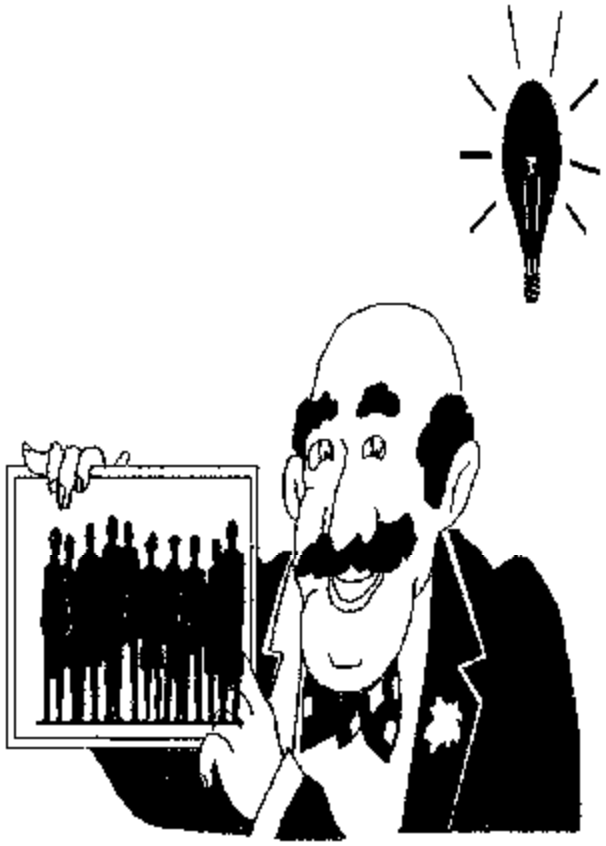
ALIEN-CLAIMS ACTIVITIES
STATE EMPLOYMENT SECURITY AGENCIES' (SESAs) EXPERIENCE USING THE SYSTEMATIC ALIEN VERIFICATION FOR ENTITLEMENT (SAVE) PROGRAM

FISCAL YEARS 1989 - 1992



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UIS-ETA-DOL

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Alien-Claims Activities

State Employment Security Agencies (SESAs)

Experience Using the Systematic Alien

Verification for Entitlement (SAVE) Program

Fiscal Years 1989-1992

The Immigration Reform and Control Act of 1986 (IRCA, Public Law 99-603) required that aliens applying for certain entitlement programs, including unemployment insurance (UI), must have their immigration status verified through a system developed by the Immigration and Naturalization Service (INS). The verification system is known as the Systematic Alien Verification for Entitlement (SAVE) program.

Under contract with INS, Martin-Marietta Corporation developed a verification system that allows the entitlement agencies, including State Employment Security Agencies (SESAs), access to the INS alien status verification system (ASVI) data base using a variety of automated procedures. The ASVI access methods include telephone and/or computer on-line or batch access methods, or manual (mail) procedures, (referred to as secondary verification).

IRCA required each State to utilize the automated SAVE system by October 1, 1988, unless the State requested and was granted a waiver from participation by the Secretary of Labor. Waiver requests were received from eleven States. No SESA, regardless of alien UI claims volume, was totally waived from participation in the SAVE program (i.e., automatic and/or mail verification). Waivers were granted only in regard to the primary (automated) component of SAVE.

Waiver requests were analyzed on the basis of UI alien-initial claims workload and cost data submitted by the States in the waiver request. Waivers from participation in the automated portion of SAVE were granted to eight SESAs based on projected small alien-claims workload. The eight SESAs that were waived are: Alaska, Delaware, Kentucky, Montana, Nevada, Virginia, West Virginia and Wyoming.

The eight SESAs that were waived, plus Puerto Rico (PR) and Virgin Islands (VI), participate in SAVE using the secondary verification (manual mail procedures). PR and VI are expected to utilize the automated system if and when it is technologically feasible for them to do so. The following figures allow perspective on the relative significance of the PR and VI alien-initial claim workloads.

