

*UNEMPLOYMENT INSURANCE*

*QUARTERLY RESEARCH  
STATUS REPORT*

*January - March 1995*

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## UI RESEARCH AND DEVELOPMENT PROJECTS

### A. RESEARCH AND DEVELOPMENT PROJECTS

Study Title: Unemployment Insurance Service (UIS) Performance Measurement Review (PMR) Project

Purpose: To examine, evaluate and improve the mechanisms for assessing State Employment Security Agencies (SESA) performance in administering the UI program thereby promoting continuous improvement in the delivery of prompt and quality services to the program's primary customers - claimants and employers. This project is also designed to ensure that the Secretary of Labor's statutory responsibilities for the administration and oversight of the UI programs are being carried out effectively. PMR is a multi-year project consisting of three phases. Phase I, the design stage, included the development of alternative performance measures. Phase II, the current phase, is a field test of measures to determine their operational feasibility. Phase III will include phased implementation.

Beginning Date: September 30, 1988

Ending Date: Late 1995 - begin Nationwide implementation

Contractor: Phase II - Mathematica Policy Research, Inc.

UI Monitor: William N. Coyne

Status: On February 15 and 16, 1995, representatives from the six States, which field tested PMR measures - California, Illinois, Kansas, Missouri, New Hampshire and Wisconsin - met with the original steering committee members, the State expert panel, and national office staff for presentations of field test findings. The agenda included comparative reports on State performance during the field test and panel discussion of the strengths and weaknesses of PMR measures. Some revisions in the measures are being made as a result of the field test findings and in response to the comments received on the UIPL and FRN which were published in February with the contractor's report as an attachment.

We have reviewed the contractor's design for data validation and are now in the process of working to redesign the UI reporting system to incorporate PNR elements and define all elements to be included in the validation process, which will replace current Workload Validation as the new measures are implemented beginning late this year.

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: KRA Corporation

Project Monitor: Rett Hensley

Status: Results of surveys completed by 51 State Employment Security Agencies (SESAs) have been compiled and submitted by the contractor to USDOL in an interim report. Testing of the data gathering technique with the Maryland agency has been successfully completed. Data gathering will soon commence with Florida agency for analysis.

Funding Source: Pilots and Demonstrations

Study Title: Study of An Increase in the Unemployment Insurance Federal Taxable Wage Base

Purpose: This study was undertaken in order to develop a better understanding of employer response to changes in the Federal taxable wage base and its impact on employment. It can be used by policy makers at the State and Federal level in the formulation of policy towards increasing the Federal taxable wage base.

Beginning Date: June 30, 1992

Ending Date: September 1, 1994

Contractor: KRA Corporation

UI Project Monitor: Robert Pavosevich

Status: The final report has been completed and is expected to be published as UI Occasional Paper 95-1 by the end of April.

Funding Source: UI National Activities

Study Title: Unemployment Insurance Policy Issues Book

Purpose: The purpose of this project is to develop an Unemployment Insurance (UI) book on current policy issues. This book will be the second volume in a two-volume set complementing a volume being published by the W.E. Upjohn Institute for Employment Research.

Beginning Date: March 1, 1994

Ending Date: December 30, 1996

Contractor: The Upjohn Institute

Project Monitor: Steve Wandner

Status: Fifteen draft chapters of the book are expected to be completed by May 10, 1995. A symposium to present and discuss the chapters of the book will be held June 15-17, 1995 in Kalamazoo, MI. The tentative date for publication of this book by the W.E. Upjohn Institute for the Employment Research is December 1995.

Funding Source: Pilots and Demonstrations

  

Study Title: UI Survival Analysis Rate and Benefit Model

Purpose: This Study has two main objectives. One is to develop a statistically valid model of benefits. The initial phase of this project will consist of building a PC-based model which can be run in the latest available version of LOTUS 1-2-3 (or similar spreadsheet software as agreed upon by UIS and the contractor) and maintained by UIS actuarial staff.

