity may be improved.

INFERENCES ABOUT THE WIA

We also used our data collection efforts to identify several patterns across states as they implemented WIA and integrated WPRS activities in their one-stop environments. Efforts to improve their UI and reemployment services systems most directly pertained to the key WIA principles of streamlining services, providing universal access, empowering individuals, and increasing accountability. States and one-stop staff reported that these efforts were ongoing.

At the time of our visits to states, the states varied significantly in their implementation of the one-stop system. We encountered positive instances of states or one-stops that had made considerable progress toward integration or that were actively working toward this goal. We also encountered other instances in which one-stops still needed to overcome large barriers, such as ensuring that the partners had an adequate one-stop presence, that space was available to conduct activities, and that partners were satisfied with the cost-sharing arrangements. These issues will need to be addressed to foster greater cross-program cooperation and integration at the local level.

States reported facing several struggles when trying to integrate data systems. These included difficulty because of the complexity of the process and inability to obtain enough staff time to overcome the programming hurdles. They also included issues surrounding the confidentiality of the data and concerns about improving existing systems when major upgrades were expected. Often, systems integration lagged behind other aspects of WIA implementation. Nevertheless, state staff recognized the potential benefit of data systems integration to help achieve WIA goals, such as providing better customer service and developing performance measures.

Strong state-level leadership may be able to make successful implementation of the WIA easier. This may be true both as agencies undergo organizational changes and as these systems are refined in response to changes in the program environment and local labor market.

The WPRS system is a key mechanism to introduce claimants to WIA services, so states need to ensure that WPRS staff can make appropriate referrals. Many staff members reported that the WPRS system is an important method to bring customers to the one-stop, possibly especially so in states that no longer require in-person filing of UI claims. However, WPRS and many of the SIG-funded improvements have focused on the linkage between the UI and ES programs and data systems, rather than on linkages with partner agencies. States and one-stop agencies need to ensure that the WPRS system is fully integrated with other one-stop services and that staff who provide these services can make comprehensive and appropriate referrals so that WPRS claimants can better use the full range of services available to them.

Some state and one-stop staff expressed optimism about the effects of the WIA on their ability to administer the WPRS system and serve UI claimants, through increased availability of services, the ability to make more appropriate service referrals, and enhanced quality of services. However, some staff reported drawbacks that have occurred as part of the transition process. These included decreased funding to provide WPRS services or the inability to use WIA funds for WPRS services and inability to expand WPRS services because of space constraints in the one-stops. In addition, states may still be trying to decide how best to meet the needs of WPRS claimants upon implementation of the WIA regulations and the development of one-stops. Care should be taken to ensure that states and one-stops implement the WIA in a way that encourages claimants to benefit from both the WPRS system and WIA so that they receive better services and obtain better post-UI labor market outcomes than before.