

UNEMPLOYMENT INSURANCE
QUARTERLY RESEARCH STATUS REPORT

OCTOBER - DECEMBER 1992

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I. UI RESEARCH AND DEVELOPMENT PROJECTS

A. RESEARCH AND DEVELOPMENT PROJECTS

Study Title: Unemployment Insurance Performance Measurement Review Project

Purpose: To examine, evaluate and improve the mechanisms for performance measurement in UIS' oversight of State employment security agencies (SESA) UI programs. This project has been undertaken to ensure that the Secretary of Labor's statutory responsibilities for the administration and oversight of the UI programs are being carried out effectively, and are a part of ETA's ongoing efforts to increase the financial and operational flexibility in managing their UI programs. This is a multi-year project consisting of three phases. Phase I, the design stage, included the development of alternative performance measures and the design of a field test. Phase II, the current phase, is a field test of measures to determine their operational feasibility. Phase III will include training of SESA staff measurement system in SESAs.

Beginning Date: September 30, 1988

Ending Date: 1995 - begin Nation - wide implementation

Contractor: Phase II - Mathematica Policy Research, Inc.

UI Project Monitor: William Coyne

Status: Cooperative Agreements were signed with six pilot States in FY '92. The States are: New Hampshire, Illinois, Wisconsin, Kansas, Missouri and California. New Hampshire has secured an evaluation contractor, Mathematica Policy Research, Inc., to provide methodological assistance and evaluate field test results. The field of measures will gather a full year of performance data beginning in July, 1993.

Funding Source: National Activities (Phase II)

Study Title: Employee Leasing Study

Purpose: The overall goal of this project is to determine the

impacts of employee leasing on UI claimants and on the UI system. Specific objectives include whether employee leasing has led to experience rating manipulation, unpaid employer taxes and reduced UI grants as a result of fewer employers.

Beginning Date: June 1, 1993

Ending Date: June 30, 1996

Contractor: To be selected

UI Project Monitor: Norm Harvey

Status: The Statement of Work is being finalized. Action will then be taken to secure the services of a research contractor to collect the data and conduct the analysis.

Funding Source: OSPPD PY 1992 Research Funds

Study Title: Non-Filer Study

Purpose: Conduct a study to determine the magnitude and characteristics of the unemployed who do not apply for unemployment insurance (UI). Also, the study will determine the reasons these non-filers do not apply for UI and the proportion who would have been monetary eligible for UI had they applied.

Beginning Date: June 30, 1993

Ending Date: December 31, 1994

Contractor: Bureau of Labor Statistics (BLS) with the Bureau of the Census and selected States

UI Project Monitor: Wayne Zajac

Status: Interagency agreements have been completed with the Bureau of Labor Statistics and the Bureau of the Census to collect, process and analyze the data. Six States have agreed to provide wage record data to be used in determining monetary eligibility. BLS will begin data collection in 1993 using supplemental questions to the Current Population Survey (CPS). States will be requested to begin submitting their wage record data to Census at the end of fiscal year 1993.

Funding Source: OSPPD PY 1991 Research Funds

Study Title: The Effects of Raising the Taxable Wage Base

Purpose: The Department of Labor (DOL) wants to develop estimates of the extent employers would shift the taxes associated with an increase in the taxable wage base onto labor: Taking into account the micro and macro impacts of such a tax increase. Furthermore, DOL wants specific public finance estimates of firm behavior after an UI tax increase. The overall goal of this project is to determine the dynamics of how firms behave when subject to an increase in UI taxes. The nit of analysis in this project will be firm. The objectives of this project are:

1. What is the impact on firm behavior and how can this behavior be measured?
2. How can we best understand what happens when there are small and large increases in UI taxes?
3. Are there impact differences between low wage and high wage base firms?
4. Who ends up paying for the tax increase? (i.e., firms, workers, other firms, and/or consumers)

The results of this study will be used to aid ongressional and executive branch officials in making policy decisions concerning increases in he UI tax system.

Beginning Date: June 1, 1992

Ending Date: May 31, 1994

Contractor: KRA Corporation

UI Project Monitor: Steve Marler

Status: KRA is in the process of developing a final design for the project. Once a design is approved, KRA will collect data from selected States and begin their analysis.

Funding Source: OSPPD

B. TECHNICAL ASSISTANCE PROJECTS

Study Title: UC Auditor Training

Purpose: To develop and compile training materials to be used by the State agencies to train unemployment compensation tax auditors. The training will provide State UC tax auditors with a modular instruction program to

supplement State specific programs.

Beginning Date: October 1, 1991

Ending Date: June 30, 1993

Contractor: Indiana Department of Employment and Training Services (IDETS)

Sub Contractor: White River Training Company, Indianapolis, IN.

UI Project Monitor: Neal Cook

Status: Four of six proposed training modules have been completed in draft, reviewed by design workshop participants, and are now in the process of final editing. A second workshop of Federal and State tax experts in Indianapolis in November 1992, reviewed design and format of video components that will augment the modules. The videos will be completed in the January - March 1993 phase.

