

GAO

Report to the Chairman, Subcommittee
on Human Resources, Committee on
Ways and Means, House of
Representatives

June 2005

UNEMPLOYMENT INSURANCE

Better Data Needed to Assess Reemployment Services to Claimants



GAO
Accountability · Integrity · Reliability

Highlights

Highlights of [GAO-05-413](#), a report to Chairman, Subcommittee on Human Resources, Committee on Ways and Means, House of Representatives

Why GAO Did This Study

With unemployed workers at a greater risk of long-term unemployment than in the past, it is increasingly important to quickly connect Unemployment Insurance (UI) claimants with reemployment activities. However, the shift to remote claims filing in many states has raised concerns about maintaining a connection between the UI program and reemployment services. This report examines (1) the extent to which states have shifted to remote claims filing and how they are making claimants aware of program requirements and services, (2) what states are doing to facilitate reemployment of UI claimants, and (3) what is known about the extent to which UI claimants receive reemployment services and about their outcomes.

What GAO Recommends

GAO recommends that the Department of Labor work with states to consider the feasibility of collecting more comprehensive information on UI claimants' services and outcomes. Labor generally agreed with GAO's findings, but took issue with the need for more comprehensive data, commenting that, in its view, current and planned data collection efforts will provide sufficient information to policy makers. However, none of Labor's efforts provide a complete picture of UI claimants' services and outcomes, which is key to good program management and is an important step in understanding the impact of Labor's programs.

www.gao.gov/cgi-bin/getrpt?GAO-05-413.

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

UNEMPLOYMENT INSURANCE

Better Data Needed to Assess Reemployment Services to Claimants

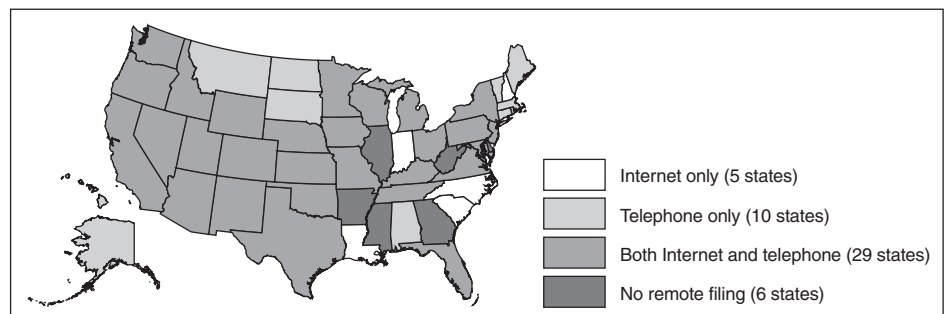
What GAO Found

Nearly all states accept most initial UI claims remotely by telephone, the Internet, or both. Even though claimants filing remotely no longer have face-to-face contact with UI staff at the time the claim is filed, all states told us they have found ways to provide information on eligibility requirements and reemployment services to individuals filing claims, such as by including this information in the scripts used by claims takers at UI call centers or as documents on Web pages. Officials from most states told us the shift to remote claims has not diminished their ability to provide information or deliver services to claimants. In fact, some report that this shift may have improved their ability to serve their customers.

Across states, claimants have access to a variety of reemployment services, and states make use of UI program requirements to connect claimants with available services at various points in their claim. All federally approved state UI programs require that claimants be able and available to work, and in many states these requirements also serve to link claimants to reemployment services. States also engage some claimants in reemployment services through programs that identify certain groups for more targeted assistance. States primarily target reemployment services to claimants identified as most likely to exhaust their UI benefits before finding work, through federally required claimant profiling programs.

Little is known about the extent to which claimants receive services from the broad array of programs designed to assist them or about the outcomes they achieve. States must meet a number of federal reporting requirements for their UI and employment and training programs, but none of these reports provides a complete picture of the services received or the outcomes obtained by UI claimants. GAO also found that few states monitor the extent to which claimants are receiving these services, and even fewer monitor outcomes for these claimants, largely due to limited information systems capabilities. Labor has some initiatives that may begin to shed light on claimant services and outcomes, but none will provide a complete picture.

Nearly All States Accept Initial UI Claims Remotely



Source: GAO analysis of data supplied by state officials in October and November 2004.

Contents

Letter		1
	Results in Brief	3
	Background	5
	Most States Have Shifted to Taking Claims Remotely, and All States Provide Claimants with Information on Their Obligations and Available Reemployment Services	9
	States Provide Claimants Access to a Range of Reemployment Services and Use UI Program Requirements to Connect Them with Available Services	15
	Little Information Exists to Provide a Complete Picture of Reemployment Services for Unemployment Insurance Claimants	19
	Conclusions	29
	Recommendations for Executive Action	30
	Agency Comments and Our Evaluation	30
Appendix I	Objectives, Scope, and Methodology	32
Appendix II	States That Accept Telephone and Internet Claims Remotely	37
Appendix III	Comments from the Department of Labor	39
Appendix IV	GAO Contact and Staff Acknowledgments	41
Related GAO Products		42
Tables		
	Table 1: Summary of Data Reporting Requirements and Their Limitations for Measuring Overall Claimant Services and Outcomes	22
	Table 2: States Selected for Site Visits	34
	Table 3: Local Workforce Areas Selected for Site Visits	35

Table 4: States That Accept Telephone and Internet Claims Remotely	37
--	----

Figures

Figure 1: Most States Take Initial UI Claims Remotely	11
Figure 2: Most States Reported It Was Difficult to Track Claimant Services across the Broad Array of Federal Employment and Training Programs	24
Figure 3: Reasons States Said Tracking Client Services Was Difficult	25
Figure 4: States' Assessment of How Difficult It Would Be to Track Outcomes for Claimants Who Received Services	26

Abbreviations

ADARE	Administrative Data Research and Evaluation
CATI	Computer-assisted telephone interview
EMILE	Employment and Training Administration Management Information and Longitudinal Evaluation
ETA	Employment and Training Administration
JTPA	Job Training Partnership Act
TAA	Trade Adjustment Assistance
TANF	Temporary Assistance for Needy Families
TAPR	Trade Act Participant Report
UI	Unemployment Insurance
WIA	Workforce Investment Act
WIASRD	WIA Standardized Record Data
WPRS	Worker Profiling and Reemployment Services

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



United States Government Accountability Office
Washington, DC 20548

June 24, 2005

The Honorable Wally Herger
Chairman
Subcommittee on Human Resources
Committee on Ways and Means
United States House of Representatives

Dear Mr. Chairman:

Over the past several decades, both the U.S. economy and its workforce have undergone substantial changes. Unemployed workers are now less likely to be rehired by their previous employers and are at greater risk of long-term unemployment than in the past. Over the past five decades, the average duration of unemployment has been gradually increasing, so that during 2002 periods of unemployment grew to an average of 16.6 weeks, compared with 11.3 weeks during the 1950s.¹ To assist workers who have lost their jobs, the Unemployment Insurance (UI) Program provided about \$35 billion in temporary income support in calendar year 2004. The cost of providing this income support, coupled with a growing trend toward longer-term unemployment, increases the importance of quickly linking UI claimants to the tools they need to become reemployed.

To be eligible for income support under the UI program, claimants must meet a federal requirement to be able to work and available for work. Traditionally, claimants were required to apply for benefits in person at an unemployment office, and information on available jobs and what they must do to remain eligible for benefits was often given to them as part of that process. However, over time many states have transitioned to the remote filing of UI claims—primarily by telephone or the Internet—and claimants have less face-to-face contact with staff. The shift to remote claims filing has raised concerns about maintaining a connection between the UI program and reemployment services.

At the same time, the workforce development system—responsible for helping these workers become reemployed—has undergone reform. With

¹ Wayne Vroman, *Extending Unemployment Insurance (UI) Protection*, (Washington, D.C.: Urban Institute, May 6, 2003).

the passage of the Workforce Investment Act (WIA) in 1998, services for over 17 different federally funded programs have been streamlined into a single service delivery structure, the one-stop system, and a broad range of services are made available to anyone who walks through the door. To be able to make these services available to all who seek them, state and local officials have begun to rely more heavily on self-directed services, such as allowing job seekers to use available Internet capabilities to conduct online job searches or to use available computers to develop resumes without staff assistance. This shift in service delivery strategy has raised concerns that some UI claimants may not be receiving enough information on reemployment services or timely assistance to help them find a job, and little is known about whether states have policies in place to help unemployed workers quickly become reemployed.

To address these issues, we examined (1) the extent to which states have shifted to remote methods for filing initial claims and how they are making claimants aware of their responsibilities to look for work and the services available to assist them, (2) what states are doing to facilitate the reemployment of UI claimants, and (3) what is known about the extent to which UI claimants receive reemployment services and about the outcomes of claimants who receive these services.

To learn more about the strategies implemented by state and local officials to promote participation in activities that may assist claimants in getting a job, we conducted telephone interviews with UI and workforce development officials in 50 states. For purposes of this review, we defined reemployment services to mean all reemployment activities funded through Wagner-Peyser; WIA Adult and Dislocated Worker services; any other training or job search assistance provided using federal funds, such as Trade Adjustment Assistance (TAA); and any state-funded reemployment or training services. We supplemented the phone interviews with a follow-up questionnaire to gather information on the strategies states use to collect data on UI claimants who receive reemployment services.² In addition, we conducted site visits to four states—Georgia, Maryland, Michigan, and Washington—chosen to give us a range of unemployment rates, dislocation activity, and experiences implementing remote claims, and to allow for geographic dispersion. On our site visits,

² For purposes of the survey, we defined *claimant* as an individual who has applied for regular unemployment compensation, been found eligible, and received a first payment of benefits.

we interviewed state officials in the workforce development system and UI programs and visited at least two local areas in each state, selected to provide a range of urban and rural sites. In addition, we reviewed documents and interviewed Department of Labor (Labor) officials and other experts in the area of UI and reemployment services. For details about our scope and methodology, see appendix I. Our work was conducted between February 2004 and May 2005, in accordance with generally accepted government auditing standards.

