

## **Enhancing Labor Market Information and Data Analytics to Address Covid-19 and Worker Displacement**

In the previous 2008-2009 financial crisis, resulting in the Great Recession, state labor market information (LMI) agencies were called upon to produce critical information to monitor both immediate & ongoing impacts to their respective state economies, as well as to produce information on high-demand jobs in order to help state residents get back to work in a next generation of good, high-paying jobs. At the time, the federal government used ARRA money to double the funding to state LMI shops to support this need for good research and information. We are now faced with a similar, and perhaps even greater need for this information, given the scale of COVID-19 worker displacement.

In response, we recommend an emergency increase to the U.S. Department of Labor, Employment and Training Administration (ETA) budget for Workforce Information/Electronic Tools/System Building directly aimed to support the work of state LMI agencies, recognizing the great research and information demands being placed upon them, and the critical need to meet these demands to help inform immediate mitigation strategies and long-term economic recovery efforts. The following provisions were included in a bill introduced by members of the U.S. House, [\*Relaunching America's Workforce Act\*](#) (see section 121).

### **Proposal**

**Reserve not less than \$100 million for “Workforce Information/Electronic Tools/System Building,” for:**

- ***Workforce Information grants to States* for the delivery of state and local information and analysis of unemployment insurance claims, wage record data, real time jobs postings data, essential industries and occupational research, and other key labor market information to prevent, prepare for, and respond to coronavirus, worker displacement, and economic impacts, and**
- **the Workforce Information Technology Support Center, to enable voluntary participation of state LMI, WIOA, and partner agencies [e.g., TANF, SNAP, VR, AE, SNAP] in, and enhancement of, one or more multi-state data collaboratives that facilitate advanced data analytics and research using cross-state and longitudinal administrative data to respond to coronavirus, worker displacement, and economic impacts, and improve education and reemployment outcomes. Such collaborative(s) must: a) promote data standardization, b) rely on a secure FedRAMP administrative data research facility that has federal authorization to operate and demonstrated experience for interstate and intrastate data exchange, c) promote use of state education and workforce longitudinal data, d) provide opportunities for workforce and education professionals’ training in the development and use of secure data, data governance, data analysis, and research.**

- **improvements in short- and long-term State and local occupational and employment projections to facilitate reemployment, economic mobility, and economic development strategies.**
- **ETA updates to important systems infrastructure: expand O\*Net sample and improve use of third-party data to enhance the availability of skills information that employers, educators, and trainers need to prepare (or retrain) workers for available jobs; provide additional support to public associations supporting the LMI infrastructure, such as the Projections Managing Partnership and Analyst Resource Center, and to support state LMI staff.**

