

# SUPPORTING A FULL RECOVERY

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RECOMMENDATIONS OF THE  
WORKFORCE INFORMATION  
ADVISORY COUNCIL TO THE  
SECRETARY OF LABOR



WORKFORCE INFORMATION  
ADVISORY COUNCIL

May 11, 2022

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## Workforce Information Advisory Council

**WASHINGTON, DC**

May 11, 2022

The Honorable Martin J. Walsh, Secretary  
U.S. Department of Labor  
Frances Perkins Building  
200 Constitution Ave., NW  
Washington, DC 20210

Dear Secretary Walsh:

Pursuant to the Workforce Innovation and Opportunity Act of 2014, the Workforce Information Advisory Council is pleased to provide for your consideration six recommendations to improve the nation's Workforce and Labor Market Information System.

These recommendations were unanimously approved by the Council and were informed by the input from numerous subject matter experts and members of the public. They support the intent of Congress and your efforts to ensure that individual students and workers have the information they need to make good decisions regarding their education and employment. This is particularly important as Americans continue to deal with the challenges posed by the COVID-19 pandemic.

The Council believes that improved workforce information will result in more effective workforce investments, more efficient labor markets, and a more fully employed labor force across the nation, particularly for historically underserved communities.

We look forward to working with you to ensure that this vision becomes a reality.

Respectfully yours,

A handwritten signature in blue ink that reads "Bruce R. Madson".

Bruce Madson, Chair



## Workforce Information Advisory Council

Representing	Name	Organization
National Business or Trade Organizations	Thomas Anderson *	Wellons Land Company and Arkansas Workforce Development Board
State Workforce Investment Agencies	Daryl Bassett	Arkansas Department of Labor
State Workforce Investment Agencies	Deborah Carlson	Texas Workforce Commission
Providers of Training Services	Alicia Crouch	Kentucky Community and Technical College System
WLMI Directors	Lesley Hirsch	New Jersey Department of Labor and Workforce Development
WLMI Director	Adrienne Johnston	Florida Department of Economic Opportunity
Workforce Development Boards	Dean Jones	Greenville County Workforce Development Board
State Workforce Investment Agencies	Tamika Ledbetter	Alaska Department of Labor and Workforce Development
State Workforce Investment Agencies	Bruce Madson	Ohio Department of Job and Family Services
National Labor Federations	Chelsea Mason-Placek	Washington State Labor Council, AFL-CIO
Research Entities	Andrew Reamer	George Washington Institute of Public Policy, George Washington University
WLMI Directors	David Schmidt	Nevada Department of Employment, Training, and Rehabilitation
WLMI Directors	Fran Valentine	Indiana Department of Workforce Development
Economic Development Entities	Jennifer Zeller	Georgia Power

\* Member resigned in December 2021.

## Introduction

Pursuant to the Workforce Innovation and Opportunity Act of 2014 (WIOA), the Workforce Information Advisory Council (Council) is pleased to provide for your consideration two sets of recommendations, unanimously approved by the Council, to improve the nation's Workforce and Labor Market Information (WLMI) System.

As America continues to deal with the COVID-19 pandemic, many people are continuing to struggle. These challenges remain even more acute for historically underserved communities. The nation's WLMI System is essential for supporting meaningful and effective strategies toward a true American recovery, particularly a recovery that advances racial equity and supports underserved communities. This requires the highest possible quality of data and information at the local level in order to identify the nature and extent of challenges and inequities, and to measure whether those challenges and inequities are truly being addressed. Without that critical information, we may only continue to perpetuate the current challenges and historical inequities.

The Council appointed in 2016 by Secretary Perez submitted its **first set of recommendations** to Secretary Acosta in January 2018. Secretary Acosta provided his **response** in December 2018. Based on that response and as required by WIOA, in May 2020 Secretary Scalia submitted his **Two-Year Plan for the Workforce and Labor Market Information System** to Congress. Soon after, Secretary Scalia appointed the **current members** of the Council, including four who were previously appointed by Secretary Perez.

After reconvening in 2020, the Council identified the need for expedited recommendations to address issues that the global pandemic had made more urgent. The Council approved a set of three **expedited recommendations** on August 31, 2021. On March 24, 2022, Secretary Walsh provided a **response** in which he recognized the importance of each of the expedited recommendations and the actions DOL will take in response.

The Council continued meeting following approval of the expedited recommendations, and developed recommendations focused in two areas: data sharing and synchronization; and connecting workers with the work. The Council approved those recommendations on May 11, 2022.

## BACKGROUND

Through WIOA, Congress directs the Secretary to oversee development of a WLMI System that enables state and local labor market participants—including employers, students, workers, workforce investment boards, and education and training agencies and institutions—to make informed decisions.

The law directs the Secretary to develop the WLMI System:

- Through the Bureau of Labor Statistics (BLS) and the Employment and Training Administration (ETA);
- In collaboration with states;
- In cooperation with the heads of other federal agencies to ensure complementarity and nonduplication; and
- In consultation with the 14-member Workforce Information Advisory Council appointed by the Secretary.