Beginning Date: September 30, 1994

Ending Date: September 30, 1997

Contractor: Battelle Memorial Institute

UI Project Monitor: Tom Stengle

Status: A nationally representative sample of fifteen randomly chosen States have been chosen to participate in this project. The contractor is drafting an OMB clearance package in accordance with the Paperwork Reduction Act in preparation for

obtaining a random sample of approximately ten-thousand initial claimants from each selected State. The fifteen selected States have been provided with the necessary data requirements and specifications. The contractor is awaiting notifications of State participation.

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

## **B. TECHNICAL ASSISTANCE PROJECTS**

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 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: February 1, 1995

Contractor: Maryland Department of Economic and Employment Development

UI Monitor: Wayne Zajac

Status: Maryland has completed the BPC TAG and has distributed it to all States. The Maryland project staff conducted three training sessions on the BPC TAG and related topics during fall 1994. A final report, which includes the results of the training evaluation, was submitted by the Maryland project staff as required in December 1994.

Funding Source: UI National Activities

## **II. UI DEMONSTRATION PROJECTS**

Study Title: Maryland Work Search Demonstration

Purpose: This demonstration project is an extension of other DOL research projects that have examined the effects of UI and ES services to facilitate claimants' return to work. This demonstration will determine whether or

not the stringency of work search requirements accelerates claimant reemployment and reduces UI benefits paid, without reducing the wage rate obtained by the claimant. The results from this demonstration will provide valuable information to W L and all States on the desired effect of work search requirements, and identify potential policy changes that can be made to make work search requirements more effective.

Beginning Date: September 27, 1991

Ending Date: March 1997

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

UI Project Monitor: Wayne Gordon

Status: Project is completing new participant enrollment in December 1994. Serviceprovision activities will then begin to phase out as all participants complete these services. Analysis and evaluation phase is now beginning.

Funding Source: UI 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) Job Search Assistance 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 need to be measured over a seven-year period and during different economic conditions. Results should 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: Ron Wilus

Status: Mathematica Policy Research, Inc. has completed the report. The final evaluation report, together with a separate summary of the results and implications of the original and follow-up New Jersey studies are expected to be available as an UI Occasional Paper in May.

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

Study Title: UI Self-Employment Demonstration Evaluation

Purpose: The purpose of this project is to determine the viability of self-employment as a reemployment option for unemployed workers. This contract provides an evaluation of two experimental UI Self-Employment Demonstration Projects that were conducted in the States of Washington and Massachusetts. This will provide a process analysis, impact analysis, and benefit-cost analysis of these projects.

Beginning Date: June 16, 1988

Ending Date: January 31, 1995

Contractor: Abt Associates Inc.

UI Project Monitor: Jon C. Messenger

Status: The contractor has completed the final evaluation report on the Washington and Massachusetts Self-Employment Project. This report will be published as an UI Occasional paper in June 1995.

Funding Source: UI National Activities

Study Title: Job Search Assistance Demonstration Evaluation

Purpose: The purpose of this project is to determine the feasibility of implementing different types of job search assistance programs. The Job Search Assistance (JSA) Demonstration represents an experimental research effort mandated by the Congress (P.L. 102-164) to build on the results of the New Jersey UI Demonstration Project. The New Jersey Demonstration showed that one package of intensive job search assistance services can speed dislocated UI claimants' return to productive employment. The JSA Demonstration expands on this knowledge base by testing alternative service approaches to see which ones have the greatest impacts and are most cost-effective. The demonstration project is being

conducted in Florida, Wisconsin, and the District of Columbia.

Beginning Date: October 1, 1993

Ending Date: May 31, 1998

Contractor: Mathematica Policy Research, Inc.