### Background

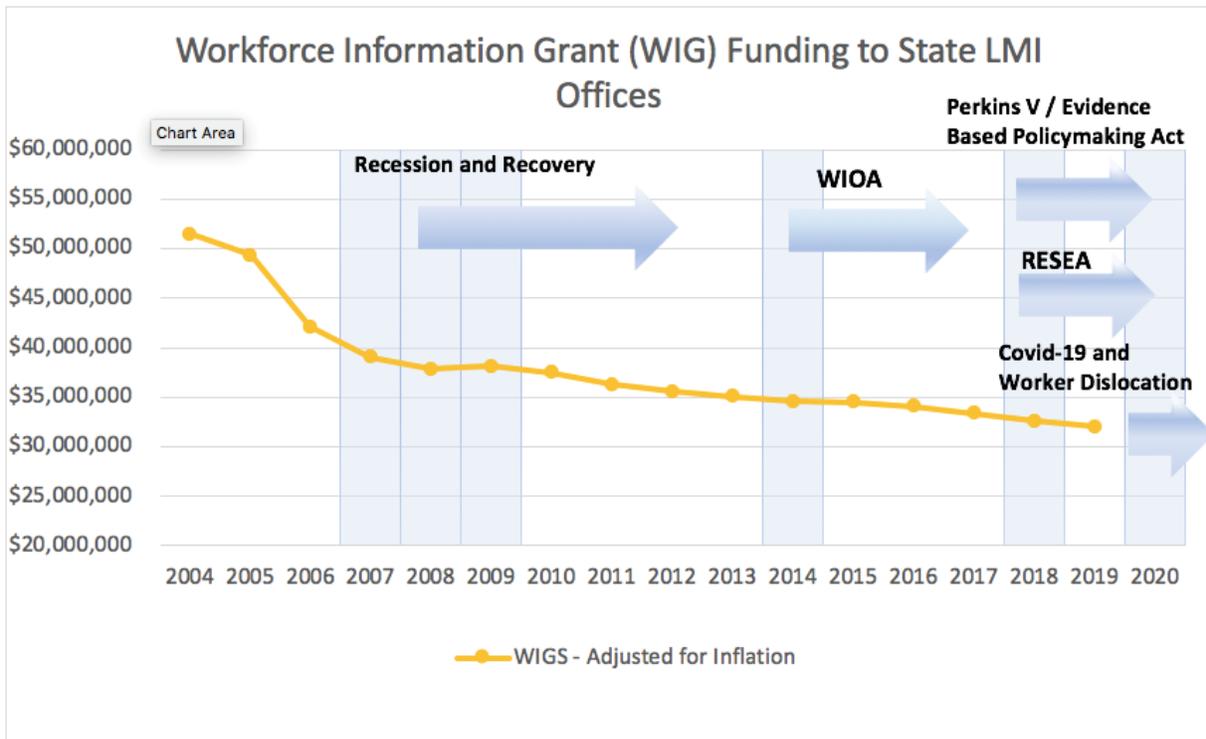
*Research and Insights.*--State LMI agencies are being called upon to track changes in Unemployment Insurance claims and develop locally-relevant insights for training investments and customer decision making, analyze real-time job postings, determine the economic & fiscal impacts of the pandemic to their states, serve on task forces to inform policy and mitigation strategies...all while being asked to meet their existing traditional data collection duties. These funds would cover the costs of meeting these additional information demands by temporarily boosting existing federal funding already provided to support LMI research, product delivery, and outreach for WIOA. Funding for these types of efforts has been flat for years (see *Historical Funding* section below), so the capacity to meet the current information demand is limited in the states, and particularly limited in smaller, rural states.

*Multi-state Data Collaboratives.*--State LMI agencies and workforce, human services, education, corrections and other program offices are interested in working in emerging state collaboratives, where they can access a secure data facility, and share data within and across their states to build evidence to facilitate better education and reemployment outcomes for their citizens.

*Improvements to Local Employment and Occupation Projections.*--Quality projections are critical for understanding where good-paying, high demand occupations are emerging in states that can present job opportunities for American workers who have lost their existing livelihoods due to coronavirus and the economic fallout. The states maintain a shared system to help develop short- and long-term industry and occupational projections. These projections are highly valued by students, job seekers, career counselors, academic planners, workforce professionals, and others as they help to guide career choices, course and training program development, along with broader workforce and economic development strategies. New demands have been placed on the states to increase the frequency of these projections, annual versus bi-annual, and to add mid-term projections in addition to short and long-term projections. This increased workload was already in demand, and now needed with added urgency with the pandemic. The projections data system also needs to modernize its technology platform by moving to a cloud-based delivery system. This will help improve efficiencies in the timing and delivery of state projections reports, and to increase resiliency especially when state workers are working remotely. The urgency to accelerate the move to cloud is now great with the pandemic.

## Historical Funding for Workforce Information Grants to States (WIGS)

Line Item: "Workforce Information/Electronic Tools/System Building"



The chart above shows WIGS funding has fallen in real terms while demands on state LMI shops have increased greatly due to large-scale economic events, the integration of new labor market information elements in workforce and education laws, and the push to increase the evidence-building capacity of WIOA and related programs. In nominal terms (not adjusting for inflation), WIGS has been flat-funded for more than a decade, and funding has fallen 39 percent in real terms (adjusting for inflation) from 2003-2019.

WIGS funding is one of two federal sources of funding for state labor market information (LMI) agencies:

- the Bureau of Labor Statistics' grant for *Federal-State Cooperative Statistical Programs* and
- the Employment and Training Administration's *Workforce Information Grants to States (WIGS)*.

State LMI departments are partners in federal-state cooperative agreements to collect and produce data for Bureau of Labor Statistics (BLS) data program, such as the Quarterly Census of Employment and Wages and numerous other BLS datasets.

The Workforce Information Grants fund state production of important deliverables that enhance, expand, modernize, and deliver career and labor market information, career tools for career planning, and other data for workforce and labor market planning.