Employment Service Revisited

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CHAPTER 7

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Miriam Johnson

Since 1933, when the Wagner Peyser Act established the public employment service as a state/federal partnership, the state agencies, under the Department of Labor, have operated as the primary public labor exchange mechanism. These agencies have also administered the unemployment insurance (UI) program established by the Social Security Act in 1935, charged not only with making the payments but also with administering a work test to insure that those claiming benefits were, indeed, involuntarily unemployed and actively seeking work. For a fair amount of the ensuing sixty years, these agencies have been besieged, underfunded, and expected to accomplish the undoable. Except for the war years and periods of manpower shortages, the employment service has never succeeded in playing a significant role in labor exchange. A basic condition, without regard to agency competency, is that public policy always insisted, and rightly so, that all job seekers who have a legal right to work would be registered as applicants, thus providing a virtually unlimited supply of workers in the most common occupations. On the demand side, however, there has never been an effective public policy, in this free labor market, that requires employers to place their job openings with the public agency, thus severely limiting access to the demand for workers. The employment service has historically reflected all of the imbalances in the market place and all of the discriminatory tendencies in the social fabric, including the gap between skills demanded and skills available.

Now, in this season of the Republican "revolution" marked by the general undoing of the Roosevelt era social gains, the continued existence of this agency is again in question. Whatever the outcome of the current debates in Congress, it is a foregone conclusion that the basic
operating budget of Job Services will be further reduced. Only unemployment insurance out of the Social Security Act gains seems to have avoided attack.

After a number of years in the labor movement, I began an employment service career in 1953 when I signed on as a temporary hourly worker at the Ferry Building in San Francisco, paying or refusing to pay unemployment insurance benefits to long lines of the unemployed. Since then, I have been almost continuously involved with, have worked for, researched, criticized, written about, deplored, and cheered this much-attacked, often abused, sometimes inept, but still essential labor market arm of government. Forty-two years has seen enormous changes in the atmosphere, the culture, the environment, and the policies in which the public employment service functions. Through all of the permutations, through all of the reorganizations, new mandates, changing labor market conditions, technological changes, and perhaps most important of all, changes in public consciousness, an immutable core has persisted, with more or less emphasis: Daily, unemployed workers have come through the doors seeking work and/or UI benefits. Daily, employers have sought help from the agency to find workers for their jobs, and daily, the agency has sought to bring the two together—worker and job.

It is not my intention to undertake a comprehensive history of those forty-three years, but rather to supply a few snapshots in time. My main focus is the position where I started—the delivery point at the counter in a local office. In my view, it is the only significant way to look at a service—the way the consumer user experiences it. After an interim as a researcher and evaluator following retirement from the California employment service, I returned to the front-line counter six years ago working part time for the San Francisco office, running job search workshops for professionals, for youth, for new immigrants, and for welfare clients. More recently, because of budget cuts, I no longer get paid, but I continue to work a few hours a week on a volunteer basis, calling employers to verify the disposition of their job orders. My perceptions are, indeed, fresh.

In 1972, I published a rather angry, critical book about the employment service called *Counter Point*, in which I used the counter as a metaphor for the alienation, distance, and even hostility between the public in front and the staff behind the counter. It was my contention
then that both sides suffered. Both were caught in an essentially inhuman and unsatisfying process, each attempting to accomplish goals that were most often beyond fulfillment. I described, in some detail, what specific tasks each staff member performed. In this article, I will also focus on the same critical point: the delivery of services at the counter in one office—San Francisco—in one state—California—at two points in time—1953 and 1995.

When I described the San Francisco local office in the 1972 book it could have been any office in the United States. The oversight and control exercised by the Department of Labor on the state agencies and they, in turn, on the local offices was extreme. In fact, I highlighted that sameness by sketching a picture of the employment service office in Barrow, Alaska, the northernmost point of the United States, where I had gone on a research and evaluation assignment. Despite being well above the Arctic circle, with a mainly Eskimo population of 4,000, its counter, its forms, its layout, its gray metal desks, its signs on the wall, and the process of taking applications and job orders were exact duplications of a New York or San Francisco office. That would no longer be the case in 1995. To describe the San Francisco office is now to describe that office only. I cannot be surmised that the offices in the rest of the country, indeed, even in California, are the same. Though still governed by common mandates, the local office managers and the regional offices appear to exert considerably more control than I had ever seen before. However, that control is very proscribed. It cannot transcend the limitations of budgets and staffing or the constraints inherent in funding sources.

But before comparing the San Francisco office in the mid-1950s and the mid-1990s, it will be useful to offer a statewide perspective.

