

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D. C. 20210	CLASSIFICATION UI
	CORRESPONDENCE SYMBOL OWS DPM
	ISSUE DATE April 25, 2003
RESCISSIONS None	EXPIRATION DATE April 30, 2004

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 25-03

TO : ALL STATE WORKFORCE AGENCIES

FROM : CHERYL ATKINSON
 Administrator
 Office of Workforce Security

SUBJECT : Request for State Participation in a Pilot Test to Measure the Reemployment Rate of Unemployment Insurance (UI) Claimants

1. **Purpose.** To solicit the participation of four state UI agencies to test a measure of the reemployment rate of UI claimants.
2. **References.** Unemployment Insurance Program Letter (UIPL) [No. 15-03](#), "Government Performance and Results Act (GPRA) Fiscal Year 2003 Unemployment Insurance (UI) Program Goals" (January 22, 2003).
3. **Background.** The Employment and Training Administration (ETA) defined the following four GPRA goals for the UI program in FY 2002 to achieve a balanced expression of the UI program's benefit payment, tax, and reemployment facilitation responsibilities:
 - o Make Timely Benefit Payments to Unemployed Workers
 - o Establish Tax Accounts Promptly
 - o Improve Payment Accuracy for Unemployed Workers
 - o Facilitate the Reemployment of Claimants

ETA has established measures for all four goals and established criteria for the first three. As discussed in UIPL No. 15-03, ETA determined that an entered employment measure -- the rate at which UI claimants become reemployed -- best reflects how well the UI system facilitates the reemployment of UI claimants. Although states measure the reemployment rates of certain categories of job seekers in the ETA 9002C, 9002D (veterans), and 9049 (UI claimants referred to reemployment service through profiling) reports, no current reporting system measures how well the UI program facilitates the reemployment of UI claimants. Therefore, we are soliciting state participation to test a procedure for measuring the reemployment of UI claimants. Data from this test will be used to establish a reemployment baseline that will be used to establish a national goal for GPRA.

4. **The Measure.** ETA carefully considered several options for measuring the reemployment of UI claimants and

concluded that a crossmatch of the Social Security Numbers (SSN) of all claimants who received intrastate first payments in a quarter against the intrastate wage records for the subsequent two quarters is the best method for obtaining reemployment data. Using wages as a proxy for employment, this measure will show the percent of intrastate claimants who become reemployed within one and two quarters of receiving a first UI payment.

We believe that this is the best method for measuring reemployment because it:

- includes most of the UI claimant population;
- will yield entered employment rates that have no sampling variability;
- should be reasonably easy to program because it so closely resembles the current Benefit Payment Control wage record crossmatch;
- is similar in concept to Workforce Investment Act outcome measures that use wage record data; and
- will not require extensive state staff time.

The pilot will include a crossmatch of only intrastate wage records. For national implementation of this measure, we will pursue the technical changes required to crossmatch the files of UI claimants receiving first payments through the UI Interstate Connection (ICON) to identify wages of out-of-state employers. However, we do not want to delay the pilot until these changes are completed. We believe that the pilot will demonstrate the feasibility of the proposed methodology and will yield results that can be used to make reliable reemployment estimates.

Using benefit year earnings data collected by the Benefit Accuracy Measurement program, DOL will adjust reemployment rates based on intrastate and interstate wage record crossmatches to reflect earnings attributable to the claimant's former employer (for example, severance pay or vacation pay issued by a claimant's base period employer) and earnings from employment during the claimant's benefit year that result in partial UI payments.

From its inception, the UI program has established eligibility requirements that promote claimant reemployment, such as the requirement that UI claimants be able to work and available for work. State actions to facilitate reemployment include periodic reviews of claimants' job searches, the federally required claimant profiling, and referral to reemployment services available through the Labor Exchange and One-Stop system.

By analyzing state entered employment rates, we hope to identify states that are facilitating reemployment and gain insight from them into the combination of reemployment services and UI eligibility conditions and their enforcement that results in the quickest return to suitable work for UI claimants. Our findings will then be disseminated to states as guidance for implementing best practices that support rapid reemployment. We hope that using an outcome-based measure will encourage state UI program staff -- those closest to their own labor markets -- to be innovative in the steps they take to facilitate reemployment and will promote the coordination of UI and One-Stop reemployment services.

