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Evaluation of Labor Exchange Services in a One-Stop Delivery System Environment

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1. EXECUTIVE SUMMARY

1.1 Overview

This 5-year study shows that public labor exchanges (PLXs), first established in the 1930s under the Wagner-Peyser Act, continue to provide valuable job-matching services by referring job seekers to openings employers list with PLXs. Today, PLXs annually place upwards of 3 million workers at the over 6 million jobs they list. Another 6 million workers use PLXs to search for work, but are not directly placed. To provide these services PLXs receive about $1 billion in Federal funds, or $330 per placement. The PLX resources are supplemented by state funds and mostly in-kind contributions from One-Stop Center partners. Moreover, PLXs have effectively adopted new technology and new configurations that allow them to continue to expand their reach with smaller staffs and declining budgets. Thus, this report suggests that PLXs have become a highly cost-effective cornerstone of the work-first approach widely adopted in the 1990s as part of the movement toward One-Stop Centers.

This study also shows that One-Stop Centers' governance affects PLX service delivery. In particular, the most effective One-Stops have single managers who unify operations and seamlessly deliver services. In most cases, these managers' effectiveness is aided by having the authority to select staff and evaluate their performance. Overall, we find that there is much to be gained from melding the efforts of agencies that have different perspectives about which groups should be served and how they might be helped. On balance, however, there also is much to be gained by maintaining the agencies' separate identity and funding structures. Finally, we show that accurately tracking PLX referrals and placements is a major, and growing, problem that may dramatically affect perceptions about the effectiveness of PLXs. We, therefore, describe several highly feasible ways to remedy tracking problems by using computer systems, such as those developed by Oregon, and by initiating surveys to supplement existing data systems that exclusively track delivery of One-Stop intensive services.

More specifically, this study covers four main topics:

- How public labor exchanges (PLXs) have partnered with other agencies to establish One-Stop Centers.
- How the benefits derived from job-matching services (referrals to jobs openings listed with PLXs) compare to the costs.

- How changes in the provision of job-matching services, particularly growing use of automated systems with unsuppressed contact information, affect monitoring performance.

- What steps the Employment and Training Administration (ETA) could take to improve performance monitoring.

1.2 PLX Configurations

To examine how PLXs have adapted to a One-Stop environment we visited 22 PLXs in six states and the headquarters of America's Job Bank (AJB) in Albany, New York. Two of the states, Colorado and Michigan, devolved PLX operations from state to local control, and largely eliminated separate local funding "silos" for Wagner-Peyser Act and Workforce Investment Act (WIA) programs. One of the states, Massachusetts, devolved PLX operations to local control in Boston, Cambridge-Woburn, and Holyoke-Springfield, while maintaining state control in other areas. (In this report we refer to all three of these states as *non-traditional*.)

Three of the states, North Carolina, Oregon, and Washington, maintained the traditional governance system for their PLXs. Each of these states made major efforts to establish effective collaborations among One-Stop partners, however, and used state funds to improve services and management information systems. In particular, Oregon developed systems to monitor performance; Washington developed systems to facilitate job matching; and North Carolina devoted special attention to using its PLXs to deal with skill mismatches where textile and other older industries were shedding workers, while service and high-tech manufacturing firms were having trouble hiring sufficient workers.

With respect to *the way PLXs are configured* our process evaluation determined that:

- Many of the One-Stop Centers we visited had well-integrated staffs from several agencies and provided a broad range of services in modern facilities.

- High-quality services and a high degree of integration were found in states with, and without, the traditional funding silos.

- The key to effective integration was giving authority to a single manager to unify operations and to develop a team spirit where staff from different agencies worked together to seamlessly deliver services. Important aspects of this authority include allowing local managers to select staff and evaluate their performance.

With respect to *differences in the type and quality of job-matching services* we determined that:

- A much higher fraction of state job vacancies were listed in the computerized job-matching systems in the traditional states than in the non-traditional states, and further, these differences had a major impact on the ability of PLXs to place job seekers.

- Traditional states frequently added advanced features to their computerized job-matching systems that greatly enhanced the probability of finding a suitable match, ease of use, and availability of outcome information. In particular, Washington developed a system that automatically identified suitable job orders for individual job seekers, and then automatically notified them when a suitable opening was found.

- Devolving control to local areas greatly diminished use of statewide computerized systems, and increased job development geared to the needs of WIA target groups rather than the general population of job seekers and employers.

- Maintaining a high-quality, statewide, or national, job-matching system with large numbers of diverse listings provides very valuable services to employers and job seekers who otherwise would have difficulty obtaining good matches, and who increasingly are looking beyond their own communities to find and fill vacancies.

- Improvements in computer technology make it possible to increase quality and lower cost of state job-matching systems. These improvements also make pooling resources across states an even more attractive option. Indeed, we were especially impressed with the high quality, enormous capacity, and low cost of the systems developed at the Albany, New York Center, the technical arm of America's Job Bank.

- Effective job-matching systems linked high-quality technology with well-trained staff dedicated both to ensuring that employers were appropriately listing their jobs and job seekers were able to effectively use the technology.

In assessing *why these differences exist* we concluded that:

- Non-traditional PLXs governed by the local workforce investment boards that ran WIA-funded programs selected One-Stop Center operators that tended to use the case-management approach common within WIA. These operators devoted more resources to helping the special populations targeted by WIA intensive services and emphasized targeted job development over more general employer outreach.

- One-Stop Centers in the traditional states showed diversity in the way they were organized and run, as well as in the populations they focused on serving. In several cases, the Wagner-Peyser Act agency was not the lead organization, but worked harmoniously with other groups.

In summary, we concluded that:

- Having a high-quality, computerized job-matching system, well-stocked with job orders, was *essential* to providing low-cost, effective, core services to a wide range of job seekers and employers consistent with the work-first model adopted by most One-Stop Centers.

- All three traditional states in our sample had high-quality matching systems, but the quality of the job-matching systems greatly suffered in the non-traditional states as emphasis shifted to helping the "hard-to-serve" who are the traditional focus of WIA and its predecessors. Such a shift previously occurred during the "War on Poverty" in the 1960's, and greatly reduced the effectiveness of PLXs by crippling their ability to obtain job listings.

- Thus, in the final analysis, separate funding silos serve the useful purpose of striking a balance between providing low-cost services that meet the needs of a broad range of job seekers and employers, while also providing intensive counseling and training services to those unable to find work or improve their career paths with the low-cost services.

- Finally, we concluded that not all One-Stop Centers are equally effective, but improving One-Stop management at the local and state level is the key to improving their quality. In our view the Employment and Training Administration can play a major role in improving service quality by:

    1. Reestablishing the excellence of the ETA Form 9002 reporting system.

    2. Helping states and local areas to establish effective measures and standards.

    3. Using these measures to reward excellence and ensure that steps are taken to identify and deal with problems.

As noted in section 1.4, restoring the accuracy of ETA Form 9002 counts of referrals and placements can greatly improve the reputation of PLXs by avoiding misperceptions of their effectiveness. Having accurate measures of key performance indicators are also essential for setting reasonable standards and rewarding excellence.

1.3 Benefit-Cost Analysis

The second major component of this study was obtaining and analyzing administrative data covering job seekers' employment and earnings, as well as their receipt of PLX services and collection of

unemployment insurance (UI) benefits. Ultimately, we estimated reductions in joblessness, increases in earnings, and reductions in UI payments accruing to UI claimants in five of the six states in our sample.

Our main conclusions from the benefit-cost analysis are that:

- The benefits stemming from UI claimants' reviewing jobs listed with the PLXs and obtaining referrals to those jobs were considerably greater than the costs of providing those services in every state we studied.

- Even under highly conservative assumptions, benefits outstripped costs by more than 20 percent in every state. Upper bound estimates using reasonable, but less conservative, assumptions suggested benefits were at least 80 percent greater than costs, and in many cases two to three times costs.

- A key reason for the high benefit-cost ratios is that the PLXs studied served large populations with low-cost programs. Because per-person costs were low, small reductions in joblessness produced high benefit-cost ratios.

- Benefits were especially large in the three traditional states, in the neighborhood of $25 million per year per state. This is because about one-third of all PLX registrants were UI claimants. Oregon PLXs served about 28 percent of the labor force, while Washington and North Carolina PLXs served about 20 percent of their labor forces.

- In contrast, the total benefits in Colorado, the only non-traditional PLX system for which we were able to estimate benefits, were only about $8 million per year. Even though Colorado had a considerably larger labor force than Oregon, only 16 percent of its PLX registrants were UI claimants, and registrants were only 10 percent of the workforce.

- Massachusetts data did not adequately cover its non-traditional PLXs. As a result, 95 percent of all the services we analyzed were provided by traditional PLXs. Not only were we unable to assess the performance of the non-traditional PLXs, but because non-traditional PLXs were located in large population centers, data inaccuracies precluded using statewide statistics to obtain basic information about overall PLX use.

- Michigan's administrative data did not track referrals, in part due to extensive use of self-service job-matching. However, Michigan did conduct surveys, which provide a promising means to assess job-matching performance, if the representativeness of the samples is improved.

- A major limitation in our study was that we only examined the value of referrals (job-matching services) to UI claimants (while they were collecting benefits). A pilot study we conducted in Washington, however, suggests that use of surveys could produce highly accurate assessments of the value of referrals to a broad range of PLX users. On the other hand, our Massachusetts study suggests that it is unlikely that any non-experimental design could accurately assess the effect of services other than referrals.

We conclude that, despite this study's limitations, we have produced clear-cut evidence that PLX job-matching systems provide highly effective reemployment services to claimants, and most likely to other groups of job seekers. In addition, firms share in these benefits because reductions in UI payments reduce experience-rated tax rates. We consider benefits to job seekers to be of particular relevance because job-matching systems are the key service PLXs bring to One-Stop Centers and it is hard to see how any other means could serve large, diverse populations at low cost. Thus, we regard the PLX job-matching systems as the cornerstone of the work-first approach.

1.4 Performance Monitoring

The third element of our study was combining the administrative data we assembled with official statistics to assess how changes in job-matching systems affected the ability of managers and researchers to analyze One-Stop Center performance. Our major conclusions are that:

- Counts of *referrals and placements* are systematically understated in most states. Between PY94 and PY97 the ETA Form 9002 reporting systems indicates that placements declined by 17 percent in North Carolina and by 8 percent in Washington, but increased by 5 percent in Oregon, the *only* state to use a special computerized system to track referrals to jobs with *unsuppressed contact information*.

- In contrast, counts of *job openings and registrations* are much more accurate. Job openings increased by 15 percent and applicants increased by 41 percent in Washington between PY94 and PY97. Thus, we estimate that placements are understated by 40 percent or more in some states, largely because of expanded use of listings with unsuppressed contact information.

- Declines in counts of referrals, placements, job openings, and registrations were far greater in the non-traditional states than in the traditional states. Placement counts declined by over 60 percent in Michigan and Massachusetts, and by 33 percent in Colorado. Applicant counts fell by more than 30 percent in Michigan and Colorado, but rose by more than 30 percent in Washington and Oregon.

- The declines in the non-traditional states partly reflect increased use of unsuppressed listings, but much of the effect stems from a breakdown in use of statewide matching systems.

- This loss of information is a serious matter because (1) it dramatically understates the positive benefits produced by One-Stop Centers in providing core and intensive services, and (2) it precludes assessing the impact of changes in technology, management, and other factors on the cost-effectiveness of PLX job-matching systems.

- More broadly, our benefit-cost estimates indicate that each placement boosts claimants' earnings by as much as $2,500 and reduces UI payments by as much as $850. Thus, dramatic underestimates of key statistics are likely to adversely affect the perceptions of PLX benefits among workforce program managers, elected officials, and the general public. Further, these misperceptions could substantially reduce support for adequately funding One-Stop Centers, and lead managers to give too little support to the provision of job-matching services.

1.5 Improved Performance Monitoring

The fourth element of this study was determining how performance monitoring could be improved by reducing major information deficits. In the course of conducting this and related studies, we encountered three ways to fill information voids:

- A computerized system that allows voluntary registration and then identifies the "unsuppressed" job orders to which individual registrants request contact information that is used in Oregon.
- In-office surveys with mail follow-up to assess usage and outcomes that was tested in Washington.
- Employer and job seeker surveys to obtain information about use of job-matching systems and satisfaction which are used in Michigan.

With respect to the automated referral identification system used in Oregon we concluded that:

- The system is highly effective because over 75 percent of Oregon PLX users voluntarily identify themselves.
- The system is exceptionally inexpensive to run because computers conduct the initial tracking as well as assess outcomes through wage-record matching.
- It would be inexpensive for other states to adopt the system because Oregon is willing to make it available to any state at no cost.

With respect to the test of in-office surveys with mail follow-up in Washington we concluded that:

- The in-office surveys could determine which PLX users obtained referrals and collect other information at low cost that would be highly useful for assessing the value of services obtained.
- Mail follow-up would produce exceptionally useful information at low cost. Because the response rate would be low, however, some expensive telephone follow-up would be needed to validate the results.

With respect to employer and job seeker surveys used in Michigan we concluded that:

- The employer survey produced unusually detailed and valuable information about the number and quality of job seekers responding to listings at low cost. Some expensive telephone follow-up would be needed to validate the results, however.

- It would be easy to make small modifications in the job seeker survey to provide very valuable information, but as was shown in Washington, telephone follow-up is needed to validate the results.

In summary, an automated referral identification system, such as Oregon's, can quickly provide highly accurate and highly valuable information at low cost. Given the defects in the current data collection system, ETA should consider offering funding sufficient to encourage several states to voluntarily test Oregon's system. If those tests produce positive results, ETA should consider ensuring that all states adopt similar systems.

While fostering adoption of Oregon's system might seem to be a "no-brainer," a careful assessment of the costs of developing a survey-based monitoring system is warranted. Surveys could produce extremely valuable information and largely fill the enormous information gaps in the running of One-Stop Centers, but their cost would be substantial. Thus, ETA should consider conducting a feasibility study that would weigh costs against the value of monitoring One-Stop core services, especially in light of the unbalanced view provided by the substantial funds currently spent on tracking intensive services alone. If such a study suggested that the benefits outweigh the costs, a field test should be undertaken.

2. BACKGROUND

2.1 Introduction

This report examines how the organization of public labor exchanges (PLXs) funded under the Wagner-Peyser Act changed as they became integrated into One-Stop Centers mandated by the Workforce Investment Act (WIA). It also assesses the benefits and costs of the key service provided by PLXs—the direct referral and placement of job seekers to openings employers list with PLXs.

To produce this report, we conducted site visits and phone interviews with officials responsible for overall PLX and One-Stop Center operations in six states and staff of 22 One-Stop Centers in these states. We also conducted similar visits and interviews with officials responsible for overall operations of America's Job Bank (AJB) in Albany, New York, and Washington, DC. In addition, we assessed changes in PLX service delivery in six of the states using published statistics, and estimated benefit-cost ratios for PLXs in five of the states using large micro-databases we assembled.

Three of the states studied—Colorado, Massachusetts, and Michigan—were selected because, at the point the study began, they were the only states that integrated Wagner-Peyser Act and WIA services into a single organization with a single local funding stream. More specifically, these states transferred responsibility for running at least some PLXs to local agencies, usually workforce investment boards (WIBs) that previously ran WIA programs alone. They also transferred state PLX staff to local government agencies or terminated their employment. Finally, they often contracted out the operation of One-Stop Centers through competitive bids usually to consortia that included government agencies, non-profits, and in one case, a for-profit firm.

Three of the states studied—North Carolina, Oregon, and Washington—also were selected because they made major efforts to integrate services into local One-Stop Centers, but maintained the *traditional* division between state-run and staffed Wagner-Peyser Act programs, and locally-run WIA programs. In addition, these states made major efforts to improve PLX operations and develop high-quality data (that they shared with us for this study).

Thus, the central goal of our selection was to make it possible to assess what would be gained and lost by integrating service delivery with, and without, completely breaking down the divisions between the state-controlled Wagner-Peyser Act programs and the local-controlled WIA programs.

Chapter 3 describes the diverse ways PLXs have partnered with other agencies to establish One-Stop Centers and analyzes how these changes have affected the delivery of workforce development services. Chapter 4 describes the benefits and cost of PLX job-matching services, details the data problems stemming from technological and organizational change that limits this analysis, and suggests ways to dramatically improve data systems.

This chapter, however, sets the stage for these detailed discussions by describing:

- The history of PLXs;
- The services provided under the Wagner-Peyser Act and WIA;
- The data reporting systems that were created under each Act; and
- The methodological issues that need to be resolved to measure the effectiveness of job-matching and related services under each Act.

2.2 PLX's Mission and Core Service

The primary focus of this report is the nature and consequences of changes in the provision of state job-matching services resulting from the integration of PLXs into One-Stop Centers. Traditionally, job-matching services in states were provided by the Employment Service (ES) funded under the Wagner-Peyser Act of 1933. The ES is a labor market intermediary that brings together individuals looking for jobs with employers looking for workers to fill job openings.

Originally, the state-Federal ES helped Depression-era workers find jobs, many of which were created by New Deal agencies. During World War II, the ES turned to funneling workers into defense industries, often by linking specific rural areas in the South or West to specific industrial areas in the Northeast or Far West. During the post-war years, the ES assisted returning veterans to reenter the civilian labor force. Providing services to veterans continues to be an important ES task, which is separately funded and staffed. During the "War on Poverty" in the 1960's the ES helped economically disadvantaged individuals find jobs.

The Kennedy-Johnson years were a watershed era for the ES because (1) the challenges facing the US in reducing poverty were fundamentally different from those of the depression and World War II where the ES played an important role in Federal efforts to deal with problems strongly affecting all Americans, (2) the ES's role was diminished by the creation of new Federal organizations to provide a broad array of employment and training services to groups of social concern such as the economically disadvantaged and workers dislocated by technology or trade, and (3) the ES's attempts to contribute to the "War on Poverty" created widespread dissatisfaction among employers with the perceived shift from finding the best candidate for a given opening to placing individuals of social concern.

As a result, the value of the ES began to be questioned. Starting in the 1970's, there was a series of calls to devolve ES operations to the states, with and without ending Wagner-Peyser Act funding. Each of these efforts failed, somewhat to the proponents' surprise, as employer groups, especially those representing small employers; elected officials, particularly those in more rural states; and labor unions, especially those representing state workers; rallied to the support of the ES.

A contributing factor to the demise of devolution attempts is that the analysis used to support the view that PLX services were not cost-effective were seriously flawed, while a growing number of carefully conceived random-assignment demonstrations consistently showed that various forms of low-cost job search assistance was highly cost-effective. The culmination of the research and policy debates was that during the 1990's, there was a general acceptance of the "work-first" approach in helping the economically disadvantaged, especially welfare mothers, dislocated workers, new entrants, and incumbent workers improve their earnings and job satisfaction.

Today, the cornerstone of the work-first approach is universal access to low-cost PLX services through One-Stop Centers. As will be discussed in the next section, low-cost, high-capacity, job-matching and other forms of job search assistance are the core services provided at these centers. A subsequent section indicates that these services are cost effective. Thus, PLXs make it possible to achieve a key aim of the WIA—providing effective, low-cost services to virtually all those needing workforce help. Indeed, it is hard to see how this key goal could be achieved by other means. Importantly, the provision of effective and low-cost services frees resources to help individuals who need additional aid to reach their career objectives, but lack the resources to help themselves.

2.3 PLX Services

As its name suggests, the unique service provided by PLXs is the referral and placement of workers to jobs employers list with the ES. Years ago, job seekers had to review books of job listings or walls covered with listings that were obtained from employers by ES staff. When a suitable listing was found the job seeker had to talk to a staff member who provided contact information (or directly set-up an interview) once it was determined the job seeker was well qualified for the job. Alternatively, staff could look through listing on behalf of job seekers in what usually looked like an old-style library card catalog. In some cases, staff would look through job seeker registration files to identify well-qualified job seekers when a new job order came in.

Today, the system for cataloging and searching through job order files has been automated to the point that job seekers largely conduct searches by themselves, and often retrieve the contact information without ever talking to a staff person. Moreover, job seekers do not have to visit ES offices as they can access job listings over the Internet, and often can set up computer searchers that automatically identify suitable jobs each time they log onto the job-listing web site. Similarly, employers can call in job orders in the traditional manner, or in many cases, directly enter their orders into ES computers. In addition, staff can use computers to identify well-qualified candidates, and in some cases, employers can search the resumes of job seeker registrants to identify well-qualified candidates.

Currently, state PLXs annually list over 6 million openings, and place upwards of 3 million job seekers at those openings, at an average cost in Federal funds of about $330 per placement. America's Job Bank (AJB), which is a federally supported, Internet-based, public labor exchange lists most of the jobs posted by state PLXs plus an additional 4 million jobs AJB independently obtains.

PLX computers also provide links to private-sector job-matching systems such as monster.com and The Washington Post's automated want ads, as well as a host of related web sites, such as those providing information about current labor market conditions, projections of growth and pay in various career fields, training required to enter various fields and where to obtain that training, and types of help provided by a wide range of agencies and how to obtain that help.

In addition to the computerized services available over the Internet, at ES and One-Stop offices and at libraries, specialized kiosks and other public facilities, visitors to PLXs can obtain a wide range of additional technology-based services such as use of resume writing software, fax and Internet

access to send out resumes, phones to call employers, as well as low-tech libraries with information about effective job-search and career development.

PLX visitors also can obtain help from staff in using the various job-search tools, as well as attend job-search workshops lasting from a few hours to several days, and obtain individualized assessment, counseling, and referrals to training and other social services. However, PLXs' mandate to offer universal access to diverse populations with limited funds places great emphasis on developing computerized systems that are user friendly, and can deliver a variety of aid without staff intervention. Indeed, the increased capabilities of computers coupled with the ability of states to share ideas and software makes it increasingly possible to lower cost and increase quality of the services provided to growing numbers of clients. These same technological improvements also free staff from clerical and other tasks so they are more able to provide individualized services when they are needed.

A final traditional ES function is helping to monitor the job-search of unemployment insurance (UI) claimants. This role stems from claimants being required to actively search for work, as well as apply for and accept job vacancies that are similar to former jobs. One of the best ways to perform the "work test" is to provide a claimant with a referral to a suitable job opening, and then see if the claimant adequately follows up on this lead. PLXs are ideally suited to conduct such tests. Recently, the claimant monitoring role has gained added emphasis as several demonstrations produced convincing evidence that it is cost-effective to require claimants likely to have trouble finding new jobs to attend workshops that acquaint them with PLX and other agency services as well as how to effectively conduct their job search on their own. Currently, all states call in substantial numbers of claimants under the Worker Profiling and Reemployment Service (WPRS) program created in the 1990's. Many states, such as North Carolina, complement the WPRS program, which is aimed at providing help near the start of a UI claim, with periodic eligibility reviews that require one-on-one interviews to assess and improve job search as the duration of claim lengthens.

2.4 WIA Services

In contrast to the universal access and low per-person cost of the PLX services discussed above, WIA aids specific target groups but has resources to serve only small segments of those populations. WIA provides expensive services, such as basic and vocational training, that last much longer than PLX services. In order to best serve their clients, WIA service providers usually adopt a staff-

intensive, case-management, approach. WIA programs also provide direct job placement services to its clients through use of targeted job development and referral. Thus, in distinct contrast to PLXs, which list jobs from any employer and offer referrals to any qualified person, targeted job development is designed to identify employers that have openings especially well suited to the needs of specific clients, and WIA staff often work with the employers to help them accommodate to their clients' special needs, monitor performance, and assist employers to solve problems that develop with clients.

Because of the narrow targeting of WIA services, the costliness of the services, and funding limitations, considerable resources are devoted to establishing eligibility and determining which potential clients are likely to benefit most from the services offered. More specifically, WIA programs recruit and carefully screen applicants prior to enrolling them to ensure that the program offers appropriate treatments, and the enrollees will do their part in securing benefits from the program.

As shown in Table 2-1, during program-year 2003 (July 2002 through June 2003) WIA served about 475,000 economically disadvantaged adults, about 380,000 dislocated workers, and 400,000 economically disadvantaged youths at a per capita cost of $2,000, $3,250, and $2,850, respectively. In contrast, the ES served almost 15,000,000 people at a per capita cost of $53 over the same period. While these figures do not include all funds spent on WIA and ES programs, nor include all clients, they clearly show the dramatic differences in access and per capita cost.

Table 2-1. PLX – WIA comparisons 2002

	FY2002 Federal appropriation ($ millions)	PY2003 Persons served	Federal spending per person
WIA			
Adults	$945.3	475,209	$1,989
Dislocated workers	$1,233.7	379,798	$3,248
Youth	$1,128.0	396,470	$2,845
Total	$3,307.0	1,251,477	$2,642
Wagner-Peyser Act			
PLX	$796.7	14,948,928	$53
Ratio			
PLX/WIA	0.24	11.9	0.02
WIA/PLX	4.2	0.08	49.6

Source: Workforce System Results. USDOL/ETA, June 2003

In summary, the WIA programs' main focus is providing training and case-management. PLX primary focus is direct job placement mainly through self-referral to the millions of jobs listed by employers. Both PLX and WIA programs supplement their primary services with various forms of job search assistance (JSA). JSA provides information designed to make job search more effective. In addition to information, JSA can also include individualized assessment and counseling. WIA expends substantial resources on outreach, enrollment, and to a much lesser extent, targeted job development; while PLXs provide referrals to WIA and other personalized services.

2.5 Integration of WIA and PLX Services into One-Stop Centers

The differences between PLX and WIA services discussed above suggests several reasons why integrating the delivery of these services might increase overall benefits. The most obvious advantage is determining if inexpensive services can meet job seekers' needs before offering costly services. For example, initially, job seekers could be encouraged to review PLX job orders to determine if any suitable jobs are available. Job seekers unable to find suitable work after a reasonable period could then be offered individualized assessment and counseling as well as participation in job search workshops. If these approaches fail, job seekers could then be offered various forms of training. The essence of the work-first approach is using PLX staff as gatekeepers to progressively more expensive services.

A second advantage of integration is that PLX staff can improve referrals by becoming more familiar with the services available through WIA programs. Third and less obvious, is that information about the pay and availability of jobs in different fields obtained through use of PLX computers can serve as the basis for deciding what types of training would best increase earnings. Fourth, information about the openings listed with PLXs that are being filled by target populations provides a starting point for job developers to find employers willing to hire WIA participants.

PLXs' role as gatekeepers to the more expensive WIA programs and as providers of highly useful labor market information to clients and staff probably are the most important benefits of service integration. However, there also could be major economies of scale through integration into One-Stop Centers of the full array of employment and training programs for veterans, senior citizens, the handicapped, welfare recipients, UI claimants, and ex-offenders. Many of these economies stem from

eliminating duplicative efforts to reach and register clients, assess and refer clients to appropriate staff, supervise staff, and maintain facilities.

Finally, melding of PLX and WIA services can take advantage of WIA's governance structure that brings together local officials from various levels of government, non-profit social service agencies, unions, and especially businesses. A major strength of WIA is that it gives considerable power and a strong voice to local leaders in the running of WIA and integration of other workforce development programs through its 620 or so local WIBs (Workforce Investment Boards). While not all WIBs are equally effective, there is little doubt that their oversight plays a major role in ensuring community needs are met and in developing support for WIA programs. In distinct contrast, PLXs are run by state officials who make key decisions with limited local input. PLXs have local job service employer committees (JSECs) but these committees do not have the power or play an analogous role to WIBs in managing PLXs. Indeed, PLXs' difficulty in developing cooperative working arrangements with WIA and other local social service agencies probably is a key factor motivating calls for its devolution.

Thus, a major focus of Chapter 3 is on how well various service configurations complement each other. In particular, we examine the advantages and disadvantages of integrating Wagner-Peyser Act and WIA services into a single organization with a single local funding stream. Even this brief discussion suggests that, because WIA programs are restricted by funding limitations, a likely outcome of making Wagner-Peyser Act funds available to the workforce investment boards (running WIA programs) would be an increase in services provided by local WIA programs at the expense of statewide PLX programs.

2.6 Performance Data

While a strong theoretical case can be made for integrating PLX and WIA services into a One-Stop environment, demonstrating the practical benefits depends on having the right data. Unfortunately, there is not a single integrated database available for examining the performance of PLX and WIA programs, let alone the performance of One-Stop Centers that involve many additional partners. Four factors affect the availability of suitable data. Differences in:

- The nature of PLX versus WIA services.
- Staff involvement in providing these services.

- Incentives to create effective management information systems.
- The Federal role in overseeing PLX and WIA operations.

Because PLX services are primarily aimed at shortening the duration of job-search and improving the quality of job matches for many job seekers and employers, PLX published statistics measure the number of job seekers registering for service and the number of openings listed by employers, as well as the number of job seekers placed and referred. Similarly, special PLX evaluations primarily measure reductions in jobless duration and short-term earnings gains of program participants.

In contrast, as its name suggests, WIA funds programs that often make investments that build skills to boost long-term earnings, but at the cost of lengthening periods of joblessness. Thus, WIA published statistics focus on measuring the percentage of clients who enter employment, how long they hold jobs, and changes in earnings, while formal evaluations focus on measuring long-term increases in earnings and hourly wages of program participants.

A second major difference between WIA and PLX data is that the accuracy of key PLX statistics have dramatically declined as self-referrals to job orders have increased through use of unsuppressed contact information. Because traditional data systems depend on staff recording each referral made to each job seeker, if staff stop making the referrals, data systems must be altered or the ability to track referrals and placements will plummet. Use of unsuppressed contact information varies across the states, but we estimate that it is above 80 percent in many states, and rarely less than 50 percent.

In stark contrast, the WIA system has evolved an elaborate, well-funded, staff-dependent system for enrolling clients and tracking the services provided. In large part this system evolved from the need to ensure that services are going to eligible individuals and that the large per-person training payments are appropriately spent—functions that are difficult to automate.

Third, there are weak incentives to accurately report PLX statistics to the Federal government, mainly because there are no performance standards and no financial awards or sanctions associated with the performance measures. In the past, however, PLXs developed an elaborate performance measurement system because Federal payments were directly tied to the amount and type of services provided. Today, efforts to establish systems to accurately measure performance and use these

measures to monitor and improve PLX services largely are confined to a few states. In distinct contrast, WIA programs have explicit standards that are carefully monitored and tied to financial rewards.

A major reason for these incentive differences is that the Federal government plays a much larger role in administering WIA programs than PLX programs. Differences stem from (1) WIA funds going to about 620 local workforce investment boards, largely, but not exclusively, as state pass-throughs; (2) WIA receiving far more funds than PLXs, (3) strong interest among several constituencies in boosting WIA funding, and (4) funding for WIA programs coming from annual appropriations from general revenue. In contrast, almost all Federal PLX funding comes from a portion of the payroll taxes used to support the Unemployment Insurance system. Because of WIA's special governance structure, and greater interest in addressing workforce problems through WIA, it is natural that there also would be greater interest in securing high-quality information about WIA programs.

Not surprisingly, differences in the ways PLX and WIA program performance are monitored have enormous effects on this study. We were able to quantify the effect of referrals and placements made by traditional PLXs by selecting traditional states that had high-quality administrative data. North Carolina and Washington did not make extensive use of unsuppressed listings in the years examined, and Oregon developed a computerized system to track referrals to unsuppressed listings. However, we were largely unable to quantify the effects of devolving PLXs to local control. In particular, the WIBs in Massachusetts and Michigan, which assumed responsibility for running PLXs, dramatically reduced listing jobs statewide and largely stopped recording placements from any source in state data systems.

These WIBs followed the Federal WIA mandate to record intensive services and training, while they ignored measurement of core services (mainly provided by PLXs). However, these practices precluded the use of administrative data to analyze the effectiveness of the PLXs run by WIBs. Importantly, Michigan attempted to develop statewide survey-based performance measures for its PLX, which is documented in section 4.6. However, Michigan lacked the resources to validate its system, and probably would have needed to spend more funds to expand the sample and increase the survey response rate to develop accurate statistics. In contrast, Oregon devoted millions of state and Federal dollars to developing a highly effective computerized system to accurately measure performance of its PLX, which also is discussed in section 4.6.

Overall, not having adequate PLX performance data is a major and growing problem. This problem is serious, not just for one-time evaluations, but also because the General Accounting Office

(GAO) concluded in the late-1980's that maintaining high-quality monitoring systems, rewarding excellence, and developing the means to identify and solve problems are hallmarks of cost-effective PLXs (GAO, 1989). Integration of PLX services into One-Stop Centers increases the value of having adequate information about core services as well as intensive services and training. Thus, we describe how the data measurement problems can be resolved, and several of our most important and easily implemented recommendations relate to improving data systems.

2.7 PLX Evaluations

The sparse literature assessing the performance PLXs falls into five categories:

- Informal analyses of PLXs benefits and costs based on published statistics;
- Formal evaluations of the benefits and costs based on large person-level databases;
- Commentary on the formal and informal evaluations;
- Assessment of factors that influence referrals, placements, and cost, but do not assess net benefits; and
- Random-assignment demonstrations of the value of job search assistance services of the type provided by PLXs.

2.7.1 Informal Analyses

Several informal papers supporting devolution failed to provide evidence that could convince technical experts PLX benefits are less than their costs. Part of the problem was that these papers did not reference rigorous studies indicating (but not providing direct evidence) that the ES was cost effective. Part of the problem was that the informal discussions used a faulty conceptual framework that ignored the ES's extremely low per-person cost and the substantial declines (in real terms) of Federal allocations over the last 25 years. What these papers suggest to researchers is that the ES was used by very large numbers of workers having difficulty finding work and large numbers of these workers were being placed at jobs by the ES. Moreover, many firms listed jobs with the ES that were highly suitable for workers having difficulty finding work by other means, and most of these firms were unlikely to use more expensive means to recruit workers, especially through private employment agencies.

Thus, experts reached the key conclusion that it is extremely difficult to assess the value of PLX services precisely because it is difficult to create a comparison group of job seekers who do not use PLX services, but face the same difficulties finding suitable work. Indeed, there is general recognition that simple comparisons tend to understate the value of ES services, often to the point it appears that use of the ES makes job seekers worse off. This is because ES users, in the absence of ES use, would have had worse job-search outcomes than seemingly similar non-users.

Because the informal studies did not use an appropriate conceptual framework they did not convince technical experts that the uniformly positive estimates of the effect of PLX referrals and placements from the formal analyses were negative as the informal studies claimed. At best, they focused attention on whether the formal studies adequately controlled for differences between users and non-users. Indeed, technical debates still focus on whether the more sophisticated analyses overstate "true" effects, while accepting the view that simple comparisons understate the "true" value of PLX referrals and placements.

2.7.2 Formal Analyses

In this subsection, we discuss the three major studies of the effect of PLX referrals and placements that preceded this effort—a national study published by ETA in 1982, a study of Pennsylvania UI claimants completed in 1993, and a study of Washington and Oregon UI claimants published by ETA in 2000—paying particular attention to their relevance to the new work reported in Chapter 4.

2.7.2.1 The JDW National ES Study

Prior to ETA commissioning the new analysis presented in this report, there was only one attempt to provide a comprehensive assessment of the value to jobseekers of PLX referrals and placement. This is the *National Evaluation of the Impact of the U.S. Employment Service* by Terry Johnson, Katherine Dickerson, and Richard West (JDW) issued by ETA in 1983 (Johnson, et al., 1983). This work, which also was published in a refereed journal, concluded that the benefit-cost ratio for the ES was 1.6 for men and women together, using highly conservative estimates of overall cost and the benefits accruing to men.

Nevertheless, researchers regard this study as only suggesting PLX services might be cost effective, and generally emphasize the need for better evidence to be certain that this is the case. This view is based on careful analyses that have shown that it is generally not possible to obtain unbiased estimates of program effects without using an *experimental design* where some program applicants are randomly assigned to a control group and denied services. Implementing random assignment designs are possible with social programs, such as those funded under WIA, where many more individuals want to participate than funds allow. But experimental designs are extremely difficult to implement with PLX and other programs that are required to provide universal access. It is our view, however, that when all sorts of evidence is taken into account, the JDW study is quite helpful in assessing a plausible range for program benefits, and also in providing guidance to improve PLX benefit estimation.

Recent reviews of the JDW study methodology focus on JDW's attempt to reduce adverse selection bias by (1) surveying registrants to assess their motivation to find work and expectations about likely outcomes, and (2) using statistical adjustments to control for unobserved factors that simultaneously influence ES use and job-search outcomes. The consensus of the reviewers is that the JDW study demonstrated that after holding a host of observable factors constant, ES registrants with a stronger motivation to return to work and greater expectations of successful job search were more likely to obtain referrals. Since it is reasonable to believe stronger motivation and higher expectations would decrease the duration of job search even if ES referrals were not obtained, failure to control for differences in motivation and expectations could lead to substantial over-estimation of the value of the referrals and placements. This is the case even though the adjustments met a necessary, but not sufficient condition for accurate estimation—that differences in earnings and other factors between ES users and comparison groups were statistically insignificant during the period prior to ES use.

Importantly, JDW did not directly estimate the effect of stronger motivation and higher expectations on job-search outcomes, but they did show that the statistical corrections made to take selection bias into account increased measures of success. For men, program effects (decreases in jobless duration) increased from 0.64 weeks to over 9.00 weeks, and for women, program effects increased from 2.79 weeks to over 6.00 weeks. This evidence suggests that, while reviewers focus on the possibility unobservable factors lead to over-estimation of the true effects, omission of factors not directly measured by JDW led to substantial under-estimation of the true effects. The precise degree of underestimation in using simple ordinary least square (OLS) regression estimates is uncertain, but it is reasonable to believe that the under-estimation of true effects is 2 weeks or more.

Another finding that had a strong effect on the approach used in this report is that OLS estimates, which were small and sometimes not statistically significant, became much larger and were statistically significant when the timing of the referral (relative to registration) was taken into account. Reductions in joblessness for referrals made in the first month of registration were 2.12 weeks for men, and 4.85 weeks for women (compared to the 0.64 and 2.79 week reductions estimated for referrals made at any point). Because two-thirds of the placements were made within 1 month of registering, the net benefits of the referrals are greater when PLX aid after the first month is ignored. There are several possible reasons for the measured effects being much smaller for placements occurring more than 1 month after registration, including the 6- to 9-month follow-up period being insufficient, and those referred who do not return to work relatively quickly being more likely to stop searching.

A second data issue is that the statistical adjustments to the OLS estimates produced results with large confidence intervals (relative to the point-estimates), and therefore, may have led to the point estimates being substantially greater than the "true" effect (even if the estimators, themselves, were unbiased). A closer look at the JDW sample suggests that the key problem was that a far larger group of placed registrants was needed to substantially shrink the confidence intervals.

JDW obtained suitable data for 4,564 applicants from a nationally representative sample of 25 ES offices. However, only 30 percent were referred to jobs, and 30 percent of those referred were placed. A far more powerful statistical design would have used equal proportions of those (1) placed, (2) referred but not placed, and (3) not referred; (and then weighted the results to reflect the probability of being referred and being placed). This design could not be implemented, however, because baseline data on motivation and expectations was obtained before applicants were referred and placed.

Thus, we conclude that the JDW national study provides strong evidence that OLS regressions with readily available administrative data most likely led to substantial under-estimation of the true referral effect. While the underestimation is large, the sample was too small to estimate the bias with much precision.

In terms of lessons learned for use in subsequent attempts to assess ES benefits, we concluded that the accuracy of referral effect estimates could be increased by (1) using large samples that include many placed registrants, (2) measuring joblessness over a long period, (3) controlling for recall and labor force withdrawal, factors that probably were well captured by the JDW survey, and (4) controlling for elapsed duration of unemployment at the point a referral is made (not just when

registration occurred). Point 4 is especially important in our study of UI claimants because most claimants were required to register with the ES but not required to obtain ES referrals, and as is discussed in more detail below, lengthened unemployment duration is a good indicator of difficulty finding work.

More specifically, we concluded that controlling for the timing of referrals relative to the start of unemployment spells is critically important in reducing selection bias for claimants. The logic here is that referrals only have an effect after they are obtained, and individuals who have characteristics that lead to quickly finding new jobs by other means do not obtain referrals. Thus, it makes sense to hold constant "elapsed duration" by comparing the job search of referred individuals *subsequent to obtaining the referral* to that of individuals who have reached the same point in their jobless spells, but did not obtain a referral. However, it makes no sense to include in these comparisons individuals who have found new jobs or been recalled before reaching the point in their jobless spells that others obtained referrals. By limiting comparisons to claimants who have been jobless for similar periods, we eliminate from the comparison many claimants who have measured or unmeasured characteristics that lead to a quicker return to work.

A key reason for expecting that this approach will substantially reduce selection bias in practice is that recall probabilities sharply decline with jobless duration, and workers expecting recall are unlikely to obtain referrals or placements. Similarly, job seekers with superior sources of vacancy information also are likely to quickly return to work without obtaining referrals. Thus, estimates of the effect of referrals made after about 10 weeks of joblessness are likely to be much freer of selection bias than those for referrals made sooner.

Nevertheless, non-recalled registrants obtaining referrals after being unemployed for similar periods still may have greater motivation to find jobs or superior prospects than non-referred registrants. Thus, ignoring these differences still could lead to over-estimation of the true effects. However, these effects are likely to be far smaller than the selection bias in the opposite direction introduced by not controlling for the duration of unemployment in the first place. (As just discussed, this is because whatever those omitted factors are, they are likely to have strongly affected the probability of returning to work in the preceding weeks of joblessness.)

Following the above logic, a strong case can be made for further reducing selection bias by comparing referred registrants to registrants placed at jobs. The logic here is that unmeasured factors that simultaneously affect obtaining referrals and the success of job search by other means are likely to be

more similar among referred registrants who are and are not placed, than between those referred and those not referred.

Importantly, the referred/placed comparisons also reduce bias stemming from the inability to find a suitable referral being an indicator that the type of job a given registrant is looking for is scarcer than those referred registrants are trying to obtain. This bias is greater the more likely it is that registrants have searched job listings. Thus, eliminating this bias is especially important when there are no survey-based or other good measures of the probability of finding a new job, and when registration is voluntary and done in person so that it is especially likely that registration and a review of job orders takes place at the same time.

Some commentators suggest that the referred/placed comparisons overstate the value of placements because those placed may have unmeasured attributes that make them more attractive to the employers to which they are referred by PLXs (and other employers) than those referred but not placed. If this supposition is correct, the value of *placements* would be overstated. However, the Washington study discussed in section 2.7.2.3 suggests that it may be as likely for referred job seekers with superior attributes to reject job offers as for employers to reject referred job seekers with inferior attributes.

Of at least equal importance, the size of the over-estimation is a key determinant of whether the total reduction of joblessness stemming from PLX placements plus referrals not leading to placements is over-estimated. This is because, as shown in equation 2-1, T—the total reduction in joblessness stemming from referrals and placements, equals, re—the referral effect (without placement), times R—the number referred (but not placed), plus, pe—the placement effect, times P—the number placed. Since we know that about one out of three referred registrants are placed, the value of PLX referrals and placements would be under-estimated as long as the over-estimate of the placement effect is less than one-third of the under-estimate of the referral affect.

$$T = re \times R + pe \times P \qquad \text{Equation 2-1}$$

The experimental evidence presented in section 2.7.3 shows that forms of job search assistance delivered by PLXs that are likely to be less potent than referrals, nevertheless have small positive effects. This evidence provides crucial support for the view that the true effect of referrals not leading to placements is positive, and also makes it unlikely that the overestimation of placement effects is greater than three times the referral effects. Thus, it is reasonable to believe that comparisons between

those placed and those referred but not placed multiplied by the number placed produce conservative estimates of the value of referrals and placements taken together.

2.7.2.2 The KJ Pennsylvania Claimant Study

The methodological improvements noted above were tested in work conducted by Arnold Katz and Louis Jacobson for the Upjohn Institute which was reported in *Job Search, Employment, Earnings and the Employment Service: Comparisons of the Experience of Unemployment Insurance Beneficiaries in Pennsylvania 1979-87* (1994). This study used administrative data to examine the effect of placements, referrals not leading to placements, and other services (mainly counseling and workshops) on 30,000 UI claimants who were 25 to 53 years old when laid off and were not recalled by former employers. The study was limited to claimants because (1) administrative UI data for this group provides precise estimates of unemployment duration until benefits are exhausted after about 26 weeks, (2) administrative wage records were able to identify the timing of reemployment within 13 weeks, and (3) claimants are unlikely to withdraw from the labor force.

An estimating technique based on the Cox-Proportional Hazard function was used to control for unemployment duration at the point ES services were obtained and for fixed effects of factors such as education that were not explicitly observed in the data. Substantial reductions in selection bias and/or confidence intervals were anticipated through (1) using large samples, (2) eliminating recalled claimants, (3) focusing on individuals unlikely to withdraw from the labor force, (4) following unemployment for long periods, (5) confining comparisons to ES users and non-users unemployed for nearly identical periods, and (6) controlling for fixed effects. The estimates did have exceptionally small confidence intervals, but there is no way to know whether the true effects were over or under-estimated by large or small amounts.

The key results were that (1) placements increased the probability of reemployment over 13-week periods by 52 percent for men, and 71 percent for women, (2) referrals increased reemployment probabilities by 22 percent for men and 32 percent for woman, and (3) other services had no discernable effect on the reemployment probabilities of men and increased the probability of reemployment by 9 percent for women, but that effect was not statistically significant.

A rough translation of these probabilities is that a 50 percent reduction in reemployment probabilities results in about a 4.5 week decrease in the duration of joblessness, and 20 percent reduction results in about a 1.8 week reduction in joblessness. Thus, these results fall roughly midway between the OLS and selection adjusted results obtained by JDW. A separate analysis of earnings effects suggested that the quicker return to work did not come at the expense of reducing earnings in the short- or long-run.

Why the effects were stronger for women than men was not directly assessed. However, the women in the study held lower paying jobs before and after their unemployment spells than the men. Thus, the larger effects for women could stem from (1) lower wage workers having poorer information to locate new jobs on their own, such as tips from professional contacts and relatives, than higher wage workers, and (2) employers offering lower wage jobs being more likely to hire referred ES applicants than employers offering high-wage jobs.

Direct evidence that job seekers increasingly turn to the ES as a "backstop" after other methods of job search failed comes from the study's findings that the probability of obtaining a referral and being placed rises with unemployment duration. These results also reinforce the view that controlling for jobless duration at the point of referral is an effective way to take into account differences in the ability to find work by other means, and thereby, limit selection bias.

As with the JDW study, or any non-experimental design where selection bias is likely to strongly affect estimates, it is unclear to what extent the results are biased. Switching comparison groups from those obtaining no service to those referred but not placed produces estimates of the residual selection bias of about 2.0 weeks, and "real" reductions in joblessness of about 3.0 weeks for men, and about 6.0 weeks for woman.

Finally, subsequent analysis indicated that use of separate OLS regressions on claimants unemployed for similar periods produced nearly identical results to those based on the hazard models used in the Pennsylvania study. We, therefore, used OLS regressions in Chapter 4 because they are far easier to compute and directly translate into reductions in weeks of joblessness that are needed for estimating net program benefits.

2.7.2.3 The JP Washington and Oregon Claimant Study

While the Pennsylvania results are similar to those produced by JDW, it still would be highly desirable to obtain more definitive measures of the bias in comparing placed claimants to referred but not placed claimants. This was precisely the goal of one of four separate analyses presented in *Measuring the Effect of Public Labor Exchange (PLX) Referrals and Placements in Washington and Oregon* (Jacobson and Petta, 2000). The analysis discussed in this section was based on combining information from a mail survey with administrative data. The separate analyses of representative samples of UI claimants in Oregon and Washington are discussed in Chapter 4 because they used the same estimation techniques as our new work, but do not provide evidence about the bias in the techniques used, the topic of this subsection. The fourth analysis examined "crowding out" effects which create a potential source of bias, independent of selection bias, that is rarely examined in the literature. This study was conducted by Stephen Woodbury and Carl Davidson, and is briefly discussed at the end of this subsection.

The mail survey included 3,000 individuals placed at jobs by Washington PLXs from January through July 1998 and 3,000 individuals referred to the same jobs but not placed. Despite use of multiple mailings and a variety of incentives, the response rate was only 20 percent, and overall 587 respondents provided sufficient information for use in the analysis. Despite having a small, and unrepresentative, sample, the survey provided the first look at a key issue—why those referred were not placed. For the sample that most closely resembled the claimants studied in this report we determined that:

1. 15.0 percent were placed;
2. 4.3 percent accepted jobs, but did not report to work;
3. 5.9 percent were offered jobs, but did not accept the offers;
4. 15.0 percent interviewed for the jobs, but did not receive an offer;
5. 33.1 percent applied for the jobs, but did not receive interview offers; and
6. 26.7 percent did not follow up receipt of the referral information by contacting the employer.

The combination of survey and administrative data then allowed us to compare the "conservative" estimator we use in Chapter 4 to an estimator that more closely resembles one derived

from an experimental design. Estimator-1—the non-experimental conservative estimator used in Chapter 4—compares the effect of being placed (being in group 1) to the effect of being referred but not placed (being in groups 2 through 6). Estimator-2—which we will call the quasi-experimental estimator—compares the effect of being interviewed (being in groups 1 through 4) to being unsuccessful in obtaining an interview for the job (being in group 5). Estimator-2 *resembles* the results of an experimental design where employers agreed in advance to randomly deny interviews to a fixed proportion of referred claimants. As is discussed below, the similarity with a *true* experiment hinges on whether or not inability to obtain an interview was a random event, as would be the case if those denied an interview had obtained the referrals and applied for the jobs after they were already filled.

The actual calculation used to create estimator-2 takes the estimated difference between being in groups 1 through 4 to being in group 5, and then divides this figure by .40— the probability of being placed given the referred claimant is interviewed. This adjustment is based on the assumption that all of the positive effect of obtaining an interview comes from being placed; and has the key effect of making estimator-2 comparable to estimator-1 (because estimator-1 already is based on the assumption that only being placed creates a positive effect.). Importantly, making the adjustment has no effect on the net benefit measure, which is the per-person effect times the number of persons affected. This is because we divide the per-person effect by .40 and multiply the number of people affected by .40.

The central finding of this study was that placements reduced the duration of joblessness by 4.5 weeks using the non-experimental estimator (also used in Chapter 4), but the reduction of joblessness was 7.2 weeks using the quasi-experimental estimator that could only be produced with survey information. Again, these estimates are quite similar to those obtained in JDW's National study and the Pennsylvania study. Thus, we believe that these results support our view that estimator-1 produces conservative estimates.

An expert panel concluded that the results would be valid if it was certain that claimants who tried but failed to obtain interviews simply applied after the jobs were already filled, or were not being screened out because employers felt they would be inferior workers. However, if employers were screening out "inferior" applicants, estimator-2 would over-state the true-effects because screened out claimants most likely also would have more difficult finding work by other means. Thus, this panel (and all technical experts that have reviewed research on PLX effectiveness) concluded that it would be highly worthwhile to validate this promising technique using a larger and more representative sample of placed

job seekers and job seekers referred to the same jobs who were known to have applied too late to obtain interviews or who otherwise were known to not be screened out by employers.

Indeed, we planned to survey employers as part of this project to assess the extent of pre-screening. Unfortunately, we were unable to get our survey instrument cleared by OMB in time to execute this survey and include its results here. However, preliminary work in developing the survey instrument suggested that employers listing jobs with PLXs generally grant interviews to referred job seekers without any prescreening, and extensive interviews with PLX staff suggest that most job seekers referred to listings are well qualified for the jobs. Also, we suspect that if pre-screening occurred it would be as likely to lead well-qualified candidates to screen themselves out as to lead employers to screen out poorly qualified candidates.

In summary, the expert panel agreed that there does not appear to be a better alternative for mimicking an experimental design. However, in the absence of more concrete evidence, they were unwilling to speculate on whether the potential over-estimate of the true effect stemming from employer screening would be greater than our 2.7-week figure for the under-estimate of the true effect based on using estimator-1 instead of estimator-2. In other words, they wanted better information before accepting the results derived from use of estimator-1, which compared those placed to those referred but not placed, as a conservative estimate of the true placement effect.

The Washington and Oregon study also included a unique analysis by Carl Davidson and Stephen Woodbury of the possible "crowding out" effects stemming from some of the benefits accruing to placed claimants coming at the expense of those not using PLX services. This analysis concluded that benefits were over-estimated by about 20 percent if the crowding out effects were ignored, while 80 percent of the effect of placements stemmed from increased efficiency of claimant job search.

2.7.3 Random Assignment Evaluations of Reemployment Services for Claimants

Studies using experimental designs to measure the cost effectiveness of subjecting UI claimants to additional work-test screening and/or requiring claimants to obtain additional job search assistance are a third type of study that bears on the measurement of PLX referral effects presented in Chapter 4. Christopher O'Leary provided an excellent summary of the eight best executed and most important of these studies. Most of the studies primarily focused on determining whether the savings in

UI funds were greater than costs because, if the treatments were made permanent, the services often would be paid for using UI payroll taxes. However, some of the studies also examined the effect on claimants' jobless duration and earnings.

With one important exception discussed below, the studies did not explicitly measure the effect of referrals and placements from the PLXs that usually provided the services examined in the studies. Similarly, the extensive experimental literature on the effect of employment and training programs delivered to diverse populations, surveyed by Professor LaLonde, also did not isolate the effect of PLX job matching services. This is unfortunate because it is likely that many program participants were placed through PLX referrals.

Overall, the studies concluded that the effect of the treatments on the duration of UI claims were in the range of 0.5 to 1.0 weeks. However, when studies separated out the effect on claimants who reported for screening and/or services versus the effect on claimants who did not report (but did receive letters requiring them to report) it was determined that much of the effect stemmed from claimants deciding to not report.

The effects would be expected to be small per-person either because many claimants received a service likely to have only a small per-person effect (such as participation in a mandatory 3-hour job search workshop), or a few claimants received a highly potent service (such as obtaining a referral that led to a placement). Nevertheless, while small, all of the studies suggest that receipt of the services decreased claimants' duration of unemployment, and it is this evidence that is *essential* for concluding that referred/placed comparisons produce conservative estimates of the benefits of PLX direct job placement services.

The *Evaluation of the Charleston Placement and Work Test Demonstration* (Corson, et al., 1985) is the one study that provides information about the value of referrals, with and without, job development on claimants obtaining these services. This evaluation showed that claimants called in to obtain an enhanced work-test plus referral and job development were 6.6 percentage points more likely to be referred and 30.8 percentage points more likely to obtain targeted job development (compared to claimants called in for enhanced work-test alone). While the study authors did not calculate the value of these services, it is possible to do so using an instrumental variable (IV) approach. Under the assumption that job development had no effect the IV estimate of job referrals is about $8,000 after 6 months, which seems excessively high. In contrast, the IV estimate of the effect of job development is about $1,750,

which while large, is close to the effect of similar treatments reported in the literature. Thus, we regard this approach as providing an indication of the high value of staff time spent on targeted job development, while not telling us much about the value of referrals.

A key reason for this view is that any claimant called in for an enhanced work-test (with or without other services) can easily obtain referrals. Thus, we would expect many claimants in the control group to obtain referrals, particularly those who believe they will benefit most from reviewing job orders. As a result, this "control group contamination" will lower the measured value of obtaining a referral as well as lower the difference in the probability of obtaining a referral between those required to obtain referrals in addition to submit to an enhanced work-test. In contrast, the high job-development differential suggests that claimants called in for the enhanced work-test alone are most unlikely to obtain targeted job development, even if they requested that service. This is in keeping with expectations because, outside of the experiment, ES staff generally does not have the time to perform this service. Thus, the Charleston Demonstration suggests that the ease of obtaining referrals makes it unlikely that a "true" experiment could be designed that would accurately measure the value of referrals.

A second study, also reviewed by O'Leary and LaLonde, that is especially relevant to assessing the accuracy of the estimates displayed in Chapter 4 is the recently published study. *Is the Threat of Reemployment Services More Effective Than the Services Themselves?: Evidence from the UI System* (Black and Smith, 2003). This is the only analysis of a UI demonstration that compares the random-assignment results to the results derived from using non-experimental estimators. The authors conclude that the non-experimental estimates of *unemployment duration* closely match the experimental estimates, while the non-experimental results substantially deviate from the experimental estimates of *earnings* affects. We regard this as an especially important result because reductions in unemployment duration are the key PLX effect measured in Chapter 4, and equally important, estimation of increases in earnings and hourly wages are the program effects that convinced experts that non-experimental evidence is severely biased and non-experimental estimators can not produce accurate results.

