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# Customer Service to Unemployed Workers in WorkForce Centers

Initial Report to the Legislature  
as required by Minnesota Laws 2010 Chapter 347 Article 1 Section 29

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Minnesota Department of Employment and Economic Development

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# Customer Service to Unemployed Workers in WorkForce Centers Initial Report

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## Introduction

This report fulfills the 2010 Omnibus Economic Development bill's initial report requirement to the chairs and ranking minority members of the standing committees of the senate and house that have jurisdiction over economic and workforce development (see Attachment I for a copy of Chapter 347 SF 2510, Article 1 Section 29). The bill specifies that the Department of Employment and Economic Development (DEED) Commissioner:

- Consult with workforce service area staff to develop and implement processes to ensure that unemployed customers who go to a WorkForce Center are provided seamless assistance in applying for unemployment benefits, accessing Resource Area resources, searching for jobs, accessing training and other services available to unemployed workers, and receiving answers to questions about unemployment insurance;
- Provide unemployed customers face-to-face consultation at their local WorkForce Center as one service option;
- Maximize the use of existing employees and federal dollars to serve unemployed customers who go to a WorkForce Center, including paying portions of existing employees' salaries from more than one funding source and cross-training employees;
- Submit an initial report on the actions and results of developing and implementing a seamless service delivery process to unemployed customers who go to a WorkForce Center by September 1, 2010; and
- Submit a second report with updated information to the same audience by January 15, 2011.

## *Report Sections*

- Minnesota's Services to Unemployed Customers
- Federal Efforts to Integrate Unemployed Customers Into the Workforce System
- Barriers/ Obstacles to Improved Customer Service
- Actions to Improve Customer Services
- Leveraging and Maximizing Resources
- Conclusion

## **Minnesota's Services to Unemployed Customers**

The state's service delivery environment for current UI and employment and training services to unemployed customers is administered by several programs.

Historically, the WorkForce Centers used to be known as "unemployment offices." To improve service quality and reduce service costs the UI Program and WorkForce Centers – like many

organizations – have automated more of their service delivery system. While some customers still think of the WorkForce Center as an “unemployment office,” over 95 percent of people file for unemployment benefits from the comfort of their own home, local library or coffee shop.

### *Minnesota’s WorkForce Centers*

Minnesota’s WorkForce Center system is a collaboration among partners made up of state, local government, and community non-profit agencies. According to the Workforce Investment Act (WIA) of 1998, the Governor, in consultation with local elected officials, is responsible for establishing Workforce Service Areas (WSAs). Minnesota grandfathered in the existing WSA configuration consisting of 16 WSAs with various political jurisdiction such as county government, city government, or joint powers agreements. The chief local elected official in each WSA is responsible for appointing a Workforce Investment Board (WIB) for overseeing WIA Title IB programs (WIA youth, dislocated worker, and adult) and providing strategic direction to partners. The WIB also selects the one-stop operator for Title IB. Each WIB must assure that the WSA has at least one comprehensive one-stop (WorkForce Center) in their geographic area. While Minnesota is only required to have 16 WorkForce Centers, the WIBs have chosen to have 49 physical sites strategically located across Minnesota.

DEED is the administrative entity that manages most employment and training programs. Eighty- five percent of WIA Title IB resources are allocated by formula to the 16 WIBs. DEED directly operates WIA Title III (Wagner-Peyser or Job Service), WIA Title IV (Rehabilitation Services and State Services for the Blind), and Unemployment Insurance with state merit staff. Because of budgetary constraints, DEED does not have staff physically located at each WorkForce Center.

DEED does assure that WorkForce Centers have access capability to operate the Resource Areas in all 49 WorkForce Centers. DEED uses its administration dollars from WIA Title IB to equip Resource Areas with computers that have Internet access, phones, copiers, faxes and assistive technology for people with disabilities. Unemployed customers can conduct UI-related transactions using Resource Area computers and phones and access the state’s job bank, MinnesotaWorks.net and ISEEK (career information system).

Staff of the Workforce Centers are trained to direct customers to the UI automated service system (online or phone), distribute instructional brochures, answer process-related application and technical questions, and connect customers with eligibility and account specific questions to either Reemployment Eligibility Assessment Program (REA) staff ,who may be in the WorkForce Center, or to Customer Service Center (CSC) staff. As time is available, REA staff provide one-on-one assistance to unemployed customers who struggle with UI’s automated service delivery system. While only a small percent of total unemployment transactions are conducted at WorkForce Centers, unemployed customers are 20 to 25% of a WorkForce Center’s weekly traffic. This varies by day of the week, area of the state, and time of the year.

