

# A National Dialogue on The Unemployment Insurance Program in The Workforce Development System

**I. Purpose.** The purpose of this paper is to provide a framework for a national dialogue regarding the development of a vision for the Unemployment Insurance (UI) program within the workforce development (or one-stop career center) system. This paper will be further refined and developed as the dialogue proceeds.

**II. Background.** Workforce development is a major initiative of the Clinton Administration and the Congress. The Administration has been funding system building through competitive one-stop grants since 1994, and the House just recently passed HR-1385 to consolidate employment training and education programs known as the Employment, Training and Literacy Act. States, local communities, and regional offices have been working diligently to build a high-quality system for our customers that integrates services and programs, including UI.

Investments in technology are also creating new and better ways of serving customers. The UI program's innovation enabling the remote filing of claims by telephone and/or computers is revolutionizing the way unemployed workers interact with the workforce development system to access unemployment benefits. In some States, this is changing the traditional presence of the Unemployment office in local communities. Instead, one-stop centers or electronic systems are becoming the local access points.

This trend raises some major issues including: (1) how to maintain connections between UI and the other components of the workforce development system for reemployment services, and (2) how to manage the impact on the system infrastructure ( e.g. physical, structural, fiscal )?

**III. What is a Workforce Development System.** The workforce development system contains six basic functions within which services are provided through various programs; i.e., income maintenance, LMI, labor exchange, job search assistance, intensive services and training (see Appendix A).

What It Is: Workforce Development has been described in recent ETA papers as "a continuous process of providing the productive skills needed by a growing economy" (See Attachment I). The purpose of a workforce development system would be to facilitate this process and to minimize the impact - on both workers and employers - of unintended consequences of the dynamic functioning of the labor market.

Labor market interventions, and therefore an effective workforce development system, should be designed to accomplish one or more of the following objectives for workers and employers:

- ▶ provide workers, during periods of unemployment or less than full employment, appropriate income supplements to maintain purchasing power and support economic activity. (Maintenance objective)
- ▶ Provide workers with the information, skills and abilities needed to qualify for the employment opportunities that exist and are being generated in the economy and provide employers with skilled workers. (Development objective)
- ▶ Ensure an effective matching of job services and employment opportunities that fully engage the skills and abilities of those seeking and/or needing employment with employers who need qualified workers. (Utilization objective)

An effective workforce development process which supports a growing economy recognizes that an individual worker may need development and utilization and even maintenance-related assistance. Further, the process recognizes that the development, utilization, and maintenance objectives are important to employers economic vitality.

What It Is Not: A workforce development system is not a specific program, nor is it administered by a single government or private entity. A successful workforce development system is comprised of the coordinated efforts of Federal, State and local governments as well as private sector partners.

A workforce development system is also not a one size fits all system with a very specific technical definition. A successful workforce development system can have different emphasis in different States depending on their labor market and economy.

Based on the descriptions above, the workforce development system should be viewed as an effective connection between labor market services designed to facilitate efficient interactions between workers and employers and the entities which provide those services.

**IV. UI Role in a Workforce Development System.** The Unemployment Insurance program is the largest provider of income maintenance services within the workforce development system and is a major link for unemployed workers to reemployment services and jobs. With about 20 million workers filing for benefits in 1996 and 6.2 million reporting employers, UI is a very large part of the one-stop front door. The UI program collected 23 billion dollars in State taxes and paid 23 billion dollars in benefits in 1996 with 2.5 billion dollars in administrative funds coming from the 6 billion dollars in Federal taxes collected (FUTA). It is vital that the basic, important work of this program remain based on the following principles:

- ▶ UI's role is to contribute to economic stabilization by providing temporary wage replacement to workers who have lost their jobs through no fault of their own.
- ▶ Reemployment is the goal.
- ▶ Benefits and administration are financed by employers, building benefit reserves in good economic times so funds are available for economic downturns.
- ▶ Benefits should be paid accurately and on-time to workers who are able and available for work.
- ▶ Taxes should be fair and equitable and connected to employers' experience with their workforce.
- ▶ Fair and timely hearings should resolve disputes about benefit and contribution rates.
- ▶ A Federal-State partnership is necessary due to national economic interests, multi-State employer interests, State/regional economic shifts, and temporary financial back-up in case of individual State insolvency.