2.7.4 Summary

Several important conclusions emerge from this literature review that bear on the accuracy of the results presented in Chapter 4. Table 2-2 summarizes the results of the three major PLX studies that preceded this study. The results are presented in a way that facilitates comparing one study to another.

Table 2-2. Comparisons among results from the National, Pennsylvania, and Washington ES studies

	Effect on weeks of joblessness					
	Referrals+ placements		Placements		Referrals	
	(A)	(B)	(C)	(D)	(E)	(F)
A. National versus PA Study						
A. National Study 1st month (OLS)						
1. Men/women	2.1	4.9				
2. Men and women	3.5					
B. Pennsylvania Study						
3. Men/women	2.9	4.0	4.7	6.4	2.0	2.9
4. Men and women	3.5		5.5		2.4	
5. Difference (line 4 – line 2)	0.0					
B. PA versus WA Study						
C. Pennsylvania Study						
6. Placement – referral	1.0		3.1			
D. Washington Study						
7. Placement – referral	1.5		4.5			
8. Difference (line 7 – line 6)	0.5		1.4			

Unfortunately, there are several differences across the studies that make it difficult to interpret these results. The most important difference is that the studies compared different groups of job seekers. JDW's National PLX Study compared referred registrants to non-referred registrants. The Pennsylvania Study compared placed UI claimants and referred claimants to non-referred claimants. The Washington Study compared UI claimants who obtained interviews following referral to claimants who tried but failed to secure interviews following referral. However, even if all three studies made comparisons among the same types of job seekers, they examined different PLXs, in different labor markets, at different times, using different estimating techniques, follow-up periods, and sample sizes (which affects the confidence intervals surrounding the point estimates).

Despite these differences, the general pattern of the results are quite similar in both the National and Pennsylvania studies when looking at the effect of all referrals (those that did and did not lead to placements). First, in both studies women had considerably larger reductions in weeks of joblessness than men. Second, the reduction for men and women together was about the same, 3.5 weeks.

Thus, it is reasonably to conclude that the "true" effect of obtaining a referral is in the neighborhood of 3.5 weeks.

In comparing the effect of placements relative to referrals (not leading to placements) in both the Pennsylvania and Washington studies we see the estimated joblessness reductions are quite similar, 3.1 weeks for the Pennsylvania sample and 4.5 weeks for the Washington sample. Importantly, as previously discussed in conjunction with equation 2-1, both these estimates are likely to produce highly conservative estimates of the total referral effect because they assume that there is no benefit from referrals not leading to placements, and that the selection bias in the placement effect is equal to the effect of referrals (not leading to placements). Thus, these estimates suggest that the "true" effect of a placement is in the neighborhood of 3.5 weeks, but probably greater than that amount, because the measurement bias is likely to be considerably less than the referral-effect estimate of about 2.5 weeks. Using the more conservative estimates reduces the per-person effect of a placement by about 45 percent, and reduces the total effect by an additional two-thirds since only about one-third of those referred are placed (and total benefits equal the per-person effect times the number affected.).

Finally, column A lines 6 and 7 show the average effect of a referral under the above assumption that only placements have value and the measured effect of referrals not leading to placements is a measure of selection bias. In this case the effects fall by about one-third to 1.0 weeks in the Pennsylvania Study and 1.5 weeks in the Washington Study. These results are important because similar comparisons were made in the random-assignment demonstrations assessing the effect of various types of job search assistance on claimants. Thus, it is significant that the estimates in Table 2-2 are similar to those derived from the random assignment studies. This is especially true because estimates of the reduction in weeks of joblessness were quite similar in the one case where non-experimental estimators similar to those used here were compared to experimental estimators.

We believe, however, that the effect of placements on the duration of job search is considerably greater than the effect of the job search assistance examined in the demonstrations. The key reason for this view is that it is likely to take a week or so on average to apply the lessons learned from a JSA workshop to obtain a lead worth following up, while the placement effects stem from referrals that are equivalent to occurring at the point the workshops take place. Thus, we think that it is reasonable to believe the estimates shown on lines 6 and 7 substantially underestimate the "true" effect.

The information presented in Table 2-3 supports the above view by comparing the differences in results in cases where OLS estimators used in Table 2-2 can be compared to estimators that adjust for selection bias. Line 5 shows that the adjustments in the National study increase the referral effect by 6.9 weeks. Line 8 shows that using an estimator that may resemble an experimental estimator increases the placement effects in the Washington study by 2.7 weeks. While we do not claim that the

Table 2-3. Comparisons between OLS and selection-adjusted results for the National and Washington ES studies

		Effect on weeks of joblessness		
		Referrals+ placements		Placements
		(A)	(B)	(C)
A.	National Study			
	All months (OLS)			
1.	Men/women	0.6	2.3	
2.	Men and women	1.5		
	All months (adj)			
3.	Men/women	9.7	7.0	
4.	Men and women	8.3		
	Difference			
5.	Men and women (line 4 – line 2)	6.9		
B.	Washington Study			
6.	Placement – referral (OLS)	1.5		4.5
7.	Placement – referral (adj)	2.4		7.2
8.	Difference (line 6 – line 7)	-0.9		-2.7

adjusted point estimates are precisely correct, we believe that they provide an indication of the direction and magnitude of the bias in the estimators used in Chapter 4. In particular, we feel that the more modest Washington estimates are especially relevant because the confidence intervals surrounding the estimates are relatively small. Indeed, when the size of the confidence intervals are taken into account the two estimates are not statistically different.

Thus, in the final analysis, we feel that the literature supports the view that the estimators used in Chapter 4 that compare those placed to those referred but not placed substantially under-estimate the "true" effect, especially when estimating total benefits. This is because we believe that referrals not leading to placement reduce the duration of joblessness by improving recipients' information about labor

market conditions, and we have over-stated the bias in the estimates of placement effects. However, we agree with the experts who reviewed the Washington Study that the comparisons between referred claimants and non-referred claimants are likely to over-estimate the effects of referrals. We further agree that the best way to reduce the uncertainty about the accuracy of the estimates in Chapter 4 would be to conduct a new survey aimed at testing the validity of the quasi-experimental design using a larger and more representative sample.

Conducting a validity test would be especially useful because there is a large difference between what we regard as conservative (lower-bound) estimates and upper-bound estimates in Chapter 4. Additional uncertainty about the total effect of PLX services stems from omitting the effect of the receipt of other forms of PLX-delivered job search assistance by the comparison group that random assignment studies suggest had considerable value, but were too small per person for our estimating techniques to measure. These omitted benefits may just about balance the over-statement of referral effects. On the other hand, the upper-bound estimates presented in Chapter 4 do not take into account crowding out effects which reduce the total effect by about 20 percent.

While recognizing that the upper bound estimates over-state the value of referrals, it still may be reasonable to view the estimates as being close to the effects of the full array of PLX services for the claimants studied. This is because many of those in the comparison group obtained other forms of job search assistance that random assignment studies suggest had considerable value, but were too small per person to produce statistically significant results. Thus, we suspect that the bias in our referral estimates using non-referred claimants as the comparison group are about the same size, but in the opposite direction as the bias from not being able to exclude from the comparison group claimants who received a various forms of job search assistance, but were not referred.

Finally, Section 2.7 has focused on measurement of the per-person reduction of joblessness stemming from receipt of PLX job-matching services (referrals and placements) because these estimates are the backbone of the net-benefit measures used in previous ES studies and in Chapter 4. We noted that estimates of the total reduction in joblessness stem from multiplying the potentially flawed per-person effects times measures of the numbers receiving a given service, which is known with certainty. However, the benefit-cost estimates require translating estimates of the effect of PLX services on weeks of joblessness into the effect on earnings. This usually is done by multiplying the reduction in weeks times a measure of actual weekly earnings.

While actual earnings is known with certainty, the measure may not reflect the change in earnings associated with ES use because ES use could raise or lower hourly wage rates relative to what they would otherwise be. Attempts to disentangle wage-rate and employment duration effects suggest that the quicker return to work does not come at the expense of accepting jobs that lead to lower wages in the short or long run. Moreover, since wage effects are measured only for employed job seekers and ES-use appears to reduce labor-force withdrawal, wage effect are likely to be under-estimated. Perhaps even more importantly, there is substantial evidence that non-experimental earnings effect estimates are strongly biased, while there is some evidence that non-experimental estimates of jobless duration are much less seriously biased. In a recently published study (Black et al., 2003), the non-experimental estimator under-estimated earnings differences by about 52 percent, but over-estimated jobless duration by about 8 percent. This evidence suggests that the approach used in Chapter 4 of translating duration measures into earnings measures is likely to produce estimates that are far closer to the "true" effect, than attempting to directly measure earnings affects.

2.8 GAO Studies of Factors Influencing PLX Job-Matching Efficiency

In this section we look at studies directed at determining the effect on placement rates of factors within and outside the control of local PLX offices. These studies do not tell us if benefits exceed costs, but they provide valuable information about (1) how to improve benefit-cost ratios by placing more registrants at lower costs, (2) what specific administrative practices lead to greater effectiveness, and (3) how effective local office management is in taking into account factors outside the manager's control, which can be used as a key measure to reward excellence.

The two studies discussed here were conducted by the GAO (General Accounting Office) under the direction of Robert Rogers (GAO, 1989 and 1991). The GAO, which is the U.S. Congress' audit and evaluation agency, assembled a nationwide database on the operations of 1,550 out of the universe of 1,772 ES offices, and then collected more detailed data on a representative sample of 438 offices. Both databases cover Program Year 1986 (PY86), July 1, 1986 through June 30, 1987.

The GAO studies measured the effect of environmental factors, such as local labor market conditions and the population mix, on the ability of the ES to make placements. However, the most relevant part of Rogers' studies is their discussion of the effects of specific administrative practices on placements and cost. This material is particularly valuable because it complements what we observed in

conducting the process evaluation by statistically assessing the role of a variety of practices directly bearing on why PLXs are likely to be more effective in a One-Stop Center environment. Indeed, this study strongly reinforces many of the conclusions we developed in our new work, especially those surrounding the need to improve the ES's performance measurement system.

The motivation for the GAO work stemmed from the Federal government substantially loosening its control over the ES and slashing its budget in 1981, while boosting expenditures on Job Training Partnership Act (JTPA)-provided training. At that time there was considerable support for the "devolution" of the ES to the states, but, as noted by William Gainer, Director Of Employment Issues for the GAO in the late 1980s, the negative view of the ES began to be challenged: "... it is generally acknowledged that over the last two decades the position of the Employment Service in the nation's employment and training strategy has eroded. Recently, however, experts on employment and training issues have questioned the limited role of ES in the nation's employment policy."

Thus, the GAO studies were particularly important because they focused on assembling relevant data, statistically testing key hypotheses, and providing constructive suggestions to improve the ES's performance. In contrast, much of the informal literature focused on the ES's alleged deficiencies and often called for abolishing the ES without rigorously assessing ES effectiveness.

The first GAO study, *Employment Service: Variation in Local Office Performance* (1989), examined the performance of 1,550 local offices The key conclusion was that: "... even after adjusting for differences in economic and demographic conditions, local offices and states varied greatly in their ability to place applicants in jobs. ... [L]ocal office performance is more than a random occurrence and the policies and practices of individual states may contribute to the variation in performance."

Eleven of the 47 states providing adequate data placed 23 percent or more of their applicants. Yet 24 states placed 16 percent or fewer of their applicants. The cost of ES services *per applicant* averaged about 92 inflation adjusted dollars (in Wagner-Peyser Act funds) for both above and below average performing states, but the cost per placement was about $506 in above average states compared to $657 in below average states. Importantly, these large differences persisted even after adjusting for cross-state differences in labor market conditions and characteristics of ES registrants.

After determining that policies and practices matter, the GAO launched a second study, *Employment Service: Improved Leadership Needed for Better Performance* (1989), using detailed data on

management procedures in all states and 438 local offices to find out precisely what was the effect of factors under the control of the ES on productivity. This study reached the following conclusions:

1. Setting measurable performance goals reinforced by awards for achieving results, and assessing local office performance through annual on-site visits boosted placement rates by 100 percent.

2. Having managers involved in many client services raised placement rates by 44 percent.

3. Using individual intake interviews instead of group intake sessions boosted placement rates by 24 percent.

4. Using self-service systems for job seekers to review listings and obtain contact information increased placement rates to permanent jobs by 20 percent.

5. Locating ES offices apart from the UI office raised placement rates by 20 percent (apparently because the ES was regarded as an "employment" office, and became more attractive to job seekers and employers).

6. Spending more time communicating with employers increased the ratio of permanent to temporary placement by 12 percent.

7. Strongly interacting with JTPA service providers increased the placement-wages for economically disadvantaged applicants by 7 percent.

8. Spending more funds on the ES led to employing more practices associated with better performance. In particular, supplementing Wagner-Peyser Act funding, which declined by 14 percent in real terms between 1984 and 1991, with other funds played a key role in securing the management and staff needed to boost effectiveness. State supplements were over 50 percent of total expenditures in some states, but less than 20 percent in others.

The overall conclusions were that: "the Secretary of Labor should work with the states to identify and solve problems affecting ES program quality and performance. In addition, Labor should increase technical assistance activities to promote program quality and share information on effective local practices. This leadership role should recognize the states as equal partners in program management, yet spur state action to improve program performance, when needed." GAO also recommended that: "the Secretary assist states in the development of measurable goals and performance standards for their ES labor exchange functions. Meaningful goals and standards should be state-driven and tailored to local conditions and needs."

To reach these conclusions the GAO examined the importance of close to 50 different variables describing ES operations and the external environment. The analysts did a credible job in describing key interactions, but in some cases lacked the time and resources to delve deeply into causal relationships. For example, they did not rule out the possibility that JTPA-ES collaborations led to increased wages of disadvantaged participants because JTPA operators chose to collaborate only with highly effective ES offices. If this is the case, the policy prescription of increasing collaboration (through creation of One-Stop Centers) might not generate increased benefits as large as might be anticipated.

Table 2-4 shows regression-based results that were presented in the report's appendix describing the *statistically significant* factors associated with variations in (1) local office placement rates, (2) permanent placement rates (the ratio of placements at jobs expected to last more than 150 days to all placements), and (3) placement-wage ratio (the ratio of the average hourly wage of placements to the local area's average wage for all jobs). These are not the regressions used to draw the above conclusions, but results that were adjusted to make the figures directly comparable. We, therefore, assume that the figures represent elasticities (the effect of a 1 percent change in each independent variable).

The adjustments make it easier to assess the power of the information obtained to shed light on key issues. For example, it is clear that management involvement in many facets of ES operations had a powerful effect on placements and wages. A separate regression (not shown) showed that management involvement was strongest where there were more managers, more staff, and where the state ES set performance goals. Similarly, it is clear that ES offices devoting more resources to working with employers are much more effective in obtaining vacancies for permanent positions. Additional evidence (not shown here) suggests that "job development" activities are highly effective, but most offices simply do not have the resources to perform that task.

Table 2-4 also shows that labor market conditions, measured by the unemployment rate, had a powerful influence on placements and wage levels of placements. Applicant characteristic also are important. As expected, economically disadvantaged applicants are more likely to obtain low wage, "temporary" jobs; youths and migrants are easy to place, but also tend to take temporary jobs, presumably mostly low-wage summer slots.

Table 2-4. Statistically significant administrative and environmental coefficients from ES performances regressions using a Nationally Representative Sample of 456 Offices for Program-Year 1986 from the 1991 GAO study

Independent Variables		Dependent Variables		
		Placement Rate	% Placement at Permanent Jobs	Wage at Placement as a % or average
Variable names	Means	Significant Regression Coefficients		
A. Management attributes				
1. Manager involvement	3.7	.17	--	.10
2. ES-UI collocated	1.6	-.15	--	--
3. Automated application	.9	-.14	--	--
4. Employer contacts	7.5	--	.16	--
5. Total staff	13.2	--	.12	--
6. Open listings	65.8%	--	.10	--
JTPA involvement				
7. II-A (disadvantaged)	3.5	--	--	.17
8. III (dislocated)	3.0	--	--	.11
9. II-B (summer youth)	3.2	--	--	-.21
B. Exogenous attributes				
1. Unemployment	8.2%	-.31	--	--
2. Rural location	33.0%	--	--	--
C. Mixed environmental/ Program attributes				
1. Size of labor force	64,182	-.28	--	-.24
2. Applicants/labor force	16.7%	-.23	--	--
Applicant characteristics				
3. Youths	21.7%	.28	-.19	--
4. Migrants	.5%	.24	-.19	--
5. Women	43.2%	--	--	.37
6. Disadvantaged	11.3%	--	-.18	-.25
7. UI claimants	34.3%	--	--	-.17
Adjusted R-square		.35	.26	.31
Mean of dependent variable		17%	66%	53%

Source: GAO (1991).

Description of Management Attributes:

Manager involvement - the number of different client service activities from 0 - 9 in which the local office manager was involved.

ES-UI collocated - 0 = not collocated, 1 = collocated with separate managers, 2 = collocated with a single manager.

Automated application - 0 = manual processing (mostly personal interviews), 1 = batch processing (mostly group interviews), 2 = fully automated (mostly computer transfer of information from UI and other agencies).

Employer contacts - sum of intensity rating on scale of 1-3 (3 highest) for use of each of four contact methods: phone, mail, visits, an conferences. Range 4-12.

Total Staff - full-time equivalent managerial and non-managerial workers.

Open listings - percentage of job openings that can be viewed without staff assistance.

JTPA involvement - number of different activities from 0 - 7 conducted in cooperation with agency running each of three JTPA titles.

Perhaps the most interesting results are the strong negative coefficients for (1) the size of the labor market served both on the placement rates and wage at placement, and for (2) the applicant to labor-force ratio on placement rates. These findings suggest that offices serving relatively small populations are far more effective than offices serving large populations, and perhaps more importantly, offices that are not burdened by many mandatory registrations of UI claimants and welfare recipients perform better. Indeed, the negative effect of having to deal with many mandatory applicants probably is substantially understated because highly effective offices will attract more applicants, and offices with high mandatory applicant loads are likely to use impersonal group intake methods or register "applicants" through data transfers without their ever visiting an ES office.

The bottom line is the GAO's second report that used detailed information about ES operations suggests that (1) reductions in resources reduced ES effectiveness, (2) mandatory registrations detract from its effectiveness, yet (3) improvements in management practices could dramatically boost performance.

Moreover, the data collected by the GAO in the second study could be used to implement several of the policy recommendations that follow from its work. In particular, routinely collecting the data used in the GAO's second report could be used to estimate equations that would improve the feedback provided to central and local office administrators. These data could also provide a basis for rewarding management excellence by holding constant factors outside of its control (like fluctuations in unemployment and variation in use by difficult to place groups).

Indeed, we could envision further improving the measures by looking at the effect of the factors within and outside management control on the ability of the ES both to acquire and to rapidly fill job orders, as well as the interaction between acquiring job orders and placing applicants. Such information could help rationalize the assignment of staff to working with employers to secure more job orders versus working with job seekers to find new jobs. The measures could also help target staff efforts on the groups of employers and job seekers where ES aid can be most effective.

3. PROCESS EVALUATION

3.1 Introduction

This chapter describes public labor exchange (PLX) activities in 22 One-Stop Centers in six states. It is based on site visit interviews and telephone updates conducted between late 1998 and 2002. The discussion of PLX services in this chapter is complemented by the benefit/cost evaluation of these services found in Chapter 4. Appendix B contains one-page descriptions of each One-Stop Center visited.

Data collection for this process evaluation included site visits to the headquarters of state Employment Services (ESs) in the capitols of Colorado, Massachusetts, Michigan, North Carolina, Oregon, and Washington and to a representative set of local One-Stop Centers in each of these states. Data collection for the process evaluation began in late 1998 with on-site interviews. Later telephone interviews were conducted to update the site visit information. The data collection period coincided with the transformation of PLXs from offices in which usually the ES was the only agency represented, to One-Stop Centers in which several agencies were present. This transformation and the resulting diverse ways PLXs are now organized in the six states studied are the subjects of this chapter.

The details of this process evaluation are presented in five sections that follow this introduction. Section 3.2 describes the state governance structure of One-Stop Centers in each of the six states. It includes historical information, the organizational structure of service delivery, funding, as well as the processes and practices for developing budgets and performance measures. Section 3.3 discusses the operational "architecture and infrastructure" of the 22 One-Stop Centers visited. The section focuses on topics ranging from the physical layouts of the offices to the listing of partner agencies, and includes discussions of such important topics as how job seekers are registered and staff is organized in a multi-agency environment.

Section 3.4 covers the provision of labor exchange services traditionally offered in ES offices and funded under the Wagner-Peyser Act [now known as "core services" under the Workforce Investment Act of 1998 (WIA)]. Section 3.5 discusses additional job seeker services typically funded under WIA, the overarching legislation that requires a One-Stop System of integrated service delivery. These services include individual employment plan development and case management—the services offered to special populations such as the economically disadvantaged, disabled, and dislocated workers

(now known as "intensive services" under WIA). Section 3.6 focuses on the self-help and facilitated self-help services available to employers, as well as the more customized, staff-assisted employer services offered at some of the PLXs.

3.1.1 Background

Public labor exchanges were last evaluated by ETA in 1978. Since then, substantial changes have occurred in PLXs' service delivery, technology, and legislative mandate. The most notable changes have been the steady movement of state and local agencies toward the One-Stop Center delivery model, especially following the passage of WIA in 1998 that mandated employment and training services be provided in such an environment. This report follows the evolution of the One-Stop Centers in the study of states and describes their resulting configurations.

Improvements in PLX computer technology are an important underlying change that was occurring during the study period. Job seekers can now access the computerized services provided by each state PLX and by America's Job Bank (AJB)[1] over the Internet. Improved management information systems (MIS) often can track staff-intensive services, and in some cases, local office visits; although an integrated MIS shared among multiple partner agencies was rarely observed. Technological changes provide the states more service configuration choices. For example, Michigan uses technology to provide WIA core services to both job seekers and employers using self-service methods. Most respondents also reported growing interest in improving the menu of web-based services.

For decades, State Employment Security Agencies (SESAs) have provided labor exchange services through a network of local ES offices that respond to the needs of local employers and job seekers. These services include job referral, group job-search assistance workshops, individual counseling, monitoring the job search of unemployment insurance (UI) claimants, and recruitment assistance for employers. The move toward One-Stop Centers, fueled by Federal implementation grants and later by the passage of WIA, considerably altered the operating environment for the ES and other partner agencies that provide employment and training services.

[1] Appendix C, "America's Job Bank (AJB): An Electronic PLX in a No-Stop Environment," is a detailed discussion of AJB services, history and organization, as well as its strengths and weaknesses.

WIA amended the Wagner-Peyser Act to make the ES part of the One-Stop Center service delivery system and to require that additional Federal programs become One-Stop partners. The partners include programs authorized under Title I of WIA, the vocational rehabilitation system, postsecondary vocational education, and Welfare-to-Work programs. Partners usually participate in the running of the One-Stop Centers, contribute to the support of the centers, and some serve on local workforce investment boards (WIBs).

As detailed in subsequent sections, states in the study had already begun to move toward delivery of services in a One-Stop environment at this time the study began. One-Stop Centers in all of the states were taking on additional partners, but differing pre-WIA experiences across the states resulted in local differences in approaches to structuring services, selecting partners, and funding operations.

3.1.2 Methods

The study states were chosen by mutual agreement among the U.S. Department of Labor (USDOL), Westat, and the states. The selection was based on the way that labor exchanges were configured in each state, and on data availability. The following three *non-traditional* states were selected because at the time the study began they were the only states that devolved all or most of their operations from state to local control:

- **Colorado** devolved responsibility for ES activity from the state to the counties through its workforce development boards (WDBs). Thus, the Colorado visits provided an opportunity to observe One-Stop Centers staffed by county government workers and operated in the absence of strong state control.

- **Massachusetts** gave each workforce investment area discretion to "opt-out" of the state-run ES system and adopt a ***competitive*** model where contracts to operate individual One-Stop Centers would be awarded through an "open" bidding process. Workforce boards in Boston, Cambridge-Woburn, and Springfield-Holyoke accepted this offer (along with about $4 million in One-Stop Implementation Grants) and let contracts to a mix of government agencies, community-based organizations, and in one case, Springfield, a for-profit corporation.[2] Thus, the Massachusetts visits afforded the opportunity to view movement towards One-Stop Centers under both state and local guidance.

[2] Pittsfield also initially opted out, but reversed the decision prior to the start of this project.

- **Michigan** initially devolved its ES to its workforce boards and adopted a system, similar to Massachusetts', where contracts to operate centers were put up for open bids. Following a court test, only government agencies could bid on One-Stop contracts. At the time of our visits One-Stop Centers were run by a mix of state and local government agencies. Thus, the Michigan visits provided an opportunity to observe ESs run under a range of locally controlled arrangements.

The following three *traditional* states were selected because they maintained state control, but had excellent data, innovative features, and used state funds to enhance services:

- **North Carolina** provided substantial state UI tax funds to help deal with major skill-mismatches where textile and other older industries were shedding workers, while service and high-tech manufacturing industries were struggling to hire new workers. Thus, the North Carolina visits afforded the opportunity to view a state that developed a highly integrated approach to providing services through One-Stops, which heavily focused on finding new jobs for UI claimants.

- **Oregon** was unique in developing an array of high quality computer systems that helped integrate and monitor a variety of services. In particular, it is the only state with a system to track referrals to job orders with unsuppressed contact information. Thus, the Oregon visits provided the opportunity to view a state with close coordination of disparate agencies in a One-Stop environment and which supported these agencies with exceptionally high-quality management information systems.

- **Washington** encouraged a variety of state and local governmental organizations to work together to establish high-quality One-Stop Centers, and in addition, created several innovative computer systems to help deliver services. In particular, it developed a computerized system to review job listings to find suitable openings for job seekers and then automatically notify the workers when such jobs were located. Thus, Washington visits provided an opportunity to observe all levels of government effectively working together to develop One-Stops under a traditional governance structure.

Officials in each state helped us select One-Stop Centers to visit that typified those in a large city, a small city, and a rural area. Appendix D contains the questions put to state and local officials. The questions concentrate on the state's job service history, the guiding principles underlying the design of the delivery methods, the progress and pitfalls in making changes in labor exchanges, and the state's future ES plans.

3.1.3 Timing of Visits

Appendix E provides a site-by-site listing of the respondents, the dates of the original site visit interviews and follow-up phone interviews. The site visits began in Massachusetts in December 1998 and ended in Michigan in December 2001. Phone interviews began with North Carolina in January 1999 and ended with Washington in March 2002. The data collection period allowed for a long observation window into the evolution of One-Stop Centers in the study states and, as noted previously, coincided with the early implementation of WIA. Instead of fixed *snapshots*, a *moving picture* was observed with respect to how labor exchange offices primarily providing the services of one agency were transformed over time to One-Stop Centers where multiple agencies partnered to provide a broad array of services was observed. The state and local organizational transformations that occurred in response to changing legislative mandates were also observed. Thus, what follows is a description of the specific experiences of the state ESs as they moved toward providing labor exchange services in a One-Stop Center environment.

3.2 Governance

Each of the six states had a unique state-level structure for governance of employment and training services and had been moving at different rates toward delivery of services in a One-Stop environment. While the states in the study divided themselves into traditional and non-traditional configurations, there are numerous differences in history and governance within each of these two groups. This section describes that history. The overall state and local organizational structure as envisioned under WIA is presented in this section, along with the variation in that organizational structure that was observed across the six states. Because state and local funding allocation patterns are closely tied to organizational structure, One-Stop funding data are presented in the following section.

3.2.1 Historical Background in the Study States

The history of the movement to One-Stop Centers in the six study states begins with activities that preceded WIA. It involved some meshing of state administrative structures to facilitate One-Stop Center administration and similar changes on the part of local agencies toward providing services at a single location, rather than several locations. This movement was then formalized by WIA

and its mandated shifts in state and local relationships. The following are three of the WIA changes that affected the traditional operations of the ES:

- WIA required that the ES, human services, and the WIA agencies serve together on the local WIBs.
- WIA emphasized local autonomy that was much more structurally familiar to WIA-funded programs than to the ES.
- WIA placed an immediate burden on local One-Stop Center operators since a larger set of agencies were required to be a part of the One-Stop Center partnership. Many of the operators had to look for additional space and resources to accommodate the additional partners.

While all states faced the same WIA mandate, the ways they integrated services showed great variation. Many states had some kind of state-level governing body comprising representatives of the major state partnering agencies. In these states, the state-level governing body essentially drove the transition process. Further, all states reported some kind of shift in the state-level administrative hierarchy that was related to service integration within the One-Stop Centers. It is interesting to note that some of the states had ambitious plans, but had to pull back from full integration for various reasons. The state-level One-Stop organizational structures prior to and after the WIA mandate is described below.

Colorado devolved responsibility for the ES to county authorities in 1997. Thus, unlike most of the other study states, Colorado did not have an independent state-level governing body oversee the One-Stop Center transition process. However, Colorado did place WIA and ES programs under the same state-level administrative umbrella, while prior to WIA they were operated by separate state agencies.

The key practical issue in devolving PLXs to county control arose because the governor promised that no state employee would lose his or her job as a result of the transformation. This complication initially led many PLX employees to continue to be paid by the state, but directly supervised by county managers. Respondents in Colorado indicated that financial liability and merit pay issues related to state employees performing their duties in county organizations created “almost as many configurations of (One-Stop) centers as there are offices.” As will be seen in subsequent sections, governance in Colorado One-Stop Centers continues to rest with the county authorities.

Massachusetts began the move toward administrative integration and coordination of all job-related education and training in 1988. To further this aim, the state-level governing body, known as the Massachusetts Jobs Council, tasked state agencies with identifying portions of their funds to support One-Stop Centers. The Jobs Council then began negotiating agreements among the various state agencies to support the transfer of funds for One-Stop Centers. The agencies transferred portions of their budgets but could not shift jobs to the entities taking over the funds. After relinquishing their funds, the agencies were forced to eliminate staff positions. These issues played a role in the One-Stop initiative being reevaluated in the state.

The state eventually reached a compromise among the agencies that allowed each of 16 regional Service Delivery Areas the option of setting up their One-Stop Centers on a competitive or collaborative basis. At the time of the interviews, all regions in the state had converted to One-Stop Centers, but there was a mix of competitive and collaborative configurations. Initially, four of the 16 regions had competitively-developed centers; the remaining 12 regions operated collaborative centers. However, one of the regions subsequently switched back to the collaborative model. Currently, there are eight competitive One-Stop Centers in Massachusetts.

The distinguishing features of *competitive* One-Stop Centers are that: (1) they are managed by entities that have won competitively awarded contracts from local WIBs, and (2) the competitions are open to individual and consortia of governmental, non-profit, and for-profit organizations. In contrast, *collaborative* One-Stop Centers have the traditional pre-WIA governance structure, with the state ES playing a key role, but with the post-WIA operational configuration where flexible combinations of state and local public and non-profit agencies work together to provide services.

Most of the same services and many of the same organizations are represented in both competitive and collaborative One-Stop Centers. However, many of the competitive centers have been able to modernize their facilities and revitalize the structure of their operations because Massachusetts devoted over 80 percent of its federal $4 million One-Stop implementation grant to developing the competitive centers and the WIBs further boosted operational budgets. As a result, there are far greater physical differences in the centers across Massachusetts than in any other state visited. Whether these differences translated into superior performance will be discussed in Chapter 4.

Initially, the collaborative offices were governed by the state employment and training agency, as before, but the competitive offices were governed by the regional WIBs with the state role

restricted mainly to fiscal oversight. However, state oversight has increased over time particularly when the Massachusetts Job Council became part of the state Department of Employment and Training. The Jobs Council itself has changed over time, becoming the Corporation for Business Work and Learning and later the Commonwealth Council, which currently is the WIA governing authority in Massachusetts.

Michigan had One-Stop Center centers operating under the "No Wrong Door" rubric as early as 1996. This is consistent with that state's early devolution of workforce development services to the local authorities and early movement toward the One-Stop Center method of local service delivery. Collocation of service providers and the integration of services to the fullest extent possible had been a priority for a number of years in the state. However, Michigan was unusual in that it dismantled its local employment service infrastructure, including most of its state merit pay labor force. Initially, Michigan adopted a system similar to Massachusetts for awarding contracts to operate One-Stop Centers, but following a court challenge, it limited contracts for management and staffing to government entities.

Today, all Michigan One-Stop Centers operate under the Michigan Works! rubric, which also is the name of the quasi-independent state agency that oversees the service delivery structure. Within the Michigan Works! structure, the WDBs have wide discretion to award contracts and oversee operations. The state, however, still maintains a computerized job matching system and provides performance information to the local entities.

North Carolina began its transition to One-Stop Centers in 1995. The Employment Security Commission worked with the Governor's Commission on Workforce Preparedness (later the Governor's Commission on Workforce Development) during the transition. By May 2000, there were 99 Job Link Centers with the Employment Security Commission as the lead agency in about half of them. However, stand-alone Employment Security offices affiliated with the state's One-Stop delivery system continued to operate; at the time of the interviews, there were 60 local and 30 branch offices that were stand-alone Employment Security offices.

At the state legislative level, there were several proposals to consolidate agencies with responsibility for One-Stop Centers, including the employment security agencies, the state-level WDB and the governor's commission. However, at the time of the interviews, these proposals had not been implemented.

Oregon had One-Stop Center centers long before passage of WIA. In fact, the main parties in Oregon's One-Stop Center movement, the Oregon Employment Department and the Department of Human Services, worked together at the state, regional, and local office level for many years. This situation was unique among the study states. Because of a preexisting tradition of collaboration and decision making among the local staff of the three key agencies, the One-Stop Centers were locally driven, but backed by state agencies. A common feature among all One-Stop Centers in Oregon was the presence of the employment and training department, the human services department, and community colleges.

Importantly, unlike the non-traditional states, state employees provided most One-Stop services. For example, Oregon's Employment Department staff provided Wagner-Peyser Act services, the Department of Community Colleges and Workforce Development provided WIA services, and the Department of Human Services provided welfare and vocational rehabilitation services. At the same time, each of these three agencies also continues to operate stand-alone offices in addition to One-Stop Centers. Due to the established collaborations among partners, Oregon, like Colorado, did not create a state-level body to drive the transition to One-Stop Centers.

Washington's transition to One-Stop Centers began in the early 1990s with extensive pilot-testing. At the time of the interviews, all of the offices were viewed by the state as One-Stop Centers; some offered integrated services and others offered referrals to outside services. The state had originally planned for all centers to offer integrated services, but funding did not support full integration for all Centers.

The Workforce Training and Education Coordinating Board (WTECB) was created by state law and had a committee responsible for One-Stop Centers. The state's Employment Security Department was on the committee. After the passage of WIA, WTECB became the state policy board and had its role strengthened.

In summary, several key themes emerge from the review of the transition to One-Stop Centers. The first is the dual set of changes for the ES. The local operating environment of the ES changed as services were offered in collaboration with numerous other partners, and the state-level environment changed as the employment security agency joined the state WIB as an equal partner among several agencies. In a sense, the working environment at both the state and local levels for the ES became

more of a WIA environment with emphasis on joint decision making by consortia, partnerships, and local boards.

A second point is that human resource and staffing issues played a prominent role in several states during their unique transition to One-Stop Centers. Massachusetts was not able to fully move toward the competitive center model in the pre-WIA period in part because individual agencies could not work out agreements for their staff to become part of the One-Stop Centers. Support for the initiative faltered when agencies were threatened with the loss of positions and funds

Colorado, which had devolved ES authority to county authorities, experienced complicated human resource issues. State employees still filled key positions in an operation that was locally driven. Oregon's One-Stop Center initiative was essentially in place when WIA came along because its state employees already had an active presence in the local areas.

3.2.2 Organizational Structure at the State Level

Figure 3-1 is a generic organizational structure for administering One-Stop Centers.[3] Each of the states in this study had some existing variation of this state structure prior to WIA due to its unique

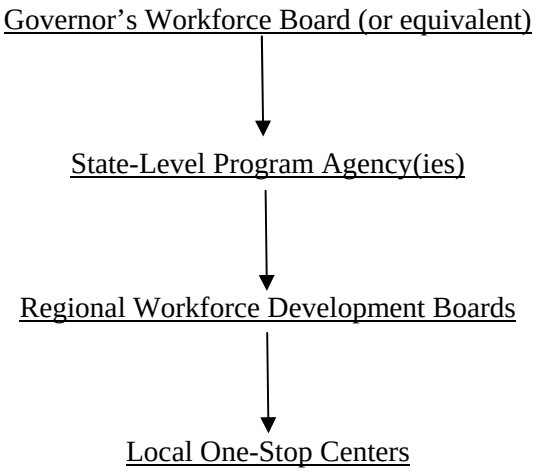

Figure 3-1. Generic organizational structure for One-Stop administration

[3] Appendix F presents the organizational structure for employment-related programs in each of the states visited for this study. From this, it is possible to see how One-Stop Centers fit into this structure and the corresponding variation across states.

history and circumstances. A detailed review of the actual structure in each of the study states reveals the variation with which they have responded to the changes imposed by WIA. Table 3-1 summarizes the similarities and differences observed during the site visits.

Table 3-1. State-by-state similarity and variation in structure for managing One-Stops

Organizational level	Primary dimension of state-by-state similarity or variation
Governor's board, state commission, or equivalent	These relatively independent state-level entities were present in all states but existed for different lengths of time prior to WIA, and thus played a different role in the movement toward integration and toward One-Stop Centers.
State Workforce Development Board	These state boards generally set policy and have indirect advisory and oversight responsibility for One-Stop Centers.
State level agency(ies)	State-level agencies in the One-Stop Centers generally included the ES and WIA agencies. However, in Oregon the social services agency and the community colleges reported directly to the governor on One-Stop Center matters. In Michigan, the state welfare agency was an active partner in state-level One-Stop Center matters. Usually, but not always, the participating agencies (in most cases ES and WIA) were under the same state administrative umbrella. However, at the time of our interviews, the ES and WIA agencies in North Carolina were under separate administrative umbrellas. In some cases, state agency staff provided direct services at local One-Stop Centers, or state agency staff were combined with local staff to operate the center. In Colorado and certain offices in Massachusetts, both state and local staff worked in the One-Stop Centers. In collaborative One-Stop Centers in Massachusetts, a state staff person served as the operations manager of the local office. State agencies usually did not have direct oversight responsibility for the local One-Stop Centers. However, because of Oregon's multiagency state-level presence in the centers, the state agencies there had a more direct influence. The state agencies in Colorado share direct oversight responsibility with One-Stop Centers only in rural offices.
Substate workforce development boards	Local or regional workforce development boards had responsibility for the selection and governance of the One-Stop Centers. For the most part, the geographic regions that were set up for both JTPA/WIA and the ES remained intact. However, the rural and sparsely populated areas in Oregon that previously made up nine regions were consolidated into one region.

Source: Unless otherwise noted, the tables and figures in this chapter are assembled from site visit reports and telephone update interviews.

3.3 Budgets and Funding

In the mid-1990s, DOL began awarding state implementation grants to develop One-Stop Centers. By 2000, all states had received these grants and were on their way toward a One-Stop Center delivery system. The grants, however, were of limited duration. The assumption was that One-Stop Centers would require extra funding for a few years, but after the centers were integrated into a national job training system states would be able to use the traditional funding sources to run the programs. WIA is the overarching legislation that required a One-Stop Center system of integrated service delivery. There was little in the WIA legislation, however, that addressed center funding since funding, by nature, came from many different sources.

Although Wagner-Peyser Act appropriations are a major source of funding, they were just one source among many that were used to support One-Stop Centers. Funding processes and practices in the study states were partially driven by the state-level structure of the One-Stop Center system. For example, in Oregon, support is allocated from each separate agency through its usual state-to-substate channels and then to the One-Stop Centers. There is no agency at the state level that bundles these funds together. In Michigan, by contrast, there is a One-Stop Center budget at the state level for distribution to the substate level.

Because of the different state structures, the number of different agencies and funding streams involved in One-Stop Centers, and the different ways that local One-Stop Centers agreed to share funding and resources, it was very difficult to identify patterns in funding practices and to provide good data on One-Stop Center funding. The following sub-sections provide some general information on funding practices. Funding amounts for One-Stop Centers, to the extent that such data were available at the time of the site visits, are also presented.

3.3.1 Federal and State Funding Sources and Allocation Methods

One-Stop Centers are funded by a variety of Federal, state, and local sources. In general, the funding sources to support One-Stop Centers include the following:

- Wagner-Peyser Act;
- WIA;

- Welfare-related funding;
- Other Federal sources;
- State supplements; and
- Partner agencies funding and in-kind contributions.

The following sub-sections discuss how Federal funds come to be used in support of local One-Stop Center service delivery. In general, the funding flow is either formulaic and agency based (partner agency funds being allocated by a specific formula for use by the local One-Stop Centers) or more of a negotiated budget process at the state level (interagency negotiations at the state level to develop the funding for local One-Stop Centers.) In all cases, there are nuances to this broad generalization of formulaic versus negotiated funding allocations. In this discussion the funding allocation process for the Wagner-Peyser Act funds is given special attention.

- In Colorado, with devolution to the locals, the process of distributing funds begins at the local One-Stop Center level where budgets are developed and approved by county commissioners. The commissioners negotiate with the state for the amounts of Federal and state funds to support local One-Stop Centers. With respect to allocating Wagner-Peyser Act funds to the substate levels, the county commissioners negotiate with the state regarding the distribution of funds to the regions.

- Washington One-Stop Center funding is allocated from separate state-level agencies; Wagner-Peyser funds are allocated by the state Employment Security Department (ESD); other Federal funds are distributed through the respective agencies. Washington has maintained its employment service regions, and the Wagner-Peyser funds flow separately from the other funds to the ES regional offices. The ESD regions then develop allocation agreements with the local One-Stop Centers.

- Michigan has a single One-Stop Center budget; all sources of funding are combined at the state level for allocation to the substate level. The state allocates the funding to the WIBs based on the size of the labor force and the unemployment rate in the area. The WIB then decides on the number and size of the One-Stop Centers and how much funding to allocate to each local site.

- In Oregon, the main Federal funding sources for One-Stop Centers are allocated separately through each source's substate agents. For example, Wagner-Peyser Act funding is allocated to the Employment Service's regional office for allocation to the local One-Stop Centers. Social services funding is allocated to that agency's regional offices. As in other states, WIA funding is passed through from the states to the regional WIBs.

- In Massachusetts, One-Stop Center support is provided through the Commonwealth Corporation and the Division of Employment and Training. Wagner-Peyser Act funds

are distributed to competitively selected centers based on the service levels. Collaboratively organized centers receive their Wagner-Peyser allocation based on local budgets that provide for staff, leases, and other explicit expenditure categories. Non-Wagner-Peyser Act allocations are separately negotiated with individual agencies and distributed by the Commonwealth Corporation.

- North Carolina runs its One-Stop Center under the "lead agency" concept. One agency (e.g., Employment Service or Human Services) is responsible for the operation of the One-Stop Center. Funding is from the respective state agency directly to the One-Stop Center where is it used to cover infrastructure and operating costs such as rent and utilities for the office space. Center staff who work for the lead agency are paid with lead agency funds, and other staff are paid by their respective agencies. At the time of the site visits, the ES was the lead agency in about half of the One-Stop Centers; other offices use human services, community colleges, WIA, or non-profits as the lead agency.

Both **Oregon** and **North Carolina** are agency-based providers of One-Stop Center services. This means that the One-Stop Center retains ties to the agencies that existed prior to the One-Stop Center movement. While the local workforce boards work out cost-sharing arrangements among the agencies, staff costs (the biggest cost category) still remain with the respective provider agency. Similarly, Washington with its retention of the ESD regions, also fits into this "agency-based provider" model. Most One-Stop Centers in **Washington** have either the ES or the WIA agency as the lead agency responsible for paying the lease for the facility. Other partner agencies share the overhead including rent, energy, and desktop computers. The same basic model is used for **Massachusetts' collaborative** One-Stop Centers.

In contrast, all One-Stop Centers in **Michigan** and the **competitive centers in Massachusetts** receive their support from WIBs through competitive bids. Local budgets for the One-Stop Centers are derived from responses to Requests for Proposals (RFPs). In **Colorado** funding processes begin at the local level where budgets are developed and approved by county commissioners. The county commissioners then negotiate with the state for Federal and state funds to support local One-Stop Centers.

3.3.2 The Problem with Obtaining Funding Data

Obtaining data on state-level funding for One-Stop Centers often was difficult. States that followed the agency funding model had particular difficulty in providing information about the total amount of state funds devoted to One-Stop Centers because there were no integrated budgets, rather each agency made its own allocation to local areas only some of which was spent on One-Stops. In contrast,

states which allocated funding under the "negotiated" model were in a better position to provide One-Stop Center funding information, these states first centralized "contributions from different agencies and then made single allocations to local groups overseeing One-Stop Centers."

In contrast to state One-Stop Center spending, local One-Stop Centers usually could provide estimates of the funding amount for the operation of their centers. The exception to this was Detroit where the funding had been allocated to several One-Stop Centers in the Detroit regions.

Before discussing funding data, it is important to discuss commingling of funds to support local One-Stop Centers. Most centers indicated that they did not combine funds from the various sources into one accounting system for use by the One-Stop Center. North Carolina and Oregon indicated that there was no commingling for the "separate state agency/separate funding allocation" reasons. Local One-Stop Centers, even though they generally reported no commingling of funds, viewed the Wagner-Peyser Act funds as the most flexible funding source available. Some centers reported that the Wagner-Peyser Act funds could be used for overhead and for shared personnel. Others discussed the fact that the Wagner-Peyser Act funds are for general use and are not targeted, thus allowing the management greater funding discretion. Respondents grouped the Wagner-Peyser Act funds along with state funding, fees, and grants and distinguished them from other sources of funding, including WIA and local community partners' funding, which is targeted for specific populations and/or uses.

Table 3-2 presents the available data on annual state-level One-Stop Center funding. Some states had difficulty in providing data on annual One-Stop spending as evidenced by the number of notes to the table. Further, these data represent annual spending figures for the year in which the site visit occurred, and the site visits occurred over a multiyear period. (Interview dates are listed in Appendix E.) Some general observations, however, can be made from the Table 3-2 data:

- Across the states, the One-Stop Centers received funding from the same sources, but the percentages of each state's budget coming from a given source varied. For example, Michigan, the one state that could easily provide a state-level funding amount, received the highest percentage of its One-Stop Center funding from welfare-related sources.

- In most other states, either WIA or Wagner-Peyser Act funds were the main sources of funding for One-Stop Centers. One-Stop Centers were also supported by the Department of Health and Human Services and Department of Education funding sources, as well as state supplements.

Table 3-2. Annual state-level One-Stop Center funding provided during original interviews, unless otherwise specified[1]

State	Wagner-Peyser Act	WIA	Welfare-related funding[2]	Supplements[3]	Date of initial interview
Colorado	$10 million	$20 million	No amount provided.	$7 million	February 1999
Massachusetts[4]			$7.5 million		(2002 budget)
Michigan	$16 million	$47 million	$139 million	$1.2 million	December 2001
North Carolina[5]				$6.9 million	November 1999
Oregon[6]	$10 million		Limited Work-First/TANF funds.	$19 million	November 2001
Washington	$12 million	$53 million	No amount provided	$11 million	March 2002

[1] These are annual figures reported during the original state level interviews, unless another date is specified in the footnotes below. The site visits occurred over a multiyear period so budget information is not comparable across years.

[2] This included programs such as Temporary Assistance for Needy Families, Welfare-to-Work, and Food Stamps.

[3] Supplemental funding can come from state and/or Federal sources. In Colorado, the $7 million supplement included $3.5 million in state funds and $3.5 million from Federal programs. Michigan allocated a $1.2 million supplement specifically for One-Stop Centers. In North Carolina, the state supplement came from the state's Worker Training Trust Fund and the Reemployment Basic Labor Exchange, however the funds are not for the exclusive use of One-Stop Centers. In Oregon, the supplement included state administrative funds (which were not for the exclusive use of One-Stops) as well as an unspecified amount of Federal funds. Washington's One-Stop budget included $7 million from the Claimant Placement Program, and about $4 million in Federal veteran's funding.

[4] Total Massachusetts One-Stop Center spending (for 2002) was $53.8 million, a breakdown by funding source was not provided.

[5] North Carolina is not able to provide state-level data on One-Stop funding, but did provide information on a state grants program using $2 million (2002) in WIA funds to enhance local One-Stop Center offices.

[6] Oregon's data is for labor exchange; no detail is available on how much is spent on One-Stop Centers; WIA funding allocation data was not collected.

- In two states, North Carolina and Oregon, Wagner-Peyser and other Federal funds were supplemented by state funds for their ES only some of which went to the One-Stop Centers. In North Carolina these funds came from the Worker Training Trust Fund and the Reemployment Basic Labor Exchange Program paid out of unemployment insurance taxes. In Oregon, the funds also came from UI taxes and other sources. Only the State of Michigan reported state funding of $1.2 million for the exclusive operation of One-Stop Centers.

3.3.3 Local Level Funding

Table 3-3 describes funding for the individual One-Stop Centers visited for this study. These data represent annual figures for the year in which the site data collection occurred; and thus represent different years. In general, local One-Stop Center operators view their funding as coming from the two or three main Federal sources; including Wagner-Peyser Act, WIA and/or welfare-related funding. One-Stop Centers count on these Federal funding sources as well as a highly diverse set of other sources, including state supplements, partner agencies such as the State Commission for the Blind, and fees collected from providing a particular service such as specialized computer courses.

Uncertainty was the major theme discussed by local One-Stop Center operators when asked about future funding prospects. Operators who had seen increases in funding had experienced concurrent increases in demand for their services. Some state funding was in jeopardy because of budget problems. Thus, while funding from WIA and Wagner-Peyser may remain constant, or WIA may even increase as the number of dislocated workers increase, state funding may decline. Other situations, such as new One-Stop Centers being created nearby, were cited as reasons for expected future declines in specific One-Stop Center funding as the existing funds will be spread out across more centers. There is a general feeling that funding will need to increase to keep up with demand; the use of additional funding sources, such as special grants and fees, will need to be explored by program operators in coming years. It is interesting to note that, of the six states in the study, Massachusetts reported the most use of fee-for-service funding. However, such fee-for-service funding generally represented a small portion of the center's budget and cut across the competitive and collaborative structures in the state.

It may also be useful to note that One-Stop Center operators were aware of WIA incentive money and were looking forward to having at least some portion of funds being tied to specific performance measures. At the time of the interviews, however, most funding seemed to be related to the volume of services provided. Decisions about how to allocate the WIA incentive money had not been made by any of the states at the time of the interviews.

Table 3-3. Annual funding to support local One-Stop Centers

State	Site	Budget ($million)	Wagner-Peyser Act (ES)	WIA	Welfare and Social Services, (including Welfare-to-work)	Voc-Rehab.	Fee-for-service[1]	Special grants[2]	Other, non-Federal sources[3]
CO	Aurora	5.1	✓	✓		✓		✓	✓
	Longmont	2.7	✓	✓	✓		✓	✓	
MA	Boston (JobNet)	1.7	✓	✓	✓		✓	✓	✓
	Boston (The Work Place)	2.0	✓	✓	✓		✓	✓	✓
	Holyoke	1.7	✓	✓			✓	✓	✓
	Springfield	1.8	✓	✓	✓		✓	✓	
	Woburn	1.5	✓	✓	✓			✓	✓
	Worcester	5.6	✓	✓	✓		✓	✓	
MI	Battle Creek	0.7	✓	✓		✓			
	Detroit	[4]	✓	✓	✓				
	Marlette Thumb	1.5	✓	✓	✓			✓	✓
	Walled Lake	0.3	✓	✓	✓			✓	
NC	Durham	1.1	✓					✓	✓
	Oxford		✓					✓	✓
	Raleigh	0.2			✓	✓		✓	✓
OR	Beaverton	2.0	✓	✓	✓			✓	✓
	Pendleton	0.25	✓	✓					
	Salem	2.5	✓	✓	✓	✓		✓	✓
WA	N. Seattle	1.9	✓	✓					✓
	Renton		✓	✓				✓	✓
	Walla Walla		✓	✓				✓	
	Yakima	0.45	✓	✓					

[1] Fee-for-services generally are charged of clients not qualifying under any programs that cover the costs, or for some specific advanced computer classes.

[2] Some examples of special grants from the state or regional board are youth grants and grants awarded to partners. Grants are generally a small portion of the total funding amount.

[3] Other sources include Mental Health, Department of Corrections, Department of Transitional Assistance, State and Legislative Appropriations, State Commissions for the Blind, Adult Education, Community Colleges, programs for seniors, and other community partners.

[4] Note that the Detroit One-Stop Center indicated that five One-Stop Centers in the city share $80+ million.

3.4 Operations

While each One-Stop Center has some unique operating practices, Section 3.4 describes the generally similar physical layout of the One-Stop Centers, the roles and responsibilities of persons who provide services, and the different partnerships. Section 3.5 focuses on two of the key activities that occur at the One-Stop Centers—the registration process and the job matching process. (Later, in Section 3.7, we discuss the full range of services provided to job seekers, and in Section 3.8 the range of services provided to employers.) Section 3.6 discusses strategies for measuring One-Stop Center activity. Given that there is extensive variation in practices across the One-Stop Centers, models or types are presented in order to better categorize the variation in practice.

3.4.1 Physical Layout

One-Stop Centers may occupy entire buildings, one or more floors of a multistory building, or sections of one floor of a large office building. However, the centers visited for this study all had a similar office layout, as depicted in Figure 3-2.[4] There was a single point of entry and generally a single reception desk near the point of entry, although several centers had two or three reception desks.

The One-Stop Centers all provided public access computers as part of a resource room or in a separate computer area. The resource rooms usually had tables, facsimile and copy machines, telephones, and printed materials with job listings and labor market information. The typical One-Stop Center has two training or workshop rooms available, but several Michigan centers reported no dedicated training or workshop rooms while a One-Stop Center in Oregon reported seven.

Several One-Stop Centers reported making extensive changes to the layout of the office when they first began operations. In Washington, for example, many of the offices were originally ES offices, so floor layouts had to be changed to accommodate additional partners. Other centers expanded to accommodate classrooms or to make space for partnering agencies.

[4] In some cases, the staff of the partnering agency may be located in a different corridor or floor of the same building, but this generic description usually applies.

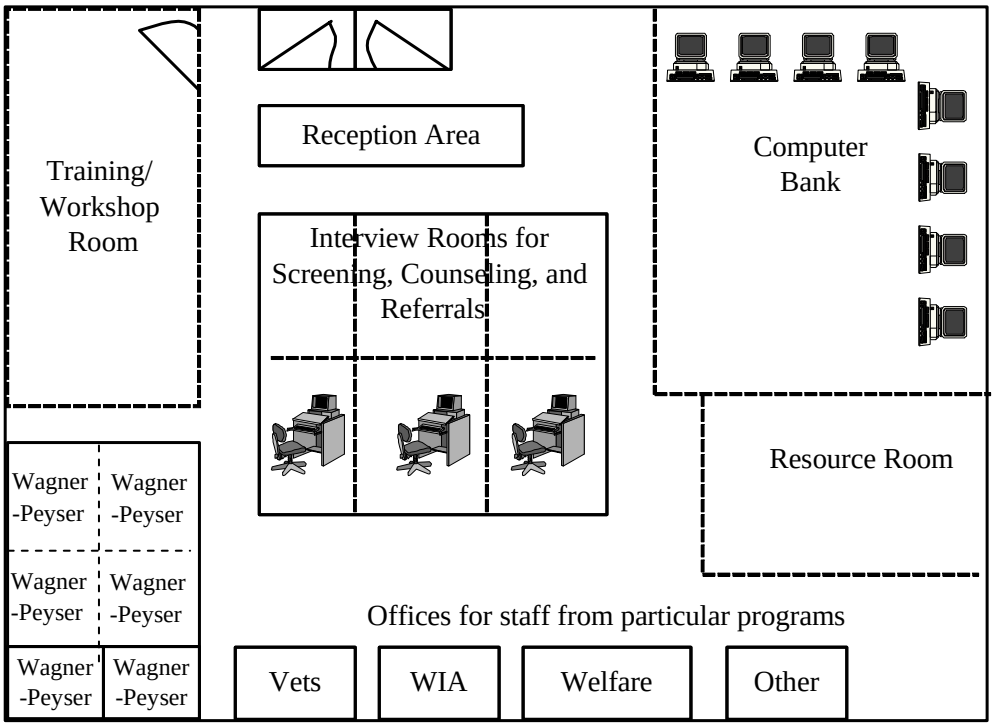

Figure 3-2. Typical configuration of a One-Stop Center office

3.4.2 Partnerships

One-Stop Centers are partnerships among various agencies that provide employment and training services at one location. WIA specifies required partners, as well as voluntary One-Stop Center partners, as depicted in Table 3-4. A local Workforce Investment Board enters into agreements with the set of partner agencies that deliver services at the One-Stop Center. The local boards also designate the "One-Stop Center Operator," generally referred to as the "lead agency." Appendix G lists the lead agency, the required partners present, and the other partners for each of the One-Stop Centers visited.