Results in Brief

Nearly all states have shifted to accepting most of their initial claims for unemployment insurance remotely by telephone or Internet, and states employ a variety of methods to make claimants aware of their responsibilities and the services available to them, often beginning at the time the claim is filed. Of the 44 states whose officials told us they currently accept initial claims by telephone or Internet, 29 states use both methods. Of the 6 states that do not currently accept remote claims, 3 said they plan to do so in the future. The remaining 3 states still require claimants to file for unemployment insurance in person. Even though claimants filing remotely may not have face-to-face contact with UI staff at the time the claim is filed, all states told us they have methods for providing information on eligibility requirements and reemployment services to individuals filing initial claims. For example, officials in Washington say that call center staff tell claimants of their responsibility to search for work and the penalty for failure to do so, and they direct them to the nearest one-stop center for assistance. In addition, most states that accept remote claims also mail claimants information on their responsibilities and available services. Some officials told us that rather than diminishing their ability to provide information on reemployment services to claimants, the shift to remote claims had improved services to claimants and helped ensure that they received consistent information about available services.

Across states, UI claimants have access to a variety of reemployment services, and states make use of UI program requirements to connect claimants with available services at various points in their claim. In all states, claimants may receive services available to all job seekers through the one-stop system, and in some states, claimants may also receive services provided through special state initiatives. In satisfying the requirement that claimants be able and available for work, officials in 44 states told us claimants are required to register for work with the state's labor exchange, which provides services matching job seekers with employers. In all but one state, claimants must also meet a work search

requirement to maintain their eligibility for unemployment insurance and avoid a potential loss of benefits. In many states, these requirements also serve to link claimants to reemployment services. For example, states may require claimants to come into a local employment service office or one-stop center to complete the work registration process. Interviews, which are often used to check whether or not claimants are conducting a job search that meets the state's requirements, may also include suggestions on reemployment services or job search strategies. States also engage some claimants in reemployment services directly through programs that identify certain groups for more targeted assistance. The federal requirement of claimant profiling—a process that identifies those most likely to exhaust their benefits before finding work—is the primary mechanism for targeting reemployment services to claimants in many states.

Despite states' efforts to design systems that link UI claimants to reemployment services, little data are available to gauge the extent to which claimants are receiving these services or about the outcomes they achieve. States must meet a number of federal reporting requirements for their UI programs and for their federally funded employment and training programs, but none of these reports provides a complete picture of the services received or the outcomes obtained by all UI claimants. For example, states must report on services provided to profiled claimants, but there is no report of services provided to all claimants. Further, states report on several measures of performance for their UI programs, but these measures do not currently provide any reemployment information, instead focusing largely on benefit and tax timeliness, quality, and accuracy. In our telephone interviews and surveys to states on their efforts to track claimants, we found that only 14 states currently go beyond the federal requirements to monitor how many claimants are receiving services from the range of federally funded programs that are designed to assist them, and only 6 monitor any outcomes for these claimants. Most states told us that the data elements needed to perform these calculations reside in separate, often incompatible, data systems, and they are unable to readily link them. Labor has some initiatives that may begin to shed light on claimant services and outcomes. For example, Labor is revising the UI performance measures and, in the summer of 2005, will begin requiring states to track a reemployment rate for all of their claimants. In addition, Labor's Administrative Data Research and Evaluation program, currently under way, will provide third-party researchers with detailed data from 9 states on participants in several programs, allowing researchers for the first time to track UI claimants' participation in a broad array of programs and to measure some of their outcomes. While these

initiatives provide more information than is currently available, none allows for a comprehensive nationwide understanding of the role of federal programs in helping claimants become reemployed.

To improve the understanding of claimants' use of services and of their outcomes, we recommend that the Secretary of Labor work with states to develop a plan for considering the feasibility of collecting more comprehensive service and outcome information, including the length of time claimants receive UI before they are reemployed. In its written comments, Labor generally agreed with our findings, but took issue with the need for more comprehensive data, commenting that, in its view, current reporting requirements in addition to new initiatives will provide sufficient information to policy makers. However, as we noted, none of Labor's efforts provide a complete picture of UI claimants' services and outcomes. Having such a picture is key to good program management and is an important step in understanding the impact of Labor's programs.

Background

The UI program was established by Title III of the Social Security Act in 1935 and is a key component in ensuring the financial security of America's workforce. The program, which is administered by the states with oversight from Labor's Employment and Training Administration (ETA), provides temporary cash benefits to workers who lose their jobs through no fault of their own. Today UI coverage is nearly universal, extending to almost all wage and salaried workers.³ To help claimants become reemployed, employment and training assistance is provided through a number of federal programs, including Wagner-Peyser Employment Service, WIA Adult, WIA Dislocated Worker, and TAA programs.

Unemployment Insurance—Structure of the Program

The UI program is funded by federal and state taxes levied on employers. The states collect the portion of the tax needed to pay UI benefits, while the federal tax finances state and federal administrative costs and other related federal costs. Labor holds these funds in trust on behalf of the states in the Unemployment Trust Fund. In fiscal year 2004, Congress authorized about \$2.6 billion to states to administer their programs.

Labor is responsible for overseeing the UI program to ensure that the states operate an effective and efficient UI program. Labor is also

³ Self-employed individuals and agricultural workers on small farms are generally not covered under UI.

responsible for monitoring state operations and procedures, providing technical assistance and training, as well as analyzing UI program data to diagnose potential problems. Although Labor provides oversight and guidance to ensure that each state operates its program consistent with federal guidelines, the federal-state structure of UI places primary responsibility for administering the program on the states. The states have wide latitude to administer their UI programs in a manner that best suits their needs within these guidelines.

States establish initial eligibility requirements to determine which unemployed workers are qualified to start collecting UI benefits. These requirements seek to ensure that an unemployed worker has had sufficient employment experience to qualify for UI benefits (known as the monetary eligibility requirements), and to determine whether the worker lost the job through no fault of his or her own (the nonmonetary eligibility requirements). State claims representatives are responsible for determining each claimant's initial eligibility for UI benefits by gathering and (when possible) verifying important information, such as identity, employment history, why the claimant is no longer working, and other sources of income the claimant may have. Once the claim has been submitted for processing, the state sends forms to the claimant's employer(s) requesting them to verify the claimant's wages and the reason the claimant is no longer working. If the individual's claim for UI is approved, the state then determines the amount of UI benefits, depending on the individual's earnings during the period upon which the claim is based and other factors. In general, most states are expected to provide the first benefits to the claimant within 21 days of the date the state determined that the claimant was entitled to benefits.

In order to remain eligible for benefits on a continuing basis, claimants must also demonstrate that they are able to work and available for work and are still unemployed. Claimants must submit this certification of continuing eligibility—by mail, telephone, or Internet, depending on the state—throughout the benefit period. This practice is usually done weekly or biweekly. States may continue to monitor claimant eligibility through an eligibility review program, in which certain claimants are periodically contacted to review their eligibility for benefits, work search activities, and reemployment needs. Typically, the maximum duration of benefits is 26 weeks.

Claimant Profiling in the Unemployment Insurance Program

In November 1993, Congress enacted legislation amending the Social Security Act to require that each state establish a Worker Profiling and Reemployment Services (WPRS) system and implement a process typically referred to as claimant profiling. The claimant profiling process uses a statistical model or characteristics screen to identify claimants who are likely to exhaust their UI benefits before finding work. Claimants identified through this process are then referred to reemployment services while they are still early in their claim. For profiled claimants, participation in designated reemployment services becomes an additional requirement for continuing eligibility for UI benefits.

To assist states in implementing WPRS, Labor developed a prototype model for determining the probability that claimants will exhaust their benefits based on a set of five claimant characteristics: education, job tenure, industry, occupation, and the local unemployment rate. While some states have included only these five variables in their profiling models, others have used this prototype as a benchmark and have included additional variables, such as the claimant's pre-unemployment earnings, weekly benefit amount, UI wage replacement rate, potential duration of UI benefits, delay in filing, and the ratio of quarterly earnings to earnings in the base year.

Reemployment Services for Unemployment Insurance Claimants

Reemployment services for UI claimants are usually delivered by a range of federally funded employment and training programs, often through consolidated service delivery structures called one-stop centers. When it was passed in 1998, the WIA began requiring that about 17 federal employment and training programs, including UI, provide services through the one-stop system. WIA allows local areas considerable flexibility in how these programs provide services through the system, so the degree of connection throughout the one-stop system between UI and other workforce programs can vary widely by state and local area. Among the many federal workforce programs that may provide reemployment services to UI claimants, four programs funded by Labor are most likely to serve UI claimants: Employment Service, WIA Adult program, WIA Dislocated Worker program, and TAA. All four of these are required to be part of the one-stop system, and each has its own performance reporting requirements.

Employment Service. The Employment Service was created in 1933 by the Wagner-Peyser Act, making labor exchange services—that link job seekers with job opportunities—universally available to employers and job seekers alike without charges or conditions. Historically, many states colocated

local Employment Service and UI offices so that when UI claimants applied for benefits at Employment Service offices, they would be exposed to employment services. Today, states' labor exchanges typically involve online databases where job seekers can look for work and apply for jobs, and where employers can post jobs and recruit employees. In addition, Employment Service offers a range of services to job seekers, including job search assistance, job referral, placement assistance, assessment, counseling, and testing. Employment Service also offers a number of services to employers, including taking job orders, recruitment, screening, referrals of job seekers, assisting with job restructuring, and helping employers manage layoffs.