## Re-Employment Services Program (RES)

As a part of the American Recovery and Reinvestment Act (ARRA) the U.S. Department of Labor (USDOL) created and invested in a Re-Employment Services (RES) program intended to supplement Wagner-Peyser resources in order to service the influx of unemployment insurance customers coming into the Workforce Centers. The Wagner-Peyser allocation in Minnesota and nationally has not received an increase in real dollars since 1982. The RES resources concentrated on core services so that the ARRA WIA dollars could concentrate on more intensive and training services for unemployed workers. DEED hired 82 ARRA staff whose activities included:

- Implement the work search plan from the REA staff
- Provide job seeking assistance to include resume writing, career planning, interviewing skills
- Make referrals to WIA partners for intensive and training services.
- Help people identify their transferrable skills and input their resume into MinnesotaWorks.net
- Make referrals to jobs

## *The Unemployment Insurance (UI) Program*

Today, UI services to businesses and individuals are primarily delivered through an integrated system that includes a Customer Service Center (CSC) with up to 200 staff that are available to respond to customer service requests over the phone and 50 REA staff located in WorkForce Centers throughout the state. This year's contract specifies that REA staff must conduct at least 30,000 in person, one-on-one interviews with unemployed customers between March 2010 and February 2011. For 2010, USDOL made several changes to REA: group sessions in lieu of one-on-one interviews are now allowed and registration in MinnesotaWorks.net is now required for all REA participants. Taken together, these two changes will increase the UI Program's ability to serve more unemployed customers and serve them better.

In 2009:

- 363,000 new applications for unemployment were filed.
- The number of new applications increased 50% over 2008's figures.
- The average number of weekly requests for benefits rose from the prior year, signifying longer unemployment periods for customers.
- Customers completed about 10 million UI-related transactions.
- 98% of all UI transactions were conducted over the phone or the internet.

## *Current Environment*

During the economic downturn of the past two years, both the UI Program and the state's WorkForce Centers have served a record number of people while maintaining strong customer satisfaction levels.<sup>1</sup> Even so, DEED recognizes that not all customers received the effective, timely, and high quality services that we strive to provide and that customers expect and deserve. The Legislative Auditor's report in February 2010<sup>2</sup> noted a number of service challenges and improvement opportunities that need to be addressed to provide more seamless service delivery to unemployed workers.

DEED, in collaboration with workforce service area partners, has launched a number of initiatives this past year to better understand the strengths and challenges of our services to unemployed customers who go to a WorkForce Center. This initiative has led to the following changes in the system:

- ARRA stimulus funds have allowed WorkForce Centers to enhance and expand services to customers, especially unemployed customers.
- Improvements were made to Resource Areas to ensure they are well equipped with latest technology and tools, including installing approximately 630 computers in Resource Rooms and YouthZones.
- WorkForce Center staff must complete a certification process to assure they are knowledgeable and able to use technology and tools to work in the Resource Room.
- RES staff are certified to assure they have the knowledge and facilitation skills to conduct Workshops.
- WorkForce Center staff assist unemployed customers who have minimal computer and/or language skills (illiterate, ESL) in how to apply for unemployment.
- WorkForce Centers partner with Adult Basic Education to provide computer literacy skills so customers can use technology tools.

## **Federal Efforts to Integrate Unemployed Customers Into the Workforce System**

Concerns regarding seamless services to unemployed customers who enter a WorkForce Center are not unique to Minnesota. The National Association of State Workforce Agencies/Center for

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<sup>1</sup> In 2009, a UI customer satisfaction survey was conducted. The survey was patterned after the American Customer Satisfaction Index. Scores are on a 0-100 scale, with Minnesota's UI experiences scoring 75.1. This is similar to scores for Banks and Department stores. A comparison chart can be found at [www.theasci.org](http://www.theasci.org) for Dec. 2009.