Statewide Perspective

Computerization has made a substantial difference. After many years of experimentation and partial installation, all of Job Service and unemployment insurance activities went on-line in California in 1991. This finally spelled the end of banks of files, desperate searches for the missing claim, the application card misfiled, and the inadequacy of
hand record keeping. In the unemployment insurance system, the change to computers is almost totally positive for staff, for supervision, and most important, for the convenience of the unemployed claimant. Before, claimants would have to wait at least two weeks to discover if the new claim was valid or what the monetary determination would be. If, as often happened, the wrong social security number had been given either to the interviewer or to the former employer resulting in no monetary award, indignant claimants would assault the counter, outraged. It would take another two weeks to straighten it all out. Now, a person filing a new claim can know immediately exactly what the monetary award will be and what if any problems are connected with the claim. Continued claims are filed almost completely by mail on a two-week basis, and if eligible are paid by mail. Interviews to determine eligibility are conducted almost entirely by telephone. It is projected that by 1997, even new claims will be filed by telephone and continued claims will be filed by a touch tone system in the entire state. The Director of Operations estimates that the completed computerization of the unemployment insurance program will reduce staffing requirements by at least one-third. Though it is true that the ability of the agency to fulfill its role of administering a work test seems weakened by the computer, that role had actually never been fully realized. Current planning may strengthen it again.

It cannot be said, however, that the unqualified success of computerization in the unemployment insurance program is duplicated in the Job Match program. The following comparison of activities is instructive:

<table>
<thead>
<tr>
<th>California activities</th>
<th>1978</th>
<th>1994</th>
<th>Percent +/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active applications</td>
<td>1,479,159</td>
<td>1,041,640</td>
<td>-30</td>
</tr>
<tr>
<td>Openings received</td>
<td>725,518</td>
<td>456,452</td>
<td>-38</td>
</tr>
<tr>
<td>Placements</td>
<td>451,724</td>
<td>259,352</td>
<td>-38</td>
</tr>
<tr>
<td>Population (est)</td>
<td>23,000,000</td>
<td>32,000,000</td>
<td>+72</td>
</tr>
</tbody>
</table>

On the face of it, the conclusion is clear: In the past fifteen or so years, the employment service in California has registered 30 percent fewer people looking for work, received 38 percent fewer job listings
from employers, and filled 38 percent fewer job openings. All of this occurred while the population of California increased by 72 percent. The introduction of computerized Job Match has given no indication that the downward trend has been reversed. The agency continues to lose its share of labor market exchanges and public use.

Though state, area, and local officials are keenly aware of these trends and are engaged in intensive planning for the future, they explain these developments as follows:

- State computerization provided a more accurate count of transactions and people than the previous hand count had been and must therefore be viewed as less than comparable.

- In the past, applicants and job orders often were listed in more than one office, thus inflating the count. State computerization eliminated that possibility.

- A marked increase in the percentage of registrants from minority groups has made placements more difficult because of low skills and language barriers. (Though the population of California increased by 25 percent in a ten-year period, the Asian/Pacific Islander population increased by 118 percent and Hispanics increased by 69.2 percent. Minorities made up 42.8 percent of the population in 1990.)

- Though the employment service national staffing had, for years, been frozen at 30,000, 1982 budget cuts reduced that by nearly 25 percent to 23,000. California had to absorb its share of the cut while its population was increasing. The falling ratio of staff to population has reduced staff effectiveness, as has the elimination of the specialized domestic desks.

- With greater emphasis on automation, a higher ratio of the reduced staff has been shifted to Sacramento away from the local offices.

- A change in the Department of Labor’s method of measuring services to Veterans and placements, eliminating the short range casual labor jobs from the count, changed the focus of the local offices and significantly reduced the placement statistics.
The explosion of twice as many temporary help agencies in the past ten years and the doubling of the number of temp workers in the past five years has changed the job market completely to the detriment of the employment services.

In late 1969, the California legislature passed a bill transforming the employment service into the Human Resources Department (HRD), resulting in a near-abandonment of the labor exchange role and the commitment of all of its resources to the “disadvantaged.” Cited as an example of the result was a local office with 105 employees who placed three individuals in a month. The impact on agency market share of that passing phase which ended in 1972, has continued in one form or another ever since. Each new permutation of the job training programs passed by Congress that calls for training and placing the most difficult-to-place clients has thrust the public employment service into the center of the delivery system.

The inherent imbalance between supply and demand, in numbers and skills, is reflected more starkly as the skill demands get higher and higher.

The applicant pool is deteriorating. There are now in the active applicant file more welfare clients, more homeless, more drug addicts, more with arrest and conviction records, more mentally unstable, more school drop-outs, more mentally unstable individuals with a multiplicity of problems, and more minorities with language problems in the active application file than ever before.