WIA Adult and WIA Dislocated Worker Programs. When WIA was enacted in 1998, it replaced the Job Training Partnership Act (JTPA) programs for economically disadvantaged adults and youth and for dislocated workers with three new programs—WIA Adult, Dislocated Worker, and Youth—that provide a broader range of services to the general public, no longer using income to determine eligibility for all program services. WIA programs provide for three tiers, or levels, of service for adults and dislocated workers: core, intensive, and training. Core services include basic services such as job searches and labor market information. These activities may be self-service or require some staff assistance. Intensive services include such activities as comprehensive assessment and case management—activities that require greater staff involvement. Training services include such activities as occupational skills or on-the-job training. Labor's guidance provides for monitoring and tracking of performance for the adult and dislocated worker programs to begin when job seekers receive core services that require significant staff assistance. WIA currently excludes job seekers who receive core services that are self-service and informational in nature from being included in the performance measures.

Trade Adjustment Assistance. To assist workers who are laid off as a result of international trade, the Trade Expansion Act of 1962 created the Trade Adjustment Assistance program. Historically, the primary benefits available through the program have been extended income support and training. Participants are generally entitled to income support, but the amount of funds available for training is limited by statute. Congress has amended the TAA program a number of times since its inception. Amendments to the TAA program in the TAA Reform Act of 2002 extended income support to 78 weeks after exhausting UI benefits (plus 26 more weeks if participating in and completing remedial training) and added new

health coverage assistance and wage insurance benefits for older workers.⁴

Other Funds to Support Reemployment Services

To promote reemployment through the one-stop system, Congress appropriated \$35 million a year beginning in 2001 for Reemployment Services Grants specifically to provide reemployment services for UI claimants. Each year Labor has provided a minimum of \$215,000 to each state, with the remainder of the \$35 million distributed according to the share of each state's first payments to UI claimants in the previous fiscal year. These funds are authorized under Wagner-Peyser, and services are generally delivered by state Employment Service staff. Labor issued guidance to the states to use the funds to enhance the quality and quantity of services that UI claimants receive within the one-stop system, encouraging states to use the funds to provide direct services to UI claimants.

Most States Have Shifted to Taking Claims Remotely, and All States Provide Claimants with Information on Their Obligations and Available Reemployment Services

Nearly all states accept most initial UI claims remotely by telephone, Internet, or both. Even though claimants filing remotely no longer have face-to-face contact with UI staff at the time the claim is filed, all states told us they have found ways to provide information on eligibility requirements and reemployment services to individuals filing initial claims, often beginning at the time the claim is filed. Most states told us that the shift to remote claims did not diminish their ability to provide information on reemployment services to claimants and, in some cases, had improved customer service and helped ensure that claimants received consistent information.

⁴ For more information, see GAO, *Trade Adjustment Assistance: Reforms Have Accelerated Training Enrollment, but Implementation Challenges Remain*. [GAO-04-1012](#) (Washington, D.C.: Sept. 22, 2004), and *Health Coverage Tax Credit: Simplified and More Timely Enrollment Process Could Increase Participation*. [GAO-04-1029](#) (Washington, D.C.: Sept. 30, 2004).

Most States Accept Initial UI Claims by Telephone or Internet

Forty-four states accept initial claims for unemployment insurance by telephone⁵ or the Internet,⁶ based on our telephone interviews with state officials. Of these states, 29 use both remote filing methods, while 10 accept claims only over the telephone and 5 take them only by Internet (see fig. 1). In most states with telephone claims, claimants speak with customer service representatives, although in 6 states claimants may use an automated voice response system to complete their claim.⁷ In some states with such automated systems, it is possible for a claimant to file an initial claim without speaking to anyone. However, if problems occur during the process, callers can be transferred to remote claims centers where a service representative works with them to complete the claim. Of the 6 states that did not accept remote claims, 3 said they plan to begin accepting initial claims by Internet or telephone in the future. The remaining 3 states still require claimants to file for unemployment insurance in person. For example, Georgia officials told us that they do not currently allow claimants to file initial UI claims remotely, preferring instead to have claimants file in person at workforce centers,⁸ where they typically file their claims using the state's private computer network. (See app. II for more information on which states take initial UI claims remotely by telephone or Internet.)

⁵ For the purposes of this study, a state was considered to take telephone claims remotely if it had implemented telephone filing for intrastate initial claims at the time of our interview. Most of these states provided the telephone option statewide, but a few of them, such as Tennessee and Virginia, were still transitioning to statewide implementation.

⁶ For the purposes of this study, a state was considered to take Internet claims remotely if claimants statewide had the option of filing over the Internet from outside of a one-stop, Employment Service, or UI office at the time of our interview. We did not consider a state as an Internet filing state if it operated only a pilot program in a part of the state and had not established a definite date for statewide implementation.

⁷ Even when the claim is filed through a customer service representative, the process in most states involves both an automated response system and a conversation with a customer service representative. Typically claimants first key data that is converted to a numeric response using an automated system. The claimants are then transferred to a customer service representative to complete the claim.

⁸ In Georgia, unemployed workers can participate in reemployment services at either a Career Center or a one-stop center. Only the Career Centers, however, handle UI initial claims, and they have UI staff on site.

Figure 1: Most States Take Initial UI Claims Remotely



Source: GAO analysis of data supplied by state officials in October and November 2004.

Note: Information on remote claims taking provided to GAO by state officials during telephone interviews in October and November 2004.

In addition to accepting initial claims by telephone or Internet, some states also reported using other remote filing methods. Officials in several states told us that they accept claims submitted directly by employers, but the role of employer-filed claims differs from state to state. For example, Michigan officials told us they had established an employer-filed claim process in which employers with more than 1,000 layoffs in 3 consecutive years must file employee claims electronically. With an employer-filed claim, the claimant is not involved in filing the initial claim but still must certify and file for continuing claims. State officials told us that these

claims simplify the filing process in cases of large layoffs and help workers receive their UI benefit checks more quickly. They said their goal was to have 20 to 25 percent of all initial claims filed through this method. In general, however, employer-filed claims are used for mass layoffs or seasonal shutdowns.

Most states that accept remote claims also allow claimants to file their initial claims at a one-stop center, either by using available telephones—sometimes with a direct telephone link to a call center— or by using on site computer resources to access the Internet. In Washington, for example, individuals who come to the state’s one-stop centers are directed to file by Internet or by phone at an on site kiosk. These kiosks, which the state has placed in most of its one-stop centers, provide a direct connection to a call center and display UI program information to help claimants understand the process. In addition, at least 8 states told us that they have staff at the one-stop who can take claims or assist claimants in filing their claims.

States Inform Claimants of Their Eligibility Requirements and the Availability of Reemployment Services during the Claim Process

In all states that accept claims remotely, officials told us they have found ways to provide information during the claims filing process on requirements that claimants must meet to maintain their eligibility for unemployment benefits. At the same time, they also told us they provide information on how to access reemployment services to help claimants get back to work. Among the 39 states that allow filing by telephone, the methods they use to notify claimants of their work search requirements and available services vary.

- *For eligibility requirements*, most of the 39 states explain program rules over the telephone, most often during the initial call. For example, UI call center representatives in Washington give initial claimants information on their responsibility to search for work, the penalty for failure to do so, the location of the nearest one-stop center, and the types of services claimants could receive at the one-stop. In addition, a few states direct telephone claimants to a Web page where they can find information on work search requirements and how to certify and file for continuing claims.
- *For reemployment services*, all 39 states that accept initial claims by telephone reported that all or most of their telephone filers are provided information about these services, and approximately two-thirds of the states provide some of this information to their claimants during the initial call. Telephone filers in over 20 states are also

directed to the one-stop system, through information that is either provided during the telephone call or sent to claimants later by mail. In Maryland, for example, officials told us that they inform claimants about reemployment services during the initial call and provide directions to the one-stop centers or Employment Service offices. Additionally, a few states have one-stop staff follow up with claimants to inform them of available services.

The 34 states that allow remote filing by Internet also have a variety of methods for notifying claimants about their work search requirements and available services.

- *For work search requirements*, more than three-fourths of these states reported that such information was available on a Web page that claimants could access while filing their claims. In over 20 of those states, individuals were required to go through an Internet page on UI program rules in order to complete their claims. Some states provided this information through a link on the Web page but did not require claimants to access that page at the time they filed their initial claims.
- *For reemployment services*, all 34 states reported that all or most of their Internet filers are provided information about these services. Over three-fourths of those states provide some information to their claimants during the initial online filing process, although claimants may or may not be required to view this information to complete the claim. Almost half of the states that take initial claims by Internet told us they require claimants to access a document with reemployment services information before their claim is complete. Additionally, many told us that a link to this information is provided but claimants are not required to access the document in order to complete the claim. In some states, call center and one-stop staff may also contact claimants with information on how they may obtain services. For example, Virginia officials said the state runs a daily report of Internet claims filed, and call center representatives then call or e-mail a majority of those claimants to tell them about job seeker services and work search requirements.

In addition to the information that remote filers receive over the phone or on a Web page, most of the 44 states that accept remote claims also mail claimants information on their responsibilities and available services. In Maryland, for example, officials told us that, as part of the claims filing process, claims center staff inform telephone filers of the work search requirement and the implications for not meeting it as well as the location of the Employment Service offices. After the claim is filed, all claimants

are sent mailings that address UI and work search requirements and that provide directions to the one-stops and Employment Service offices. In Washington, everyone who files a claim receives a copy of the state's unemployment claims kit, which contains information on claimant responsibilities as well as on reemployment services, online resources, and one-stop and employment services center locations.