WLMI consists of the data and information used by businesses, workers, students, job seekers, education and training providers, workforce development planners and policymakers, and others, to make informed decisions in areas such as hiring and advancement, career choice, curriculum development, and investments in training. WLMI is essential to the nation's economy, providing for the efficient operation of labor markets by supplying quality labor market intelligence. Accurate, objective, relevant, timely, and accessible WLMI is critical for:

- Building a skilled workforce that spurs business competitiveness and economic growth;

- Strengthening career pathways and guiding skill attainment for good jobs, economic opportunity, and career growth;
- Advancing equity for all, particularly for people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality;
- Understanding the rapidly changing nature of work and how it impacts the workforce and U.S. economy; and
- Using evidence-based policymaking to ensure the effective use of workforce training and education funds.

## SUMMARY OF RECOMMENDATIONS

The Council's recommendations to the Secretary focus on two key areas. The first is advancing data sharing and synchronization for evidence building. The second is addressing the disconnect between people seeking work and employers looking for workers.

### Data Sharing and Synchronization

Direct appropriate leadership, staff, and resources to:

- **Recommendation 1:** Support immediate action to establish a National Secure Data Service (NSDS).
- **Recommendation 2:** Articulate the key principles that must be adhered to in the design of the NSDS.
- **Recommendation 3:** Publicly commit to the Department of Labor's (DOL's) engagement with the newly established NSDS.

## Workers and the Work

- **Recommendation 4:** Direct BLS and ETA to co-author a plan for improving DOL-supported data on job openings based on input from the trade associations representing state WLMI agencies (LMI Institute, NASWA).
- **Recommendation 5:** Direct ETA's Office of Unemployment Insurance (OUI) and the Secretary's Office of Unemployment Insurance Modernization (OUIM) to obtain state agency input through NASWA regarding how DOL can best provide UI grant

funding to expand state capacity to gather and effectively use current, reliable UI data in support of UI claimants finding new work.

- **Recommendation 6:** Direct the Office of the Assistant Secretary for Policy (OASP) to prepare a report, in consultation with ETA and BLS, for the Secretary's consideration that: identifies public and private data sources which have the potential to build evidence regarding workers' experiences and challenges in seeking and finding new jobs; and suggests options for DOL agencies to use these data sources to help address barriers that workers experience.

## Data Sharing and Synchronization

**Problem Statement:** Policymakers need sound information to help them make decisions about how best to address public problems. While there is plenty of administrative, private sector, and survey data to meet the need, it is not always easily accessible. The Council has reviewed research on the systems and processes needed to improve the availability of information so that policymakers can make decisions that are data-driven and evidence-based. The Council's research was conducted with a special focus on how data can help DOL to participate in these larger efforts, especially as they relate to workforce and worker benefits.

**Framework for Addressing:** Evidence-based policy making is a virtuous cycle that promotes continuous learning and improvement of programs and policies. The data needed to create this cycle is often under control of another government agency and difficult to access. Improving how state and federal agencies share data will make the process more efficient and quicken the accumulation of knowledge about what works and what does not, all the while protecting the data from disclosure. A centralized solution can also address the resource and capacity constraints that currently stand in the way of state and federal governments undertaking the needed data sharing.

Systems need to be improved to encourage interagency and intergovernmental data sharing. Examples that highlight the importance of *interagency* data sharing include:

- Evaluating employment outcomes resulting from programs in other policy areas like higher education, corrections, public assistance, and economic development; and
- Workforce programs serve many people who confront barriers in the labor market

and therefore may be eligible for other government services. Data sharing can help us to understand how these barriers may be overcome or prevented in the first place and how policy interventions work together to address these barriers.

*Intergovernmental* data sharing is also important to:

- Federal evaluation of federally funded programs administered by the states to replace the ad hoc procedures currently in use;
- Improve our understanding of labor markets in metropolitan areas that reach across state lines (e.g., Chicago, New York, District of Columbia, St. Louis, Kansas City, Louisville, and Cincinnati); and
- Create longitudinal data systems that can follow individuals as they move to and from other states, for example, for postsecondary education and employment.

Each time an agency creates its own data-sharing agreement it sinks time and effort when a document could have been created centrally and modularized to comply with agencies' and states' own systems of laws and protections.

Without affirmative authorization of data sharing for evidence building, there is seldom an easy path to gaining access to data, and when there is, it is a long and winding road indeed. A lack of data standardization compounds the difficulty of a systemic data-sharing approach. Moreover, data models must be developed to standardize measurement and format. For example, wages are defined differently across states even though all UI-covered wages are included in wage records.



## 1. Recommendation to the Secretary: Support immediate action to establish an NSDS.

That immediate action should consist of the following:

- Assign staff to work with Congressional staffers to ensure that language in a bill that establishes the NSDS provides adequate resources and accurately reflects DOL's needs and the needs of the states that receive funding to implement workforce development and worker benefit programs.
- Assign staff to engage with and provide comment to the Office of Management and Budget (OMB) as it promulgates regulations.
- Engage in discussions with Congress to address questions, such as those raised by the Congressional Research Service in its August 2021 report<sup>1</sup>, about where it is to be housed, how long the data should be saved, and what technologies are available to facilitate data sharing and data protection.