PR reported an alien-initial claim workload of .1 percent (663 claims) of their total initial claims. VI reported an alien-initial claim workload of 29.4 percent (4,723 claims) of their total initial claims during Fiscal Year (FY) 1989 through FY 1992. The total US alien-inital claim workload was 5,732,129 (7 percent of the national total initial claims) for the same time period. Participation in the automated portion of SAVE may not be cost-effective for these two SESAs. As has been the case with all States, the decision to participate in the automated SAVE

system will be made by the PR and VI SESA Administrators, in consultation with Martin Marietta and the Immigration and Naturalization Service (INS).

In six of the eight SESAs that were waived, Delaware, Kentucky, Montana, Virginia, West Virginia and Wyoming, the alien-claims workloads reported during FY 1989 through FY 1992 were far less than three percent of their total initial claims workloads. Alaska reported a three-year average alien-initial claims workload of 5.4 percent. Nevada reported an alien-initial claims workload of 4.5 percent for the same time period. We plan to reconsider the advisability of continued waiver status from the automated portion of SAVE for Alaska and Nevada. If appropriate, the agencies will be encouraged to investigate and consider utilization of the automated SAVE system, as soon as feasible.

Waivers were denied to three States: Connecticut, Maryland and Massachusetts. Of the three States denied, only Maryland has reported experiencing an alien-claim workload of less than three percent.

The use of the automated SAVE program has grown steadily among the SESAs, from 20 participating in October 1988 to 43 SESAs participating as of October 1989, to all SESAs participating in 1992, except the eight exempted. The incremental implementation of SAVE by the SESAs is reflected in the reported data and must be kept in mind when comparing experience between the years. Reports indicate that the SAVE system, both automated and secondary, is operating successfully in all of the SESAs.

The attached SAVE information/data/charts represent alien-initial claim workloads and costs reported by 52 SESAs from FY 1989 through FY 1992. The District of Columbia is participating in SAVE but did not report alien-initial claim workloads or request reimbursement for the costs associated with SAVE.

Other SESAs that have not requested reimbursement for the costs of administering the SAVE program include: Vermont, Puerto Rico, Virgin Islands, Delaware, Georgia, Kentucky, South Dakota, Wyoming, and Nevada. Again, with the exception of Nevada and Virgin Islands, these SESAs reported alien-initial claims workloads of one percent or less.

The reimbursed costs reflected on the attached "Estimated State UI Trust Fund Savings as a Result of SAVE Verifications", (Chart #1), include one-time implementation costs and on-going costs. One-time costs include those associated with computer hardware and software, and administrative time (personnel time

spent in program design, operations implementation, ADP systems support, supplies, forms, etc.) during start-up and implementation of the SAVE program (FYs 1989 and 1990). Telecommunication charges (e.g., touch-tone telephone access, dedicated line charges, etc.) are included in the category of on-going costs along with administrative time (personnel time spent verifying alien status) for all FYs.

We estimate that the SAVE verifications conducted by the SESAs during FYs 1989-1992 resulted in a savings to the State UI Trust Funds of $36,307,529. The estimated savings per claim were derived by taking the average weekly benefit amount paid in the SESAs, multiplied by the average duration (number of weeks) of a UI claim for each year. The estimated savings per claim was then multiplied by the number of denials resulting from SAVE verifications, to calculate estimated gross savings. From the estimated gross savings the reimbursed cost of administering the SAVE program was subtracted to arrive at net estimated savings.

The four-year estimated savings ($36,307,529) minus the four-year costs ($17,321,984) resulted in the estimated net savings of $18,985,545 in UI benefits from the State Trust Funds. The costs of administering the SAVE program, the estimated savings and the estimated net savings to the State UI Trust Funds is demonstrated on Chart #1.

A national comparison of the number of alien-initial UI claims taken with the number of all initial UI claims taken by the States is shown on Chart #2. As reflected on Chart #2, alien-initial claims represented 7% of the total initial claims workload experienced by the States during the FY 89-92 period.

Alien-initial claim workloads experienced as a percentage of the total national alien-initial claims are shown on Chart #3 for the top ten States and compared to all other States. California's workload represented 65% of all alien-initial claims with New York representing 7% and Texas 6%. Other top ten workload States ranged from Florida with 4% to Connecticut and Arizona at 1%. A comparison of workload and cost between California and all other States is shown on Chart #4. California's alien-initial claims costs represent 74% of the total amount paid to SESAs to administer the SAVE program.

