TO: STATE WORKFORCE AGENCIES

FROM: CHERYL ATKINSON
Administrator
Office of Workforce Security

SUBJECT: Unemployment Insurance (UI) Benefit Cost Estimating Seminar

1. **Purpose.** This notice announces and solicits nominees for a UI Benefit Cost Estimating Seminar to be held May 23-27, 2005, in Tempe, Arizona.

2. **Background.** The objective of this seminar is to provide training in state UI benefit cost estimating with a focus on properly using statistical techniques. Past Quantitative Methods seminars have provided training in statistical methods generally applicable to a range of UI situations. This seminar will be the first of its kind that is organized around building a model to project UI benefits given a set of macroeconomic assumptions. The seminar will be taught by Dr. Robert D. St. Louis, Associate Professor in the Department of Decision and Information Systems, College of Business, Arizona State University. A tentative agenda is attached. The seminar will cover four and one-half days and will include hands-on computer exercises using Number Cruncher Statistical Software and Excel. After completion of this seminar, it is expected that participants will have a much greater understanding of the quantitative techniques involved in UI benefit cost estimating and will have the ability to create a cost estimating model for their states.

This seminar is open to selected State Workforce Agency (SWA) staff with the only prerequisites being a basic knowledge of the UI program and some exposure to statistics. Priority will be given to staff that have responsibility for UI cost estimating and trust fund forecasting or who occupy UI positions that require a working knowledge of the subject material. The seminar will be limited to 20 participants. The National Office will select the participants and notify them through the Regional Offices. Upon selection, participants will receive information regarding lodging, special arrangements, and travel instructions.

3. **Costs.** SWAs are responsible for travel and per diem costs for state staff to attend the training session.
4. **Logistics.** The seminar will be held at the Hampton Inn and Suites in Tempe, Arizona. Complimentary shuttle service to and from Phoenix Sky Harbor Airport is provided by the hotel from 7:00 a.m. until 10:00 p.m. Participants will be expected to arrive no later than Sunday evening, May 22, as the program will commence on Monday morning at 8:30 a.m. The seminar will end at 11:45 a.m. on Friday, May 27.

5. **Action.** State Administrators are requested to (1) notify appropriate state staff of the upcoming training seminars and (2) provide completed nomination forms (see attached) for all nominees to Regional Office staff no later than April 1. Only staff for whom the necessary travel funds can be secured should be nominated.

6. **Inquiries.** Direct any questions to the appropriate Regional Office.

Attachments
Attachment I

TENTATIVE AGENDA
UI BENEFIT COST ESTIMATING SEMINAR
MAY 23-27, 2005

DAY 1

1. Introduction to UI Benefit Cost Estimating
2. Univariate Data Analysis
3. Model Building and Regression Analysis
4. Computer Project #1 – Model Building

DAY 2

1. Multiple Regression Analysis
2. Dummy Variables and Seasonality
3. Autocorrelation and Lagged Variables
4. Computer Project #2 – TUR to IUR Regression

DAY 3

1. Model Validation and testing
2. Average Weekly Benefit Estimation
3. Weeks Claimed to Weeks Compensated
4. Taxable Wages Estimation
5. Computer Project #3 – Benefits Paid Exercise

DAY 4

1. Time Series Models
2. Accuracy of Time Series Models
3. Estimating Benefits Cost of Legislative Changes
4. Computer Project #4 - Time Series Forecasting

DAY 5

1. Alternative Methods for Forecasting Benefits: Survival Rate Analysis
2. Using EXCEL in Benefit Forecasting
NOMINATION FORM
UI BENEFIT COST ESTIMATING SEMINAR

State: ____________________________________________________________

Name: ____________________________________________________________

Title: _______________ Work Phone No.: _____________________________

E-mail Address: ___________________________________________________

Work Address: _____________________________________________________

______________________________________________________________

EDUCATIONAL BACKGROUND

Years of schooling completed: 12 13 14 15 16 17 18 19 20

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Other relevant education and/or training:

_________________________________________________________________

_________________________________________________________________

WORK EXPERIENCE

Length of time doing UI cost estimating/trust fund forecasting: _______
Length of time working in Unemployment Insurance: _____
Length of time engaged in other work in research, statistics or related activities: _______

Describe briefly your present duties, particularly as related to this seminar:

_________________________________________________________________

_________________________________________________________________

_________________________________________________________________
COMPUTER AND STATISTICAL SKILLS

Do you have experience or training in the following?

Spreadsheets: Yes / No

Statistical packages: Yes / No

Regression Analysis: Yes / No

Time Series Forecasting: Yes / No

RECOMMENDED BY:

__________________________________________
Signature

__________________________________________
Title