## 2. Recommendation to the Secretary: Articulate the key principles that must be adhered to in the design of the NSDS.

These include the eight key attributes of an NSDS outlined by the Data Foundation, as well as the principles laid out by the Council. Emphasis should be given to both the need for a public-private partnership and the engagement and capacity-building of state and local partners.

### What is a National Secure Data Service?

The Council supports the advancement of evidence-based policy making at all levels of government, especially as it relates to workforce development. Currently, the data needed to drive continuous improvement is decentralized across levels of government and between agencies. The Council recommends the establishment of an independent facility that will promote data access, protect confidentiality, and maximize learning: a National Secure Data Service. A National Secure Data Service would *temporarily* link existing data and provide secure access to those data for exclusive use in connection with approved projects and do so without creating a data clearinghouse or warehouse.

### Key Attributes of an NSDS<sup>2</sup>:

- Transparency and trust
- Legal authority to protect privacy and confidentiality
- Independence
- Legal authority to collect data from agencies
- Scalable functionality
- Sustainability
- Oversight and accountability
- Intergovernmental support

### Council Principles of an NSDS:

- **The NSDS should reside as a public-private partnership outside of the federal government statistical infrastructure.** The Council has concerns about some of

<sup>1</sup> Congressional Research Service, [Proposals for a National Secure Data Service, in Context](#), August 5, 2021, p.3.

<sup>2</sup> Hart, N. and N. Potok, [Modernizing U.S. Data Infrastructure: Design Considerations for Implementing a National Secure Data Service to Improve Statistics and Evidence Building](#), Washington, DC: Data Foundation, 2020.

the cultural and institutional barriers to innovation that exist within the nation's statistical infrastructure.<sup>3</sup> As well, governments have difficulty attracting statisticians, data scientists, and information technology (IT) specialists with the needed skills given the high demand for these professions in academia and the private sector.

- **The NSDS should be available to state agencies and their research partners.** While there is clear value to the federal government to have access to an NSDS, sole focus on the federal government excludes most policymakers in the nation that reside at the state and local levels. Moreover, if states are to participate in the NSDS by contributing their data, they should be able to reap the benefits of their contributions and maintain control over the use of their data.
- **The NSDS should have interagency representation on its oversight body.** This will ensure that the interests of the federal government do not monopolize the NSDS. There is concern that the NSDS will become another version of the U.S. Census Bureau's Research Data Centers, which do not offer adequate opportunities for research and impose long timelines on research projects.
- **Users of the NSDS should maintain complete control of their own data** including right of refusal of research projects, data sharing agreement terms, disclosure review, and publication review.
- **The NSDS should support capacity building within the public sector** to ensure that there is a sustainable pipeline of analysts who can use the facility now and into the future.

### 3. Recommendation to the Secretary: Publicly commit to DOL's engagement with the newly established NSDS.

That public commitment should include the following:

- As part of the national statistical infrastructure, BLS has had a seat at the table at every venue that has studied the formation of the NSDS. ETA has not. ETA should also be engaged in planning for the NSDS to advance evidence building around the UI and workforce development programs.
- DOL issued an **Fiscal Year (FY) 2022-2026 Evidence-Building Plan** and a **FY 2022-2023 Evaluation Plan**. If implemented, these plans could greatly advance the state of knowledge around workforce and benefit programs. In light of the development of a NSDS, however, these plans should be revised to more intentionally capitalize on interagency and intergovernmental data sharing and broaden the agency's learning agenda.
- Recommend at least three high-impact data uses for NSDS pilot project, at least one of which will have near-term benefits to workforce systems across the nation. Examples can be gleaned from the ongoing work of the Midwest Collaborative to develop unemployment to re-employment business intelligence tools.
- Dedicate a percentage of the next round of Workforce Data Quality Initiative funding for state projects that take advantage of the NSDS.

3 National Research Council, **Facilitating Innovation in the Federal Statistical System: Summary of a Workshop**, Washington, DC: The National Academies Press, 2011.

## APPENDIX TO DATA SHARING AND SYNCHRONIZATION RECOMMENDATIONS: SUPPLEMENTAL INFORMATION

Over the past several years, there has been a great deal of activity around the need to improve data for

evidence-building including the Council's own recommendations to Secretary Acosta in 2018.

Below is a brief narrative summary of recent relevant efforts including developments since the Council's

last data-sharing recommendations.

### Timeline

2016	Evidence-Based Policymaking Commission Act signed into law. Commission on Evidence-Based Policymaking (Commission) formed.
2017	Commission releases its report including 22 recommendations.
2018	Workforce Information Advisory Council issues recommendations.
2019	Foundations for Evidence-Based Policymaking Act signed into law. OMB issues Federal Data Strategy.
2020	OMB issues 2020 Action Plan. Midwest Collaborative for cross-state data sharing formed. Data Foundation report issued.
	Advisory Committee on Data for Evidence Building (ACDEB) formed.
	OMB issues 2021 Action Plan. Southern and Eastern Collaboratives for cross-state data sharing begin.
2021	Publication of the Data Foundation's Modernizing U.S. Data Infrastructure: Design Considerations for Implementing a National Secure Data Service to Improve Statistics and Evidence Building. H.R. 3133 introduced to create an NSDS.