Denials of alien-initial claims as a result of SAVE verifications, and as a percent of all alien-initial claims taken by the SESAs, is shown on Chart #5. A total of 5 million alien-claims were filed over the three year period and 15 thousand were denied benefits as a result of INS SAVE verification. The number of denials (15,125), was used to calculate the estimated State UI Trust Fund savings as a result of the SAVE program.

One of the criteria used to determine waiver from participation in the automated portion of SAVE was the percent of the total workload that alien-claims represent in each State. For the 10 States with the greatest alien-claim workload, the percentage of all State initial claims represented by alien-claims ranged from 29.3% in California to 4.3% in Illinois and Washington (Chart #6). Alien-initial claim workloads as a percent of total initial claim workloads were less than 1% in 25 States.

Alien-initial claim workloads in the States that were waived from participation in the automated portion of SAVE are shown on Chart #7. Six of the States that were waived have experienced alien-initial claim workloads of one percent or less. Other factors, including the feasibility and practicality of using the automated SAVE will be evaluated in the furtherance of waivers for those States whose workloads exceeded the criteria.

The total cost for administration of the SAVE program for the four-year period was $17,321,984 (see Chart #1). Chart #8 indicates the cost per alien-initial claim for verifying alien-claim status using SAVE for the 10 highest cost States compared with the national average of $3.02 per alien-initial claim.

ESTIMATED STATE UI TRUST FUND SAVINGS
AS A RESULT OF SAVE VERIFICATIONS

	FY '89	FY '90	FY '91	FY 92
AVERAGE WEEKLY BENEFIT AMOUNT	$149.37	$159.57	$168.54	$172.78
X AVERAGE DURATION	13.3 WKS	13.6 WKS	14.8 WKS	15.9 WKS
EST. SAVINGS PER CLAIM	$1,987	$2,170	$2,494	$2,747
X NO. DENIALS	3,982	1,814	4,616	4,713
EST. ANNUAL SAVINGS	$7,912,234	$3,936,380	$11,512,304	$12,946,611
COST	$2,772,948	$4,266,493	$5,044,793	$5,237,750
EST. NET SAVINGS	$5,139,286	-$330,113	$6,467,511	$7,708,861

TOTAL FYS 89-92

TOTAL EST. SAVINGS	$36,307,529
TOTAL COST	$17,321,984
NET EST. SAVINGS	$18,985,545

CHART #1

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COMPARISON OF WORKLOADS
STATE UI AND ALIEN-INITIAL CLAIMS
FISCAL YEARS '89-92