Officials in 32 of the 44 states told us that in their opinion the shift to remote claims did not diminish their ability to provide information on reemployment services to claimants. Officials in at least 7 of the states that have established remote filing methods said they had faced challenges in maintaining the connections between UI claimants and the reemployment services available to them. For example, some states said that staff providing reemployment services had less initial contact with job seekers, who may wait several weeks before seeking out more information about services available to them. However, officials in almost three-quarters of the 44 states told us they thought the shift to remote claims either had no negative impact or had improved their ability to deliver reemployment services to UI claimants. Officials in some states reported that providing reemployment services in a remote claims environment proved more difficult at first. However, once they had completed the transition, they said they have perceived no negative impact on the linkages between UI and reemployment services. Officials generally cited benefits that included improved customer service, more consistent information for claimants, and the ability of states to focus their resources on providing reemployment services to claimants.

- Several officials told us that they believed one benefit from the shift to remote claims was improved customer service. Claimants no longer needed to drive the sometimes great distances or wait around for hours just to file a claim. In addition, some states reported that it was easier to get information about services to claimants.
- Additionally, some officials told us that they thought the use of remote claims had helped ensure that claimants received consistent information. Several states, for example, reported that using scripts for telephone customer service representatives or screens of information for Internet filers helps ensure that all claimants are told the same thing.
- Some states said the transition to remote claims had enabled them to shift their focus from filing claims to providing services, and had reduced claims processing time. For example, officials in one state told

us that some positive effects of using the Internet were that claims were processed more quickly, documentation was easily retrieved, and papers were not moving between offices.

States Provide Claimants Access to a Range of Reemployment Services and Use UI Program Requirements to Connect Them with Available Services

Across states, UI claimants have access to a variety of reemployment services, and states make use of UI program requirements to connect claimants with available services at various points in their claim. All federally approved state UI programs must include able-to-work and available-for-work requirements that claimants must meet in order to receive benefits. In many states, these requirements also serve to link claimants to reemployment opportunities and services. In addition, states provide targeted reemployment services to particular groups of UI claimants. The federal requirement of claimant profiling is typically the primary mechanism for targeting reemployment services to claimants.

Claimants Have Access to a Range of Reemployment Services

UI claimants have access to the range of reemployment services available to all job seekers through the one-stop system. Officials in all states, for example, told us that claimants can access job listings and information on their state's labor market trends using the Internet, and many said that claimants have access to online labor exchange, or job matching, services as well as other self-assisted services such as resume writing assistance, career guidance, and self-assessment services. Officials in all states also told us that one-stop centers make computers available on-site, and most said that claimants have access to self-help software, such as aptitude tests, computer tutorials, or job search guidance, at the centers. Claimants also have access to a variety of staff-assisted reemployment services through the one-stop system. Officials most often mentioned that claimants were likely to be offered

- job search assistance;
- resume assistance;
- job matching, referral, and placement services;
- orientation to services;
- referral to WIA or other partners;
- initial or general needs assessment;
- counseling; and
- interview assistance.

Some states have also undertaken special initiatives to expand the types of reemployment services available to claimants. Maryland, for example, responded to growth in white collar unemployment in the early 1990s with the establishment of the Professional Outplacement Assistance Center. This program provides outplacement services for executive, professional, technical, and managerial workers who are unemployed, and if capacity allows, those who are underemployed. The program begins with an interactive three day orientation targeted to the needs of professionals and then offers participants networking opportunities through occupational affinity groups that bring together job seekers from similar occupations. Former participants also forward information on job opportunities to the program and offer assistance to current participants — a concept the staff term Pay-It-Forward.

States Use Compliance with Work Requirements to Connect Claimants with Reemployment Services

UI program requirements often provide the context for states' efforts to link claimants to reemployment services. In satisfying the requirement that claimants be able and available for work, officials in 44 states told us that claimants are required to register for work with the state's labor exchange. In addition, officials in all but one state told us that claimants must meet a work search requirement in order to remain eligible for benefits. The work search requirement varies across states but is typically defined in terms of the number of contacts claimants are required to make with employers. In about half of the states with a work search requirement, officials told us claimants subject to this requirement are required to make a specified or minimum number of job contacts, ranging from one to five contacts per week. In the rest, the required number of contacts is determined by what is seen to be reasonable for a particular area or occupation or the requirement is stated in more general terms.

Claimants document that they are meeting their state's work search requirement in a number of ways, most commonly by keeping a log of work search activities that may be subject to review or by certifying they are able and available to work through the process of filing for a continuing claim. Washington, for example, has recently revised its work search requirement to be more specific, requiring each week that claimants make three job contacts, participate in three in-person reemployment services at a one-stop center, or complete some combination of the two. Claimants keep a log of these contacts and activities, which is subject to random review. In Michigan, as in many states, when claimants call in to the state's automated telephone system each week to file for their continuing claims, they must also certify that they are available for and seeking full-time work. In all states with a work

search requirement, officials told us that the primary consequence faced by claimants who fail to comply is that they could be denied benefits. However, the length of time for which benefits are denied, and the extent to which claimants receive a warning prior to being denied benefits, varies across states.

These work registration and work search requirements often serve to link claimants to reemployment services. The process of registering for work with the state's labor exchange, for example, may bring claimants into an Employment Service office or one-stop center where reemployment services are delivered. Officials in nearly two-thirds of the 44 states where claimants are required to register for work told us that coming into an Employment Service office or one-stop center is either a required part of the process or one of the options claimants have for completing their registration. Officials in close to a third of the states with this requirement told us claimants are automatically registered with the labor exchange when they file their initial UI claim. In Michigan, for example, most claimants file their initial claim remotely and may begin the work registration process remotely as well by placing their resume on the state's public online labor exchange. They must come into a one-stop center, however, to have their resumes validated by one-stop staff in order to complete the work registration process. In Washington, on the other hand, claimants who are required to look for work are automatically registered for work at the same time they file an initial telephone or Internet claim. Under this system, claimant information is uploaded into the state's workforce development management information system and becomes available to one-stop center staff.

Some states also use their processes for monitoring compliance with the work search requirement to direct claimants to reemployment services. Officials in 39 of the 49 states that require claimants to actively seek employment told us that telephone or in-person interviews with claimants may be used to monitor compliance with this requirement. In over two-thirds of these states, officials told us that some information on job search strategies or reemployment services is provided during the interview. The level of information varies from suggestions offered on a case-by-case basis to a discussion of strategies and services that is a standard part of the interview. In Georgia, for example, the state's eligibility review program is used to determine whether a claimant faces particular problems in returning to work and if a claimant is making use of available reemployment services, in addition to determining eligibility and compliance with state work search rules.

States Target Reemployment Services to Particular Groups of Claimants

States also engage some claimants in reemployment services directly through programs that identify certain groups for more targeted assistance. States primarily target reemployment services to claimants identified as most likely to exhaust their UI benefits before finding work through federally required claimant-profiling systems. While claimants identified and referred to services through profiling can access the services available to all job seekers through the one-stop system, participation in the services they are referred to is mandatory for profiled claimants. Specifically, state officials most often identified orientation and assessment as services profiled claimants were required to receive. In addition, many officials told us that the services profiled claimants received depended on their individual needs following an assessment, the development of an individual plan, or the guidance of staff at a one-stop center. While failure to report to required reemployment services can result in benefits being denied, states vary in the conditions that prompt denying benefits.

Maryland, for example, targets reemployment services to profiled claimants through its Early Intervention program. This program, which began in 1994, offers an interactive, 2-day, 10-hour workshop, addressing self-assessment, job search resources, resume writing and interviewing skills, and other community resources available to job seekers. Profiled claimants selected for the workshop who fail to attend are given one opportunity to reschedule; after that, their failure to participate is reported to the UI program and their benefits may be suspended. When claimants complete the workshop, they are registered with the Maryland Job Service, they receive an individual employment plan, and the workshop facilitator may refer them to additional services. Officials told us that although they currently do not have data to show the impact of this program, they have received very positive feedback about the quality and effectiveness of the workshops.

From our site visits we also learned that some states have developed additional methods to target reemployment services to particular groups of UI claimants. For example, one-stop staff in Washington have the ability to identify various subgroups of claimants using a tracking device called the Claimant Progress Tool. Officials told us that one-stop staff typically use this tool to identify claimants who are about 100 days into their claim, and then contact them for targeted job search assistance and job referrals. This process was developed to help the state achieve a goal of reducing the portion of their UI benefits that unemployed workers claim. Georgia's state-funded Claimant Assistance Program identifies claimants who are

seen to be ready for employment and requires them to participate in the same services required of profiled claimants. This program is designed to help the state achieve its goal of generating savings for the UI Trust Fund. Claimants meeting this program's eligibility criteria also have the option of participating in the Georgia Works program, a recent state initiative to promote on-the-job training opportunities for UI claimants. Through Georgia Works, claimants receive 20 hours of on-the-job training weekly for 8 weeks while continuing to receive their UI benefits.

States often make use of Labor's Reemployment Services Grants — available since 2001 for direct services to UI claimants — to fund these services. Officials in the majority of the states we interviewed told us their states have been using the Reemployment Services Grant funds to hire staff to provide reemployment services. For example, Maryland state officials said they use their funds to hire staff for the Early Intervention program, which has enabled them to run more workshops in areas that need them and to make further improvements in the program. Some states have also used these grants to direct reemployment services to claimants beyond those who have been profiled and to support other enhancements in the provision of reemployment services to claimants. For example, Washington state officials told us they used funds from these grants to support the development of the Claimant Progress Tool.