Project Monitor: Jon C. Messenger

Status: The research design for the demonstration has been completed, and the demonstration is operational in Florida and the District of Columbia. Planning for project operations has now begun in Wisconsin. In November 1994, project operations began in Florida with the enrollment of project participants. The Florida demonstration is operating in ten local sites. Enrollment of project participants in the District of Columbia began in February 1995.

Funding Source: UI National Activities

### III. DOL PROJECTS RELATED TO UI

Study Title: Emergency Unemployment Compensation Act Study

Purpose: The purpose of this study is to evaluate the impact of the Emergency Unemployment Compensation Act of 1991 on the labor market experience of the unemployment insurance claimants, on the economy, and UI trust funds, and to explore policy options for extending benefits during periods of future high unemployment.

Beginning Date: September 30, 1994

Ending Date: March 31, 1997

Contractor: Mathematica Policy Research, Inc.

UI Project Monitor: Rob Pavosevich

Status: The contractor is summarizing related studies and beginning work on both the research design and the survey instrument, which will be used to sample EUC claimants.

Funding Source: Pilots and Demonstrations

Study Title: Evaluation of Worker Profiling Systems

Purpose: The purpose of this project is to provide research assistance to DOL in conducting a comprehensive evaluation of the operations and effectiveness of State Worker Profiling and Reemployment Services Systems. The plan is to conduct an evaluation of the Worker Profiling and Reemployment Services Initiative which will provide:

1. information on the operation and effectiveness of State Worker Profiling and Reemployment Services Systems that have been developed in accordance with Public Law (PL) 103-152; and

2. an assessment of State operations that pertain to the initiating, and the effectiveness of more established State Systems.

Beginning Date: July 1, 1994

Ending Date: June 30, 1998

Contractor: Social Policy Research Associates

UI Project Monitor: Jon C. Messenger

Status: The contractor completed a final version of the evaluation design report in February 1994, and submitted a customer survey for DOL and OMB clearance in March. The contractor also completed on-site data collection visits to Maryland (the test State) and to five prototype States (Florida, Kentucky, Oregon, Delaware, and New Jersey).

Funding Source: UI National Activities

Study Title: Evaluation of Short-Time Compensation Programs

Purpose: The objectives for this study include determining the impact of Short Time Compensation (STC) on state UI trust funds, examining the extent to which STC preserves jobs by deterring layoffs, and investigating the ways in which the program is administered and how that administration might be improved. An analyses of five chosen States, whose unemployment insurance laws include STC, will enable the Secretary of Labor to provide a required report to Congress on the implementation of Section 401 of the Unemployment Compensation Amendments of 1992.

Beginning Date: June 30, 1994

Ending Date: June 30, 1996

Contractor: Berkeley Planning Associates and Mathematica Policy Research

UI Project Monitors: Roz Thomas and Ingrid Evans

Status: The contractor is currently gathering data from the five selected States in the study. A sample States and Employers Survey has been prepared by the contractor in accordance with the Paperwork Reduction Act, and is awaiting MB clearance.

Funding Source: Pilots and Demonstrations

Study Title: Evaluation of Voice Response Units in the Unemployment Insurance System

Purpose: The purpose of this project is to provide summary information on the extent to which voice response units are used by State Unemployment Insurance agencies to handle various functions associated with claim processing. The study will also provide detailed analysis of voice response units implemented in two to four States including system design, implementation and operational costs, and functional characteristics.

Beginning Date: March 1995

Ending Date: June 1996

Contractor: PRAMM Consulting Group, Inc.

UI Project Monitor: Douglas Scott

Status: Contract finalized and preliminary work is in progress.

Funding Source: UI National Activities

Study Title: Risk Analysis Project.

Purpose: To assist SESAs in identifying and reducing risks to the UI program. Specific objectives include: (1) identifying specific weaknesses and future areas of vulnerability; (2) evaluating risk analysis policies and guidelines; (3) evaluating automated analytical risk analysis products; and (4) providing recommendations, approaches, training and analytical