Typical partners in the One-Stop Centers visited include entities funded by the Wagner-Peyser Act, WIA, Welfare, Vocational Rehabilitation, Department of Health and Human Services (HHS), and educational institutions (usually colleges, universities, or public school systems). Less common partners included services or commissions for the blind, Job Corps, adult or vocational education, and mental health agencies, among others.

Table 3-4. WIA legislation regarding required and voluntary partners

Required One-Stop Center partners
■ WIA Title I ■ Wagner-Peyser Act ■ Adult Education and Literacy ■ Vocational Rehabilitation ■ Welfare-to-Work ■ Community Service Employment for Older Americans ■ Post Secondary Vocational Education ■ Trade Adjustment Assistance (including NAFTA-TAA) ■ Veteran's Employment Service ■ Community Service Block Grants ■ Housing and Urban Development Employment and Training ■ Unemployment Insurance
Voluntary partners
■ Welfare Reform Programs ■ Food Stamp Employment and Training ■ Food Stamp Workfare ■ National and Community Service ■ Other

Source: Workforce Investment Act

In addition to these partners, the following senior agencies were occasionally observed in One-Stop Centers: Green Thumb (also known as Experience Works), AARP, Senior Employment Center, and Employment Advocates for Seniors. There were other organizations that may only exist in that particular area or serve a certain population unique to that community. These partners observed during the site visits included United Cerebral Palsy with the Aurora, Colorado One-Stop Center, Sun Microsystems with the Longmont, Colorado One-Stop Center, the Confederated Tribes of the Umatilla Indian Reservation and the Organization of Forgotten Americans with the Pendleton, Oregon One-Stop Center, and Goodwill Industries with the Yakima, Washington One-Stop Center.

The major sources of variation are:

- **Which agency is the lead agency for the One-Stop Center.** Lead agencies ranged from the ES department, social service agency, and educational institutions, and consortia, among other entities.

- **The number of partners participating in the One-Stop Center.** A few One-Stop Centers, such as the one in Woburn, Massachusetts, and several in Michigan, have

only a few partners beyond the primary six. Others, particular the One-Stop Centers in Washington, have many other partners. In fact, the Yakima, Washington, One-Stop Center has at least seven additional partners.

- **The amount of staff-time partners spend at the One-Stop Centers.** Voluntary partners often are less than full-time (and can range from one half-day per month to full time).

3.4.3 Staffing

While ES staff positions of the past tended to have clear-cut responsibilities, the addition of new partners in one location magnifies the complexity of the responsibility of the One-Stop Center staff. The simplest example of this is the receptionist function. A receptionist at an ES office and at a One-Stop Center might perform the same basic gatekeeper function; however, the receptionist at the One-Stop Center must be aware of all of the services offered at the One-Stop Center in order to adequately perform in the position. Similar comparisons hold for other positions as well; the duties of a manager have been expanded to include maintaining relationships with other agencies. Table 3-5 lists functions and responsibilities in a One-Stop Center.

The most interesting column in Table 3-5 is the last one, notes on variation observed. This column describes aspects of staffing One-Stop Centers and touches on the myriad of staffing variation observed during the site visits. Virtually every position has some variation, thus contributing to the overall variation in One-Stop Center operations. For example, the director of a given One-Stop Center could be responsible for all persons at the site or could be responsible for only a subset of persons at the site, with some staff reporting to a director at a non-One-Stop Center office at a separate location. Another example of the variation observed in the One-Stop Centers is the differences in the intensity of case management. The actual case management provided ranges from informal discussions with a customer to the development of a detailed and specific job search plan.

As alluded to earlier, one of the most important issues is whether staffs are cross-trained to perform the functions of staff from other programs. For example, do ES staff also provide services to persons whose needs may be different than those traditionally met by ES staff and programs?

Table 3-5. Typical staff functions and responsibilities in a One-Stop Center

Function	Typical titles	Typical responsibilities	Notes on variation observed
Management	Director, Manager, Supervisor	Oversees center operations, manages other administrators, maintains relationship with other One-Stop Centers, agencies, and employers, and holds fiscal authority.	Directors can be responsible for all or some of the staff at the One-Stop Center.
Receptionist	Receptionist	At most One-Stop Centers, receptionists act as gatekeepers, greeting clients as they enter the center and directing them to the appropriate resources or staff. Receptionists may guide clients to the resource room, public-use computers or particular personnel, such as UI or ES staff. Other responsibilities of receptionists include answering phones, responding to basic questions from clients, providing general information on the center, and registering or signing-in clients.	One-Stop Centers can have one or more designated receptionists; or all staff can be cross-trained to perform the receptionist function.
Resource Room Staff	Resource Room Specialist, Lab Assistant, Librarian	This staff typically assists customers with the materials and devices such as phones, fax machines, and computers located in the room and on the public access computers.	Not all One-Stop Centers have staff specifically stationed in the resource room.
Core Service Providers	ES Staff, Wagner-Peyser Act Staff, Core Services Staff, Career Developer, Employment Specialist, Customer Service Representative, Coordinator, Job Service Representative	At many One-Stop Centers this staff serves as a front-line source of help to job seekers. They perform duties such as registering, assessing, and screening job seekers, determining eligibility for programs, referring job seekers to other support services, assisting clients with job searches, placing clients in positions, and creating resumes. This staff also disseminate a wide range of information to clients on UI, careers, financial aid, the labor market, references to other support services, etc.	Staff who perform these functions do not necessarily perform only these functions. Staff often wear multiple hats and may work with persons who are eligible for more than just core services. At some One-Stop Centers staff is responsible for making job matches. These staff members query the database matching job order criteria against job seekers' information.

Table 3-5. Typical staff functions and responsibilities in a One-Stop Center (continued)

Function	Typical titles	Typical responsibilities	Notes on variation observed
Special Populations Staff	JTPA/WIA Staff, Vocational Rehabilitation Staff, Veterans Representative, Disability Specialist, UI Staff, Benefits Planner	Some staff serves clients eligible for specialized services, such as WIA, Vocational Rehabilitation, Welfare, TANF, Veterans, Dislocated Workers, disabled, and UI. Typically, this staff provides more intensive services for clients including assisting with training vouchers, making referrals to appropriate services and training, conducting skills assessments, and counseling/case managing.	These are often more specialized staff; though in many offices other staff are aware of the basic eligibility requirements for these special programs.
Case Management/ Counseling	Case Manager, Counselor	Most case managers/counselors meet with clients to discuss services needed, and to assess clients' progress. The staff also conducts assessments to determine clients' needs and abilities. Case managers and counselors then often refer clients to training and other services. In addition, this staff at most One-Stop Centers conducts some form of individualized planning with clients.	The number of case managers and the intensity of case management varies with each One-Stop Center. Case management ranges from very informal individual discussions to the development of detailed and specific plans.
Employer Services Staff	ES Staff, Job/Business Developer, Employer Specialist/ Representative, Account Manager	Responsibilities of this staff includes conducting outreach, acting as the main point of contact for employers at the centers, handling job listings, referring potential employees to employers and providing labor market information. In terms of job listings, this staff frequently meets with employers to discuss the details of their job listings and then assists the employers with entering the job orders, enters the job orders for the employers and monitors the progress of the orders.	Some One-Stop Centers have more active outreach to the employer community in the form of participation with Chambers of Commerce; and some One-Stop Centers reported providing fee-based employer services.

There are basically three degrees of One-Stop Center cross-training. Staff is trained to:

- Deliver all services;
- Deliver main services—ES, WIA, and welfare services; or
- Deliver only the services of the program they represent.

On one extreme, two sites in Michigan, Walled Lake and Marlette Thumb, have a group of staff who are trained to provide all services. At the Marlette Thumb One-Stop Center, there is no differentiation between ES and other staff. The center's case managers split their time between ES, WIA, welfare, veterans, vocational rehabilitation, and other services. Similarly, at the Walled Lake center, the three case management assistants are trained to deliver all of the major ES areas offered by the center, as well as provide services to WIA, Welfare, veterans, and disabled clients. Staff in the other One-Stop Centers in Michigan were not cross-trained in this manner.

The more common type of cross-training is when a subset of the One-Stop Center staff provides services for programs. The staff that are cross-trained varies by One-Stop Center, but typically ES, WIA, and welfare staff are cross-trained while some other partner staff (mental health, services to the blind, unemployment insurance (UI) and veterans' representatives) are not cross-trained. Several One-Stop Centers in Massachusetts and North Carolina follow this model. At the North Carolina One-Stop Centers, WIA, vocational rehabilitation, some welfare, and community college staff are cross-trained, while other partner staff, such as services to the blind, veterans and Job Corps staff, are not. Similarly at the Springfield, Massachusetts One-Stop Center, ES and WIA staff are cross-trained, but UI, veterans, and welfare staff are not.

In some One-Stop Centers, very little cross-training occurs. For example, WIA staff are trained to perform the various WIA functions of serving the eligible population, but WIA staff are not cross-trained on other areas such as welfare or ES. This model is especially common in Oregon One-Stop Centers but also occurs at One-Stop Centers in Aurora, Colorado, and Holyoke, Massachusetts.

While cross-training is usually tied to the structure and governance of One-Stop Centers in a given state, there is often variation within a state. Thus, the extent of cross-training is a function of both state structure and local management decisions with regard to staffing and service provision.

3.5 Two Key Labor Exchange Activities: Registration and Job Matching

This section describes the variation observed in two key public labor exchanges activities, as they became integrated into the One-Stop Centers studied. The first activity is registering job seekers, which is essential both for providing certain services and for tracking the provision of services. One-Stops vary in terms of whether job seekers must register before obtaining job matching and other core services, but registration is mandatory in obtaining intensive services. The second activity is job matching—viewing of job orders by job seekers and staff. State electronic job matching systems differ in terms of how searches are conducted and the auxiliary services that can be obtained such as storing of job search profiles for later use.

3.5.1 Registration

The registration process captures data on One-Stop Center users. In the One-Stop Centers visited, registration took a number of different forms and usually involved customers filling out some type of registration form, either in hard copy or electronically. In general, the forms required clients to provide personal and demographic information (name, address, race, gender, age, veteran status, social security number, etc.), work history, educational level, and how they found out about or decided to come to the One-Stop Center. Some One-Stop Centers required additional information such as migrant status, family size, and emergency contacts.

A few centers had clients fill out different forms or provide varying amount of detail depending on the services they needed or were seeking. Clients at The Work Place in Boston, Massachusetts, provide only their name, address, and phone number, and those in need of fee-based services provide more information to determine eligibility. At the Beaverton, Oregon One-Stop Center, there are two registration forms: one for those who desire only core services and one for those desiring or needing services beyond core services. It is possible to make the following broad generalization about the two types of registration practices of the local One-Stop Centers:

- Type 1: All One-Stop Center users are required to register. In the Springfield, Massachusetts (competitive) office, job seekers become members and use a “swipe card” for repeated visits. The Woburn and Worcester, Massachusetts offices registration was mandatory for all first time clients; in the Detroit and Walled Lake, Michigan offices all persons who use the centers are required to register before their resume can be placed in the state’s automated Talent Bank. Some sites appear to use

the registration process as a way of collecting individual data and to help with determination of program eligibility.

- Type 2: Registration is required only to receive certain services. This is either cut along core and intensive services or, in the case of one One-Stop Center in Washington and one in North Carolina, in terms of suppressed and unsuppressed job listings. This also means that only certain client groups are registered; if an individual is using just the resource room or public access computers, such use is not captured.

3.5.2 Job Matching

The One-Stop Centers approach the job matching process in different ways. In Detroit, Michigan, job seekers must register before they can place their resume in the Talent Bank, the state's main job search mechanism. One center requires clients to attend an orientation and job search seminar before they can access the center's job matching resources. At the Woburn, Massachusetts center all first-time clients must register, then participate in the "Quick-Start" orientation. After the orientation, job seekers who have a polished resume and are job-ready must complete the "Job Match" seminar before they can take advantage of the job match services. Other job seekers are required to participate in resume workshops and other services necessary for them to become job-ready. This process differs from most other centers where job seekers can go directly to the computers for self-registration and self-directed job searching.

Prior to a job search, the job orders must be received and entered into the One-Stop Centers' systems. One-Stop Centers receive job-listings from employers directly via telephone, fax, email, mail, or in person. Once the employer has a job order ready to submit to the One-Stop Center, the employer may contact the One-Stop Center and whoever is responsible for processing job orders at the center will enter the information into the electronic system or state web site. Employers themselves can also enter job orders into some job matching systems. In Michigan, employers use the Michigan Talent Bank to both post job listings and to examine resumes.

The following describes the job-matching systems used in the six states in our sample:

- **Colorado's** regions have local web sites, some of which allow job seekers to self-register. Future plans are for access to be made available from personal PCs through public web sites for both self-registration (including skill-set matches) *and* job matching.

- **Massachusetts** created Massachusetts Job-Quest, which allows job seekers to register online for job-matching services and to conduct individual online job matching. Users may also browse the job bank without registering. Registered users receive updates when job listings match the user's profile, when employers express interest in a user, or when Career Center staff refers users to existing job orders. This system is part of the Massachusetts One-Stop Center Employment System (MOSES).

- **Michigan** offers the Michigan Talent Bank, an Internet-based labor exchange that is available to job seekers 24 hours a day. Job seekers can post and update resumes and search job listings. Job listings contain information such as the date the job was posted, job title, job description, location, and salary.

- **North Carolina** employs the North Carolina Job Bank for online job matching capabilities. The web site allows users to search for jobs in North Carolina by occupational category and geographic location or by criteria such as job title, salary, or experience.

- **Oregon** uses "Skills Quest" for computer job matching. It is available on all public-use and matching computers in the One-Stop Centers to provide better skill-and-job matches and will be easier and more accurate for job seekers to use.

- **Washington** allows job seekers to search for jobs on the WorkSource web site. Users can search for jobs by certain criteria including location and occupation.

Computerized job-matching databases are similar across the states, with two key exceptions. At the time of the site visits, the Colorado databases available to job seekers appeared to be regional job listings, rather than a listing of statewide jobs. Michigan's job matching, in contrast with other states, appeared to emphasize more of self-service and cyberspace job matching, where employers and job seekers were connected via the Internet, with very little One-Stop Center intervention in the match itself. Employers in Michigan can receive training and technical assistance to post jobs. Employers can also fill out a form to have One-Stop Center staff post a job.

Some One-Stop Centers conduct batch job matching, by querying job listings against active job seekers in the database to develop a list of suitable candidates. Exceptions include the One-Stop Center visited in Raleigh, North Carolina. The lead agency for this One-Stop Center is the health and

human services agency, and the office does not conduct this kind of batch matching. One-Stop Centers in Michigan reported very limited batch matching.

In One-Stop Centers where staff or employers make a match without the job seeker present, phone calls are typically used to contact job seekers. If the job seekers do not have a phone or cannot be reached by phone, the One-Stop Centers may send them a postcard. There are other less common methods used by some One-Stop Centers to contact job seekers when a match is made. The Aurora, Colorado One-Stop Center has an automatic voice response system that calls the job seekers and provides them pertinent job-matching information. The Walla Walla, Washington One-Stop Center uses a similar device called "Auto-Dialer." JobNet in Boston, Massachusetts, has a resume dropbox into which the customers drop their resumes and return the following day to pick up the results of the match.

3.6 The Information Infrastructure of PLXs

This section describes how labor exchange activities are measured in the One-Stop Centers we visited in the six state sample. These measurement systems are directly related to the procedures used to register job seekers and the electronic systems used to conduct job matching. They also have substantial bearing on the information used by state and local officials to monitor performance, and as discussed in the next chapter, the ability to statistically analyze PLX performance.

3.6.1 Measuring One-Stop Center Activity

Many processes and practices associated with One-Stop Centers are constantly evolving. Measuring One-Stop Center activity is no different. During the data collection period for this project, state MISs were in flux, as was the development of performance measures. In the case of performance measures, most One-Stop Centers were waiting for state action. Oregon was the one state where, at the time of the site visits, progress was being made with respect to performance measures.

This section begins with a description of how ES MISs have evolved over the data collection period, as well as the development of information systems that could support performance measures. Two points are worthy of note here. The first is that WIA's emphasis on data system development may have spurred the improvement in the availability of local performance data, but the systems developed

probably fall short of what might have been envisioned under the WIA legislation (at least at the time of the site visits). The second is that most One-Stop Centers see the development of performance measures as largely in the purview of the state, and it is often the state ES agency that assumes the responsibility for developing the performance system and routinely producing the data.

3.6.2 State Management Information Systems

The information systems observed during the site visits are state MISs. As with any state-developed system available to local staff, there is little variation in use among the local sites within the same state. The local systems encountered during the site visits were the state ES systems and most provided basic management data on a routine basis.[5] The names of the ES MISs in each of the study states are listed in Table 3-6.

Table 3-6. State Employment Service management information systems

State	System name
Colorado	Job Link
Massachusetts	MOSES (Massachusetts One-Stop Center Employment System)
Michigan	Statewide Management Information System
North Carolina	LOMIS (Local Office Management Information System)
Oregon	PRISM (Performance Reporting Information System)
Washington	JobNet/SKIES (Service, Knowledge, Information Exchange System

The data collection period on this project afforded a view of state MISs that were in a state of continuous enhancement. For example, during the early on-site interviews in Massachusetts, state respondents indicated that the MIS did not fully integrate data from the collaborative and competitive One-Stop Centers. However, during subsequent followup telephone interviews, respondents were very satisfied with the level of information and the timeliness of the data from the new MOSES system, which integrated data from both the competitive and collaborative One-Stop Centers and provided management information data on the services delivered through the One-Stop Center.

In Washington, the older JobNet reporting system was replaced with SKIES, a joint Employment Service and WIA system, with some data elements related to employment plans developed

[5] Only 1 of the 22 One-Stop Centers visited was not linked to the state ES MIS. The Raleigh, North Carolina, site, operated by the human services agency, did not have a system for tracking labor exchange activities at the time of these interviews.

through other programs [e.g., Food Stamp Employment and Training Program and Temporary Assistance for Needy Families (TANF) individual employment plan status].

At the time of the interviews, the main agencies in Oregon that delivered One-Stop Center services each maintained their own, separate MIS. However, the PRISM system was an elaborate shared information system in Oregon used to collect data from the various partners in the One-Stop operation. As with many One-Stop-related activities, the PRISM system developed in Oregon was developed as a collaborative effort on the part of numerous state agencies.

3.6.3 Types of Data Collected

One-Stop Center management was asked about what service provision data is routinely collected and the purposes for which it is used. Data collected is related to traffic and activities and is used by the sites toward the achievement of management goals, resource allocation, and evaluation. One-Stop Centers track traditional ES services, including numbers of applications, openings, and counts of activities such as referrals to job openings, placements, workshop participation, referrals to other agencies and services, and participation in training. The states and the One-Stop Centers within them fairly consistently report tracking this standard kind of information. However, there are exceptions to what items are tracked. All states, except Oregon, have difficultly tracking referrals to listings that include (unsuppress) contact information.

One area of variation observed in One-Stop Centers related to the counting of activities. In the local sites visited in Michigan, not all activities (e.g., placements) are counted; even when counted, the counts received were only partially reflective of the total activity at the One-Stop Center. While most of the sites in Michigan felt they had adequate counts of classroom training, use of resource rooms, and persons counseled by staff, some of the sites had more comprehensive data on referrals to other agencies. Also, some One-Stop Centers in the state had counts of referrals to employers, but others did not capture that information at all. At the Future Works site in Springfield, Massachusetts staff felt they did not have an accurate count for placements and for referrals to other agencies. Also, the Career Point (Holyoke, Massachusetts) office only tracks job seekers belonging to categorical funding sources; they do not track clients supported only by Wagner-Peyser Act funds.

An additional source of variation occurs when the local One-Stop Centers supplement their MISs. The supplementation is locally driven and is generally not captured in the state MIS. The local supplementation can take the form of the local site developing its own database. Walla Walla, Washington has its own tracking system that the center designed, developed, and implemented on its own. All public-use computers at the center and affiliate sites have a log-in and tracking system in place. This tracking system allows the partnership to monitor customer activity at each computer and the level of utilization of computer applications and tools. The system produces self-service computer use reports so that the center can monitor local demand for services.

The more common local supplementation of the MIS, however, is in the form of written customer satisfaction surveys.[6] Almost all One-Stop Centers do some kind of customer satisfaction survey, however, as with every other aspect of One-Stop Centers, there is quite a bit of variation. The Springfield, Massachusetts office seems to have a customer satisfaction survey for every aspect of services, including satisfaction of the bus/transportation system. At the time of the visits, one site in Michigan was developing an employer satisfaction survey. Another site used a customer satisfaction survey for employers at a job fair.

In terms of problems with the data in the information systems, typical comments questioned the emphasis on direct placement when the One-Stop Center provides other important services. There also was concern about the comprehensiveness or tracking of the full array of services. For example, management was concerned about services provided that are not normally covered in the measures, such as when someone comes in to get information on the local labor market. Another common problem faced is how to capture data on persons who use the system multiple times but at different centers. The swipe card system at one Massachusetts site is able to capture users every time they use the One-Stop Center system.

Employer follow-up is an area that is seen as both critical and problematic. One respondent indicated that customer satisfaction surveys might undercount the reactions of a key One-Stop Center customer — employers. A goal of several One-Stop Centers was to have more employer involvement, mainly to use employer information as a marketing tool. One-Stop Centers felt that if employers and the business community participate in the provision of data on job-referral outcomes there was a chance for

[6] In a very few cases, customer satisfaction data was collected via a focus group.

greater efficiency. The Beaverton, Oregon site wanted to be better able to contact employers after a referral so that One-Stop Center staff could better market their services to employers.

3.6.4 Performance Measurement in the One-Stop Center Environment

Some of the performance measurement issues raised by local One-Stop Centers are identical to those raised prior to service integration, but others are new and related to multiple, distinct agencies delivering services in a One-Stop environment. Old issues relate to having the necessary data to adequately measure performance and getting credit for all services delivered. However, multiple services and multiple partners compound the task of measuring performance. Most of the new issues come about because distinct agencies, each with their own definitions and management information systems, are working together for the first time and must comply with the WIA performance measurement requirements.

The timing of the site visit interviews coincided with a period in which most states had begun the process of compliance with the WIA performance requirements by developing tentative measures, but no real progress had been made on establishing the measures. In fact, many One-Stop Center respondents were aware of the WIA requirements but were expecting the performance measures to be developed at the state level, after national system performance measures had been issued.

The more typical performance measurement concerns created by the movement to a One-Stop Center environment include the following:

- Measures that focus on job placements and referrals are potentially misleading because they do not count the myriad of other services provided at the One-Stop Center, such as counseling or referral to other services that may be provided by any one of the "other" voluntary partners under WIA.

- Management was concerned with the accuracy of data reported by other agencies or sources. Many felt that the data from their own agency was sufficient to measure performance, but they had concerns about the quality of data from other agencies.

Related to this point, one of the main reasons for suspicion about the data from other agencies comes from the lack of common definitions across the partner agencies. Just as the definition of "case management" can vary across One-Stop Centers, the term "counseling" can vary greatly across partner agencies within a One-Stop Center. Oregon had been working on a shared information system for

a number of years. Its PRISM system of shared information across partner agencies holds promise for the integration of information from multiple agencies to be able to produce One-Stop Center data. A statewide group of state and local partners established performance indicators that were adopted by the state WIB, the governor's office, state partner agencies, and local partners. The state had made considerable progress in developing a common definition of terms across multiple agencies and programs. However, Oregon and all states were expected to continue to struggle with the challenge of aligning multiple Federal agency performance standards that are similar on their surface but are defined and calculated differently across agencies.

3.7 Services to Job Seekers: Self-Help and Staff-Assisted One-Stop Center Services

The Wagner-Peyser Act of 1933 established a national labor exchange system of offices commonly known as the ES. These offices offered a wide range of services for job seekers including job finding and placement services (i.e., job matching), skills assessment and testing, counseling, job search assistance, workshops, job clubs, and the provision of labor market information. In addition, according to the Wagner-Peyser Act, funds may also be used to provide services to 'special needs groups,' to workers who have received notice of permanent or impending layoff, and for administering the unemployment insurance (UI) work test and providing job search and placement services for UI claimants.

In 1998, WIA amended the Wagner-Peyser Act to include labor exchange services in the One-Stop delivery system. Through One-Stop Centers, the ES now provides universally accessible core services, as well as other labor exchange services, and WIA services.[7] Table 3-7 identifies the traditional Wagner-Peyser services to job seekers and the delineation of WIA core and intensive services.

The One-Stop Centers visited provided all of the traditional labor exchange services, which now are termed "core services" and there were no major differences across the sites in terms of the types of services offered. However, there were differences in the amount of resources used to provide different core services, such as use of staff to assist with job-matching versus reliance on self-service. There also were variations in the way the services were delivered, such as which agency's staff provided the service, and at which point in the assistance process a given service was offered.

[7] "United States Employment Service—The Employment and Workforce Information Service" at http://www.uses.doleta.gov

Table 3-7. Services to job seekers under Wagner-Peyser Act and WIA

Traditional Wagner-Peyser Act services
1. Job-matching services—job search, referrals, and placements
2. Development and provision of labor market and occupational information
3. Workshops and other forms of job search assistance
4. Assessment and testing
5. Counseling
6. Referral to training and other supportive services
7. Specialized services for UI claimants, including administration of the work test
WIA core services and Wagner-Peyser Act services
1. Outreach, intake, and orientation
2. Initial assessment
3. Job search and placement assistance
4. Career counseling
5. Provision of occupational and labor market information
6. Provision of information on available supportive services
7. Follow-up services
WIA intensive services and Wagner-Peyser Act services
1. Assessment[1]
2. Short-term workshops[2]
3. Development of an individual employment plan
4. Counseling[1]
5. Case management

Source: USDOL, Employment and Training Administration.

[1] Differences in the precise definitions of intensive assessments and counseling under the Wagner-Peyser Act and WIA are not clear. For example, intensive assessments under the Wagner-Peyser Act could mean skills and aptitude testing related to employment. WIA assessments and counseling may mean a needs assessment or screening for welfare services, now available at the One-Stop Centers.

[2] Workshops to prepare individuals for unsubsidized employment. Under WIA, this also includes work experience.

Of course, the biggest difference between services available in traditional PLXs and in today's One-Stop Centers is that Wagner-Peyser Act programs rarely provided intensive services and never funded training. In particular, WIA intensive services make extensive use of individualized employment plans and coordination of service delivery using a case management approach.

The following subsections focus on describing the variation across the states in the sample in the delivery of the key One-Stop Center services. First, we examine delivery of the traditional Wagner-Peyser Act services—three types of job matching services, general labor market information, and workshops. Second, we examine three services that can either be core or intensive: assessment, counseling, and referral to other services. It is important to note that the extent of assessment and counseling can range from the traditional service offered by PLXs via limited staff assistance to a service that can be delivered with moderate or high levels of staff involvement. The degree of staff involvement

is partly tied to program eligibility. In other words, WIA-eligible or welfare clients tend to receive the more intensive services, such as an individual employment plan or case management, based on their participation in the program. In a sense, One-Stop Center assessment and counseling can be viewed as the link between core services and intensive services provided by new partners in a One-Stop Center environment. A discussion of individualized employment plans, case management, and services to special populations rounds out the discussion of services to job seekers.

3.7.1 Self-Help Job Matching

Self-service job-matching processes varied from state to state but were fairly similar within states. The primary differences across the states are as follows:

- Use of job match programs additional to the state system and America's Job Bank (AJB),
- Variety in the suppression status of job orders, and
- Emphasis on self-serve job matching over staff-assisted or staff-conducted searches.

Each state had its own computerized systems available for self-service job matching, but certain One-Stop Centers could have secondary programs that other centers in the state did not. Some Oregon One-Stop Centers, in addition to the Oregon Job Selection System (OJSS) and AJB, offered Internet email accounts, state and Federal application forms, and the Bureau of Labor and Industry software systems for self-service job matching.

Typically, a client entering a One-Stop Center signs in and is directed to a resource room or a public access computer to search the system. While the public-use computers are available for many services and resources, virtually all are expected to be used for client-conducted job searches. Searches can be performed using a number of tools, including national and local job banks, One-Stop Center job listings, and Internet job search engines. Once job seekers located potential job openings, they might require additional services or interaction with the One-Stop Center because of the nature of the suppression status of the job order they had identified. The contact information for the employers in the job-matching systems used by job seekers can be suppressed or unsuppressed, depending on the One-Stop Center's policies and employers' preferences.

Some states, such as Colorado and North Carolina, encouraged suppression of employer contact information on the assumption that employers wanted to screen job seekers to avoid being inundated by applicants, many of whom might not be qualified for an open position (see Table 3-8). For example, at the Longmont, Colorado One-Stop Center, job seekers identified positions they were interested in and a work registration team member interviewed them. The job seekers' information was then forwarded to the employers. In the North Carolina Job Bank, nearly all job listings were suppressed, but the state is moving toward giving the employers the option of posting unsuppressed job listings. Many of the Massachusetts and Michigan job listings were unsuppressed so job seekers could contact employers directly.

Michigan's policies were in clear contrast to the other states' offices with respect to the emphasis on self-service job matching. In Michigan, job searches were mainly self directed. At the Walled Lake One-Stop Center job seekers were taught how to post their resumes and search the job matching systems. Virtually all job listings were unsuppressed, and job seekers and employers were encouraged to use the system without intervention.

3.7.2 Facilitated Self-Help Job Matching[8]

Staff members might sit with job seekers in resource rooms or at public-use computers and assist in searching hard-copy and electronic job listings. Which staff assisted job seekers varied from center to center. At the Aurora, Colorado, and Durham, North Carolina, One-Stop Centers, the receptionists showed clients how to search for jobs and create resumes. At other centers, assistance was provided by career counselors, ES staff, or resource room specialists.

Not surprisingly, most One-Stop Centers used the same basic search parameters, including the job code or title, geographic location, salary, requirements, and keywords. In North Carolina, for example, job seekers were given two options when searching the state job bank on the Internet. They could either fill out a search form with fields to enter job title, salary, salary unit, and background, or select from progressively narrowing categories to locate specific occupations. The job seekers chose one of six geographic regions in North Carolina or viewed jobs in a specified city or town.

[8] This can be thought of as "staff-assisted self-service job matching." Michigan One-Stop Centers continued to distinguish themselves: One-Stops in Michigan emphasize self-service job matching; staff, however, are available and provide assistance in how to use self-service job matching when needed.

Table 3-8. Suppression status of employer contact information in job listings

State	Site	Estimated proportion of unsuppressed employer contact information
Colorado	Aurora	Small proportion
	Longmont	Small proportion
Massachusetts	Boston (JobNet)	75–80% and increasing
	Boston (The Work Place)	85–90%
	Holyoke	70%
	Springfield	80%
	Woburn	80%
	Worcester	80%
Michigan	Battle Creek	More than 50%
	Detroit	95%
	Marlette Thumb	Information not available
	Walled Lake	Close to 100%
North Carolina	Durham	Less than 5%
	Oxford	Small proportion
	Raleigh	Small proportion
Oregon	Beaverton	More than 50%
	Pendleton	10%
	Salem	60%
Washington	North Seattle	60%
	Renton	60%
	Walla Walla	30%
	Yakima	Proportion varies greatly throughout the year.

3.7.3 Staff-Assisted Job Matching

Most staff-assisted job matching occurred when job seekers had trouble finding jobs using self-help or staff-facilitated self-help, as well as part of more intensive counseling and case-management service provision. However, staff- or employer-conducted job matching also may occur without the job seeker being present. Clients or staff enter clients' resumes or qualifications into the job matching database. This is known as batch matching in which the system is searched for a match with the job seekers' or employers' specifications. Most centers have computerized job-matching practices that automatically create these lists by querying the system.[9] At The Work Place in Boston, Massachusetts, matches are created electronically in two ways: "per job seeker" seeks statewide job postings appropriate

[9] The exceptions to this are the Raleigh, North Carolina One-Stop Center, for which the lead agency is the health and human services agency. One-Stop Centers in Michigan reported very limited batch matching (i.e., done only at the request of an individual employer); the job-matching emphasis in Michigan is clearly individual and self-directed.

for an individual and "per job posting" seeks clients appropriate for a job posting. After completing the computerized matching, a staff member reviews the computer results to eliminate false positive matches, and to contact the job seeker.

Similarly, at Washington One-Stop Centers, staff queried the JobNet database of job order criteria for job seekers' information resulting in a list of matched job seekers to jobs. Staff review the list to ensure certain factors desired by the job seekers are part of the job descriptions, such as hours per week, pay rate, and location. Staff members also verify job seekers' profiles to make sure they meet the job requirements, such as certifications or specific skills (e.g., required typing speed). A few centers, such as the one in Pendleton, Oregon, match job seekers to jobs based on the occupational codes assigned to each job seeker and job from the Dictionary of Occupational Titles (DOT).

3.7.4 Provision of Labor Market Information

Labor market information (LMI) is a traditional labor exchange service that includes the provision of employment statistics, such as job vacancy listings, information on skills necessary to obtain jobs, and information relating to local occupations in demand. LMI is available at most, if not all, One-Stop Centers, but the centers present it and allow for access of the information differently. Hard-copy LMI is often located in a center's resource rooms, which are public spaces that often house resources, including computers, hard-copy job listings, fax machines, and telephones. Some sites directly or indirectly see LMI as their "market niche." The Springfield, Massachusetts representative mentioned an emphasis on providing LMI, and at the Aurora, Colorado center, unemployment insurance claimants are sent a packet of LMI materials.

Electronic LMI is available on all states' web sites, and states may even have web sites devoted to LMI. All One-Stop Centers have access to these sites.

- Colorado's Department of Labor and Employment web site contains LMI. The Colorado Navigator system comprises job and career areas with occupational wage information, wage projections, and employer lists. Through Colorado Navigator, users can search for schools and education and training programs by region. In addition to the Colorado Navigator system, there are job vacancy survey reports by region with views on which industries are hiring, which occupations are in demand, current salaries and benefits, and education and experience level requirements. The web site also provides labor force data and a monthly newsletter, the Colorado Labor and Industry Focus.

- Massachusetts' Division of Employment and Training web site links to Mass Stats, an economic database. LMI includes employer listings, area population profiles, local tax revenue and property value data, income data by region, labor force data, employment and wage data and projections, and information on mass layoffs.

- Michigan's Department of Career Development Office of Labor Market Information web site contains statistics on labor force and unemployment data, occupational and wage forecasts, occupational and training information, annual planning information reports with workforce analyses, and tables for program planning.

- North Carolina's LMI is found on the Employment Security Commission of North Carolina's web site. Available LMI includes labor force statistics, occupational and industry information, information access tools, special research reports with up-to-date analyses of the state's labor and economic situation, and career resource tools.

- Oregon's Labor Market Information System web site has state and regional occupational information, wages, employment projections, education requirements, financial aid information, and lists of training providers. Also, there are statistics on unemployment, job growth by industry, cost of living, and poverty rates. Articles on various topics such as nontraditional jobs and self-employment are also available. Through skills and occupational explorer programs users are assisted in identifying occupations that match their skills and preferences.

- Washington's State Employment Security web site links to an LMI page with unemployment rates, wage and occupation estimates and projections, occupations with the most growth, sizes of firms, labor force statistics, and special reports on topics such as apprenticeships, elderly workers, and workforce stability.

3.7.5 Workshops

Many One-Stop Centers offer workshops on various topics, such as communication, interviewing skills, and professional conduct, to prepare job seekers for employment or training. The number of rooms centers have available for workshops varies. (See Table 3-9.) Three centers in Michigan reported no classrooms dedicated specifically for workshops; however, staff can create instruction areas by moving around tables and chairs. The Beaverton, Oregon, One-Stop Center has seven classrooms; classes are either held in those or are conducted off site. Typically, One-Stop Center staff, and staff from partner agencies conduct the workshops.

Table 3-9. Types of workshops offered*

State	Site	Orientation	Job search	Computer skills	Resume creation and interviewing skills	Fees charged for workshop?	Other
Colorado	Aurora	Yes	Yes	Yes		No	Workshops on self-sufficiency for welfare clients
	Longmont		Yes		Yes		"Effective Salary Negotiations," "Career Search Strategies," etc.
Massachusetts	Boston (JobNet)						Post-orientation workshop on available training opportunities
	Boston (The Work Place)	Yes				Yes	Work-related education, Reemployment
	Holyoke	Yes	Yes		Yes	Yes	"Networking," "Job Club," "Career Exploration," etc.
	Springfield	Yes	Yes	Yes	Yes		Job Club
	Woburn		Yes	Yes	Yes	Yes	"SkillScan Assessment," "Identify the Work You Love"
	Worcester	Yes	Yes	Yes	Yes	No	Career Planning
Michigan	Battle Creek		Yes				Job Club, Reemployment
	Detroit		Yes		Yes		"How to Complete a Job Application," "Dress for Success"
	Marlette Thumb						
	Walled Lake						
North Carolina	Durham				Yes	No	
	Oxford					No	
	Raleigh		Yes		Yes	No	GED and "Steps to Self Sufficiency"

*Some One-Stop Centers did not provide specific information on workshops (e.g., specific workshop titles). Blanks indicate lack of information.

Table 3-9. Types of workshops offered* (continued)

State	Site	Orientation	Job search	Computer skills	Resume creation and interviewing skills	Fees charged for workshop?	Other
Oregon	Beaverton	Yes	Yes		Yes	No	"Coping with Stress," "Overcoming Job Search Fear"
	Pendleton			Yes		No	"Job Club," "Work First"
	Salem		Yes	Yes	Yes	No	"Career Mobility," "ADHD and Your Child"
Washington	North Seattle		Yes	Yes	Yes		
	Renton		Yes	Yes	Yes		Other types of specific education and training
	Walla Walla					No	
	Yakima		Yes	Yes	Yes	No	Other types of specific education and training

*Some One-Stop Centers did not provide specific information on workshops (e.g., specific workshop titles). Blanks indicate lack of information.

One-Stop Centers commonly offer several types of workshops. Various types of orientations and workshops on how to use certain aspects of the center are frequently available. Job search workshops include computer assistance to conduct job searches, such as "Internet Job Search" at the Holyoke, Massachusetts, One-Stop Center, and job search seminars. Another common type of workshop is software-based and covers a wide range of topics, such as the Internet, Microsoft Windows-compatible applications, basic computer skills, and word processing. Centers may offer different levels of computer workshops so that clients can participate at whatever experience level best suits them. Resume creation and interview skills workshops are other examples of frequently provided workshops. Centers offer workshops to accommodate particular needs of clients that frequently visit the center. Due to the large Spanish-speaking population that visits the Holyoke, Massachusetts One-Stop Center, some workshops are offered in Spanish. Other centers run workshops with titles like "Holistic Stress Management," "Making Ends Meet While Unemployed," and "Salary Negotiations."

Workshops are free or fee-based depending on the center and the workshop. Most One-Stop Centers in the study do not charge fees for workshops, and they are open to all job seekers. Two competitively run centers in Massachusetts, including The Work Place in Boston, charge fees for the more advanced workshops, while the introductory level workshops are free. Fees vary, such as at the Woburn, Massachusetts, One-Stop Center, which charges a fee of $99 for some workshops and $25 for others. If a One-Stop Center does charge fees for workshops, the fees may be waived, as they are at the Holyoke, Massachusetts One-Stop Center, for members of eligible populations.

3.7.6 Referrals to Training and Supportive Services

When One-Stop Center staff refer persons to supportive services they are performing the service that links traditional employment services to the services that WIA defines as intensive. (According to WIA, referral to supportive services includes "the provision of accurate information relating to the availability of supportive services in the local area, and referral to such services, as appropriate.") The types of additional services or training clients are referred to are those that area unavailable at the One-Stop Center, and may be educational opportunities, such as English-as-a-second-language or adult education classes; job and prevocational training; and support services, including childcare and transportation. Clients are referred to these training and support services at local community colleges, other outside institutions, and other service providers. Clients must demonstrate a need for a

certain service and/or be eligible under a categorical program such as WIA, to be referred to training support services. Certain program funding streams cover the cost of the training or services.

Depending on the operational set up of the specific One-Stop Center, the referrer could be an Employment Service staff member, a case manager, a college counselor (if they are on site), a career counselor, or other staff. The most common case is when a referral is made in a consultation or case management session. A referral is made after the client meets with center staff to determine needs and eligibility for additional services.

Two sites in Massachusetts have unique ways of referring to training and supportive services. The Woburn One-Stop Center has a Job Development Referral System that involves a career services unit counselor interviewing clients, determining eligibility for services, and developing service options from which the clients can select to be referred. Boston's JobNet center uses a post-orientation workshop to describe available training services. Immediately following orientation, clients who are interested in additional classroom training can attend a brief workshop on available outside services and may then request referrals from center counselors.

3.7.7 Assessments

As with job matching, assessments may be staff-facilitated or staff-assisted. These traditional employment-related assessments test skill levels, aptitudes, and abilities as they relate to employment. For example, at the Aurora and Longmont One-Stop Centers in Colorado receptionists and customer service representatives assist clients with an interest inventory available on public-use computers. The Beaverton, Oregon, One-Stop Center's public-access computers have on them the Career Information and Skills Assessment software package for client use.

3.7.8 Counseling

Counseling sessions provide individualized advice to job seekers on how to search more effectively, how to obtain additional training to reach broader career goals, and determine eligibility for more intensive services. Clients meet with counselors who identify their needs and direct them to a particular service, a job opening, an outside training source, another staff member who can better assist

them, or whatever is needed. Counselors focus on multiple areas of potential need since job seekers have diverse needs. Counselors provide in-depth one-on-one assistance to job seekers who are concerned about making career decisions, exploring education and training options, and having individual progress monitored.

Counseling sessions may result in directing job seekers to particular services offered by the center and to services or programs, especially training, that is offered outside of the center. Counselors can refer clients to partner agency staff for assistance, where they can be served through in-house workshops. Alternatively, they may lead to additional job development or referrals to outside education and/or training.

It is important to note that counseling itself can also be a means for determining if job seekers are eligible for categorical programs, given that some eligible populations such as welfare recipients, veterans, and clients with disabilities may be mandated to receive counseling.

3.7.9 Individualized Employment Plans

Under WIA, Individualized Employment Plans (IEPs) can be used by One-Stop Center staff to identify employment goals, appropriate achievement objectives, and the appropriate combination of services for the participant to achieve their employment goals. Table 3-10 describes eligibility for creating IEPs. This question was not directly asked of respondents, however, those sites mentioning it display a range in eligibility from all job seekers to clients in specific programs. The following paragraphs describe the definitional variations that arise.

Most One-Stop Centers conduct some form of individualized employment planning with clients, though the plans range from informal to in-depth. Many centers develop individualized plans through an informal conversation between a staff member and the client. They may discuss the client's goals and together decide on the best course of action and what services are available that may benefit that particular individual's needs. The One-Stop Center staff in Beaverton, Oregon decides collaboratively the needs of individual clients for counseling, advanced support, and training services. Other One-Stop Centers have job seekers work with specialized staff to develop an individual job search plan.

Table 3-10. Eligibility for creating individualized employment plans[1]

State	Site	Who can receive assistance creating individualized plans? (left blank if unknown)
Colorado	Aurora	All clients
	Longmont	
Massachusetts	Boston (JobNet)	
	Boston (The Work Place)	All clients, using an electronic template
	Holyoke	
	Springfield	
	Woburn	All clients
	Worcester	All clients
Michigan	Battle Creek	
	Detroit	
	Marlette Thumb	
	Walled Lake	
North Carolina	Durham	Welfare-to-work, food stamp recipients, veterans, and some clients through a reemployment initiative
	Oxford	All clients
	Raleigh	
Oregon	Beaverton	
	Pendleton	
	Salem	Veterans, dislocated workers, vocational rehabilitation clients (VocRehab) and WIA-eligibles
Washington	North Seattle	
	Renton	
	Walla Walla	General job seekers if they choose and all clients enrolled in intensive service programs
	Yakima	

[1] No direct question was asked about this topic. Data are available only for those sites mentioning eligibility for creating individual plans.

One-Stop Centers also utilize more formal individual planning strategies that may include assessment, analysis of barriers to employment, and customized employment plans. Counselors at the Woburn, Massachusetts, One-Stop Center assess clients' needs, abilities, and preferences in order to develop "Individual Action Plans." Some One-Stop Centers, such as Boston's The Work Place, have forms that use a Customized Action Plan (CAP) template to create individualized plans. In these situations the client fills out the form and reviews it with a One-Stop Center staff member. The form may then be distributed to other staff who will be monitoring the client's progress.

Some One-Stop Centers develop individualized plans with all clients who come into the center. These centers may encourage clients, particularly job seekers, to meet with a counselor or specialist in their field of interest if they need extra assistance. Then, on an individual basis, it is determined what services are needed and if the client is eligible to receive them. Frequently, though, only those that are eligible for certain programs or intensive services develop formal individualized plans. For example, the Salem, Oregon One-Stop Center offers individualized plans only for veterans, clients in vocational rehabilitation, dislocated workers, and WIA-eligible clients. One-Stop Centers also may use different individualized plans depending on the client group. The Worcester, Massachusetts One-Stop Center uses a standard career development template for those eligible under WIA, and an abbreviated version of the same template for those eligible for Wagner-Peyser Act services.

3.7.10 Case Management

Most One-Stop Centers do not have a rigid case management or individualized planning model in place; techniques are developed individually for each client in consultation with center staff. Therefore, case management is highly dependent on the staff and partners that are on site. Most case management involves ongoing meetings between the client and a staff member to discuss what services are needed and have been rendered, and to assess the client's progress. Several One-Stop Centers provide case management services to all clients. Others provide case management only to certain client groups or to individuals eligible to receive intensive services.

Case management in Walla Walla, Washington includes one-on-one dialogue, ongoing communication between the client and staff, documentation, utilization of assessment tools, review of individualized plans, and development of individual performance measures. In the Marlette Thumb, Michigan, One-Stop Center clients are guided through a menu of services and financial assistance with

less in-person consultation than in traditional case management. Boston's The Work Place focuses intently on case management; some techniques used to monitor service delivery include following up with employers, having employers fill out satisfaction surveys, and keeping in touch with the placed job seekers. Case management is also a screening tool. The Holyoke, Massachusetts One-Stop Center identifies those eligible for the TANF program through case management.

Table 3-11 describes the extent of case management in the sites visited for this study. As the table shows, different sites have different definitions of case management, and different techniques. The Boston, Massachusetts One-Stop Center defines it as job referral follow up but other centers see case management as when the job seekers work with specialized case management workers. Client groups including those eligible for UI, Welfare-to-Work, food stamps, TANF/Aid for Families with Dependent Children (AFDC) recipients, WIA, VocRehab, Wagner-Peyser Act, TAA/NAFTA, veterans, the disabled, dislocated workers, youth, and seniors are often case-managed. The level of case management an individual receives may depend on which categorical program they fall under. For example, at Boston's JobNet, clients eligible for Wagner-Peyser and UI claimants are subject to less intense case management than clients who are eligible for other categorical funding programs. In the Springfield, Massachusetts One-Stop Center, each client is case-managed but different forms of case management are used for certain client groups, such as welfare recipients who go through the Next Step program, with its own structured series of steps leading to the provision of services.

Most sites mentioned specific groups that are eligible to receive case management, but they did not necessarily exclude other clients from receiving case management. One exception was the Holyoke, Massachusetts center where, for financial reasons, case management is limited to WIA clients, disadvantaged clients, veterans, and youth—the site is funded to serve 5,000 clients but presently serves about 9,000 annually. Many One-Stop Centers provide intensive services subject to qualifications and refuse or charge those clients not meeting the qualifications. For example, at JobNet in Boston, Massachusetts, case management is either fee-based or provided under certain programs once eligibility is established.

Table 3-11. Dimensions of case management

State	Site	Who is eligible for case management? (left blank if unknown)	How is level and intensity of case management determined? What does case management entail?
Colorado	Aurora	Youth, disabled, TANF recipients, VocRehab, others with special needs	
	Longmont	Clients eligible for programs such as Welfare-to-Work, TANF, WIA, veterans, dislocated workers and seniors	Techniques vary by program.
Massachusetts	Boston (JobNet)	All clients under categorical funding programs	Wagner-Peyser Act and UI claimants are subject to less intense case-management.
	Boston (The Work Place)	The Center works with several client groups such as the Commission for the Blind; the welfare, education and correctional departments to provide case management services. However, individual plans are developed for each customer.	Center uses a template known as CAP, that individualizes plan for each customer. Additionally, the center maintains contact with placed job seekers to gauge the degree of success and help troubleshoot problems.
	Holyoke	Older, disadvantaged and disabled workers, WIA-eligible, veterans, youth	
	Springfield	All clients	Welfare clients go through the Next Step program and handicapped clients with disabilities are case-managed by specialists.
	Woburn		
	Worcester		
Michigan	Battle Creek	Any client that receives intensive services	Degree of case management determined by the staff in consultation with the client.

Table 3-11. Dimensions of case management (continued)

State	Site	Who is eligible for case management? (left blank if unknown)	How is level and intensity of case management determined? What does case management entail?
Michigan (cont'd)	Detroit	Only Trade Adjustment Assistance (TAA)/North American Free Trade Agreement (NAFTA) clients and veterans. Other social service offices do case management for other client groups	
	Marlette Thumb	About 20% of the clients who enter the center are case-managed.	Less actual in-person consultation than traditional case management "Tool chest" program provides a menu of services and financial assistance alternatives.
	Walled Lake	Veterans, disabled, WIA eligible	Intensity negotiated among the client (group's) representatives, the case manager, and the client.
North Carolina	Durham		
	Oxford	TANF recipients and job seekers	As a one-time service for job seekers, not on-going Work first and food stamp representatives handle case management of TANF recipients.
	Raleigh	No case management	
Oregon	Beaverton	Clients with needs beyond core services	Degree of case management determined on case-by-case basis.
	Pendleton	Title IB, WIA-eligible, and veterans	Existence or degree of case management determined on individual basis.
	Salem	Veterans, dislocated workers, VocRehab and WIA-eligible	Level and intensity determined on individual basis.

Table 3-11. Dimensions of case management (continued)

State	Site	Who is eligible for case management? (left blank if unknown)	How is level and intensity of case management determined? What does case management entail?
Washington	North Seattle		
	Renton		
	Walla Walla	Some clients	One-on-one dialogue, full documentation, utilization of assessment tools, and regular reviews of individualized plans and performance measures.
	Yakima		

3.7.11 Services to Special Populations

In this section we have discussed core services that are available to any job seeker, and intensive services that usually are available only to individuals meeting WIA eligibility criteria. In the following subsection, we discuss additional services that are available to populations who are targeted by other special programs such as welfare recipients and veterans.

3.7.11.1 Job Search/Placement for Special Populations

Many special client groups including TANF/AFDC and food stamp recipients, UI claimants, and veterans receive specialized job search services. Typically, these groups are given more assistance and are monitored more closely in terms of their job search activities than other job seekers may be.

Some centers contact job seekers or their employers once individuals have been placed in jobs to find out how their placements are going. For certain groups of job seekers, such as TANF/AFDC recipients, UI claimants, and those eligible for WIA, follow-up is mandatory once they have entered employment. At Boston's The Work Place, job developers speak to One-Stop Center clients who were recently placed in jobs to gauge their degree of success and troubleshoot any problems.

3.7.11.2 Referrals to Supportive Services for Special Populations

Special populations of job seekers may be eligible for referrals to supportive services and training. These services for clients with special needs are typically the types of services that One-Stop Centers do not provide on site. Clients eligible for WIA often receive training vouchers to cover training costs. The Detroit, Michigan center employs a computerized system to aid in referrals and training voucher provision for clients eligible for WIA. The system contains a database with clients' demographic and service history information. WIA personnel retrieve information from the database when making referrals, thus speeding up the transition into training and other support services.

3.7.11.3 Workshops for Special Populations

One-Stop Centers often make certain workshops mandatory or strongly encourage particular populations of job seekers to attend workshops (including development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct) to prepare individuals for unsubsidized employment or training. TANF/AFDC recipients must attend workshops at the North Seattle, Washington One-Stop Center. There is a two-week workshop for welfare clients available at the Aurora, Colorado center, involving skill assessment and on-the-job behavioral skills. Many centers offer reemployment or job seeker workshops for UI claimants.

At several centers TANF/AFDC and food stamp recipients participate in a mandatory structured job search process. UI claimants must be actively searching for a job in order to continue receiving benefits, so centers provide services for this group to aid in their job search activities. In Washington, the work test includes referring claimants to jobs for which they are qualified. Michigan UI claimants have their resumes posted on the Michigan Talent Bank, the state's job matching system, as a condition of their receiving benefits. Often, UI recipients must attend a reemployment workshop. For example, the Oxford, North Carolina One-Stop Center operates the Reemployment Initiative Program, a series of workshops required for UI participants, but open to anyone who wants to participate. UI recipients attend four in-person workshops and report weekly over the following eight weeks to help them remove barriers to work. Oregon's focus on UI claimants means there is an up-front assessment, through

which "unattached" claimants[10] receive special intensive treatment. Most claimants get periodic (usually eight-week) checks on their job-seeking activities.

3.8 Services to Employers

Services to employers have historically been a part of the Wagner-Peyser Act labor exchange system, and the One-Stop delivery system of labor exchange services continues the tradition of providing services to employers to meet their labor force needs. Employer services can be broadly defined as those services which an employer can access without any direct assistance from the One-Stop Center staff (employer self-service), as well as staff-assisted services (facilitated self-service) and intensive (staff-assisted) employer services. Figure 3-3 delineates these services.

This section provides information about employer services observed in the One-Stop Centers visited for this study. The One-Stop Centers studied offer the set of services traditionally delivered by the ES agencies (job matching, job fairs, labor market information, etc.), but there is great variety in how these traditional services are delivered. Additionally, some of the sites appear to offer more, and more intensive, services to employers than do other sites.

Changing technology concurrent with the movement toward One-Stop Centers has allowed employers access to electronic services such as posting job openings and scanning for possible candidates. This type of employer self-service job matching is found to some extent in all of the states in the study. For example, in Durham, North Carolina, employer entry of job orders is becoming more common; also the Longmont, Colorado One-Stop Center is developing a resume database that will enable employers to locate potential employees on their own. Michigan appears to have an established history of emphasis on employer self-service via the Internet.

The bulk of the services provided to employers and observed during the site visits appear to be the same provided under the ES agencies and/or driven by conditions in the local economy rather than due to any changes resulting from the movement to the One-Stop Center environment. For example, because of the frequency of layoffs in the local area, the Woburn, Massachusetts One-Stop Center has begun to focus on providing more outplacement assistance, and sites in Michigan reported outplacement services for employers implementing layoffs or plant closings.

[10] Those claimants not likely to return to a specific job.

The Workforce Investment Act (WIA), the Wagner-Peyser Act as it was amended by WIA, and the literature on labor exchange services detail self-service, facilitated self-help services, and staff-assisted services to be delivered to employers, as follows:

- Allowing employers to review job seekers' resumes or registration information to select qualified candidates
- Providing labor market information (LMI) on education and training, pay expected by occupation, and non-monetary attributes being sought. Employers can access LMI through computer systems, resource rooms, and public libraries
- Making available employment rules, regulations, and tools to help employers self-manage their workforce needs
- Providing space for conducting interviews
- Posting employers' job orders
- Recruiting job seeker candidates for employment. Searching the centers' systems of job seekers to match to employers' vacancies
- Pre-screening job candidates
- Working with employers to organize job fairs and specialized recruitment efforts
- Recruiting employers to list vacancies with the labor exchanges or One-Stop Centers
- Helping employers train and assist employees by providing contact information about services that are not directly available through the labor exchange or One-Stop Center
- Providing tailored labor market information on prevailing wage rates and other conditions of employment to improve the probability that job seekers will apply for specific vacancies and accept offers. The information often comes from interaction with staff concerning why similar listings are, and are not, being filled
- Assisting with major workforce shifts and/or reductions in the workforce
- Participating in rapid response efforts that employers need to meet their legal requirements when downsizing
- Hastening the transition of the workforce to new employment opportunities
- Providing employers access to resource information on subjects ranging from reducing absenteeism to specialized labor market studies

Sources: Westat's "Draft Research Design for the Evaluation of Labor Exchange Services in a One-Stop Center Environment" section 2.2, http://workforcesecurity.doleta.gov/employ.asp, and *Federal Register*, *65*(156), August 11, 2000.