Little Information Exists to Provide a Complete Picture of Reemployment Services for Unemployment Insurance Claimants

Despite states' efforts to design systems that link UI claimants to reemployment services, little data are available to gauge the extent to which claimants are receiving these services or the outcomes they achieve. While states must meet a number of federal reporting requirements for their UI programs, and for their federally funded employment and training programs, none of these reports provide a complete picture of the services received or the outcomes obtained by all UI claimants. Furthermore, we found that few states currently go beyond the federal reporting requirements to monitor the extent to which claimants are receiving services from the range of federally funded programs that are designed to assist them, and even fewer monitor outcomes for these claimants, largely because of limited information systems capabilities. Labor has some initiatives that may begin to shed light on claimant services and outcomes, but some limitations remain.

Current Reporting Requirements Do Not Provide a Full Picture of Claimants' Use of Reemployment Services

UI claimants may access reemployment assistance from a number of federally-funded programs, most often Wagner-Peyser Employment Service, WIA Dislocated Worker or WIA Adult, and Trade Adjustment Assistance (if they are dislocated because of trade). To monitor the performance of these programs, Labor requires states to meet a number of reporting requirements, but the reports are submitted on a program-by-program basis. None of the reports provides a complete picture of the services received or the outcomes obtained by all UI claimants.

UI reporting requirements. States must track and report annually on several performance measures considered key indicators of UI program performance—a system named UI Performs—but as currently configured, the system does not contain any measures related to services or outcomes for claimants. Instead, the measures focus exclusively on benefit and tax accuracy, quality, and timeliness. States also must report monthly on their UI claims and payment activities through form ETA 5159. These reports provide summary information that can be used to calculate average benefit duration and exhaustion rates at an aggregate level by state. These data are useful in following trends over time, but, do not contain information on those who had received services and those who did not.

In addition, states must also report to Labor on their claimant profiling process—termed Worker Profiling and Reemployment Services—but information in these reports represent only a portion of all UI claimants the state has served. The two profiling reports—ETA 9048 and 9049—require states to provide summary information on the number of claimants targeted for services through the profiling process, and on the reemployment services and outcomes for this group of claimants. While the reports contain information on claimant services and outcomes, the data represent only the portion of claimants who were identified through profiling as likely to exhaust their benefits and who were also referred to services. This proportion can vary from place to place and from month to month depending on available resources, but may be a small proportion of all of the state's claimants.

Wagner-Peyser Employment Service reporting requirements. States must provide quarterly reports for the Employment Service program, but these reports do not provide a complete picture of all claimants receiving reemployment services. The reports consist of summary information on the numbers of Employment Service participants who received specified services or who obtained certain outcomes. The report tracks service and outcome data by several demographic categories, including age grouping, gender, and whether or not the participant was a UI claimant. However,

the report contains information on only those individuals who are registered with the Employment Service, and while all who receive services funded by Wagner-Peyser must be registered with the Employment Service, not all UI claimants receive Wagner-Peyser-funded services.

WIA and the TAA programs. WIA and TAA reporting requirements are similarly limited and do not provide a complete picture of claimant services and outcomes. WIA tracks several performance measures directly related to outcomes for Adults and Dislocated Workers, including job placement, job retention, and wage gain or wage replacement. Labor requires states to report their performance on these measures in both quarterly and annual reports. In addition, once each year states submit a file to Labor, the WIA Standardized Record Data (WIASRD) file, containing a complete record of demographic, services, and outcome information on each WIA registrant who has exited the program. While these records contain information on whether or not the WIA registrant is also a UI claimant, they do not contain information for those claimants who are not registered under WIA. We and others have noted that many individuals served under WIA—particularly those who receive only self-directed services—are not registered or tracked for performance and are, therefore, not reflected in any of the WIA data.^{9 10} Similarly, for the TAA program Labor requires states to submit participant data files on all who exit the program each quarter, but the reports are limited to those claimants served by TAA. Table 1 summarizes these reporting requirements and their limitations for measuring overall claimant services and outcomes.

⁹ The Workforce Investment Act specifically excludes self-service clients from performance measures.

¹⁰ For more information see GAO, *Workforce Investment Act: States and Local Areas Have Developed Strategies to Assess Performance, but Labor Could Do More to Help*, [GAO-04-657](#) (Washington, D.C.: June 1, 2004), and *Workforce Investment Act: Improvements Needed in Performance Measures to Provide a More Accurate Picture of WIA's Effectiveness*, [GAO-02-275](#) (Washington, D.C.: Feb. 1, 2002).

Table 1: Summary of Data Reporting Requirements and Their Limitations for Measuring Overall Claimant Services and Outcomes

Reporting requirement	What it contains	Limitations
<i>Unemployment Insurance program requirements</i>		
UI Performs	Summary information reported annually on overall performance of state’s UI program, including: <ul style="list-style-type: none"> • accuracy determining claimant’s benefits • time to process first payment to claimants • timeliness of appeals process • tax timeliness and accuracy 	Contains no information on claimant services or outcomes.
ETA 5159—UI Claims and Payment Activities	Summary information on claims and payments, including: <ul style="list-style-type: none"> • total new initial claims • continued weeks claimed • weeks compensated • first payments • final payments for all unemployed 	Contains no information on claimant services or outcomes.
<i>Worker Profiling and Reemployment Services</i>		
ETA 9048—Claimant Activity	Summary information on services, including: <ul style="list-style-type: none"> • number who are profiled and targeted for services • number reporting for services, by type of service • number completing services, by type of service 	Only contains information on claimants who have been targeted for services through profiling.
ETA 9049—Claimant Outcomes	Summary information on outcomes, including: <ul style="list-style-type: none"> • benefit duration and amount • employment and wages 	Only contains information on claimants who have been targeted for services through profiling. Includes only those reemployed within the same state.
<i>Wagner-Peyser Employment Service requirements</i>		
ETA 9002 Quarterly Report	Summary information reported quarterly on participants registered with the Employment Service, including: <ul style="list-style-type: none"> • demographics • services provided or referred • employment outcomes 	Only contains information on claimants who have registered with the Employment Service program.

<i>Workforce Investment Act requirements</i>		
ETA 9090 – WIA Quarterly Report	Quarterly updates to annual report providing summary information on current WIA participants, including: <ul style="list-style-type: none"> • job placement • employment retention • earnings change • credential rate 	Only contains information on claimants who have received services and are registered under WIA. Those receiving only self-service or information are not registered.
ETA 9091 – WIA Annual Report	Summary information on WIA registrants who exited the program, including: <ul style="list-style-type: none"> • job placement • employment retention • earnings change • credential rate 	Only contains information on claimants who have received services and are registered under WIA. Those receiving only self-service or information are not registered.
WIA Standard Record Data	Participant-level data file of all WIA registrants who exited the program, including: <ul style="list-style-type: none"> • demographics • services/activities • employment/wage outcomes • credential attainment 	Only contains information on claimants who have received services and are registered under WIA. Those receiving only self-service or information are not registered.
<i>Trade Adjustment Assistance Act requirements</i>		
Trade Act Participant Report (TAPR)	Participant-level data file of all TAA participants who exited the program: <ul style="list-style-type: none"> • demographics • services/activities • employment/wage outcomes 	Only contains information on claimants who are also participating in TAA.

Source: Department of Labor guidance.

States Face Challenges in Assessing Claimant Services and Outcomes

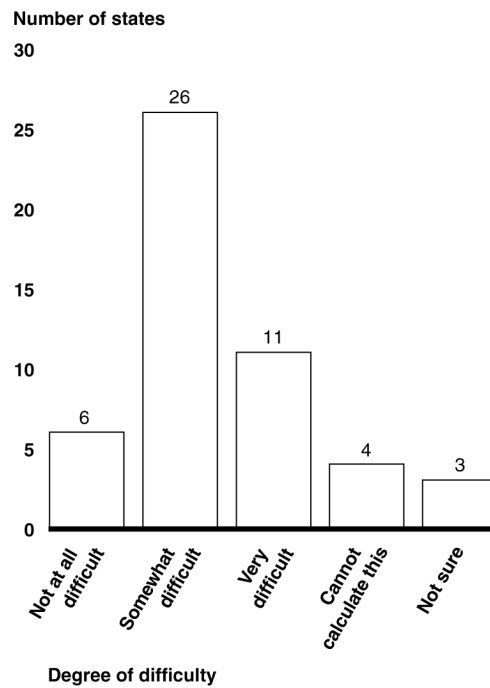
Having data that show the degree to which reemployment services are reaching UI claimants is key to good program management and provides a first step toward understanding the impact of these programs. However, knowing how many claimants may be accessing reemployment services and the type of outcomes they may be achieving has proven difficult for state and local officials. Only 14 states reported¹¹ that they go beyond the federal reporting requirements to routinely track the extent to which claimants¹² receive services from the broad array of federally funded

¹¹ Based on our follow-up e-mail questionnaire to state officials.

¹² For purposes of our survey, a claimant was one who was determined eligible according to both monetary and nonmonetary criteria.

programs that are designed to assist them.¹³ Of the states that reported that they did not routinely track claimant services, 4 states told us it would not be possible to do so. Overall, 37 states told us doing so was somewhat or very difficult, while 6 states said it was not at all difficult (see fig. 2).

Figure 2: Most States Reported It Was Difficult to Track Claimant Services across the Broad Array of Federal Employment and Training Programs

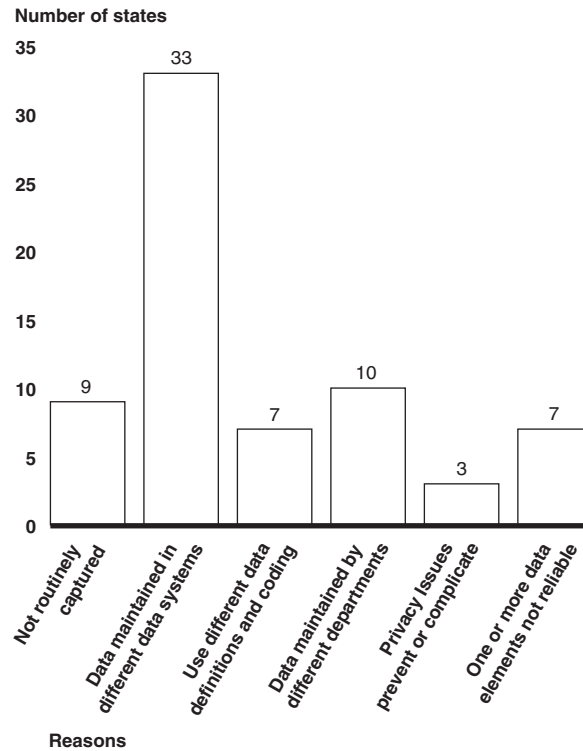


Source: GAO survey of state officials.