It is important to note, UI must provide service to all applicants as a matter of law and is a major entitlement program within the workforce development system. ETA believes strongly that there is broad potential in the UI program for connection to the workforce development system and processes. In fact, the UI initial claim is or can be the initial intake point for many of the workforce development system's customers. From the customer perspective, the main connectivity points in the unemployment claims process can be utilized to inform customers of available services and ascertain the services that customers need, use the most, those that are easily accessible and available. These points should be examined for improved connectivity and system integration; they include:

1. Intake: For the unemployed worker entering the system in search of temporary income maintenance, training opportunities or assistance in obtaining employment, the initial claim filing process is a critical point for ensuring connectivity to the workforce development system. At this point, substantial information about the claimant is taken, including social security number, name, address, last place of employment, citizenship, and many other factors which allows UI to systematically develop a profile of all claimants and their likelihood to exhaust UI benefits. It also represents an excellent informational pathway to electronically connect the claimant's wage and work history to the eligibility requirements of other employment and training programs. The UI intake also affords the possibility of automatically creating a mini-resume instantly connecting unemployed workers to jobs through America's Talent Bank and

America's Job Bank. In addition, UIS strongly supports the pursuit of integrated data systems within a workforce development system as a means of ensuring an enhanced strategy to connect customers and program operators to common information. See Attachment II.

2. Worker Profiling and Reemployment Services (WPRS): Severe cyclical changes occur in our economy at different times and in different locations of our country. It is during these times that our workforce development system will find its resources and service options stretched to its limit, and in need of a strategic process to set customer workload and service priorities. The WPRS program represents a relatively new process in which UI identifies those claimants who are likely to exhaust benefits (draw for 26 weeks in most States) and refers them to re-employment services and a job. Individuals who are determined to be in need of skill training in order to reenter the labor market can be referred to training opportunities. WPRS has provided new and better ways of connecting dislocated workers to jobs. UI would like to explore the potential to devise a system of profiling which could be used at the initial claim process to characterize all UI claimants as to the types of services they need, if any, and to refer them automatically to these services.
3. Assessment: All individuals entering the one-stop system will have access to some preliminary assessment tools or process. How do customers of the Unemployment Insurance program best intersect with this important service point to aid their reemployment efforts?
4. Eligibility Review Process (ERP): The UI Eligibility Review Process is another service to assist the UI claimant to develop a more focused work search strategy for transition to new employment or available training opportunities. These "ERPs" conducted during the continued claims process involve assessing the claimants' efforts to find work, their employability, and whether additional re-employment assistance is needed. Input is sought on how this step of the work test process can provide a better service integration opportunity with improved outcomes for individuals, increased placements for employers and maintenance of program integrity.
5. UI Data Utilization: Identifying and managing program services and resources in a workforce development system, where customer needs usually exceeds available resources, demands that an area's workforce development system utilizes the most accurate and economical data available that projects emerging and future labor market trends. The workforce development system needs to more readily connect with the UI's rich source of historical and present information about employment experiences, wages and unemployment in the local area and throughout the State. This data can readily assist the local area and State in their efforts to project employment trends, as a guide for the design of a comprehensive service strategy and in working with State Legislatures. Some of

this UI data is already a part of Federal and State LMI data bases. Access to this information, when individuals file initial UI claims for possible participation in a service activity, could be an important link between UI and other components of the workforce development system. Also, Federal employment and training programs all require that State and local areas determine the short and long term benefit of participation in programs on the client. The UI Wage Record file is an excellent source for long term follow up of customers to determine retention, wage levels and general program outcomes.

6. Employer Activities: The UI program is involved in several activities with individual employers and the employer community. Every covered employer is required to report wages and pay taxes quarterly and UI staff audit about 2% of all covered employers nationally each year. When an initial claim is filed, the separating employer and eventually all base period employers are notified in most States and employers are often present at UI nonmonetary and appeals hearings. As a result, UI is often the only or most frequent contact that employers have with the workforce development system. Many States conduct employer information and educational forums, while most States provide information to all employers about the Employment Security programs administered by the State. To promote the match of qualified workers with available jobs, it should be possible to capitalize upon these interventions to build employer support for and use of the workforce development system.

The points in the process described in items one through four, while described separately, are all related. These points are also illustrated in the attached chart.

**V. Discussion Issues for Stakeholders.** The significance and importance of initiatives which envision the development of a workforce development system concept for the delivery of employment and training activities and services is recognized and fully supported by UI. Accordingly, UI will be a strong link in the provision of services which are valuable to all partners. In order to reach a vision for the future of the UI program and its continued integration into the workforce development system, the following areas should be explored:

- ▶ Customers: Whether;
  - employment and training coordinated efforts such as rapid response teams can be improved.
  - claimants need to come to a local office/center. What are customer considerations for in-person reporting?
  - a mini-resume can be designed as part of the initial claim, and how to implement and administer.