Figure 3-3. Labor exchange services for employers

3.8.1 Job Matching (Obtaining Job Listings from Employers and Identifying Job Candidates)

One-Stop Centers use a variety of methods to obtain job listings. The Longmont, Colorado site and the Woburn, Massachusetts site use the account manager method, assigning staff to a specific employer. The account manager acts as the employer representative at the center. Account managers handle job listings, follow through to the point of a job match, and track placements. Some centers' account managers offer recruitment, screening, and referral of potential employees to interested employers. Account managers may contact employers regularly to solicit job listings and to discuss anticipated needs for planning purposes. The business specialist method employed in Washington is a variation on the account manager method: the employer contact is managed by a business specialist organized by industry, for example there are business specialists for the health care and manufacturing industries. In some cases, a specialized unit at the workforce regional level receives all job orders for the region. The Marlette Thumb, Michigan site subcontracts out job listing services to local economic development organizations.

One-Stop Centers in this study have or are moving toward some kind of self-service, computer-based job matching system that allows employers to register jobs and view job seekers' resumes on-line.

- Colorado has a state-level Job-link database and some of the regions have local websites that allow employers to register jobs. The Longmont, CO center is developing a resume-database that employers will be able to scan for potential employees to fill their job openings. The state of Colorado had developed a state-of-the-art job matching system prior to devolution. It appears, however, that with devolution, new job matching initiatives are regionally- and locally-based.

- Massachusetts is developing an employer-access Talent Bank that will allow employers to load jobs online and search job seekers' resumes for matches. The Springfield center provides access to a database of local job seekers' resumes.

- Michigan offers the Michigan Talent Bank, an Internet-based labor exchange, for registered employers to view resumes and post immediate job openings. At the Walled Lake center, as at other centers, employers log on to the statewide online job bank to

post job openings and review job seekers' resumes. The center will provide help to employers upon request, but staff is not automatically assigned.[11]

- North Carolina has an ES web site containing jobs posted by North Carolina employers. In Durham, more and more employers are finding the online entry of job orders the preferred method of getting job orders into the One-Stop Center system.

- Oregon maintains a "Working in Oregon" web site through which employers can post jobs and view job seekers' resumes. (This capability was not available at the time we conducted our first site visit, but was mentioned during our follow-up interviews.)

- Washington State's "WorkSource Washington" allows employers to directly post jobs and access resume search capabilities.

3.8.2 Job Fairs

Many sites report they conduct job fairs. One-Stop Centers may hold general, occupational, or employer specific job fairs. The Work Place in Boston, Massachusetts provides three types of job fairs: single employer, multiple-employer, and specialty (for specific types of employers or job seekers). Both the Longmont, Colorado and the Battle Creek, Michigan One-Stop Centers offer occupation-/industry- or single employer-focused job fairs. The Yakima, Washington, center holds an annual Job Fair attracting over 100 businesses and 4,000 job seekers. The job fair is supported by the City of Yakima, the local employment service office, and partnering agencies. In the Raleigh, North Carolina One-Stop Center for which the social services agency is the lead agency, job fairs are conducted through the One-Stop Center's collaboration with a business advisory council.

3.8.3 Labor Market Information

Labor Market Information is also readily available at many One-Stop Centers. The amount and depth of LMI varies. At the One-Stop Center in Holyoke, Massachusetts, an LMI database includes information on the legal responsibilities of employers. The One-Stop Center in Springfield, Massachusetts also has quite extensive LMI available that includes information compiled from a national database, its own database, local business journals, and wage data sources. LMI is widely accessible to all employers through state and local web sites.

[11] Michigan is unique among the study states, with its strong emphasis on employer self-service matching and what might be thought of as "cyberspace job matching," where employers and job seekers are connected via the Internet with relatively little intervention on the part of the One-Stop Center staff.

3.8.4 Space for Employers: Interviewing and Information Resource Rooms

Having some kind of designated resource or interview room is another common service One-Stop Centers offer employers. This may be in the form of an office space that employers can reserve ahead of time to conduct interviews such as that found at the Holyoke, Massachusetts and Pendleton, Oregon One-Stop Centers. Other centers have a room set aside to be used exclusively by employers to interview potential employees. The Raleigh, North Carolina One-Stop Center, similar to most other One-Stop Centers, encourages employers to meet job seekers at the One-Stop Center, and to use the One-Stop Center's interview rooms.

Another type of space for employers is resource centers that not only house interview space but also contain reference information and other materials. For example, at the One-Stop Center in Walla Walla, Washington, there is a private work area set aside for employers that includes a computer with Internet access so they can post job openings. One-Stop Center resource rooms are used by employers to interview job seeker candidates, obtain LMI, and get assistance in dealing with the Americans with Disabilities Act and workplace safety issues.

3.8.5 Seminars and Training

The sites reported training in many areas including computerized job matching, compliance with employer regulations, and use of One-Stop Center services. Some seminars involve guest speakers who address particular workforce issues. Employer roundtables such as that held at the Aurora, Colorado One-Stop Center host guest speakers from specific industries. The Durham, North Carolina One-Stop Center is expanding services to employers by offering seminars on reasonable accommodations for the disabled.

3.8.6 Incumbent Worker Services

Incumbent worker services were reported in two of the Massachusetts sites. The Holyoke One-Stop Center has offered retention services to employers in the management and finance area to help employers retain good employees. The Woburn One-Stop Center plans to work with employers to identify retraining and upgrading needs.

3.8.7 Other Employer Services

Some One-Stop Centers offer intensive services that were not widely reported by other sites. The Work Place in Boston, Massachusetts provides customized marketing services to employers with particular requirements, such as a grocery store chain in a Hispanic neighborhood. The One-Stop Centers in Durham and Oxford, North Carolina both offer employer exit interviews.

One-Stop Centers use a variety of strategies to attract employers. In some ways, this could be an important indicator of a site's emphasis on services to employers. A number of centers indicated that their objective is to become more employer-oriented and to improve or expand services to employers in the future. Some One-Stop Centers appear to be quite employer-oriented, as evidenced by their emphasis on obtaining information from employers on how to best meet their needs:

- A dedicated employer relations representative at the Salem, Oregon One-Stop Center maintains contact with the Chamber of Commerce and city and county organizations, and networks with large employers.
- The Battle Creek, Michigan One-Stop Center runs an outreach campaign funded by the Workforce Development Board involving billboards and radio advertisements to enlist employers; the site emphasizes services to employers and markets them heavily for use of the center.
- The Yakima, Washington center developed a Business Outreach Team to encourage more businesses to use the center's resources.
- The Beaverton, Oregon One-Stop Center works closely with the Workforce Alliance and the Portland Development Commission to ascertain what types of assistance are desired by employers.

4. BENEFITS/COST EVALUATION

4.1 Introduction

This chapter of the *Public Labor Exchanges (PLXs) in a One-Stop Environment* report provides statistical evidence about the scope, benefits, and costs of job matching services provided by PLXs in five of the six states in our sample: Colorado, North Carolina, Massachusetts, Oregon, and Washington. Michigan was omitted because the required administrative data were not available for this state; however, an analysis of Michigan employer and job seeker surveys is presented in Section 4.6. The analysis presented here builds on work previously completed covering Oregon and Washington, which was published by the Employment and Training Administration in October 2000, as well as several earlier studies.

PLXs were established in the 1930s under the Wagner-Peyser Act to help Depression-era workers find jobs by acting as labor market intermediaries directly linking job openings with job candidates. Today PLXs annually place upwards of 3 million workers from the over 6 million jobs they list. Another 6 million workers use PLXs to search for work, but are not directly placed. To provide these services, PLXs receive about $1 billion in Federal funds (Wagner-Peyser Act and Title 38, U.S. Code – Veterans Employment and Training), or $330 per placement. PLX resources are supplemented by state funds and mostly in-kind contributions from One-Stop partners.

While the mission of the PLXs has not changed over the past 70 years, the methods used to link workers to openings have changed substantially. The first wave of changes was to automate the process by which staff listed jobs and searched those listings on behalf of workers and firms. The second wave of changes was to allow self-service matching by job seekers, sometimes with unsuppressed contact information, which then would allow self-referral. A third wave of changes was to allow searching of various websites that provide lists of openings that are not part of the PLX's list, such as monsterboard.com or the Washington Post want ads. A fourth change that has occurred recently was organizational. In some states, the PLXs are no longer run by state employees, but by local government employees attached to community colleges or other governmental entities. In a few cases, nonprofit organizations run PLXs, and in one case in Massachusetts a PLX is run by a for-profit firm.

On balance, these changes have made it possible for the PLXs to effectively serve more and more job seekers and employers with budgets that have declined in real terms over the past 25 years. The

changes, however, have made it progressively more difficult to document the PLX's achievements and determine its effectiveness.

Table 4-1 describes key characteristics of PLXs and labor forces in the six states included in the study. All the data in the table come from official US-DOL statistics. Panel A shows basic figures for Program Year 1997 (PY97, July 1996 through June 1997). Panel B shows figures for employment and unemployment in 1997. Panel C shows how the numbers in panels A and B relate to labor force characteristics and each other. Panel D shows how the numbers in panel A changed between PY94 and PY97. Panel E shows how the numbers in Panel B changed between PY94 and PY97.

One good indicator of the reach of the PLXs is applicants—individuals registering to receive services— as a percent of the state labor force. This statistic, shown on line 10, indicates that in Oregon applicants equaled 27.6 percent of the labor force. In North Carolina and Washington, applicants equaled about 20 percent. In Colorado, Massachusetts, and Michigan, applicants equaled less than 11 percent. Line 20, however, shows that in Massachusetts and Michigan applicants declined by 37.0 and 46.8 percent, respectively, between PY94 and PY97. This change partly reflects real changes in activity and partly reflects changes in the way data were reported, as both states restructured their PLXs to devolve control to local service providers.

Perhaps the best indicator of the PLXs' reach, however, is placements as a percent of the state labor force. This statistic, shown on line 11, indicates that in North Carolina placements equaled 3.9 percent of the labor force. In the state with the next highest percent, Oregon, placements equaled 2.5 percent. In the two states with the next highest percents, Washington and Colorado, placements equaled about 1.5 percent. Finally, placements were less than half a percent of the labor forces in Massachusetts and Michigan.

As shown on line 22, relative to PY94, placements decreased by roughly 70 percent in Massachusetts and Michigan. They fell slightly in Colorado and Washington, remained constant in North Carolina, but increased by 5.1 percent in Oregon. These patterns are key indicators of the problem with using the official statistics to understand what really is going on. Among the many states that have moved to extensive use of unsuppressed listings, only Oregon has developed a system to track self-referrals. Thus, Oregon may be the only state in this group where placements can be tracked with anything approaching reasonable accuracy.

Table 4-1. PLX activity in program year 1997, employment and unemployment in the six states

		Colorado	Massachusetts	Michigan	North Carolina	Oregon	Washington
A. PLX Activity (program-year 1997)							
1 Total Applicants		227,948	130,909	389,709	780,048	483,607	593,970
2 Individuals Referred to Job		122,913	45,920	50,653	524,021	191,122	169,244
3 Individuals Placed in Job		31,937	10,204	17,749	148,477	43,131	47,281
4 Total Placement Transactions		46,355	11,072	21,696	178,425	52,717	61,799
5 UI Claimants Placement Transactions		4,956	3,207	1,306	44,217	19,865	19,382
6 Openings Received		72,024	92,425	97,562	325,943	152,813	152,938
B. Employment and Unemployment 1997							
7 Employment		2,124,656	3,088,550	4,713,300	3,683,877	1,654,977	2,877,498
8 Unemployment		79,031	130,679	224,585	148,358	96,854	138,891
9 Unemployment rate	Lines Used in Calculations	3.6%	4.1%	4.5%	3.9%	5.5%	4.6%
C. Key Relationships							
10 Applicants/Labor Force	1/(7+8)	10.3%	4.1%	7.9%	20.4%	27.6%	19.7%
11 Placements/Labor Force	4/(7+8)	1.4%	0.3%	0.4%	3.9%	2.5%	1.6%
12 Referrals/Applicants	2/1	53.9%	35.1%	13.0%	67.2%	39.5%	28.5%
13 Placements/Applicants	3/1	14.0%	7.8%	4.6%	19.0%	8.9%	8.0%
14 Placements/Referrals	3/2	26.0%	22.2%	35.0%	28.3%	22.6%	27.9%
15 Placement transactions/Individuals placed	4/3	1.45	1.09	1.22	1.20	1.22	1.31
16 Claimant placement transactions/total	5/4	10.7%	29.0%	6.0%	24.8%	37.7%	31.4%
17 Placements/Opening	3/6	44.3%	11.0%	18.2%	45.6%	28.2%	30.9%
18 Openings/Placements	6/3	2.26	9.06	5.50	2.20	3.54	3.23
19 Openings/Labor Force	6/(7+8)	3.3%	2.9%	2.0%	8.5%	8.7%	5.1%
D. Change in Activity between PY94 and PY97							
20 Total Applicants		-14.7%	-37.0%	-46.8%	-0.1%	33.8%	41.0%
21 Individuals Referred to Job		-10.8%	-52.0%	-65.6%	2.2%	17.0%	-5.5%
22 Individuals Placed in Job		-25.7%	-67.0%	-72.5%	-16.3%	5.1%	-7.5%
23 Total Placement Transactions		-33.3%	-66.7%	-76.9%	-17.9%	0.7%	-17.4%
24 UI Claimants Placement Transactions		-47.6%	-65.8%	-86.9%	6.6%	14.4%	-6.1%
25 Openings Received		-31.4%	-10.5%	-37.6%	-8.6%	35.5%	14.7%
E. Change in Employment and Unemployment 1994-97							
26 Employment		8.2%	3.6%	3.6%	6.9%	5.7%	11.4%
27 Unemployment		-4.0%	-26.7%	-15.4%	-4.1%	22.2%	-17.9%

Source: USDOL (2002). ETA Form 9002 Quarterly Report, and Bureau of Labor Statistics

North Carolina and Washington, at least through 1998, had more "traditional" PLXs where job seekers could view listings on their own, but staff made most referrals. The relatively small declines in placements shown on line 22 of Table 4-1 probably reflect modest increases in self-referrals, rather than real declines in placements. In Massachusetts and Michigan, however, the enormous declines in the placement statistics partly reflect major organizational changes. For example, Boston, Cambridge, Springfield, and Holyoke stopped reporting statistics to the state. But the reductions also reflect a real decline in the emphasis placed on maintenance of a comprehensive PLX that provide a wide range of self-service and staff-assisted services to all comers. This is especially true in Michigan.

Finally, line 19 shows a second excellent indicator of PLXs' reach, job-openings received as a percent of the labor force. This statistic equaled about 8.6 percent in Oregon and North Carolina, was 5.1 percent in Washington, but was only 3.3 percent, 2.9 percent, and 2.0 percent, respectively, in Colorado, Massachusetts, and Michigan. Importantly, unlike referrals and placements, which have become increasingly difficult to measure because of the spread of unsuppressed job listings, the number of job orders usually can be accurately measured because most states have maintained a statewide automated system that allows job seekers to look through the job listings. However, there are a few states where many job orders are not listed in a centralized databank, and therefore, the true count of job orders is unknown.

As shown on line 25, official statistics indicate that openings received declined by 37.6 percent in Michigan and 31.4 percent in Colorado. There probably were large declines in both states, but the extent of these declines may be overstated because changes in the structure of these states' PLXs led to One-Stop Centers not listing all openings they received. More specifically, in both states the PLXs were devolved to local control, and it is possible that local staff developed openings to meet the needs of particular clients that were not made available to all comers.

Also of interest, there is some correlation between changes in openings received and changes in referrals and placements, but the fit is far from perfect. For example, openings increased by 35.5 percent in Oregon, and referrals increased by 17.0 percent, but placements increased by only 5.1 percent. In North Carolina, openings declined by 8.6 percent, and placements declined by 16.3 percent. In some states, much of the lack of stronger correlation was due to increased use of unsuppressed listing. For example, a modest increase in use of unsuppressed listings probably explains why openings increased by 14.7 percent in Washington, but placements declined by 7.5 percent.

Line 17 shows that states vary in their efficiency in filling job orders, as well as in the ability of PLXs to obtain large shares of openings. North Carolina and Colorado were able to place job seekers at about 45 percent of the openings received, while Washington and Oregon placed job seekers at about 30 percent of their openings, but the placement rates were only 18 percent and 11 percent, respectively, in Michigan and Massachusetts. Again, some of these differences are overstated due to measurement problems, but they probably reflect reality reasonably well. In particular, these comparisons show that North Carolina was especially effective in filling openings, as this state had almost twice the placement rate as Oregon, which had about the same proportion of openings to labor force as North Carolina. Also North Carolina's placement rate equaled Colorado's, even though North Carolina had about three times the placements to make (relative to its labor force size) as Colorado.

In summary, traditional performance measures indicate that PLXs provide assistance to very large numbers of workers and firms at low cost. Indeed, PLXs succeed in directly placing large numbers of individuals at jobs and obtaining large numbers of openings. However, there are major problems with tracking PLX performance in most states, which make it appear that services have declined. These problems mainly stem from expanded use of job-orders with unsuppressed contact information. Also, within some states in our study, movement toward local control probably reduced the number of openings listed in statewide databanks.

One state, Oregon, demonstrated that it is possible to gain the advantages from self-service referrals without experiencing a decline in the quality of the data. We believe that it would be exceptionally worthwhile for other states to adopt Oregon's system. An alternative is to use registrant surveys to determine the extent to which PLXs have directly and indirectly assisted clients. Interestingly, while several states use surveys to assess customer satisfaction, only Michigan uses surveys to collect more objective measures of achievement.

While PLX output indicators are impressive, they fall short of demonstrating the value-added of PLX services. The best measure of effectiveness is how benefits compare to costs. The bulk of this chapter describes the new benefit-cost analyses we have conducted covering Colorado, Massachusetts, and North Carolina. However, we first briefly review earlier results covering Washington and Oregon (Jacobson and Petta, 2000).

4.2 Results for Washington and Oregon from Earlier Studies

Table 4-2 shows the key results from the Washington and Oregon studies. Study-1, the Washington mail study, used a survey of 587 individuals referred to PLX openings. Because we were able to track what happened subsequent to receiving a referral, we identified a comparison group of individuals who requested but were not granted job interviews, usually because they applied too late to be considered for the opening. We could then compare the subsequent job search of the "too late" group to a group who were interviewed.

Use of this naturally occurring comparison group resembles a true control group derived from an experimental design where individuals seeking a referral randomly would be told that the job was filled, whether or not that actually was the case. The results show that those placed with strong work records returned to work 7.2 weeks sooner than otherwise, while those with weak work records returned to work 3.8 weeks sooner.

Multiplying the total number of placements times the per-person increase in weeks of employment times average weekly earnings produces an estimated net earnings gain of $45 million in 1998. This is roughly 1.8 times the cost of running the entire Washington PLX. Because the value of referrals not leading to placements, and other services is excluded, this benefit-cost ratio is highly conservative.

Study-2, the Washington administrative data study, used the same type of data used in other states to examine earnings gains to UI claimants. This study included over 325,000 unemployment spells from 1987 through 1995 and concluded that joblessness was reduced by 7.7 weeks for each placement and by 2.1 weeks for each referral. Multiplying the average per-person effects by the number of referrals and placements and the average weekly earnings produced an estimated increase in earnings of $25 million, which is 2.8 times the cost of providing those services. Making the highly conservative assumption that the referral effects were due to selection bias generated a gain of $11 million, which is 1.2 times the cost of providing the services.

Table 4-2. Study characteristics and measures of PLX benefits in Washington and Oregon

Data Source	Population Studied	Back to Work Effect Of: Placement Relative to Referral	Back to Work Effect Of: Referral Relative to No Referral[3]	Total PLX Benefits Per Year[1]	Benefit–Cost Comparisons[2]
Study-1 Washington Mail Survey and Administrative Data for the first half of 1998	A sample of 587 individuals referred to PLX job openings	7.2 weeks sooner for job seekers with strong work records. 3.8 weeks sooner for job seekers with weak work records	Not examined	$45 million for all 1998 PLX users from placements alone	Annual cost $25 million Benefit-cost ratio 1.8
Study-2 Washington Administrative Data for 1987-95	A sample of 328,815 spells of unemployment experienced by UI claimants	7.7 weeks sooner	2.1 weeks sooner	$11 million for claimant placements alone 1987-95 $25 million for claimant placements and referrals 1987-95	Annual cost $25 million 35 percent spent on claimants Benefit-cost ratio between 1.2 and 2.8
Study-3 Oregon Administrative Data for 1995	A sample of 138,280 spells of unemployment experienced by UI claimants	4.6 weeks sooner	1.1 weeks sooner	$15 million for 1995 claimant placements alone $30 million for 1995 claimant placements and referrals	Annual cost $26 million 38 percent spent on claimants Benefit-cost ratio between 1.6 and 3.1

Source: Jacobson and Petta (2000). "Measuring the Effect of Public Labor Exchange (PLX) Referrals and Placements in Oregon."

[1] Study-1 uses published statistics to estimate the number of placements, Study-2 uses tabulations of person-level files to measure the number of placements and referrals. Study-3 uses both sources of information. Use of published data for 1995 raised benefit estimates of Study-2 to $42 million for placements and referrals together and $13 million for placements alone. This increased the 1995 benefit-cost ratios to 4.5 for placements and referral and to 2.1 for placements alone.

[2] Benefit-cost ratios are not adjusted for crowding-out effects that are estimated to reduce the ratios by about 20 percent.

[3] Referral effects include the value of placements plus the value of labor market information obtained by viewing PLX listings and interacting with staff for PLX users whose referrals do not lead to direct placements.

Study-3, the Oregon administrative data study, used the same methodology as Study-2 to estimate the per-claimant reduction in joblessness in Oregon. We found that joblessness was reduced by 4.6 weeks per placement, and 1.1 weeks per referral. Estimated total gains ranged from $15 to $30 million annually, or 1.6 to 3.1 times the cost of providing the services.

Studies 2 and 3 were limited to claimants because they were the only group for whom we could accurately measure the lag between job-loss and obtaining a referral leading to a placement. Studies that do not control for this lag tend to show that PLX users have worse job-search outcomes than non-users. Those negative findings arise because many claimants can quickly find jobs through personal contacts or want ads, but those who use PLXs typically do not have access to those information sources or have exhausted leads from those sources. Thus, only when "elapsed jobless duration" is held constant, is the negative selection that leads to PLX usage likely to be adequately taken into account.

Table 4-3 describes the basic model used for all of our state analyses using administrative data. One key facet of this model is that we separately estimate the effects of referrals and placements in each of eight periods, excluding claimants who have already ended their spells at the start of the respective period. A second key element of this estimating procedure is that we control for factors that strongly affect the timing of the return to work and need for PLX services. These include whether the claimant is recalled by a former employer, the pre-unemployment level and rate of change of earnings, as well as the level of weekly UI payments and amount of entitlement available at the start of a given claim spell.

4.3 Results for North Carolina

Table 4-4 describes some of the basic characteristics of the 10 percent sample of North Carolina claimants covering 1994 through 1998 used in the empirical work.[12] Because our wage record data spanned 1993 through 2000, we were able to track employment one full year prior to the start of each unemployment spell and one full year after the end of each spell.

[12] A separate analysis was conducted on the characteristics of job orders listed with North Carolina PLX offices in 1999. The work examines the types of jobs listed with PLX offices, number of openings per job orders, pay level, experience, and education required for specific job orders. The analysis can be found in Appendix H to this report.

Table 4-3. Specification of the model

$$L(i, t) = a + b\,\overline{D} + c\,\overline{H} + d\,\overline{M} + x_1 P + x_2 R \qquad t = 1,2,\ldots.8 \qquad \text{Equation 4-1}$$

where

L	=	length of unemployment in weeks from referral in period t to (1) end of job search or 52nd week, whichever comes first, if i = 1, or (2) benefit exhaustion or 26th payment, whichever comes first, if i = 2;
$\overline{D}$	=	an array of demographic characteristics;
$\overline{H}$	=	an array of work and claim history characteristics;
$\overline{M}$	=	an array of labor market characteristics;
P	=	a dummy variable indicating a person is placed as a result of a referral in period t;
R	=	a dummy variable indicating a person is referred in period t, but not placed as a result of a referral through week 39; (Individuals not placed or referred in period t are in the "omitted group" – claimants who generally received no assistance from PLXs.)
t	=	period relative to start of claim spell over which measures of service receipt and subsequent duration are made: 1=week 1; 2=week 2-5; 3=week 6-9; 4=week 10-13; 5=week 14-18; 6=week 19-26; 7=week 27-39; 8=week 40-52 (Lower case letters other than i and t denote parameter estimates.)

There are 212,108 spells of unemployment in the sample. A spell is a period of benefit collection without a break lasting more than 3 weeks. However, we separately examined PLX usage in up to eight periods. As long as the spell lasted, we classified each claimant in each period as not referred, referred but not placed, or placed. In all, there are 461,571 spell-periods in the database. On average, a spell of benefit collection lasted 5.4 weeks, but periods of joblessness lasted 8.8 weeks on average because some claimants exhausted benefits or otherwise stopped claims prior to returning to work.

For period one, 53 percent of claimants returned to pre-layoff employers, 43 percent took new jobs, and 4 percent did not return to employment covered in our data set within 4 quarters of the end of their UI spell. Recalled workers returned to work in about half the time of job changers and rarely were referred or placed by a PLX. In contrast, 14.2 percent of job changers were referred in any given period, and 2.4 percent were placed.

Table 4-4. Characteristics of North Carolina claimants 1994-1998

		1	2	3	4	5	6	7	8	9
A. Duration, Job Change, and PLX Use			Duration Of		Job Change Status			Referral/Placement Status		
		N	Spell (Weeks)	Joblessness (Weeks)	Recall (%)	Change (%)	Ambiguous (%)	Not Referred (%)	Referred (%)	Placed (%)
	Full 10% Sample	461,571	10.1	13.6	43.2	5.1	5.1	90.1	8.6	1.4
	By Job Change Status									
1	Recall	199,349	6.6	5.7	100.0			97.8	2.0	0.2
2	Job Change	238,533	12.6	18.4		100.0		83.4	14.2	2.4
3	No New Empl.	23,689	15.4	31.2			100.0	92.2	7.3	0.5
	By Referral/Placement Status									
1	No referral	415,774	9.6	12.8	46.9	47.9	5.3	100		
2	Referral	39,559	15.9	21.7	10.1	85.6	4.4		100	
3	Placement	6,238	11.8	14.4	6.2	92.0	1.8			100
	By Elapsed Claim Duration									
1	Week 1	212,108	5.3	8.7	53.8	42.5	3.6	96.9	2.7	0.4
2	Weeks 2-5	114,158	8.9	12.4	41.9	53.2	4.9	85.7	12.5	1.8
3	Weeks 6-9	56,602	14.5	17.4	34.2	59.6	6.2	84.9	13.05	2.1
4	Weeks 10-14	35,787	18.7	22.1	27.6	64.9	7.6	83.3	14.2	2.5
5	Weeks 15-18	22,835	22.5	26.9	21.5	69.6	8.9	83.3	14.3	2.4
6	Weeks 19-26	15,580	25.3	30.3	16.8	73.2	10.0	75.2	22.1	2.7
7	Weeks 27-39	4,199	30.7	33.6	14.6	74.2	11.2	72.0	23.3	4.7
8	Weeks 40-52	302	45.0	36.8	17.9	69.9	12.3			

B. Benefits and Earnings

		Total (%)		UI Benefits Paid			Weekly Earnings		
				Total ($)	Per Week ($)		Pre Spell ($)	Post Spell ($)	Difference (%)
	Full 10% Sample	100.0		1,585	153		370	308	-17
	By Job Change Status								
1	Recall	43.2		743	114		380	340	-11
2	Job Change	51.7		2,145	166		356	285	-20
3	No New Empl.	5.1		2,770	179		418	0	-100
	By Referral/Placement Status								
1	Recall	90.1		1,466	151		372	311	-16
2	Job Change	8.6		2,778	171		353	281	-20
3	No New Empl.	1.4		1,757	144		312	272	-13
		Spell Starters (%)	Ending Spell (%)						
	By Elapsed Claim Duration								
1	Week 1	100.0	46.2	711	135		357	323	-9
2	Weeks 2-5	53.8	50.4	1,257	141		363	306	-16
3	Weeks 6-9	26.7	36.8	2,279	157		381	296	-22
4	Weeks 10-14	16.9	36.2	3,156	169		394	285	-28
5	Weeks 15-18	10.8	31.8	4,017	179		408	276	-32
6	Weeks 19-26	7.3	73.0	4,646	184		424	271	-36
7	Weeks 27-39	2.0	92.8	5,338	174		410	271	-34
8	Weeks 40-52	0.1		7,010	156		359	228	-36

Source: Unless otherwise noted, all of the tables in this chapter are derived from state-level microdata provided to Westat.

Note: PLX usage is examined in up to eight periods for each spell (depending on its length). There are 212,108 spells and 461,571 separate spell periods in the database.

The probability of recall declined from 53 percent in week 1 of a spell to about 16 percent after 26 weeks. As the probability of returning to former jobs declined over time, the probability of being placed increased markedly.

The bottom panel of Table 4-4 shows that:

- About three times more benefits per spell went to job changers than to those recalled. Those placed received only 20 percent more benefits than those not referred.
- Earnings following a spell of unemployment declined by about 17 percent on average, but the decline was only 11 percent for those recalled versus 20 percent for job changers.
- Earnings declines were strongly associated with unemployment duration. Declines were only 9 percent for those ending spells after 1 week, compared to 32 percent for those ending spells after 18 weeks.
- Earnings declines were smallest for claimants placed by a PLX. However, this is partly due to the pre-spell earnings of those claimants being considerably lower than for other groups.

The patterns shown in Table 4-4 have important implications for judging the effectiveness of PLX referrals and placements. In particular, as the claims duration lengthened there was a decline in (1) prospects for recall, (2) the probability of finding work prior to exhausting benefits, and (3) finding jobs which pay close to pre-claim level. These factors suggest that a claimant's need and openness to use PLX services is likely to grow with unemployment duration.

That many low-wage workers are placed by PLXs sometimes is considered a negative attribute. However, it is reasonable to conclude that low-wage workers who have remained jobless for extended periods have fewer external resources on which to rely, and therefore, need the type of help PLXs provide more than other workers.

4.3.1 Regression-Based Estimates of Reductions in North Carolina Joblessness and UI Claims Duration

Table 4-5 summarizes the main regression results of the separate effects of referrals and placements for each of seven periods in North Carolina. Panel A presents the effects on the duration of joblessness and Panel B presents the effects on the duration of the UI claim.

Duration of a claim was directly derived from the UI weekly payment ledgers used for this study. The jobless duration variable, however, was estimated from the pattern of quarterly earnings in the wage record file. We estimated when joblessness began in the spell start quarter by comparing earnings in that quarter to earnings in pre-spell quarters. We estimated when joblessness ended in the quarter of return to work by comparing earnings in that quarter to post-spell earnings. We also took into account the possibility that claimants had some employment in quarters between the start and end quarter of a given spell by comparing earnings in those quarters to average pre- and post-spell earnings.

In previous studies, we simply used the difference between the end and start quarter to measure joblessness. This new approach appears to provide a much more accurate measure of duration. It also possibly can be used to estimate the lag between the start of job search and use of PLXs that is needed to accurately estimate the value of PLX services for groups other than claimants.

4.3.1.1 Effects on Weeks of Joblessness in North Carolina

Panel A of Table 4-5 shows estimates of referral and placement effects on weeks of joblessness. Column A shows the adjusted R-square of each of the seven separate regressions run using the specification shown in Table 4-3. In all cases, the explanatory power of the regression is high for this type of data, mainly because there were very substantial differences in joblessness for job changers versus recalled claimants.

Column B shows the coefficients that measure the effect of a referral or placement relative to no referral. Claimants who were referred (but not placed) uniformly have longer durations than non-referred claimants matched with respect to demographic, work-history, labor-market, and elapsed duration of claim. These results indicate that unmeasured characteristics of claimants being referred (but not placed) cause them to have more difficulty finding work than claimants matched on observable characteristics. The alternative explanation is that obtaining referrals increases the duration of joblessness of these claimants. While this is a theoretic possibility, it is unlikely to hold in practice. In previous analyses of Oregon and Washington data, we found that referral effects were small but led to reduced durations. Significantly, the Washington and Oregon regression results reversed small increases in duration based on comparing the unadjusted mean durations for those referred to those not referred.

Table 4-5. Estimates of the effect of referrals and placements on North Carolina claimants 1994-1998

Period	Weeks of Spell	Regression Estimates: Adj. R-sq.	Coefficient (Weeks)	Standard Error	"t" Statistic	Difference in Means for Job Changers	Means vs. Regression (E-B)
		(A)	(B)	(C)	(D)	(E)	(F)
A. Estimates of the Effect of Referrals and Placements on Joblessness							
(1) Referral relative to No Referral							
1	Week 1	0.261	0.20	0.15	1.38	-0.26	-0.47
2	Weeks 2-5	0.236	2.48	0.12	21.37	1.89	-0.59
3	Weeks 6-9	0.238	2.57	0.17	15.33	1.87	-0.71
4	Weeks 10-14	0.223	2.06	0.20	10.38	1.38	-0.69
5	Weeks 15-18	0.204	1.64	0.24	6.79	1.06	-0.58
6	Weeks 19-26	0.184	2.59	0.25	10.57	2.17	-0.42
7	Weeks 27-39	0.195	2.57	0.48	5.41	2.46	-0.12
(2) Placement relative to No Referral							
1	Week 1		-4.54	0.35	-13.02	-5.64	-1.09
2	Weeks 2-5		-5.41	0.27	-20.20	-6.36	-0.95
3	Weeks 6-9		-5.87	0.40	-14.73	-6.78	-0.92
4	Weeks 10-14		-5.48	0.47	-11.60	-6.60	-1.12
5	Weeks 15-18		-6.18	0.59	-10.46	-7.27	-1.09
6	Weeks 19-26		-4.18	0.52	-7.99	-4.90	-0.72
7	Weeks 27-39		-1.46	0.90	-1.63	-1.76	-0.30
B. Estimates of the Effect of Referrals and Placements on Claim Durations							
(1) Referral relative to No Referral							
1	Week 1	0.169	0.67	0.09	7.66	0.37	-0.29
2	Weeks 2-5	0.131	2.13	0.07	30.72	1.79	-0.34
3	Weeks 6-9	0.134	2.04	0.09	21.67	1.74	-0.29
4	Weeks 10-14	0.139	1.48	0.10	15.09	1.30	-0.18
5	Weeks 15-18	0.165	0.86	0.10	8.56	0.74	-0.12
6	Weeks 19-26	0.148	1.08	0.09	11.93	1.08	-0.01
7	Weeks 27-39	0.201	0.91	0.19	4.93	1.03	0.12
(2) Placement relative to No Referral							
1	Week 1		-2.53	0.20	-12.40	-3.22	-0.69
2	Weeks 2-5		-2.67	0.16	-16.68	-3.33	-0.66
3	Weeks 6-9		-2.97	0.22	-13.33	-3.52	-0.55
4	Weeks 10-14		-2.61	0.23	-11.21	-2.88	-0.27
5	Weeks 15-18		-2.16	0.25	-8.74	-2.40	-0.25
6	Weeks 19-26		-0.43	0.19	-2.23	-0.47	-0.03
7	Weeks 27-39		-0.25	0.35	-0.72	-0.08	0.17

Note: Adjusted R-squares in column A part (1) also apply to part (2) because both referrals and placements relative to no referral came from the same equation.

We suspect that the difference in results stems from only North Carolina requiring claimants to be interviewed by staff about once a month to ensure that the claimants are searching for work and to provide advice on how to search most effectively. As a result, North Carolina claimants who believe that they will have difficulty finding work routinely obtain PLX referrals to ensure that they continue to collect UI benefits. In the other states, the timing of PLX use is more voluntary, and controlling for elapsed duration does a much better job in controlling for the negative selection that leads to use of PLXs.

The placement effects, shown in column B in the block below the referral block, uniformly show that placed claimants have shorter durations of joblessness than those not referred. These effects generally are about 5.5 weeks, which substantially boosts earnings. The effect is especially large in the first week and in the 15th though 18th week. These results make sense because many claimants who are not recalled are able to find a new job after 6 to 9 weeks of search on their own, but if they fail to find a job in that period, they often exhaust, or come close to exhausting, their UI benefits. At the point benefits are exhausted many claimants simply take the best job available.

Column C shows that the standard errors of the estimates, which generally are quite small, rise over time as the sample size declines. Column D shows the "t" statistic (the coefficient divided by the standard error), which measures the statistical significance of the results. When "t" is above 1.96, the coefficient is significant at the 5 percent level, which is the usual standard for accepting the results are different from zero. Using this standard, there are only a few cases where the results are not statistically different from zero. Most of the estimates have less than one chance in a 100 of not being different from zero.

Column E shows the mean duration of job changers who were referred or placed, less the mean duration of those not referred. The differences in "unadjusted" mean values is not very different from the regression adjusted coefficients. In all but one case, regression adjustment makes the duration of referred claimants longer, but the duration of placed claimants shorter. This is a common result because claimants using PLXs typically have more difficulty finding work on their own, but those placed are either fortunate to obtain a good match at just the right time or have characteristics that make them attractive to prospective employers.

4.3.1.2 Effect on North Carolina Claims Duration

Panel B of Table 4-5 presents estimates of the effect of referrals and placements on UI claims duration. The seven regressions presented in this panel use the same specification used in panel A. The referral results are similar in the two panels, but the coefficients are a little larger in the first period in panel B and smaller thereafter. The coefficients are smaller because the maximum reduction in spell-weeks is about 26 weeks, as most claimants exhaust benefits after 26 weeks, but the maximum duration of joblessness is 52 weeks. Technically, the maximum duration of joblessness is infinite, but we rounded-down durations longer than 52 weeks to 52 weeks. Also, the standard errors are smaller in panel B, presumably because the claim duration is measured with greater precision and has less variation than the duration of joblessness.

The comparisons between estimates based on unadjusted means and regressions in panel B show even smaller differences than in panel A. In addition, the differences become less negative as elapsed duration lengthens starting in period 2 and ultimately become positively in period 8. Because the differences are so small it is hard to make a lot out of these results, but they suggest that claimants using the PLX may have smaller entitlements (or less savings) and are under greater pressure to end spells than non-users.

4.3.2 Total Annual Increases in Earnings and Reductions in North Carolina Benefit Payments

Table 4-6 uses the regression-based estimates of the effect of referrals and placements, displayed in Table 4-5, to estimate total increases in earnings and the reductions in UI payments stemming from placements alone. Column B shows the estimated difference in weeks of joblessness between placed claimants and those not referred. Column C shows the estimated difference between those placed and those referred (but not placed). Because those referred, but not placed, had longer durations of joblessness, the reductions are about 30 percent greater when we use referred claimants as the comparison group.

It is our view that using those referred, but not placed, as the comparison groups produces more accurate estimates. We believe that this is the case because doing so captures the effect of unmeasured factors, such as access to alternative sources of information, that drive only some claimants

to obtain referrals. On the other hand, it may be that among referred claimants, those who are placed (offered jobs and then show up for work) have unmeasured attributes that would lead to more quickly finding work by other means. Thus, use of those referred as a comparison group could overestimate the true effect. This is the case even though, on balance, placed claimants are likely to be jobless longer than otherwise similar non users. We, therefore, use two comparison groups and regard the placed versus referred estimates as upper bound estimates, and the placed versus not referred estimates as lower-bound estimates.

To estimate the per-placement effect using the two comparison groups we multiply the average weekly earnings after claimants return to work (shown in column D) times the estimated reduction in weeks of joblessness (shown in columns B and C). The results presented in columns E and F show that on average, each placement boosted earnings $1,500 using non-placed claimants as the comparison group, and $2,000 using referred, but not placed, claimants as the comparison group.

To estimate the total increase in earnings, we multiply the average annual number of placements (shown in column G) times the per-placement estimates (shown in columns E and F). These results (shown in columns H and I) indicate that North Carolina placements boosted overall earnings by between $16.8 and $23.4 million.

Similar estimates of the effect of referrals and placements on claim weeks are used in panel B to estimate the reduction in UI payments. However, the per-person reductions in weeks are multiplied by the average weekly benefit amount (instead of average weekly earnings) to calculate the per-person reduction in benefit payments shown in columns E and F. These estimates are then multiplied by the number of claimants placed (shown in column G) to get the estimates of total benefit reductions shown in columns H and I. When summed across all duration groups the total reduction in payments range from $4.5 to $7.5 million. UI savings are only about one-quarter of the gain in earnings because (1) placement effects are about twice as great on jobless duration as on claims duration; (2) weekly UI benefits equal only 40 percent of post-unemployment earnings; and (3) placement effects on claims duration decline as benefits near exhaustion.

Table 4-6. Estimates of the total annual increase in earnings and reduction in benefit payments for North Carolina claimants for 1994-98

Period	Claim Weeks	Weeks of Joblessness Coefficients		Placements less Referrals	Average Weekly Earnings	Per Placement Earnings Increase		Number Placed	Total Earnings Increase	
		Referrals	Placements			(vs No Referral)	(vs Referral)		(vs No Referral)	(vs Referral)
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
A. Total Earnings Increase Due to Placements										
1	Week 1	0.20	-4.54	-4.75	$273	$1,241	$1,297	1,540	$1,911,161	$1,997,100
2	Weeks 2-5	2.48	-5.41	-7.89	$278	$1,505	$2,194	3,760	$5,656,927	$8,248,370
3	Weeks 6-9	2.57	-5.87	-8.44	$287	$1,684	$2,422	2,220	$3,737,812	$5,376,529
4	Weeks 10-14	2.06	-5.48	-7.54	$275	$1,506	$2,073	1,660	$2,499,480	$3,440,950
5	Weeks 15-18	1.64	-6.18	-7.81	$290	$1,794	$2,270	1,020	$1,830,279	$2,314,911
6	Weeks 19-26	2.59	-4.18	-6.77	$291	$1,219	$1,973	800	$974,834	$1,578,460
7	Weeks 27-39	2.57	-1.46	-4.03	$276	$403	$1,112	360	$144,914	$400,296
	Total							11,360	$16,755,407	$23,356,617
	Average	2.07	-5.26	-7.33	$281	$1,475	$2,056			

		Weeks of Claim Coefficients		Placements less Referrals	Average Weekly Benefit Payment	Per Placement Benefit Decrease		Number Placed	Total Benefit Decrease	
		Referrals	Placements			(vs No Referral)	(vs Referral)		(vs No Referral)	(vs Referral)
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
B. Total Benefit Reductions Due to Placements										
1	Week 1	0.67	-2.53	-3.20	$140	-$355	-$448	1,540	-$546,071	-$689,553
2	Weeks 2-5	2.13	-2.67	-4.80	$155	-$413	-$743	3,760	-$1,554,741	-$2,794,488
3	Weeks 6-9	2.04	-2.97	-5.01	$172	-$511	-$861	2,220	-$1,134,943	-$1,912,383
4	Weeks 10-14	1.48	-2.61	-4.09	$173	-$450	-$706	1,660	-$747,789	-$1,171,710
5	Weeks 15-18	0.86	-2.16	-3.02	$190	-$409	-$572	1,020	-$417,301	-$583,794
6	Weeks 19-26	1.08	-0.43	-1.52	$188	-$82	-$286	800	-$65,262	-$228,509
7	Weeks 27-39	0.91	-0.25	-1.16	$175	-$44	-$204	360	-$15,888	-$73,372
	Total							11,360	-$4,481,995	-$7,453,808
	Average	1.59	-2.39	-3.98	$165	-$395	-$656			

4.3.3 Computation of North Carolina Benefit-Cost Ratios

Finally, Table 4-7 compares the benefits to the costs of placing claimants by North Carolina PLXs. Obtaining a precise estimate of the cost is difficult because North Carolina uses state funds to substantially increase PLX budgets above $18 million in funding it receives under the Wagner-Peyser Act and other Federal grants. Our estimates of the benefits to claimants exclude placements made after claimants end benefit collection.

As shown on lines 1, 2, and 3 of Table 4-7, official statistics indicate that in the period studied, 1994-98, the North Carolina PLXs on average placed 191,802 applicants, of which 44,655 were UI claimants. Thus, if we assume that the only service of value provided by North Carolina PLXs was placements, and each placement cost the same amount of money, roughly 23 percent of the North Carolina budget went to placing claimants.

Table 4-7. Benefit-cost ratios for North Carolina claimant placements 1994-1998

1.	Total placement transactions per year	191,802
2.	Claimant placement transactions per year	44,655
3.	Claimant placements as a percent of all placements	23%
4.	Annual Wagner-Peyser allotment	$18,000,000
5.	Estimate of state subsidy (as a multiple of Wagner-Peyser allotment)	1.5
6.	Estimated total PLX budget	$45,000,000
7.	Estimate of amount spent to place claimants	$10,476,889
8.	Claimants placed while receiving benefits	11,360
9.	Percent placed while receiving benefits	25.4%
10.	Estimate of amount spent to place claimants before benefit exhaustion	$2,661,130
11.	Lower estimate of earnings gains	$16,755,407
12.	Benefit-cost ratio	6.30
13.	Upper estimate of earnings gains	$23,356,617
14.	Benefit-cost ratio	8.78

Source: State micro-data, Federal funding allocation data, and statistical estimates.

As shown on line 4, the Wagner-Peyser Act allotment was $18 million, but exact figures for state funds going to PLXs are not available. Thus, on line 5 we use an upper bound estimate of 1.5 times the Wagner-Peyser Act allotment as the state subsidy. This produces a total estimate, shown on line 6, of $45 million. Taking 23 percent of $45 million leads to an estimate of $10.5 million for the funds used to place claimants. Obviously, this is a small fraction of either of the two estimates of net earnings gains. However, our estimate is that only 11,360 claimants are placed per year. The official estimate is about four times greater. Much of this difference stems from our looking only at placements made while claimants were collecting UI benefits. We estimate that about three times as many claimants are placed after they end their spells as during their spells. This make sense because North Carolina claimants have unusually short spells of about 5.3 weeks, and about half of the claimants end their spells after one week. Thus, if the benefits of placements are as great for UI exhaustees as for non-exhaustees dividing the benefits to non-exhaustees by the cost of placing all claimants understates the benefit-cost ratio by about 25 percent. The benefit cost-ratios shown on lines 12 and 14 apply to claimants placed prior to exhausting UI benefits, in part to make these results consistent with results for Oregon and Washington.

In summary, the North Carolina benefit-cost estimates indicate that PLX placements substantially boost the earnings of UI claimants and also benefit employers by reducing UI payouts. These estimates are much greater than those obtained for Washington and Oregon. However, it is plausible that North Carolina's PLXs are unusually cost-effective because North Carolina's PLX (1) monitors claimants' job search through monthly one-on-one interviews, which are not conducted by Washington and Oregon PLXs; and (2) has unusually large numbers of job orders suitable for claimants in its computers, leading to substantially more placements than in Washington and Oregon. Importantly, because the cost per placement is low, it is necessary to place only a small fraction of claimants for the overall cost-effectiveness of North Carolina PLXs to be exceptionally high. In addition, the results suggest that those claimants least able to find jobs on their own are those who receive the greatest benefit from use of the PLXs.

4.4 Results for Colorado

The analysis of the assistance claimants received from Colorado PLXs used similar techniques to those used with administrative data from the other states studied. In particular, we employed the same analytic framework where we divide the period of benefit collection into eight periods, and restrict the comparisons to claimants who are unemployed at the start of a given period. Also, during each

period claimants are in one of three statuses: (1) placed at jobs to which claimants were referred, (2) referred but not placed, or (3) not referred. For example, period-four spans the 10^{th} through 14^{th} week of benefit collection, and our period-four analysis included all claimants who collected benefits for nine or more weeks. This technique holds constant elapsed duration which is an important predictor of subsequent duration but, when ignored, usually produces biased results that underestimate PLX effectiveness.

While our estimating equations are basically identical to those used in North Carolina and other states, the Colorado data differ in important ways from data used for other states. First, we knew the number of weeks from initial claim to final payment in a given benefit year, but not the timing of each payment. As a result, we could not break benefit collection into separate spells, but assumed that the claimants were unemployed for the entire period. However, since we knew the total amount of benefits paid, we could calculate the average weekly payment, which would be substantially below the weekly benefit amount if periods of work were interspaced with periods of unemployment. Thus, we were able to limit distortions to our benefits estimates by multiplying the estimated reduction in weeks by the actual average weekly payment.

Second, an unusually high fraction of Colorado claimants lacked wage record data either in the base period used to calculate benefit entitlement or in the period following the end of benefit collection. While it is possible that unusually large numbers of claimants had earnings not covered by Colorado wage data (mainly because they entered or left Colorado or became self-employed), we suspect that much of the problem stemmed from having incomplete data files. However, we were able to limit distortions from the absence of this information by explicitly controlling for missing quarterly wage records in our estimating equations.

Third, the two data limitations cited above made it difficult to estimate precisely how long claimants were jobless. In particular, not knowing if claimants had more than one spell in a given benefit year made the duration of joblessness exceptionally long. To get a more accurate estimate of jobless weeks we used the technique to estimate joblessness that we applied in the North Carolina analysis. First we calculated the average weekly earnings in the two quarters with highest earnings among the four quarters immediately following the last payment. We then used our measure of average weekly earnings to estimate the number of weeks worked in each quarter, starting with the initial claim quarter and ending four quarters later. Finally, we subtracted weeks worked from 65 to get weeks not worked, but set 52 as the maximum weeks unemployed.

Table 4-8 describes the characteristics of the claimants in the 30 percent Colorado sample covering 1996 and 1997. This sample consisted of 45,267 claims, which on average spanned 3.8 periods, producing a database with 176,725 claim-periods. On average, claimants collected benefits for 15.0 weeks but were jobless for 30.2 weeks. The difference in UI covered versus uncovered joblessness arises because about a third of the claimants were unemployed for at least 19 weeks, and a sixth were unemployed for more than 26 weeks (when most exhausted benefits).

Table 4-8 also shows that about 30 percent of claimants did not end up with any post-spell employment covered by our UI wage record database. Relative to other states, this introduces an exceptionally large amount of ambiguity in what ultimately happened to these claimants that we hopefully adequately dealt with in our econometric analysis. About 17 percent of the claimants returned to former employers (25 percent of those for whom we have post-claim wage data) and, as anticipated, the probability of return falls with unemployment duration. About 51 percent of the claimants changed jobs.

The bottom section of Table 4-8 shows that referred claimants had about the same pre-claim weekly earnings as those not referred but collected slightly less benefits, and also had slightly higher post-spell earnings. The pre/post earnings difference suggests that some of those not referred were either not looking for work at all or looking for work outside of Colorado. Placed claimants had substantially lower pre-claim earnings, collected much smaller amounts of benefits, and returned to work at jobs paying about 90 percent of pre-claim earnings.

These results reinforce the view that those placed had much shorter durations of claims and joblessness than non-referred claimants, and those referred had slightly shorter durations. However, because of differences in pre-claim earnings and the probability of having wage records following the start of claims, regression-based estimates could differ substantially from those based on simple tabulations.

Table 4-8. Characteristics of Colorado claimants 1996-1997

	1	2	3	4	5	6	7	8	9
A. Duration, Job Change, and PLX Use		Duration of		Job Change Status			Referral/Placement Status		
	N	Spell (Weeks)	Joblessness (Weeks)	Recall (%)	Change (%)	Ambiguous (%)	Not Referred (%)	Referred (%)	Placed (%)
Full 30% sample	45,267	15.0	30.2	17.7	51.8	30.5	89.	9.4	1.3
By Job Change Status									
1 Recall	18,023	6.5	5.6	100.0			97.8	2.0	0.2
2 Job change	22,417	12.9	18.6		100.0		83.3	14.4	2.3
3 No New Empl.	2,204	15.5	31.2			100.0	92.1	7.4	0.5
By Referral/Placement Status									
1 No referral	40,403	15.2	30.4	17.8	51.8	30.7	100.0		
2 Referral	4,274	14.1	29.8	5.5	81.3	13.2		100.0	
3 Placement	59(	10.2	23.2	5.1	88.5	6.4			100.0
By Elapsed Claim Duration									
1 Week 1	40,751	15.2	30.3	17.7	51.8	30.5	96.3	3.5	0.2
2 Weeks 2-5	40,698	15.2	30.3	17.7	51.8	30.5	88.8	10.5	0.7
3 Weeks 6-9	28,998	19.7	32.3	17.7	50.0	32.3	95.2	4.4	0.4
4 Weeks 10-14	22,166	23.5	34.9	14.6	50.6	34.8	94.8	4.8	0.4
5 Weeks 15-18	17,448	26.6	36.8	13.0	50.2	36.8	95.3	4.4	0.3
6 Weeks 19-26	13,507	29.6	37.7	11.5	50.5	37.9	92.1	7.0	0.9
7 Weeks 27-39	8,641	33.9	38.4	11.9	49.2	38.9	89.5	9.1	1.4
8 Weeks 40-52	1,782	46.1	29.3	21.3	43.3	35.4	86.9	11.5	1.6

B. Benefits and Earnings

		UI Benefits Paid		Weekly Earnings		
	Total (%)	Total ($)	Per Week ($)	Pre Spell ($)	Post Spell ($)	Difference (%)
Full 30% sample	100.0	1,404	93	401	295	-26
By Job Change Status						
1 Recall	17.7	743	114	380	340	-11
2 Job Change	51.8	2,145	166	356	285	-20
3 No New Empl.	30.5	2,770	179	418	0	-100
By Referral/Placement Status						
1 No referral	89.3	1,431	94	403	292	-27
2 Referral	9.4	1,270	90	399	324	-19
3 Placement	1.3	529	52	335	305	-9

	Spell Starters (%)	Ending Spell (%)				
By Elapsed Claim Duration						
1 Week 1	100.0	0.1	1,419	94	402	292	-27
2 Weeks 2-5	99.9	28.7	1,422	94	402	292	-27
3 Weeks 6-9	71.2	23.6	2,371	120	408	290	-29
4 Weeks 10-14	54.4	21.3	3,086	131	407	282	-31
5 Weeks 15-18	42.8	22.6	3,688	139	404	275	-32
6 Weeks 19-26	33.1	36.0	4,300	145	412	278	-33
7 Weeks 27-39	21.2	79.4	4,970	146	423	283	-33
8 Weeks 40-52	4.4		3,318	72	413	295	-28

Note: PLX usage is examined in up to seven periods for each spell (depending on its length). There are 45,267 spells and 176,725 separate spell periods in the database. The number of claimants by elapsed claim duration does not equal the sample size because each period shows the total number of claimants remaining in the sample.

4.4.1 Regression-Based Estimates of the Effects of Colorado Referrals and Placements

Table 4-9 shows the key estimates of the difference in jobless duration and claims duration among claimants who were placed or referred but not placed relative to those not referred. Panel A shows that the overall explanatory power of the regressions using joblessness as the dependent variable was high for this type of analysis. But the coefficients depicting the difference in joblessness between those referred and those not referred are generally small, about a week, and have standard errors of less than half a week. Thus, most, but not all the estimates are statistically different from zero. In contrast, the coefficients depicting the difference in joblessness between those placed and those not referred are much larger, about 3.85 weeks. Although the standard errors are considerably greater than those for the referral coefficients, the results are statistically different from zero, except for the small group of claimants who did not exhaust benefits after 26 weeks.

Panel B shows that, the explanatory power of the claim duration regressions often was considerably less than for the jobless duration regressions. Nevertheless, the standard errors are smaller, making the coefficients depicting the difference in jobless duration among those referred versus those not referred statistically different from zero (or close to significant at the 5 percent level). The referral effects on claims durations also are a bit smaller than on jobless duration and consistently shows that those referred have shorter durations. Similarly, the regression coefficients indicating the difference in claims duration between those placed and those not referred are smaller than the jobless duration coefficients, as are the standard errors. The results are statistically significant except those for claimants unemployed 19 weeks or more. This is a common result because the placement effects tend to be small as benefits come close to exhaustion after 26 weeks of full payments.