States most often told us that tracking claimant services across multiple programs was made difficult by the fact that reemployment services and UI claimant data were maintained in separate data systems—systems that were either incompatible or difficult to link. (See fig. 3.)

¹³ We specifically asked states to exclude self-assisted services when they considered their response to this survey question.

Figure 3: Reasons States Said Tracking Client Services Was Difficult



Source: GAO survey of state officials.

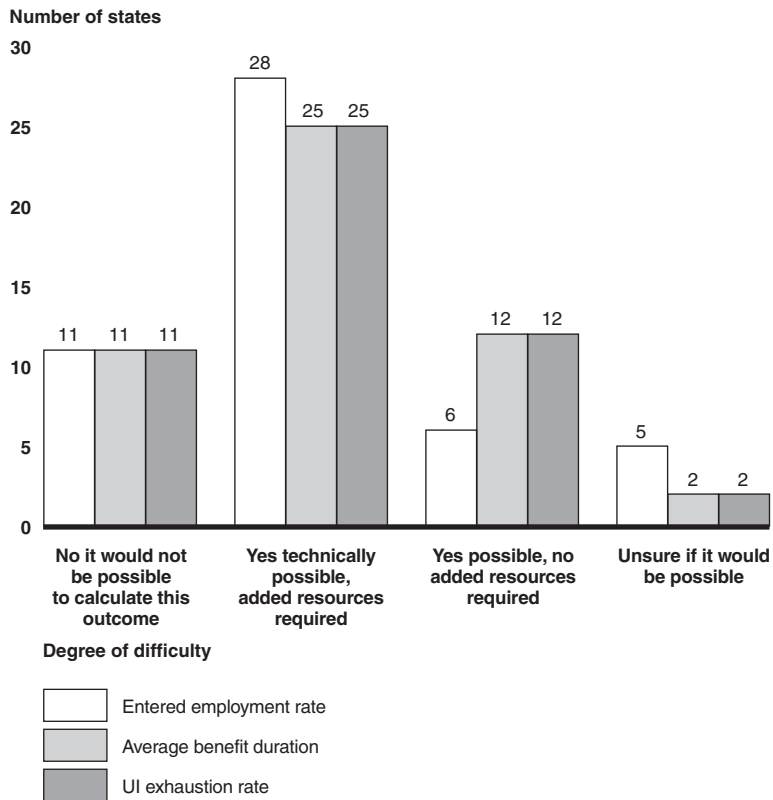
Note: States could cite more than one reason.

While relatively few states routinely track claimants’ services, even fewer track outcomes. Only 6 states told us that they go beyond the federal reporting requirements to routinely monitor any outcomes for the subset of UI claimants that receives reemployment services—outcomes such as entered employment rate, average benefit duration, and UI exhaustion rate. Eleven states told us it would not be possible to calculate any of the outcomes for these claimants.¹⁴ More states reported difficulty tracking the

¹⁴ We asked states whether it would be possible to calculate the outcomes for a specific time period for the subset of claimants who (1) filed a new initial claim, (2) received a first payment in a given fiscal year, and (3) received reemployment services within 6 months of their initial claim.

entered employment rate than the average benefit duration or UI exhaustion rate. (See fig. 4).¹⁵

Figure 4: States' Assessment of How Difficult It Would Be to Track Outcomes for Claimants Who Received Services



Source: GAO survey of state officials.

The issues states cited in tracking outcomes across programs for UI claimants were similar to those for tracking use of services. Most states (35) told us that tracking one or more outcome measures was made difficult by the fact that reemployment services and UI claimant data were maintained in different systems that were either incompatible or difficult to link.

¹⁵ Four states said in written comments that our definition of claimants—that they received a first payment—contributed to the difficulty in performing the calculations.

Some Federal Initiatives and Research May Help Our Understanding of Services and Outcomes to Claimants, but Limitations Remain

Labor has some initiatives that may begin to shed light on claimant services and outcomes, but the efforts still fall short of giving us a nationwide understanding of services and outcomes for UI claimants.

UI performance measures. Labor is modifying its UI performance measures, and some of the changes will begin to focus attention on claimant outcomes. Beginning in summer 2005, in addition to reporting on benefit timeliness and accuracy, states will be required to track a reemployment rate for their UI claimants—defined as the percentage of UI claimants who are reemployed within the quarter following their first UI payment.¹⁶ This change will improve the understanding of how many UI claimants are quickly reemployed nationwide, but, it will not provide information on claimants who become reemployed after the first quarter. Further, it will not allow for an assessment of how many claimants access reemployment services nor will it allow the outcomes claimants achieve to be attributed to services.

Employment Service, WIA, and TAA reporting changes. Labor is also modifying its reporting requirements for Employment Service, WIA, and TAA programs.¹⁷ With the transition beginning in July 2005, states' Employment Service, WIA, and TAA programs will be required to report on their performance using a new set of common measures—measures that use the same data definitions and data coding across all included programs. The new measures, focused on job placement, employment retention, and earnings increase, will help eliminate some of the definitional difficulties states faced as they tried to measure performance across multiple programs. In addition, it will require that states begin counting all job seekers who use the one-stop, including those who only receive services that are informational or self-service in nature. However, because the Unemployment Insurance program is not included in these measures, this change would not allow for a complete assessment of UI claimants' use of services.

Future plans for reporting on performance for Labor's Employment and Training Administration (ETA) programs include the development of a system to consolidate reporting. This system—ETA's Management Information and Longitudinal Evaluation (EMILE) system—would consolidate performance reporting across a range of Labor programs

¹⁶ Data will be reported in summer 2006.

¹⁷ These reporting changes also affect the Veterans' Employment and Training Programs.

including WIA, Employment Service, and TAA. Current plans do not include incorporating UI reporting into EMILE. We recently reported that implementing a comprehensive reporting system across workforce programs could provide a better picture of the one-stop system, but recommended that Labor consider greater ongoing consultation with key stakeholders, including states, in order to enhance its efforts to implement it.¹⁸ Labor is currently conducting a feasibility study on implementation issues associated with EMILE, and, at present, it is unclear how soon such a system could be implemented.

Administrative Data Research and Evaluation (ADARE). Because Labor lacked the capacity to evaluate services across the broad array of employment and training programs, it commissioned ADARE to begin to fill the gap. ADARE is an alliance of 9 state partners—Florida, Georgia, Maryland, Missouri, Texas, Illinois, Washington, California, and Ohio—that cover 43 percent of the country’s civilian workforce. ADARE provides third-party researchers with detailed, longitudinal administrative data from the 9 states on participants in several programs, including Employment Service, WIA, Temporary Assistance for Needy Families (TANF), and Perkins Vocational Education, as well as UI wage and benefit records and education records. ADARE efforts so far have focused largely on evaluating welfare-to-work programs and WIA. Currently under way is an effort to examine three facets of UI claimant behavior—repeat claims, benefit exhaustion, and reemployment profiles. Unfortunately, planned expansions of the data collection have been slower to implement than originally anticipated, and some of the data used in ADARE, such as the WIA performance data, are limited. Having the capacity to link data across multiple programs within a state is a major leap forward in understanding UI claimants’ participation in a broad array of programs and to measure some of their outcomes. But, while the participating states represent a relatively large proportion of the workforce, they don’t provide a nationwide perspective. In addition, until WIA’s new reporting requirements go into effect, the WIA data will be limited to those claimants who are registered under WIA.

Five-Year Evaluation. Labor has also begun a 5-year national study of the UI benefits program. The evaluation is intended to provide detailed

¹⁸ See GAO, *Workforce Investment Act: Labor Should Consider Alternative Approaches to Implement New Performance and Reporting Requirements*, [GAO-05-539](#) (Washington, D.C.: May 27, 2005.)

information on the effectiveness of the UI program in light of its goals and underlying program design. Researchers hope to enlist up to 25 states willing to share their data, and the study seeks to identify, in part, changes in the labor market, population, and economy relative to the UI program, as well as detailed characteristics of who receives and does not receive UI benefits. As part of the study, researchers are hoping to learn more about the extent to which UI claimants are receiving reemployment services in those states, and about the outcomes they are achieving, including how long claimants receive benefits. However, at this point, it is too soon to know how successful they will be in obtaining information on claimants' use of the broad array of programs designed to serve them. And because it is limited to states that are willing to participate, it, too, falls short of providing a nationwide perspective.

Conclusions

States have increasingly shifted to requiring that most UI claimants file their claims remotely. To help them get the reemployment services they need to facilitate their reemployment, states have often designed their processes to help link claimants to reemployment services. However, knowing how many claimants are actually accessing reemployment services has proven difficult for state and local officials. Most states lack this information, arguably critical for good program management, often because data reside in separate systems that cannot be easily linked. In the new environment created by WIA, where claimants may be served by a range of programs that go beyond Unemployment Insurance and Employment Service, it becomes increasingly important to find new ways to link program data across a broader range of programs. Current reporting requirements are not enough to provide a complete picture.

