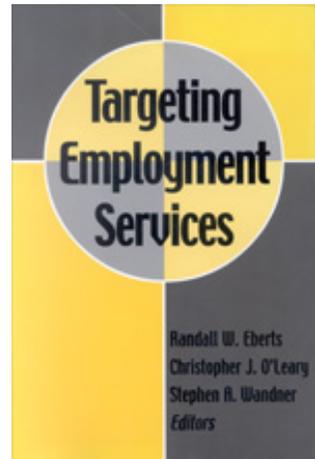# A Panel Discussion on the Experience and Future Plans of States

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Jim Finch
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A Panel Discussion on the Experience and Future Plans of States

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Utah Department of Workforce Services

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Rich Hobbie

Because we are short on time, I will introduce our three distinguished panelists together and ask them to speak in the order in which I introduce them. Jim Finch is Director of Payment Services for the Utah Department of Workforce Services. Chuck Middlebrooks is Unemployment Insurance Director for the South Carolina Employment Security Commission. Jack Weidenbach is Assistant Commissioner for the Minnesota Department of Economic Security. Each of the panelists will share his experience with targeting employment services and his plans for the future. Jim Finch will speak first.

Jim Finch

This conference has been a very interesting experience for me and, I am sure, for everyone that operates at the level I do in the employment

security system. Targeting is just one piece of the total package that we have to deal with. While listening the last couple of days, I was reminded of my first experience with profiling, when I was a local office manager in Salt Lake City. Our benefit payment control chief developed a profiling system for people who were apt to commit unemployment fraud. We tried it out for a little while, and it was very accurate.

After I had three or four radio interviews, a couple trips to local television stations, and newspaper reporters questioning me about this profiling system, I realized that profiling can be a two-edged sword. The model was very good at identifying clients and customers who needed specific kinds of services, but it included some elements to identify certain groups having rather vocal public representation. As soon as the word got out that they were being identified on demographic characteristics, and not for any other reason, it created a significant public relations problem. Keep that experience in mind as you are developing your profiling systems.

When Rich Hobbie introduced me, he mentioned that I am director of payment services for Utah's Department of Workforce Services. I just want to touch on that. At one time I was the unemployment insurance director for the department. However, in 1996, Utah's approach to welfare reform was to combine the Office of Family Support—which we used to call the welfare department—with Job Service and the JTPA agency to form a single department. At the same time we established a centralized telephone UI claims center. It didn't take long to realize that the ongoing eligibility function of our welfare activities could also be handled in the telephone center. I was given responsibility for the ongoing eligibility function for welfare services, so my position changed from unemployment services to payment services.

As I listened to Randy Eberts's presentation, and certainly Jim Vollman's luncheon talk yesterday, they very largely described where Utah is now—not where we intend to go, but where we actually are. In Utah, we had 24 job service offices before we combined with the other agencies. The combination created 109 offices statewide, and we have reduced that number to 51. At the same time our customer base has expanded. We have many more people seeking services though this expanded department than we did before. As a consequence we have had to implement Jim Vollman's cone of service, or what we called the Vollman wedge, which was mentioned earlier.

We have set up job connection rooms in our local offices where job seekers use PCs to review job orders. In essence, a routine job search is self-directed with little or no help from an employment counselor. Customers who are determined to need more intensive services would then be referred to the next level of service in the department. For UI, profiling is the entrance to more intensive services, which are offered in employment centers. For that reason, profiling has been an important part of our system. Without going into detail, I will say that some method of profiling has become absolutely necessary within our system because of our very high volume of customers.

Chuck Middlebrooks

When I was UI director in Maryland, we eagerly sought the opportunity from the U.S. Department of Labor to be the profiling test state. We saw profiling as a way to bring together activities of EDWAA (Economic Dislocation and Worker Adjustment Assistance), unemployment insurance, and the job service. Basically what we did was use profiling as an opportunity for selecting people who would be targeted for a 10-hour workshop, provided through the use of EDWAA resources. This provided a new entry into EDWAA for UI claimants. Previously they reached EDWAA services in a haphazard way. We saw the profiling demonstration as a real opportunity, and I believe targeting will continue to be used in the one-stop environment under WIA.

How services might be coordinated for a more generalized intake remains to be seen, but certainly where I am now, in South Carolina, we plan to continue efforts in that direction. I hadn't yet arrived when profiling started in South Carolina. The first attempt was based on a successful prior model which had nine factors. I believe that South Carolina was the state which identified delayed filing for UI as an important predictor; it actually is the second best predictor in our model. I think the relative value is in the 30 percent range. Why that is, I don't claim to know.

