


ETA RESPONSE

U.S. Department of Labor

Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, D.C. 20210

SEP 20 2017

MEMORANDUM FOR: ELLIOT P. LEWIS
Assistant Inspector General for Audit

FROM: BYRON ZUIDEMA 
Deputy Assistant Secretary

SUBJECT: Response to Office of Inspector General (OIG) Draft Audit Report
No. 04-17-002-03-315, *Program Specific Performance Measures
Are Needed to Better Evaluate the Effectiveness of the
Reemployment Services and Eligibility Assessment Program*

Thank you for the opportunity to respond to Draft Audit Report No. 04-17-002-03-315 related to the Reemployment Services and Eligibility Assessments (RESEA) initiative. During Fiscal Year (FY) 2015, the Employment and Training Administration (ETA) encouraged states to begin transitioning from the former Reemployment and Eligibility Assessment (REA) program to the current RESEA program that targets individuals determined most likely to exhaust their Unemployment Insurance (UI) benefits and in need of services as well as transitioning veterans receiving Unemployment Compensation for Ex-Servicemembers (UCX).

During FY 2017, the RESEA program was operational in 52 jurisdictions, including 49 states, the District of Columbia, Puerto Rico, and the Virgin Islands. The dual-service strategy of conducting eligibility assessments and providing reemployment services helps ensure the proper payment of UI and UCX benefits, reduces the duration of benefits, and supports successful employment outcomes. States' participation in the RESEA program is voluntary and approximately 18 percent of UI beneficiaries currently receive RESEA services. The FY 2018 Department of Labor (DOL) budget request conveys our commitment to this strategy by proposing an expanded and mandatory RESEA program beginning in FY 2019.

A key aspect of the new RESEA program is the states' ability to use RESEA funding to provide reemployment services, such as resume development, interviewing skills, and assessments for other workforce programs. Under the REA program, grant funds could only be used for the UI eligibility assessments, including providing labor market information and referrals to reemployment services. Beginning in FY 2017, we added a Wagner-Peyser co-enrollment requirement that provides a means to collect information about RESEA participants through the Workforce Innovation and Opportunity Act (WIOA) reporting system. Funding for reemployment services, co-enrollment in Wagner-Peyser Employment Service, and alignment with WIOA performance measures are significant changes from the REA model and can support RESEA program integration, partnerships, and expansion at the state and local levels.

ETA concurs with the OIG's recommendations that we continue to provide support to states in maintaining up-to-date profiling models that accurately select appropriate RESEA participants (Recommendation 2) and to work towards greater data accuracy (Recommendation 3). ETA also agrees that periodic evaluations of RESEA outcomes are an important component of program management, as demonstrated by our previous evaluations of the REA program (Recommendation 4). However, ETA has concerns with the OIG's recommendation that ETA develop and implement specific performance measures for RESEA (Recommendation 1).

ETA's responses to each of the OIG's recommendations are set out below:

Recommendation 1: Develop and implement specific performance measures for the RESEA program.

ETA Response: ETA will use a three-prong approach for measuring and understanding the RESEA program's outcomes and impacts. First, ETA is aligning RESEA metrics with the Common Measures used by programs authorized under WIOA, as well as other Federal workforce programs. Second, ETA will continue to collect RESEA-specific reports providing information about RESEA activities and outcomes. Third, ETA is planning to conduct periodic, independent evaluations of the RESEA program.

WIOA Common Measures

WIOA mandated new performance measures, including a set of revised Common Measures that are used across Federal workforce programs. Use of the Common Measures provides the ability to describe in a similar manner the core purposes of the workforce system and answer questions regarding: how many people found jobs; did they stay employed; and what did they earn. The Common Measures also help to reduce the reporting burden associated with multiple sets of reporting requirements and facilitate program integration through greater uniformity. ETA is currently transitioning the RESEA program to these measures by leveraging data collected under the Wagner-Peyser Employment Service program. The first RESEA Common Measures data will be available in late 2018.

This transition to Common Measures will result in metrics aligned to those used by other programs serving UI claimants, including the WIOA Adult, WIOA Dislocated Worker, and Wagner-Peyser Employment Service programs. The WIOA performance measures use wage record data to support their calculation, which is different than the National Directory of New Hires data used for REA and current RESEA reports. Therefore, the transition to Common Measures aligns RESEA with other programs serving UI claimants, uses an additional data source (wage records), provides a more comprehensive understanding of services RESEA participants receive from other programs, and leverages current reporting systems and processes to minimize burden and cost to states.

RESEA Reporting

The RESEA program has specific reporting requirements that include the ETA-9128 and ETA-9129. The ETA-9128 report captures specific activities, such as the number of RESEA sessions scheduled, number of sessions completed, and number of no-shows. The ETA-9129 report captures RESEA specific outcomes, such as total weeks of UI paid, number of disqualifications, number of participants exhausting benefits, number reemployed, amounts of UI overpayments established, and average weeks to reemployment. Later this year, ETA will launch the ETA-9128X and ETA-9129X reports that mirror the ETA-9128 and ETA-9129 reporting elements, but provide information specific to UCX participants.

