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Tools to Transform the Workforce Development System

The American Recovery and Reinvestment Act of 2009 is intended to preserve and create jobs, promote the nation's economic recovery, and assist those most affected by the recession. The Recovery Act recognizes the urgency of getting assistance to laid-off workers and injecting money into the economy as quickly as possible. It also sees this economic crisis as an opportunity to invest for the future, not only in the private sector but also in upgrading and transforming the way in which public services are delivered.

Several federal agencies have stepped up to this challenge. One is the U.S. Department of Labor (USDOL), which has identified a number of areas in which the integration of management information systems with statistical analyses could transform the workforce delivery system into an evidence-based performance system. At present, the department has developed stand-alone programs which could be much more effective, in our opinion, if they were expanded to be more comprehensive and integrated.

Since 1996, USDOL has used a statistical model to identify Unemployment Insurance (UI) beneficiaries who are most likely to exhaust their benefits. Referred to as the Worker Profiling and Reemployment Services (WPRS) system, its purpose is to encourage UI claimants to use reemployment services intensively at the beginning of their unemployment spell rather than toward the end, when they face the prospect of being cut off. The procedure is simple. A statistical analysis is performed by each state to estimate the effect of various factors—education, prior employment history, and so forth—on the probability of exhausting benefits. UI

claimants whose characteristics suggest that they have a high probability of using up their benefits before finding a job are required to attend orientation and register for reemployment services right away. Evaluations show that WPRS reduces the use of UI benefits.

WPRS offers a solid foundation for developing a more integrated system that brings together information from all the workforce development programs and combines them with decision-making algorithms based on empirical evidence of what services work best for specific groups of individuals. Encouraged by the success of WPRS, the Upjohn Institute, with financial support from USDOL, developed a more comprehensive evidence-based management system, referred to as the Frontline Decision Support System (FDSS). FDSS consists of a set of tools that can help frontline staff at One-Stop Career Centers make better decisions regarding the services to which they refer their customers. For example, for dislocated workers, FDSS offers a systematic sequence of steps they can use to move through the reemployment process, beginning with understanding their likelihood of returning to work in the same industry, proceeding to exploring job prospects in occupations that require similar skills and aptitudes, then to accessing information about the earnings and growth of jobs in particular occupations within their local labor market, and ending with an understanding of which reemployment and training services work best for them, if none of the previous steps leads to a job. The tools are based on statistical relationships between a customer's employment outcomes, personal characteristics, and other factors that may affect his or her outcomes, all of which are available from administrative files

already collected by the various agencies. The statistical algorithms provide an evidence-based approach to determining which services are most effective for specific individuals.

By using administrative data that captures the experience of all customers who have participated in the workforce system, this evidence-based approach offers a more comprehensive "collective" experience of what works and what doesn't than relying on the narrower experience of individual caseworkers. In addition, FDSS incorporates local labor market information and data about job requirements and available openings, so that most information pertinent to a person's job search is available in a comprehensive and systematic framework. Implementation of such a system also helps to develop a culture of management by evidence within the workforce development system.

The Georgia Department of Labor incorporated FDSS into its existing operating system at two pilot sites during 2001. It demonstrated that integrated systems can be developed and implemented, and the positive feedback from frontline staff and customers speaks to its potential.

With the Recovery Act's emphasis on transforming the workforce development system and the dire need of workers in this current recession to receive the most effective services possible to help them return to work, this is an opportune time to take advantage of past accomplishments and current technologies to build a stronger, more integrated one-stop service delivery system for the nation's workers.

Visit <http://www.upjohninstitute.org/targeting.html> for more information on WPRS and FDSS.

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