In 2016, the Commission on Evidence-Based Policymaking Act was signed into law by President Obama.

The bipartisan Commission was formed, studied how data, research, and evaluation were used to build evidence, and what steps could be taken to strengthen the government's evidence-building efforts. Recognizing the shortcomings of the current system, the Commission issued its report in 2017, with 22 recommendations including the formation of

an NSDS. The Commission asserted that the NSDS should be a linkage service, not a clearinghouse or data warehouse, so that those entities putting their data into the system could maintain complete control over their data<sup>4</sup>.

Of the 22 recommendations made by the Commission, two were especially relevant to

<sup>4</sup> Commission on Evidence-Based Policymaking, [The Promise of Evidence-Based Policymaking: Report of the Commission on Evidence-Based Policymaking](#), Washington, DC: Government Publishing Office, 2017.

data sharing and were integral to the Workforce Information Advisory Council's (Council's) 2018 report to Secretary Acosta (see text box). The Council's 2018 recommendations built upon these as follows:

- Provide constructive input and support to bipartisan congressional efforts to implement the overall framework proposed by the Commission on Evidence-Based Policymaking (CEP);
- Support and facilitate implementation of CEP recommendation 2-6 regarding greater availability of state quarterly employee wage records for evidence-based policy research and analysis; and
- Supporting the capacity of state agencies to carry out evidence-based policy analysis and program evaluation using state administrative records linked to other administrative records by the federal government, consistent with CEP recommendation 4-1.

In 2019, the Foundations for Evidence-Building Act was signed into law incorporating many of the recommendations of the Commission on Evidence-Based Policymaking to improve the use of evidence and data to generate policies and inform programs in the federal government. The new law required the development of learning agendas, enhanced open government policy initiatives, and promoted enhanced public access to agency data assets. It also required all agencies to develop evidence-based policy and evaluation plans as part of regular business.

Later that year, OMB issued its **Federal Data Strategy**, with the aim of accelerating the use of data to deliver on mission, serve the public, and steward resources while protecting security, privacy, and

### Select Commission on Evidence-Based Policymaking Recommendations:

- Recommendation 2-6: The Congress and the President should enact statutory or other changes to ensure that state-collected administrative data on quarterly earnings are available for solely statistical purposes. The data should be available through a single Federal source for solely statistical purposes.
- Recommendation 4-1: The National Secure Data Service (NSDS) should be established as a separate entity in the Department of Commerce that builds upon and enhances existing expertise and infrastructure in the Federal government, especially at the Census Bureau, to ensure sufficient capacity in secure record linkage and data access for evidence building.

confidentiality. The Federal Data Strategy laid out 40 practices to guide agencies on how to leverage the value of data. The practices were meant to inform the development of the 2020 Action Plan and subsequent annual action plans that would outline measurable activities to implement the strategy and identify priorities for the given year. OMB has issued 2020 and 2021 Action Plans.

In 2020, multiple states gathered to train on the use of the Administrative Data Research Facility (ADRF) that had been developed by New York University (NYU) and begin laying the foundations for a lasting data collaborative. Later that year, the Coleridge Initiative, a 501(c)3 organization was created to oversee the ADRF.

The Coleridge Initiative gives states complete control

over their own data and right of refusal on research design, user training, secure data, and disclosure review procedures. In 2021, work began on an Eastern Collaborative and a Southern Collaborative. The collaboratives are coalitions of state workforce and education agencies working in partnership with the Coleridge Initiative and regional university partners to design systems that enable individual states to answer policy-relevant questions using administrative data.

In 2020, the Data Foundation published its report<sup>5</sup> building on earlier work and weighing the risks and benefits of several possible approaches along the eight key attributes included in Recommendation 2 above. In the end, the Data Foundation recommended that the NSDS be established as a Federally Funded Research Data Center (FFRDC) at the National Science Foundation (NSF) because it would provide:

- The oversight, transparency, agility, and accountability for the envisioned activities;
- Credibility by association with NSF;
- Legal framework for protecting data privacy while also advancing strategies for agencies and researchers to conduct evidence-building activities;
- Connections to researchers in the natural and social sciences with access to innovative methods; and
- Track record of support of advances in computer and data science and security.

The ACDEB was formed in 2020 to recommend ways to promote the use of federal data for evidence

## National Secure Data Service Act

Introduced in the U.S. House of Representatives on May 12, 2021, H.R. 3133 would establish an NSDS demonstration project. The bill follows a recommendation in the 2017 Commission on Evidence-Based Policymaking report calling for establishment of such a service to facilitate access to data across government.

The project shall be (1) aligned with the principles, best practices, and priority actions recommended by the Advisory Committee on Data for Evidence Building (ACDEB); and (2) managed by the National Center for Science and Engineering Statistics.

The project shall engage with state and federal agencies to collect, acquire, analyze, report, and disseminate statistical data in the United States and other nations to support government-wide evidence-building activities.