Whether or not these facts provide adequate explanation, two developments are undeniable:

1. The staff available to serve the general public has declined drastically. California Job Service currently has approximately 2,400 individuals on the payroll. However, only 1,400 are funded by basic Wagner Peyser Title III funds, compared to 2,000 positions in 1962. The remaining 1,000 or so work under reimbursable contracts for targeted programs, which did not exist at the earlier date and are not available for service to the general public.

2. Though the employment service has always been heavily involved in serving the low-skill, low-pay job market, the years of sin-
gular focus on the most difficult-to-place clients, together with the gross loss of such jobs in the economy, are certainly major contributors to the decline.

The 1994 printout provided interesting information about the active applicant file. The proportion of minorities among those applying for work at California Job Service offices has increased from 47.4 percent in 1979 to 56.7 percent in 1994, but the proportion of blacks has slipped from 17.1 percent to 12.5 percent with the difference made up by Hispanics and Asians with far less industrial experience and the added challenge of language facility. The printout also provides some information about client economic status. Only about 5 percent of registered active clients declared themselves as economically disadvantaged, with a smaller percentage stating that they were on welfare. However, when the state office ran the social security numbers of Department of Social Service welfare clients against the employment service registered clients, it was discovered that closer to 20 percent of the applicant file were receiving welfare and failing to give that information to the interviewer. Perhaps they feared that it would militate against referral to a job.

The foregoing offers some insight into the continuous erosion or, at best, stagnation in employment service usage. Computerization of the Job Service functions has not been an unqualified success, and it has not succeeded in reversing the downward trend. The Job Service job-matching functions, especially those involved with serving hard-to-place clients, demand intensive one-on-one relationships, a very different ball of wax from unemployment insurance administration. All of the national criteria for evaluations were, for years, based on the assumption that a placement could be counted only if the agency had the opening listed, selected a qualified client, negotiated with the employers, referred the person, and the person was hired and actually working on the job. Every element had to be true to earn a validating placement count. Giving labor market information, conducting Job Search workshops to facilitate a self-help search for work—all of the rest was well and good, and has since been counted as “entered employment.” But despite that, the bottom line payoff measurement has traditionally been placements.

There is a widespread notion that the downward spiral is solely attributable to the decade between 1962 and 1973 when national policy
shifted from the placement numbers count to emphasis on the minorities and the disadvantaged. That period did, indeed, see a huge increase in staffing and an equally huge decline in labor exchange transactions. In 1973, the Department of Labor sought to reverse the trend and recommitted the state agencies to labor exchange and the placement count while retaining some commitment to difficult-to-place clients.

In truth, the problem of decline and stagnation has a much longer history that predates the policy shift. As early as 1958, then Secretary of Labor James Mitchell noted that there had been a steady decline in the activities of the employment service. Between 1952 and 1962, nonagricultural placements nationally dropped 11 percent, while nonagricultural employment was increasing by 13 percent. In 1958, a Department of Labor evaluation declared that the employment service nationally had been through “eleven years of stalemate, if not progressive decline.” The report concluded that the employment service had fewer placements in 1958 than it had in 1947 despite an increase of 21 percent in nonagricultural employment in the same period. The historical perspective throws light on the essential problems.

The soul searching, the inherent dichotomy between serving the employers with the most qualified applicants and serving the least prepared segments of the workforce, has apparently reached something of a resolution, at least in the California agency, judging from the current planning. About the future—more later.

The San Francisco Office—1950s

The description that follows is from memory—mine and others still available, supplemented by my earlier writings. Statistical data are long consigned to dusty basements and are irretrievable without enormous effort. The impressions, however, are vivid though precision may be faulty, and memory tends to accordion events.

The office of the fifties was intensely concerned with its labor exchange role, and the size, functions, and appearance of the staff reflected this. My particular office was one of four in San Francisco, which were separated by occupations. One office dealt primarily with white-collar occupations. A second office handled only industrial and
casual labor jobs. Service jobs were the province of the third office. A special office for maritime workers also existed. In time, the industrial and service offices were combined, and the maritime office was eliminated. Most of the offices handled both employment and unemployment insurance. (In the history of the agency, there were countless occasions when these two functions were co-located and then separated again.) In my office, which at that time was the white-collar one, there was one black interviewer among about fifty Caucasians. His job was assessing overpayments on the unemployment insurance side of the office. This one African-American was unusually personable and competent. However, he was a recent addition, and when there were severe budget cuts in 1953, all of the hourly workers like myself were laid off, as were a few in the permanent classification. “Last hired, first fired” was the rule, and Percy, who was permanent, was laid off, much to the distress of the Manager. Three months later, with some budgetary relief, an attempt was made to hire him back, but he had already gone to work in a better job. So began and ended racial integration in staffing for many years to come. However, most of the very large clerical staff were Asian women.