Labor has some initiatives underway to help fill this gap, but the issue of collecting complete information on those individuals served by the nation's workforce development system—mainly through the one-stops—needs to be viewed in a broader context, not program-by-program. The nine-state effort under ADARE to link administrative data on participants in a range of programs is a step in the right direction, but doesn't include information on all services claimants receive. The common measures and EMILE initiative are steps to provide more comprehensive and complete information on those served by the one-stops, including unemployment insurance claimants who come in to the one-stops for services. However, the present EMILE proposal does not include a link to Unemployment Insurance administrative data, so it will not be able to provide information on all UI claimants, only those who receive services through a one-stop. As such, EMILE cannot be used as a source of information on benefit

duration. Taken together, these efforts will not be able to provide all states with an understanding of services and outcomes for all UI claimants, an understanding that is critical for assessing the performance of the program or the potential need for future reforms.

Recommendations for Executive Action

We recommend that as Labor develops EMILE, the Secretary of Labor work with states to develop a plan for considering the feasibility of requiring states to collect more comprehensive information on UI claimants' use of reemployment services and the outcomes achieved by claimants, including the length of time claimants receive UI before they are reemployed.

Agency Comments and Our Evaluation

We provided a draft of this report to Labor officials for their review and comment. Labor generally agreed with our findings, but took issue with our recommendation that it work with states to consider the feasibility of collecting more comprehensive information on UI claimants' services and outcomes, saying that its current and planned data gathering and research efforts would provide adequate information to guide policy making.

Labor noted that, in addition to the efforts acknowledged in our report, a new initiative will provide additional data on some UI claimants and their reemployment services in the future. Labor also said that, given the burden placed on states to collect and report data, it is important to show a clear benefit to the system for additional data collection. Labor requested that GAO provide additional guidance on how collection of the data is expected to improve services to UI claimants and hasten their reemployment.

We continue to assert that comprehensive data on the extent to which UI claimants receive reemployment services and the outcomes claimants achieve is important for program management in an environment where claimants may receive services from a number of different programs. While Labor's new initiatives, in combination with current reporting requirements, will provide valuable information on the reemployment activities of some UI claimants, this information is generally collected on a program-by-program basis or is focused on a single category of claimants. Consequently, these efforts will not allow for a comprehensive, nationwide understanding of claimants' participation in the broad range of reemployment services provided through federal programs nor do they move states in the direction of having the data they need to better manage their systems. In recommending that Labor study the feasibility of a more

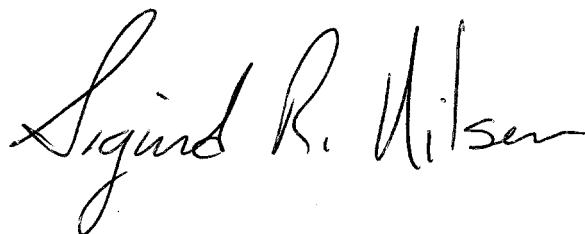
comprehensive data collection effort, we acknowledge the challenges faced by states to collect and track these data and understand that acquiring a comprehensive picture of UI claimant's participation in reemployment services will have a cost. However, having information on UI claimants who are and are not receiving services is an important step in the development of reemployment efforts that hasten workers' reemployment and minimize UI benefit costs.

Labor also provided technical comments which we have incorporated in our report, as appropriate. A copy of Labor's comments is in appendix III.

We will send copies of this report to relevant congressional committees, the Secretary of Labor, and other interested parties. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or members of your staff have any questions about this report, please contact me at (202) 512-7215. Major contributors to this report are listed in appendix IV.

Sincerely yours,

A handwritten signature in black ink that reads "Sigurd R. Nilsen". The signature is written in a cursive style with a large, looped initial "S".

Sigurd R. Nilsen
Director, Education, Workforce,
and Income Security Issues

Appendix I: Objectives, Scope, and Methodology

We were asked to provide information on (1) the extent to which states have shifted to remote methods for filing initial claims and how they are making claimants aware of their responsibilities to look for work and the services available to assist them, (2) what states are doing to facilitate the reemployment of unemployment insurance (UI) claimants, and (3) what is known about the extent to which unemployment insurance claimants receive reemployment services and about the outcomes of claimants who receive these services. To address these questions, we conducted telephone interviews with unemployment insurance and workforce development officials in all 50 states. We then used a separate brief e-mail instrument to gather more specific information on the strategies states use to collect data on unemployment insurance claimants who receive reemployment services. Additionally, we conducted site visits to 4 states—Georgia, Maryland, Michigan, and Washington—and interviewed state and local officials in these states. We reviewed data and documents from the U.S. Department of Labor (Labor) and other sources. We also interviewed officials from Labor, the National Association of State Workforce Agencies, and the UI Information Technology Support Center, as well as researchers from the University of Texas at Austin, the Upjohn Institute, and the Urban Institute.

For this review, we defined reemployment services to mean all reemployment activities funded through Wagner-Peyser; Workforce Investment Act (WIA) Adult and Dislocated Worker services; any other training or job search assistance provided using federal funds, such as Trade Adjustment Assistance; and any state-funded reemployment or training services. We defined UI claimants as individuals who have filed an initial UI claim, been found eligible according to both monetary and nonmonetary criteria, and received a first payment of UI benefits.

We provided a draft of this report to officials at the Department of Labor for their review and incorporated their comments where appropriate. We conducted our work from February 2004 through May 2005 in accordance with generally accepted government auditing standards.

Telephone Interview and Supplemental Data Collection Instruments

To collect broad information on unemployment insurance claimants' use of reemployment services, we conducted telephone interviews with officials in all 50 states from agencies that oversee the unemployment insurance and workforce development programs.¹⁹ We designed a structured computer-assisted telephone interview (CATI) instrument that consisted of closed- and open-ended questions on a range of topics, including methods used in each state to file initial claims, both outside of one-stop centers, employment security offices, and unemployment insurance offices and on site at those locations; work search requirements and available reemployment services and how states notify claimants of them; worker profiling; and states' data collection efforts related to remote filing, work search requirements, receipt of reemployment services, and performance outcomes the states may track. For a majority of the telephone interview questions, we asked state officials to consider the present status of a topic in their state. We asked them to consider either a particular program or fiscal year for only a few questions. Telephone interviews were conducted during October and November 2004.

To better understand states' issues associated with tracking performance data, and using results from our CATI as a guide, we supplemented our telephone interviews with a brief data collection instrument that asked state officials for greater detail about what states tracked for UI claimants receiving reemployment services. We also asked them about the specific challenges they faced in tracking data on reemployment services and outcomes for all UI claimants. We completed this effort in March 2005. Officials from all 50 states provided responses about their states' data concerns.

Because we surveyed officials from all 50 states, no sampling error is associated with our work. However, nonsampling error could figure into any data collection effort and involve a range of issues that could affect data quality and introduce unwanted variability into the results. We took several steps to minimize nonsampling errors. For example, GAO survey specialists and staff with subject matter expertise collaboratively designed both instruments. Also, the draft telephone interview instrument was pretested with officials in 3 states to ensure that the questions were relevant, clear, and easy to comprehend and that states would have the capacity to readily respond to them. Similarly, the draft data collection instrument was pretested with officials from 2 states. During the telephone

¹⁹ We did not include Washington, D.C., Puerto Rico, or the Virgin Islands in this review.

interviews, responses were called back to state officials to ensure the data were being accurately captured. To further minimize errors, programs used to analyze data collected through both instruments were independently verified to ensure the accuracy of this work.

Site Visits

We selected 4 states for site visits according to several criteria that gave us a range of state unemployment rates (as of March 2004), amounts of program year 2004 WIA Dislocated Worker funding, acceptance of initial UI claims by telephone or Internet, and whether the state had an employer tax-funded state training or job placement program. States selected for site visits are shown in table 2. We also sought recommendations from Labor officials and other experts and considered geographic diversity in our state selections. In each state, we interviewed officials in the workforce development system and UI programs on issues such as labor market information, UI claims filing, worker profiling, work search requirement, reemployment services offered, and data collection and management.

Table 2: States Selected for Site Visits

State	Unemployment rate (Mar 2004)	PY2004 WIA Dislocated Worker funds	Intrastate phone initial claims (as of 8/03)	Internet initial claims (as of 3/04)	Employer tax funded state training or job placement program
Georgia	3.6%	\$23, 938,297	Planning	Planning	No
Maryland	4.0%	11,824,549	Yes	Yes	No
Michigan	6.9%	50,409,392	Partial	Yes	Yes
Washington	6.1%	37,037,061	Yes	Yes	Yes

Source: Department of Labor, UI Information Technology Support Center, and GAO analysis.

Note: Georgia and Maryland were in the bottom quartile for unemployment rate in March 2004, while Michigan and Washington were in the top quartile. Additionally, Michigan and Washington were in the top quartile in program year 2004 WIA Dislocated Worker funds.

In coordination with state officials, we selected two local areas in each state, visiting a mix of urban and rural areas that had been identified by the state as having taken innovative approaches to providing

reemployment services to UI claimants.²⁰ Local areas selected for site visits are shown in table 3. At the local areas, we met with local workforce officials at one-stop or career centers to collect information on UI claims filing procedures, reemployment services offered, how these services are targeted to UI claimants, how UI claimants are linked to services, enforcement of work search requirements, and data collection and use. We also talked with officials at state telephone call centers in Maryland, Michigan, and Washington; a problem resolution office in Lansing, Michigan; and the Professional Outplacement Assistance Center in Columbia, Maryland.