The bill includes provisions to ensure confidentiality and transparency.

building to OMB. In its **first annual report** released in 2021, the ACDB affirmed the need for an NSDS that will safely expand access to and use of data, including administrative data, for evidence building that can substantially improve public policies.

H.R. 3133 was introduced in May 2021 to establish an NSDS. It has not moved since it was referred to committee. The Council does not take a position on this legislation.

5 Hart, N. and N. Potok, **Modernizing U.S. Data Infrastructure: Design Considerations for Implementing a National Secure Data Service to Improve Statistics and Evidence Building**, Washington, DC: Data Foundation, 2020.

## Additional Resources

Habermann, H., Future of Innovation in the Federal Statistical System. *The Annals of the American Academy of Political and Social Science*, Vol. 631. Sage Publications, 2010, pp. 194-203.

Hart, N. and K. Carmody, **Barriers to Using Government Data: Extended Analysis of the U.S. Commission on Evidence-Based Policymaking's**

## **Survey of Federal Agencies and Offices.**

Washington, D.C.: Bipartisan Policy Center, 2019.

Hart, N. and M. Yohannes, eds., *Evidence Works: Cases Where Evidence Meaningfully Informed Policymaking*. Washington, D.C.: Bipartisan Policy Center, 2019.

Lane, J., *Democratizing Our Data: A Manifesto*. Cambridge, MA: The MIT Press, 2020.

## Workers and the Work

**Problem Statement:** BLS data indicate a significant disconnection between people seeking work and employers looking for workers.

- Employers reported 11.3 million job openings as of February 28, 2022.<sup>6</sup>
- In March 2022, 15.9 million people wanted a job. Of this group:
  - ◆ 6.0 million were in the labor force and unemployed;
  - ◆ 5.7 million were not in the labor force and would take a job if offered; and
  - ◆ 4.2 million were working part-time and wanted a full-time job.<sup>7</sup>

**Framework for Addressing:** To reduce the magnitude of disconnections between workers seeking work and employers seeking workers, the Council has identified opportunities to improve WLMI accuracy, timeliness, and detail at state and local levels that it believes will lead to more effective workforce policies and programs and more efficient labor markets. The Council prepared its recommendations through:

- Assessing various current BLS, ETA, other DOL, and state data collection efforts;
- Holding a public meeting on January 12, 2022, to get the perspective of representatives from DOL, the National Association of State Workforce Agencies (NASWA), and state WLMI agencies; and
- Reviewing guiding DOL documents released on March 28, 2022, including the **DOL FY 2023 Congressional Budget Request**, the **DOL FY 2022-2026 Strategic Plan**, and the **DOL FY 2022-2026 Evidence-Building Plan**.

The Council intends for its recommendations to fully support the achievement of DOL Strategic Objective 1.1: Advance training, employment, and return-to-work opportunities that connect workers to higher-wage jobs, especially in ways that address systemic inequities.<sup>8</sup> In addition, the Council intends for its recommendations to enhance DOL's capacity to carry out its Evidence-Building Plan.

<sup>6</sup> BLS, "[Job Openings and Labor Turnover Summary \(February 2022\)](#)," March 29, 2022 (USDLE-22-0553).

<sup>7</sup> BLS, "[Employment Situation Summary \(March 2022\)](#)," April 1, 2022 (USDLE-22-0557).

<sup>8</sup> U.S. Department of Labor, FY 2022-2026 Strategic Plan, p. 7.

#### **4. Recommendation to the Secretary: Direct BLS and ETA to co-author a plan for improving DOL-supported data on job openings based on input from the trade associations representing state WLMI agencies (LMI Institute, NASWA).**

The improvement plan should address the following:

- The relative costs and benefits of expanding the monthly **Job Openings and Labor Turnover Survey (JOLTS)** to include greater industry and occupational detail at the state and local levels.
- Interest in expanding the BLS/state programs cooperative agreement to include state pre-release access to JOLTS data.

- The relative costs and benefits of providing Workforce Information Grants to States (WIGS) at a level sufficient to enable each state to conduct job vacancy surveys in targeted industries and occupations as needed and as a valuable complement to JOLTS.
- Opportunities to improve WLMI through utilization of the **National Labor Exchange (NLx) Research Hub**.

#### **Importance of Improving DOL-Supported Data on Job Openings**

The Council believes that if job openings data were available in greater occupational and sectoral detail at smaller levels of geography, the abilities of employment service agencies, education and training organizations, and employers to successfully match jobseekers and open jobs would improve significantly.



## APPENDIX TO RECOMMENDATION #4: SUPPLEMENTAL INFORMATION

### JOLTS

Each month, BLS surveys about 16,000 establishments regarding job openings and labor turnover. National JOLTS data are published close to the first of each month for two months prior (e.g., March 29 for February). State JOLTS data (newly available as of August 2021) are published mid-month for two months prior (e.g., March 17 for January). Estimates for job openings are as of the last day of the month. Estimates for hires and separations are for the full month.

While national JOLTS data is disaggregated at the 2-digit North American Industry Classification System (NAICS) level, state JOLTS data have no breakout by industry. Neither series provides detail by occupational category.

