UNEMPLOYMENT INSURANCE
SEMI-ANNUAL
RESEARCH STATUS REPORT

SEPTEMBER 1996 - MARCH 1997

March 1997
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UI RESEARCH AND DEVELOPMENT PROJECTS

A. RESEARCH AND DEVELOPMENT PROJECTS

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 determinations of 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: The study is completed and is available as an Unemployment Insurance Occasional paper 97-1. It can also be located via the internet on the Unemployment Insurance Service Web Page at http://itsc.state.md.us

Funding Source: Pilots and Demonstrations
Study Title: Unemployment Insurance Policy Issues Book

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

Beginning Date: March 1, 1994

Ending Date: July 31, 1997

Contractor: The Upjohn Institute

Project Monitor: Steve Wandner

Status: All fifteen chapters of the book have been completed in draft. They were presented and discussed at a symposium on June 15-17, 1995 in Kalamazoo, MI. The chapters have been edited in final. This book will be published by the W.E. Upjohn Institute for Employment Research in late 1996.

Funding Source: Pilots and Demonstrations
Study Title: UI Survival Rate Analysis and Benefit Models

Purpose: This study has two main objectives. One is to conduct a comprehensive examination of the factors that influence the amount and timing of unemployment insurance benefit payments and the second is to develop a benefit forecasting model to be used for generating National Office budget and legislative estimates.

Beginning Date: September 30, 1994

Ending Date: September 30, 1997

Contractor: Battelle Memorial Institute

UI Project Monitor: Tom Stengle

Status: The contractor has completed the estimation of the survival rate analysis models and has begun writing the Phase I Survival Rate analysis report. As for the second phase of this project, a preliminary benefit projection model has been developed and preliminary identification of state-specific time series models necessary for the benefit forecasting model has been completed. Due to delays in obtaining data from States and handling numerous data anomalies that have arisen, a no cost extension will be necessary to complete all phases of the project.

Funding Source: Unemployment Insurance Research and Training (UI R&T)
Study Title: Field Test of Revised Performance Measures for Benefit Payment Control

Purpose: The current performance measures for BPC consist of collection rates for fraud overpayments and nonfraud overpayments. Additional indicators have been proposed to supplement the existing ones. These measures will be field tested by three SESAs to determine the feasibility of collecting the data and also to evaluate the usefulness of the data.

Beginning Date: October 1, 1995

Ending Date: March 31, 1997

Contractors (3): California Employment Development Department

Utah Department of Employment Security
West Virginia Department of Employment Security

Project Officer: Bob Whiting

Status: Data collection period has been completed and results are being analyzed by the National Office.

Funding Source: UI National Activities
Study Title: Agent State Third Party Fraud Project

Purpose: The nature of interstate mail bypass procedures is conducive to third party involvement in the UI process. This project has been designed to provide an analysis of third party involvement; to quantify the deterrence/detection effect of in-depth eligibility review interviews (ERIs) and investigations; and to develop recommendations for procedures designed to deter and detect third party fraud.

Beginning Date: October 1, 1994
Ending Date: September 30, 1997
Contractor: Texas Employment Commission
Project Officer: Bob Whiting
Status: Investigations continue.
Funding Source: UI National Activities
B. TECHNICAL ASSISTANCE PROJECTS

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 tools to assist SESAs in assessing vulnerabilities.

Beginning Date: October 1, 1994

Ending Date: September 30, 1998

Contractor: California Employment Development Department

Project Officer: Harry Minor

Status: The California EDD Risk Analysis project staff have conducted the following activities to date:

a. Formed an Advisory Work Group (AWG) responsible for assisting in formulating the project's scope, objectives, methodology, and timelines. (The AWG is comprised of State staff from six SESAs and DOL).

b. Convened four meetings of the AWG for the purposes of reviewing and commenting on project deliverables, study methodology, and setting timelines. The AWG is scheduled to meet a fifth time (time and date) TBA later.

c. The Automated Risk Analysis Tool Evaluation Report was completed and posted on the ITSC Web Site in the Internet.
d. Fundamental and Intermediate training and the use of the automated software (Risk Watch) have been completed.

e. Comments received from the Fundamental and Intermediate Risk Analysis Training were very positive and encouraging.

f. The SESA's Risk Analysis Training Needs Report was completed and posted on the Information Technology Support Center (ITSC) Web Site in the Internet

g. The Risk Analysis Policies and Guidelines Report has been resubmitted to the National Office for review and comment.

h. A Risk Analysis Executive Overview Video was developed and distributed to all SESAs, DOL Regions and AWG members.