Funding Source: UI National Activities

Study Title : Benefit Payment Control (BPC) Technical Assistance Guide (TAG) and Training

Purpose: To examine, evaluate and identify successful and cost effective methods nationwide for operating benefit overpayment prevention, detection, recovery and prosecution system. The project will include an examination of the Automated Model Recovery and the model Crossmatch Systems. A comprehensive BPC TAG, which serves both the intrastate and interstate programs, will be developed and associated training will be conducted for State BPC staff on the use of the newly developed TAG.

Beginning Date: October 1, 1991

Ending Date: Fiscal Year 1994

Contractor: Maryland Department of Economic and Employment Development

UI Project Monitor: Ginger Weight

Status: Maryland project staff have completed on-site visits to five SESAs (Alabama, Arizona, Idaho, New Jersey and Wisconsin). A draft TAG has been prepared. The BPC staff from six additional States has agreed to review the TAG, in draft form, and return any suggestions they may have for the TAG's improvement to Maryland.

Funding Source: UI National Activities

II. UI DEMONSTRATION PROJECTS

Study Title: Maryland Work Search Demonstration

Purpose: The overall goals of this project are to determine the impacts of various alternative work search requirements on UI claimants and on the UI system. Specific objectives include whether increased work search stringency or relaxation speeds or hinders the return to work, and, if so, what are the impacts on the nature of the individual's job.

Beginning Date: September 27, 1991

Ending Date: March 31, 1995

Contractor: Maryland Department of Economic and Employment Development (DEED), with Abt Associates

UI Project Monitor: Wayne Zajac

Status: The project is behind schedule. Planning and preparation for the demonstration project has consumed more time than anticipated. Operational procedures are being finalized as is the content for the job search workshop component. The pilot phase is likely to start in March 1993.

Funding Source: UI National Activities

Study Title: Massachusetts Self-Employment Demonstration Project

Purpose: To test self-employment as an alternative use of unemployment insurance. This project which was authorized by Congress will determine the effectiveness of providing self-employment assistance to interested UI claimants to help them start their own small business. Demonstration self-employment assistance will include both weekly or biweekly self employment allowance payments, business training, counseling, and supportive services.

Beginning Date: June 18, 1988

Ending Date: December 23, 1993

Contractor: Massachusetts Department of Employment and Training and Abt Associates, Inc.

UI Project Monitor: Jon Messenger

Status: The Third and final year of project implementation began in February 1992 and will continue through April 1993. The Project is currently operating in seven local sites: Greenfield, Lowell, Milford, North Hampton, Roxbury (Boston), Springfield, and Woburn. As of December 31, 1992, statistics for third year operations in the Massachusetts Project were as follows:

- * 244 claimants had been randomly selected into the treatment group, which is receiving self-employment assistance.
- * 240 claimants had been randomly selected into the control group
- * 48 project participants had started businesses.

An Interim Report on the demonstration was published in May 1992 as part of a UI Occasional Paper entitled Self-Employment Programs for Unemployed Workers.

Funding Source: Administrative costs--State funds; Self Employment Grants--State UI Trust Fund (authorized by Congress under the demonstration legislation); Research and Evaluation--OSPPD funds.

Study Title: Washington Self-Employment Demonstration Project (SEED)

Purpose: To test self-employment as an alternative use of unemployment insurance. This project will determine the effectiveness of providing self employment assistance to interested UI claimants to help them start their own micro businesses. Demonstration self-employment assistance will include both lump-sum grants of business start-up capital and business training, counseling, and supportive services.

Beginning Date: September 30, 1987

Ending Date: December 1993

Contractor: Washington Employment Security Department and Abt Associates, Inc.

UI Project Monitor: Jon Messenger

Status: Enrollment of eligible claimants into the treatment and control groups ended in October 1990. Project operations ended in March 1991. The demonstration operated in six sites: Vancouver, King Co. (Seattle),

Olympia, Snohomish Co. (Everett), Wenatchee, and Yakima.

Final statistics on the Washington SEED Project are as follows:

- * 755 claimants were randomly selected into the treatment group, which will receive demonstration self-employment assistance.
- * 752 claimants were randomly selected into the control group.
- * 450 participants received lump-sum self-employment grants averaging \$4,225 to start their business.

An Interim Report on the demonstration was published in May 1992 as part of an UI Occasional Paper entitled Self-Employment Programs for Unemployed Workers. An initial impact evaluation of the demonstration will be completed by Spring 1993.

Funding Source: Grants--ETA S&E; Research and Evaluation OSPPD funds.

Study Title: ES/UI Linkage Projects

Purpose: The demonstration project is a joint effort between UI and ES to explore the advantage(s) of having automated and integrated UI/ES applicant filing procedures and data bases. The marriage of the UI and ES data bases should benefit the claimant (increased opportunities for return to work, elimination of redundant requirements), employer community (quicker response time to requests for job applicants, enhanced quality of referrals, and reduced taxes through reduced duration) and the agency (improved public image, streamlining of traffic and reception functions, cultivation of UI/ES coordination, and elimination of redundant data entry).