As recent media articles demonstrate, JOLTS data provide valuable insights into the functioning of U.S. labor markets. However, the utility of JOLTS, particularly for state and regional labor markets, is limited by its current sample size. An increase could enable some combination of greater industry detail, the addition of occupational detail, and substate estimates.<sup>9</sup>

The Council is pleased to see that the DOL FY 2023 budget request seeks an increase of \$9.6 million in appropriations for JOLTS to: generate data on four high-level industry categories in each state (total nonfarm, private goods-producing, private service-providing, and government); ask additional questions to enhance understanding of openings, hires, and separations; and release monthly national and state data more quickly.

The Council believes that even if Congress were to fully fund this request, additional improvements could be made to JOLTS at the state and substate levels. In light of this, and the uncertain outcome of the FY 2023 budget request, the Council recommends that the Secretary direct BLS to:

- Obtain input from state WLMIs trade associations (LMI Institute, NASWA) on the benefits, relative to the costs, of expanding JOLTS to include greater industry and occupational detail at the state level and to produce JOLTS at the substate level; and
- On consideration of that input, propose an FY 2024 budget request for JOLTS for the Secretary's consideration.

If the JOLTS sample were expanded to allow for greater detail at the state level and below, the value of the data would be enhanced if states had pre-release access, as they do for Current Employment Statistics and Local Area Unemployment Statistics. For this reason, the Council recommends that the Secretary also direct BLS to discuss with the state WLMIs trade organizations their interest in expanding the BLS/state programs cooperative agreement to include state pre-release access to state JOLTS data.

### Job Vacancy Surveys

Historically, state WLMIs agencies have conducted job vacancy surveys that provide detailed focus on key industries and occupations. However, the erosion of the real-dollar value of ETA's WIGS has meant that no state has the federal funds necessary to conduct job vacancy surveys on a regular basis. Only

Minnesota and Oregon conduct job vacancy surveys on a regular basis, using state appropriations.

<sup>9</sup> BLS has created experimental JOLTS [Metropolitan Statistical Area Research Estimates](#).

At the January 12, 2022, meeting of the Council, Oriane Casale of the Minnesota Department of Employment and Economic Development provided a presentation on the Minnesota Job Vacancy Survey that made a compelling case for its value as a complement to JOLTS, particularly in identifying occupations in demand and in connecting jobseekers to education/training programs and employers.<sup>10</sup>

While the Council is pleased to see that the DOL FY 2023 budget request seeks an increase of \$8 million in WIGS, it believes that a greater increase is needed to enable each state to conduct job vacancy surveys in targeted industries and occupations as needed and as a complement to JOLTS. The Council recommends that the Secretary direct ETA to:

- Obtain input from state WLMIs trade associations (LMI Institute, NASWA) on the benefits, relative to the costs, of expanding WIGS funding to enable each state to conduct job vacancy surveys in targeted industries and occupations as needed; and
- On consideration of that input, propose an FY 2024 budget request for WIGS for the Secretary's consideration.

### NLx Research Hub

The NLx, the only nonprofit national online labor exchange system in the U.S., includes 3.9 million job postings from 300,000 employers on a given day. Founded in 2007, the NLx is a partnership between NASWA, representing state employment services, and Direct Employers Association, aiding employers in meeting DOL's Office of Federal Contract Compliance Programs (OFCCP) requirements.

The NLx Research Hub, operated by NASWA, provides workforce development professionals, academic researchers, employers, and other organizations that rely on WLMIs with access to real-time and historical job posting microdata for research and analysis. The NLx Research Hub has 70 million historical job postings, including 18 million unique jobs in 2021.

Recently opened for business, the NLx Research Hub offers substantial potential for enhancing WLMIs through, for example:

- Identifying in-demand occupations and industries, as required by WIOA;
- Categorizing job postings by key characteristics such as credential and educational requirements, full-time/part-time/seasonal, veteran preference, remote work, and pay, for any geography;
- Linking to other datasets for further analysis and context (e.g., Quarterly Census of Employment and Wages, state job vacancy surveys, Integrated Postsecondary Education Data System, Occupational Employment and Wage Statistics, Credential Engine Registry); and
- Analyzing the extent and nature of employer demand by occupation and industry by labor market over time.

In light of these opportunities, the Council recommends that the Secretary direct ETA and BLS to jointly:

- Collaborate with state WLMIs trade associations (LMI Institute, NASWA) in identifying opportunities for DOL to improve WLMIs through utilization of the NLx Research Hub; and
- Prepare a memorandum of findings for the Secretary's consideration.

<sup>10</sup> See presentation at [https://www.dol.gov/sites/dolgov/files/ETA/wioa/pdfs/Minnesota\\_Job\\_Vacancy\\_Survey.pdf](https://www.dol.gov/sites/dolgov/files/ETA/wioa/pdfs/Minnesota_Job_Vacancy_Survey.pdf).

- 5. Recommendation to the Secretary: Direct ETA's Office of Unemployment Insurance (OUI) and the Secretary's Office of Unemployment Insurance Modernization (OUIM) to obtain state agency input through NASWA regarding how DOL can best provide UI grant funding to expand state capacity to gather and effectively use current, reliable UI data in support of UI claimants finding new work.**

### **Importance of Improving UI Data Reliability and Detail**

The Council believes that greater availability of reliable trend data on the number and characteristics of UI claimants by state and local area would improve the capacity of state and local workforce agencies to assist UI claimants in finding new work.