In summary, the Risk Analysis Project is progressing in a very positive manner with no or little difficulty.

Funding Source: UI National Activities
Study Title: Overpayment Detection and Investigation Project

Purpose: To enhance the capabilities of SESAs in the area of benefit overpayment detection and investigative activities. A comprehensive analysis and evaluation of current detection methods and tools will be accomplished and recommendations for new methods and tools developed. In addition, investigator training packages will be developed and training conducted for SESA staff. The evaluation of automated software packages for detection and investigative activity support will also be accomplished.

Beginning Date: October 1, 1995
Ending Date: September 30, 1998
Contractor: Utah Department of Employment Security
Project Officer: Bob Whiting

Status: University of Utah's Media Solutions has been assisting the SESA on revising the training package for beginner investigators. Work has begun on production of the advanced video training package for investigators. An on-site visit was completed to Oregon to review their detection activity.

Funding Source: UI National Activities
Study Title: Overpayment Recovery Project

Purpose: To enhance the capabilities of SESAs in the area of benefit overpayment recovery activities. Recovery activities to be included are: notification procedures and processes; collection activities; automated collection systems; establishment and follow-up of delinquent accounts; intercept programs; and interstate offsets. In addition, development of training materials and recovery/collections training sessions will be accomplished.

Beginning Date: October 1, 1995

Ending Date: September 30, 1998

Contractor: California Employment Development Department

Project Officer: Bob Whiting

Status: Proposal approved to revision of plan for rewriting of ET Handbook No. 375.

    Conducted on-site visits to several SESAs and one private collection agency to evaluate collection methodologies. Contacts initiated to other SESAs. Documenting findings from on-site reviews.

Funding Source: UI National Activities
Study Title: Denials Accuracy Pilot Project

Purpose: To conduct an operational pilot of the accuracy of denied claims for UI benefits, and to test whether the Quality Performance Indicator produces sufficient information on the correctness of nonmonetary denials to be used for nonmonos in place of the Benefits Accuracy Measure field-verification method.

Beginning Date: Sampling is expected to begin in September 1997.

Ending Date: Final report expected December 1998

Contractor: PRAMM Consulting Group, Inc.

Project Monitor: Burman Skrable

Status: Pilot States have been selected (New Jersey, West Virginia, South Carolina, Wisconsin, Nebraska) and cooperative agreements executed; pilot design has been refined with assistance of State pilot coordinators; OMB paperwork clearance package was sent to OMB in early March, for OMB reply by May 7. Mainframe programming is underway in the States and database programming in UIS. Target date for programming crucial to starting the pilot to be completed is August 15; remainder by December.

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 under which the effects of UI and ES services rendered in order to facilitate claimants' return to work have been examined. Under this demonstration, a determine will be made as to 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 DOL and all States on the desired effect of work search requirements, and will identify potential policy changes that can be made to make work search requirements more effective.

Beginning Date: September 27, 1991

Ending Date: June 1997

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

Project Monitor: Wayne Gordon

Status: Project participation data and State administrative data have been transferred to a research and analysis contractor. A final report is expected by June 1997.

Funding Source: UI National Activities
Study Title: Job Search Assistance Demonstration Evaluation

Purpose: The purpose of this project is to determine the effectiveness of 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 and the District of Columbia.

Beginning Date: October 1, 1993

Ending Date: December 31, 1999

Contractor: Mathematica Policy Research, Inc.

Project Monitor: Wayne Gordon

Status: The first interim report which will focus on an Implementation and Process analysis was received in January 1997. The second interim report which will look at one year impacts is expected in January 1998.

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 (EUC). The specific areas of concern in this project are: the labor market experience of unemployment insurance claimants, the affect of EUC on the economy, UI State trust funds, and the overall effectiveness of extended recessionary benefits. The authors will also explore policy options for extending benefits during periods of future high unemployment.

Beginning Date: September 30, 1994

Ending Date: October 31, 1997

Contractor: Mathematica Policy Research, Inc.

