

UIPL 13-94 ATTACHMENT I



UNEMPLOYED WORKER PROFILING

a. Text of Amendment - Section 4(a) of P.L. 103-152.

SEC. 4. WORKER PROFILING.

(a) IN GENERAL.--

(1) ESTABLISHMENT OF PROFILING SYSTEM.--Section 303 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j)(1) The State agency charged with the administration of the State law shall establish and utilize a system of profiling all new claimants for regular compensation that--

"(A) identifies which claimants will be likely to exhaust regular compensation and will need job search assistance services to make a successful transition to new employment;

"(B) refers claimants identified pursuant to subparagraph (A) to reemployment services, such as job search assistance services, available under any State or Federal law;

"(C) collects follow-up information relating to the services received by such claimants and the employment outcomes for such claimants subsequent to receiving such services and utilizes such information in making identifications pursuant to subparagraph (A); and

"(D) meets such other requirements as the Secretary of Labor determines are appropriate.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State."

Under Section 4(f)(1) of P.L. 103-152, new Section 303(j),

b. Discussion.

Profiling - Situation Prior to Enactment of P.L. 103-152. Profiling is based on the premise that a set of characteristics - a "profile" - can be developed to identify, at an early stage of unemployment, which workers are likely to exhaust UC and will need assistance to find new jobs. Research on this point sponsored by the Department of Labor and conducted in the State of New Jersey found that profiled claimants who received reemployment services returned to work earlier than those who did not receive such services. (See UI Occasional Papers 89-3 and 91-1 which contain reports on the New Jersey project.) In addition, studies on the long-term unemployed have found that individual characteristics such as schooling and job tenure relate to when the individuals return to work. Thus, providing early reemployment assistance to individuals most likely to remain out of work should result in an earlier return to work.

Section 4 of P.L. 103-6 addressed the establishment of a system of profiling all new claimants for regular UC (including new claimants under Federal unemployment benefit allowance programs) to determine which claimants may be most likely to exhaust regular UC and may need reemployment services to make a successful transition to new employment. Although States were not required to establish a system of profiling, the Secretary was directed to "encourag[e] [its] adoption and implementation by all States," as well as provide "technical assistance and advice to the States in the development of model profiling systems."

In response to this legislation, the Department took action to develop a model profiling system. UIPL 45-93 was issued and States were encouraged to provide comments on the profiling system and the procedures needed to implement it. The Department was in the process of developing this system and a strategy for its implementation when P.L. 103-152 was enacted.

Profiling - Effect of P.L. 103-152. The amendments made by P.L. 103-152 repealed Section 4 of P.L. 103-6 and added subsection (j) to Section 303, SSA, to require States, as a condition for receiving Title III grants, to implement and utilize a system of profiling all new claimants for regular UC. Under Section 303(j)(1), SSA, the system must include components which:

1. Identify which claimants will be likely to exhaust regular UC and will need job search assistance services to make a successful transition to new employment.