About one-third of the people profiled by our model are being served, so we are at the national average in that regard. The service provided to those referred was uneven across the state, and very dependent on the county of residence. The most widespread approach was to bring people in for a one-hour orientation, followed by various one-on-

one services. These included things that you would normally expect or encourage in job search-referrals, use of the phone for job prospects, and things like that. Some people did get into basic readjustment adjustment services in EDWAA, but only a small number of people went into training as a result. Last summer we started looking more closely at profiled client flows. This was my first opportunity to look at the data and make some changes, and I want to give some numbers so you can understand the context.

We had slightly more than 90,000 new initial UI claims. About two-thirds of these were on standby awaiting recall to their prior job, leaving about 30,000 to be profiled by the WPRS system. That 30,000 includes everybody from the lowest to the highest probability of UI benefit exhaustion. The state was calling in 9,000 to 10,000 people, so they were serving about one-third of the people, and most who were called in did come. Most of the referrals did receive the service.

Last summer we looked at the distribution of UI exhaustion probabilities. When I was in Maryland we used 40 percent as the cutoff point for EDWAA eligibility and service. I asked our staff in South Carolina to find out what cutoff probability was being used for referrals. It turned out that at the 40 percent and above level, there were about 10,000 UI beneficiaries, which was about what we were serving. The way the system worked was that profiled beneficiaries were listed in rank order, and the office was required to refer people in that order. They were not allowed to skip people, and I think we had pretty consistent implementation. In most offices we probably served those with predicted exhaustion probabilities of 40 percent or higher. Keep in mind that with 90,000 first initial claims, and 60,000 on standby, 10,000 of the remaining 30,000 had an exhaustion probability of 40 percent or higher.

Last summer we changed the profiling list provided to local offices so that it now only includes the people at or above the 40 percent probability. This required offices to bring in 10,000 clients, minus those excused for good reasons, and refer them to the dislocated worker program where they would start receiving additional services. The practice has not been as uniform as we would have liked, but we are moving toward consistent practice. In South Carolina, we also added a three-hour workshop. This is shorter than the 10-hour workshop tested in Maryland, but it was an expansion of services.

As part of the new three-hour workshops, there was also a simple change in the reemployment work search rule. In workshops, the clients were required to complete a brief work search questionnaire to be used in UI eligibility review (ER). Normally an ER is done in about the sixth week; however, under WPRS they report at about the fourth week so the initial ER is done sooner for WPRS clients. Before, there was no connection between WPRS and the UI eligibility review. I went out into the local offices, and in some cases the person was called in one week for profiling and the next week for eligibility review. Clients complained, so we tied those two together. We plan to improve coordination between these two programs.

We have funded additional positions for local offices to do job search workshops. During the first quarter not much happened, but during the winter quarter that just passed, 40 percent of all clients attended workshops. There were 3,400 participants instead of around 2,500. We increased both participation and the quality of our services. Clients felt like they were getting something more when they came into the office, something beyond a basic registration, and that was good. We had some excellent examples of follow-up service and use of new resource centers; however, we do not yet have the uniformity that we would like.

Future plans are to provide services earlier to profiled clients. I don't think we will go to the first day, as Georgia did, but we will probably do the batch the first night. We won't go to the first day because of the way we take and process UI claims. We plan to produce the profiling scores on the first night and to get people scheduled in either the first or the second week of their claim series instead of the fourth or fifth week. So we do plan to speed up the process.

We also need to smooth the procedures for quickly excusing some clients from the workshop. We plan a standard script for the workshop staff. Things go more smoothly when they understand exactly the order to proceed over material. We didn't want to be overly proscriptive to start with, but we are rethinking our strategy. We will permit reasonable exceptions to our script, but we expect general compliance. In particular, I would like a more objective process from the sixth week on.

Currently, we get a good start with the three-hour workshop, but as clients move along in the claim series, treatment is not consistent. We

want to have a plan for staff actions to take place starting after the sixth week, the twelfth week, and so on. We need tracking. Someone made the point that if the frontline people knew exactly what the results are, and what outcomes were being measured on a weekly or monthly basis, they will perform better. We don't have such a system in place, but we want one. We also want more training for the local office staff so they understand objectives of the reemployment effort. Sometimes procedures don't make sense to staff, because they don't know the underlying policies. Staff often regard required procedures as management's effort to complicate their duties. Performance monitoring with well-specified outcomes can improve appreciation for the value of well-designed staff procedures. Certainly we need to do more evaluation.

As an administrator who is always forced to think about program financing, I would like to say a few things about cost models. In South Carolina we serve 10,000 people on an annual basis. An important question is, "How do we pay for these services?" Does that mean $100 a head, or a million dollars that should be budgeted for special services above the normal? Or is the cost $150 or $200 per customer? We need some reliable cost models.