4.4.1.1 Estimates of Reductions in Colorado Benefits Paid and Increases in Earnings

Table 4-10 uses the coefficients shown in Table 4-9 to estimate the total annual increase in earnings and decrease in benefit payments due to referrals and placements. These estimates are calculated the same way as they were using North Carolina data. Columns A and B of Panel A shows the referral and placement coefficients. Column C shows the difference in coefficients. Column D shows average weekly earnings in the post claim period. Column E shows the per-person effect of placements versus no

Table 4-9. Estimates of the effect of referrals and placements on Colorado claimants 1996-1997

Period	Weeks of Spell	Regression Estimates			
		Adj. R-sq (A)	Coefficient (Weeks) (B)	Standard Error (C)	"t" Statistic (D)
A. Estimates of the Effect of Referrals and Placements on Joblessness					
(1) Referral relative to No Referral					
1	Week 1	0.242	-2.00	0.37	-5.39
2	Weeks 2-5	0.242	-1.04	0.23	-4.45
3	Weeks 6-9	0.241	-0.95	0.38	-2.50
4	Weeks 10-14	0.238	0.08	0.40	0.21
5	Weeks 15-18	0.255	-0.99	0.44	-2.24
6	Weeks 19-26	0.294	-0.85	0.39	-2.19
7	Weeks 27-39	0.380	0.56	0.42	1.31
(2) Placement relative to No Referral					
1	Week 1		-4.84	1.43	-3.37
2	Weeks 2-5		-3.97	0.80	-4.96
3	Weeks 6-9		-5.10	1.17	-4.38
4	Weeks 10-14		-4.25	1.29	-3.28
5	Weeks 15-18		-4.87	1.49	-3.27
6	Weeks 19-26		-2.24	1.04	-2.16
7	Weeks 27-39		-1.89	1.01	-1.67
B. Estimates of the Effect of Referrals and Placements on Claim Durations					
(1) Referral relative to No Referral					
1	Week 1	0.253	-1.24	0.30	-4.09
2	Weeks 2-5	0.252	-0.58	0.19	-3.04
3	Weeks 6-9	0.103	-0.58	0.32	-1.81
4	Weeks 10-14	0.061	-0.57	0.32	-1.77
5	Weeks 15-18	0.063	-0.99	0.33	-2.95
6	Weeks 19-26	0.117	-0.55	0.26	-2.08
7	Weeks 27-39	0.311	0.03	0.23	0.15
(2) Placement relative to No Referral					
1	Week 1		-1.53	1.17	-1.31
2	Weeks 2-5		-1.79	0.65	-2.74
3	Weeks 6-9		-2.42	0.98	-2.48
4	Weeks 10-14		-3.41	1.04	-3.28
5	Weeks 15-18		-2.97	1.13	-2.64
6	Weeks 19-26		-0.88	0.70	-1.25
7	Weeks 27-39		0.03	0.55	0.05

Note: Adjusted R-squares in column A part (1) also apply to part (2) because both referrals and placements relative to no referral came from the same equation.

referral derived by multiplying the placement coefficient (column B) times average weekly earnings (column D). On average, each placement increases earnings by $1,108. The analogous calculation is shown in column F for the effect of placements relative to referrals. These estimates indicate that placements increase earnings by $889. The second, more conservative estimate, is based on the view that the referral effects capture a stronger desire of those referred to find work, rather than the actual positive effect of referrals.

Column G shows the number of claimants placed in each of the seven periods displayed in the table, and columns H and I show the total increase in earnings across all those placed compared to those not referred, and those referred, respectively. These estimates range from about $1.6 million to $1.3 million. The greatest gains come from period 2 mainly because there are by far the largest number of placements in that period.

Panel B shows the total increase in earnings due to referrals using the same set of calculations. Overall, the increase is just under $5 million. This is about three times greater than the larger of the two placement estimates, mainly because there are many more referrals than placements. However, it is important to recognize that some of the referral estimates are not significantly different from zero, and the "true" effect could be much smaller than the figures in column H suggest.

Panel C shows the estimated reduction in UI benefit payments due to placements. The total savings is modest, about $200,000 using non-referred claimants as the comparison group and $140,000 using referred claimants as the comparison group. These estimates are much lower than the earnings estimates mainly because the weekly benefit amounts are low, but also because the coefficients depicting PLX effects are somewhat lower.

Finally, panel D shows the estimated reductions in benefits payments due to referrals. The total savings is substantial, about $1.15 million. Again, the referral effect is large because of the large number of referrals being made.

Table 4-10. Estimates of the total annual increase in earnings and reduction in benefit payments for Colorado claimants 1996-97

Total Earnings Increase Due to Placements and Referrals

Period	Claim Weeks	Weeks of Joblessness Coefficients		Placements less Referrals	Average Weekly Earnings	Per Placement Earnings Increase		Number Placed	Total Earnings Increase	
		Referrals	Placements			(vs No Referral)	(vs Referral)		(vs No Referral)	(vs Referral)
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
A. Total Earnings Increase Due to Placements										
1	Week 1	-2.00	-4.84	-2.84	$288	$1,391	$816	152	$210,983	$123,807
2	Weeks 2-5	-1.04	-3.97	-2.93	$305	$1,210	$894	492	$594,766	$439,354
3	Weeks 6-9	-0.95	-5.10	-4.15	$274	$1,398	$1,137	208	$291,233	$236,826
4	Weeks 10-14	0.08	-4.25	-4.33	$289	$1,228	$1,252	158	$194,439	$198,191
5	Weeks 15-18	-0.99	-4.87	-3.88	$326	$1,589	$1,266	102	$161,588	$128,720
6	Weeks 19-26	-0.85	-2.24	-1.38	$242	$541	$335	202	$109,177	$67,469
7	Weeks 27-39	0.56	-1.89	-2.24	$234	$395	$524	205	$80,990	$107,328
	Total							1,518	$1,643,176	$1,301,696
	Average	-0.74	-3.85	-3.11	$280	$1,108	$889			
B. Total Earnings Increase Due to Referals										
1	Week 1	-2.00			$310	$621		2,383	$1,479,105	
2	Weeks 2-5	-1.04			$324	$336		7,123	$2,394,633	
3	Weeks 6-9	-0.95			$300	$286		2,127	$608,635	
4	Weeks 10-14	0.08			$298	-$24		1,765	-$43,112	
5	Weeks 15-18	-0.99			$289	$286		1,273	$364,277	
6	Weeks 19-26	-0.85			$272	$232		1,580	$366,682	
7	Weeks 27-39	0.56			$261	-$143		1,310	-$187,596	
	Total							17,562	$4,982,623	
	Average	-0.74			$293	$228				

Total Benefit Reductions Due to Placements and Referrals

Period	Claim Weeks	Weeks of Claim Coefficients		Placements less Referrals	Average Weekly Benefit Payment	Per Placement Benefit Decrease		Number Placed	Total Benefit Decrease	
		Referrals	Placements			(Vs No Referral)	(Vs Referral)		(Vs No Referral)	(Vs Referral)
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
C. Total Benefit Reductions Due to Placements										
1	Week 1	-1.24	-1.53	-0.30	$47	-$72	-$14	152	-$10,935	-$2,124
2	Weeks 2-5	-0.58	-1.79	-1.21	$52	-$93	-$63	492	-$45,582	-$30,843
3	Weeks 6-9	-0.58	-2.42	-1.84	$84	-$202	-$154	208	-$42,107	-$32,048
4	Weeks 10-14	-0.57	-3.41	-2.84	$96	-$326	-$272	158	-$51,654	-$43,054
5	Weeks 15-18	-0.99	-2.97	-1.99	$101	-$301	-$201	102	-$30,610	-$20,463
6	Weeks 19-26	-0.55	-0.88	-0.33	$125	-$110	-$41	202	-$22,166	-$8,298
7	Weeks 27-39	0.03	0.03	0.00	$123	$4	-$1	205	$726	-$110
	Total							1,518	-$202,327	-$136,940
	Average	-0.64	-1.85	-1.22	$90	-$157	-$106			
D. Total Benefit Reductions Due to Referals										
1	Week 1	-1.24			$76	-94		2,383	-$222,884	
2	Weeks 2-5	-0.58			$90	-52		7,123	-$371,608	
3	Weeks 6-9	-0.58			$118	-68		2,127	-$145,376	
4	Weeks 10-14	-0.57			$130	-74		1,765	-$130,193	
5	Weeks 15-18	-0.99			$133	-131		1,273	-$166,691	
6	Weeks 19-26	-0.55			$141	-78		1,580	-$122,675	
7	Weeks 27-39	0.03			$140	5		1,310	$6,115	
	Total							17,562	-$1,153,311	
	Average	-0.74			$280	-$70				

4.4.2 Colorado Benefit-Cost Ratio Estimates

Table 4-11 compares the estimated benefits shown in Table 4-10 for weeks 1 through 26 to estimates of cost. In contrast to the estimates for North Carolina, where benefits were only derived from placements, the Colorado results include benefits from placements and referrals. Column A presents the lower bound estimates stemming from earnings gains of those placed relative to those referred. Line 3 shows that 5.1 percent of all placements were made to claimants while they were collecting UI benefits. Although not shown in the table, about half of all Colorado placements were made prior to UI exhaustion, compared to one-quarter of North Carolina placements being made while benefits were being collected. However, much of this difference stems from our not being able to break the period spanned by first and last Colorado payments into separate spells.

Multiplying the fraction of placements made to claimants by the total amount of the Wagner-Peyser Act grant used to fund Colorado's PLXs, we get a cost estimate of only $452,477. Comparing this cost to the benefits shown on line 6 produces a benefit-cost ratio of 2.64. This is not close to North Carolina's ratio, but is still highly respectable.

Table 4-11. Benefit-cost ratios for Colorado claimant placements and referrals 1996-1997

	Placements (A)	Placements and Referrals (B)
1. Individuals	29,590	109,047
2. Claimants	1,518	17,502
3. Claimants as a percent of individuals placed/referred (line 2 ÷ line 1)	5.1%	16.0%
4. Annual Wagner-Peyser allotment	$8,820,024	$8,820,024
5. Estimate of amount spent on claimant (line 4 x line 3)	$452,477	$1,415,610
	Lower	Upper
6. Estimate of earnings gains (weeks 1-26)	$1,194,367	$6,732,405
7. Benefit-cost ratio (line 6 ÷ line 5)	2.64	4.76

Source: State micro-data, Federal funding allocation data, and statistical estimates.

Finally, column B shows estimated costs and benefits when both referrals and placements are included. We make the highly conservative estimate that costs are proportional to the number of referrals, which in this case raises the cost to $1,415,610. But the benefits are much higher when referrals are included, as shown on line 7, where the benefit-cost ratio is 4.76.

4.4.3 Colorado Summary

In summary, the Colorado benefit-cost estimates indicate that PLX placements alone return $2.64 for every $1 spent on claimants using highly conservative assumptions. When the effect of referrals is also taken into account, the returns rise to $4.76 for every $1 spent, but the statistical accuracy of this result is considerably less than for the more conservative estimate. Importantly, regardless of which measure is used, the benefit-cost estimates are highly respectable. While not nearly as high as the exceptionally high North Carolina results, they are comparable to those for Oregon and Washington.

The main difference between the operation of Colorado's PLXs and those in other states included in this study is that few Colorado claimants were placed by this state's PLXs, even though substantial numbers were referred to jobs listed with the PLXs. Some of this difference probably is due to differences in Colorado's economy compared to other states. For example, Colorado had a low unemployment rate in the period studied and more of those unemployed had relatively high wages. However, much of the difference probably relates to Colorado's PLXs focusing on placing other groups, especially those who are the traditional concern of its WIA programs. Regardless of the source of this major difference, our study, which is limited to claimants, encompasses a far smaller proportion of all individuals placed by PLXs in Colorado than by PLXs in other states.

4.5 Results for Massachusetts

This section assesses the cost-effectiveness of job placement services (referrals and placements) delivered by Massachusetts PLXs to UI claimants. The same basic methodology and same types of data are used to examine the same population as in the Washington, Oregon, North Carolina, and Colorado PLX studies. However, the way PLXs are run and data are organized in Massachusetts differs in important ways from that of other states, and these differences affect this study's goals and means. First, and foremost, is that Massachusetts PLXs in three areas— Boston, Cambridge-Woburn, and Springfield-

Holyoke— were run by a variety of organizations that won "competitive" contracts from local Workforce Investment Boards to operate individual One-Stop Centers. In contrast, the remaining Massachusetts PLXs were run by the state in about the same "traditional" manner as those in North Carolina, Oregon, and Washington. The diverse ways PLXs were run in Massachusetts held the potential to evaluate how well each of the governance structures being employed worked in practice. This potential placed a premium on separately assessing job-matching effectiveness in different areas of the state and at different times where "traditional" PLXs were replaced by "competitive" PLXs. As discussed below, data limitations made it impossible to compare the two types of PLXs in Massachusetts

A second key difference is that assembling the administrative data required for this study proved to be much more difficult in Massachusetts than in the other states studied. A major part of the difficulty stemmed from Massachusetts having unusual difficulty developing an appropriate way to allow its wage-record data to be used for evaluation of its on-going federally supported programs. Despite starting to work with Massachusetts to obtain the needed data immediately after this project began five years ago, Westat was able to obtain wage-record data only a few weeks before the final report was due. While we were able to carry out some preliminary analysis using data on claimants and PLX registrants, use of the wage-record data was essential for measuring the duration of joblessness (as opposed to the duration of UI claims) and determining whether workers changed jobs or returned to former employers. Jobless duration and job change measures are crucial to the study because the effect of referrals and placements on jobless duration is much greater than the effect on claims duration, and being unable to take into account whether layoffs are permanent or temporary leads to severe underestimation of the positive effects of job-matching services.

A third key difference is that most of the competitive PLXs did not provide administrative data to the state in the same way as the traditional PLXs and, perhaps equally important, did not necessarily use the same job-order files and matching procedures as the traditional PLXs. As a result, for a considerable period, data from several of the largest competitive PLXs were not combined with the standardized data submissions from the traditional PLXs (commonly used by PLXs throughout the United States). In addition, even after the competitive PLXs began reporting data in the same form as the traditional PLX, it was still unclear whether the data were comprehensive (for either competitive or traditional PLXs). This is because increased use of job listings with unsuppressed contact information may have led to a dramatic undercount of referrals and placements, especially in the competitive PLXs.

Although Westat is extremely grateful to the many state and Federal officials who persevered with us to ultimately provide the needed data, the database is limited in two important ways:

1. We could only examine PLX usage during Program Year 1998, the second half of 1998 and the first half of 1999. Thus, we were unable to make comparisons before and after the competitive PLXs began operation, as well as before and after use of unsuppressed listings became widespread.

2. We could not statistically compare the effectiveness of the competitive PLXs to the traditional PLXs because the competitive PLXs recorded too few placements to provide meaningful results. Also, we were unable to establish an appropriate comparison group for measuring the effect of referrals because it was hard to identify claimants who did not use the competitive PLXs but worked in the same area, and had similar work-histories and demographics.

4.5.1 Characteristics of the Massachusetts Claimants Studied

This study examines the effect of PLX usage on the job-search outcomes of *all* claimants who began a UI covered unemployment spell and received a reportable service from Massachusetts PLXs in program-year 1998 (PY98). However, because of the need to limit the total sample size to make the wage-matching feasible, we selected a 20 percent random sample of non-users.[13] This was the only state where we used an "unbalanced" sampling plan.

Table 4-12 describes key characteristics of the underlying population studied. Lines 6, 7, and 8 reflect the number of claimants who used PLX services in PY98 and the number in the study sample. However, the figures on line 5 (and the rest of Table 4-12) reflect the universe of claimants, not the number of non-users in the analytic sample. These estimates were derived from the 20 percent sample (of users and non-users), but elsewhere in the report, counts usually reflect the size of the unbalanced sample used for the analysis.

[13] More specifically, we used PLX registration and service data covering PY98, even though we had data covering PY96 through PY01, because we determined data were incomplete for other periods. We then determined which of these users had UI claim spells beginning in PY98 using a large database that included claims records for PY96 through PY01. Next, we constructed a comparison group of UI claimants who began spells of unemployment in PY98 but did not use PLXs. However, Massachusetts was the only state where the state matched wage records to the analytic claims/PLX-use file after Westat prepared the file and then removed the personal identifiers. As a result we could not distinguish between PY98 non-users in the 20 percent sample, and PY98 non-users selected because they used PLXs in other years. The analytic file, therefore, consisted of three populations: (1) all claimants who used PLXs during spells that began in PY98, (2) a 20 percent sample of claimants beginning UI-covered unemployment spells in PY98, and (3) a group of non-user claimants not in the 20 percent sample, but who obtained PLX services outside of PY98

Table 4-12. Characteristics of Massachusetts claimants Program Year 1998

		1	2	3	4	5	6	7	8	9	10	11
				PLX-Usage				Duration		Job Change Status		
		Number	Distribution (%)	None (%)	Some (%)	Referred (%)	Placed (%)	Claim (Weeks)	Jobless (Weeks)	Recall (%)	Change (%)	Ambiguous (%)
1	All	150,522	100.0	91.5	3.1	4.6	0.7	13.1	17.0	32.0	51.9	16.1
	Job Change Status											
2	Recall	48,213	32.0	96.5	1.5	1.8	0.2	9.2	8.3	100.0		
3	Change	78,069	51.9	87.7	4.3	6.9	1.2	14.5	17.7		100.0	
4	Ambiguous	24,240	16.1	94.0	2.6	2.9	0.4	16.4	32.0			100.0
	PLX Usage											
5	None	137,757	91.5	100.0				12.4	16.3	33.8	49.7	16.5
6	Some	4,702	3.1		100.0			17.9	22.5	15.7	70.7	13.6
7	Referred	6,970	4.6			100.0		16.0	19.5	12.4	77.5	10.1
8	Placed	1,093	0.7				100.0	13.8	16.1	7.0	83.7	9.3
	Claim Duration											
9	Week 1	11,602	7.7	97.0	1.1	1.6	0.24	1.0	4.6	65.0	26.1	8.9
10	Weeks 2-5	44,644	29.7	93.5	2.1	3.8	0.69	2.9	7.5	34.4	51.8	13.8
11	Weeks 6-9	19,112	12.7	91.5	2.7	4.9	0.98	7.1	9.5	30.1	56.2	13.7
12	Weeks 10-14	22,163	14.7	92.4	2.8	4.1	0.67	11.8	11.2	38.5	48.1	13.4
13	Weeks 15-18	11,522	7.7	91.4	3.2	4.6	0.79	16.6	17.8	35.9	50.4	13.6
14	Weeks 19-26	15,810	10.5	89.1	4.3	5.7	0.84	22.4	27.4	27.7	54.8	17.6
15	Weeks 27-39	23,629	15.7	86.9	5.3	7.0	0.72	31.2	40.8	10.0	61.5	28.5
16	Weeks 40-52	2,040	1.4	81.0	9.8	7.8	1.37	45.6	39.7	7.6	73.1	19.3

Table 4-12. Characteristics of Massachusetts claimants Program Year 1998 (continued)

		12	13	14	15	16	17	18	19	20
		Weekly Earnings								
		Pre-Spell ($)	Post-Spell ($)	Earnings Change (%)	Weekly Benefit Amount ($)	Age (years)	Male (%)	White (%)	Black (%)	Latino (%)
1	All	476	482	1.3	252	45.3	56.3	81.5	6.8	6.9
	Job Change Status									
2	Recall	457	479	5.0	253	47.5	55.8	84.3	5.3	6.4
3	Change	487	472	-3.1	254	43.6	57.4	79.7	8.1	7.3
4	Ambiguous	480	520	8.2	246	46.7	54.0	81.7	5.5	6.8
	PLX Usage									
5	None	488	501	2.7	256	45.2	56.0	81.8	6.9	6.5
6	Some	464	432	-6.9	248	45.4	53.3	77.5	7.8	8.7
7	Referred	429	400	-6.7	237	45.0	59.8	81.5	5.6	8.2
8	Placed	378	376	-0.5	218	44.4	62.9	78.3	8.1	8.7
	Claim Duration									
9	Week 1	398	440	10.6	224	48.2	46.0	82.9	6.8	6.8
10	Weeks 2-5	446	470	5.3	237	43.8	55.5	79.1	8.1	8.0
11	Weeks 6-9	506	538	6.5	263	44.4	59.7	82.7	6.1	6.3
12	Weeks 10-14	477	521	9.1	260	45.3	59.2	84.0	6.3	5.6
13	Weeks 15-18	479	520	8.6	263	44.7	65.8	83.5	5.6	5.9
14	Weeks 19-26	448	471	4.9	250	45.2	59.2	82.2	6.8	5.9
15	Weeks 27-39	609	510	-16.3	286	47.3	51.2	81.5	6.7	5.4
16	Weeks 40-52	544	457	-16.0	274	46.2	43.7	81.1	6.5	7.1

Line 1 of Table 4-12 shows that, overall, about 8 percent of claimants obtained a reportable PLX service in PY98 while their spells were "alive" (that is, while they were receiving benefit payments). About 5 percent received a referral, which may or may not have led to a placement. The remainder were not referred, but received some other reportable service such as participation in a job-search workshop or receiving individualized counseling.

Lines 2, 3, and 4 reveal that claimants identified, by using wage records, as *job changers* were 3.5 times more likely to receive some services than claimants identified as *recalled* (returning to the primary job held prior to the UI-compensated spell) and 2.1 times more likely to receive some service than claimants whose job-change status was *ambiguous* (because wage-records did not identify an employer before and after the period of joblessness). Job changers also were 7.4 times more likely to be placed as a result of a referral than recalled claimants and 2.8 times more likely to be placed than claimants whose job-change status was ambiguous.

Thus, receipt of PLX services was rare among the 32.0 percent of claimants returning to a former employer and the 16.1 percent whose job change was ambiguous. The much shorter-than-average period of joblessness among recalled claimants suggest that many were not unemployed long enough to require help from PLXs and were unlikely to conduct a job search at all. Similarly, the much longer-than-average period of joblessness among "ambiguous" claimants suggests that many preferred retiring or withdrawing from the labor force rather than taking available jobs, and therefore, were unlikely to use PLXs. That claimants in the ambiguous group were older, and more likely to be women, supports the view that a higher proportion of these claimants retired or withdrew from the labor force.

Finally, lines 9 through 16 show how key characteristics vary as the duration of jobless claims increase. It is evident that:

- Usage of PLXs is greater the longer the spell of UI-covered unemployment.
- The probability of recall declines substantially over the first 10 weeks of UI claims, picks up in period 6 (weeks 11 through 14) declines a bit in period 7, and then declines sharply.
- The probability of being in the ambiguous category is fairly stable through the 18th week, but then increases markedly.

The third result is fully consistent with the view that many (but not all) ambiguous claimants dropped out of the labor force rather than took a new job. However, other reasons for being in the ambiguous category include working in a neighboring state or having the Social Security account number misreported by new employers.

To make it clearer how the probability of ending a spell of unemployment changes over time, the per-week spell-ending probability is presented in Table 4-13. This is done because all periods in Table 4-12 are not the same length. Also, it important to recognize that, because some spells end with benefit exhaustion, these probabilities do not measure ending a spell of joblessness.

Table 4-13 shows that the probability of ending a claim is high at first and then dips substantially in weeks 5 through 9. The probability of ending a claim rises substantially in weeks 10 through 14 and then falls until the 26th week is reached when most claimants exhaust benefits. Overall, about 34 percent of claimants end their spell by the 4th week, and 72 percent end their spell by the end of the 18th week.

Table 4-13. Per-week probability of ending a UI-covered spell of unemployment in Massachusetts Program Year 1998

Period Number	Weeks Covered by Period Relative to Spell Start	Number of Weeks in Period	Percent Claimants Ending Spells Each Week as a Percent of Claimants Receiving Benefits at the Start of Each Period
1	1	1	7.7
2	2-4	3	8.0
3	5-9	4	4.1
4	10-14	5	7.4
5	15-18	4	5.4
6	19-26	8	4.8
7	27-39	13	7.7
8	40-52	13	7.7

Together, the patterns of ending spells and being recalled suggest that the probability of obtaining PLX services is likely to be low at first because some claimants forego searching until their chances of being recalled become clear, while other claimants start searching for work without PLX aid. As time passes, however, use of PLXs increases among claimants still unemployed as the probability of quick recall diminishes, and other means to find work are exhausted.

4.5.2 Services Received by Massachusetts Claimants

Overall, 12,765 claimants beginning spells in PY98 were reported to receive some PLX service prior to ending benefit collection. As shown in line 1 of Panel A of Table 4-14, 8.6 percent of these claimants were placed; 54.6 percent were referred to a job listed with a PLX, but not placed at that job; and 36.8 percent were not referred, but received some other service.

However, far fewer claimants received a service in any one period than received services across all periods. On average, about 4.3 percent of the claimants (still collecting benefits in a given period) were placed; 36.4 percent referred, but not placed; and 59.3 percent received some other service.

Among claimants obtaining PLX services in a given period, the percent neither referred nor placed grows as the duration of claims lengthens. Although not shown in Table 4-14, the probability of obtaining referrals and placements as a percent of all claimants still collecting benefits also declines over time. These two findings suggest that a growing proportion of claimants may be having difficulty finding work by other means and turn to PLXs for help. However, the PLXs are only able to find suitable jobs for a relatively small fraction of the claimants trying to obtain aid.

Panel B of Table 4-14 shows the number of claimants receiving PLX services in each of six periods. These figures indicate that the sample of claimants receiving different types of services is sufficiently large to obtain statistically significant results from the regression analysis. However, to obtain such large samples for a single year all claimants receiving services were included. In all other states, we used smaller sample proportions, but were fortunate in being able to analyze the effects of services obtained over much longer periods.

4.5.3 Effect of Massachusetts PLX Services on the Duration of Joblessness and UI Claims

Precisely the same regression models and data types were used to assess the effect of Massachusetts PLX services on the duration of joblessness and UI claims as was used in North Carolina, Oregon, and Washington. Indeed, the “raw” variables contained in each database in each of the four states were remarkably similar, and the same process was used to create the derived variables such as the measures of job-change and jobless duration as in the other states.

Table 4-14. Sample size and distribution by period, for Massachusetts Program Year 1998

		Other Service (%)	Referred Not Placed (%)	Placed (%)	All Services (%)	Claimants Still Collecting Benefits (%)
A.	Distributions					
1	All periods	36.8	54.6	8.6	100.0	
2	Week 1	35.5	59.1	5.4	100.0	100.0
3	Weeks 2-5	58.7	36.6	4.7	100.0	88.1
4	Weeks 6-9	64.1	31.7	4.3	100.0	61.9
5	Weeks 10-14	66.4	29.7	3.9	100.0	49.4
6	Weeks 15-18	69.2	27.9	2.9	100.0	36.2
7	Weeks 19-26	64.4	31.8	3.9	100.0	27.7
	Average	59.3	36.4	4.3	100.0	60.6

		Other Service	Referred Not Placed	Placed	All Services	Claimants Still Collecting Benefits
B.	Numbers					
1	Week 1	882	1,466	134	2,482	56,697
2	Weeks 2-5	3,389	2,111	269	5,769	49,972
3	Weeks 6-9	2,118	1,047	141	3,306	35,112
4	Weeks 10-14	1,900	849	113	2,862	28,007
5	Weeks 15-18	1,074	433	45	1,552	20,550
6	Weeks 19-26	1,280	632	77	1,989	15,699
	Total	10,643	6,538	779	17,960	
	Average					34,340

Note: Numbers receiving services are the actual numbers, but the number still collecting benefits is the number in the 20 percent sample. That group plus all claimants receiving benefits were used in the regression analysis. The total for all services does not equal the sample size of 12,765 claimants because claimants can receive more than one type of service.

Columns 4 through 6 of Table 4-15 display key regression-based statistics about the effect of various PLX services on weeks of joblessness. Columns 7 and 8 display "unadjusted" measures of service effects based on simple means derived from tabulations for claimants changing jobs. Columns 9 through 11 compare the regression-adjusted measures to those based on the simple means.

Table 4-16 uses the same format as Table 4-15 to describe the effect of PLX services on the duration of UI claims. Precisely the same model and database as used to measure jobless duration effects were used. The main difference between the two dependent variables is that spells of unemployment end when benefits are exhausted, usually after 6 months, or when the claimant returns to work or stops claiming for any reason; but joblessness technically ends when claimants return to work. However, because wage-record data cannot distinguish between not returning to work versus entering jobs not covered by wage-records, the maximum duration of joblessness was set at 52 weeks. Thus, not surprisingly, the effect of PLX services on claim duration is roughly half as great as the effect on jobless duration, but in almost all other respects the patterns in the two tables are nearly identical. Therefore, Table 4-16 is not separately discussed.

Table 4-15. Estimates of the effect of Massachusetts PLX services on the duration of joblessness Program Year 1998

		1	2	3	4	5	6	7	8	9	10
		N	Mean of Dep. Variable	Adj. R-Square	Effect of Service on Weeks of Joblessness (Regression Coefficient)	Standard-Error of Estimate	Probability Result Dif. from 0	Mean for Group Receiving Service	Mean for Group Less Mean for Comparison Group	Reg. Coef. Less Mean	Percent Dif. Between Reg. Coef. & Mean
(1) "Other" Services vs. No Service											
1	Week 1	58,683	17.2	0.1908	-1.16	0.58	0.0441	18.2	0.30	-1.47	-482.4
2	Weeks 2-5	54,587	18.1	0.1753	2.98	0.33	<.0001	22.3	4.29	-1.31	-30.5
3	Weeks 6-9	37,757	22.8	0.1832	1.14	0.41	0.0055	24.2	1.48	-0.34	-22.8
4	Weeks 10-14	30,297	26.1	0.2042	1.05	0.43	0.0146	28.0	1.64	-0.59	-36.0
5	Weeks 15-18	21,792	31.9	0.2055	-0.49	0.51	0.3379	31.6	0.06	-0.55	-865.6
6	Weeks 19-26	17,290	35.6	0.1927	0.30	0.45	0.5023	34.8	0.23	0.08	33.5
	Average	36,734	25.3	0.1920	0.64	0.45		26.5	1.33	-0.70	-234.0
									Avg. absolute dif. (weeks)	0.72	
									Percent	54.1%	
(2) Referrals Not Leading to Placement vs. No Service											
1	Week 1	58,683	17.2	0.1908	-4.46	0.46	<.0001	13.8	-4.10	-0.37	8.9
2	Weeks 2-5	54,587	18.1	0.1753	-2.87	0.40	<.0001	15.8	-2.20	-0.67	30.4
3	Weeks 6-9	37,757	22.8	0.1832	-2.60	0.56	<.0001	21.3	-1.48	-1.13	76.2
4	Weeks 10-14	30,297	26.1	0.2042	-1.66	0.61	0.0060	24.8	-1.56	-0.10	6.7
5	Weeks 15-18	21,792	31.9	0.2055	-2.54	0.76	0.0009	28.6	-2.90	0.36	-12.3
6	Weeks 19-26	17,290	35.6	0.1927	-0.05	0.61	0.9400	34.1	-0.47	0.42	-90.2
	Average	36,734	25.3	0.1920	-2.36	0.57		23.1	-2.12	-0.25	3.3
									Avg. absolute dif. (weeks)	0.51	
									Percent	-24.0%	

Table 4-15. Estimates of the effect of Massachusetts PLX services on the duration of joblessness Program Year 1998 (continued)

		1	2	3	4	5	6	7	8	9	10	11	12
		N	Mean of Dep. Variable	Adj. R-Square	Effect of Service on Weeks of Joblessness (Regression Coefficient)	Standard-Error of Estimate	Probability Result Dif. from 0	Mean for Group Receiving Service	Mean for Group Less Mean for Comparison Group	Reg. Coef. Less Mean	Percent Dif. Between Reg. Coef. & Mean	Placement Effect with Different Comparison Groups	Percent Chg. with Dif. Comparison Group
(3) Referrals Leading to Placement vs. No Service													
1	Week 1	58,683	17.2	0.1908	-8.19	1.44	<.0001	10.6	-7.34	-0.85	11.6		
2	Weeks 2-5	54,587	18.1	0.1753	-7.42	1.04	<.0001	10.1	-7.95	0.53	-6.6		
3	Weeks 6-9	37,757	22.8	0.1832	-8.78	1.45	<.0001	15.1	-7.64	-1.15	15.0		
4	Weeks 10-14	30,297	26.1	0.2042	-11.16	1.59	<.0001	15.9	-10.47	-0.69	6.6		
5	Weeks 15-18	21,792	31.9	0.2055	-8.40	2.31	0.0003	23.7	-7.84	-0.56	7.1		
6	Weeks 19-26	17,290	35.6	0.1927	-5.03	1.65	0.0022	28.5	-6.07	1.04	-17.2		
	Average	36,734	25.3	0.1920	-8.16	1.58		17.3	-7.88	-0.28	2.8		
									Avg. absolute dif. (weeks)	0.80			
									Percent	-10.2%			
(4) Referrals Leading to Placement vs. Other Referral													
1	Week 1	58,683	17.2	0.1908	-3.72	1.51	-2.46	10.56	-3.24	-0.48	14.9	4.46	-54.5
2	Weeks 2-5	54,587	18.1	0.1753	-4.55	1.12	-4.08	10.05	-5.75	1.20	-20.8	2.87	-38.7
3	Weeks 6-9	37,757	22.8	0.1832	-6.18	1.56	-3.97	15.10	-6.16	-0.02	0.3	2.60	-29.6
4	Weeks 10-14	30,297	26.1	0.2042	-9.50	1.70	-5.58	15.91	-8.91	-0.59	6.6	1.66	-14.9
5	Weeks 15-18	21,792	31.9	0.2055	-5.86	2.43	-2.41	23.66	-4.95	-0.91	18.5	2.54	-30.2
6	Weeks 19-26	17,290	35.6	0.1927	-4.98	1.76	-2.84	28.51	-5.60	0.62	-11.1	-0.77	15.3
	Average	36,734	25.3	0.1920	-5.80	1.68		17.3	-5.77	-0.03	1.4	2.23	-25.5
									Avg. absolute dif. (weeks)	0.64			
									Percent	-11.0%			

Table 4-16. Estimates of the effect of Massachusetts PLX services on the claim durations Program Year 1998

		1	2	3	4	5	6	7	8	9	10
		N	Mean of Dep. Variable	Adj. R-Square	Effect of Service on Weeks of Joblessness (Regression Coefficient)	Standard-Error of Estimate	Probability Result Dif. from 0	Mean for Group Receiving Service	Mean for Group Less Mean for Comparison Group	Reg. Coef. Less Mean	Percent Dif. Between Reg. Coef. & Mean
(1) "Other" Services vs. No Service											
1	Week 1	58,683	13.3	0.1049	-1.05	0.38	0.0053	14.8	0.19	-1.23	-664.7
2	Weeks 2-5	54,587	14.2	0.0923	3.28	0.21	<.0001	19.0	4.27	-0.99	-23.1
3	Weeks 6-9	37,757	19.2	0.0933	0.99	0.23	<.0001	21.4	1.53	-0.53	-34.9
4	Weeks 10-14	30,297	22.2	0.1309	0.96	0.22	<.0001	24.5	1.37	-0.42	-30.4
5	Weeks 15-18	21,792	26.2	0.1447	0.03	0.23	0.8787	27.5	0.60	-0.57	-94.2
6	Weeks 19-26	17,290	28.7	0.1114	-0.45	0.19	0.0159	29.1	-0.14	-0.30	212.0
	Average	36,734	20.6	0.1129	0.63	0.24		22.7	1.30	-0.67	-105.9
									Avg. absolute dif. (weeks)	0.67	
									Percent	51.7%	
(2) Referrals Not Leading to Placement vs. No Service											
1	Week 1	58,683	13.3	0.1049	-3.49	0.30	<.0001	11.2	-3.44	-0.05	1.4
2	Weeks 2-5	54,587	14.2	0.0923	-1.28	0.25	<.0001	13.4	-1.40	0.12	-8.3
3	Weeks 6-9	37,757	19.2	0.0933	-1.04	0.31	0.0010	19.3	-0.58	-0.46	80.0
4	Weeks 10-14	30,297	22.2	0.1309	-0.53	0.31	0.0873	23.0	-0.14	-0.38	264.0
5	Weeks 15-18	21,792	26.2	0.1447	-0.86	0.34	0.0120	26.3	-0.60	-0.26	44.2
6	Weeks 19-26	17,290	28.7	0.1114	-0.51	0.25	0.0434	29.0	-0.26	-0.25	99.1
	Average	36,734	20.6	0.1129	-1.28	0.29		20.4	-1.07	-0.22	80.1
									Avg. absolute dif. (weeks)	0.25	
									Percent	-23.8%	

Table 4-16. Estimates of the effect of Massachusetts PLX services on the claim durations Program Year 1998 (continued)

		1	2	3	4	5	6	7	8	9	10	11	12
		N	Mean of Dep. Variable	Adj. R-Square	Effect of Service on Weeks of Joblessness (Regression Coefficient)	Standard-Error of Estimate	Probability Result Dif. from 0	Mean for Group Receiving Service	Mean for Group Less Mean for Comparison Group	Reg. Coef. Less Mean	Percent Dif. Between Reg. Coef. & Mean	Placement Effect with Different Comparison Groups	Percent Chg. with Dif. Comparison Group
(3) Referrals Leading to Placement vs. No Service													
1	Week 1	58,683	13.3	0.1049	-6.64	0.94	<.0001	8.0	-6.69	0.05	-0.7		
2	Weeks 2-5	54,587	14.2	0.0923	-4.30	0.67	<.0001	9.4	-5.35	1.05	-19.7		
3	Weeks 6-9	37,757	19.2	0.0933	-5.32	0.82	<.0001	15.1	-4.79	-0.53	11.1		
4	Weeks 10-14	30,297	22.2	0.1309	-5.85	0.81	<.0001	17.5	-5.65	-0.20	3.6		
5	Weeks 15-18	21,792	26.2	0.1447	-3.42	1.04	0.0010	22.9	-4.00	0.58	-14.5		
6	Weeks 19-26	17,290	28.7	0.1114	-2.48	0.68	0.0003	26.4	-2.79	0.30	-10.8		
	Average	36,734	20.6	0.1129	-4.67	0.82		16.5	-4.88	0.21	-5.2		
									Avg. absolute dif.	0.45			
									Percent	-9.3%			
(4) Referrals Leading to Placement vs. Other Referral													
1	Week 1	58,683	13.3	0.1049	-3.15	0.98	-3.20	7.97	-3.25	0.10	-3.0	3.49	-52.6
2	Weeks 2-5	54,587	14.2	0.0923	-3.01	0.71	-4.23	9.42	-3.95	0.94	-23.7	1.28	-29.9
3	Weeks 6-9	37,757	19.2	0.0933	-4.28	0.88	-4.88	15.11	-4.21	-0.07	1.6	1.04	-19.5
4	Weeks 10-14	30,297	22.2	0.1309	-5.32	0.86	-6.17	17.46	-5.50	0.18	-3.3	0.53	-9.0
5	Weeks 15-18	21,792	26.2	0.1447	-2.55	1.09	-2.34	22.89	-3.40	0.85	-24.9	0.86	-25.3
6	Weeks 19-26	17,290	28.7	0.1114	-1.97	0.73	-2.72	26.44	-2.53	0.56	-22.0	0.51	-20.6
	Average	36,734	20.6	0.1129	-3.38	0.88		16.5	-3.81	0.42	-12.5	1.28	-26.1
									Avg. absolute dif.	0.45			
									Percent	-11.7%			

To produce each table, a separate regression was run using the same model specification for claimants collecting benefits at the start of each of six periods spanning the first 26 weeks of benefit collection. Each regression included "dummy" variables indicating receipt of three types of services. The first three sections of each table present, in turn, the regression coefficients comparing the effect of: (1) receiving a service "other" than obtaining a referral, (2) receiving a referral, not leading to a placement, and (3) receiving a referral leading to a placement; to not receiving any reported service in a given period (but possibly receiving services at other times).

In the fourth section, the effect of obtaining a placement is compared to the effect of being referred, but not placed. This measure is derived from subtracting the referral coefficients from the placement coefficients. In all but four cases, the regression coefficients are statistically different, from zero, usually by extremely large margins. This indicates that the standard errors of the estimates (shown in column 5) are quite small relative to the measured effects. Using the average figures presented at the bottom of each section the effect of placements reduces the duration of joblessness by 8.16 weeks on average, while referrals (not leading to placements) reduce joblessness by 2.36 weeks. Thus, the placement effect is about 3.4 times as great as the referral effect. The effect of placements is about the same across most time periods. The effect falls between period 1 and 2, and then, after rising through period 4, falls. The placement effect is especially large in period 4, spanning the 10^{th} to the 14^{th} week of a claim.

This pattern suggests that some claimants use PLXs to help find new jobs as soon as they become unemployed, while others wait until around the 10^{th} week. Moreover, the effect of reviewing job listings is especially large at first because claimants who have not previously viewed listings are likely to find an attractive job among those that have accumulated in the job-matching system. After failing to find an attractive job through the initial search, it is likely to take a considerable period before an attractive job listing enters the system.

An alternative explanation for the observed pattern is that there are certain points in claimants' job search when they are especially likely to take a job, rather than wait until a more attractive job offer is obtained. Those points occur after about 2.5 months of receiving benefits, and close to the point benefits are exhausted after about 6 months. The effect of PLX referrals is strongest after 2.5 months because at that point unemployed claimants usually have an accurate view of their reemployment prospects, and some will grab any reasonable offer at that point. Subsequent to period 4, however, it often is a matter of deciding which of the relatively unattractive opportunities is worth accepting. We speculate

that the placement effect is particularly low in the 6th period, which is close to benefit exhaustion, because at that point many claimants are willing to take a much wider variety of jobs than they were previously, or withdraw from the labor force. They, therefore, are likely to fill vacancies they previously identified by other means, but were unwilling to seriously consider until they determined that better vacancies could not be located.

The effect of referrals not leading to placements does not change much over time, except that it is unusually low as benefit exhaustion approaches. This reinforces the view that referrals are not as valuable late in a claim period because claimants are more willing to accept less desirable jobs that are easy to find by other means. Interestingly, the referral effect dips in period 4 when the placement effect is especially high. This also reinforces the view that many claimants are particularly anxious to return to work at that point and will accept reasonable offers. Thus, the value of referrals that do not generate offers is relatively low in the fourth period.

On average, placement effects measured using regressions are only a bit larger than the mean difference in duration between placed claimants and job-changing claimants who did not receive PLX services. The average (absolute) difference between the two measures is only about 10 percent. That regression-adjusted results are slightly larger than unadjusted measures suggests that placed claimants have characteristics associated with having a bit more difficulty finding work than the average non-PLX user (who finds a new job covered by the wage-record database). This is a common result across all state analyses and reinforces the view that care is needed in making comparisons between PLX users and non-users. Importantly, the difference in the regression-adjusted results and results based on simple means would be much larger, probably more than 2 weeks, if we did not control for the return to former jobs.

While this difference is not large enough to reduce the placement effect to zero, it is large enough to reduce the effect of a referral to zero, or even to make it appear use of PLXs increase claim duration. Indeed, as noted in our earlier reports, many attempts to assess the effectiveness of job-matching services have found that PLX job-matching services made clients worse off because they did not take into account the factors that triggered PLX use among only a subset of job seekers. Thus, the analyses suggest that controlling for recall is extremely important. But also of great importance is comparing PLX-users to non-users who have been unemployed for about the same length of time at the point the users obtain PLX services. This is why separate regressions were run on use in each of six periods, which only included non-user claimants who were unemployed at the start of a given period.

4.5.3.1 The Effect of Massachusetts Services Other Than Referrals

Section 1 of Table 4-15 describes the effect of services other than referrals. In this case, the average effect is to increase the duration of joblessness by about 0.64 weeks on average. As noted above, results showing lengthening of joblessness usually reflect failure to adequately take into account differences between PLX users and non-users. That the unadjusted mean differences indicate that other services lengthen the period of joblessness by 1.33 weeks, on average, suggests that claimants obtaining these services have characteristics that lead to longer than average spells of joblessness, and that better information about reemployment prospects could further reduce the selection bias.

A plausible reason why receipt of other services ***appears*** to lengthen jobless duration is that many claimants who obtain other PLX services also review the job-order files during their visits. If claimants are unable to find even a single job order to which they wish to be referred, this indicates that they will have unusual difficulty finding a new job by any means. However, controlling for these poorer reemployment prospects is extremely difficult with the variables in the study database. In addition, some of the individuals obtaining services, but not obtaining referrals, could be entering training programs that delay their return to work.

It also is noteworthy that the largest negative effect occurs just before the 6^{th} week of an unemployment spell. This is the period when claimants likely to have the most trouble finding new jobs are called in to PLXs to receive mandatory services under the Worker Profiling and Reemployment Service (WPRS) program. Thus, we speculate that many of the claimants using PLXs in this period were induced to make visits and either searched in vain for relevant job orders, or obtained the required service but were not especially interested in obtaining job leads from any source, and therefore, did not view listings. In either case, failure to obtain a referral is likely to be strongly associated with far longer-than-average jobless durations.

In summary, it is implausible that the true effect of "other" services is to lengthen the duration of joblessness. Far more likely is that claimants who receive some service, but do not obtain referrals, have particularly poor prospects of finding work (or little interest in searching intensively) but the data cannot adequately capture these differences. Thus, we feel the negative selection bias in this case is greater than the small but positive effect of these services. Receipt of other services is therefore omitted from the benefit-cost calculations.

More generally, these "other" service results suggest that it would have been fruitless to attempt to estimate the effect of those services in other states using their administrative records. Indeed, Massachusetts was unique in the large number of claimants reported receiving other services (either because more claimants received those services or the receipt of those services was more likely to be reported). Thus, the Massachusetts results support our long-held view that even if we had large samples of claimants receiving other services from other states, it would not be possible to separate the small, positive per-person effect of those services from especially large measurement biases that would lead to severe underestimation of the true effect.

4.5.3.2 The Effect of Massachusetts Placements Relative to Referrals Not Leading to Placements

To conclude the discussion of benefits, we describe the measured placement effect using claimants referred, but not placed, as a comparison group, rather than claimants receiving no services. Section 4 of Table 4-15 indicates that using referred claimants as a comparison group cuts the average reduction in joblessness from 8.16 weeks to 5.80 weeks. While this is still a large effect, it is considerably smaller than that produced using non-users as the comparison group.

Interestingly, subtracting the mean duration of joblessness for referred, but not placed, claimants, from the means for those placed produces almost the same average results as the regressions. The results are not identical in each time period, but the positive differences tend to balance out the negative differences. Indeed, the mean results are considerably larger than the regression-based results in period 2, and considerably smaller than the regression-based results in period 6.

These results suggest that in the early stages of UI, claimants who are placed have characteristics that make it easier for them to find work than average non-users, but later in their spells they have characteristics associated with having more difficulty than average finding work. Thus, there still may be some bias in the estimates of referral and placement effects using non-users as the comparison group. However, it is implausible that the bias is nearly equal to the measured referral effect. Put another way, it seems likely that obtaining referrals from Massachusetts PLXs provides information about the job market that assists claimants to make better decisions about how to search for work using other means and which jobs found by other means should be accepted. Nevertheless, we will produce

highly conservative measures of the value of Massachusetts' PLXs based on the assumption that all of the measured referral effect is due to selection bias.

4.5.4 Estimating the Total Benefits of Massachusetts PLX Use

The top section of Table 4-17 uses the regression coefficients in Table 4-15 to estimate the total increase in earnings derived from referrals and placements. Columns A and B display the regression-based per-person reduction in weeks of joblessness due to referrals and placements relative to not receiving a PLX service, and column C displays the per-person reduction due to placements relative to referrals. Columns D and E display the average weekly earnings of referred and placed claimants shortly after their spell ends. Columns F, G, and H show the per-person earnings gains resulting from referrals and placements based on multiplying the estimated reduction in weeks of joblessness times average weekly earnings.

To estimate the total earnings gains (shown in columns K, L, and M) the number of claimants referred and placed (shown in columns I and J) are multiplied by the per-person earnings gains. Overall, the earnings gains due to referrals is $7.36 million; the gains due to placements are $2.41 million (using the non-user comparison group) and $1.65 million (using the referred comparison group).

The earnings gains due to referrals are exceptionally large in period 1 because the per-person effects are unusually large in that period, and the number of referrals high. The effect in the second period is almost as large, even though the per-person effect is considerably smaller than in period 1. This is because about one-third of all referrals occur in the second period. The gains due to placements are largest in period 2, and considerably smaller in other periods. This is mainly because by far the largest number of placements occur in period 2.

The bottom section of Table 4-17 presents analogous calculations using the regression coefficients in Table 4-16 to estimate the total decrease in UI payments derived from referrals and placements. In this case the average weekly benefit payment is substituted for weekly earnings, but the same multiplications are made to estimate the per-person reduction in payments and the total reduction in payments.

Table 4-17. Estimates of the total annual increase in earnings and reduction in benefit payments for Massachusetts PLX referrals and placements Program Year 1998

		Weeks of Joblessness Coefficients			Average Weekly Earnings		Per Person Earnings Increase			Number		Total Earnings Increase		
		Referrals (vs. No Service)	Placements (vs. No Service)	Placements (vs. referrals)	Referred ($)	Placed ($)	Referral (vs. No Service) ($)	Placement ($)	Placement (vs. referrals)	Referred	Placed	Referral (vs. No Service) ($)	Placement ($)	Placement (vs. Referral) ($)
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
1	Week 1	-4.46	-8.19	-3.72	394	362	1,760	2,963	1,347	1,466	134	2,580,515	396,981	180,543
2	Weeks 2-5	-2.87	-7.42	-4.55	412	358	1,182	2,655	1,628	2,111	269	2,495,489	714,288	437,809
3	Weeks 6-9	-2.60	-8.78	-6.18	437	387	1,136	3,403	2,395	1,047	141	1,189,678	479,831	337,646
4	Weeks 10-14	-1.66	-11.16	-9.50	419	405	697	4,517	3,844	849	113	591,688	510,435	434,360
5	Weeks 15-18	-2.54	-8.40	-5.86	442	425	1,124	3,572	2,492	433	45	486,515	160,743	112,141
6	Weeks 19-26	-0.05	-5.03	-4.98	415	394	19	1,983	1,965	632	77	12,046	152,721	151,326
	Total									6,538	779	7,355,931	2,414,998	1,653,826
	Average	-2.36	-8.16	-5.80	415	378	1,125	3,100	2,123					

		Weeks of Claim Coefficients			Average Weekly Benefit Payment		Per Person Benefit Reduction			Number		Total Benefit Decrease		
		Referrals (vs. No Service)	Placements (vs. No Service)	Placements (vs. referrals)	Referred ($)	Placed ($)	Referral (vs. No Service) ($)	Placement ($)	Placement (vs. referrals)	Referred	Placed	Referral (vs. No Service) ($)	Placement ($)	Placement (vs. Referral) ($)
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
1	Week 1	-3.49	-6.64	-3.15	224	211	-781	-1,402	-665	1,466	134	-1,144,956	-187,888	-89,126
2	Weeks 2-5	-1.28	-4.30	-3.01	231	193	-296	-831	-583	2,111	269	-625,079	-223,498	-156,769
3	Weeks 6-9	-1.04	-5.32	-4.28	243	218	-252	-1,159	-933	1,047	141	-264,286	-163,457	-131,581
4	Weeks 10-14	-0.53	-5.85	-5.32	251	217	-132	-1,270	-1,156	849	113	-112,080	-143,518	-130,634
5	Weeks 15-18	-0.86	-3.42	-2.55	261	225	-225	-767	-573	433	45	-97,516	-34,521	-25,795
6	Weeks 19-26	-0.51	-2.48	-1.97	262	267	-134	-663	-527	632	77	-84,649	-51,082	-40,584
	Total									6,538	779	-2,328,566	-803,965	-574,488
	Average	-1.49	-4.84	-3.46	239	213	-356	-1,032	-737					

Overall, columns K, L, and M show that UI payments were reduced by $2.33 million due to referrals and by $804 thousand due to placements (using the non-user comparison group) or $574 thousand (using the referred comparison group). Differences in the size of the UI payment reductions across different periods are similar to the patterns of earnings gains. However, almost half of the referral reductions occur in period 1.

4.5.5 Comparing Massachusetts Costs to Benefits

Lines 1, 2, and 3 of Table 4-18 display the estimated cost of running the Massachusetts PLXs in PY98. The costs include the $14.6 million provided under the Wagner-Peyser Act, and $1.0 million provided as part of a special WIA One-Stop Implementation Grant. (In the previous 4 program years, Massachusetts received more than $8 million in special One-Stop grants, most of which exclusively benefited its competitive PLXs.) As with the cost estimates for other states, we exclude contributions from One-Stop Center partners. This is done because the precise allocation of resources across different services is exceedingly difficult to estimate. Thus, it is reasonable to assume that the partners' contributions to job-matching services are just about balanced by Wagner-Peyser Act staff contributions to other One-Stop Center services.

Lines 4 through 7 of Table 4-18 display the official Massachusetts Employment Service statistics reported to ETA. These statistics show that: (a) 44,363 claimants applied for PLX services, about 37 percent of all applicants; (b) 31,777 claimants received some reportable service, about 35 percent of those receiving a reportable service; (c) 13,466 claimants were referred to jobs, about 34 percent of all those referred, and (d) 3,083 claimants were placed, about 30 percent of all those placed.

Lines 8, 9, and 10 show the number of claimants in the sample receiving services at any time while their claims were "alive" (that is, while they were receiving benefits). These lines also compare figures for the sample to the official statistics on claimants. To make our numbers more comparable to the official statistics, the number placed is added to the number referred, and this total is added to the number receiving some service. However, the official statistics are much larger than our figures because they reflect services delivered to claimants *after they exhausted benefits*, while the study's measures omit those services. Also, job seekers can report they are claimants, even if they *never receive any UI benefit payments*, but everyone in the sample received UI benefits.

Table 4-18. Benefit-cost ratios for Massachusetts claimant placements and referrals Program Year 1998

1.	Wagner-Peyser Act funding	$14,615,651
2.	One-Stop grant	$1,000,000
3.	Total funding	$15,615,651

		All Claimants	All PLX-Users	Percent of All Users
4.	Applicants	44,363	119,117	37.2
5.	Some service (including referrals)	31,777	91,298	34.8
6.	Referred	13,466	39,472	34.1
7.	Placed	3,083	10,100	30.5

		Claimants in Our Sample	All Claimants	Percent of Claimants
8.	Some service (including referrals)	9,098	31,777	28.6
9.	Referred (including referrals leading to placements)	5,747	13,466	42.7
10.	Placed	779	3,083	25.3

		Cost	Benefits	Benefit-Cost Ratio
11.	Referrals and placements	$2,273,447	$9,770,930	4.30
12.	Placements	$1,204,415	$1,653,826	1.37

Source: State micro-data, Federal funding allocation data, and statistical estimates.

Keeping these differences in mind, our count is 9,098 claimants received some service and 5,747 were referred, which is roughly 29 percent and 43 percent of the official statistics, respectively. However, we count 779 placements, which is only 25 percent of the official count. These statistics suggest that claimants in our sample obtain other services at about the same rate as those counted as claimants in the official statistics, but claimants in our sample receive a far higher proportion of all referrals. This is a plausible result because all the claimants in our sample are receiving UI benefits, while

claimants not in our sample are not receiving benefits. Since claimants receiving benefits can afford to look at a greater range of jobs over a longer time period, they are more likely to obtain at least one referral. Indeed, the differential use of referrals by claimants receiving benefits could be substantially understated because claimants receiving benefits are likely to obtain more referrals per-person, not just more likely to receive one referral.

Finally, lines 11 and 12 of Table 4-18 compare benefits to costs using two different conservative assumptions. The first assumption is that only PLX referrals have any benefits; all other services have no value. The second, even more conservative assumption, is that only PLX referrals leading to placements have value.

Under the first assumption, the benefits are the sum of referrals and placements shown in columns K and L of Table 4-17. The costs are the cost of running the entire PLX system times the share of referrals going to members of our sample. To produce this cost estimate we multiply the proportion of referred claimants in our sample to all referred claimants (.427) times the proportion of referred claimants to all referred PLX users (.341) to get the proportion of all referrals going to claimants in our sample (.146). We then multiply this proportion times the total cost of running the Massachusetts PLXs. This produces a cost of $2.27 million, while the benefits are $9.77 million. Thus, the benefit-cost ratio is 4.30.