- profiling should be re-examined, how should it be improved, and how should it be changed.

-ERPs can be changed to be more effective and more meaningful.

-A better connection with one-stop assessment would be beneficial, and, if so, what would this be and how would it work.

- ▶ System technology: UI has a proven track record for utilizing technology, creating efficiencies and improving customer service through the development and implementation of systems such as telephone claims, the Interstate Connection (ICON), automated payments, and "Expert Systems" like adjudication. How should these systems and expertise be used in the workforce development system to improve customer access, information, service and outcomes?
- ▶ Performance measurement system: UI has a well defined performance measurement system. How does this support the development of system-wide program accountability and performance outcomes?
- ▶ Administrative Considerations: What areas of administration or oversight need to be reviewed in order to provide flexibility for the system and high integrity and accountability for the UI program? What are the recommendation of these administrative areas (e.g. cost allocation, confidentiality of data, property, reporting requirements, impact of technology on physical location of UI)? These discussions need to occur with all stakeholders.
- ▶ Employers: How the UI program connection to U.S. employers can be built upon to improve workforce development system services for these customers, and if so, how? How to maintain employer confidence and support for one-stops.

**VI. Next Steps**. Previously stated, the purpose of this paper is to provide the starting point for discussions with staff, stakeholders, and partners regarding the description about how this program continues to fit within and support the workforce development system.

As such, the next steps are:

- ▶ Mid-June: Begin external consultations at the next ICESA Board meeting and the IAPES annual conference. In addition to the ICESA Board, we will also engage the ICESA committees -- i.e., UI, IB, ET, AT at their regularly scheduled meetings. The Regions will also be asked to consult with the States on a regional basis.
- ▶ Two other key stakeholder groups that we will begin consultations with simultaneous to ICESA are the employers (UBA, NEC, et al) and organized labor (AFL-CIO). Again, comments will be sought and incorporated to create a strong, broadly-supported vision.

- ▶ In addition to these major national consultations, RAs, UI Managers and RDs will broadly consult on a regional basis and will seek out opportunities for broader consultation at stakeholder forums, meetings of other workforce development system partners, and other interested parties.
- ▶ All States will have been consulted with and their input received and processed so that a sound consensus of the vision of UI and its role in the workforce development system can be unveiled in mid-September.

Attachments

## Appendix A

Note: Attached is a draft discussion of the workforce development system which was prepared for and used by ETA executive staff. It is being provided as further information for this dialogue, but is not intended, nor should it be used, to expand the discussion beyond the UI vision within the system.

## THE WORKFORCE DEVELOPMENT SYSTEM

### PURPOSE

The purpose of this paper is to provide a clear understanding of the workforce development system's relationship to the labor market and ETA's emerging role within that system. The workforce development system supports the President's goal of fostering individual opportunity by investing in the knowledge, education and skills of our current and future workers and enhancing partnerships with the business community. This paper is intended to clarify ETA's vision for the workforce development system in the modern U.S. economy and its role in helping Americans access the training, employment services, and information they need to successfully manage their careers, and to ensure that U.S. businesses have access to the skilled workers they need to compete successfully in a global economy. It is intended to serve as the basis for ETA Executive staff discussion and future strategic decisions.

### I. The U.S. Labor Market

The U.S. labor market is a vast, dynamic and complex set of relationships and transactions between two primary groups -- the **135 million** workers and job seekers in the labor force and the **six million** U.S. employers.

The interaction between workers, the sellers of labor, and employers, the buyers in this market is extremely dynamic. Global competition, the explosion of technology in the workplace, and the spread of high performance business practices have accelerated the rate of change and the dynamism of the transactions and interactions within this market. Speed in responding to customer needs and requirements has become a major source of competitive advantage for successful firms. Expected life cycles of products and operating technologies are declining. Skills needed both by workers and managers in this environment are constantly changing.

The new labor market is characterized by continuous interactions between workers and employers. If these interactions occurred in a "perfect" market context --

- ▶ Employers and workers would have complete and accurate information on the capabilities and opportunities each offered.
- ▶ Each could access the capabilities/opportunities in a real-time context.

- ▶ The cost of accessing the capabilities/opportunities would be affordable.
- ▶ There would be no artificial barriers (e.g., discrimination) to achieving appropriate matches of capabilities and opportunities.