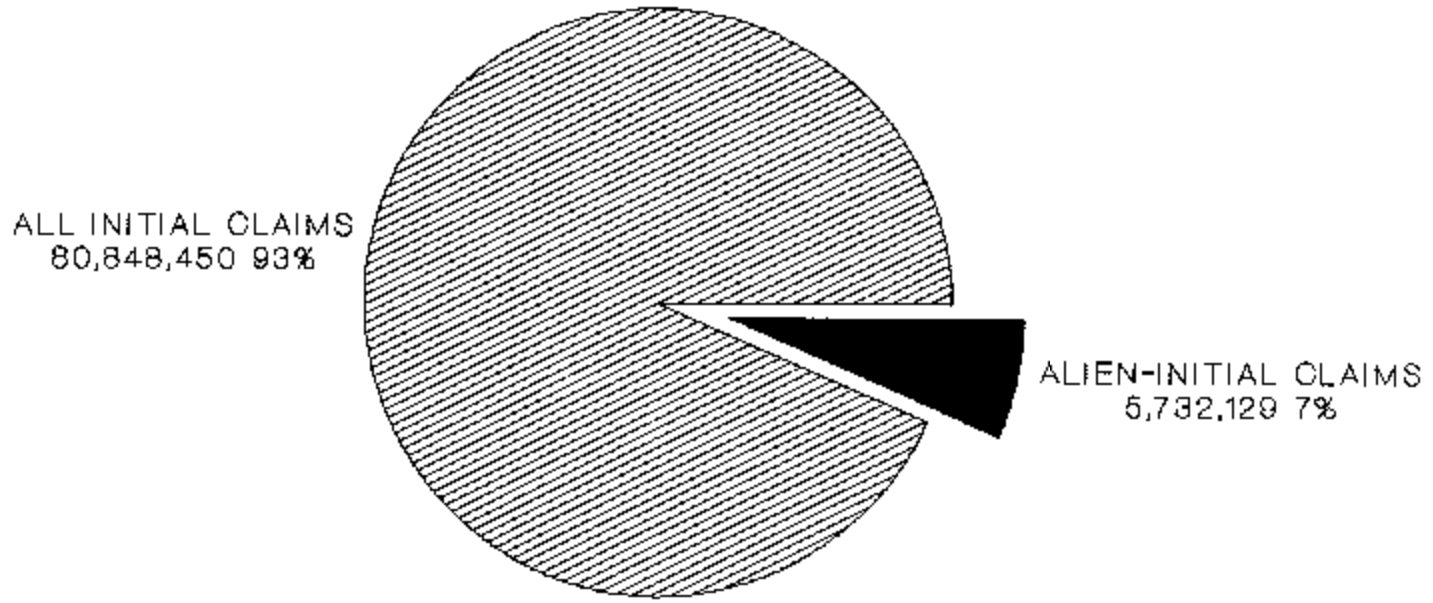

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CHART #2

SAVE INITIAL CLAIMS WORKLOADS AS A PERCENT OF NATIONAL WORKLOAD

FYS 89-92 -- TOP TEN STATES