Many of the professional interviewers were assigned occupational desks. The reception point at the counter was always a bottleneck, and long lines were commonplace. Completion interviewers, generally working at the counter, corrected the self-completed work applications and assigned occupational codes from the Dictionary of Occupational Titles. Clerical applicants were referred to one of the three clerical desks. When employers called in their job openings, their calls were often referred to the appropriate occupational desk. The same interviewers who took the order attempted to fill it from the boxes of application files at their desks. At various times, the occupational desks in our office included an Engineering desk, presided over by Margaret, who knew all there was to know about that market in the city; a Social Worker desk; two sales desks; a general professional desk, and others. Each of these specialists had intimate knowledge of their clientele. They were often on a first name relationship with the personnel directors of major companies in those occupations. In the industrial and service office, there were special desks for restaurant workers, domestics, garment workers, machinists, casual labor, and for general blue-collar and service occupations. Our office regularly scheduled typing tests,
the results of which were entered on the application card. The testing room had only manual typewriters, and many clients objected because electric typewriters were coming into play. On the other hand, when the office installed some electric typewriters, there were complaints because some had never used one.

A six-point program was developed as early as 1946, but was still the objective in 1954. The six points were as follows: Placement—To provide an effective placement service for all persons seeking work and provide all employers with workers; Employment Counseling—To provide a vocational counseling service to assist job seekers in making valid occupational choices; Services to Special Applicant Groups—To provide special assistance and counseling to veterans, youth, older workers, and the handicapped, with the goal of placing these workers in satisfactory jobs; Management Services—To assist employers and labor unions in the use of tools and techniques to reduce labor turnover. This would include job analysis and the development of proficiency and aptitude testing for more effective selection, assignment and transfer of workers; Labor Market Information—To provide accurate and timely information on the workings of the labor market for the use of government, job seekers, employers, training authorities, and others; Community Participation—To cooperate with community organizations designed to increase economic opportunity and raise levels of employment.

Even the writing of the period sounds quaint, wonderfully naive, and hopeful. Then, and to this day, confidentiality of information was promised and firmly observed, especially in regard to the employer’s job order. No job seeker was ever permitted to see an order. The agency hugged its knowledge firmly to its own breast.

To fulfill the six-point program, our office had a number of employment counselors who had undergone one week of employment service training in counseling, case work management, and interpreting the General Aptitude Test Batteries. These three-hour tests were given at regular intervals in the office. The GATB was a major tool for the counselors.

Various members of the staff were designated as specialists for youth and for older workers. These were assignments to already-overburdened interviewers who spent very little time with their specialty. The one full-time specialist assignment was for handicapped workers.
The interviewer was a very serious man whose desk was surrounded with books pertaining to various handicaps. Clients with visible physical disabilities were often seen at his desk. He represented the Department in all the city committees dealing with handicapped workers and was regarded by the handicapped community as an important resource.

The office also designated one or more individuals as employer relations representatives. The job of marketing the services to employers required that these interviewers spend considerable time out of the office visiting employers to solicit jobs. Interviewers also maintained an employer card file in the office that showed the names of the personnel people in companies, their hiring practices, average pay, range of occupations, and other data that helped them plan their employer visits, and also were useful when trying to develop a job for a likely applicant.

Unemployment insurance was paid weekly—in person and in cash. Interviewers would approve the certification, which the claimant then took next door to the cashier's office for payment. Inevitably, the San Francisco office was robbed, and for over a year, there was silence. Then one morning our newspapers carried a front page story stating that a man was suing Greyhound Bus because a considerable sum of money was stolen from a locker. When asked where he had gotten so much cash, he indignantly declared that it was his money, that he had gotten it from the unemployment office, and what is more, that he had done all the work himself. The staff squealed with delight at this kind of "chutzpah." I don't recall how his suit came out, but he did go to San Quentin.

The offices of the 1950s were primarily labor exchange offices, with occupational desks and with knowledgeable interviewers intimately involved with both clients and employers. On the face of it, this should have been ideal, with enough staff to perform the broker function. But there was another side, a dark and seldom discussed side, to the seemingly halcyon picture.