While the U.S. labor market is not a perfect market, it has been extremely successful in one of its key performance measurements -- its ability to generate enough new jobs to absorb increases in the labor force. By this standard, the labor market and the economy have performed extremely well over the past six years. U.S. businesses created 10 million new jobs and hired the workers to fill them. This growth not only absorbed the eight million worker increase in the labor force but also reduced the number of unemployed by nearly three million.

But there were market inefficiencies --

- ▶ The number of workers losing jobs as a result of economic restructuring (i.e., plant closures, mass layoffs) exceeded 8 million. Many of these workers do not have the skills needed to easily replace their earnings.
- ▶ Employers have experienced significant shortages of skilled workers, particularly in technology-related occupations.

In exploring the relationship of workforce development and the labor market, it is important to not only look at past performance, but also to focus on trends that will impact future labor market performance. The following major trends will significantly impact the performance of the labor market:

- (1) The American workforce will be growing at a slower rate, is becoming older, more diverse, and facing stiff global competition.

BLS projections indicate that the future supply of workers will increase by 12 percent over the 1994-2005 period, significantly less than the growth of 16 percent experienced in the 1982-93 period.

The labor force 55 years of age and older will grow faster than the younger labor force as the baby-boom generation (born 1946-64) continues to age. The labor force 25 to 34 years of age is projected to decline by almost 4 million, reflecting the decrease in births in the late 1960s and early 70s.

- (2) The increasing importance of the service sector in new job creation and the changing nature of jobs will place a high premium on workers' skills and knowledge.

Manufacturing's share of total jobs is expected to decline, as a decrease of 1.3 million manufacturing jobs is projected by 2005, and manufacturing is expected to account for one out of every 8 jobs in 2005.

- (3) The competitive success of U.S. businesses and the growth of the economy will increasingly depend upon on worker knowledge and command of skills, including the effective use of technology.
- (4) Good jobs and high wages will be available primarily to those who are well-educated or highly trained, and these workers will increasingly control more income.
- (5) Health, business, and social services will continue to grow. Health services, business services, and social services are expected to account for almost one of every two jobs added to the economy during the 1994-2005 period.
- (6) The sustainable rate of unemployment (SRU) may be lower than previously believed. The sustainable rate of unemployment is the lowest unemployment rate that will not trigger a rise in inflation. The experience of the 1980's suggested that the sustainable rate of unemployment was six percent. When unemployment went lower than six percent, inflation increased, and, when unemployment was above six percent, inflation decreased. However, the experience of the labor market in the 1990's indicates that the SRU is now lower than six percent. The unemployment rate has dropped as low as 5.2 percent without sparking an increase in inflation.

According to the 1996 Economic Report of the President, the sustainable rate of unemployment has fallen because of structural changes in the U.S. economy that may have restrained increases in wages and prices, e.g., increased domestic and international competition, a decline in unionization, and increased concern about job security.

If a major goal of ETA is to eliminate employment barriers, the issue of the sustainable rate of unemployment would seem to be a critical one. Under the current economic structure, how low can unemployment go without causing a rise in inflation? Are there public policy actions that could effectively lower the sustainable rate, and thereby potentially open up jobs for thousands or millions of workers? What about the future? What are the prospects for the SRU in the year 2005? Will it be lower or higher?

- (7) Contingent workers are becoming an increasingly important part of the labor force. Some projections indicate that contingent workers may comprise as much as 50 percent of the labor force by the turn of the century. A firm's contingent work force is made up of workers with no implicit or explicit long-term relationship with the company, and with no significant stake in the success of the organization. The contingent work force is comprised of workers who may be hired on a per-project or term basis to provide extra production capacity, special skills related to the core business, or ongoing operational support.
- (8) Despite unprecedented levels of job creation, and low levels of unemployment, long-term joblessness (27 weeks or longer) has risen. The labor market appears particularly inefficient in matching the long-term unemployed with new jobs being created. BLS figures indicate that long-term joblessness has increased since 1991 and the gap between the overall unemployment rate and the percent of the unemployed who are unemployed for 27 or more weeks has widened.
- (9) Real incomes have fallen or stagnated for most American families since 1979. Between 1979 and 1993, real income of the poorest fifth of American families fell by 15 percent, while income for the top fifth increased by 18 percent.