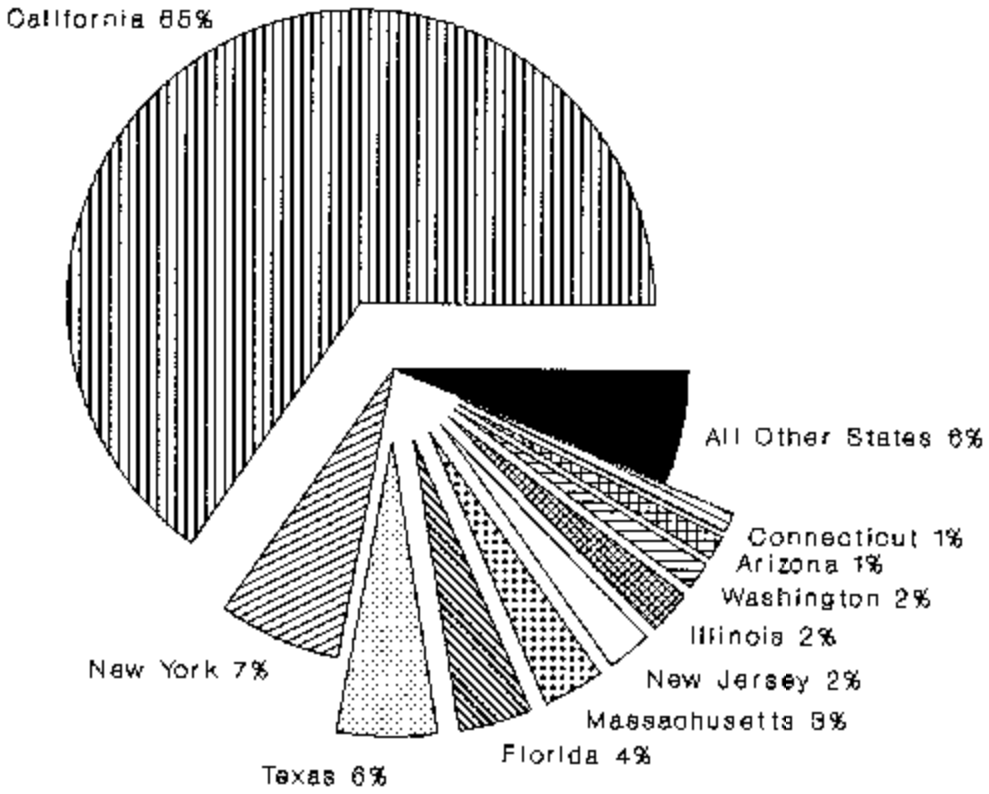

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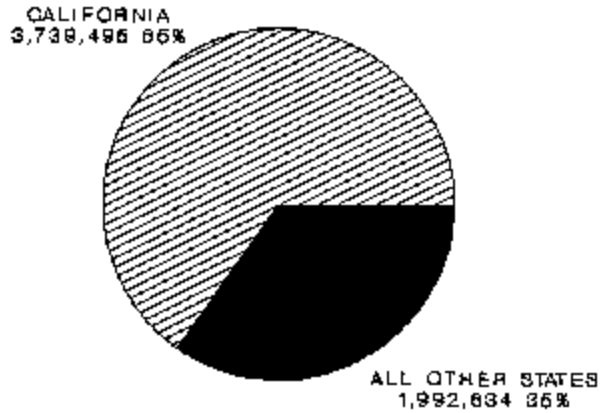
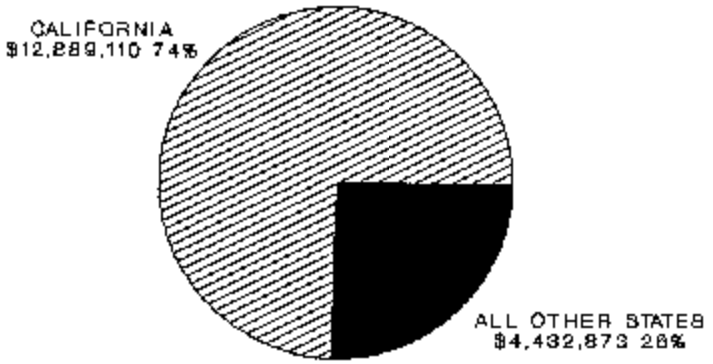
CHART #3