UI Monitor: Robert Pavosevich

Status: This project has been extended an additional seven months to October 31, 1997. This will give the contractor the necessary time to complete all of the telephone interviews with EUC claimants and write the final paper.

Funding Source: Pilots and Demonstrations
Study Title: Unemployment Insurance Customer Satisfaction Survey

Purpose: The purpose of this survey is to determine the degree to which the Unemployment Insurance system provides satisfactory services to its customers. This survey will provide a national overview of customer satisfaction with UI services; be used in conjunction with the UI program performance system; and provide an analytical baseline for which States may compare their own results.

Beginning Date: September 30, 1996

Ending Date: March 31, 1998

Contractor: Bardsley and Neidhart, Inc.

UI Monitor: Robert Pavosevich

Status: The contractor has submitted a draft survey instrument for review and is preparing the necessary documentation for the Office of Management and Budget approval process.

Funding Source: Pilots and Demonstrations
Study Title: **Evaluation of Worker Profiling and Reemployment Services 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 development and effectiveness of more-established State Systems.

Beginning Date: July 1, 1994

Ending Date: June 30, 1998

Contractor: Social Policy Research Associates

Project Monitor: Jon C. Messenger

Status: A draft of the WPRS Evaluation Report to Congress was completed in December 1996, and circulated to ETA offices for review. This report provides an implementation and process analysis from a national survey of State UI, ES, and EDWAA administrators, plus an early impact analysis from the Prototype and Test States. The final version of this report was completed in March 1997, and it is currently in final clearance through DOL and OMB prior to transmission to the Congress.

Funding Source: EDWAA Demonstration Funds
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, along with how that administration might be improved. An analysis of five States that have STC legislation incorporated in their State UI laws will be conducted and the results will be provided in a required report to Congress.

Beginning Date: June 30, 1994

Ending Date: March 1997

Contractor: Berkeley Planning Associates

Project Monitor: Wayne Gordon

Status: This Study was completed and a final report has been received by USDOL. It will soon be available as a Unemployment Insurance Occasional Paper and on the Unemployment Insurance Web Page at http://itsc.state.md.us

Funding Source: Pilots and Demonstrations
Study Title: Analysis of Unemployment Insurance (UI) Claims -- Revised Base Period (RBP) in the UI Program

Purpose: This analysis will add to the information developed in the study entitled "The Alternative Base Period in Unemployment Insurance: Final Report." Information about long-term impacts of an Alternative Base Period (ABP) on the State trust funds, employer taxes, claims levels, and the reasons for switching to an ABP will be provided through the efforts of this study. Under the study, operational issues will also be examined, including the implementation and ongoing costs associated with an ABP and suggest cost-effective approaches to implementing and maintaining an ABP. A better understanding of administrative costs for an ABP will be developed.

Beginning Date: July 1995

Ending Date: June 1997

Contractor: Planmatics Inc.

Project Monitor: Wayne Gordon

Status: The contractor has submitted draft reports on trust fund impacts in three states and a draft report of State administrative costs. A final report covering estimates of State administrative costs, employer costs, trust fund impacts on five states and a "Best Practices for implementing an ABP" guidebook is expected in June 1997.

Funding Source: Pilots and Demonstrations
Study Title: Interstate Competition in Unemployment Insurance

Purpose: The purpose of this project is to research the amount of interstate competition in social benefit programs. Research activities will include a review of previous literature, a discussion of alternative formulations of the interstate competition hypothesis, analysis of state-level data on average employer tax rates in Unemployment Insurance and a limited analysis of other programs.

Beginning Date: March 26, 1997
Ending Date: July 31, 1997
Contractor: Wayne Vroman
The Urban Institute
UI Monitor: Robert Pavosevich
Status: The contractor has begun gathering data on State UI tax rates.
Funding Source: Research and Evaluations, OPR
Study Title: Unemployment Benefit Duration: The Case of Emergency Unemployment Compensation

Purpose: The purpose of this paper is to review empirical findings of the effect of increased benefits on unemployment duration and to provide a new empirical model using microdata on claimants from the States of Washington and Pennsylvania.

Beginning Date: March 28, 1997

Ending Date: May 31, 1997

Contractor: Stephen A. Woodbury
W.E. Upjohn Institute for Employment Research

UI Monitor: Robert Pavosevich

Status: The final draft of this paper has been submitted for review.

Funding Source: National Activities