## II. Government Interventions in the Labor Market

The Federal government, since the 1930s, has implemented interventions to improve the efficient operation of the economy and labor markets as a core element of public policy. Some of the significant public interventions since 1930 include:

- ▶ *The Wagner-Peyser Act of 1933* established a nationwide system for linking job seekers with available employment opportunities.
- ▶ *The Social Security Act of 1935* provides income support for retired workers, workers who become disabled, and, through the Unemployment Insurance System, for workers who experience unemployment.
- ▶ *The Fair Labor Standards Act of 1938* established minimum standards regarding worker compensation.
- ▶ *The Employment Act of 1946* through which the Federal government established full employment of American workers as a critical national goal. *The GI Bill* created special education and training benefits for veterans.
- ▶ *The Federal Reserve Act* which in the 1970s assigned the Federal Reserve responsibility for stabilizing the U.S. economy through the use of fiscal stimulation.

- ▶ A number of programs, beginning in the early 1960s and continuing through today, created and designed to address special education and skills training needs of the workforce.

As enacted by Congress, labor market intervention programs are usually quite specific and targeted as to their purpose, services, and beneficiaries. The assumptions underlying their enactment were tied to the countercyclical trends experienced in the mainstream economy and to structural factors that impacted small segments of the labor force.

Today, the labor market intervention programs which have been enacted over the years represent a major investment of federal funds which exceeds \$25 billion annually. There is nothing inherently bad about having a large number of labor market intervention programs. The difficulties arise where there is a lack of connection among the programs. This results in:

- ▶ Individual programs with unique administrative structures, creating rivalry for limited public funds and "turf battles" among the programs.
- ▶ Conflicting definitions and rules from program to program for the same thing -- e.g., different definitions of "poverty."
- ▶ Confusion for programs' customers who must decipher and discover which services are available from which program.
- ▶ Lack of clarity regarding the public role in providing services, and confusion among and between public officials on the responsibilities of the federal, state, and local levels of government.
- ▶ With each program measuring its own performance differently, there is no way to gauge the impact of the total federal investment across the various programs.

During the last several years the Federal government, in collaboration with State and local governments, has taken several actions to respond to these deficiencies and to build a more responsive approach to serving the needs of the workforce and employers. These initiatives include:

- ▶ Implementation of One-Stop and School-to-Work system building initiatives to establish local delivery systems which meet the principles of universal access, customer choice, integration and accountability.
- ▶ Development of technologies and data bases that are reflective of the rapidly changing job performance requirements in the labor market. These include Skills Standards and O\*NET.

- ▶ Use of emerging communications technologies to facilitate a more efficient labor market exchange. Specific examples are America's Job Bank, development of the Talent Bank and use of the InterNet to increase access of information by the public.
- ▶ Granting waivers of statutory and administrative requirements to remove unnecessary barriers to achieving quality outcomes in local labor market conditions.

These initiatives represent a good start in responding to the changing nature of the labor market but they do not, in total, represent an effective workforce development system.

### **III. Purpose, Objectives, Core Elements of and Providers Within a Workforce Development System**

Workforce development can be viewed as a continuous process of providing the productive skills needed by a growing economy. The purpose of a workforce development system would be to facilitate this process and to minimize the impact - on both workers and employers - of the unintended consequences of the dynamic functioning of the labor market.

Labor market interventions, and therefore an effective workforce development system, should be designed to accomplish one or more of the following objectives:

- ▶ provide workers with the information, skills and abilities needed to qualify for the employment opportunities that exist and are being generated in the economy ("helping people work better in the market" - the *development* objective);
- ▶ ensure an effective matching of job services and employment opportunities that fully engage the skills and abilities of those seeking and/or needing employment ("helping the market work better" - the *utilization* objective);
- ▶ provide workers, during periods of unemployment or less than full employment, appropriate income supplements to maintain purchasing power and support economic activity ("helping maintain people while awaiting success in the market" -the *maintenance* objective).

Although distinct, these objectives are not independent of each other. An effective workforce development process which supports a growing economy recognizes that an individual worker may need development and utilization-, and even maintenance-related assistance. Further, the process recognizes that the development, utilization, and maintenance objectives are as relevant to the employer as to the worker.

A system which truly responds to the dynamics in the labor market must be able to build the skills of Americans and adequately serve workers, job seekers - current and future, and employers into the 21st century. This system must be able to:

Help young people make a successful transition to the world of work and family responsibility. This means enhancing and enriching the learning and employment experiences of young people as they prepare for the jobs of the future.