## APPENDIX TO RECOMMENDATION #5: SUPPLEMENTAL INFORMATION

DOL recognizes that “The pandemic has only underscored states’ desperate need for technological support and improvements. Many state systems are operating on outdated technology, which made it difficult for them to respond rapidly to changes in law and economic conditions.”<sup>11</sup>

One difficulty the states face is generating current, accurate data on UI claim and claimant characteristics. In November 2020, the Government Accountability Office (GAO) found that:

- DOL’s weekly UI news releases include valuable state-reported data on claims volume, but they have improperly represented the number of unique individuals claiming UI benefits and the changes in these numbers from week to week. Each week, DOL publishes the number of continued claims submitted by states in all UI programs (i.e., weeks of unemployment claimed by individuals during a reporting period), and reports it as the total number of people claiming benefits in all programs.
- While DOL officials told us that they have traditionally used the number of continued claims to represent the number of individuals claiming benefits because they were a close approximation of each other, various issues arising from

the pandemic have made this practice problematic — potentially overstating the number of individuals in certain circumstances and understating the number in others.<sup>12</sup>

As a consequence, GAO has “recommended that DOL pursue options to report the actual number of distinct individuals claiming UI benefits, such as by collecting data already available from states, beginning in January 2020. DOL agreed to pursue options to report the actual number of distinct individuals claiming benefits but not with collecting data retroactively, noting challenges state UI programs currently face with high claims volumes, antiquated data systems, and insufficient staff.”<sup>13</sup>

Beyond its response to the GAO report, DOL is taking a series of steps to substantially improve the effectiveness, efficiency, and functionality of state UI systems and the quality of the data generated:

- In August 2021, Secretary Walsh created the Office of UI Modernization to “develop and support implementation of the strategic vision outlined in the UI modernization plans . . . , including unemployment insurance reform, and provide oversight and management of \$2 billion in funds in the American Rescue Plan Act to prevent and detect fraud, promote equitable access, ensure timely benefits payments and reduce backlogs.”<sup>14</sup>

11 DOL, “Unemployment Insurance Modernization: American Rescue Plan Act Funding for Timely, Accurate and Equitable Payment in Unemployment Compensation Programs,” Fact Sheet, August 11, 2021.

12 GAO, “COVID-19: Urgent Actions Needed to Better Ensure an Effective Federal Response,” GAO-21-191, November 2020, p. 216.

13 GAO, “Open Priority Recommendations: Department of Labor,” letter to Secretary Walsh, June 29, 2021.

14 DOL, **“US DEPARTMENT OF LABOR ANNOUNCES ESTABLISHMENT OF OFFICE TO MODERNIZE, REFORM STATES’ UNEMPLOYMENT INSURANCE SYSTEMS,”** August 31, 2021 (Release Number 21-1579-NAT).

- ETA is generating a steady stream of guidance, policies, and resources to aid states in American Rescue Plan Act (ARPA)-funded UI modernization.<sup>15</sup>
- BLS is taking advantage of UI modernization to improve the Quarterly Census of Employment and Wages.<sup>16</sup>
- The Chief Evaluation Office plans to fund a new Elizabeth Brandeis UI Labor Research Center “to expand our understanding of the U.S. unemployment insurance system—including its effects on workers, employers, and local communities—with a cross-cutting focus on equity in program administration and outcomes.”<sup>17</sup>
- “In its FY 2023 Budget request, the Department is also pursuing a legislative proposal to permit the Department to collect and store states’ UI claimant data. This legislative proposal would provide the Secretary direct access to all claim and wage data used by state agencies in administering the state’s unemployment compensation program solely for the purposes of Federal unemployment compensation administration and to conduct research, evaluation, and performance assessments of unemployment compensation programs

and Federally funded employment-related programs. The legislative proposal sets out safeguards on the use, redisclosure, secure storage, and agreements with the states regarding the data.”<sup>18</sup>

As DOL is making a number of sizable awards through these various UI-related initiatives, and as improvements in and aggregation of data on UI claims and claimants will serve to improve program operations and WLMI, the Council recommends that the Secretary direct:

- OUI and OUIIM to obtain state agency input, through NASWA, regarding how DOL can best provide UI grant funding that enhances state capacity to gather and effectively use current, reliable UI data in support of UI claimants finding new work; and
- OUI and OASP to collaborate on preparation of a plan for public review and comment regarding their analysis of UI claimant data, if Congress authorizes DOL to collect and store such data.

<sup>15</sup> American Rescue Plan Act of 2021 (ARPA) Information for State Unemployment Insurance Agencies.

<sup>16</sup> See <https://www.bls.gov/cew/additional-resources/unemployment-insurance-modernization/home.htm>.

<sup>17</sup> Grant Opportunity Forecast: Elizabeth Brandeis Unemployment, Insurance Labor Research Center, Department of Labor Chief Evaluation Office, January 10, 2022 (FOA-CEO-22-01).