Table 3: Local Workforce Areas Selected for Site Visits

State	One-stop center/local workforce area	City
Georgia	LaGrange Career Center ^a	LaGrange
	Gwinnett Career Center	Norcross
Maryland	Southwest One-Stop Career Center (Baltimore City Workforce Investment Board)	Baltimore
	One-Stop Job Market (Lower Shore Workforce Alliance)	Salisbury
Michigan	Montcalm Service Center (Central Area Michigan Works! Consortium)	Greenville
	Southgate Service Center (Southeast Michigan Community Alliance)	Southgate
Washington	WorkSource Grays Harbor (Pacific Mountain Workforce Development Council)	Aberdeen
	WorkSource North Seattle (Seattle/King County Workforce Development Council)	Seattle

Source: GAO analysis.

^aThe sites we visited in Georgia are not one-stops but rather are among the 53 career centers run by the Georgia Department of Labor. Only career centers handle UI initial claims or UI eligibility reviews. Some career centers are designated primary one-stops for their local areas; those that are not are still based on the one-stop model and provide their clients access to the full range of reemployment services.

²⁰ While we took measures to ensure the selected sites reflect the substantive criteria, our visits were made to nonprobability samples of states and local areas. Therefore, results from these samples cannot be used to make inferences about a population. Additionally, the information that we gathered on our site visits represents only the conditions present in the states and local areas at the time of our site visits, conducted from April through September 2004; therefore, some changes may have occurred after our fieldwork was completed.

We attempted to corroborate the responses collected through the telephone interview and supplemental data collection instruments. To the extent possible, for the states we visited we compared responses gathered through our instruments with information we collected during those visits. During the time of our work, other sources, such as Administrative Data Research and Evaluation (ADARE), that could have acted as comparisons for some items or topics related to unemployment insurance claimants, were not yet available. Based on the comparisons we made, and discussions and interviews we held with agency staff and officials and outside experts, we believe the data are sufficiently reliable to be used in providing information on UI claims and claimants and reemployment services.

Appendix II: States That Accept Telephone and Internet Claims Remotely

At the time of our survey, 39 states reported that they accepted telephone initial claims, and 34 said they took Internet initial claims (table 4). Additionally, 29 states reported that they used both remote filing methods, and 6 states said they did not currently accept initial claims remotely by either telephone or Internet. Several states that currently use a single remote filing method—Internet or telephone—indicated to us that they have plans to begin accepting claims by both methods in the future.

Table 4: States That Accept Telephone and Internet Claims Remotely

State	Phone claims	Internet claims
Alabama	X	
Alaska	X	
Arizona	X	X
Arkansas		
California	X	X
Colorado	X	X
Connecticut	X	
Delaware		
Florida	X	X
Georgia		
Hawaii	X	
Idaho	X	X
Illinois		
Indiana		X
Iowa	X	X
Kansas	X	X
Kentucky	X	X
Louisiana		X
Maine	X	
Maryland	X	X
Massachusetts	X	
Michigan	X	X
Minnesota	X	X
Mississippi		
Missouri	X	X
Montana	X	
Nebraska	X	X
Nevada	X	X

**Appendix II: States That Accept Telephone
and Internet Claims Remotely**

State	Phone claims	Internet claims
New Hampshire		X
New Jersey	X	X
New Mexico	X	X
New York	X	X
North Carolina		X
North Dakota	X	
Ohio	X	X
Oklahoma	X	X
Oregon	X	X
Pennsylvania	X	X
Rhode Island	X	X
South Carolina		X
South Dakota	X	
Tennessee	X	X
Texas	X	X
Utah	X	X
Vermont	X	
Virginia	X	X
Washington	X	X
West Virginia		
Wisconsin	X	X
Wyoming	X	X

Source: GAO table from survey responses—October and November 2004.

Appendix III: Comments from the Department of Labor

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210



JUN 15 2005

Mr. Sigurd R. Nilsen
Director
Education, Workforce, and Income Security Issues
U.S. Government Accountability Office
441 G. Street, N.W.
Washington, D.C. 20548

Dear Mr. Nilsen:

Thank you for the opportunity to respond to the draft Government Accountability Office (GAO) report entitled, "Better Data Needed to Assess Reemployment Services to Claimants" (GAO-05-413). The report is the result of an audit to determine whether unemployment insurance (UI) beneficiaries who file UI claims remotely are receiving sufficient information and are linked to reemployment services. The GAO recommended in the report that--

"[A]s Labor develops EMILE [Management Information and Longitudinal Evaluation system], the Secretary of Labor works with states to develop a plan for considering the feasibility of requiring states to collect more comprehensive information on UI claimants' use of reemployment services and the outcomes achieved by claimants, including the length of time claimants receive UI before they are reemployed."

We appreciate that GAO recognizes the potential value of EMILE overall and that the stated purpose of the recommendation is "to improve the understanding of claimant' use of services and of their outcomes." The report, however, did not describe the possible uses of this data.

As acknowledged in the report, the Employment and Training Administration (ETA) currently collects data on UI beneficiaries to whom the publicly funded workforce system provides training and reemployment services, with the exception of self-services and "information provided without additional services." Also as noted in the report, the UI program is implementing as a performance measure the rate at which UI beneficiaries become reemployed.

Another initiative for which data will be available is the recently implemented Reemployment and Eligibility Assessment (REA) initiative. The Department has provided funding to 21 states to conduct in-person interviews with UI beneficiaries to

assure that the beneficiaries meet continuing eligibility requirements including their responsibilities for finding reemployment and to assess their need for reemployment services. Initially, the results of these assessments will be collected from nine (9) states. ETA will seek authority to collect similar data from all states funded for REA activity.

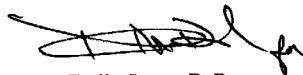
Another recent project designed to promote the placement and reemployment of unemployed workers, specifically UI beneficiaries, is the Claimant Placement and Claimant Reemployment (CPCR) project conducted by one of ETA's regional offices. In collaboration with states, CPCR has identified high performance states and is determining factors most likely contributing to their success such as program structure, program policy, service delivery and coordination of UI/workforce reemployment services. The high performance states have taken on the role as mentors of states interested in improving performance and are sharing with them their methods to reemploy UI claimants. Although CPCR is not a data collection instrument per se, the practices of high performing states will be shared with other states.

We also note that UI beneficiaries are experienced workers—many are expected to be called back to their old jobs and others, unemployed for seasonal reasons, have tried-and-true methods of becoming reemployed. Therefore, reemployment services may not be necessary for all beneficiaries.

We believe that the current data collected, combined with the data soon to be collected, and supplemented by periodic research provide adequate information to guide policy making related to promoting UI beneficiaries reemployment. In addition, the report discusses the difficulties states would have collecting additional information because the data for the UI program and public workforce system generally reside in separate computer systems within the states. We are cognizant of the burden placed on states in regard to data collection and reporting, so it is important to show a clear benefit to the system for additional data collections. Therefore, we would appreciate having the GAO provide additional guidance on how collection of the additional data is expected to improve services to UI beneficiaries and hasten their reemployment.

Enclosed are ETA's technical comments on the draft report. If you would like additional information, please do not hesitate to call me at (202) 693-2700.

Sincerely,



Emily Stover DeRocco

Enclosure

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Sigurd R. Nilsen, Director, (202) 512-7215

Staff Acknowledgments

Dianne Blank, Assistant Director
Janice Peterson, Analyst-in-Charge

In addition, the following staff made major contributions to this report: Karyn Angulo and Andrew Bauck served as team members and assisted with all phases of the effort; Jennifer Miller, Alison Pan, and Leslie Sarapu assisted with data collection; Kevin Jackson advised on design and methodology issues; Erin Daugherty, Theresa Chen, R. Jerry Aiken, and Catherine Hurley assisted with data analysis; Susan Bernstein and Stan Stenersen advised on report preparation; Jessica Botsford advised on legal issues; and Lise Levie and Regina Santucci verified our findings.

Related GAO Products

Workforce Investment Act: Labor Should Consider Alternative Approaches to Implement New Performance and Reporting Requirements. [GAO-05-539](#). Washington, D.C.: May 27, 2005.

Unemployment Insurance: Information on Benefit Receipt. [GAO-05-291](#). Washington, D.C.: March 17, 2005.

Trade Adjustment Assistance: Reforms Have Accelerated Training Enrollment, but Implementation Challenges Remain. [GAO-04-1012](#). Washington, D.C.: September 22, 2004

Workforce Investment Act: States and Local Areas Have Developed Strategies to Assess Performance, but Labor Could Do More to Help. [GAO-04-657](#). Washington, D.C.: June 1, 2004

Workforce Training: Almost Half of States Fund Employment Placement and Training through Employer Taxes and Most Coordinate with Federally Funded Programs. [GAO-04-282](#). Washington, D.C.: February 13, 2004

Workforce Investment Act: One-Stop Centers Implemented Strategies to Strengthen Services and Partnerships, but More Research and Information Sharing Is Needed. [GAO-03-725](#). Washington D.C.: June 18, 2003.

Multiple Employment and Training Programs: Funding and Performance Measures for Major Programs. [GAO-03-589](#). Washington, D.C.: April 18, 2003

Unemployment Insurance: States' Use of the 2002 Reed Act Distribution. [GAO-03-496](#). Washington, D.C.: March 6, 2003.

Workforce Investment Act: Better Guidance and Revised Funding Formula Would Enhance Dislocated Worker Program. [GAO-02-274](#). Washington, D.C.: February 11, 2002

Workforce Investment Act: Improvements Needed in Performance Measures to Provide a More Accurate Picture of WIA's Effectiveness. [GAO-02-275](#). Washington, D.C.: February 1, 2002.

Unemployment Insurance: Role as Safety Net for Low-Wage Workers Is Limited. [GAO-01-181](#). Washington, D.C.: December 29, 2000.

GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "Subscribe to Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Gloria Jarmon, Managing Director, JarmonG@gao.gov (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, D.C. 20548

Public Affairs

Paul Anderson, Managing Director, AndersonP1@gao.gov (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, D.C. 20548