- ▶ Assist workers who will be displaced by, and incumbent workers who need to retool skills, economic changes to move into new and better jobs. Also, provide appropriate assistance to welfare recipients who need to meet new work requirements. This means making readily available high quality job, career, and education and training information and services, and temporary income support for eligible workers.
- ▶ Aid employers in developing or using efficient (just-in-time) labor market exchange and personnel systems and in making leveraged investments to raise the skills of workers to better meet the labor market demands of the next century.

Such a system would need to have the following characteristics:

- ▶ The capability of serving the full workforce and set of employers. This means operating efficiently and accessing multiple funding sources.
- ▶ Defined points for easily accessing workforce development services.
- ▶ Service technologies that respond to the real-time dynamism of the economy and labor market, and the needs of workers to maintain income.
- ▶ A mix of diverse providers with incentives that encourage specialists to “specialize” and to collaborate in support of achieving the overall goal of the system.

All entities and institutions, public and private, which provide one or more of six basic labor market services - information, guidance, training, financial assistance, jobs, and intensive services - should be seen as part of the workforce development system. These entities would include all ETA-funded programs, all private-for-profit employment agencies, and jobs programs run by organizations which are part of other systems such as education, housing, welfare, and criminal justice. This means that the workforce development system intersects with activities, in varying degrees, carried out through other service systems.

The publicly-funded part of the Workforce Development System requires broad participation by stakeholders and involvement at each level of government:

- **Local.** Services are delivered to individuals and employers in their communities. Labor markets are very different locality to locality. The local

government and stakeholders (through a local workforce development board) need to design a service delivery strategy that is system wide, responsive to local needs, accountable, and connected to the State and Federal government.

- **State.** Governors and State Legislators lead the State's education and economic development policies and activities; enact certain employment laws; receive block grants for welfare and workforce development functions; and engage in other functions which may impact local labor markets. The state government and stakeholders (through a state workforce development board) need to work with the locals to deliver high quality services throughout the state, account for the investments made, and work with other states and the federal government to ensure a national system is in place.
- **Federal.** Federal officials and Congress need to work with the states and locals to ensure that programs are in place to respond to the needs of the changing labor market and that services are delivered within a national workforce development system. The federal government needs to ensure that workforce development is connected with other national and global economic initiatives.

In summary, the workforce development system should be viewed as an effective connection **between** labor market services designed to facilitate efficient interactions between workers and employers **and** the entities which provide those services. The system should not be confused with any specific initiative, program, agency or subset of providers.

The one stop career center system has been this Administration's approach to building a Workforce Development System. The School-To-Work Initiative has been this Administration's approach for building a system for youth. We need to make sure that these efforts are coordinated and complement the building of one system.

#### **IV. ETA: A Viable Player in the Nation's Workforce Development System**

ETA has the opportunity to be an early leader and innovator in the Workforce Development System by recognizing and responding to the dynamics of the complex labor market.

ETA (and its predecessors) was established, in part, to facilitate the hiring process. In order to address the problems caused by changing market scope, ETA's system must be flexible enough to handle the most simple labor market transactions (i.e., the occasional processing of low-skilled workers in jobs that last

for many years) as well as a the most complex (i.e., the frequent processing of very highly skilled workers in a global economy). In addition, ETA must prepare other workers for the constantly changing mix of skills required by a post-industrial, globally-competitive economy while continuing to provide American workers a safety net of income maintenance.

As a player in the achievement of the Workforce Development System's primary objectives - development, utilization and maintenance - ETA increases access and equity for those labor market participants who get little assistance from the traditional (private) workforce development "industry".

ETA's niche within the workforce development system is evolving and critical. In looking at our place within the workforce development system, there are two major areas in which ETA can add substantial value:

- ▶ Developing and maintaining human capital

ETA funds a host of programs to facilitate or increase the competitiveness of labor market entrants. While the workforce development system offers service to all populations, ETA provides money and resources to certain groups to allow them to buy services offered through the traditional labor market. ETA also offers populations with specific barriers to employment direct services including: assessment of worker skills and aptitudes; career exploration; basic and occupational skill development; and job placement assistance.

ETA offers those in need maintenance and support services to those in need, including unemployment assistance and trade adjustment assistance.