Independent RESEA Evaluations

The RESEA program is an evidence-based strategy that is based on previous research and studies of REA. FY 2017 is the first full year that all participating states are operating the RESEA model. At present, the recent transition from REA to RESEA has prevented an evaluation of RESEA outcomes. However, ETA is committed to understanding and improving the RESEA model and plans to conduct a future evaluation. An evaluation of the RESEA program is currently on ETA's learning agenda.

ETA is concerned that the OIG's recommendation for additional measures that compare outcomes of RESEA participants to other UI claimants creates an exceptionally high burden on the states operating RESEA. To make the comparison the OIG suggests would require reinstating a control group in each state, something ETA chose to move away from as we have aligned RESEA with WIOA, similar to all other DOL-funded workforce programs. We are aware of no other similar program that uses a permanent comparison group as part of its performance measurement. Additionally, the OIG provides no justification for imposing a level of scrutiny on the RESEA program that far exceeds the metrics used by other Federal workforce programs. Lastly, the creation of additional measures for RESEA conflicts with ongoing efforts to implement WIOA's vision of promoting a fully integrated workforce system.

At this time, ETA will prioritize available resources to improve current reporting, to ensure the successful transition of RESEA to the WIOA Common Measures, and to conduct an evaluation of the RESEA program. ETA would welcome additional discussion with the OIG to support their understanding of ETA's goal to implement the WIOA Common Measures for all workforce programs, including RESEA, and why additional measures are unnecessary.

Recommendation 2: Continue to work with states [to] update their worker profiling models to accurately identify claimants most likely to exhaust their UI benefits.

ETA Response: In the past three years, ETA conducted two national seminars related to profiling modeling, identified and catalogued various available resources, and issued multiple notices and guidance documents which informed states that assistance is available on all aspects of profiling modeling, including guidance on modeling issues, techniques and diagnostics, as well as complete model building assistance. Attached to this response is a list of recent

resources ETA has provided to states to help with their profiling models. ETA will continue to work with states to maintain their profiling models. Additionally, ETA Regional Office staff members will continue to review profile modeling as part of routine state monitoring and the ETA National Office will continue to support the regional offices by updating monitoring guidelines and tools in FY 2018 and reiterating the importance of well-maintained profiling models during the FY 2018 RESEA implementation webinar.

Recommendation 3: Continue to work with states to improve the accuracy of reported RESEA outcomes.

ETA Response: ETA will continue to work with states to improve the accuracy of the RESEA data. A webinar will be conducted by the end of calendar year 2017 on proper reporting and that addresses common issues states have with the RESEA required reports discussed above. Monitoring tools and the format of the quarterly data analysis used by ETA staff to identify potential reporting issues are currently being updated. ETA is also fully committed to the successful implementation of the WIOA Common Measures and representatives from ETA's Office of Unemployment Insurance are directly supporting related technical assistance efforts. Also, in FY 2018, ETA will issue new guidance on the new ETA-9128X and ETA-9129X reports and work with the regional offices to identify and provide any needed additional technical assistance.

Recommendation 4: Conduct periodic evaluations of RESEA outcomes, including a comparison of outcomes with the outcomes of non-RESEA participants.

ETA Response: As noted above, ETA has been committed to studying the REA and RESEA programs for some time. ETA plans to conduct periodic independent evaluations of the RESEA program and an evaluation of the program is currently on ETA's learning agenda.

Again, we appreciate the opportunity to respond to your draft report and its recommendations. If you have questions, please contact Gay M. Gilbert, Administrator, Office of Unemployment Insurance, at (202) 693-3029.

Attachment

Attachment: Recent Worker Profiling Model Technical Assistance

- **National Seminars:** In the past 3 years, the Department of Labor (DOL) provided two Profiling Methods Training Seminars:
 - Washington, DC – held on May 19 – 22, 2015
 - States attending the 2015 seminar: AK, AZ, AR, CO, CT, DC, FL, GA, HI, ID, IA, KY, LA, ME, MD, MA, MN, MT, NE, NV, NJ, NM, OK, OR, PA, PR, RI, TN, TX, UT, VA and WA
 - Phoenix, AZ – held on April 26 – 29, 2016
 - States attending the 2016 seminar: AK, AZ, CA, CO, DC, GA, IA, KS, KY, ME, MA, MI, MO, NJ, NM, NY, NC, OH, OK, PA, RI, VA and WA
 - Analysts from all states were invited through the issuance of Training and Employment Notices (TENs). These included TEN No. 26-14 and TEN No. 26-15 for the 2015 and 2016 sessions, respectively, and through direct e-mail communications to known profiling model contacts within the states and through ETA Regional Office contacts.

- **DOL Technical Assistance Awareness:** On June 3, 2016, ETA issued TEN No. 37-15, which reminded all states that assistance is available on all aspects of profiling modeling, including guidance on modeling issues, techniques and diagnostics, as well as complete model building assistance.

- **Technical Assistance Archive:** ETA is actively archiving technical assistance (TA) resources on ETA's TA platform WorkforceGPS. In addition to specific information about worker profiling, the archive also includes links to general resources about statistical approaches and methodologies. The material can be found at this link: <https://rc.workforcegps.org/resources/2017/06/14/11/49/A-List-of-Available-Resources-for-Worker-Profiling-and-Reemployment-Services-WPRS-Modeling>.