We expect lots of competition for intensive services. UI claimants will be competing in the same way as welfare recipients or anyone else. We estimated services costs in the neighborhood of $100 to $200 for the Maryland evaluation. We had enrollment of about 250 people and the cost turned out to be a little less than $200 per person. We could provide more up-front services, we could do the workshops sooner, and get people through services more quickly. However, if we are also going to review eligibility at 13, 16, and 18 weeks, the caseload will build up. These tensions should be balanced in the case management model.

Jack Weidenbach

In Minnesota, our approach has been somewhat like Utah's. We too have become true believers in the Vollman wedge client flow model, and we have worked very hard to coordinate our services with that model. In Minnesota, much of what we do is determined by the fact that we have a serious labor shortage. Minnesota is a geographically large state with a population of only about 4.4 million. Of those peo-

ple, 2.7 million are in the workforce, and we have the highest women's labor force participation rate in the nation and the second highest rate for males. This maximization of the workforce means there is pressure on us to get people back to work quickly.

Several years ago we changed the program name from "unemployment insurance" to "reemployment insurance." We are the odd state out, in terms of the name for the program, but the new name suggests our emphasis. We have seen real pressures on the WPRS system that lead us, at the local level, to lean more toward bringing everybody in for workshops instead of restricting services just to the high-quotient profiled. The reason is that the demand for the unemployed workers, who will be eligible for dislocated worker services in many cases, is high in most areas of the state. In many local areas, the WPRS system is almost certain to call in every person who is not job-attached for special job search services. That doesn't mean that we don't operate a WPRS system, but our model doesn't distinguish between claimants in a significant way, meaning that many people get similar services.

Our profiling system is built into the reemployment insurance system. It is a mainframe-based system that runs on the DB 2 database, and we have eight screens that staff can use to record the profiling activity. One computer screen allows on-the-spot profiling. That functionality is rarely used because we don't accept in-person UI claims anymore. It's something that staff would have to see the value in before they would want to go through that extra step. Getting staff to believe in the merits of the WPRS system has been kind of a struggle for us.

We decided around the middle of last year that we had to beef up our efforts in worker profiling for a number of reasons. The strongest was that we were centralizing our reemployment functions and we were worried about losing the connection between claimants and the one-stop services, so we really got serious about the processes. We revisited workflows, began training staff again, and reintroduced the screens as ways to let people see the value of the process. The result was that we provided services to about twice as many people in 1998 as we had in 1996–1997.

At first we had problems with the staff understanding the value of WPRS and why they should go through the extra steps of collecting

and entering data. We have improved on that with employment service staff over the last three years. We have, over the same period, become more closely integrated with our Title III partners. We are pushing a lot of "profiled" claimants into the Title III programs, but in that area, we still are unsuccessful in having them report activity in the computerized information system.

I would attribute a lack of success in this area to a couple of factors. One is somewhat cultural. UI tends to be viewed as a hard process. When you say we have this great program to profile claimants, the re-action in the service delivery area (SDA) world is that it's simply an-other way to avoid paying UI to people. I think this was the basis for an original reluctance to collaborate. The second factor is that SDAs are not familiar with UI automated systems and that staff must exit their normal systems to access the UI system.

We found that in order to change our approach to profiling, we had to change the budget structure. Last summer we took our ES and reem-ployment budgets for workforce centers (our one-stops), and tied fund-ing to the number of unattached claimants in the area and to the level of services delivered in the area. We are trying to refine the process and expand the number of services for which we track outputs. It appears to have given our middle managers a reason to pay attention. When you tie service funding to positive results, it makes a big difference.

I conclude by saying that Randy Eberts's presentation on FDSS this morning provided a direction where we ought to be going. We re-ally need a common computer operating system for one-stops, and ac-tually, a system that can be expanded outside of the one-stops to our af-filiated service providers. That's ambitious, but it's extremely important if we are going to tie this whole effort together, and if we want to do it well.

We have been involved with New Jersey and Utah in developing the first phase of the Workforce Investment System (WINS). We see it as the first part of our one-stop operating system. It is a replacement for the old employment service computer system that will be fully integrat-ed with America's Job Bank. It runs on the same Oracle database and has the same look and feel for customers. We would now like to move the profiling screens into the WINS system. This would provide a first step toward our one-stop operating system. It would be available for

everybody in the workforce center to do their business and to get used to starting people through the system at the big end of the Vollman wedge.

I really want to emphasize that the comments made earlier about FDSS are extremely important, and I appeal for a strong self-service component to that since we are moving so many services to self-service. The management role of FDSS should also be appreciated, it will permit us to properly serve the person who is walking in the door, and to treat customers in a consistent way.

Targeting Employment Services

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