COMPARISON OF WORKLOAD & COST
CALIFORNIA - US TOTAL
FY '89-92
SAVE PROGRAM



WORKLOAD



COST

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CHART #4

DENIALS OF ALIEN-INITIAL CLAIMS
SAVE PROGRAM
FYS '89-92

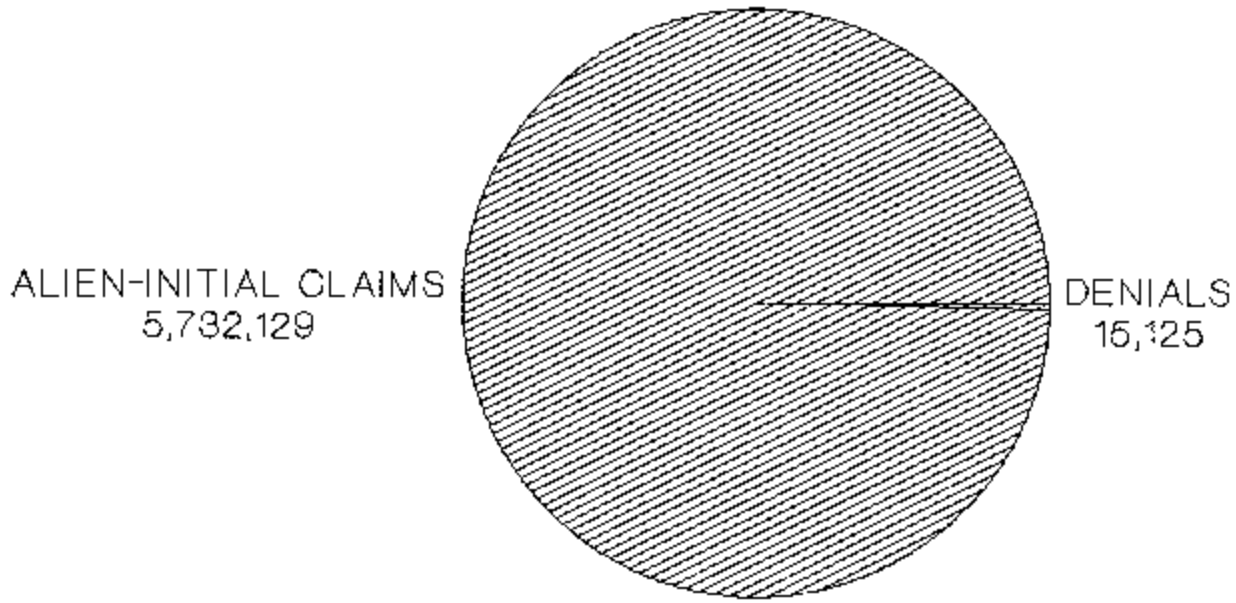