I remember noticing small pencil marks on the applications, and I soon understood that they were secret codes that designated a minority—mostly black—and that meant "don't refer except to Negro jobs." True, the agency had an official "no discrimination" policy, but the rationalizations were endless. "We don't want to lose the employer's business." "I don't want to embarrass the client." She would never get
hired.” “It would be a waste of his time and money to send him on the job.” The agency was, without a doubt, a helpful conduit for maintaining the discriminatory status quo. There were, understandably, not many African-Americans who came to the employment service for any but traditional jobs. The treatment at the counter was discouraging, cursory, and just short of rude. When the employment service managed to get an African-American woman hired in a major utility company, it was kept quiet, though some staff rejoiced. In 1962, I was appointed to act as State Minorities Specialist in the Central Office—the first time the job was to be full time. I remember thinking then that my most pressing task was to stop the interviewers’ fingers as they rummaged through the applicant file box—to stop them from automatically bypassing a suspected nonwhite applicant and actually to make that referral, whatever the consequences.

Whenever I now hear assertions about how nothing has changed, my mind flickers back to a meeting I held in Sacramento with about thirty all-white, all-male officials from IBM at an elegant restaurant. The purpose was to explore with them the possibilities of opening some occupations to the training and hiring of “Negroes.” Since I was representing the State of California, my presentation was low key and accommodating. As we reviewed various occupations, I suggested repair and maintenance of the IBM typewriters in the offices. Gingerly, the gentlemen present explained to me, patiently and politely, that the suggestion was out of the question because these “Negro men would be working around the desks of white women in the office. . . .” The rest left to my imagination. Swallowing hard, but still trying to be accommodating, I expressed wonder at the objection since “Negro” janitors were always seen working around the desks of white women towards the end of the day in all of the offices, and no one seemed offended. Somewhat shamefacedly, a few of those present granted that they were, perhaps, stuck in a prejudiced mode and needed to rethink their options. IBM, the employment service, and indeed, the world has changed mightily since then. Maybe it had little choice.
Comparing the local office of the 1950s to that of the 1990s offers a microcosmic glimpse into the amazing social, institutional, and technological changes that have reshaped this country in the past forty years and how these changes are reflected in the Job Service local office. The current staff of 63 is approximately one-third white, one-fourth black and one-fifth each of Hispanic and Asian. Of the ten supervisors, four are white, and two each Black, Asian and Hispanic. Eighteen of the 29 professional staff are in the Permanent Intermittent (PI) category. Because of the seasonal nature of employment and unemployment, Civil Service rules allow the Employment Development Department (EDD) to hire and train people in this PI category. Though their hourly pay and fringe benefits are the same as those of permanent employees, they are subject to immediate layoff, depending on budget. At this moment (which may not be true tomorrow), all 18 PIs are working on a 70 percent basis, or about 24 hours a week. This equates with 10.8 full-time people or, in bureaucratic terminology, personnel equivalents. Hence, the basic, permanent core staff of the San Francisco EDD office consists of 53.8 personnel equivalents. Out of this number, 16 are either in management, supervision, clerical, or technical services. Only 29 permanent professionals plus the equivalent of about 10 PIs, or a total of roughly 39 personnel equivalents are actually available to provide direct services to the public. But listing their assignments demonstrates how few are really available to the job or UI applicant who is not a member of some program target group.

Intensive Service Program (ISP)

Mandated by state government but funded by both state funds and Wagner Peyser discretionary funds, this program targets those who have been out of work for a total of 15 weeks during the past 26 weeks; receive public assistance; are referred by agencies providing employment-related services; or are persons with a disability. The eight permanent full-time professional staff assigned to ISP are called case managers. They provide individualized case work for a limit of 60 days. Services include job referrals, referrals to training, desk coaching, testing, job search training workshops, and referrals to other agen-
cies. Priority is given to AFDC clients who are enrolled in the Greater Avenues for Independence (GAIN) program, California’s version of the Job Opportunities—Basic Skills (JOBS) program. At a minimum, 25 percent of the case load are to consist of welfare clients. Directives call for each case manager to handle a minimum of 35 cases, and each is expected to produce favorable outcomes at the rate of approximately 9 a month or 110 a year. A favorable outcome would be employment at a 30-day follow-up, or inclusion in an authorized training program.

Staff has acknowledged that case loads at this point are considerably less than 35 each. Clients are referred from other internal services, from community-based organizations, and from other sources, and there has apparently been a limited flow of referrals. A good number of the ISP staff is relatively new to this particular assignment. Nevertheless, in the third quarter of 1995, these eight people recorded 36 placements and registered 168 new clients. This is an average of four placements per months for each case manager. As with other programs, this staff is prohibited from serving any clients other than their own, by definition, difficult-to-place cases.