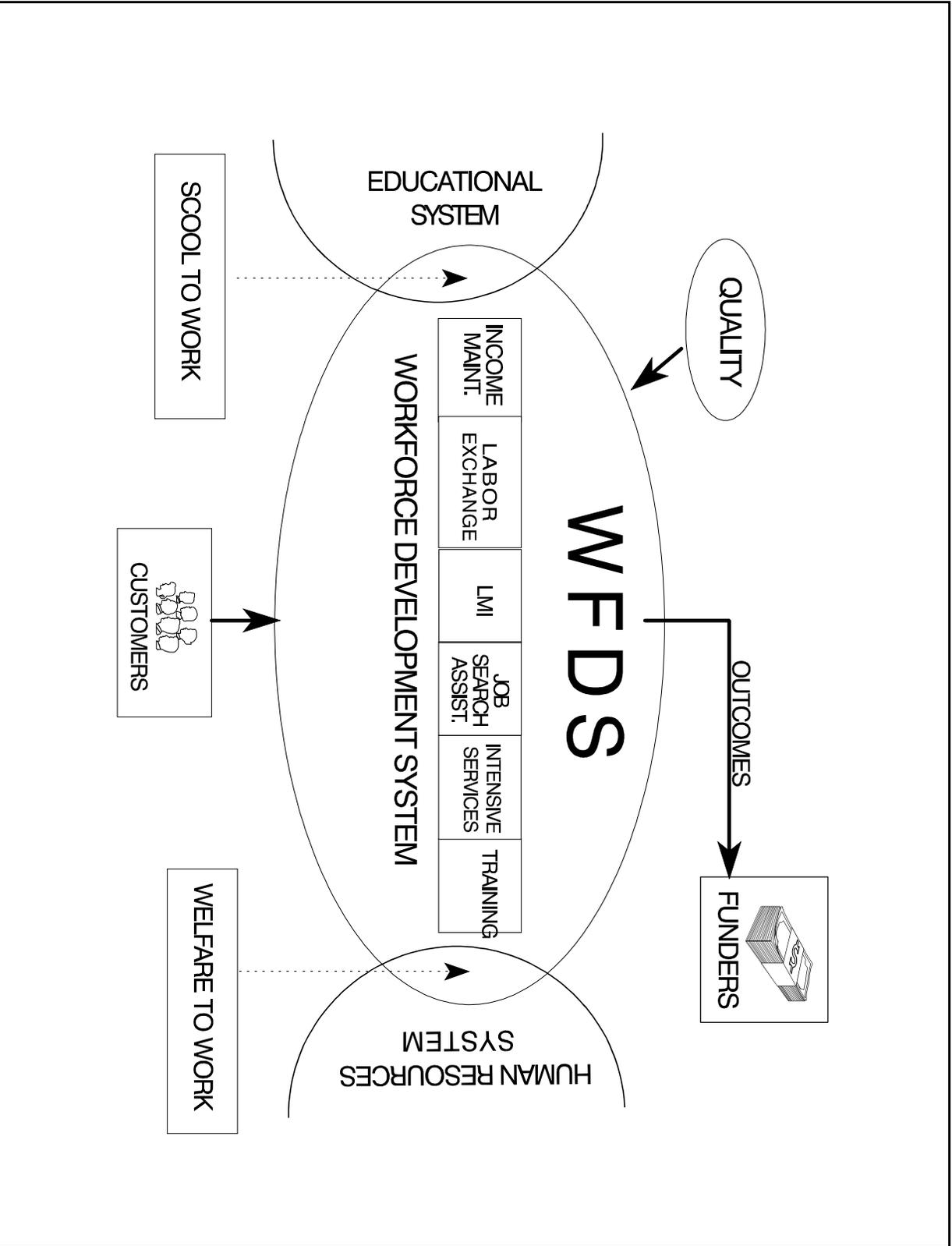
- ▶ Promoting the efficient functioning of the labor market

ETA attempts to influence the process by which the marriage of employers and jobseekers occurs through the provision of accessible and responsive information on workforce development and the labor market itself (i.e. America's Job Bank, America's Talent Bank, O\*Net, occupation and wage projections). ETA also conducts continuous research and development on labor market practices and human capital needs in order to maintain market productivity and encourage the introduction of new and proven techniques and intervention strategies.