<sup>2</sup> *Office of the Legislative Auditor Workforce Programs Report*. (2010, February 17). Retrieved August 9, 2010, from Office of the Legislative Auditor: <http://www.auditor.leg.state.mn.us/PED/pedrep/workforce.pdf>

Employment Security, Education and Research (NASWA/CESER) and the Information Technology Support Center (ITSC) were tasked by the U.S. Department of Labor (USDOL) to facilitate a workgroup of federal, state and local unemployment insurance and workforce system administrators to develop new and improved strategies to better connect and integrate unemployment insurance (UI) customers into the workforce system. The workgroup has developed the following “ideal” vision for the project:

*We envision a system that is driven by a single Workforce System Registration as the entry to the nation’s “reemployment system” – and offers a coordinated customer-centric focus with full partner access. The UI claimant process is seen as a part of the broader “job seeking” process and customers are treated as jobseekers first and foremost (their UI claim being just one aspect of the services available to job seekers). Services are available via the internet as well as other means – but the internet access is supported by dynamic social networks linking customers, career counselors, employers and educators. Integrated service delivery is focused on customer outcomes. The system is focused on skills transferability, is data driven, measureable and accountable (both to the law and to customer needs).*

DEED is participating in the USDOL workgroup and will seek opportunities to align our services with the workgroup’s vision, customer bill of rights, and forthcoming recommendations.

## **Barriers/ Obstacles to Improved Customer Service**

### *Policy/Regulations*

- Confidentiality/data security concerns
- Separate Performance measures don’t encourage collaboration
- UI staff in WorkForce Centers are supervised by UI staff in St. Paul versus Wagner-Peyser managers in the WorkForce Centers.

### *Resources*

- Limited resources to provide adequate staffing for core services.
- ARRA funding expires on September 30, 2010 resulting in the lay-off of 82 RES staff.
- Cost allocation barriers in assigning proportionate benefit of services.
- High work volume for all partners.
- Low literacy of some customers.

### *Technology*

- Outdated profiling model that could more accurately reflect those most likely to exhaust benefits.

- Disconnected systems between WIA, Wagner-Peyser and UI.
- Customers and staff need to enter demographic data in two systems.

### *Organization*

- UI funding driven by workload/performance measures (timely and accuracy) and are not measured on efforts to shorten duration of UI.
- UI and Wagner-Peyser are separated in DEED's organizational structure.

## **Actions to Improve Customer Services**

DEED is taking actions to address service challenges and provide more seamless assistance to unemployed customers who go to a WorkForce Center. These actions were identified in collaboration with workforce service area partners and are in various stages of implementation.

### *UI Usability Project*

In spring 2010, the UI Program initiated the UI Usability Project to identify challenges that customers experience when navigating the self-service systems and seeking assistance from UI staff. This project involves a series of studies conducted by an independent third party that specializes in improving commercial web applications and communication. The first study focused on the web-based initial application and weekly request process. During August 2010, an independent third party that specializes in improving customer service conducted training for all UI staff.

### *Increasing Connections Between Unemployment Insurance and the WorkForce Center System*

- The REA program provides a UI presence in WorkForce Centers and performs some of the initial tasks associated with the beginnings of a work search. This allows other WorkForce Center staff to focus on delivery of more specialized services, such as delivering classes on work search skills and resume writing and to provide assistance to individuals with their particular work search. One of the goals for each REA interview is to identify any special training needs the customer might have and connect them to WorkForce Center staff that specialize in identifying the best alternatives for training. Usually this is Dislocated Worker staff, but it might also be a Veterans Representative, a counselor in Rehabilitation Services or a provider of Adult Basic Education.
- UI will increase REA staffing across the state from 35 to 50 by the end of September 2010. (RES will decrease by 82 staff when the program sunsets on Sept. 30, 2010.)
- CSC staff refer unemployed customers who struggle with work search to their local WorkForce Center. REA Customer interviews are used to help unemployed customers assess their work search needs, such as resume writing, locating employers with openings and training needs.

- All REA staff assist with WorkForce Center Resource Areas on Mondays, which have high traffic levels. Other days of the week, they schedule one-on-one appointments with unemployed customers to provide face-to-face consultation on UI and work search matters. They are also available to help in other areas of the Workforce Center.
- In March 2010, a business improvement process completed and implemented a better process for staff to provide services to customers.
- Because of the new RES staff, the UI program sent 32,000 invitations to permanently separated unemployed customers to attend an orientation session. An additional 30,000 unemployed customers were invited to WorkForce Centers as part of the REA process.
- Improvements were made to the process by which unemployed customers are referred to WorkForce Centers, including changes to the UI phone system to better direct customers and self-assessment tools in the UI initial application process to aid customers in identifying WorkForce Center services they may need to return to work.
- An enhanced data exchange with the WorkForce One database will allow UI to update customer records when a customer enters re-training. This will allow the UI program to better administer the “training in lieu of work search” provision of its law.
- Wagner-Peyser and UI have existing data sharing processes that ensure that WorkForce Center staff can access job seekers who may not have visited their WorkForce Center.
- UI and the state’s Rapid Response and Veteran’s Services teams coordinate with UI staff to attend layoff information sessions. This ensures that dislocated workers understand how their situations will affect their benefits and veterans understand their rights to unemployment insurance and are connected with the reintegration process.