**Veterans Program**

Another eight permanent professionals work only with veterans to insure that they, with special emphasis on Viet Nam and disabled veterans, receive all the services to which they are legally entitled. EDD is required by law to reserve for veterans all job openings for 24 hours, after which the job, if unfilled, is opened to the active applicant file. In addition, staff work with local veterans organizations and committees to promote employer interest in hiring veterans and visit hospitals and military bases to give employment information and advice to those about to be discharged. Of the eight individuals in this program, one is permanently assigned off-site, and four spend four to six hours a week in outreach activities. In the third quarter of 1995, the seven on-site staff registered 225 veterans and placed 79 on jobs—an average of nearly five placements a month each.
Job Agents

State mandated and funded, the Job Agent program is directed towards the most difficult clientele—those who lack job skills, have language barriers, disabilities, limited education or poor work habits and attitudes, or who face legal problems. They may also have problems of housing, lack of transportation and child care. Operating on a caseload basis, the Job Agents provide vocational counseling, referrals to remedial education, job training, job referral, extended postemployment follow-up, and referrals to other agencies as needed by the client. The three job agents in the San Francisco office registered 51 new clients and made 29 placements during the third quarter of 1995, a placement average of about three per month each.

"Experience Unlimited" Job Clubs

This is a self-help statewide program targeted especially for the professional, managerial, and technical workers who assist each other in the search for work. It is a no-fee, EDD-sponsored service that, in San Francisco, provides space, equipment, computers, telephones, workshop rooms, a library and typewriters. As a self-help group, it demands a certain level of volunteer work from all members. It also requires that all members participate in job search workshops such as resume writing, interviewing, and other job-related issues, conducted by its own members. It provides perhaps the only specific local office response to the newly unemployed professional/managerial occupations. It is, arguably, one of the most innovative and effective programs initiated by the California EDD. At this point, one personnel equivalent acts as coordinator to Experience Unlimited in San Francisco. Though the membership at times reached nearly 300, it is now reduced to about 160 active members. Many members attribute this downturn to a loss of allocated space and a reduction in staff time and interest. However, a file purge and a limit on how long people could stay also reduced the number.

Youth Program

Responsive to the special problems of unemployed, out-of-school youth, one-and one-half permanent staff interview young people and
develop job openings for them. This staff is enlarged during the summer months to administer the Summer Youth Program. During July, August, and September of 1995, as many as ten individuals, many of them part-time youth workers, registered 543 young people and placed 143 in jobs. EDD also maintains a Youth Office for “at-risk” young people often referred by schools. Three in-school young people, who were themselves at-risk youth and are excluded from the staff count, administer the program on a part-time basis.

*California Department of Corrections*

Working with adult parolees, two permanent staff provide employment services to this target population. Much of their work is off-site, at the offices of the California Department of Corrections. In September, this staff registered 18 new applicants and placed an astonishing 53 on jobs.

*The Laid-Off Worker Programs*

There have been a number of legislative mandates designed to deal with workers displaced by plant closures, military base closures, mass layoffs and the more recent buzz word, “downsizing.” Working closely with the Private Industry Council, the San Francisco EDD office provides a total of three to four permanent staff to these programs, and more often than not their services are off-site. Though these staff people registered six new applicants and placed two on jobs during 1995 third quarter, their work is not primarily dealing with individual job seekers but providing orientation and job search workshops for threatened or laid-off employees.

Most of the programs that have been discussed thus far are designed for targeted population groups. Altogether, they absorb the equivalent of about 26 out of 38 front-line personnel equivalents, not counting supervision and management. There are, shockingly, only twelve professional, nonsupervisory personnel equivalents left to perform the basic front-line functions of the agency, most of whom are Permanent Intermittents. What do these people do?
Unemployment Insurance

The administration of unemployment insurance has and will continue to change its delivery system through phased-in technological development, consolidation, and centralization. Eventually, plans call for filing new and continued claims by telephone throughout the state. However, at this point in San Francisco, there are two offices that handle the claims load though much of the more complex aspects such as appeals, overpayments, and eligibility determinations have been shifted to the other office. Both offices handle new, continued, and interstate claims. In the office under discussion, there continues to be a UI work load, though smaller. One increasingly important function is administering the California Training Benefits Act that allows California UI claimants to receive their UI benefits while attending an approved training program. Five personnel equivalents carry the UI workload, not counting supervision. This involves approximately eight people, most of whom are PIs.