Beginning Date: October 1, 1991

Ending Date: November, 1993

Contractor: Alaska, Colorado, Missouri, Minnesota, and Virginia State employment security agencies

UI Project Monitor: Betty Castillo, Diane Wood

Status: The States are in various stages of implementation. Missouri is preparing a report of findings. The College of William and Mary, under contract with the

State of Virginia, is responsible for an analysis and evaluation of the Pilot projects and conducting a symposium to present the findings of the pilot states.

Funding Source: ES National Activities

Study Title: New Jersey Follow-up Study II

Purpose: To conduct a second follow-up study of the long-term earnings and UI program impacts on selected participants in the New Jersey Reemployment Demonstration Project (NJUIRDP). Treatment services were: (1) Job search assistance (JSA); (2) JSA with training or relocation allowance; and (3) JSA combined with a reemployment bonus. Results from the original NJUIRDP showed that job search assistance alone was the most effective treatment service. A follow-up study was completed in 1990 and indicated that the treatment service impacts to be measured over a seven-year period and during different economic conditions. Results will be very useful in analyzing the long-term impacts of the treatment services.

Beginning Date: June 30, 1992

Ending Date: December 30, 1994

Contractor: New Jersey Department of Labor with Mathematica Policy Research, Inc.

UI Project Monitor: Wayne Zajac

Status: New Jersey Department of Labor (NJDOLE) is finalizing a contract with Mathematica Policy Research, Inc. (MPR) to analyze and evaluate the data. NJDOLE has begun to assemble the needed data from its wage and benefit records and will provide this data to MPR for analysis by June 1993. Preliminary results are expected by June 1994.

Funding Source: Unemployment Insurance Research and Training (UI R&T)

III. DOL PROJECTS RELATED TO UI

Study Title: Regional Labor Market Performance and U.S. Department of Labor Programs

Purpose: The Urban Institute conducted a study of the geographic shifts in the incidence of unemployment to determine the implications for future regional unemployment trends for worker adjustment policy. A multi regional econometric

model was adapted to make rojections of state unemployment to the year 2000. Estimates were made of the worker adjustment services needed by state activity levels for the UI, ES, and JTPA programs to meet the reemployment and training needs of the unemployed in the year 2000.

Beginning Date: June 29, 1989

Ending Date: December 31, 1992

Contractor: The Urban Institute

UI Project Monitor: Wayne Zajac

Status: The final report on Regional Labor Market Performance and U.S. Department of Labor Programs was submitted to UIS in January 1993 and will be published as an UI Occasional Paper.

Funding Source: Office of Strategic Planning and Policy Development (OSPPD).

Study Title: Profiling the Literacy Proficiencies of JTPA and ES/UI Populations

Purpose: In an effort to improve our understanding of the literacy problem facing America, the Department of Labor commissioned the Educational Testing Service (ETS) to conduct a two-stage workplace literacy assessment. The first phase involved assessing and profiling the literacy proficiency of the ETA client populations of the JTPA program, and the combined UI/ES beneficiaries/applicants. During the second phase, ETS developed a test based on these assessments that is appropriate for estimating the literacy proficiency of individuals in various DOL populations. States that participated were: Alabama, Arizona, Arkansas, alifornia, Florida, Illinois, Indiana, Kansas, Louisiana, Maryland, Massachusetts, Minnesota, Missouri, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Utah, Virginia, Washington, and West Virginia.

Beginning Date: June 30, 1988

Ending Date: September 30, 1992

OSPPD Project Monitor: Mamoru Ishikawa

Status: The study was completed and the final report published in September 1992.

Funding Source: Office of Strategic Planning and Policy Development (OSPPD).

Study Title: An Evaluation of the Trade Adjustment Assistance Program

Purpose: The project will provide a comprehensive process and impact evaluation of the trade adjustment assistance program. It will include examination of the implementation and effects of amendments to the TAA program contained in the Omnibus Trade and Competitiveness Act of 1988.

Beginning Date: June 19, 1989

Ending Date: June 1993

Contractor: Mathematica Policy Research, Inc.

Project Monitor: Daniel Ryan, OSPPD

Status: Limited copies of the interim report and process report are available from the project monitor. The contractor submitted a draft final report in November 1992. A second final draft is due in March 1993. Project completion date Will be extended through June1993.

Funding Source: Office of Strategic Planning and Policy Development (OSPPD).

Study Title: TAA Wage Supplement Demonstration

Purpose: The Omnibus Trade Competitiveness Act of 1988 specified that a wage supplement demonstration project be conducted to determine: (1) the attractiveness of wage supplements to various categories of workers eligible for trade readjustment allowances, (2) the effectiveness of wage supplements in facilitating the readjustment of workers adversely affected by imports, and (3) whether a supplemental wage allowance should be an option under the trade adjustment assistance program.

Beginning Date: May 21, 1990

Ending Date: none - project canceled

Contractor: Mathematica Policy Research, Inc.,
Ohio Bureau of Employment Services

OSPPD Project Monitor: Eileen Pederson

Status:

Project has been canceled.