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CHART #5

SAVE INITIAL CLAIMS WORKLOADS
FYS 89-92 -- TOP TEN STATES

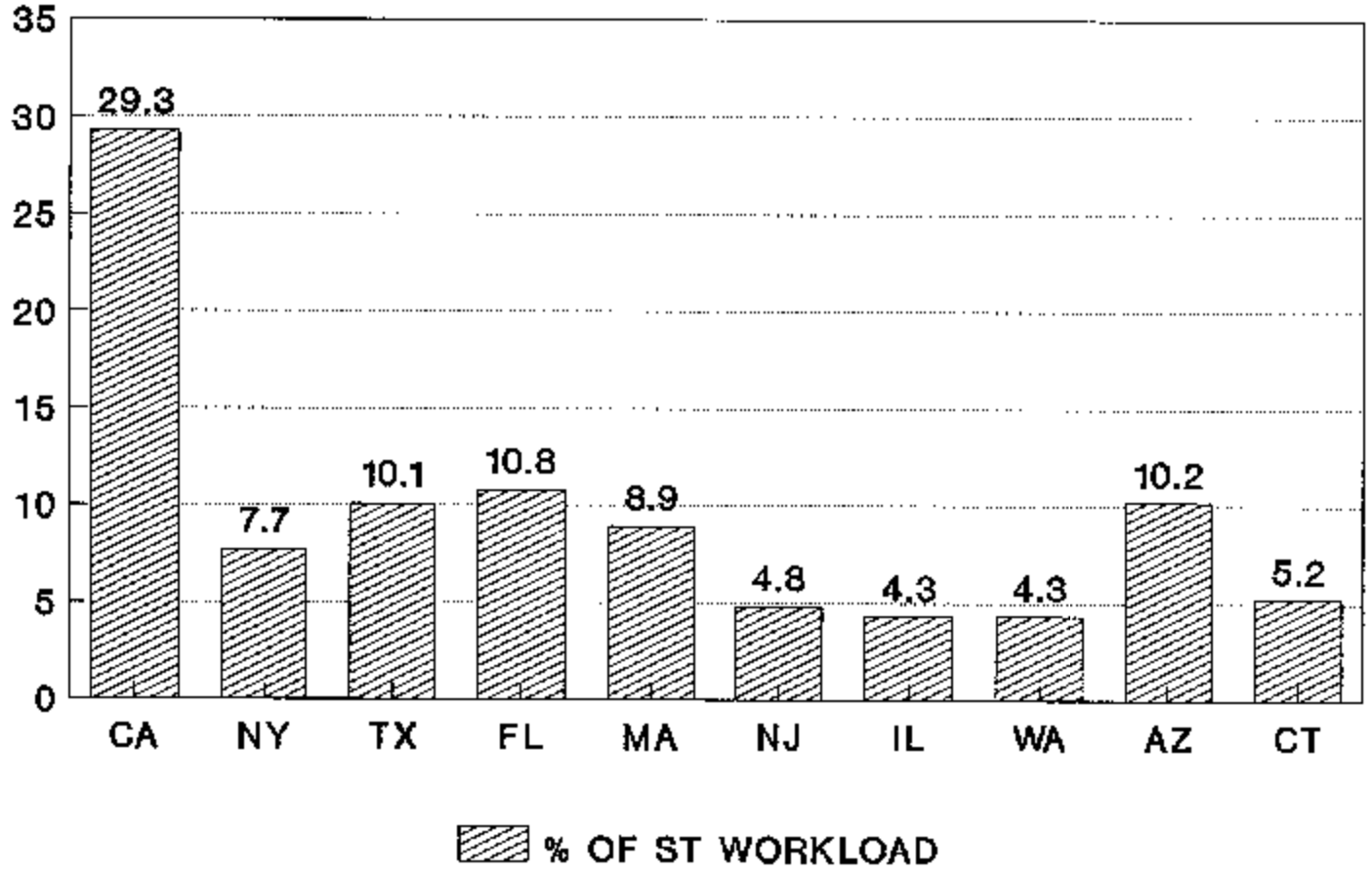

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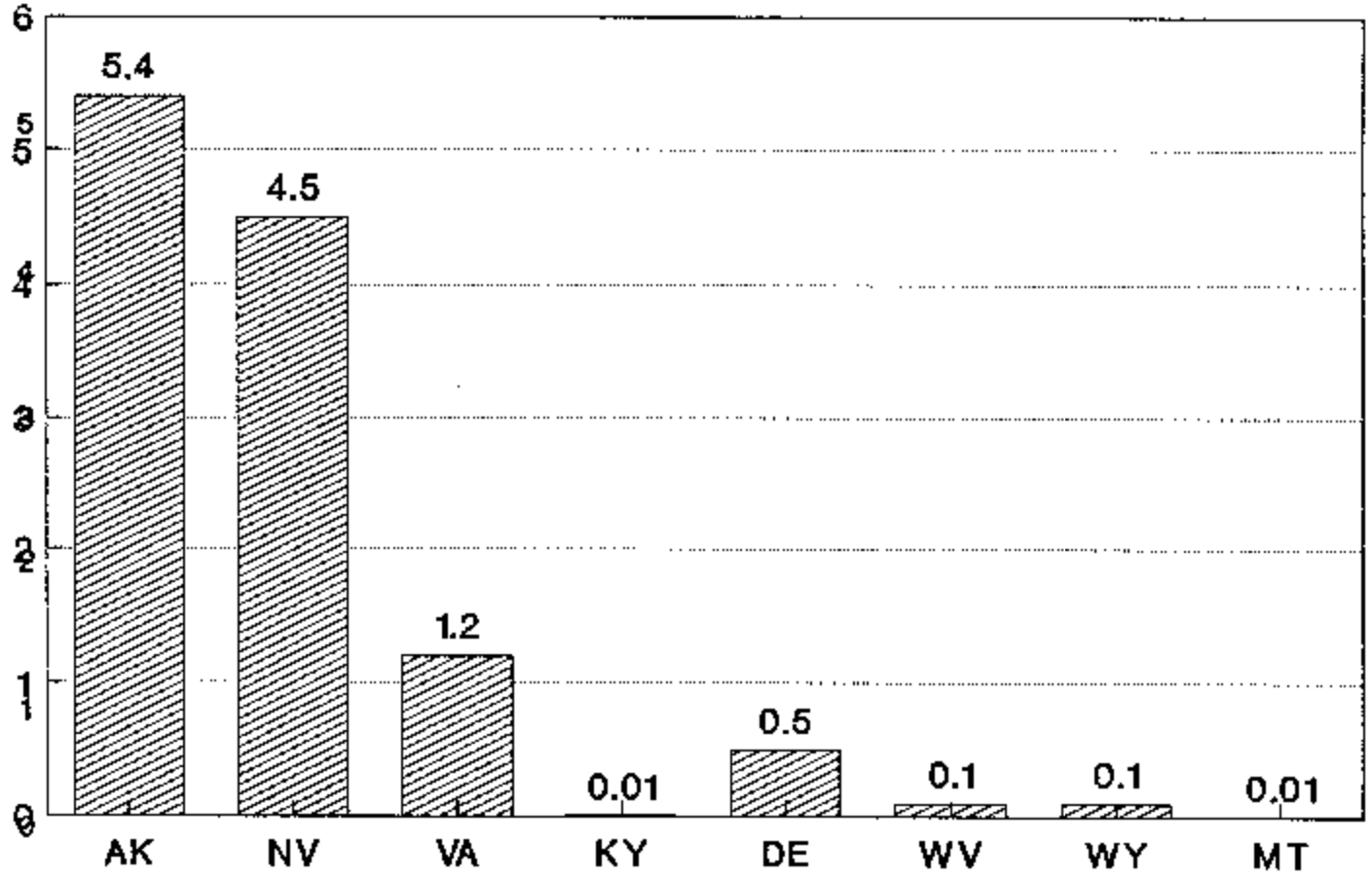
CHART #6