### *Internal Process for Improvements and Organizational Structure Changes*

- Enhanced the UI program and Workforce Center marketing materials and handouts.
- Communicated to CSC and WorkForce Center staff the UI program and WorkForce Center missions, services, service delivery systems and staff roles and responsibilities.
- Updated the UI component in Reception and Resource Area (RRA) Certification Program training and delivered training to 90 RRA staff throughout the state in March 2010. This training will be available to all staff on DEED’s internal website.
  - The UI component, which was updated this year, provides a basic overview of UI and informs staff how to direct customers to the UI automated service system (online or phone) and connect customers with questions to either REA staff who may be in the WorkForce Center or to CSC staff.
  - The training also helps RRA staff respond to typical application and technical questions that unemployed customers may have. The training does not inform staff how to administer UI, which would include responding to eligibility and account specific questions.
- In June and July 2010, CSC and WorkForce Center (DEED and partners) staff met to better define the needs of unemployed customers who struggle with UI’s self-service system and develop actions to create a more seamless service system and process. UI will be hiring additional REA staff and devoting REA staff to assisting unemployed customers in the WorkForce Center Resource Areas. The objectives of this process were to clarify the



mission and roles of WorkForce Center and UI staff and improve seamless assistance. Recommendations have been made to improve the process and will be implemented with the participation of engaged partners.

- UI participates quarterly in the WorkForce Center Resource Area Advisory Team meetings in order to identify quality of service issues and ensure consistency.
- WorkForce Center websites are reviewed by UI specialists to ensure accuracy of UI links and information.
- WorkForce Center staff and UI senior management meet regularly to share program status, identify concerns and share best practices to assist customers with UI concerns.
- UI supervisors have visited a number of WorkForce Centers to observe unemployed customers in the Resource Areas and identify possible gaps in unemployed customer service strategy.

### Opportunities for Further Enhancements

UI has requested additional money from the USDOL to implement a change to the UI application and MinnesotaWorks.net that would allow an unemployed customer to transfer their UI information into MinnesotaWorks.net, so that customers can more quickly and easily begin their job search.

## Leveraging and Maximizing Resources

Funding for WorkForce Centers and UI comes through several distinct program streams, and staff specialization ensures that the quality of service a customer receives is the best possible. However, many activities in a WorkForce Center do not require specialization and are not program-specific. For this set of activities there are several approaches that allow for optimal use of WorkForce Center staff resources.

### *Funding*

- The services available in WorkForce Centers are determined by the availability of staff resources and the flexibility of the funding structure for those staff. Federal Regulations limit the delivery of UI and Wagner-Peyser activities to state merit staff, which are staff who are employees of either Wagner-Peyser or the UI Program. DEED is exploring opportunities to pay portions of existing Wagner-Peyser and UI employees' salaries and providing cross training to perform the basic functions of filing an application for UI, providing REA services and providing RES services.
- UI funding for WorkForce Centers is based on the same basic formula used by USDOL to fund the UI Program: workload and transaction.
- Wagner-Peyser funding for WorkForce Centers is based on civilian labor force and number of employers.
- REA staff are located in the WorkForce Centers so they can provide direct customer interaction. All Wagner-Peyser field staff are located in the WorkForce Centers. UI and

Wagner-Peyser shares in WorkForce Center cost allocation support of infrastructure. The approximate value of the UI support across all WorkForce Centers is \$512,000 annually.

- REA staff work in Resource Areas on Mondays. Their presence allows other WorkForce Center staff to be assigned to other duties and therefore creates the opportunity to provide additional services. The approximate value of the assignment of REA staff to the Resource Areas is \$684,000 annually.
- Unemployed customers who go to a WorkForce Center usually check-in at the reception desk then go to the Resource Area. To support this staffing position, UI annually provides \$414,000 to WorkForce Centers.
- Unemployed customers are a major user of the UI self-service system in Resource Areas. The availability of this resource to unemployed customers has value to the program and its customers. UI provides funds to help support physical space and infrastructure in the WFCs in the amount of \$223,000 annually.
- Taken as a whole, UI currently provides approximately \$1.8 million in financial support to the statewide WorkForce Center system. This is equivalent to 12% of the UI budget for initial applications and weekly requests.