Under the second assumption, the benefits are the total value of placements shown in column M of Table 4-17. This cost equals the proportion of placed claimants in our sample to all placed claimants (.253) times the proportion of placed claimants to all placed PLX users (.305) to get the proportion of all referrals going to claimants in our sample (.077). We then multiply this proportion times the total cost of running the Massachusetts PLXs. This produces a cost of $1.20 million, while the benefits are $1.65 million. Thus, the benefit-cost ratio is 1.37.

4.5.6 Benefits and Costs in Competitive versus Traditional PLXs in Massachusetts

The overall benefit-cost ratio for services delivered to Massachusetts claimants during their period of benefit collection compares favorably to the ratios for any type of employment and training program. They also are in the same range as our results for claimants in Colorado, Washington, and Oregon, but considerably lower than the North Carolina estimates. However, Table 4-18 does not tell us how the benefits and costs differ between the competitive and traditional PLXs. Clearly, it would be very

useful to know if use of the competitive model boosted PLX performance, especially since most of the substantial funds in Massachusetts' WIA Implementation Grant went to supporting the competitive PLXs.

To separately assess the benefits from the competitive and traditional PLXs we subdivided our data to cover each of the six regions Massachusetts uses in managing its PLXs and further divided the data between competitive and traditional PLXs in each of the three regions containing both types of public labor exchanges.

Table 4-19 shows that about 95 percent of claimants referred or placed were in the traditional PLXs, and roughly 5 percent were in the competitive PLXs. To say the least, we were surprised to see this marked imbalance given that the competitive PLXs were located in highly populous areas, and probably received more than 40 percent of all funds spent on PLXs in the state.

Table 4-19. Referrals and placements to Massachusetts claimants in sample by area

		Number of Placements	Distribution of Placements (%)	Number of Referrals	Distribution of Referrals (%)
	Boston				
1	Competitive	9	1.1	69	1.1
2	Traditional	1	0.1	16	0.3
	Boston Metro Area				
3	Competitive	11	1.3	53	0.8
4	Traditional	11	1.3	162	2.6
	Western Region				
5	Competitive	8	1.0	63	1.0
6	Traditional	106	12.7	693	10.9
	Other Regions				
7	Northeast	202	24.3	1,507	23.8
8	Southeast	250	30.0	1,875	29.6
9	Central	234	28.1	1,894	29.9
10	Other Regions Total	686	82.5	5,276	83.3
11	All Areas	832	100.0	6,332	100.0

The samples for the competitive areas, even if grouped together, were too small for separate regression analysis of the effects of placements or referrals. However, we were able to use the data to examine how the characteristics of claimants using PLXs varied across the regions.

Table 4-20 shows that there were some interesting cross-area differences in claimant characteristics. In particular, claimants using the competitive and traditional PLXs in the Boston Metro Region had unusually high pre-claim earnings and were especially likely to have more than 12 years of education.

Indeed, claimants using competitive PLXs in each region were much more likely to have some college education than claimants using traditional PLXs. The difference is particularly marked between the Southeast Region, which included high unemployment areas of New Bedford and Fall River, and the competitive sites. In the Southeast, only one-quarter of the claimants had some college. In addition, just under 29 percent did not graduate from high school, which is twice the percentage in most other regions.

There also were distinct differences in the ethnicity of claimants using PLXs. In the city of Boston more than one-third of claimants using PLXs were African-American, while in other areas African-Americans always were below 11 percent of PLX claimant users. In the Northeast Region and the competitive sites in the Western Region (Holyoke and Springfield) about 20 percent of the claimants were Latino, while in other areas, Latinos always were below 11 percent.

It would be worthwhile to use the Massachusetts data to better understand how differences in service effectiveness relate to the variation in demographic, work-history, and labor-market characteristics. Unfortunately, we lacked the time to address these questions in sufficient detail to present a well-rounded discussion here. However, what is highly relevant for this report is that: (1) the competitive PLXs had only a tiny effect on the benefits displayed in Table 4-18, yet they accounted for a large fraction of the cost, and (2) even though the competitive PLXs contributed data to the state's administrative data system (in the period studied), it is unlikely that they followed the same procedures as the traditional PLXs in tracking referrals, and perhaps, even in listing openings in the state job-matching database.

Table 4-20. Demographics and earnings of PLX-users in Massachusetts by area

		Pre-Claim Quarterly Earnings	Age	Male	Ethnicity			Education		
					White	Black	Latino	<12 Years	12 Years	>12 Years
			(Years)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
	Boston									
1	Competitive	4,954	44.4	47.5	40.8	34.2	8.4	14.5	32.7	43.2
2	Traditional	4,657	44.0	54.7	24.9	52.7	11.1	25.0	47.3	25.8
	Boston Metro Area									
3	Competitive	6,791	46.6	47.6	73.9	9.2	9.2	12.9	32.2	54.9
4	Traditional	7,165	48.2	60.4	82.7	7.2	5.2	11.3	40.3	45.9
	Western Region									
5	Competitive	4,709	43.0	54.7	63.4	10.5	20.8	17.5	38.4	42.9
6	Traditional	4,324	43.0	62.3	86.0	5.3	5.1	14.1	53.8	25.3
	Other Regions									
7	Northeast	5,550	44.4	57.1	69.6	5.3	19.2	14.7	51.8	32.1
8	Southeast	4,720	43.9	53.7	86.4	7.3	3.8	28.7	43.8	25.8
9	Central	5,920	44.3	60.3	81.7	4.4	9.0	11.7	50.1	36.8

Note: Boxes indicate high values

This makes it highly likely that the official Massachusetts statistics substantially understate the number of claimants obtaining job-matching (referral and placement) services from state PLXs. Moreover, these services also may be underestimated for the traditional PLXs (although to a lesser extent) because of the use of listings with unsuppressed contact information. The underreporting of the true number of referrals and placements has an effect on the benefit-cost ratios reported in Table 4-18. This is because unit costs decline as the total number of referrals and placements increases. If the benefits of the "missing" referrals and placements are not estimated, the benefits would remain the same. However, if the number missing were known, the benefit-cost ratios would increase because unit costs decrease when the total number served increases. Fortunately, the benefit-cost ratios are substantial even if the costs are substantially overstated. Thus, we will not even speculate on the extent of the under-statement of referrals and placement.

4.5.7 Summary and Conclusions: Massachusetts

The main conclusion is that the benefits of providing PLX services to UI claimants in Massachusetts in PY98 were substantially greater than the costs of providing those services. If we accept as accurate our measures of the benefits stemming from referrals and placements using non-users of PLX services as the comparison group, the benefits equal $9.7 million, of which two-thirds stems from the value of referrals. Costs, however, are roughly one-quarter of these benefits, generating an exceptionally high benefit-cost ratio of 4.30. Even if we use the highly conservative assumption that estimated benefits from referrals are entirely due to measurement bias and accept as accurate the measure of the value of placements using referred claimants as the comparison group, the benefits fall to $1.65 million, which is still 37 percent greater than the costs.

The second conclusion is that about 95 percent of the measured benefits came from referrals and placements delivered by Massachusetts' traditional PLXs that were run in a similar way to the PLXs in North Carolina, Oregon, and Washington. We further estimate that, at most, 60 percent of the total costs went to operating these PLXs. Most likely, much of the measured difference stems from the competitive PLX not tracking service delivery in the same way as the traditional PLXs. Being unable to accurately assess the benefits stemming from use of the competitive PLXs in Boston, Cambridge-Woburn, and Springfield-Holyoke is unfortunate because it would be especially useful to know how performance in the competitive sites compares to that in the traditional PLXs. Further analysis of the performance of the competitive PLXs also would be interesting because these offices serve better

educated claimants as well as more African-Americans and Latinos. More generally, extensive use of job listings with unsuppressed contact information may have led referrals and placements to be severely underestimated throughout the state. Importantly, this is a growing problem nationwide as only Oregon has implemented a system to identify job seekers referred to listings with unsuppressed contact information and then determine which clients were placed at those jobs.

The third conclusion is that the value of services other than referrals cannot be measured with sufficient accuracy to produce useful results using a non-experimental design. The problem is that the value of those services probably is small per-person, but the measurement bias is large and leads to underestimation of the true effect. More specifically, we believe that most PLX-users who are actively searching for work and have reasonable prospects of finding jobs obtain referrals when receiving "other" services such as job search workshops and individualized counseling. Thus, claimants who use PLXs but do not obtain referrals are likely to have especially poor prospects for quickly finding suitable work (or are not actively searching for work), and therefore are likely to experience long spells of joblessness.

The measurement problem stems from the extreme difficulty in using the information available in the study datasets to determine which of the non-user claimants in the comparison group would not be able to obtain referrals if they were users. Indeed, there is substantial evidence that most non-users have better prospects for finding work than users, even those who could obtain referrals. The effects of "adverse selection" that biases downward estimates of the value of PLX job-matching services can be substantially reduced by controlling for recall and how long claimants have been unemployed at the point they obtain referrals. However, it appears that the additional adverse selection that leads claimants unable to secure referrals to obtain additional assistance cannot be reduced sufficiently to obtain even slightly positive results.

4.6 Analysis of Michigan Job Seeker and Employer Surveys

A continuing theme throughout this report is that changes in job-matching technology have made it increasingly difficult to track PLX activities through traditional means. In particular, use of computerized job-matching systems with unsuppressed contact information have made it impossible for staff to track most referrals, and without tracking referrals it is virtually impossible to track placements. Thus, while job matching is the primary service provided by PLXs, it has become increasingly difficult to obtain even basic facts about PLXs' job-matching activities. What is possible to measure is the number of

job-orders (and openings) listed with public exchanges, the number of referrals and placements to orders where contact information is suppressed, the number of times job seekers examine computerized job orders, and sometimes the number of "hits" to specific orders. In addition, it is still possible to measure the delivery of various forms of staff-intensive services such as individualized counseling and attendance at job-search assistance workshops.

In the course of conducting this and related studies, we encountered several ways to fill the void created by increased use of computerized job-matching systems with "unsuppressed" contact information:

- Oregon's system allows voluntary, automated partial registration that permits identification of each job order to which a given job seeker obtained contact information.
- Washington State permitted the use of in-office and mail job seeker surveys that allowed us to determine service use and outcomes.
- Michigan uses job seeker and employer surveys to obtain information about use of job-matching systems and satisfaction with that use.

A previous Westat study published by ETA discussed the Oregon and Washington specialized data collection efforts. This section discusses the survey-based system created by Michigan.

The Michigan system consists of three components.[14] The first is a survey mailed to job seekers posting their resumes (registering) with Michigan's Talent Bank (MTB), which is Michigan's automated job-matching system. Each month, the survey is mailed to one-quarter of the job seekers who registered three months earlier. Thus, there is a gap of three months in the receipt of information and two additional months in producing a report. For example the April 4, 2003, report presented findings for surveys mailed out on February 28, 2003, to 6,826 individuals registering in November 2002. The survey uses a machine-readable format, and the April report discusses the results from the returns by 1,080 individuals (16 percent of the sample).

The second component is a survey mailed out to all employers that post new openings with MTB in a given month. The April report discusses the returns from 137 (20 percent) of the 684 employers registering new openings in December 2002 who were mailed surveys on February 28, 2003. The job

[14] Copies of the Michigan mail-out/mail back job seeker and employer surveys are included in Appendix I of this report.

seeker and employer surveys are conducted by the Michigan Department of Career Development (which administers the Wagner-Peyser and Workforce Investment Act programs), with some assistance from a firm that creates the machine-readable instruments and mailing labels, and tabulates the results when the instruments are returned.

The third component is a job seeker survey conducted by telephone by a firm under contract to the Department of Career Development. Westat's understanding is that the survey is conducted monthly using a sample of 100 randomly selected job seekers who registered with MTB three months earlier. Thus, the sample is drawn from the same population as the mail-out/mail-back survey, but, because of the high cost of the telephone survey, a much smaller group is contacted. The response rate, however, is much higher than the mail survey, generally over 70 percent. The primary impediment to obtaining an even higher response rate is that many individuals in the sample are difficult to reach by telephone. Few individuals contacted refuse to participate because the survey addresses only three issues: (1) overall satisfaction with services received at Michigan Works! Centers; (2) how well the services met expectations; and (3) how the services compare to those of an "ideal" program. The responses to each question were similar and produced average satisfaction ratings of 84, where 100 would be extremely satisfied, and 0 extremely dissatisfied.

Before discussing the content or results of the surveys further, it is important to recognize that given the small sample size of the phone survey and high nonresponse rate for the mail surveys, it is difficult to know if the results have external validity; that is, whether the statistics reflect the views of the universe of MTB users. Unfortunately, the mail survey has not been validated by means such as phone follow-up to assess the nonresponse bias. Officials associated with the surveys recognize that validation would be valuable, especially because they feel that individuals with favorable views may be more likely than others to mail back the questionnaires. However, the department lacks the financial resources to conduct the needed validation. Nevertheless, it is worth noting that both the mail (with a low response rate) and phone surveys report equally high levels of satisfaction. Moreover, it is common for surveys of this sort to produce high levels of satisfaction.

4.6.2 Details of the Michigan Job Seeker Mail Survey

The MTB job seeker mail survey contains 19 questions. Six of the questions provide basic information about respondents such as age, education, gender, geographic location, claimant status, and

type of job being sought. Three questions ask about services received such as the number of employers listing orders the job seeker contacted and the number of employers who contacted the job seeker (by looking through the resumes). Two questions describe how services were provided such as whether the job seeker obtained assistance in entering resumes. One question asks about job-search outcomes—has the job seeker found employment. Five questions ask about satisfaction with Michigan Works! services, in general, as well as the resume listing and opening listing services, in particular.

Based on Westat experience in conducting similar research, the shortness of the survey should encourage participation. The two-page survey also appears well laid-out and makes good use of the space available. If more space were available, the survey could include questions about how a job was found, if reemployed; in particular whether the job seeker was placed as a direct result of using Michigan Works!; the extent to which use of Michigan Works! facilitated job-search (whether or not the person was reemployed); and the length of time the job seeker had been searching for work at the point the person registered. One possible way to free space would be to drop questions that can be answered directly from the electronic resume used to obtain contact information.

The key responses in the April 2003 job seeker report were that:

- 19 percent found employment.
- 21 percent were contacted by employers.
- 45 percent applied for jobs listed.
- 78 percent would use MTB again.
- 43 percent were high school graduates, with no college; 31 percent had some college.
- 40 percent were satisfied or above with the resume service, 42 percent neutral or slightly satisfied, 18 percent dissatisfied.
- 29 percent were satisfied or above with the jobs listed, 52 percent neutral or slightly satisfied, 18 percent dissatisfied.
- 31 percent were looking for professional jobs, 26 percent clerical/sales, and 23 percent skilled trade jobs.

The survey provided a highly useful, well-rounded view of client characteristics, MTB usage, and satisfaction for the respondents. However, as noted above, it is not possible to determine how

well these responses reflect the views of the universe being studied. Assuming a reasonable degree of external validity, the results suggest that:

1. Job search took considerable time during the period studied.
2. Both job seekers and employers made considerable use of Michigan's Talent Bank.
3. Satisfaction levels were reasonably high.
4. Job seekers were more satisfied with the resume system than with the job listings.
5. A diverse group of job seekers used MTB in terms of their education level and types of jobs being sought.

Importantly, the results are broken down for each of Michigan's 24 Michigan Works! areas, and the reports are widely disseminated to senior administrators at the state level and office managers throughout Michigan. Even if individual surveys suffer nonresponse bias to some degree, it would appear that over time the responses could be used to assess changes in user characteristics, services received, and satisfaction. Thus, these surveys probably provide reasonable bases for assessing the impact of changes in service delivery and economic conditions.

4.6.3 Details of the Michigan Employer Mail Survey

The employer survey consists of 14 questions. Three of the questions describe the employers' location, industry, and employment level. Four questions relate to reviewing job seeker resumes—number interviewed, number hired, and satisfaction. Five questions relate to job seekers' search of job postings—number of contacts, interviews, and hires, as well as satisfaction. One question asks about overall satisfaction with Michigan Works! services.

The survey instrument is very well-structured and conducive to being completed and returned. If more space was available, the survey could ask about: (1) repeat usage, (2) number of openings in listing, (3) number of hires (from all sources) for positions listed, and perhaps (4) other ways the job listing was advertised.

The key responses from the April 2003 employer survey were that:

- 82 percent reviewed resumes.
- 74 percent listed job orders.
- 64 percent interviewed job seekers.
- 43 percent hired at least one person interviewed.
- 74 percent were contacted by a suitable number of job seekers.
- 99 percent said they would view resumes again.
- 96 percent said they would list jobs again.
- 59 percent of users were from service-related industries, 14 percent manufacturing.
- 59 percent had fewer than 25 employees.

Perhaps to an even greater extent than the job seeker survey, the employer survey provided a highly useful, well rounded view of client characteristics, usage, and satisfaction for the respondents. Assuming a reasonable degree of external validity, the results suggest that:

1. Employers made substantial use of the resume-reviewing service.
2. Adequate numbers of well-qualified job seekers responded to most listings.
3. Employers interviewed and hired a large number of job seekers as a result of using MTB.
4. Satisfaction levels were very high.
5. A diverse group of employers used MTB, with small, service-industry employers being especially heavy users.

Thus, like the job seeker surveys, the employer surveys appear to provide Michigan Works! managers with a reasonable means to assess changes in performance over time and provide considerable insight into the operating characteristics of Michigan's Talent Bank.

4.6.4 Assessment of the Value of Michigan's Surveys

Changes in the nature of job-matching systems used by public labor exchanges have made it very difficult to measure even the most basic characteristics about the extent to which job seekers are referred and placed as well as how employers obtain inquiries and hire well-qualified candidates. Michigan has developed a promising means to obtain basic performance statistics and assess customer satisfaction through use of job seeker and employer mail surveys.

Both surveys appear to obtain highly relevant information, which at least over time can provide indicators of the impact of policy changes as well as changes in the economy. In particular, the employer survey provides high-value information about viewing of resumes and job seeker response to listings, interviewing and hiring, satisfaction, and characteristics of employers using MTB. The job seeker survey provides excellent indicators of satisfaction and characteristics, and good measures of usage. A key piece of missing information—about placements stemming from referrals and other ways jobs are found—is partly overcome by information from the employer survey.

Whether the surveys provide an accurate view of overall performance and satisfaction is open to question because of the low response rates. Thus, it would be worthwhile for Michigan, or even ETA, to test the validity of the survey. Such a test could suggest that the results have a reasonable degree of external validity and confirm that the bias remains relatively constant over time, making the responses useful for assessing change.

Such a test of the validity of the employer survey would be particularly easy to carryout because Michigan Works! staff could conduct a complementary phone survey during the normal employer contacts required to remove or modify orders, or in the course of ordinary job-development activities. Importantly, if the test showed that there were substantial validity problems, it might be possible to permanently maintain a phone survey associated with normal employer contacts. In contrast, conducting a job seeker phone survey would be more difficult because staff does not normally speak to job seekers after their job search is over.

The prime alternative to Michigan's job seeker survey is use of an electronic system of the type Oregon has developed and shown to be highly effective. What is surprising is that other states have not adopted Oregon's system given that: (1) Oregon is willing to make its system available to any state at no cost; (2) over 75 percent of users of Oregon's job-matching system are willing to voluntarily identify themselves; and (3) the results of referrals can be accurately tracked at low cost through wage record

matching. Such an electronic system even could be supplemented with information about satisfaction and usage from in-office surveys, which are exceptionally easy to administer.

In summary, Westat's overall conclusions are that: (1) Michigan's job seeker and employer surveys appear to provide highly useful information; (2) the employer survey probably could be made much more effective by integrating the surveying with normal employer contacts; (3) Oregon's system for tracking job seeker activity probably is a superior means to obtaining basic information at low cost than is use of mail surveys; and (4) the job seeker and employer survey response rates appear too low to provide external validity. In short, both the Michigan and Oregon systems could provide crucial information about delivery of core services at One-Stop Centers, which is no longer obtainable by other means.

5. CONCLUSIONS

5.1 Overview

This study started with a brief history of the Employment Service (ES), a description of the services provided by the ES, and a review of the literature describing the effectiveness of those services. We then presented a process evaluation assessing how public labor exchanges (PLXs) funded under the Wagner-Peyser Act have been transformed by state and Federal efforts to meld PLX services into One-Stop Centers. It then discussed our analysis of how the provision of key labor exchange services has changed during this transformation using ETA Form 9002 statistics. Finally, we presented our benefit-cost analysis of the effects of job-matching services on unemployment insurance (UI) claimants.

The process evaluation is based on interviews with central office staff and the staffs of 22 PLXs in six states. Three of the states—North Carolina, Oregon, and Washington—have maintained the traditional governance structure for their PLXs. Thus, the way PLXs and One-Stop Centers are organized and funded in these states closely resemble those in most other states. North Carolina and Oregon, however, have substantially boosted funding to their PLXs using special state UI tax allocations. In addition, Oregon has adopted a unique computer system to track referrals to listings where contact information is unsuppressed, and therefore, can be accessed without staff intervention.

Three of the states—Colorado, Massachusetts, and Michigan—were selected because, at the time this study began, they were the only states to substantially modify their PLXs' governance structure. Colorado adopted a system where state control and staffing has largely been devolved to counties and PLX governance is highly integrated with that of other components of the workforce investment system. Massachusetts permitted individual workforce investment boards (WIBs) to "opt out" of the traditional state-run PLX system and devolve service delivery to governmental, non-profit, or for-profit entities through competitive bids. Thus, Massachusetts has a mixed system where Boston, Woburn, Cambridge, Springfield, and Holyoke developed "competitive" PLXs, while the remainder of the state has "traditional" PLXs. Michigan totally devolved its Wagner-Peyser Act funded programs to local WIB control, and initially opted for a competitive model similar to that in Massachusetts, but, following a policy dispute between the U.S. Department of Labor (USDOL) and the Michigan agency, a Federal court decision affirmed that USDOL can require PLX services to be delivered by government employees.

Interestingly, our site visits revealed that (1) each state exhibited considerable diversity in the way PLXs (and other service-providers) were integrated into One-Stop Centers; (2) most of the differences in the way PLXs and One-Stop Centers were configured were transparent to clients; (3) most staff were cross-trained to provide a variety of services; and (4) the physical layouts of One-Stop Centers usually were similar. Most One-Stop Centers have a receptionist who helps clients determine what services they should obtain and how to access needed service; resource rooms, which included computers for searching job listings, writing resumes, and obtaining labor market information (LMI); as well as classrooms for workshops, and space for a variety of other service-providers to counsel clients.

Several important differences were apparent between One-Stop Centers where the lead agency was the state employment security agency (SESA), which traditionally runs Wagner-Peyser Act programs, and where a different entity was the lead agency. SESA-led One-Stop Centers tended to focus on (1) maintaining a statewide system to list job openings and allow job seekers to view those openings; and (2) helping UI claimants to rapidly return to work. In contrast, One-Stop Centers led by other entities, especially workforce investment boards established under the Workforce Investment Act (WIA), tended to focus on (1) serving economically disadvantaged populations; (2) obtaining job listings that were tailored to the skills of specific low-income job seekers; and (3) using a case-management approach.

Analysis of the Federal PLX statistics for the six states reinforced the views obtained by the site visits. In particular, the data showed large reductions in job openings listed with PLXs (relative to labor force size) in Colorado, Massachusetts, and Michigan, the three states that substantially modified their governance structure. There were even larger declines in referrals and placements to jobs listed with PLXs in these states. While much of these declines were real, some were a result of unsuppressed contact information making it difficult to accurately measure referrals and placements. Indeed, one of our most important conclusions is that adoption of Oregon's automated referral identification system would accurately track referrals to listings with unsuppressed contact information, while maintaining all the cost-saving advantages of allowing job seekers to view unsuppressed listings and refer themselves without staff intervention.

The final element of this study compared the benefits workers derived from the job matching services provided by PLXs to the cost of providing those services. This analysis was limited to UI claimants—the one group for whom state administrative data provided excellent information about the services received from PLXs, earnings capacity, duration of unemployment, and job search outcomes. In particular, UI claimants are the only group (1) for whom it is easy to construct a comparison group of *job-*

seekers who have not received PLX services; and (2) who have strong labor force attachment that make it practical to use prior work histories as good guides to their job search outcomes. Moreover, this analysis was able to build on earlier studies that used surveys and state administrative data to assess the effect of referrals and placements on the duration of joblessness, earnings, and UI benefits paid to UI claimants.

Although few in number, these earlier studies all indicated that (1) the benefits of PLX referrals exceed their costs; (2) estimates are imprecise because the estimation techniques were not validated with random-assignment demonstrations; (3) on balance, however, the evidence suggests that the lower bound estimates presented in Table 5-1 under-estimate the "true" effects. Perhaps the most persuasive evidence comes from a random-assignment study of worker profiling in Kentucky that suggests that the bias in non-experimental measures of unemployment duration effects is small absolutely, and much smaller than the bias in measures of earnings effects. Importantly, there was general agreement among experts that definitive evidence about the bias in our lower-bound estimates could be obtained by building on a pilot Washington State survey (Jacobson and Petta, 2000). Thus, conducting a more representative survey would be welcomed by the research community as the most promising way to reduce the current high level of uncertainty about the true effects of referrals and placements.

Separate benefit-cost analyses were carried out for PLXs in Colorado, Massachusetts, North Carolina, Oregon, and Washington. Michigan did not have the administrative data needed to conduct a cost-benefit analysis. However, Michigan provided interesting information from three types of surveys that hold considerable potential for eliminating major information deficits about job-matching activity. This report includes the details of the Colorado, Massachusetts, and North Carolina analyses. The results derived from an earlier ETA-sponsored report covering Washington and Oregon are also presented here.

The key element of each study was estimating the reduction in weeks of joblessness derived from being placed by the PLX relative to being referred but not placed, and from being referred relative to receiving no PLX service. These effects are shown in Table 5-1. As expected, placements substantially reduced periods of joblessness because those placed usually were hired shortly after following up referrals. Referrals also reduced joblessness, in four of the five states, but the effects were only about one-quarter as large as the placement effects. This is because referrals not leading to placements provided useful information about reemployment prospects, but it took claimants additional time to find suitable openings. The North Carolina results, suggesting that referrals lengthened the period of joblessness, were ignored because most of these referrals resulted from monthly call-ins to review job-search, rather than

voluntary PLX use. As a result, North Carolina referred claimants were not nearly as ready to accept jobs as those using PLXs in other states.

Table 5-1. Average per-claimant effect of placements and referrals on weeks of joblessness

	Colorado	Massachusetts	North Carolina	Oregon	Washington
Placement effect (weeks)	-3.1	-8.6	-7.3	-5.7	-7.7
Referral effect (weeks)	-0.7	-2.4	2.1	-1.1	-2.1

The benefits were estimated by multiplying the average reduction in joblessness by post-unemployment weekly earnings and the number of claimants placed and referred. The cost was estimated by multiplying the total cost of running the PLXs by the percent of placements and referrals received by claimants. Table 5-2 shows upper-bound and lower-bound estimates of the benefit-cost ratios. Upper-bound estimates include the value of referrals, and lower-bound estimates assume that referrals had no value (except for North Carolina where the placement effect was calculated relative to being referred to get the upper-bound, and relative to receiving no service to get the lower bound).

Table 5-2. Benefit-cost ratios

	Colorado	Massachusetts	North Carolina	Oregon	Washington
Upper-bound estimates	4.8	4.3	8.8	3.1	2.8
Lower-bound estimates (no referral value)	2.6	1.4	6.3	1.6	1.2

Note: Results for Massachusetts mainly reflect activity in traditional PLXs. In North Carolina, the placement effect was calculated relative to being referred to get the upper bound, and relative to receiving no service to get the lower bound

In all cases the benefit-cost ratios were quite respectable, in large measure because PLXs place and refer very large numbers of job seekers making the cost per placement (or per referral) extremely low (usually less than $350). Colorado has the second highest benefit-cost ratios but also has the smallest net benefits measured in dollars. Dollar benefits were low because only about 5 percent of Colorado placements went to claimants collecting UI benefits. In contrast, 35 percent, 38 percent, and 23 percent of all placements went to active claimants in Washington, Oregon, and North Carolina, respectively. The extent services were provided to claimants, and hence total returns, are underestimated because PLX services received after benefits were exhausted were omitted from the analyses.

In summary, this study showed that PLXs, first established in the 1930s under the Wagner-Peyser Act to help Depression-era workers, continue to provide valuable job-matching services. Today, PLXs annually place upwards of 3 million workers at the over 6 million jobs they list. Another 6 million workers use PLXs to search for work, but are not directly placed. To provide these services PLXs receive about $1 billion in Federal funds, or $330 per placement. The PLX resources are supplemented by state funds and mostly in-kind contributions from One-Stop Center partners. Moreover, PLXs have effectively adopted new technology and new configurations that allow them to continue to expand their reach with smaller staffs and declining budgets. Thus, this report suggests that a sound principle consistent with the work-first approach is providing various types of low-cost job-search-assistance initiatives through public labor exchanges prior to providing more costly services.

Our evidence also showed that changes in the way PLXs are governed affect service delivery. It is hardly surprising to find that devolution to local workforce boards, as in Massachusetts and Michigan, tends to lead to more emphasis being placed on serving the economically disadvantaged (and other WIA target groups) through job development and case management, and less emphasis on maintaining comprehensive statewide job-matching systems. Similarly, it is reasonable to expect that states such as North Carolina, which substantially boost PLX budgets with UI tax revenue, focus more on serving UI claimants and maximizing the number and diversity of jobs listed with PLXs. Nevertheless, states with traditional PLX governance structures tend to have a broad array of PLX configurations. In some cases they are colocated with welfare agencies and focus on serving low-income populations, while also maintaining offices that primarily serve UI claimants.

This report also suggests that, on balance, there was much to be gained from integrating and coordinating the activities of various local workforce at One-Stop Centers, while keeping their separate governance and funding structures. Traditionally governed PLXs were highly cost-effective because they deliver services to many job-seekers through high-quality computerized job-matching systems, well-stocked with job orders. In contrast, the statistics on reductions of placements, and especially job openings, among non-traditional PLXs suggest that these organizations have substantially reduced the effectiveness of their statewide matching systems. Also, our Colorado administrative data analysis suggests that, while the benefit-cost ratio is high in this non-traditional state, the total value of benefits are low relative to the traditional states. Colorado PLXs serve only 10 percent of its workforce, compared to Oregon’s PLXs, which serves 28 percent, and North Carolina’s and Washington’s PLXs, which serve 20 percent of their labor forces.

Nevertheless, it would be highly desirable to have more information about the benefits and costs of the referral services provided by non-traditional PLXs in Michigan and Massachusetts. Thus, we were especially disappointed that the administrative data from Massachusetts did not adequately cover its "competitive" PLXs. Also, it would be highly desirable to have more information about the value of services provided to non-claimants, especially low-income workers, who probably received more attention as a result of shifts to local control. However, the information we have, from a promising survey-based technique we tested in Washington, suggests that the value of job-matching services for low-wage job-seekers is only about half that for claimants. These initial results were sufficiently promising to justify expanding this approach to analyze large, representative populations in Washington and other states, but we lacked the funds to do that within this project.

In contrast, our Massachusetts analysis suggests that it is not feasible to assess the effect of PLX services other than providing referrals using a non-experimental design. However, we are far less concerned that our analyses omits these estimates because maintaining a public labor exchange is the core service provided by PLXs (as its name suggests), and uses most of its resources. Moreover, job-matching systems are the key service PLXs bring to One-Stop Centers and it is hard to see how any other means could serve large, diverse populations at low cost. Thus, we regard the PLX job-matching systems as the cornerstone of the work-first approach.

More generally, tracking PLX service delivery was a major and growing problem that inhibited our reaching more definitive conclusions. Most self-service and staff-facilitated One-Stop services (as opposed to staff-intensive services) are not accurately recorded, and use of unsuppressed contact information usually makes it nearly impossible to determine who is being referred to jobs and who is subsequently placed. In our view, the root of the service tracking problem stems from WIA requiring that only "intensive" services be tracked. Given that (1) a well-rounded view of One-Stop Center, and especially PLX operations, cannot be obtained without knowing more about the delivery of core services; and (2) Oregon has demonstrated that the technical means to effectively track most of those services are available; it is hard to understand why other states and the Federal government have not fostered development of an effective nationwide tracking system.

5.2 Implications for Improving PLX and One-Stop Performance

The key findings of this report that have particular policy relevance are that:

- Having a high-quality computerized job-matching system, well-stocked with job orders, is *essential* to providing low-cost, effective core services to a wide range of job-seekers and employers consistent with the work-first model set forth in WIA.

- Effective job-matching systems linking high-quality technology with well-trained staff help ensure that employers are appropriately listing their jobs and job-seekers are able to effectively use the technology.

- All three traditional states in our sample had high-quality matching systems, but the quality of the job-matching system greatly suffered in the non-traditional states as emphasis shifted to helping the "hard-to-serve" who traditionally are the focus of WIA and its predecessors. Such a shift previously occurred during the "War on Poverty" in the 1960's, and greatly reduced the effectiveness of PLXs by crippling their ability to obtain job listings.

- Separate funding silos serve the useful purpose of striking a balance between providing low-cost services that meet the needs of a broad range of job-seekers and employers, while also providing intensive counseling and training services to those unable to find work or improve their career paths with the low-cost services.

- Improving the way One-Stop Centers are managed at the local and state level can greatly increase their effectiveness. In particular, we found that our observations were consistent with more rigorous earlier studies in suggesting that the key to effective integration was giving authority to a single manager to unify operations and to develop a team spirit where staff from different agencies worked together to seamlessly deliver services.

- In our view the Employment and Training Administration can play a major role in improving service quality by:

    - Assisting states to identify and implement best practices.

    - Creating a reporting system that improves the coverage and accuracy of the delivery of core services (usually delivered under the Wagner-Peyser Act) to that of intensive and training services (usually delivered under WIA). One way to do this would be to reestablish the excellence of the ETA Form 9002 reporting system, particularly with respect to measuring referrals and placements.

    - Helping states and local areas to use comprehensive measures to create effective core service standards and then use these standards to reward excellence and ensure that steps are taken to identify and deal with problems, much as currently is the case for WIA intensive and training services.

- The loss of high-quality information is a serious matter because (1) it dramatically understates the positive benefits produced by One-Stop Centers; and (2) it precludes assessing the impact of changes in technology, management, and other factors on the cost-effectiveness of PLX job-matching systems.

- More broadly, our benefit-cost estimates indicate that each placement boosts claimants' earnings by as much as $2,500 and reduces UI payments by as much as $850. Thus, dramatic underestimates of key statistics are likely to adversely affect the perceptions of PLX benefits among workforce program managers, elected officials, and the general public. Further, these misperceptions could substantially reduce support for adequately funding One-Stop Centers, and lead managers to give too little support to the provision of job-matching services.

Ways to Improve Performance Monitoring

Our analysis suggests that there are two main ways to improve performance monitoring (1) adopt a computerized system that allows voluntary registration and then identifies the "unsuppressed" job-orders to which individual registrants requested contact information; and (2) use a combination of in-office, mail, and telephone surveys of job-seekers and employers to assess usage and outcomes.

An automated referral identification system, such as Oregon's, can quickly provide accurate and highly valuable information at low cost. Given the defects in the current data collection system, ETA should consider offering funding sufficient to encourage several states to voluntarily test Oregon's system. If those tests produce positive results, ETA should consider ensuring that all states adopt similar systems.

While fostering adoption of Oregon's system might seem to be a "no-brainer," a careful assessment of the costs of developing a survey-based monitoring system, such as Michigan's, is required before field-testing. While these surveys certainly could produce extremely valuable information and largely fill the key information gaps in the running of One-Stop Centers, their cost would be substantial. Thus, ETA should consider conducting a feasibility study that would weigh costs against the value of monitoring One-Stop core services, especially in light of the unbalanced view provided by the substantial funds currently spent on tracking intensive services alone. If such a study suggested that the benefits outweigh the costs, a field-test should be undertaken.

Appendix A

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Appendix B

Synopses of Site Visits

Evaluation of Labor Exchange Services
In a One-Stop Delivery System Environment

Office of Policy Development, Evaluation and Research
Analysis of One-Stop Center Summaries
From Site Visit Reports of Westat, Incorporated

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November 2002

Synopses of Site Visit Reports.

Evaluation of Labor Exchange Services
In a One-Stop Delivery System Environment
One-Stop Center Summaries
Table of Contents

Evaluation of Labor Exchange Services
In a One-Stop Delivery System Environment
One-Stop Center Summaries*

Background

In 1998, the U.S. Department of Labor's Employment and Training Administration began a comprehensive study of Wagner-Peyser (W-P) Act services in a One-Stop delivery system environment. It is the first comprehensive evaluation of labor exchange services in two decades. Westat, Inc., of Rockville, MD, is the contractor conducting the evaluation, and the study is being undertaken in the states of Colorado, Massachusetts, Michigan, Oregon, North Carolina and Washington.

The purpose of the study is to conduct a comprehensive evaluation of W-P Act services in the One-Stop environment, examining the effectiveness and efficiency of services to employers, job seekers and unemployment insurance claimants. The study design provides for an examination of labor exchange services and the use of private and non-state agency public service providers in the delivery of W-P Act-funded services, and a process analysis of the information and services provided by the CareerOneStop portal website (formerly known as America's Career Kit).

The goals of the study are to understand the ways Americans search for and find jobs; measure the impact of W-P Act services on employers and job seekers; determine the cost effectiveness of labor exchange services; and assess how job seekers and employers use the CareerOneStop portal website. Moreover, W-P Act regulations at 20 CFR 652, enabled three states--Colorado, Massachusetts and Michigan--to demonstrate alternative delivery of services (i.e., delivery of services by other than state agency staff). The Department is interested in better understanding how such service delivery impacts upon equity, impartiality, effectiveness and outcomes.

Purpose and Limited Use

Based upon Westat's unpublished site visit reports, approved by the study states, the Office of Policy Development, Evaluation and Research (OPDER) has compiled summaries of the governance and services provided at One-Stop centers under the purview of this study. These summaries describe the role of labor exchange services in a One-Stop delivery system environment, and may not provide identical information state to state or local office to local office. Moreover, this document is not an interim or final report, but rather synopses of site visit reports.

The OPDER offers these short synopses to provide insight into how and what services are being offered at One-Stop centers. These service summaries are not study findings, but abbreviated observations of service delivery.

*We thank Regina Yudd, of Westat, for review and comments. To provide service context, estimated population data are included by OPDER and derived from Internet sites.

Colorado

One-Stop Center: Aurora-Arapahoe Douglas Works! Work Force Center
Location: Aurora, Colorado (City Population: 250,000)
One-Stop Operator:
- The Arapahoe County Commission.

Center Partners:
- The center has numerous community partners, including: Voc Rehab, Mental Health, United Cerebral Palsy, and Community Housing services.

Management and Staff:
- There are 45 staff members that work at the Aurora Center. Thirteen (13) staff work specifically with Wagner-Peyser Act services. Nine (9) staff are attached to youth services or "employment first" programs, 14 are TANF staff members, two (2) are WIA staff, and four (4) are community partner staff. Additionally, three (3) employees work as administrators.
- Each center partner has representatives who work either full-time or part-time at the center.
- The director oversees day-to-day operations and is responsible for the administrative duties within the center.
- The director reports to the County Commissioner, who operates all four centers in the Aurora area.
- Supervisory responsibility for Wagner-Peyser Act staff falls under the regional supervisor; thus, Wagner-Peyser Act staff are state employees and are paid by the state.
- The director and the Wagner-Peyser Act supervisor meet on a monthly basis or more frequently, as needed.

Services:

Staff-assisted Services:
- Either the receptionists or the customer service representatives can help customers, as necessary, in self-directed searches on center computers.
- Customers are served at this center through a funnel method, customized assistance, or mandatory customized assistance. All clients can be served in response to their specific needs and circumstances.

Self-services:
- There are 15 computers located beyond the reception area that are available to the public for job search activities, and for the use of resume-writing or career-development software.
- Customers have full access to the resource room.
- Customers may choose to participate in various programs and workshops that are available at the center.
- Individual job search is encouraged, but center employees are readily available to assist clients as needed.

Resource Room:
- In addition to the 15 computers available for general job search activities located beyond the reception area, the resource room contains a set of 24 computers used in computer courses and employment readiness courses.
- In addition to the computers, the room contains worktables, fax and copy machines, telephones, a library of labor-market and related materials, and hardcopy job listings.

Services Available:
- Registration Practices: Registration is not required; however, job seekers who are new to the center may fill out a registration form that captures background information necessary to help them find an appropriate job. These forms are filled out in the reception area; the receptionist then directs the customer to appropriate services.
- Customers in need of training or other supportive services prior to seeking employment go through the "work-first" program at this center. If they need additional assistance, they are then referred to a case manager for a needs assessment. Customers may receive tutoring services if necessary, or trainers can be hired to meet specific needs that are beyond the scope of regular center services. Those who require specific training are referred to training sites such as the local community college.
- There is a job search workshop for those who need help in using the computers to conduct a job search, and an orientation workshop for "Employment First."
- This center has two large classrooms where two-week workshops, (mainly targeted to welfare clients), are conducted. The workshops are targeted for 10-20 customers at time, involving skills assessment, on-the-job behavioral skills, etc.
- There are computer workshops for beginning, intermediate, and advanced level clients.
- No services are restricted or fee-based.
- Veterans' Services are not provided at this center.
- Some groups that assist disabled persons, such as the United Cerebral Palsy, either have offices at the center or are closely associated with the center.

One-Stop Center: Longmont Work Force Center
Location: Longmont, Colorado (City Population: 60,000)
One-Stop Operator:
- The County Commissioners of Boulder County.

Center Partners:
- Sun Microsystems, Boulder County Social Services, and Senior Employment Center are partners with the One-Stop center.

Management and Staff:
- There is no director at the Longmont Center at present (October 2001).
- A management group composed of seven (7) supervisors from the following service areas runs the center: Employment Services (ES), WIA, Welfare-to-Work, Technical Services, Fiscal, and two supervisors related to veterans' services.
- The director of Community Services in Boulder County has signatory and fiscal authority over the center.
- There is an emphasis on cross training for staff at the Longmont Center.

Services:

Staff-Assisted Services:
- A receptionist is available to assist customers in using self-directed searches on the computers.
- The ES staff is available to assist with employer services and work registration.
- Core Service staff assist with Wagner-Peyser Act work registration and orientation.

Self-Services:
- The resource room is available for all customers.

Resource Room:
- There are nine (9) computers in the room that are used for self-directed job searches, labor-market information, and assistance in developing resumes.
- There are also worktables, a copy and fax machine, and hardcopy job postings.

Service Availability:
- Registration Practices: Registration is only mandatory for unemployment insurance (UI) claimants. Core services are provided to others without mandatory registration, but customers are required to register in order to receive more intensive services and case management.
- There are two (2) computer-equipped laboratory/classrooms. One is called the learning lab, with 14 computers available by appointment only for use in staff-assisted job searches. The second room is a special lab with 20 Sun Computers for teaching the new Sun Microsystems SOLARIS computer-training program.
- The ES staff are the primary contact with employers and are responsible for coordinating internships with employers.
- There are 22 workshops scheduled for the Boulder area One-Stop centers. Twelve (12) workshops are held at the Longmont Center per year.
- The center hosts a job retention club for older workers.
- The Longmont Center provides some contracted services with a licensed therapist for jobseekers at the center.
- All job seekers are served at the Longmont Center.
- Job seekers are served through a "funnel method." Most customers only use self-service facilities, while assisted services are available at request and upon demonstrated need. However, the center does cater to customized assistance for those requiring additional services.
- A full array of services are available for veterans at the center, including intensive case management services.
- The center includes staff members that are trained to serve persons with disabilities; disabled persons are intensively case managed to assure that they receive appropriate levels and types of services.
- Unemployment insurance (UI) claimants receive specialized services at this center.

Massachusetts

One-Stop Center: JobNet Boston One-Stop Center (Competitive Area)
Location: Boston, Massachusetts (City Proper Population: 547,725)
One-Stop Operator:
- Division of Employment Training (DET) for the state of Massachusetts.

Center Partners:
- The DET has been running the site with Action Boston Community Development (ABCD), the largest Boston Community Action Agency.
- This One-Stop center is part of the competitive One-Stop network.

Management and Staff:
- The staff is composed of DET employees, ABCD employees, and contract employees.
- The ES staff consists of a manager and six career associates.
- There is a Business Services Unit, composed of a manager, two account managers and a data specialist.
- A three-person services section, a three-person Rehab section, an Information System section, and a group of four contracted specialized service personnel provide a full array of core and intensive services to the universal customers at this center.
- The executive director has overall management responsibility for the work of the center.
- Senior staff meet weekly to discuss management issues. Additionally, the executive director meets monthly with management of other One-Stop centers and state officials.

Services:

Staff-Assisted:
- None listed.

Self-Services:
- There are 12 public use computers available for customers to view job listings, develop resumes, use the Internet, and access the MOSES Information System, which displays updated job listings and job matches.

Resource Room:
- The room contains worktables, fax machines, telephones, and hardcopies of job search materials.

Service Availability:
- Registration Practices: Registration is mandatory for customers to be eligible for all services; however, anyone can refuse registration and still receive core services.
- When registering, the receptionist has the customer fill out a membership application containing the following information: (1) how the person heard about the center; (2) personal information; (3) what programs they might be eligible for or are interested in; (4) employment and migrant status; (5) educational background; and (6) employment history.
- The second floor of the One-Stop center contains a large classroom, which holds up to 45 people. There is a second room that can hold up to 20 people. The seventh floor has an additional small classroom, which has a 12-person capacity.
- There is a computer lab on the seventh floor that has eight (8) PCs for computer training.
- There is universal access to the core services. Intensive services, involving one-on-one counseling, case-management, and some workshops are either fee-based or provided under other programs based on eligibility.
- An onsite veterans' representative provides approximately 70% of services to veterans at the One-Stop center.
- About 80% of services for the disabled are provided onsite at JobNet. The other 20% are offsite at mental health centers. The center employs a career associate with special training in services for the disabled. The center also has special arrangements with advocacy agencies such as the Commission for the Blind.
- JobNet's policy is to provide full case management for customers other than Wagner-Peyser Act and unemployment insurance (UI) claimants, who receive more self-selected and less intensive case management services.
- Those selected by the state for worker profiling are enrolled in the ReEmployment Opportunity (REO) workshops at the One-Stop center.

Other Notable Features:
- The JobNet One-Stop Center covers two floors in one building: the second and seventh floors.
- Once a customer has registered, they receive a membership card. Swipe cards are used by customers when they check in as well as when they access any center service except for workshops. Thus, JobNet is able to track the job seekers' usage of center services as a whole.
- The total funding for 1999 was $1.726 million.

One-Stop Center: The Work Place Boston One-Stop (Competitive Area)
Location: Boston, Massachusetts (City Proper Population: 547,725)
One-Stop Operator:
- Jewish Vocational Services and the City of Boston Office of Jobs and Community Services.

Center Partners:
- Center partners include: the Adult Education Division of the Department of Education; the Suffolk House of Corrections; TANF, which provides post-placement services; the Massachusetts Division of Employment and Training; and several other cooperating agencies providing funding, such as the Massachusetts Commission for the Blind.

Management and Staff:
- The center director has been in public service for over 25 years. He is supported by an assistant director and a director of business development. He also has a "quality coach" who acts as a formative evaluator and supervises the internal quality control program.
- The senior staff meet weekly to discuss management issues, and monthly with boards and managers of other partner agencies, including the state.
- There are a total of 35 staff members working at the center.

Services:

Staff-Assisted:
- The receptionist helps customers understand the services the One-Stop center offers, and directs the customers to resources and staff as appropriate.
- The staff of center counselors provides core Employment Services (ES) to all customers; intensive services, including one-on-one services and intensive case management, are available as needed.

Self-Services:
- There are 20 public use computers on which customers can access the MOSES computer system and America's Job Bank (AJB) for self-directed job searches, access the job matching system, get resume information, or search the Internet.

Resource Room:
- This room contains worktables, a fax machine, telephones, hardcopy job information and labor market information.

Service Availability:
- Registration Practices: The minimum level of registration (name, address, telephone number) is required of all entrants. Additional information is required as needed in order to provide service at the appropriate level.
- There are two (2) classrooms that are capable of serving up to 15 people each.
- The center offers an array of free and fee-based workshops. Introductory level workshops focused on basic work available, and ReEmployment Opportunity workshops are free to all. More advanced level workshops are available on a fee basis.
- The counselors carefully examine the eligibility of the customers during one-on-one conferences before referring individuals to training and other supportive services.
- The center services are delivered through a "funnel method." Most customers only use self-service facilities and assisted services are available upon request or as needed. However, the center does provide customized assistance to the client. Job seekers fill out application forms listing career goals and services sought, and meet with staff to develop an individualized program of treatment.
- An onsite full-time representative serves veterans.
- Voc Rehab and the Commission for the Blind are able to provide basic services onsite for persons with disabilities.

Other Notable Features:
- Over half of the staff is bilingual.
- The Work Place is known for its good job matching system. It also emphasizes a professional atmosphere, which leads to a better attitude, confidence, and client presentation in interviews.
- About 75% of the customers served at this center are unemployed, about 25% are working and trying to advance their careers. At the time of these interviews (2000) welfare recipients comprised about 20% of the customers, and there were about 300-400 dislocated unemployment insurance (UI) claimants out of the total 3800 customers served in the previous year.

One-Stop Center: Holyoke CareerPoint One-Stop Center [Official name: Hampden County Career Center, Inc.] (Competitive Area)

Location: Holyoke, Massachusetts (City Population: 39,898)

One-Stop Operator:

- Hampden Regional Employment Board (REB).

Center Partners:

- CareerPoint is a non-profit organization that works in collaboration with the Holyoke Chamber of Commerce, Holyoke Community College, the University of Massachusetts, and the Massachusetts Division of Employment and Training (DET).

Management and Staff:

- The Executive Director has authority over all employees at the center with exception of one veterans' representative and one NextStep (welfare) representative.
- The position of director of the One-Stop center was split into two jobs. The executive director handles external relationships, including overall financial decision-making, development, and relations with oversight agencies; the newly formed position of director of operations provides day-to-day operational direction.
- Senior staff members meet weekly to discuss management issues. The board of directors has regular monthly meetings plus other ad hoc meetings as necessary. Consortium partners meet monthly with the center directors.

Services:

Staff Assisted:

- A receptionist is stationed at the entrance of the One-Stop center. He/she acts as the gatekeeper, supervising signups and enrollments, answering basic questions, and directing clients to other persons and/or services.
- Employment specialists serve as the front-line source of help for all job seekers. They sign up customers for workshops and process applications and referrals.
- Career counselors work by appointment only, providing in depth and one-on-one assistance to job seekers.

Self-Services:

- There are 14 public use computers for personal job related use and for access to Internet job browsing.

Resource Room:

- The room contains a fax machine, a copy machine, a scanner, printers, a bank of telephones, worktables, and a small area with periodicals and other labor market information, as well as signup sheets for workshops.

Service Availability:

- Registration Practices: Registration is not required, but strongly recommended, particularly for those who wish to receive the most intensive services. The process takes place in the receptionist area. The job seeker is asked by the receptionist to fill out a form capturing information about past education and employment experiences, as well as personal information such as one's Social Security number and employment goals. Customers that register automatically obtain access to the full array of services offered at the center.
- There are four classrooms in which workshops are held in the One-Stop center.
- Workshops cover a broad range of topics (e.g., career exploration, defining goals, resume improvements, and improving interviewing skills). Over twenty (20) workshops are available in both Spanish and English.
- There is a staff member with additional training in resume building who acts as the "resume doctor" one day a week to provide one-on-one resume counseling.
- Advanced computer classes are taught at the center for $30 a session.
- The center delivers services through a "funnel method." Most customers only use self-service facilities; assisted services are available upon request or as needed. However, the center does provide customized assistance to the client.
- Customers must follow procedures in order to maintain eligibility for unemployment insurance (UI), welfare, food stamps, etc. These customers receive mandatory customized assistance at the center.
- There is a full-time veterans' representative onsite who provides all Veterans' Services.
- There is a disabilities specialist onsite to assist persons with disabilities.
- UI claimants are provided with specific services at the center (e.g., ReEmployment Opportunity Workshops and case management services).

Other Notable Features:

- Career Point has become known for serving clients from minority communities.
- One-half of the staff is bilingual and approximately one-half if the clientele is Hispanic.
- The total funding for CareerPoint for the fiscal year 2002 was $1,719,476.

One-Stop Center: FutureWorks Springfield One-Stop Center (Competitive Area)
Location: Springfield, Massachusetts (City Population: 156,000)
One-Stop Operator:
- Employment and Training Institute, Inc. (ETI), a private for-profit company.

Center Partners:
- The One-Stop center works with many different organizations including: the Urban League and the Massachusetts Career Development Institute, Hampden County Employment and Training Consortium, Hampden County Workers Association Center, the Massachusetts Commission for the Blind, the Massachusetts Rehabilitation Commission (MRC), and local community colleges.

Management and Staff:
- All staff report to the executive director except the Veterans' Employment Services representative and the unemployment insurance (UI) representative, who are employed by the Massachusetts Division of Employment and Training (DET).
- Three (3) ES staff members are responsible for assisting employers with core and enhanced services.
- Six (6) career specialists and three (3) customer service representatives serving job seekers manage the MIS, the physical facilities, and the resource room. These staff members provide work-processing services to staff and customers.
- One (1) community relations and marketing services staff person is responsible for outreach, recruitment, public relations, and the creation and maintenance of interagency linkages.

Services:

Staff-Assisted Services:
- A staff person is available at the front desk, located at the entrance of the center, to assist customers with the public use computers.
- This is a "facilitated self-help" center.

Self- Services:
- Eleven (11) computers are available in the resource room for resume and cover letter preparation and for browsing job listings and other Internet sites.

Resource Room:
- The resource room houses a small reading area stocked with job research periodicals and the 11 abovementioned public use computers. There are multiple bulletin boards that list job openings according to industry category. The resource room also contains a fax machine, a copy machine, a bank of telephones, and worktables.

Service Availability:
- Registration Practices: The FutureWorks "application for membership" form asks the job seekers to provide basic information on their individual background as well as education and employment experiences. Registration is mandatory for everyone desiring service. Once registered, customers become "lifetime members" and receive a swipe card with which they can use to access the center as often as desired.
- In addition to the 11 public use computers indicated above, there is a separate area with 12 more computers dedicated exclusively to computer lab training and prescheduled appointments.
- There are two large classrooms, which are used for workshops, and an additional small room dedicated to training.
- A sample of free workshops and seminars that are held at the One-Stop center include: How to use the Resource Room; Job Club; Resume Writing Workshop; Interview Skills; and Job Search seminars.
- Fee-based services are also available at the center. Examples of these non-direct-placement services include: success skills training, onsite basic skills training, more advanced computer literacy courses. Computer classes are also offered that require a small fee.
- The welfare department, WIA, and Massachusetts Rehab all work with staff to see that clients' needs are met.
- All job seekers are served at this center. Customers are primarily served through a "funnel method," using primarily self-service facilities while assisted services are available upon request or as needed. However, the One-Stop center does provide customized assistance to clients as needed. Other customers may only be served through mandatory customized assistance, such as UI claimants, and customers on welfare or food stamps.
- The center now has full-time programs to assist youth job seekers that served 1,500 young people in 2001.
- A full array of services is provided for veterans at this center through a specialized program that is offered onsite at the center. FutureWorks also provides a staff counselor who is specially trained to assist persons with disabilities.
- Counselors conduct UI claimants' status reviews with the claimants every six weeks. Claimants who are referred as a result of worker profiling must attend ReEmployment Opportunity workshops.

One-Stop Center: The Career Place in Woburn One-Stop Center (Competitive Area)
Location: Woburn, Massachusetts, a suburb of the Boston area **(City Population: 35,200)**
One-Stop Operator: Middlesex Community College
Center Partners: Middlesex Community College, Voc Rehab, as well as other community services.
Management and Staff:

- All staff members are responsible to the Career Place's executive director with the exception of the veterans' representative, who is a Massachusetts Division of Employment and Training (DET) staff member.
- In addition to the executive director, there is a director of finance, a data base manager, a manager of workshops, a librarian, a three-person information technology unit, a data-entry person, a reporting specialist, and various volunteers and interns.
- The Business Services staff, (which includes six (6) job developers under a director with one (1) clerical support person and one (1) youth specialist), provide specialized services as an outreach to local employers.
- Six (6) staff members and one director make up the Career Services Unit of the center. They work one-on-one or with groups of clients to serve customers in preparation for a job.
- The director of the Career Place oversees a staff of 27 people. He is responsible for all of the activities offered at the One-Stop center, and functions as a liaison with the Regional Employment Board (REB) and the Dean of Middlesex Community College.
- Senior staff members meet weekly to discuss management issues and on an ad hoc basis with individual unit heads to discuss specific needs.