ALIEN-CLAIMS WORKLOADS AS A PERCENT OF TOTAL WORKLOADS IN STATES THAT WERE WAIVED FROM AUTOMATED SAVE



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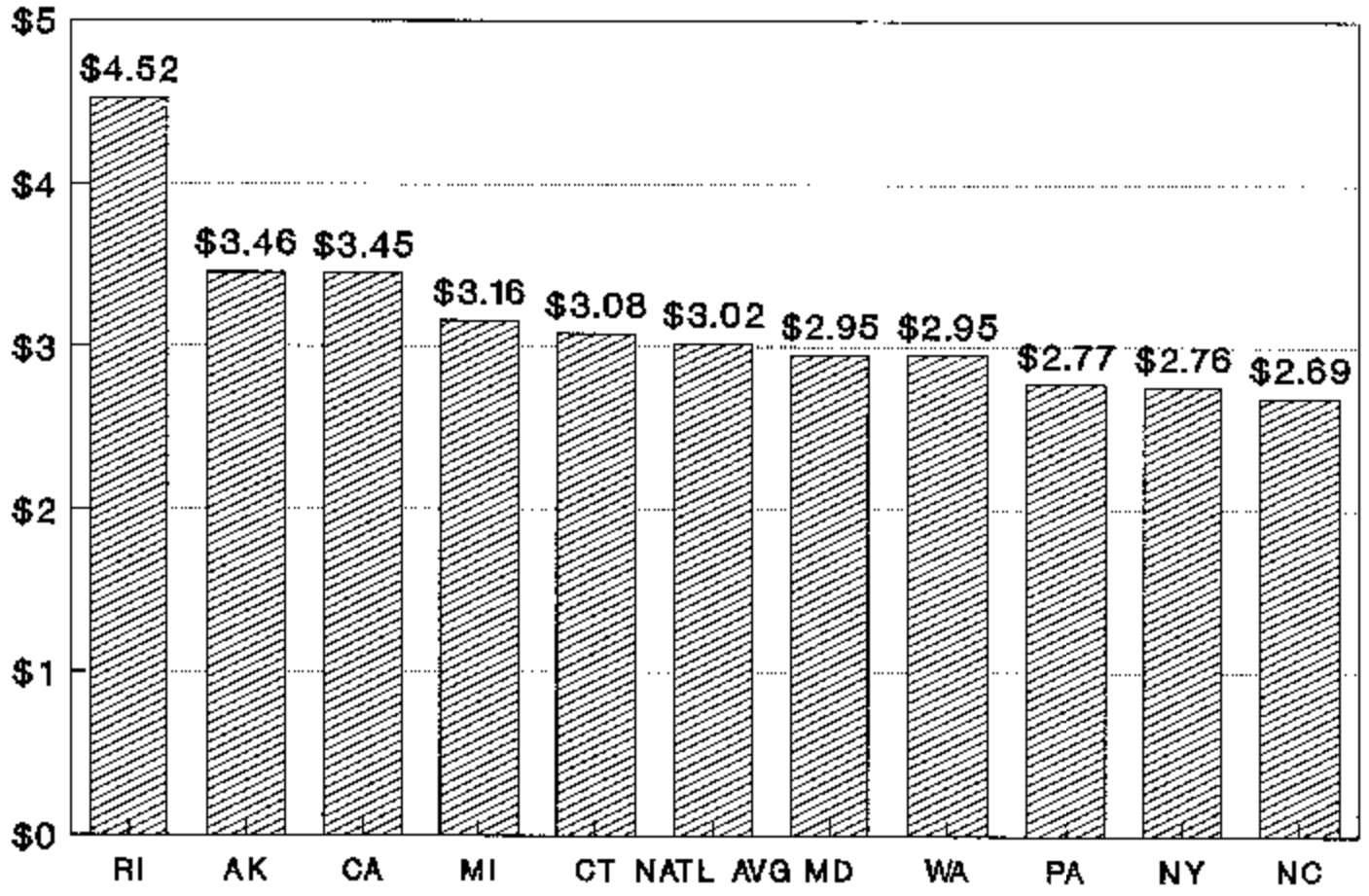
FY '89-92

CHART #7

SAVE COST PER ALIEN-INITIAL CLAIM
FISCAL YEARS '89 - 92*



*10 highest cost Sts.

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CHART #8