### *Sharing Positions*

- Because of the federal regulations regarding delivery of services by state merit staff, sharing the cost of positions between all programs is not always possible.
- DEED has the legal authority to cost share Wagner-Peyser and UI positions as long as staff charge their time to the appropriate funding source.
- Both the UI and Workforce Investment Act programs regularly use itinerant staff that are able to travel between locations providing expertise and services that are not cost effective to maintain in any one location.

### **Conclusion**

DEED, in collaboration with workforce service area staff and partners, has made serious commitments to creating a more seamless service system for unemployed customers who go to a WorkForce Center. Some key actions and planned actions include:

- Investing resources to better understand service challenges of unemployed customers who go to a WorkForce Center for UI-related services, including establishing ongoing methods to ensure that the voice of the customer drives UI service delivery improvements.
- Collaborating with workforce service area partners to identify and implement big and small solutions to unemployed customer service challenges, including developing a standard process to serve unemployed customers in WorkForce Centers and strategic planning. This process is in the early stages of deployment and will not be fully deployed until late fall.
- Investing and maximizing resources to improve technology systems, hire and train staff, improve communications, and track progress and performance on improvements.
- Developing and deploying a standard process to provide more seamless service to unemployed customers who obtain UI services through WorkForce Centers.
- Changing UI's on-line and phone systems to make the language more understandable and the processes easier to follow for customers.
- Making UI correspondence more understandable to customers.
- Clarifying the roles of Workforce Center staff and UI staff via updated scripts and, marketing initiatives for use when communicating with customers so that expectations are clear.
- Training CSC and WorkForce Center staff on the new process and scripts.
- Placing additional REA staff in the WorkForce Centers.
- With local Workforce Investment Boards and Local Elected Officials, engage in a strategic planning effort to identify fiscal and customer service concerns in sustaining the number and locations of WorkForce Centers. The state/local partnership will evaluate ways to streamline services and provide value added customer service in order to get Minnesotans back to work. The efficiencies and operation of the UI system will be evaluated as well as all services provided in Minnesota's WorkForce Centers.
- Evaluating the current organizational structure.

In the coming months, DEED will take additional important steps that further improve the quality and timeliness of services to the unemployed customers who enter a WorkForce Center. We look forward to reporting detailed results on the status of process changes and other service improvements in the January 15, 2011 report.

## Attachment I: Legislative Report Mandate

2010 Regular Session, Chapter 347 S.F. No. 2510, Article 1

### Sec. 29. **CUSTOMER SERVICE.**

(a) The commissioner of employment and economic development, in consultation with workforce service area staff, must, as soon as practical, develop and implement processes and procedures to ensure that unemployed Minnesotans who go to a workforce center are provided, to the fullest extent possible, seamless assistance in applying for unemployment benefits, accessing resource room resources, searching for jobs, accessing training and other services available to unemployed workers, and receiving answers to questions about unemployment insurance.

(b) The actions taken to comply with paragraph (a) must include, at a minimum, the implementation of a procedure by which unemployed Minnesotans may receive, at their option, face-to-face consultation and assistance in their local workforce center on applying for unemployment benefits, accessing resource room resources, searching for jobs, accessing training and other services available to unemployed workers, and receiving answers to questions about unemployment insurance.

(c) The commissioner is authorized and encouraged to maximize the use of existing employees and federal dollars to accomplish paragraph (a), including, but not limited to, paying portions of existing employees' salaries from more than one source of funding, ensuring that employees are cross-trained to perform functions beyond that required by paragraph (b) when such employees are stationed in workforce centers, and implementing need-based scheduling of employees to ensure that each workforce center is adequately staffed during peak demand hours for the services contemplated by paragraph (a).

(d) By September 1, 2010, the commissioner must provide an initial written report to the chairs and ranking minority members of the standing committees of the senate and house of representatives having jurisdiction over economic and workforce development issues on the actions taken under paragraph (a) and the result of those actions. The report must include detailed information on new additional resources provided by the department to ensure that the issues in paragraph (a) are addressed. A second report with updated information must be provided to the chairs and ranking minority members of the standing committees of the senate and house of representatives having jurisdiction over economic and workforce development issues by January 15, 2011.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires August 31, 2011.