Services:

Staff-Assisted Services:

- The Business Services staff delivers outreach to employers, and keeps constant contact in order to list available jobs on the MOSES computer system and in hardcopy at the One-Stop center.

Self-Services:

- There are eighteen (18) public use computers located in the public resource room; each computer has complete programs and an Internet connection for self-directed searches and job browsing.

Resource Room:

- The resource room contains five (5) worktables, a fax and copy machine, bulletin boards for job postings, and a hardcopy of job listings.
- A library, which is stocked with newspapers and local periodicals, is connected to the resource room.

Service Availability:

- Registration Practices: Registration is mandatory for all first-time clients. The registration process includes the completion of an intake form asking personal and employment related questions. Once registration is completed the customer is still required to sign in upon every entry to the One-Stop center, which is now done electronically using a swipe card system.
- Once registration is completed, the customer must participate in the orientation seminars and register for the Career Place's job match seminar so that every customer is logged into a job search system.
- There is one large computer classroom, containing 18 computers dedicated to computer training. There is one (1) smaller training room and one (1) large conference room suitable for workshops and seminars.
- In addition to the free workshops held during orientation, there are fee-based workshops. They can range in price from $25-$40 for employment skills and from $25-$99 for computer classes. The orientation classes provide customers with information on interviews, job searching, resume writing skills, and personal concerns related to finding and keeping a job. The center provides three computer classes on basic computer literacy (e.g., Internet searching).
- Customers are primarily served through a "funnel method" where they primarily use self-service facilities and assisted services are available upon request or as needed.
- There is a full-time veterans' representative onsite at the One-Stop center.
- A representative from Vocational Rehabilitation spends one day a week onsite at the One-Stop center. This specialist serves as a counselor and facilitator of services to these clients, as well as the liaison with various agencies serving individuals with disabilities. Additionally, one full-time staff member at the center is a specialist in assisting persons with disabilities.
- The claimants are called every six (6) weeks, and the customer is required to document their job search activities. Claimants are encouraged to participate in Re-Employment Opportunity workshops. Counseling is provided in groups or one-on-one. Individual service plans are set up as early as possible for each client, based on staff assessment of individual needs.

Other Notable Features:

- Job seekers at this location tend to be slightly more educated and more skilled than average for the state. As a result, services provided tend to be more sophisticated and target higher skilled workers than the average One-Stop center.
- The Career Place's annual budget is approximately $1.5 million.

One-Stop Center: Worcester Work Force Central One-Stop (Collaborative Area)
Location: Worcester, Massachusetts (City Population: 165,387)
One-Stop Operator: The City of Worcester Employment Services is the center operator.
Center Partners:

- The center maintains working relationships with many organizations in the area, including: VocRehab, Commission for the Blind, and Quinnsigamond Community College.

Management and Staff:

- The Career Development staff contains: one (1) project manager, seven (7) career counselors, one (1) full-time librarian who runs the public resource room, and one (1) receptionist. The Employers' Services (ES) staff contains four (4) employer account representatives under the director and assistant director. The Wagner-Peyser Act staff, comprised of seven (7) people, continually rotates a single staff member to the welfare department to provide ES.
- There is also a Fiscal Office with a Director, an information technology staff of two (2), an adult education instructor, and four (4) clerical staff persons.
- The senior staff have informal meetings daily to discuss management issues, with at least one more formal meeting per week. There are, on average, three meetings per week with staff groups to discuss specific issues related to the work of the staff present.
- There is continuous interaction between the One-Stop center and the Regional Employment Board (REB).

Services:

Staff-Assisted Services:

- This is a facilitated self-help center.

Self- Services

- There is a bank of five (5) public use computers near the entrance of the center.

Resource Room:

- The public resource room is a large space that contains worktables, a fax and copy machine, telephones, and 13 computers with Internet and web site access as well as job search programming. A full-time librarian manages the resource room and assists clients in all of the activities.

Service Availability:

- Registration Practices: All customers are required to check in at the reception desk, located in the entrance of the One-Stop center. When a job seeker first registers, they have the option of participating in an orientation at the center, walking directly to the computers to undertake a self-directed job search, or meeting with an ES staff for counseling. Those participating in the group orientation complete self-assessments. Based upon those assessments, job seekers can undertake a self-directed job search, participate in a set of workshops, or obtain one-on-one assistance. The initial job seeker application form includes basic personal questions and inquires about the customer's employment and educational history.
- Job seekers must check in every time before using the center's services. Repeat customers register by entering their name and Social Security number into a book.
- The center is interested in installing an electronic swipe card system, but as of Fall 2001 all customers manually registered.
- The majority of job seekers are served through a "funnel method." Most customers only use self-service facilities while assisted services are available upon request or as needed. However, the office does cater to customized assistance for those that need additional services. During registration, customers are given the opportunity to either use self-directed searches, customized assistance, or participate in mandatory customized assistance.
- Manufacturing and services are the prominent job market areas in the Worcester area.
- There is one adult education classroom, manned by a full-time teacher, and one computer lab, equipped but not yet staffed.
- There are 15 no-cost standard workshops (e.g. resume preparation, orientation, career planning, job searching, introduction to the Internet and to the Internet job searching process).
- There are two (2) staff at the One-Stop center to provide a full array of services to veterans.
- The One-Stop center is partnered with the state VocRehab agency to provide training for persons with disabilities. The center also works with various agencies, which act as advocates for those with specific disabilities (i.e., Commission for the Blind) to provide special services for certain clients.
- UI claimants receive case management. They get a detailed, ongoing review of the work search with emphasis on issue-identification and targeting of appropriate search subjects. The main focus of the Worker Profiling and Reemployment Services (WPRS) effort at this center enrolling UI claimants into ReEmployment Opportunity seminars. These seminars are offered twice a week at the One-Stop center, with 20 claimants in each session.

Michigan

One-Stop Center: Battle Creek Michigan Works! Service Center

Location: Battle Creek, Michigan. (City Population: 53,000) There are four centers in the Barry/Branch/Calhoun/WDB area. For this study, researchers visited the Battle Creek Michigan Works! Service Center.

One-Stop Operator:

- Calhoun Independent School District.

Center Partners:

- The center is led by a consortium of five (5) partners: Kellogg Community College Council for Employment Needs and Training; Michigan Human Resources Development, Inc.; the State Unemployment Insurance (UI) Agency; Michigan Rehabilitation Services; and the Employment Service (ES) Agency.

Management and Staff:

- The director has financial authority and management responsibilities for all four centers in the Barry/Branch/Calhoun WDB area. Five (5) employees assist the director with general administration.
- The onsite administrator handles day-to-day administrative matters.
- The administrative staff meets weekly to discuss management issues.
- At the Battle Creek Center, there are five (5) general staff members from the Kellogg Community College, two (2) veterans' representatives provided from the state, and an ES counselor.
- There are eight (8) employees that assist clients with all ES services.

Services:

Staff- Assisted Services:

- Customers can choose to register in the data system to receive further assistance. A staff member at the reception area provides the registration application and directs the client to provided services.
- There is a staff member in the resource room to assist clients and supervise the area.
- Center employees teach daily workshops.

Self-Services

- There are 15 computers available for public use for conducting self-directed job searches and accessing other related information.

Resource Room:

- There are desks, chairs, a fax machine, telephones, and copy machine, TV/VCR, tape library, bulletin board for job postings, and hardcopy job information from newspapers and other sources.
- In addition to the 15 public use computers indicated above, the resource room contains five (5) additional computers for staff-assisted job searches, with additional software for career-related services.
- There is one large classroom and meeting rooms on the first and second floor of the building.

Service Availability:

- Registration Practices: There is a simple login style registration form, which is not required for core services. However, registration is mandatory to obtain services beyond core self services, including counseling and case management.
- The center is focused on a "funnel method." Most customers only use self-service facilities, while assisted services are available upon request or as needed. However, the center does provide customized assistance to the client. Job seekers fill out an application form listing career goals and services sought, and meet with staff to develop an individualized program of treatment.
- Job search workshops are offered on Mondays, Wednesdays and Fridays. On Tuesdays and Thursdays there are Job Club workshops to provide updated information on available jobs and other related information. Re-Employment workshops are conducted for UI claimants weekly.
- The center serves all job seekers, including veterans, persons with disabilities, and dislocated workers. There are six (6) WIA staff members who work primarily with adults and dislocated workers as well as a full-time veterans' and disabled persons' representative. Additionally, there is a center in the area that focuses primarily on persons with disabilities.
- The UI claimants receive basic services, additional assistance, and participate in specialized workshops.

One-Stop Center: Employment Central! of Detroit's @ Detroit Work Place North Office
Location: Detroit, Michigan (City Population: 951,270)
One-Stop Operator:
- The Michigan Department of Career Education (MCDC).

Center Partners:
- The City of Detroit Employment and Training Department also assists in the daily operations of the center.
- The City of Detroit, Workforce Development Board, and Employment Central! of Detroit work together in partnership.

Management and Staff:
- The center's director has financial authority over the center.
- The center supervisor oversees daily activities and is responsible for managing the center.
- Three (3) additional staff assist individual job seekers.
- Four (4) secretaries work in the Detroit One-Stop Center, processing client information and focusing on communications and writing skills for job seekers.
- The employees of the center have weekly scheduled meetings, supplemented by ad hoc meetings as necessary.

Services:

Staff-Assisted Services:
- This center provides facilitated self-help services.
- There are seven (7) Employment Skill Workshops given on a rotating basis in the Detroit office. These classes include: How to Complete a Job Application, Writing a Resume, Interviewing Skills, Marketing Your Skills to an Employer, Job Search Skills, How to Keep a Job, and Dress for Success.

Self-Services:
- There are 10 public use computers available. The computers are used to create resumes and to search the Internet for government job searches, as well as nongovernmental job listings.
- All customers have access to the resource room.

Resource Room:
- The resource room is small, but contains tables and equipment, such as fax machines, copiers and telephones for public use.
- The resource room has six (6) computers with software designed to assist job seekers write cover letters and resumes.
- There are additional hardcopies of job placement and employment information.

Service Availability:
- Registration Practices: Every customer is required to fill out a specially prepared talent bank intake form, which inquires about previous work and education experiences, career goals, skill evaluation, and purpose of visit. The receptionist then files this information and directs the client to appropriate services.
- The center provides basic services only. The center is used as a referral service and clients primarily choose the services they wish to receive from the center.
- A "passport" system is used at the center to refer customers to training and other supportive classes. A booklet, which resembles a passport, is given to the job seeker that states their employment history and personal information.
- The center services are delivered through a "funnel method." Most customers only use self-service facilities, while assisted services are available upon request or as needed.
- No case management services are provided at this center.
- There are no classrooms in the center.
- The center provides services for all job seekers from entry-level workers to engineering professionals.
- Veterans receive basic core services, in addition to case management services and referrals to other agencies providing more specified services to veterans.
- Persons with disabilities are referred to the Michigan Rehabilitation Services Office located elsewhere in the building.
- Unemployment insurance (UI) claimants receive the same basic core services as other customers.

One-Stop Center: Marlette Thumb Area Michigan Works! Employment Service Center

Location: Marlette Thumb Area **(County Population: 220,000)**

- **The Thumb Area** is a four (4) county area that contains: Huron, Lapeer, Sanilac, and Tuscola, Michigan. The center that was visited for this study is located in the Sanilac County area, in **Marlette, Michigan**.

One-Stop Operator:

- Thumb Area Michigan Works! Employment and Training Consortium.

Center Partners:

- The Consortium is made up of various organizations, including: Sanilac Intermediate School District; the Tuscola County Intermediate School District; the Huron County Intermediate School District; the Human Development Commission; and the Blue Water Center for Independent Living.

Management and Staff:

- The Consortium director and his staff have overall management responsibility for all four centers that make up the Thumb Area Michigan Works! Each center has its own consortium of partners who provide staff. The centers' management staff operate as co-managers with decision-making responsibilities.
- The Consortium director and his staff are in constant communication with the staff members at each center. The director's office is in the same building as the Marlette Center.
- A bi-monthly formal meeting is held for the director and staff to communicate on a regular basis.

Services:

Staff-Assisted Services:

- The center is designed to be primarily self-service.
- In the Marlette Center, case management staff are stationed at the reception desk to greet and assist job seekers.
- Staff members are available for consultation and assistance in the resource room.
- There are five (5) case managers who are cross-trained to perform all staff positions.
- The center provides facilitated self-help services.

Self Services:

- In the Marlette Center, there are six (6) public use computers.
- The public has full access to the resource room.

Resource Room:

- In the Marlette Center, the resource room contains hardcopy job search books, local job information sources, access to copy and fax machine, and use of telephones.

Service Availability:

- Registration Practices: For those who choose to register, there is a standard registration form that the customer can fill out with assistance from the case manager on duty. Customers are not required to register in order to receive basic core services. Registration is only used to determined customers' eligibility for resources under one of the funding sources through the center.
- Only customers who choose to formally enroll receive the Level One "tool chest" of materials and services available at the center. The "tool chest" contains information on all services available through the center, vouchers for various free services available to them outside the center, and sources of funding for classes, workshops and other services related to job preparation or job search.
- The center serves a full range of customers at all skill and education levels.
- The center is focused on a "funnel method." Most customers only use self-service facilities, while assisted services are available upon request or as needed. However, the center does deliver customized assistance. Job seekers fill out an application form listing career goals and services sought, and meet with staff to develop an individualized program of treatment.
- There are no classrooms. There are meeting spaces on the first and second floor.
- There is a formal schedule of workshops at the center. Many workshops are conducted at one of the area's community colleges.
- The center is equipped to serve veterans and persons with disabilities. There is a full-time veterans' representative who serves the four centers in the area on a rotating basis. There is also a full-time representative for clients with disabilities. Similar to the veterans' representative, the displaced veterans' representative rotates between local centers.
- No unemployment insurance (UI) services are provided at the center.

Other Notable Features:

- Total budget for the Marlette Center is $4 million.

One-Stop Center: Walled Lake Michigan Works! Service Center
Location: Walled Lake, Michigan (City Population: 6,932)
One-Stop Operator:
- Walled Lake School System's Division of Community Education.

Center Partners:
- None Identified.

Management and Staff:
- One coordinator, assistant coordinator, and three case management assistants staff the center. All employees are cross-trained and available to assist customers in an array of fields.
- The coordinator has full responsibility for the center and is required to have 20 years of experience in career development and related professions.
- The coordinator and the assistant coordinator are solely responsible for screening applicants and participants for eligibility.
- Three (3) case management assistants work with job seekers in the resource room and assist with a variety of center activities.

Services:

Staff-Assisted Services:
- The center provides facilitated self-help services.

Self-Services:
- There are seven (7) computers intended for public use and self-directed job searches through state and national websites. The most widely used site to find local jobs is the Michigan Talent Bank.
- There are many Internet-based exchanges available for both job seekers and employers, (i.e. job searches, resume postings, job openings, etc).

Resource Room:
- The public resource room is adjacent to the main entrance.
- The resource room houses work tables, chairs, copy and fax machines, as well as telephones. In addition to the seven (7) public use computers located in the entry area, mentioned above, the resource room contains 10 additional computers (i.e., three (3) for Internet searching; seven (7) for combined services, including software for career education and instruction, resume building, keyboarding instruction, and use of the Michigan Occupational Information System).
- Also available are hardcopies of job search information.

Service Availability:
- Registration Practices: All who receive services from the center are required to register. Registration involves filling out an intake questionnaire, which asks personal and background information. The application is then filed in the computer system at the center.
- The center is focused on a "funnel method." Customers choose the services they want to receive from the center. Most customers only use self-service facilities; assisted services are available upon request or as needed.
- All job seekers are welcomed in the center. Recently, the center has focused more on working with dislocated workers.
- A representative from Veterans' Services rotates throughout the area centers. On average, a veterans' representative is available for one-half day per week at the Walled Lake Center.
- A Michigan Rehabilitative Services counselor is available at the center one day per week.
- Unemployment insurance (UI) issues are not dealt with at the center.

Other Notable Features:
- This center has gone through large changes to make it more locally controlled instead of state operated.
- The total budget for the current year is approximately $207 million.
- The Walled Lake Center emphasizes employer services, indicating several specific services the center provides employers (i.e., use of the statewide job bank; outplacement services for employers implementing layoffs or plant closings; and career center Network Services).

North Carolina

One-Stop Center: Durham JobLink Career Center (One-Stop)

Location: Durham, North Carolina (City Population: 143,439)

- Durham County is part of the major metropolitan Research Triangle area, which also includes the cities of Raleigh and Chapel Hill.

One-Stop Operator:

- The North Carolina Employment Security Commission (ESC).

Center Partners:

- Durham has established partnerships with the following agencies (the first six serve as core partners): the ESC; JobReady (school-to-work); JTPA; the Division of Vocational Rehabilitation; the Durham Technical Community College; WorkFirst (welfare-to-work); City of Durham Office of Economic and Employment Development; Durham Workforce Partnership, Inc.; and the Greater Durham Chamber of Commerce.

Management and Staff:

- All staff members, (with the exception of veterans' representatives), are cross-trained to better assist customers at the center.

Services:

Staff-Assisted Services:

- The receptionist on duty handles an array of job seekers' questions and further directs customers to available services.
- Employment Service (ES) staff make onsite referrals, evaluate job seekers' employment efforts, and work extensively with local job development. The ES staff provide community outreach between local employers and job seekers at the Durham Joblink One-Stop Center.

Self- Services:

- Ten (10) public access computers and four JIS (Job Information System) terminals are open to all customers near the entrance of the One-Stop center.

Resource Room:

- The resource room is an area near the computers where tables are located.
- Printed job information on posters, brochures, and binders are available from employers in the surrounding area.
- Adequate workspace and resource room are not available at this center.

Service Availability:

- Registration practices: Unemployment insurance (UI) claimants are required to register prior to receiving any UI benefits or services. However, registration for non-UI claimants is generally only required if the customer wishes to receive a referral. Job seekers can temporarily register themselves; however, customers must register with a staff member if they want a permanent file for using ES services.
- There is one large conference room that is used as a classroom to conduct seminars and workshops.
- Resume writing workshops are held every Monday, Tuesday, Wednesday and on some Thursdays.
- A community college representative is available to advise job seekers on what classes and programs Durham Technical Community College offers. The representatives are also knowledgeable in what financial aid options are available for those interested in taking classes.
- The center provides a veterans' representative, representatives from the food stamp program, WorkFirst welfare-to-work representatives, and community college representatives who provide basic information on taking classes and financial aid.
- There are three (3) veterans' representatives at the center. The representatives are not cross-trained and specialize solely in assisting veterans.
- There are no specific services offered to persons with disabilities.
- The Durham office provides services to UI claimants in order to get them back to work as quickly as possible. The unemployment rate in the surrounding areas is extremely low and the One-Stop center sees its main goal to move unemployed claimants into jobs that are in demand.
- The UI claimants are called in for interviews every four to six (4-6) weeks. Claimants must document all their job search activities and are required to attend a mandatory job search workshop.

Other Notable Features:

- In Durham County, 38% of the workforce is in the service industry and 25% of the workforce is in manufacturing. Other major sectors include the retail trade, with about 13% of the workforce and government at 11%. Durham County is a major part of the Research Triangle area, home to large manufacturing and service industries such as IBM, Glaxo-Wellcome, and Nortel. Based on interviews with staff, the report estimates that roughly 65% of customers served are UI claimants and 15% are economically disadvantaged adults.

One-Stop Center: Oxford Employment Security Commission (ESC) Office

Location: Oxford, North Carolina (City Population: 9,000)

- Oxford is a small town that is the county seat of Granville County. It is located about 40 miles northwest of the state capitol, Raleigh.

One-Stop Operator:

- The North Carolina Employment Security Commission (ESC).

Center Partners:

- Center partners include: the ESC; JobReady (school-to-work); JTPA; the Division of Vocational Rehabilitation; Wake Technical Community College; and WorkFirst (welfare-to-work).

Management and Staff:

- The manager and the assistant manager are responsible for the daily operations of the center as well as maintaining contact with local employers to ensure a steady stream of job orders.
- Management team members meet weekly for scheduled staff meetings.
- There are 62 full-time staff and employees at the center, with two (2) supervisors that oversee the center and it's employees.
- Specialized staff includes a veterans' representative, food stamp representative, and one WorkFirst (welfare-to-work) representative.

Services:

Staff-Assisted Services:

- Employment Service (ES) staff give onsite referrals, some assessment/counseling, and extensive local job development.

Self-Services:

- There are four (4) public access computers and two (2) Job Information System terminals located in an area separate from the resource room. These computers are available to customers for searching state job listings, creating resumes, word processing, and general Internet access.

Resource Room:

- The resource room contains a small table with job opening information in binders collected from employers in the community.

Service Availability:

- Registration Practices: Registration is required in order to receive a referral. Unemployment insurance (UI) claimants are required to register prior to receiving any unemployment insurance benefits or services.
- There are several classrooms available for workshops and seminars in the One-Stop center.
- Job seekers can make appointments to see a representative at the office, such as a local community college representative, to further their skill training.
- The center is focused on a "funnel method." Most customers only use self-service facilities, while the assisted services are available upon request or as needed. The center is capable of providing customized assistance to clients. Staff will work with job seekers to create a job search plan.
- Veterans receive services at the center through a veterans' representative. Specifically, Veterans' Services include advance notice of job orders prior to the job order being submitted to the general public. Veterans are also referred to the Vance County JobLink Center to obtain more in depth services.
- Persons with disabilities are served through referrals to the Vance County JobLink Career Center.
- The Oxford office primarily serves people by providing UI services and by recruiting local employers to list available jobs. Each employer has an assigned staff member assigned and the manager makes regular visits to area employers to inform them of the services provided by the office.
- The UI claimants are called in to the center for interviews every four to six (4-6) weeks. Claimants are required to document their job search activities.

Other Notable Features:

- Roughly one third (1/3) of the workforce in Oxford is employed in manufacturing; one third (1/3) of the population is employed by the government; and the remaining third (1/3) of the workforce is concentrated in the retail and wholesale trade and service sectors.

One-Stop Center: Raleigh JobLink Career Center (One-Stop)

Location: Raleigh, North Carolina (City Population: 236,707)

- The Raleigh JobLink Center is located inside of the Wake County Department of Health and Human Services building.
- Raleigh is the capitol of North Carolina and is the one of three cities in the Research Triangle area.

One-Stop Operator:

- North Carolina Department of Health and Human Services (DHHS).

Center Partners:

- North Carolina Career Centers must have the following agencies as partners: the Employment Security Commission (ESC), JobReady (school-to-work), JTPA, the Division of Vocational Rehabilitation, Wake Technical Community College, and WorkFirst (welfare-to-work).

Management and Staff:

- The staff is cross-trained to handle most requests from job seekers. The center uses a calendar to indicate when specialized staff (such as Spanish speakers and the community college representative) will be available to job seekers.
- The center coordinator supervises the One-Stop center.
- Monthly management and staff meetings are held. Meetings with state and local officials are held every other month concerning budgets, new services, and WIA implementation.

Services:

Staff-Assisted Services:

- The receptionist greets and directs customers once they enter the center. The receptionist provides general help and information and encourages the job seeker to register with the center.

Self-Services:

- There are eight to ten (8-10) computers available for public use in the main room of the One-Stop center.

Resource Room:

- The resource room is equipped with tables, desks, and telephones; a fax machine/copier is also available. A large career-related library, located near the resource room, houses the public–use computers indicated above.

Service Availability:

- Registration Process: All job seekers must register with a staff member to create a permanent file for using Employment Services (ES) at the center. Registration is also required in order to receive a referral. Claimants are required to register prior to receiving unemployment insurance (UI) benefits from the center.
- One (1) large classroom is available at the center.
- Depending on the needs of the job seeker, training classes can either be taken at the center or the job seeker can be referred to more intensive training at Wake Technical Community College.
- A representative from Wake Technical Community College is available to answer questions regarding classes and training at the college.
- Customers are primarily served through a "funnel method." They use self-service facilities initially, and assisted services are available upon request or as needed.
- Veterans' Services can be obtained at another office inside the building where the center is located.
- Wake County Supportive Employment, a private firm, is located in the same building as the center. The Supportive Employment staff is equipped to provide services to disabled persons.
- The ESC staff member handles all the UI claims and job matching, such as reviewing documented job search activities. The UI claimants report to the Raleigh ESC offices for periodic interviews, approximately every four to six (4-6) weeks, because the JobLink Center lacks the staff to re-interview claimants.

Other Notable Features:

- The Raleigh office specializes in providing career assistance and job search assistance to the economically disadvantaged.
- This site is unique because it is operated by the local Health and Human Services agency.

Oregon

One-Stop Center: Beaverton, Oregon One-Stop (Capitol Career Center)

Location: Beaverton, Oregon (City Population: 62,000)

- Beaverton, a suburb of the city of Portland and the largest city in Oregon, is located in Washington County.

One-Stop Operator:

- The Capitol Career Center operator is the Portland Community College, representing the State of Oregon's Department of Community Colleges and Workforce Development.

Center Partners:

- The center has three (3) main partners: The Workforce Investment Board, The Adult and Family Services Division of DHS, and the Portland Community College.
- An organization called the Workforce Alliance is the umbrella organization for all partners providing workforce services under the direction of the Capitol Career Center director. Other partners represented onsite include the Senior Mobility Service program, "Employment Advocates for Seniors," Veterans' Services, and Job Corps.

Staff and Management:

- There is a director with overall responsibility for the activities of the center.
- There are two (2) group mangers and four (4) coordinators (one for One-Stop activities, one for education, one for step-up, and one for business services) under the supervision of the director.
- The Dean of Adult and Continuing Education at the community college and the WIB have oversight of the director of the One-Stop center.
- There are 21 career service specialists, 11 instructors, and 16 administrative, support, and supervisory staff members. Additionally, there are disability service specialists, senior mobility specialists, job readiness specialists, and a business service specialist.
- The senior staff of the One-Stop center meets biweekly and on an ad hoc basis as necessary to discuss management issues.

Services:

Staff-Assisted Services:

- There is a receptionist who greets clients and directs them to services. Beyond the reception area there is a desk manned by Employment Department staff at all times to help further assist customers as they enter the One-Stop center.

Self-Services:

- There are 12 public use computers, equipped with Internet job search and office related software.

Resource Room:

- The resource room contains all 12 of the public use computers referenced above. The room also contains desks, fax, telephone, and copy services, as well as hardcopy labor related information.
- The room is 980 square feet.

Service Availability:

- Registration process: There are two types of registration. Customers seeking core services are only required to sign in for identification purposes through a computer at the front desk. Customers seeking additional services, (i.e., beyond core services), are registered by a career specialist. Customers seeking more intensive services are required, upon registering, to participate in the orientation workshops before receiving appropriate in depth services.
- There are seven (7) classrooms/conference rooms located near the resource room.
- Nineteen (19) different workshops are conducted each month, some repeatedly. There is a Job Search Planning workshop every morning, and a Capitol Career Center Orientation workshop every Tuesday morning. Other workshops offered every month include: Interviewing Basics; Improving Interview Skills; Interview Strategies; Resume Writing I and II; First 60 Days on the Job; Cover Letter and Thanks; Organizing Your Job Search; Resource Room Orientation; and Wisdom of the Ages (55+). Additionally, there are Employer Presentation workshops every month. No fees are charged to the job seekers for workshops.
- Vocational Rehabilitation has rotating staff providing onsite services at the One-Stop center for persons with disabilities. Programs for seniors and the disabled have staff onsite at the One-Stop center two days a week. They each also have offices nearby to which clients can be referred at any time.
- There is a veterans' representative onsite one day a week. Veterans' representatives have a nearby office in the Oregon Employment Department (OED) to which the OED onsite staff can refer customers at any time.
- Unemployment insurance (UI) profiling is not done at this center; it is conducted at the local UI office.

One-Stop Center: Pendleton One-Stop (Morrow-Umatilla Work Links) Center

Location: Pendleton, Oregon (City Population: 17,175)

- Pendleton is a small-to-mid-size city in a somewhat remote, mostly agricultural area near the Columbia River in Northeastern Oregon.

One-Stop Operator:

- A consortium, called Work-Links, operates the Morrow-Umatilla Work Links One-Stop Center. The consortium is composed of five mandatory partners under the Region 12 Workforce Investment Board.
- The five mandatory partners include: the Oregon Employment Department (OED); The Department of Human Services (DHS), which is represented by two divisions (Adult and Family Services and Vocational Rehabilitation); Blue Mountain Community College; The Community Action Program of East Central Oregon (CAPECO); and the Umatilla Morrow Educational Service District (UMESD).

Management and Staff:

- The reception area has a greeting desk. After greeting clients at the font desk, the receptionist directs unemployment insurance (UI) claimants as well as other job seekers to appropriate services.
- There are four (4) OED staff members at the One-Stop center who provide both ES and UI services for clients. These services include outreach, intake, orientation, skill and aptitude assessment, labor market information, job referrals and placement services.
- The Community Action Program (CAPECO) staff members provide services to dislocated workers.
- The DHS staff provide an array of welfare and Vocational Rehabilitation services, including eligibility, assessment, case management, and financial aid assistance, as necessary.

Services:

Staff-Assisted Services:

- No information is provided in the site visit report.

Self-Services:

- There are ten (10) public use computers. All computers can be used to obtain labor market and job-related information.

Resource Room:

- In addition to the 10 abovementioned public use computers, the resource room holds 11 additional computers are equipped for job searches (i.e., either self-directed or staff assisted). These computers are also used in computer training workshops.
- The room contains newspapers and other hardcopy job availability information, a fax and copy machine, telephones and office supplies.

Service Availability:

- Registration Process: There is no automatic One-Stop registration process, and registration is not mandatory to receive core services (e.g., use the public-access computers and the resource room).
- The UI claimants must register to receive UI services at the center. The standard 2001 form is used for registration.
- There is one large classroom with a 30-person capacity located at the One-Stop center.
- The Pendleton One-Stop Center runs a series of workshops entitled "Technology Lab" and "Computer Comfort" every Monday morning and evening for three (3) hours each. On Tuesdays and Thursdays, the center runs a series of three consecutive sessions called "FSA Introduction," "Job Club," and "Work First" for one and one-half (1 ½) hours each. These classes are repeated throughout the week and customers are eligible to receive staff-assisted services based on demonstrated need.
- The center does not charge fees for any of the offered workshops/classes.
- The UI claimants are required to actively search for work. At the end of eight (8) weeks, claimants still in the system are sent a letter to come to the center to document their work search. At any point, staff members may refer claimants to training sessions or potential jobs.
- All job seekers are served at the One-Stop center. The center takes all clients at all levels and does not target a specific group, but the preponderance of job seekers are in the mid-to-low income range. Not many high tech or professional job seekers come to the Pendleton Center.
- The center is focused on a "funnel method." Most customers only use self-service facilities, while assisted services are available upon request as needed. However, the center does provide customized assistance to clients.
- The OED staff provides Veterans' Services at the One-Stop center and makes referrals for veterans needing specialized assistance.
- The center assesses the needs and eligibility of persons with disabilities. Referrals to other agencies for specific rehabilitation, training, or assistance are made at the center.

One-Stop Center: Salem Job and Career Center

Location: Salem, Oregon (City Proper Population: 126,635)

- The One-Stop center is located in the Oregon Employment Department.

One-Stop Operator:

- Day-to-day operations of the Salem Job and Career Center are managed by the Mid-Willamette Workforce Network consortium, which is composed of six (6) partners listed below.

Center Partners:

- The center partners include: the Oregon Employment Department, Chemetka Community College, Vocational Rehabilitation, Green Thumb, Adult and Family Services (DHS), and The Workforce Integration Department of Chemetka.

Staff and Management:

- The coordinating manager has overall responsibility for all onsite service delivery onsite except for vocational rehabilitation services. The coordinating manger has six managers, representing all of the partners at the site, who manage the site collaboratively.
- There is a principle manager, an assistant manager, and five (5) supervisors who collaborate in the management of the actual center and supervise the daily activities of the staff.
- The Workforce Investment Act (WIA) supervisor, the Employment Service (ES) supervisor, and the special programs supervisor are subordinates of the assistant manager.
- The unemployment insurance (UI) Employment and Adjustment, Veterans, Dislocated Workers, Vocational Rehabilitation services are provided by partners to the center and are overseen by the principle manager.

Services:

Staff-Assisted Services:

- This center offers facilitated self-help services.

Self-Services:

- There are 22 public use computers in the reception area of the One-Stop center available for job search activities. Job seekers can use them on their own or request assistance from the Employment Department employees on duty.

Resource Room:

- The resource room is located immediately behind the reception area.
- In addition to the 22 public use computers located in the reception area (as indicated above), there are an additional 11 computers in the resource room with Internet access and extensive software (i.e., for resume preparation, accessing state or standardized application forms and other labor market information). The resource room also contains a fax and copy machine and telephones and an attached employer interview room.
- A staff member is on duty to assist customers in the resource room.

Service Availability:

- Registration Process: Registration is completed using the standard state 2001 form. Customers can either register in person or by mail. Registration forms are verified by Job Service representatives in the ES group. Both UI and non-UI individuals register with the same form. According to field interviews, the form is said to gather good information, but lacks detail about work histories and skills that could be important in making job referrals or assessing additional client needs beyond the core services provided at the center.
- New customers are urged to sign up for an orientation session, which is a one-hour overview of the center. The UI claimants must register to get employment services at the center. Other customers may use the public use computers and the resource room without registration, but must register to participate in workshops or any other services beyond core services.
- There is one (1) classroom on the first floor of the One-Stop center. The room has a capacity of 25 persons. There is another classroom located on the second floor that has a 40-person capacity.
- Workshops are provided free of charge to all job seekers.
- The following list is on the November 2001 calendar for workshops: How to Find a Decent Job; ADHD and Your Child; Applications that Get Noticed; Job Networking Group; Practicing for the Interview; Resume Basics; Job Interview Preparation; Career Mobility; Computer Basics; and Quality Child Care Resources. Some of these workshops are offered several times during the month.
- Counselors are available onsite to assist persons with disabilities. Customers are referred for rehabilitation treatment services in local area facilities.
- Veterans' Services are provided onsite at the center; a veterans' representative handles all information and referral needs of veterans. Veterans with disabilities are referred for rehabilitation services.

- Claimant reemployment activity is conducted on eight-week reviews. The Claimant Reemployment group conducts orientation at the center, and provides REO (ReEmployment Opportunity) workshops at the center.

Other Notable Features:

- The majority of job seekers in the Salem area are at a low- to lower middle-income level.
- The total budget for the Salem Job and Career Center is approximately $2.46 million.

Washington

One-Stop Center: North Seattle WorkSource Center
Location: North Seattle, Washington (City Population: 520,947)
One-Stop Operator: Employment Security Department.

- The office serves the North Seattle area, and is described as both an urban and suburban area.

Center Partners:

- Partner agencies include: the King County Dislocated Worker Program; Pacific Associations (P.A.C.E.); IAM Cares (International Association of Machinists and the Center for Administering Rehabilitation and Employment Services); YWCA; North Seattle Community College; Shoreline Community College; AARP; and the Department of Vocational Rehabilitation.

Management and Staff:

- The WorkSource administrator and deputy administrator are employees of the Employment Security Department. The WorkSource deputy administrator supervises all Employment Service employees.
- There is a WorkFirst supervisor and a local veterans employment supervisor at the center who supervise their own staff.
- Other partners' staff members are supervised by their own agencies.

Services:

Staff-Assisted Services:

- The front desk receptionists help individuals get started using the computers. There are also introductory classes on computer use and the Internet.
- Separate from the self-serve computer resource station (discussed below), there is a computer lab used to train persons in basic computer applications. These computers may also be used for job search activities.
- Employment Security Department staff provides specialized services in the areas of WorkFirst or TANF, unemployment insurance (UI) access, disabled veterans, NAFTA, and certain labor exchange functions.

Self-Services:

- A self-serve computer resource station is located near the reception area; computers in the resource station can be used by clients to search for jobs and to use resume-writing or career-development software.

Resource Room:

- A small area across from the receptionist desk has resources and brochures on various topics for public use.

Service Availability:

- Registration Process: The receptionist at the front desk assists customers to register in the computer system at the center. New customers are given tours of the public use areas, computers, and resource room.
- Registration is not mandatory, but is required in order to receive intensive services. For example, registration is required for persons to be included in job matching using the state's automatic computerized match process and in staff-initiated searches for candidates to fill job orders.
- Trained counselors evaluate customers to determine if specialized services are needed.
- A few classrooms are used for job seeker workshops, orientation classes, and other instruction. There is also a computer lab, which is used for computer training classes.
- Customers are served through a "funnel method" where most services are self-directed, while staff members are available for assistance upon request or as needed.
- Veterans' representatives are available onsite to assist veterans at the center.
- During the first few weeks of a UI claim, each claimant is required to attend an orientation session at the center. During this session, claimants are informed that they must make a minimum of three (3) employer contacts each week and keep documentation of these contacts. In addition, each week, staff members review reports of current claimants and schedule interview/appointment time to review the claimants' search logs.
- This One-Stop center offers over 60 classes each month.
- Services to the disabled population have increased with the addition of Vocational Rehabilitation and IAM Cares staff.

Other Notable Features:

- A number of job seekers in need of work are fishermen who are laid off seasonally. Many job seekers look for manual labor jobs, such as construction work. The decline of the "dot-com" industry also resulted in a large number of former employees looking for employment through services at the center.

One-Stop Center: Renton WorkSource Center

Location: Renton, Washington (City Population: 55,140)

- Renton is a suburb of Seattle.

One-Stop Operator: King County Government.

Center Partners:

- The center operates with many partners, including: Employment Security; IAM Cares (International Association of Machinists and the Center for Administrating Rehabilitation and Employment Services); Job Corps; King County Work Training; Pacific Associates (P.A.C.E.); Renton Technical Adult Learning Center; YW/MCA; the Division of Vocational Rehabilitation; and the Opportunities Industrialization Center (OIC).

Management and Staff:

- The WorkSource manager has functional leadership over all staff providing services through the WorkSource Center and direct supervisory authority over several of the staff. The partners provide their own supervision for their respective staff at the center.
- The offsite Employment Security Administrator has final authority over the 18 Employment Security staff located at WorkSource Renton.
- Employment Security Department staff provides specialized services in the areas of unemployment insurance (UI) access, veterans' services, and certain labor exchange functions.
- Certain partners offer their own staff members to provide core and specialized services.
- All staff members are cross-trained and are aware of the basic program requirements in order to make referrals to appropriate service providers.
- The four (4) members of the management team meet once per week. There are also meetings with partner managers outside of the center as needed on a monthly or quarterly basis. Meetings for all staff are held once a month.

Services:

Staff-Assisted Services:

- Four staff members, known as the triage team, manage the front desk in the entrance of the One-Stop center. They are responsible for greeting and registering new customers, assisting regular customers, and referring customers to appropriate staff for further assistance.

Self-Service:

- Two self-serve computer resource stations are located near the reception area. There are 42 computers at the One-Stop center that are open for public use. Lab assistants are available to assist customers.

Resource Room:

- The resource room is stocked with hardcopy job research information; it is adjacent to the main reception area.

Service Availability:

- Registration Process: When a new customer enters the One-Stop center, one of the receptionists at the front desk will ask the customer to register. New customers are given an overview of the public use area, including the computers and resource area. A returning customer who has already registered can enter his/her client number in a computer in the receptionist area to record the visit to the center.
- Registration is never mandatory, but customers are encouraged to register.
- A number of classrooms are used for job search workshops, orientation classes and other types of instruction. The Renton One-Stop Center offers several workshops each week.
- Workshops include job search classes, resume building, job interviewing, computer skill workshops (including Internet use) and other types of specific education or job training skills.
- The center is focused on a "funnel method" and customers primarily choose the services they want to receive from the center.
- The work test records any information that could affect unemployment insurance (UI) claims. The work test consists of referring claimants to jobs for which they are qualified, detecting and reporting any possible issues that could affect the claimant's eligibility for benefits, and monitoring an accepted referral.
- All claimants can utilize the core services at the center and are encouraged to participate in job seeker workshops.
- Letters are sent to UI recipients each week to inform them of their requirement to search for a job. Renton conducts two workshops a week for UI recipients, and approximately 100 people per week attend the workshops.

Other Notable Features:

- Most of the One-Stop center customers are dislocated workers. Many of these workers are former employees of Boeing who are not willing to relocate. A number of other former manufacturing and information technology employees utilize the Renton One-Stop Center services.

One-Stop Center: Walla Walla Work Source Center

Location: Walla Walla, Washington (County Population: 55,180)

- The One-Stop center in Walla Walla serves individuals from the surrounding county, for which Walla Walla is the county seat. Walla Walla is a small city in the southeastern portion of the state, close to Oregon.

One-Stop Operator:

- Employment Security Department.

Center Partners:

- Partners include: the Blue Mountain Action Council; Department of Social and Health Services; Walla Walla Community College; Experience Works; and the Department of Vocational Rehabilitation.

Management and Staff:

- The WorkSource Area Administrator has final authority over all staff providing services at the center.
- Other One-Stop partners provide supervision for their respective staff at the center.
- Employment Security staff assist in specialized programs including: unemployment insurance (UI); Veterans' Services; Migrant and Seasonal Farm Workers (MSFW); Claimant Placement Program; WorkFirst; Business Outreach; Agriculture Outreach; Job Search Review Program; Worker Retraining and Dislocated Workers.
- Senior staff members meet no less than once a month and more frequently as needed.

Services:

Staff-Assisted Services:

- All center staff members are available to assist customers, specifically with computer assistance.
- Every center staff person takes an active role in facilitating the use of self-service resources.
- The center's greeters may ask questions of the new customers to determine their eligibility and interest in certain services. If interested, customers can then be enrolled in classes, training and/or workshops. All center staff members are available to further assist the center's customers.
- For general job seekers, customer choice dictates the level of staff involvement because some clients prefer to remain autonomous. Other job seekers who are enrolled in an intensive service program (e.g., Worker Retraining Dislocated Worker Program, Work First, etc.) have individualized plans that address their life situation.

Self-Services:

- Twenty-six (26) self-serve computer stations are located in private carrels in the reception area. These computers can be used by the customers to search for jobs using resume writing, career development, and other software.

Resource Room:

- A large area just beyond the entrance is for public use.

Service Availability:

- Registration Process: Greeters at the front reception area register new job seekers in a computer system that includes software specially developed for the Walla Walla Center. Job seekers are asked to fill out basic questions about personal information and past employment experiences.
- Registration is optional, but encouraged by the center's staff.
- There are three (3) classrooms. One room is a computerized classroom with 11 computer terminals, a computer-linked white board, and PowerPoint projectors to facilitate workshops and training for customers. The second room is a private meeting room with a fax and computer linkage system. The third room is a large classroom that is utilized by both customers and staff members of the One-Stop center.
- Twenty-seven (27) staff members help conduct workshops or other classroom trainings. These staff members are representatives from various partner agencies to the One-Stop center.
- Customers are served through a "funnel method" where most services are self-directed, but staff members are available to assist upon request or as needed.
- Direct referrals and facilitated referrals are made to partner staff that can provide enhanced employment and retraining services to individuals with disabilities.
- All UI claimants must participate in a work test that records information that affects a UI claim. The work test consists of referring claimants to jobs for which they are qualified, detecting and reporting issues that affect the claimant's eligibility and monitoring the claimant's job search.

Other Notable Features:

- The largest employers in the area are orchards, beef processing plants and the Washington State Penitentiary.

One-Stop Center: Yakima Work Source Center

Location: Yakima Valley, Washington (County Population: 222,581)

- The center serves individuals from the surrounding county, which is mostly rural and quite large.

One-Stop Operator:

- The Employment Security Department.

Center Partners:

- Partners include: the Northwest Community Action Center; Job Corps; Department of Social and Health Services; IAM Cares (the International Association of Machinists and the Center for Administrative Rehabilitation and Employment Services); Yakima Valley Community College; Goodwill Industries; the Department of Vocational Rehabilitation; Provident Services; Migrant Council; Dislocated Worker; and the Yakima Opportunity Industrialization Center.

Management and Staff:

- The WorkSource Administrator has full authority over all center staff, including the WorkSource operations manager, the resource center coordinator and the ES supervisor.
- The center's partners take an integrated role in the center to provide core services and to offer their own specialized service to eligible customers.
- The center staff members hold weekly meetings with the WorkSource Administrator to discuss One-Stop related issues.

Services:

Staff-Assisted Service:

- All WorkSource staff members are required to spend a certain portion of their work time at the reception desk. They are responsible for greeting new customers and encouraging regular customers to register before using the resources of the center. A computer is set up in front of the reception desk for clients to register each time they use the center.
- The WorkSource coordinator reviews registration information and determines if a person is eligible or in need of certain training classes and other services.
- Center staff prescreen job candidates prior to providing employers with a list of candidates.

Self-Services:

- Several self-serve computer stations are located in private carrels in different areas of the center. These computers can be used by customers to search for jobs; job seekers also have access to resume writing and career development software.

Resource Room:

- A resource room is located just beyond the entrance to the One-Stop center; the receptionist area is part of this room.

Service Availability:

- Registration Process: Greeters at the front reception area ask new job seekers to fill out a registration form and the WorkSource coordinator then reviews the customer's form and registers the individual in the center's computer system.
- Registration is not required, but recommended by the center for tracking purposes.
- There are a few classrooms that are used for job search workshops, English as a second language (ESL) classes and other instruction.
- A fully equipped computer lab is available to employers to provide training for their staff.
- The center focuses on serving its customers through a "funnel method." Most services are self-initiated; however, staff members are available to assist customers upon request or as needed.
- All unemployment insurance (UI) claimants must participate in the UI work test. The work test consists of referring claimants to jobs for which they are qualified, detecting any reporting issues that affect the claimant's eligibility and monitoring the claimant's job search.
- All claimants who receive their first payment are screened for worker profiling. All UI claimants can utilize the core services at the center and are encouraged to participate in job seeker workshops.

Other Notable Features:

- Yakima Valley is known for being "the fruit bowl of the nation" because of the high number of agricultural jobs in the area, especially apple orchards. Seasonal jobs and the departure of several retail stores have left a number of service workers and others without jobs.
- The center's classes are generally full, and the center is limited in how many classes it can offer because there is a limited amount of classroom space.

Appendix C

America's Job Bank (AJB):
An Electronic PLX in a No-Stop Environment

AMERICA'S JOB BANK: AN ELECTRONIC PLX IN A NO-STOP ENVIRONMENT

Introduction

This section discusses several facets of America's Job Bank (AJB), a website that lists nationwide job orders obtained directly from employers and from individual state job services. AJB's presence in each of the six states covered in this report is one reason for its inclusion in this report. A second reason is that AJB mainly is used from remote sites and only provides staff-based assistance over the web or telephone. Thus, an assessment of its strengths and weaknesses sheds light on the value of in-person versus electronic staff-to-customer contact. Third, that AJB also provides a high-quality website to New York state provides insight into the benefits and costs of replacing individual state electronic PLX-systems with systems covering groups of states. Finally, AJB's generation of usage data from ordinary operations and a recently completed survey provides information about the types of data needed to monitor and improve operations of all electronic PLXs.

The information presented in this section is derived from discussions held in the summer of 2002 with the director of AJB's Albany operations center, and with key ETA officials who oversee AJB's operations, as well as numerous discussions with state and local officials conducted as part of the process evaluation. In addition, this section draws upon a Fall 2003 paper that discusses automated labor exchanges.

AJB Services

AJB, like its state counterparts, provides an electronic public labor exchange, allowing job-seekers to view job-listings provided by employers. AJB also allows employers to view resumes submitted by job-seekers. This, relatively new, feature is an important component of AJB, but not a key component of the state systems examined in this report. In addition, AJB's website is linked to other components of the federally funded *CareerOneStop web suite* that provide information to assist job-search by other means, to select appropriate career paths, to obtain general information about labor markets, and to find job search and career help from other organizations.

Workers and firms can directly access AJB over the Internet or reach AJB through links provided by most state electronic job matching systems. Thus, while AJB is most commonly accessed by users' own computers, many users access AJB while visiting One-Stop Career Centers or similar facilities. Importantly, users visiting public centers can obtain face-to-face staff assistance, but users at remote sites have to rely on AJB's customer service staff, who can be contacted through the Internet (or over the phone).

According to a recent paper by Woods and Frugoli (October 2003) there were over 1 million active job listings on AJB and over 600,000 resumes, and on October 22, there were over 33,000 new jobs posted and over 2,000 resumes added that typical day. [15]

[15] Woods, James, and Frugoli, Pam. (Fall 2003). "Labor Market Tools and Labor Exchange Services." Paper presented at November 2003 Association for Public Policy Analysis and Management (APPAM) Research Conference. Washington, DC.

Exceptionally large numbers of jobs are listed with AJB, in part, because AJB obtains uploads from state PLX job order files. Each state has discretion on which job orders are uploaded. Some states send all job listings, while others send orders they believe are best suited for being filled by out-of-state applicants. Some states only send job orders with unsuppressed contact information to make it easy for job-seekers to use the information, while others only send suppressed orders. Contact suppression makes it more difficult to use the information because the job-seekers have to contact local PLX offices to obtain contact information, but it allows those offices to receive credit for subsequent placements.

The largest source of openings, about 55 percent, is from employers directly entering job orders into AJB. To use AJB, employers must be registered and have their information verified through state-PLX AJB-coordinators. The verification process, which usually takes less than 72 hours, is an important feature because it protects job-seekers from being contacted by firms trying to sell placement, training, or assessment services that may not be needed or are available at no cost by other public or private workforce organizations. Once registered, employers can directly enter job orders into AJB or upload pre-prepared orders using a standard format. This upload capability allows several large nationwide employers to upload job orders daily.

The Woods-Frugoli paper also describes the characteristics of job-seekers, based on a survey of 264 users conducted in 2002.

- 65% were unemployed
- 28% were employed
- 10% did not specify their employment status

- 9% high school graduate
- 28% some college
- 29% college graduate
- 17% graduate degree
- 17% did not specify their education level

This survey suggests that job-seekers using AJB were much better educated than the average user of state PLXs and job-seekers in general. This is consistent with better educated job-seekers being much more likely to have easy access to the Internet and being less likely to be among the long-term unemployed or be members of other groups most likely to use One-Stop Centers. Indeed, about one-third of AJB users in the sample were employed.

In terms of performance, the Woods-Frugoli paper states that during the 3-month study:

- 10% of job seekers found jobs directly through AJB
- 28% found jobs by other means
- 62% did not find new jobs

In a related survey of 251 employers using AJB it was determined that over a 3-month period:

- 35% of employers listing jobs with AJB hired at least one person through AJB.
- 30% hired at least one person through responses by job-seekers to AJB job-postings
- 11% hired at least one person through searchers of AJB-posted resumes.
- 6% hired at least one person through both resume searches and job-seeker responses

The AJB job-seeker placement rate covering 3-months is considerably higher than the placement rate typically achieved by state PLXs over the entire period of use. On balance, we believe that the placement rate is higher because AJB lists job-openings in all areas of the US that are attractive to well-educated job-seekers. Thus, AJB, deals with what may be called an "upscale clientele" that possesses skills in higher demand and is more ready to relocate. In part this difference in job-seeker characteristics stems from AJB use being entirely voluntary, while many users of state PLXs are in difficult-to-place categories and are required to register.

History and Organizational Structure

AJB was an outgrowth of a system developed about 50 years ago to facilitate interstate clearance of unemployment insurance claims and a system developed more than 20 years ago to establish an interstate job bank. In both cases, the Employment and Training Administration contracted with the New York State Department of Labor to provide the required services. This led to establishment of a special group in Albany, New York, to handle this work. It is this group that continues to operate AJB, the interstate labor exchange, and facilitate clearing of interstate claims.

The interstate job bank, which is called for in the Wagner-Peyser Act, originally was sent hard copies of orders unfilled after long periods, but now all transfers are done electronically via the Internet, and most states provide the orders shortly after they are received. In addition, systems were developed to make it easy for job-seekers to view the listings and for employers to directly enter job orders.

AJB is entirely federally funded and had a PY2001 budget of $24 million. ETA administers the annual grant from an office in Washington, D.C., and is responsible for making key policy decisions. AJB's office in Albany is responsible for maintaining and developing the AJB website.

The Albany group's primary responsibility is to maintain the existing system, which involves ensuring that that the system's hardware, software, and security are fully operational and upgraded to meet new demands and take advantage of new technologies. Maintenance operations also include providing staff to work with the states and employers to obtain job-listings and provide customer service support for job-seekers. In addition, AJB spends about 20 percent of its budget on development of new features.

AJB has a central staff of about 50 people. The staff is divided into four divisions with the responsibilities listed below:

Operations Section
- Running system
- Doing basic maintenance
- Assessing need for new hardware/software capacity
- Dealing with data exchange with states

Customer-Service Section
- Reviews complaints
- Helps clients (job seekers, employers, states)

Quality Assurance Section
- Looks at operations/software—deals with bugs
- Set performance standards and monitors performance

Programming Group
- Does some internal programming
- Deals with network
- Deals with data exchange

The Customer-Service Section is the largest group and employs 25-30 people, but the Operations Section provides the key services needed to maintain AJB. This section's staff has extensive experience in managing system development projects and does most of the systems work. However, some work is contracted out to private firms, usually within 100 miles of Albany. Contractors provide additional expertise needed to implement changes such as developing code and assessing hardware needs. Although AJB's contract is with the State of New York, AJB has substantial independence, has its own hardware/software, and is responsible for personnel decisions.

AJB's Strengths

There was widespread agreement that AJB provides an outstanding platform for job-seekers to view openings and employers to view resumes. There was similar praise for AJB's ability to continually upgrade operations to take advantage of the best available technology and provide high-quality services at low cost. Key measures of quality include minimizing down-time while being able to handle an exceptionally large number of simultaneous users and provide personal customer support while minimizing complaints about the systems performance and quality of information.

The ability of all firms to take advantage of AJB's service at no cost, the lack of ads directed at getting firms to purchase additional services, and the privacy afforded firms listing jobs also were noted as standout features of AJB. These features encourage the widest possible usage by employers, and thereby, maximize the numbers and diversity of listings available to job-seekers. The resume review feature also was highly regarded as it facilitated finding well-qualified candidates directly by firms as well as by recruiters hired by firms to fill key positions.

Finally, AJB produced New York State's automated PLX for internal use within New York at very low cost, and several other states use AJB as their own internal automated search platform. Given the advances in computer technology, it is widely believed that enormous improvements in quality and reductions in cost could be achieved by states pooling their resources to contract with AJB (or for-profit firms) to avoid today's duplication of services. A first step toward realizing these efficiencies (and improving AJB's services) would be to increase the standardization across states of the information collected from firms placing job orders and the way that information is coded.

AJB's Weaknesses

From a technical point of view, observers suggest that AJB's matching system could be improved by development of a user-friendly means to identify jobs by their titles. Part of this system would require standardization of coding job orders among the states and AJB, and part would require development of an on-line job-title dictionary for use by job-seekers. Another technical improvement would be to develop a means to upload resumes already prepared by job-seekers as well as those currently in state automated PLX systems.

More generally, many observers feel that despite the technical quality of AJB, it does not do enough outreach to fully meet its potential. While there was some reluctance to more vigorously compete with for-profit companies providing similar services, much of the reluctance seemed to stem from a lack of recognition of the value of obtaining more job-listings and resumes, which in turn, would induce greater usage by job-seekers and employers.

Several observers suggested that the US-DOL could minimize competitiveness issues by providing more information about the array of public and private job-matching services available, the benefits of using those services, and how those services could be accessed. In particular, it was felt that too little attention was being given to informing several key user groups such as college placement directors, recent college graduates, and human resource directors. Evidence supporting this view comes from Canada's exceptional success in getting very large numbers of its college graduates to submit resumes to its electronic PLX.

A related weakness was that state PLXs lacked incentives to support AJB. A big part of the problem was that state PLXs wanted credit for AJB placements. Additional sources of friction were the ability of firms to bypass state PLXs and directly enter job orders and AJB's arrangements with several large nationwide companies to routinely submit job orders to AJB.

One way to reduce rivalry might be for AJB to ask firms if it could pass the job orders obtained directly from employers back to state PLXs. However, providing credit to state PLXs for placements to "their" listings is a much thornier problem, as well as a more general problem since most states do not have a mechanism to obtain credit for placements to jobs with unsuppressed contact information.