<sup>18</sup> “FY 2023 CONGRESSIONAL BUDGET JUSTIFICATION EMPLOYMENT AND TRAINING ADMINISTRATION State Unemployment Insurance and Employment Service Operations,” p. 24.

**6. Recommendation to the Secretary: Direct the Office of the Assistant Secretary for Policy (OASP) to prepare a report, in consultation with ETA and BLS, for the Secretary’s consideration that: identifies public and private data sources which have the potential to build evidence regarding workers’ experiences and challenges in seeking and finding new jobs; and suggests options for DOL agencies to use these data sources to help address barriers that workers experience.**

The Council encourages OASP to include the following data sources in the initial review—Current Population Survey (CPS) supplements; American Job Centers case management systems; commercial employment websites (such as Indeed and Monster); and data collected by federal contractors at the direction of the Office of Federal Contract Compliance Programs (OFCCP). Further, the Council suggests that OASP consider the following DOL program agencies as potential users of data on workers’ experiences—BLS, ETA, Women’s Bureau (WB), Veterans’ Employment and Training Service (VETS), and OFCCP.

**Importance of Better Understanding and Addressing the Barriers Workers Experience in the Search for Work**

The Council perceives significant opportunities to analyze existing public and private datasets so as to better understand and address barriers and challenges experienced by workers as they seek work and career advancement. Examples of such barriers and challenges include:

- Employers’ reluctance to hire older workers
- Employers’ reluctance to hire the formerly incarcerated
- Insufficient skills/education
- Arbitrary credential requirements
- Biased Artificial Intelligence (AI)-based algorithms
- Language and access barriers
- Credit screening
- Irregular work history (e.g., time away for children, day laborer)
- Impediments to applying (e.g., expectation of bias, intimidating requirements, poor benefits)

## APPENDIX TO RECOMMENDATION #6: SUPPLEMENTAL INFORMATION

For DOL to more fully achieve Strategic Objective 1.1, the Council believes DOL requires better understanding of the challenges and barriers faced by workers in job search and career advancement. The Council is pleased to see that the DOL FY 2022-2026 Evidence-Building Plan articulates a number of efforts to gain and apply such understanding, including:

- Project 4: Disability and Employment Equity Analysis
- Project 11: Women and Work Report
- Project 23: Algorithmic Fairness
- Project 35: RESEA Evidence-Building Portfolio
- DOL Scholars Program
- Data Challenge for Emerging Scholars and Academics
- Improving Accessibility and Usability of ETA Data Books
- Potential Future Evidence-Building Topics:
  - ◆ Labor-related data gaps on marginalized groups
  - ◆ Inequality in hiring and employee management, retention, and promotion processes

The Council perceives that these and related research efforts could benefit from consideration of a diverse set of public and private data sources not specified in the Evidence-Building Plan.

First, the Council suggests that questions about workers' experiences could be added to federal household and business surveys. **Monthly supplements** to the household Current Population Survey—such as supplements concerning contingent workers, dislocated workers, UI non-filers, and veterans—could ask workers about their experiences. In addition, business surveys fielded by Census and BLS could obtain more information about employers' hiring and human resource practices. These surveys are:

- **Annual Business Survey** (U.S. Census Bureau) -- Management Practices Module
- **Business Response Survey** (BLS)
- **Business Trends and Outlook Survey** (U.S. Census Bureau)

Second, the Council believes that federal and state administrative records, such as American Jobs Centers (AJC) case management systems, could be a valuable source of information on workers' experiences. AJC performance reporting: facilitates a high level of data collection on individual workers accessing AJC services; is a data source on highest-need populations; and offers the potential to ascertain worker skills and experiences possessed and acquired, if workers are in a subset population (e.g., veteran, disabled, formerly incarcerated), how long are they were actively seeking work, and employment and wage outcomes.

Third, the Council thinks that commercial employment web services, such as Indeed and Monster, have the potential to provide valuable information, including:

- Characteristics of job applicants – such as skills, field of study, age, years of experience, length of time applying before being hired, average number of submitted applications, current employment status; and
- Interactions between applicants and job postings – such as number of applications submitted per job, number of applicants turned away, trends in denied applicants, trends in hired applicants.

One important potential beneficiary of this recommendation's implementation is the Hiring Initiative to Reimagine Equity (HIRE) jointly announced on January 19, 2022, by OFCCP and the

Equal Employment Opportunity Commission (EEOC). According to the fact sheet:

HIRE will . . .

- Identify strategies to remove unnecessary barriers to hiring and to promote effective, job-related hiring and recruitment practices to cultivate a diverse pool of qualified workers.
- Promote equity in the use of tech-based hiring systems.
- Develop resources to promote adoption of innovative and evidence-based, recruiting and hiring practices that advance equity.

HIRE will work to inform workplace DEIA initiatives by developing a better understanding among employers of the needs and challenges faced by various underrepresented communities. Especially now, as employers confront changing labor market dynamics, many are searching for strategies to recruit and hire from new and diverse talent sources.<sup>19</sup>

<sup>19</sup> DOL, [Fact Sheet: Hiring Initiative to Reimagine Equity \(HIRE\)](#), January 19, 2022.





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