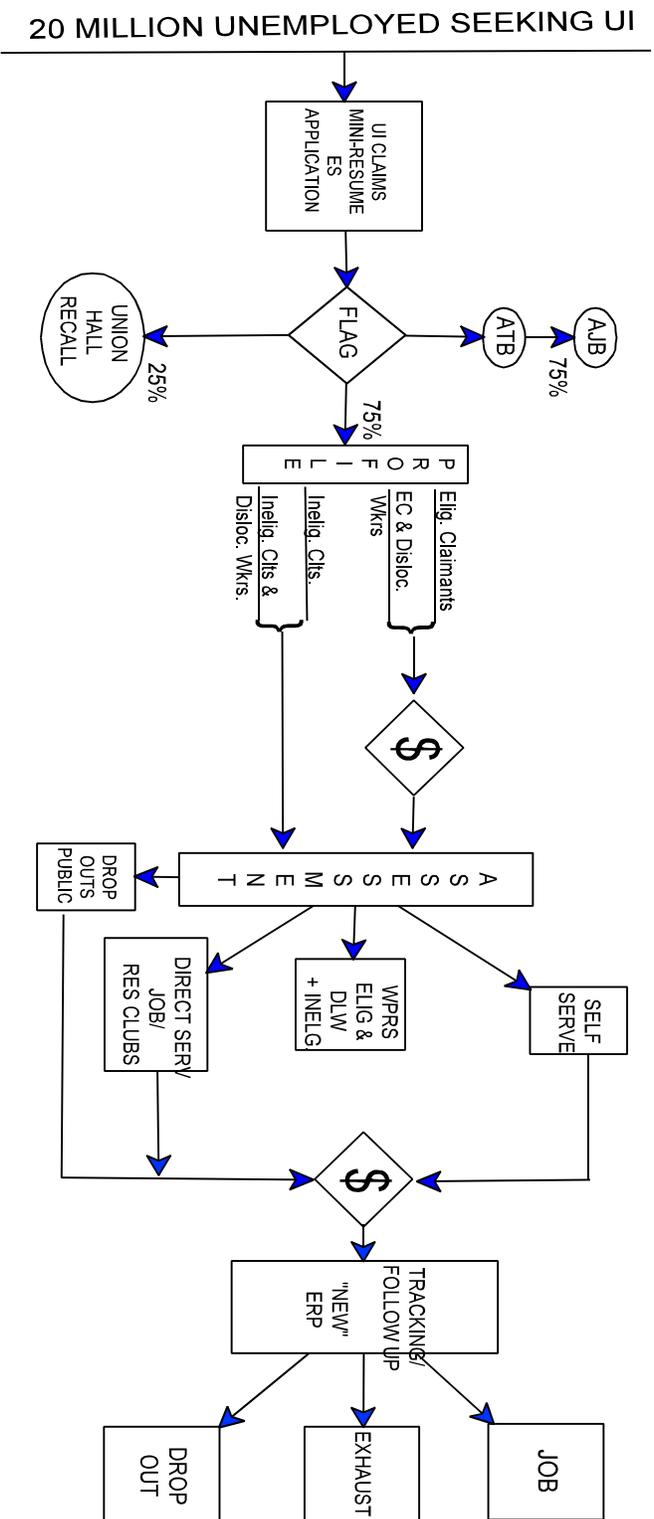
Within this context, quoting from the Federal role paper, ETA roles can be separated into nine broadly defined functions: policy formulation and leadership; performance management/accountability; program direction and leadership; knowledge development and research and evaluation; technical assistance; grant and contract administration; investigation and audit; infrastructure and support systems; and coordination, facilitation and marketing.

In order to continue to achieve, maintain and "grow" its market niche, ETA must insure that its services are:

- ▶ **Responsive to market forces.** ETA services should be driven by the demands of its customers rather than solely by the bureaucratic rules and regulations of the funding agencies. Services should be adaptable to needs and should be outcome focused.
- ▶ **Comprehensive.** Offer a wide array of services to target populations, including common assessment, access to relevant LMI, individualized service plans, etc. Comprehensive services will increasingly have to be balanced against the realities of more need, greater public demand for results and less money. When ETA alone cannot offer a needed service, **alliances** and **partnerships** should be formed.
- ▶ **Customer Friendly.** ETA's market (and all its parts) must be easily accessible, easily navigable, flexible and adaptable to changing demand. It must be well known to its potential buyers and sellers. It must provide accessibility and equity to those not well served in the traditional (private) labor market.
- ▶ **Quality Conscious.** Provide high quality services. Customer feedback is routinely measured and acted upon. A "continuous improvement" management style is used.
- ▶ **Accountable.** The marketplace must have its own management independent of any single program or service provider. There needs to be a single set of strategic goals, plans and objectives, standards and evaluation criteria which apply to all the various component programs and which keep them aware of and focused on overall service quality and overall customer satisfaction. This is a primary role of the One Stop system.



# ONE VIEW OF UI IN A WDS



THIS IS ONE EXAMPLE OF HOW UI  
CAN FIT INTO A WORKFORCE  
DEVELOPMENT SYSTEM