There are two possible routes to resolve the "placement-credit" issue. The most technically effective tracking mechanism is to adopt Oregon's system of asking job-seekers to voluntarily identify themselves so the jobs to which they refer themselves can be identified, and later the placements can be identified by using wage-record matching to determine if the person is later employed with the firm. An alternative is to conduct surveys of employers and job-seekers listing resumes, this was done on a one-time basis for the study cited in the Woods-Frugoli paper. The technical weaknesses of the survey approach is that surveys are expensive and depend on job-seekers' submitting resumes through AJB or otherwise identifying that firm contacts stemmed from AJB use.

Finally, another dimension of the rivalry between state PLXs and AJB stems from the technical excellence of the AJB system and the general recognition that having "parallel systems" is wasteful. Logically, dealing with this problem would require a careful weighing of the advantages and disadvantages of eliminating parallel systems which clearly duplicate hardware, software, and management systems. Perhaps many states could be persuaded to cede some measure of independence for

the benefits of having a higher quality system and being able to free scarce resources for other uses, such as hiring more staff to work with clients at local offices.

Examples of State PLX's Involvement with AJB

Some states actively contribute to AJB's job listings and heavily depend on AJB's automated services. Other states have shown less interest in AJB as a possible job resource. Overall, virtually all One-Stop Centers at least provide access to AJB through their computers. Several states, including Washington, rely on AJB as one of their primary job search tools and usually directly link AJB to the state's automated job listing systems. In Massachusetts, for example, all jobs posted in MOSES are automatically entered into the AJB system.

Other states, such as Colorado, have a more mixed system. The Aurora, Colorado One-Stop, is not tied to Job-Link, the state's system, although AJB is on the computers in the center. In contrast, the Longmont, Colorado One-Stop is linked to AJB through the statewide Job-Link system. In North Carolina, the Durham One-Stop does not participate fully in AJB while at the Oxford One-Stop, AJB is interfaced with the state's job bank. In Oregon, where the state job bank is not completely tied to AJB, some job listings are posted on both the state job bank and AJB, and other jobs listings are not. At the Beaverton and Pendleton One-Stops, AJB is available on the job-search computers, whereas at the Salem One-Stop, AJB is tied into the computer system.

According to the July 2002 interviews with ETA officials, only three states do not share job orders with AJB—Michigan, North Carolina, and Ohio. Michigan has "political reasons" for not participating. Ohio has a coding process in its state system that is not compatible with AJB, and North Carolina is in the process of developing a system for uploading its data to AJB. The rest of the states send data to AJB electronically either through a mainframe connection or through FTP files over the Internet.

One-Stop Center officials we interviewed held widely differing opinions of AJB and its usefulness. Some officials saw AJB as competition, so they tended to not encourage its use and therefore do not do any formal advertising. A number of One-Stop representatives did not feel that AJB was as useful as other resources. The Longmont, Colorado, representative felt that AJB was the least useful of the three job listing tools available at the One-Stop. Similarly, the Woburn, Massachusetts, director was not enthusiastic about the value of AJB and other Internet databases. He felt that AJB was essentially the same as the classified section in the newspaper and was too impersonal thereby preventing the development of personal contacts and networks. A few other One-Stop representatives found problems with AJB such as employment listings staying on longer than anticipated.

On the other hand, several One-Stop representatives found AJB to be a beneficial resource. These officials, especially those in states requiring highly skilled workers or having labor markets spilling across state boarders, appreciated AJB and encouraged job seekers at their One-Stop Centers to explore AJB. Many viewed AJB as a useful supplement to the other resources. In Washington, the representatives noted a few advantages of AJB, including its usefulness to both in- and out-of-state clients and its ability for employers to post unsuppressed job orders directly through the Internet without relying on the One-Stop. Also, a number of representatives, particularly those in Michigan, noted the heavy use of AJB, even though there was no direct contribution of job orders by Michigan's PLXs.

State	*State's Participation in AJB (from state/local discussions)*
Colorado	One local site said that Job-Link, the state's management information system, and AJB are presently separate, while another local site said that the two systems were well-linked.
Massachusetts	MOSES, the state's job bank, is completely integrated with AJB. AJB is viewed as a useful supplement to MOSES.
Michigan	Michigan does not fully participate in AJB. However, job seekers in MI have access to AJB for job searches. AJB is part of the primary job-search and placement mechanism used in the state, Michigan Talent Bank (MTB).
North Carolina	North Carolina does not fully participate in AJB. A link to AJB is located on the state job listings, and the state job bank link is located on the AJB site.
Oregon	AJB is seen as a supplement to the state's job resources. An AJB link is located on the Oregon Employment Department job listing webpage.
Washington	Most job orders listed locally through the One-Stop Centers are also listed on the WorkSource Washington state job bank. The job listings in the state database are linked to AJB and become a part of the AJB database.

Summary

America's Job Bank (AJB) provides a high-quality nationwide system for job-seekers to view job listings submitted by employers and for employers to review resumes submitted by job-seekers. Currently, there are over 1 million active job listings on AJB and over 600,000 resumes. On a typical day over 33,000 new jobs are posted, and over 2,000 new resumes added. Fifty-five percent of AJB's job orders are directly submitted by employers, and the remainder are obtained from PLXs in all but three states. In addition, because AJB does not charge for its services, it is able to attract use by an unusually wide variety of employers.

Not only does AJB have an exceptionally large number of job orders and resumes covering the nation as a whole, its system is exceptional in ease of use, lack of downtime, and ability to allow simultaneous use by huge numbers of clients. Moreover, it provides high-quality mechanisms for customers to obtain help over the Internet or phone and puts considerable effort into obtaining user feedback and correcting problems. It also provides Internet linkages to a variety of other information services supplied by ETA's *CareerOneStop web suite*. Finally, it provides the in-state automated PLX for New York and other states and maintains a system for the interstate clearance of unemployment insurance claims.

Limited information about AJB's clientele suggests that AJB attracts an unusually well-educated group of job-seekers who often are willing to relocate to obtain desirable positions. Limited performance data suggest that AJB can rapidly lead to the hiring of well-qualified candidates. According to a recent

survey of 251 employers using AJB, one-third hired at least one candidate identified through AJB over a 3-month period, mostly by job-seekers submitting resumes.

AJB's strengths stem, in part, from its filling the need for a nationwide job bank accessible to job seekers with considerable skill and employers with nationwide needs for highly trained workers. Also of substantial importance is ETA's high-quality oversight and direction of the annual contract (worth about $25 million) and the high level of expertise of the branch of the New York State Department of Labor in Albany that operates AJB. The Albany group's quality stems from having a great deal of independence and having the luxury of focusing on providing a narrow range of automated services for over 50 years. As a result, AJB has been able to continually upgrade the technology it uses and improve the way technological and human components are integrated.

Not surprisingly, AJB's successes have engendered a degree of rivalry with state-run and private PLXs. Because AJB provides free services that encourage use by small employers and employers hiring low-wage workers, profit-making service providers would have to be subsidized in some way to serve these groups. Given the low cost and high volume of AJB, it's doubtful that, in this case, private firms could provide the services more efficiently. Thus, it seems a better way to reduce rivalry would be for ETA to devote resources to advertising the benefits of using both public and private automated PLXs.

One way to reduce tensions between state PLXs and AJB would be to transfer job orders from AJB to the states. Another tension-reducing step would be to figure out a way to give states credit for placements to their listings obtained through AJB. However, this would require use of expensive surveys or asking job-seekers to voluntarily identify themselves so self-referrals can be tracked. In our view, tracking such referrals through AJB and by state PLXs would greatly improve public perceptions of the value of PLXs in general and also provide insight into how services could be improved. Thus, solving this problem would be of great value.

However the key issue associated with AJB's existence stems from a general recognition that there is a lot of unnecessary duplication among hardware, software, and management systems maintained among AJB and the state public labor exchanges. Steps to reduce that duplication are especially warranted because of the technical excellence of AJB's system and that of a limited number of states. It would appear that ETA would be well-served by undertaking the difficult task of getting the states to recognize that by giving up some independence they would greatly improve the automated PLX services available to job-seekers and firms as well as free resources for other uses such as providing more staff to serve customers at local offices.

Appendix D

State and Local Interview Questions

STATE-LEVEL INTERVIEW QUESTIONS

I. Organization

1. What is the state's structure for managing employment and training programs?

2. What have been the changes in the management structure of these programs over time?

3. How are One-Stops in your state organized?

4. What are the roles of State employment security agency, Governor's Boards, and Local Boards?

5. Which agencies have primary and secondary responsibility for One-Stops?

6. (a) How are performance measures set?

   (b) What is the source of funds to reward high-performing offices?

   (c) How are high performing offices rewarded?

7. What is the general history and plans for One-Stops in your state?

   (a) How long has the current structure been in place?

   (b) How has the structure of One-Stops changed over time?

   (c) What are the plans for future changes?

   (d) How may additional One-Stops are planned?

8 Does your State's One-Stop provide web-based services? If so, what is the role of the service in everyday operations of employment and training programs?

II. Budget/Operation

1. Briefly describe the way budgets for labor-exchanges and One-Stops are developed.

2. How much is currently spent on labor-exchanges and One-Stops? And how are the budgets broken down?

3. Does the State supplement Wagner-Peyser Act funding? If so, from what fund source and how much?

LOCAL SITE INTERVIEW QUESTIONS

Note: Local sites can be either One-Stop or other labor-exchange (LX) service agencies. Interviewers should select an appropriate name for each site.

I. Organization/Structure

1. What agencies are responsible for the day-to-day operations of the labor-exchanges or One-Stop?

2. Is there a single director with financial authority over all staff? Or do other entities share supervision over staff?

3. How did these agencies become responsible for the day-to-day operations of the labor exchange services or one-stop?

4. What agencies are responsible for overseeing the operations of the One-Stop/LX? And how is supervision/administration provided by these agencies?

5. How has the day-to-day and overall governance structure of the One-Stop/LX changed over time? And what are the plans for future changes?

II. Operations

1. Describe the physical setting of the LX or One-Stop.

2. Describe the building in which the LX or One-Stop is located in your area.

3. Describe the layout of the office.

   (a) Entrance:

   (b) Reception area:

   (c) Public-use computers:

   (d) Public resource room:

   (e) Staff office space:

   (f) Classrooms:

4. Describe the types of services provided by each office personnel and other elements.

   (a) Receptionist:

   (b) Public-use computers:

   (c) Public resources room:

   (d) ES staff:

   (e) Other staff:

   (f) Workshops:

5. Discuss the extent to which any of the areas or services is restricted to individuals meeting certain criteria, under what conditions and if any fees are charged for the services.

6. Provide the details of registration procedures.

   (a) How job seekers register.

   (b) Under what circumstances is registration mandatory?

   (c) What incentives do clients have for registering?

7. Provide the details of self-service job matching.

   (a) What computerized systems are available?

   (b) What parameters can be used to search using the State (or local) system?

   (c) What proportion of job listings has unsuppressed contact information?

8. Describe the procedures used to refer individuals to training and other supportive services.

9. Describe procedures for getting job-listings.

10. Describe how job-listings are handled.

11. If matches are made without job seekers being present, how are job seekers contacted?

12. Describe how the UI work-test is conducted at the LX or at One-Stop.

13. Describe how UI profiling is conducted at the LX or at One-Stop.

14. Discuss the circumstances for which different client groups work with staff to create individualized plans and case-management techniques are used to monitor service delivery.

III. Integration/Service Integration

1. For each of the following agencies describe the extent to which they provide services at this LX or One-Stop and the extent to which services are provided elsewhere in the local area.

   (a) ES:

   (b) JTPA/WIA:

   (c) Welfare agency:

   (d) Vocational Education:

   (e) Persons with disabilities:

   (f) Veterans:

   (g) Community college:

IV. Basic Philosophy of LX or One-Stop

1. Is there a specific population group on which LX or One-Stop services are focused? If so, why was this choice made?

   _____ All job seekers
   _____ Welfare and food stamp recipient
   _____ UI claimants
   _____ Dislocated workers
   _____ Other (Specify) _____

2. How are customers served?

   _____ **Funnel method:** Self-service job search using automated equipment, voluntary requests for help from staff, voluntary participation in workshops, and training as a last resort.

   _____ **Customized assistance:** Job-seekers fill out application form listing career goals and services sought, and meet with staff to develop program of treatment.

   _____ **Mandatory customized assistance:** Job seekers must follow procedures in order to maintain eligibility for UI, welfare, food stamps, and etc.

3. Do clients:

   _____ Choose primarily on their own the services they want to receive from the center?

   _____ Follow set patterns of service participation?

4. How would the LX of One-Stop describe its market niche in terms of the types of job seekers, employers, and services provided?

5. Describe the services received by a typical UI claimant. How are claimants selected to receive the services? Are special services given to claimants such as periodic eligibility reviews and checks to pass the work-test?

6. What services are provided to typical TANF/AFDC clients and Food Stamp recipients? How are the services provided selected? Do economically disadvantaged job seekers who are not welfare or Food Stamp recipient treated differently?

7. Discuss the provision of services to other special groups such as veterans and persons with disabilities.

   (a) Veterans:

   (b) Persons with disabilities:

8. Describe how individuals interested in classroom training are served. Do the treatments differ depending on eligibility for programs targeted on dislocated workers or economically disadvantaged individuals?

V. Funding for the Labor Exchange or One-Stop

1. What are the primary sources of funding for the labor exchange or One-Stop?

2. To what extent are funds from different federal, state, and local programs co-mingled?

3. To what extent does the LX of One-Stop apply for and receive special grants?

4. What is the overall level of funding for the LX or One-Stop? How has total funding and funding sources changed over the past several years? How is funding likely to change in the future?

VI. Management

1. Describe the duties of the person who has overall management responsibility for the LX or One-Stop. What is this person's background, and which agency pays the person's salary? Does the primary manager have assistants or share responsibilities with others? What is the background and source of funds for other senior managers?

2. How often does the senior staff meet to discuss management issues? To what extent does the senior staff meet with boards and other supervisors from the State or other agencies? Describe the frequency, location, and subject matters of meetings with other senior managers of other LXs or One-Stops and State officials.

3. Describe the standard reports that the senior managers prepare on a daily, weekly, quarterly, and yearly basis. What information is included in these reports? How is this information obtained? What role does the management information system play?

4. How has the senior managers' duties changed over the past few years? How are they likely to change in the future? Has movement to One-Stops affected the scope and difficulty of managing the agency?

VII. Performance Measures

1. What data about service provision is routinely collected? How is it collected? What is it used for?

2. Does the agency receive rewards or is sanctioned based on performance? Do staff members receive rewards of sanctions based on performance?

3. Do senior managers feel the measures are useful and timely? What measure would they like to have that are not currently available and what measures that are currently collected should be eliminated?

4. Review with a front-line staff person the procedures used to track provision of services. Obtain a view of what measures are entered into the management information system that is maintained at the State level, and what measures that are in the State system are not routinely entered. What are the differences between measures that are maintained at the LX or One-Stop and those in the State system?

5. Discuss the adequacy (i.e., how well the counts reflect the center's activities) of counts for each of the following activities.

   (a) Referrals

   (b) Placements

   (c) Participation in workshops

(d) Use of resource rooms

(e) Counseling by staff

(f) Referrals to other agencies

(g) Participation in training

(h) Other

VIII. Additional Questions Not Previously Covered Above

1. What is the nature of the State's participation with America's Job Bank (AJB)?

2. Describe the file search or job match process.

3. Describe the services to employers.

Appendix E

Lists of Persons Interviewed

LIST OF PERSONS INTERVIEWED FOR PROCESS EVALUATION, INCLUDING ON-SITE INTERVIEW IN ALBANY FOR STUDY OF AMERICA'S JOB BANK

State	Site	Name	Title	Original interview date	Updated interview date
Colorado	State level interview	Judi Richendifer	Colorado Department of Labor and Employment	February 1999	
		Nina Holland			October 2001
	Aurora	Pat Buys	Center Director	February 1999	
		Rick Duval	Wagner-Peyser Act Supervisor		October 2001
	Longmont	Toya Speckman	Center Director	February 1999	
		Matt Dolan	Supervisor of Employment Services		October 2001
Massachusetts	State level interview	Bob Vinson/ June Sekera		December 1998	
	State level interview	Eileen Zewski	Assistant Director		Fall 2001
	Boston (JobNet)	Rosemary Alexander	Executive Director	December 1998	
	Boston (JobNet)	Rosemary Alexander	Executive Director		September 2001
	Boston (The Work Place)	Thomas H. Ford	Executive Director		September 2001
	Holyoke	Eileen Zewski	Executive Director	December 1998	
	Holyoke	David Gadaire	Executive Director		September 2001
	Springfield	Rita Carey	Executive Director	December 1998	
	Springfield	Rexene Picard	Executive Director		September 2001

LIST OF PERSONS INTERVIEWED FOR PROCESS EVALUATION, INCLUDING ON-SITE INTERVIEW IN ALBANY FOR STUDY OF AMERICA'S JOB BANK (continued)

State	Site	Name	Title	Original interview date	Updated interview date
Massachusetts (continued)	Woburn	George Moriarty	Executive Director	December 1998	
	Woburn	George Moriarty	Executive Director		September 2001
	Worcester	John Zimatrevich	Executive Director	December 1998	
	Worcester	Donald Anderson	Executive Director		September 2001
Michigan	State level interview	Larry Behnkendorf	Program Development Consultant for the Michigan Department of Career Development	December 2001	
	Battle Creek	Elaine Furu-Baker	Director	December 2001	
	Detroit	Carla Phelps	Supervisor	July 2001	December 2001
	Marlette Thumb	Dr. Marvin Pichla	Director	December 2001	
	Walled Lake	Bernadine Bennett	Coordinator		
North Carolina	State level interview	Michael Aheron	NC Commission for WorkForce Development	November 1999	
		Wayne Daves	Governor's Commission on WorkForce Preparedness		May 2001
	Durham	Kathy Keefe	Manager	January 1999	May 2001
	Oxford	Allen Caraway	Manager, Employment Security Commission	January 1999	May 2001
	Raleigh	Polly Hathaway	Center Coordinator	January 1999	
		Liane Simpson	Center Coordinator		May 2001
Oregon	State level interview	Marc Perrett	Workforce Performance Coordinator for the Oregon Employment Department	November 2001	

LIST OF PERSONS INTERVIEWED FOR PROCESS EVALUATION, INCLUDING ON-SITE INTERVIEW IN ALBANY FOR STUDY OF AMERICA'S JOB BANK (continued)

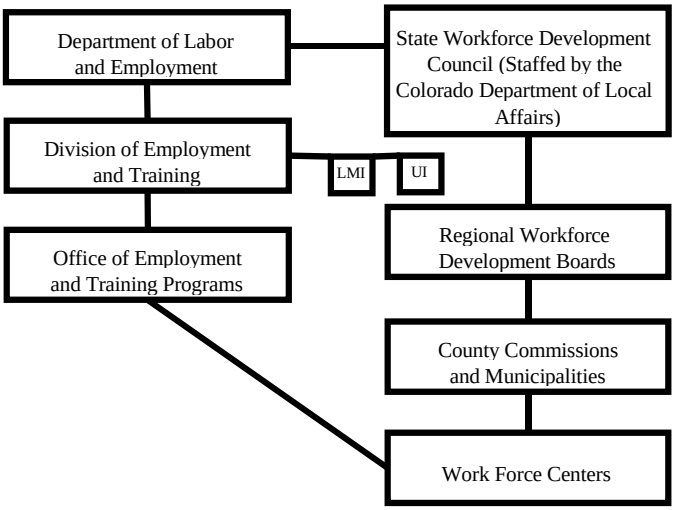
State	Site	Name	Title	Original interview date	Updated interview date
Oregon (continued)	Beaverton	Julie Wyckoff-Byers	Director of the Beaverton, Oregon Portland Community College Capital Career Center	November 2001	
	Pendleton	Chuck Wood	Coordinator	November 2001	
		OED Employee		November 2001	
		Debbie Schneck	Representing the Region 12 WIB	November 2001	
	Salem	Danell Butler	Assistant Manager	November 2001	
Washington State	State level interview	Jeff Jasich		March 2002	
		Deanna Cook			July 2002
	North Seattle	Marilyn Dahl	Administrator	March 2002	
		Mary Ann Alderson	Deputy Administrator	March 2002	
		Anna Moffitt	Systems Manager	March 2002	
	Renton	Nancy Loverin	Manager	March 2002	
		2 ES Supervisors		March 2002	
	Walla Walla	Jennie Weber	Administrator	March 2002	
	Yakima	Bill Hopkins	Operations Manager	March 2002	
		Michael Villegas	ES Supervisor	March 2002	
		Amy Martinez	Coordinator	March 2002	
		Tom Kennedy	Administrator	May 2002	
AJB Interview		John Novak	Director, Albany Operations Center	Summer 2002	

Appendix F

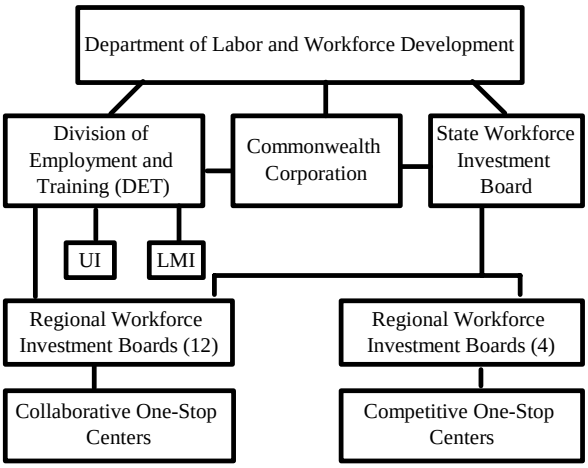
State-Level Organizational Structure

STATE-LEVEL ORGANIZATIONAL STRUCTURE

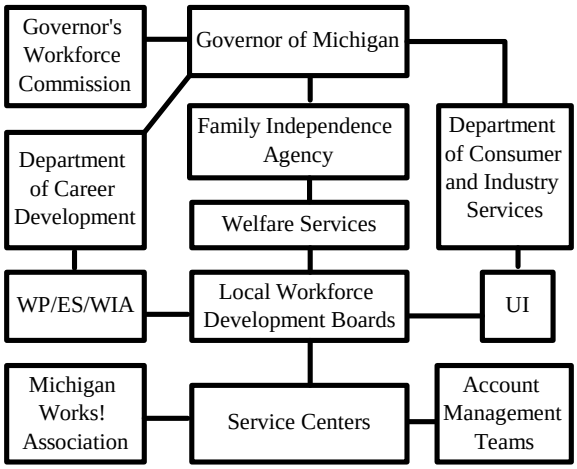
COLORADO



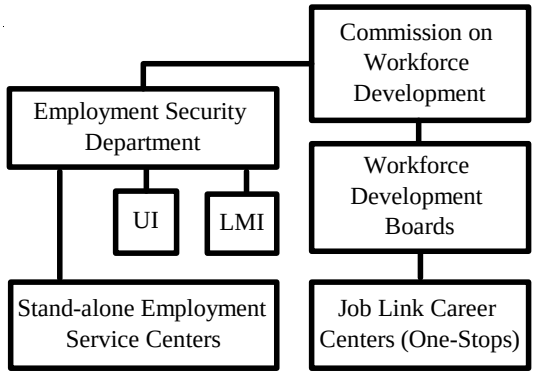
MASSACHUSETTS



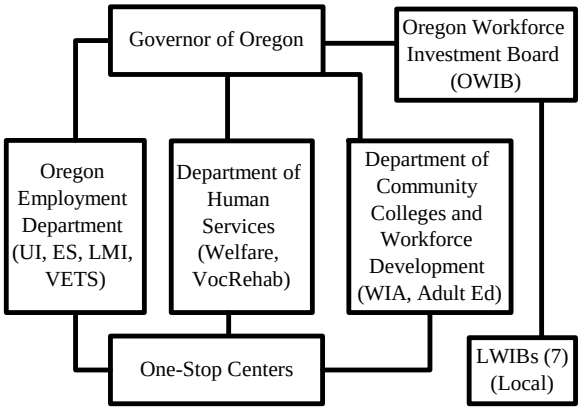
MICHIGAN



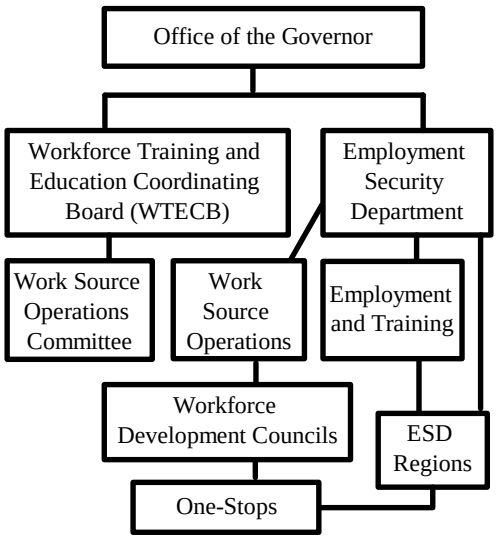
NORTH CAROLINA



OREGON



WASHINGTON



Appendix G

Lead Agencies, Required and Other Partners Present in One Stops Visited

LEAD AGENCIES, REQUIRED AND OTHER PARTNERS PRESENT IN ONE STOPS VISITED

One-Stop Center	Lead operator(s)	Primary partners*	Other state partners*	Other local/community partners
COLORADO				
Aurora	County Commission	■ Wagner-Peyser Act/ES ■ WIA ■ Welfare	■ VocRehab ■ Mental Health	■ United Cerebral Palsy ■ Community Housing Service ■ Community Colleges
Longmont	County Commission	■ Wagner-Peyser/ES ■ WIA ■ Welfare	■ VocRehab ■ Mental Health	■ Sun Microsystems ■ Senior Employment Center ■ Boulder County Social Service ■ Community College
MASSACHUSETTS				
Boston (JobNet)	Division of Employment and Training (DET)	■ Action Boston Community Development (ABCD) ■ Wagner-Peyser Act/ES ■ WIA ■ Welfare	■ VocRehab ■ Mental Health	
Boston (The Work Place)	Collaboration (Jewish Vocational Services and the City of Boston's Office of Jobs and Community Services)	■ Wagner-Peyser Act/ES ■ WIA ■ Welfare	■ VocRehab ■ DET ■ MA Commission for the Blind ■ Adult Education Division of Department of Education	■ Suffolk County House of Corrections ■ The Empowerment Zone
Holyoke	Collaboration (lead – Holyoke Chamber of Commerce)	■ Welfare (Nextstep) ■ Holyoke Community College ■ University of Massachusetts ■ Wagner Peyser/ES ■ WIA	■ Mental Health ■ Department of Education (Voc-Ed) ■ Massachusetts Rehabilitation Commission ■ Dept. of Transitional Assistance (DTA)	■ Commission for the Blind

* There is no real difference between "primary" and "other" partners; separate columns were used for visual purposes and to distinguish typical partners, in terms of what was observed in most One-Stops in this study and the more unique state partners.

One-Stop Center	Lead operator(s)	Primary partners*	Other state partners*	Other local/community partners
Springfield	Employment and Training Institute, Inc. (a private for-profit company)	■ Wagner-Peyser Act/ES ■ WIA ■ Welfare	■ VocRehab (MA Rehabilitation Commission) ■ DET ■ Mental Health ■ Community Colleges ■ Springfield Technical College (Voc-Ed) ■ MA Commission for the Blind ■ DTA	■ Urban League ■ Hampden County Employment and Training Consortium ■ Hampden County Workers Association Center ■ Commonwealth Corporation
Woburn	Middlesex Community College	■ Wagner-Peyser Act/ES ■ WIA ■ Welfare	■ Department of Education (Voc-Ed) ■ MA Rehabilitation Commission ■ DTA	■ Community College ■ Public secondary schools
Worcester	City of Worcester Employment Services	■ WIA ■ Welfare ■ Wagner-Peyser Act/ES	■ State rapid response agency ■ VocRehab ■ Department of Education (Voc-Ed)	■ Services to the Blind ■ Green Thumb ■ Job Corps ■ Veterans Affairs ■ Public secondary schools ■ Quinnsigamond Community College
MICHIGAN				
Battle Creek	Consortium (administrated by Calhoun Independent School District)	Consortium members – ■ Kellogg Community College Council for Employment Needs and Training ■ MI Human Resources Development, Inc. ■ State UI Agency Others – ■ WIA ■ Wagner-Peyser Act/ES	■ MI Rehab Services	
Detroit	Michigan Department of Career Education	■ City of Detroit Employment and Training Department ■ WIA	■ MI Rehab Services	

* There is no real difference between "primary" and "other" partners; separate columns were used for visual purposes and to distinguish typical partners, in terms of what was observed in most One-Stops in this study and the more unique state partners.

One-Stop Center	Lead operator(s)	Primary partners*	Other state partners*	Other local/community partners
Marlette Thumb	Consortium	Consortium includes – ■ Sanilac, Tuscola County and Huron County Intermediate School Districts ■ Human Development Commission ■ Blue Water Center for Independent Living Others – ■ Wagner/Peyser Act/ES ■ WIA ■ Welfare		
Walled Lake	Local school system	■ Wagner-Peyser Act/ES ■ WIA ■ Welfare	■ VocRehab ■ Mental Health ■ Michigan Rehabilitation Services	
NORTH CAROLINA				
Durham	State ESC	Core partners – ■ Job Ready ■ JTPA ■ Division of Voc Rehab ■ Durham Technical Community College ■ Workfirst ■ Durham County Department of Social Services		■ Durham Workforce Partnership, Inc. ■ Greater Durham Chamber of Commerce ■ City of Durham Office of Economic and Employment Development ■ Services to the Blind
Oxford	State ESC	■ Job Ready ■ JTPA ■ Division of VocRehab ■ Wake Technical Community College ■ Workfirst ■ Vance County JobLink Career Center		■ Job Corps ■ Educational Opportunity ■ Granville Community College ■ Granville County Department of Social Services

* There is no real difference between "primary" and "other" partners; separate columns were used for visual purposes and to distinguish typical partners, in terms of what was observed in most One-Stops in this study and the more unique state partners.

One-Stop Center	Lead operator(s)	Primary partners*	Other state partners*	Other local/community partners
Raleigh	State Department of Health and Human Services	NC required 6 partners– ■ ESC ■ JTPA ■ Job Ready (School-to-Work ■ Division of Voc Rehab ■ Wake Technical Community College ■ Workfirst (Welfare-to-Work)	■ Mental Health	■ Services to the Blind ■ Wake County Supportive Employment
OREGON				
Beaverton	Consortium operated by the Portland Community College	3 main partners – ■ WIB ■ Adult and Family Services Division of the Department of Human Services (DHS) ■ Portland Community College (provides the WIA services) Others – ■ Wagner-Peyser Act//ES (Oregon Employment Dept.) ■ Welfare	■ Vocational Rehabilitation	■ Employment Advocates for Seniors ■ Veterans Services ■ Job Corps
Pendleton	Consortium (Work-Links)	5 mandated partners in consortium – ■ OED ■ DHS Adult and Family Services and Voc Rehab Divisions ■ Blue Mountain Community College ■ Community Action Program of East Central Oregon (CAPECO) ■ Umatilla Morrow Education Service District (UMESD) Others – ■ WIA		■ Confederated Tribes of the Umatilla Indian Reservation ■ Organization of Forgotten Americans ■ Services to the Blind

* There is no real difference between "primary" and "other" partners; separate columns were used for visual purposes and to distinguish typical partners, in terms of what was observed in most One-Stops in this study and the more unique state partners.

One-Stop Center	Lead operator(s)	Primary partners*	Other state partners*	Other local/community partners
Salem	Consortium (Mid-Willamette Workforce Network)	Consortium composed of – ■ OED Chemetka Community College ■ Voc Rehab ■ Green Thumb ■ Adult and Family Services (DHS) ■ Workforce Integration Department of Chemetka Others – ■ WIA ■ Welfare		
WASHINGTON				
North Seattle	Employment Security Commission (ESC)	■ WIA ■ Welfare	■ VocRehab	■ King County Dislocated Worker Program ■ Pacific Associates (P.A.C.E.) ■ IAM Cares ■ YMCA ■ AARP ■ N. Seattle and Shoreline Community Colleges
Renton	ESC	■ WIA	■ VocRehab	■ IAM Cares ■ Job Corps ■ King County Work Training ■ Pacific Associates ■ YWCA ■ Opportunities Industrialization Center ■ King County Dislocated Worker ■ Renton Technical College Adult Learning Center

* There is no real difference between "primary" and "other" partners; separate columns were used for visual purposes and to distinguish typical partners, in terms of what was observed in most One-Stops in this study and the more unique state partners.

One-Stop Center	Lead operator(s)	Primary partners*	Other state partners*	Other local/community partners
WallaWalla	ESC	■ WIA ■ Welfare	■ VocRehab	■ Blue Mountain Action Council ■ Department of Social and Health Services ■ Experience Works ■ Wallwalla Community College
Yakima	ESC	■ WIA ■ Welfare	■ Division of Vocational Rehabilitation	■ Northwest Community Action Center ■ Job Corps ■ IAM Cares ■ Goodwill Industries ■ Provident Services ■ Migrant Council ■ Yakima Opportunity Industrialization Center ■ Yakima County Community College

* There is no real difference between "primary" and "other" partners; separate columns were used for visual purposes and to distinguish typical partners, in terms of what was observed in most One-Stops in this study and the more unique state partners.

Appendix H

Characteristics of Job Orders in North Carolina

CHARACTERISTICS OF JOB ORDERS IN NORTH CAROLINA

1. Introduction

This section examines the characteristics of job orders listed with North Carolina public labor exchange (PLX) offices in 1999. The characteristics include the number of openings per order, the pay level, months of experience, and years of education required to fill a given opening. The section also examines how many matches are made and how quickly matches are made to orders with differing characteristics.

The picture that emerges is that there is considerable variation in key job order characteristics, such as the number of openings and pay levels, as well as in the ratio of placements per referral. These differences suggest that PLX offices can more easily fill certain types of jobs than other. Therefore, it would be useful to determine the value of making matches to openings with different characteristics. Careful control for differences in the characteristics of openings might produce more accurate estimates of the value of job-matching services.

2. Characteristics by Openings Per Order

Table 1 displays key characteristics of orders grouped by the number of openings. Panel A shows that 75.0 percent of orders have only one opening and orders with one opening account for 34.8 percent of all openings and 22.0 percent of all placements. In contrast, orders with 51 or more openings account for only 0.3 percent of all orders (429 out of 153,550), but these orders account for 14.2 percent of all openings and 18.3 percent of all placements. More broadly, orders with 5 or fewer openings account for 95.3 percent of all orders, 69.1 percent of all openings, and 45.6 percent of all placements.

Panel B of Table 1 shows that a key reason for the concentration of placements among orders with many openings is that the probability a referred job seeker is placed rises from only .042 for orders with one opening to .385 for orders with 51 or more openings. Line 10 of Panel B shows that North Carolina PLX offices are able to find many candidates for orders of all sorts. On average, there are 6.91 job seekers referred to orders with one opening and 1.52 referrals per opening for orders with 51 or more openings. Overall, line 11 shows that PLX offices fill 28.8 percent of the openings among job orders with one opening and 58.7 openings among job orders with 51 or more openings. Taken together, these statistics suggest that a lack of qualified job seekers does not inhibit placing PLX clients at jobs, but the key factors affecting placement ratios is competition from job seekers using other means of job search

and differences in how selective employers are in hiring candidates. These statistics also suggest that North Carolina PLX offices are quite effective in referring suitable candidates. Overall, 45.4 of job openings listed with the PLX offices are filled by job seekers they refer.

Panel C of Table 1 provides further evidence about the role of employer hiring selectivity in bringing about differences in the ratio of placements to referrals across orders with different numbers of openings. Specifically, on average, job orders with 1 opening require 13.34 months of experience and 10.88 years of education, while orders with 51 or more openings only require 2.30 months of experience and 6.20 years of education. This suggests that orders with many openings require relatively little specific skill or experience, while the reverse is true for orders with few openings. Differences in the pay levels of those jobs reinforce this view.

Table 1. Job order characteristics grouped by number of openings per job order

	Number of openings included in the order						
	Missing	1	2-5	6-20	21-50	51+	All
A. Distribution by openings of:							
1. Orders	0.3%	75.0%	20.3%	3.5%	0.7%	0.3%	100.0%
2. Openings	0.0%	34.8%	25.1%	16.4%	9.6%	14.2%	100.0%
3. Referrals	0.1%	48.0%	27.6%	13.9%	6.0%	4.3%	100.0%
4. Placements	0.0%	22.0%	23.6%	20.9%	15.1%	18.3%	100.0%
B. Number of openings, referrals, placements per order							
5. Orders	399	115,127	31,230	5,350	1,015	429	153,550
6. Openings per order	0.00	1.00	2.66	10.14	31.48	109.45	2.16
7. Referrals per order	5.92	6.91	14.66	43.18	98.40	166.85	10.80
8. Placements per order	0.00	0.29	1.14	5.89	22.38	64.19	0.98
9. Placements per referral	0.000	0.042	0.077	0.136	0.227	0.385	0.091
10. Referrals per opening	—	6.91	5.52	4.26	3.13	1.52	5.00
11. Placements per opening	—	0.288	0.427	0.580	0.711	0.587	0.45
C. Pay, experience, education, duration order is open							
12. Pay (per hour)	$6.47	$6.90	$6.37	$6.55	$6.11	$5.59	$6.77
13. Experience (months)	13.34	12.91	7.57	4.97	3.12	2.30	11.45
14. Education (years)	10.88	11.44	10.10	9.40	8.18	6.20	11.06
15. Weeks order is open	14.4	10.2	14.5	18.3	20.4	20.5	11.4
16. % of orders open <6 weeks	30.2	40.8	23.4	16.3	16.7	21.4	36.2

3. Characteristics by Hourly Pay Rates

Table 2 displays characteristics of orders grouped by hourly pay rate, a total of 16.8 percent of orders offer pay below $6.00 per hour, and those openings account for 22.7 percent of all placements. Orders offering pay of $10.00 an hour or more account for 16.0 percent of all orders but account for only

7.5 percent of all placements. Clearly, looking across line 4 of Table 2 suggests that the higher the pay, the more difficult it is for a job seeker to be placed at a given opening. While some of this difference stems from higher paying jobs having fewer openings per order (as shown on lines 2 and 6), much of the difference stems from placements per referral falling with raising pay level. As shown on line 9, the probability of being placed is 13.7 percent for each person referred to jobs paying less than $6.00 per hour but only 4.6 percent for jobs paying $10.00 or more per hour.

Importantly, North Carolina PLX offices are quite effective in filling jobs at all pay levels with referred candidates. As shown on line 11 of Table 2, North Carolina PLX offices are able to place referred job seekers at 52.3 percent of the openings for jobs paying less than $6.00 per hour and only slightly lower percentages of referred candidates at jobs paying between $6.00 and $10.00 per hour. However, for reasons that will be discussed in the next section, the fill rate slips to 29.9 percent for jobs paying $10.00 per hour or more.

Finally, Table 2 shows a pattern, also observed in Table 1, that high wage jobs tend to require high levels of experience and education, and, therefore, employers tend to be more selective in whom they hire into these positions.

Table 2. Job order characteristics grouped by job order pay rate

	Pay of Openings					
	Missing	< $6.00	$6-$8	$8-$10	$10+	All
A. Distribution by pay of:						
1. Orders	21.1%	16.8%	28.9%	17.2%	16.0%	100.0%
2. Openings	18.4%	19.7%	35.2%	15.4%	11.3%	100.0%
3. Referrals	16.9%	15.0%	33.0%	20.4%	14.6%	100.0%
4. Placements	16.5%	22.7%	37.5%	15.8%	7.5%	100.0%
B. Number of openings, referrals, placements per order						
5. Orders	32,399	25,738	44,438	26,386	24,589	153,550
6. Openings per order	1.88	2.53	2.62	1.93	1.52	2.16
7. Referrals per order	8.65	9.68	12.31	12.84	9.86	10.80
8. Placements per order	0.77	1.33	1.27	0.90	0.46	0.98
9. Placements per referral	0.089	0.137	0.103	0.070	0.046	0.091
10. Referrals per opening	4.59	3.82	4.69	6.64	6.48	5.00
11. Placements per opening	0.407	0.523	0.484	0.467	0.299	0.45
C. Pay, experience, education, duration order is open						
12. Pay (per hour)	$0.00	$5.33	$7.22	$9.09	$13.90	$6.77
13. Experience (months)	13.82	4.06	6.61	13.14	23.02	11.45
14. Education (years)	11.34	9.68	10.28	11.23	13.36	11.06
15. Weeks order is open	12.4	10.9	11.0	11.1	11.9	11.4
16. % of orders open <6 weeks	30.8	39.5	38.9	37.8	33.1	36.2

4. Characteristics by Opening Lister's Industry

Table 3, which breaks down the job order characteristics by industry, provides further insight into the types of jobs North Carolina PLX offices are most effective in placing job seekers. The key measure of effectiveness is placements per opening (also referred to as the "fill rate") shown on line 11. North Carolina PLX offices are most effective at placing job seekers in high wage manufacturing jobs (jobs paying $7.19 per hour on average). About 63.1 percent of openings are filled for high-wage manufacturing jobs. The fill rate is a bit lower, 61.5 percent, for low-wage manufacturing jobs paying $6.30 per hour. Fill rates are in the neighborhood of 55.0 percent in low-wage agricultural jobs and high-wage business services jobs. They are around 30.0 percent in construction and trade and both high-and low-wage personal services. Fill rates are lowest, 24.4 percent, in public administration, which is mainly state government.

Perhaps the most interesting facet of these statistics is that North Carolina PLX offices are quite effective in placing job seekers into relatively high-wage jobs, especially those in manufacturing and business services. We speculate that this is the case in part because so many job seekers using the North Carolina PLX offices are unemployment insurance (UI) claimants and, therefore, have relatively strong work records and relevant experience. A second speculative possibility is that it is relatively easy to describe what qualifications are needed to fill these positions. As a result, employers find that they get well-qualified candidates to fill these jobs.

In contrast, North Carolina PLX offices are less effective in filling jobs in several low-wage industries, especially in the service sector. One reason for this pattern is that employers might be able to effectively recruit candidates for these jobs in other ways and, thus, not rely as heavily on PLX offices.

Finally, the lowest fill rates are found in the public administration (government sector). In this case, it is likely that these government jobs are routinely listed with PLX but often filled by internal promotion from within the agencies listing the jobs. Thus, PLX-referred candidates have much less of a chance of obtaining these jobs.

Table 3. Job order characteristics grouped by job lister's industry

	Industry Group									
	Agriculture 1	Construction 2	High-Wage Manufacturing 3	Low-Wage Manufacturing 4	Transportation Public Utilities Finance Real Estate 5	Trade & Low-Wage Personal Services 6	High-Wage Personal Services 7	Business Services 8	Public Administration 9	All
A. Distribution by SIC group of:										
1. Orders	2.4%	7.6%	6.7%	11.4%	11.2%	18.4%	17.8%	13.1%	11.5%	100.0%
2. Openings	10.3%	5.9%	8.4%	14.7%	9.7%	15.4%	12.2%	15.7%	7.6%	100.0%
3. Referrals	2.7%	5.5%	12.2%	16.5%	12.0%	15.2%	13.5%	13.9%	8.4%	100.0%
4. Placements	12.8%	4.2%	11.7%	20.0%	8.7%	11.6%	8.8%	18.1%	4.1%	100.0%
B. Number of openings, referrals, placements per order										
5. Orders	3,734	11,651	10,284	17,507	17,143	28,180	27,300	20,089	17,662	153,550
6. Openings per order	9.13	1.69	2.70	2.79	1.88	1.82	1.48	2.59	1.42	2.16
7. Referrals per order	12.17	7.80	19.74	15.66	11.61	8.95	8.18	11.50	7.85	10.80
8. Placements per order	5.17	0.54	1.71	1.72	0.76	0.62	0.49	1.36	0.35	0.98
9. Placements per referral	0.424	0.069	0.086	0.110	0.066	0.069	0.059	0.118	0.044	0.091
10. Referrals per opening	1.33	4.63	7.30	5.61	6.18	4.93	5.54	4.44	5.51	5.00
11. Placements per opening	0.566	0.319	0.631	0.615	0.407	0.342	0.329	0.523	0.244	0.45
C. Pay, experience, education, duration order is open										
12. Pay (per hour)	$5.64	$6.62	$7.19	$6.30	$6.60	$5.02	$6.56	$7.05	$10.30	$5.78
13. Experience (months)	5.44	14.97	16.26	9.78	11.86	5.91	13.38	9.19	17.31	11.40
14. Education (years)	7.06	9.19	11.79	10.43	11.31	10.01	12.29	10.93	17.31	11.31
15. Weeks order is open	11.5	12.5	11.7	10.2	11.6	11.9	12.1	10.9	10.5	11.4
16. Percentage of orders open <6 weeks	42.4	30.4	36.4	42.2	36.7	33.9	31.2	39.2	40.2	36.2

5. Duration Orders are Open

Besides providing information about the diversity of jobs listed with North Carolina PLXs and the ability of PLXs to place job seekers at those jobs, the tables in this section provide information about the speed with which jobs are filled.

Line 15 of Table 1 shows that, on average, job listings remain active for 11.4 weeks (about 2.6 months), which may seem like a relatively long period. One reason that orders remain open for long periods is that many employers are trying to fill several openings. Thus, orders with over 5 openings remain open for more than 18 weeks.

A more important reason for orders remaining open for long periods is that some orders cannot be filled by PLX or from other sources. Line 16 of Table 1 shows that, overall, 36.2 percent of the orders are open for 6 weeks or less. Although not shown in Table 1, no placements are made to 64.2 percent of job orders that make up 45.3 percent of all openings. If we exclude orders with no placements, orders with 1 opening close within about 6 weeks on average.

The duration jobs are open provides another measure of North Carolina PLX effectiveness, but in addition, it provides an indication of whether it would be feasible to use a quasi-experimental design to assess the effect of placements on jobless duration. This innovative design would compare jobless duration of claimants referred prior to the openings being filled (when it was possible to be placed) to the jobless duration of claimants referred after all openings are filled, but before employers ask for the order to be removed (when it is impossible to be placed).

Clearly, when an order has many openings, it is unlikely that there would be any referred job seekers who could not have been placed. However, when there were few openings and at least one placement, it is quite likely that some referrals will occur after all openings are filled. This is especially likely when all openings are filled quickly. Indeed, Table 1 shows that 22.0 percent of the 75.0 percent of orders with one opening have a placement. This translates to 16.5 percent of the 153,550 openings or 25,375 openings where it is possible job seekers were referred after the placement was made. Since, on average, there were 6.91 referrals to an order with one opening, it is reasonably likely that there are thousands of cases where job-seekers were referred to these openings after they were filled.

Similar calculations for orders with 5 or fewer openings suggest that there will be many cases where referrals were made to these openings after all openings were filled. Thus, it appears likely

that the quasi-experimental design can be successfully applied to North Carolina orders, at least those with 5 or fewer openings.

6. Summary and Conclusions

Analysis of statistics describing the types of jobs listed by North Carolina employers and the ability of the North Carolina PLX offices to refer and place job seekers at those jobs suggests that (1) a highly diverse set of jobs are listed with the PLX offices, and (2) the PLX offices are quite effective in referring qualified candidates and seeing those candidates placed at those jobs. Overall, the fill rates (placements per opening) are 45.4 percent and range from over 60 percent to as low as 25 percent. These statistics suggest that it is well worth the effort for most employers to list jobs with the North Carolina PLX offices. Similarly, at least in this one state, job seekers using the PLX offices are likely to find relatively high-paying jobs.

The statistics also show that jobs offering higher pay also require more experience and more education and that employers offering high-paying jobs are considerably more selective in whom they hire. Thus, differences in job characteristics appear to explain a lot of the differences in placement rates.

A particularly interesting finding is that a high percentage of placements are made to orders with many openings. Roughly one-third of all placements are made to the 1.0 percent of job orders with 21 or more openings. At the other extreme, 22.0 percent of placements are made to the 75.0 percent of job orders with only one opening, This finding has potentially important implications for where PLX staff should put its efforts to encourage employers to list jobs with the PLX offices. Clearly, the statistics shown in Table 1 suggest that obtaining listings from employers with many openings has a disproportionate effect on the ability of the PLX offices to place job-seekers.

Importantly, what this section cannot tell us is how the value of placements differ across individuals placed at job orders with different characteristics. Given the differences in the number of placements per order, it would be highly useful to know how decreases in periods of joblessness (and increases in earnings) differ across orders with different numbers of openings, different industries, and different pay rates.

Appendix I

Michigan's Job Seeker and Employer Surveys

Michigan Talent Bank Job Seeker Survey

You have been identified as a customer of the Michigan Talent Bank. Please help us evaluate and improve our services by answering the questions below. Using a pencil or black ink pen, completely fill in the bubble you selected.
Please fill in marks like this: ● not like this: ⊘ ⊗

Job!Seeker

1. What is the zip code where you live?

0	0	0	0	0
1	1	1	1	1
2	2	2	2	2
3	3	3	3	3
4	4	4	4	4
5	5	5	5	5
6	6	6	6	6
7	7	7	7	7
8	8	8	8	8
9	9	9	9	9

2. Are you a veteran?

   (N) No (Y) Yes

3. What is your age? (Optional)

0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9

4. What is your gender?

   (F) Female (M) Male

5. Please fill in your *highest* educational achievement?

   (L) Less than High School
   (H) High School
   (C) Some College
   (A) Associate Degree
   (B) Bachelor's Degree
   (P) Advanced or Professional Degree

6. What type of job have you found or are you seeking (select only one)?

   (P) Professional, Technical, & Managerial
   (C) Clerical
   (S) Sales
   (T) Skilled Trades
   (D) Domestic Services
   (A) Agriculture
   (O) Other Services

7. Have you been contacted by an employer since registering with the Michigan Talent Bank?

   (N) No (Y) Yes

   If yes, how many?

0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9

8. Did you apply for unemployment benefits before, or at the time, you registered with the Michigan Talent Bank?

   (N) No (Y) Yes

Turn Page and Continue ⇨

9. Have you found employment since registering with the Michigan Talent Bank?

   (N) No (Y) Yes

10. Would you use the Michigan Talent Bank to enter/update your resume again?

    (N) No (Y) Yes

11. Are you satisfied with the level of service provided by **Michigan Works!** in support of the Michigan Talent Bank?

    (7) Extremely Satisfied
    (6) Satisfied
    (5) Somewhat Satisfied
    (4) Neutral
    (3) Somewhat Dissatisfied
    (2) Dissatisfied
    (1) Extremely Dissatisfied

12. Are you satisfied with the quality of service provided by **Michigan Works!** in support of the Michigan Talent Bank?

    (7) Extremely Satisfied
    (6) Satisfied
    (5) Somewhat Satisfied
    (4) Neutral
    (3) Somewhat Dissatisfied
    (2) Dissatisfied
    (1) Extremely Dissatisfied

13. What is your overall satisfaction with the Michigan Talent Bank system (resume database)?

    (7) Extremely Satisfied
    (6) Satisfied
    (5) Somewhat Satisfied
    (4) Neutral
    (3) Somewhat Dissatisfied
    (2) Dissatisfied
    (1) Extremely Dissatisfied

14. Did you review the jobs listed in the Michigan Talent Bank (the listing of openings)?

    (N) No
    (M) Yes, at the MWA's Service Center
    (H) Yes, at home
    (L) Yes, at another location

15. Did you apply for any jobs listed in the Michigan Talent Bank?

    (N) No (Y) Yes

    If yes, how many?

    (0) (0)
    (1) (1)
    (2) (2)
    (3) (3)
    (4) (4)
    (5) (5)
    (6) (6)
    (7) (7)
    (8) (8)
    (9) (9)

16. Would you use the Michigan Talent Bank to review/apply for jobs again?

    (N) No
    (Y) Yes
    (D) Did not use

17. What is your overall level of satisfaction with the jobs listed in the Michigan Talent Bank?

    (7) Extremely Satisfied
    (6) Satisfied
    (5) Somewhat Satisfied
    (4) Neutral
    (3) Somewhat Dissatisfied
    (2) Dissatisfied
    (1) Extremely Dissatisfied

18. Did you enter your own resume in the Michigan Talent Bank or were you given assistance?

    (O) Entered my own
    (A) Some assistance
    (S) Someone else entered the information

19. Have you updated or renewed your registration/resume?

    (N) No
    (Y) Yes, one time
    (M) Yes, more than once

Thank you for completing this survey for the Michigan Talent Bank.

Michigan Talent Bank Employer Survey

You have been identified as a user of the Michigan Talent Bank. Please help us to evaluate and improve our services by answering the questions below. Using a pencil or black ink pen, completely fill in the bubble(s) you selected. Please fill in marks like this: ● not like this: ⊘ ⊗

Employer

Section I – *General Information*

1. What is the zip code at your location?

0	0	0	0	0
1	1	1	1	1
2	2	2	2	2
3	3	3	3	3
4	4	4	4	4
5	5	5	5	5
6	6	6	6	6
7	7	7	7	7
8	8	8	8	8
9	9	9	9	9

2. What is the primary form of business at your location?

   (S) Service
   (T) Trade
   (C) Construction
   (G) Government
   (A) Agriculture
   (M) Manufacturing and/or Mining
   (T) Transportation, Communication, and Utilities
   (F) Finance, Insurance, and Real Estate

3. How many employees do you have at this location?

   (<) Less than 25?
   (>) More than 25?

4. What services have you used? Fill in each bubble, that applies.

   (S) Searched job seeker resumes? Go to ***Section II***
   (P) Posted job openings? Go to ***Section III***

Section II – *Searched Job Seekers Resumes*

5. Have you *interviewed* any job seekers found through the Michigan Talent Bank?

   (N) No (Y) Yes

   If yes, how many?

0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9

6. Have you *hired* any job seekers found through the Michigan Talent Bank?

   (N) No (Y) Yes

   If yes, how many?

0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9

7. Would you use the Michigan Talent Bank again?

   (N) No (Y) Yes

Turn Page and Continue ⇨

8. Please fill in the bubble with your overall satisfaction with the Michigan Talent Bank?

   ⑦ Extremely Satisfied
   ⑥ Satisfied
   ⑤ Somewhat Satisfied
   ④ Neutral
   ③ Somewhat Dissatisfied
   ② Dissatisfied
   ① Extremely Dissatisfied

Section III – *Posted Job Openings*

9. Have you been contacted by a suitable number of qualified job seekers since posting your job openings with the Michigan Talent Bank?

   Ⓝ No Ⓨ Yes

   If yes, how many?

   ⓪ ⓪
   ① ①
   ② ②
   ③ ③
   ④ ④
   ⑤ ⑤
   ⑥ ⑥
   ⑦ ⑦
   ⑧ ⑧
   ⑨ ⑨

10. Have you *interviewed* any job seekers that found your opening(s) in the Michigan Talent Bank?

    Ⓝ No Ⓨ Yes

    If yes, how many?

    ⓪ ⓪
    ① ①
    ② ②
    ③ ③
    ④ ④
    ⑤ ⑤
    ⑥ ⑥
    ⑦ ⑦
    ⑧ ⑧
    ⑨ ⑨

11. Have you *hired* any job seekers that found your opening(s) in the Michigan Talent Bank?

    Ⓝ No Ⓨ Yes

    If yes, how many?

    ⓪ ⓪
    ① ①
    ② ②
    ③ ③
    ④ ④
    ⑤ ⑤
    ⑥ ⑥
    ⑦ ⑦
    ⑧ ⑧
    ⑨ ⑨

12. Would you post your job opening(s) in the Michigan Talent Bank again?

    Ⓝ No Ⓨ Yes

13. Please fill in the bubble with your overall satisfaction with the Michigan Talent Bank?

    ⑦ Extremely Satisfied
    ⑥ Satisfied
    ⑤ Somewhat Satisfied
    ④ Neutral
    ③ Somewhat Dissatisfied
    ② Dissatisfied
    ① Extremely Dissatisfied

Section IV – FOR ALL USERS (searched Resumesd and /or Posted Job Openings):

14. Are you satisfied with the level of service provided by **Michigan Works!** in support of the Michigan Talent Bank?

    ⑦ Extremely Satisfied
    ⑥ Satisfied
    ⑤ Somewhat Satisfied
    ④ Neutral
    ③ Somewhat Dissatisfied
    ② Dissatisfied
    ① Extremely Dissatisfied

Thank you for completing this survey for the Michigan Talent Bank.