Job Service

At best, there are now only approximately eight personnel equivalents left to handle the basic work of the Job Service. At the reception counter, the flow of traffic must be given information, receive appropriate forms, get answers to endless questions and be directed to the various services. Some staff sit at phone banks, take job orders from employers and enter them directly into the Job Match system, while at another counter staff register applicants into the Job Match terminals as well. At other terminals, one or more individuals conducts a computerized search of the applicant file for every job opening that comes into the office. The most qualified applicants produced by the search must be notified and directed to apply for the job as indicated, or to come into the office. At Window C still another person must reexamine the job and the applicant and, if indicated, provide instructions and a referral card. Staff must regularly call all the employers listed to verify whether the job is still open, whether the referred individuals were hired or not, and thus keep the job order file purged and viable. In the first half of 1995, efforts were made to develop a telemarketing program to solicit job openings from employers. At least 70 openings were
listed as a result of the effort, but staff to perform this necessary function is hard to come by. Nevertheless, despite the ridiculously pared down staff resources, the placement staff registered 1,168 individuals and made 480 placements in the third quarter of 1995. With a few exceptions, all of the individuals conducting all of these activities are, at this point in time, PIs, unsure of their jobs and facing the likelihood of additional cuts in hours. Predictably, these individuals on whom EDD has lavished endless hours of training, have been seeking other jobs, and a few have left.

The maxim, "program follows money" rather than the reverse is blatantly evident. Examining the use of staff, one gets a feeling of a time warp. Many of these programs have been funded and in existence, in one form or another, for many years. When, in 1990-91, unemployment rose precipitously and the offices were besieged by newly laid-off workers, the staff allocation remained essentially the same, frozen to the tasks designated by the contracts, and management didn't have the flexibility to respond immediately to the onslaught. As a result, I watched the newly unemployed flock into the office, file their claims and leave without the opportunity to talk to anyone, since nearly all of the experienced staff were busy with their case loads. Though Permanent Intermittents were hired to handle the flood of traffic, it takes time to set up and run examinations, hire, and train. Three weeks of training in the use of the computers alone is required before any useful activity can be conducted. The only service available to the newly unemployed at the local office level, outside of the omniscient computer Job Match, was Experience Unlimited. That, too, was stretched thin with over 300 members. To catch up with the backlog, staff worked evenings and Saturdays. At time-and-a-half, this further exacerbated the budget.

The shortage of placement staff has inevitable consequences. The work suffers, verification is left to an occasional volunteer, tensions mount, supervisors are mostly found filling in at the counters, and long-range planning for management is next to impossible. It's a "hel- luva way to run a railroad." The amazing thing is that they do, indeed, open the door at eight every morning, close it at five, and handle all of the people who come through the door with a remarkable degree of cheerful helpfulness to each other and to the job seeking public. It is true that the distancing counters are back. Fatal attacks and physical onslaughts on EDD staff in different parts of the state have made man-
agement and staff extremely security-conscious. Increasing rather than decreasing the distance between public and staff is now the goal. Whether it is because staff members seek to protect themselves by not appearing antagonistic, or because of a general change in the consciousness of bureaucracies serving a far less intimidated public, the atmosphere in the office at the counter and in the lobby is considerably less formidable than I recall. The quality of the exchange would not today have prompted a book entitled *Counterpoint*. On the other hand, it is far more impersonal, perfunctory and businesslike, though cordial. Some gain, some loss.

However, statistics are unrelenting. They tell the fuller story of the consequences of budget cuts, of inadequate staffing, and of what it means to reduce the agency to a skeletal level. Active applicants declined from 25,022 in 1990-91 to 24,790 in 1991-92, then rose to 28,529 in the recession period of 1992-93 before continuing the decline to 17,179 in 1994-95. Openings received declined steadily from 5,057 in 1990-91 to 3,456 in 1994-95 while placements fell from 11,195 in the former year to 7,135 in the latter. (Active Applicants represents numbers of people whereas Placements and Openings Received represent transactions. One person may be placed more than once.)

The dismal picture heretofore painted of the applicant supply must be laid beside the startling changes in the demands of the labor market. One fact alone—the 1994 report of the Current Population Survey estimated that an astonishing 43.2 percent of the workforce was regularly using computers on the job. This includes not only white-collar, but also blue-collar and service jobs. Those numbers are unquestionably going up rapidly. One can imagine what the future holds for those who are computer-illiterate. The active application file of the Job Service is palpable proof of the urgent need for an increase, rather than a decrease, in job training and educational resources.

Without a doubt, the market is not the same, the population is not the same, job structures and job-getting are changing, and the Job Service must anticipate and reflect those changes. One thing is dead certain: The local office of the 1950s will never return. The funding will not be there and will, in fact, decrease. The old roles must be abandoned. If the Job Service is to survive, different and better ways to serve the people must be found, despite persistently declining resources.
Visions of the Future

EDD, along with dozens of other public service institutions, is reinventing itself. At the state level, at the area level, and down to the local office, every entity is engaged in serious planning for the future. Planning documents abound: “Strategic Directions,” “California’s One-Stop Career Center Vision,” “Strategic Business Plan, Greater Bay Area.” Concepts such as workforce preparation and School-To-Work have entered the lexicon. Task forces and work committees are busy exploring all possible avenues. It would be literally impossible to synthesize the current discussions. It might also be foolhardy, since so much is still unknown—what the congressional and even state legislative mandates will finally be, what entities will remain, what new ones will be formed, and how much less money there will be in the block grants to the states. Underlying all of the planning is a recognition that the present arrangements in the entire employment and training field are not responsive to the times, to the changes in the world, or to the local marketplace and must be tackled head-on.

Depending heavily on technology and self-help, the vision challenges most of the basic premises that have informed the agency in the past. The concepts being discussed now are much more than window dressing or tinkering. They could, if carried out, profoundly change the entire playing field.

Central to the current planning is the one-stop service center initiated by California EDD after obtaining a planning grant from the Department of Labor in November 1994. Currently, the state’s large collection of diverse programs and services operate independently from each other. The plan calls for integrating all of them into a comprehensive service. The guiding principles of the planning process are: The system must offer as many employment, training, and education services as possible in a unified customer service. Its customers are conceived as employers, on the one hand, and seekers of jobs, education, and training on the other hand. The information must be comprehensive and be widely and easily accessible. The system must be customer-focused, providing users with the ability to make informed choices. Last, the system must be performance-based with clear methods for measuring agreed-upon outcomes. Depending upon technol-
ogy, the network will link data bases and share client data. The system will permit and encourage electronic self-service through direct on-line access by its customers.

The one-stop service may either co-locate agencies or link them electronically. Information technology can provide customers with comprehensive information at multiple locations. The system design elements are still in the planning stage. Responsibility and authority must await federal legislation, which will likely prescribe the collaborative process and governance structure. State legislative actions may also affect the final landscape.

Without burdening this paper with more details of the vision which is still too fuzzy to be fully grasped, certain underlying and sometimes unstated themes emerge: If we conceive of jobs and job seekers as constituting a three-tiered level of both job and job seeking skills, then this change is surely aimed at attracting and increasing services to the highest tier, those that are comfortable with the computer, whether from home, a kiosk, or the office of a participating agency. These are the individuals who can conduct an effective job search on their own and whose main need is for usable information. Accompanying this perception is that, with funding scarce, there would be an inevitable decrease in services to the second and third tier of job seekers who require more costly, one-to-one staff intervention. The computer would open employer job orders to any job seeker for self-selection and referral. It is even conceived that the computer may, from the application data, develop a key-word resume and print it out for the job seeker’s use. In other words, the employment service would turn itself inside out by providing the public with all of the information and knowledge that it has heretofore kept guarded unto itself. The plans appear to contemplate reducing and perhaps, eventually, discarding the broker role inherent in selection and referral.

The agency is still committed to the confidentiality rule governing employers’ job orders, but most employers appear to be far less concerned with confidentiality and employment service selection than they are with broadcasting their needs more widely. As one very large employer told the area manager, “The best thing the employment service can do is to run job search workshops and at the same time advertise the availability of the jobs.”
Both research and the statistical decline of employment service use support movement in the direction of an open, self-service, unrestrained mechanism, in many ways comparable to help-wanted ads. A twenty-year-old Labor Department national survey of 65,000 households is still the most comprehensive study ever made of job-seeking methods. Three times as many workers (15 percent) obtained their jobs from the want ads as did through the public employment service (5 percent). A 1978 study compared the stock and flow of jobs between the employment service and the want ads in twelve labor market areas. Despite the costs, three times as many employers used the want ads as used the free public employment service, with one-third of employers using both. All of this may have changed with the subsequent rising use of temporary help agencies. Nevertheless, it does indicate an employer preference for an unrestricted no-broker approach to recruiting, which must be considered in any plans for reinvigorating the public service.

What employers do not appear concerned about, but what society must not abandon, is concern for that second and third tier of job seekers. But how, with persistently declining resources, to serve the full range of applying employers and job seekers is the impossible current challenge of the public employment service. Yet the lessons of its sixty-two-year history leave little other choice. The alternative is increasing irrelevance in the labor exchange function that may have already occurred. The dichotomous pull in opposite directions that has bedeviled the public employment service since the 1960s must be resolved if the agency is to be revitalized or even survive. But if the agency didn’t exist, its functions are still so vital that it would have to be reestablished. Reinventing the aging agency is an intimidating task confronted with innumerable potential pitfalls. It takes courage to attempt it, but it must be done. I applaud the effort and wish the planners and administrators well.