5. **Pilot Description.** To acquire recent information in the shortest period of time, states participating in the pilot will be asked to identify persons who received a first payment in each quarter of calendar year (CY) 2002. The states will then crossmatch the SSN of the claimants with the UI wage records for each of the two quarters following the quarter of first payment and count every match for those SSNs with wages. The one-quarter and two-quarter entered employment rates will equal the ratios of total wage record matches in each of the quarters to the number of claimants who receive a first payment, adjusted for severance and vacation pay and partial unemployment, as described in section 4. The Department of Labor (DOL) will collect no information that identifies an individual. Technical specifications are attached.

ETA will enter into a cooperative agreement with up to four states to conduct the pilot. Each state will receive up to \$2,500 for costs incurred for programming, conducting the crossmatches, and reporting the results.

In addition to providing the entered employment rates, pilot states will be asked to provide cost estimates for both initial programming and quarterly run costs. All pilot data must be provided to the National Office no later than September 30, 2003.

6. **Action Required.** State agencies that are interested in participating in the pilot should notify their ETA Regional Administrator and the National Office no later than May 30, 2003. National Office notification should be addressed to Andrew Spisak at spisak.andrew@dol.gov or at the following address:

U. S. Department of Labor
Employment and Training Administration
Office of Workforce Security
200 Constitution Avenue, N.W.
Room S-4231
Washington, D.C. 20210

7. **Inquiries.** Direct questions to the appropriate Regional Office.

8. **Attachment.**

[Technical Specifications for the UI Measure for Reemployment Facilitation.](#)

Technical Specifications for the UI Measure For Reemployment Facilitation

The following steps are required to produce a UI measure for reemployment facilitation for the DOL and ETA GPRA plans.

1. Create a file consisting of all UI claimants who received an intrastate first payment in the state UI program during the CY 2002 quarter (Q). The number of records in this file should closely approximate the number of first payments reported on the ETA 5159 report, line 303, column 22, for the three months that constitute the quarter. For example, CY 2002 quarter 1 includes the number of first payments reported on the January, February, and March ETA 5159 reports, adjusted for those claimants whose classification has changed from interstate to intrastate or vice versa since the report was submitted. A file of first payments will be created for each quarter of CY 2002.

The following data elements will be included in the file:

state postal ID: 2-letter alpha. code; for example, AL (Alabama)
 calendar quarter (YYYY.Q)
 claimant's Social Security Number (SSN): for example, 111223333
 week ending date of first compensated week: MM/DD/YYYY
 first quarterly crossmatch indicator: 0 or 1
 second quarterly crossmatch indicator: 0 or 1

2. The file created in step 1 will be crossmatched against the state's intrastate wage record files for the subsequent two quarters (Q+1 and Q+2). If the SSN of a UI claimant in the file of first payments matches a SSN of employee wages in the wage record file for quarter Q+1, the first quarterly crossmatch indicator will be set to 1; otherwise, the first quarterly crossmatch indicator will be set to 0. If the SSN of a UI claimant in the file of first payments matches a SSN of employee wages in the wage record file for quarter Q+2, the second quarterly crossmatch indicator will be set to 1; otherwise, the second quarterly crossmatch indicator will be set to 0.
3. The state will sum the number of records in the file of UI first payments with first quarterly crossmatch indicators equal to 1, and the number of records in the file of UI first payments with second quarterly crossmatch indicators equal to 1.
4. The state will report the following information to DOL (attention: Andrew Spisak, spisak.andrew@dol.gov):

State	First Payment Cohort	Number of First Payments	Number of Xmatch Hits YYYY.Q+1	Number of Xmatch Hits YYYY.Q+2
AA	2002.Q1	x,xxx,xxx	y,yyy,yyy	z,zzz,zzz
AA	2002.Q2	x,xxx,xxx	y,yyy,yyy	z,zzz,zzz
AA	2002.Q3	x,xxx,xxx	y,yyy,yyy	z,zzz,zzz
AA	2002.Q4	x,xxx,xxx	y,yyy,yyy	*

* Data may not be available, assuming a pilot cut-off of 09/30/2003.

Run Date: MM/DD/YYYY

5. Timing Issues.

There is an unavoidable lag in performing the crossmatches. For example, for claimants receiving a first payment in the quarter ending 3/31/2002, the state will run the first quarterly crossmatch against the wage record file for the quarter ending 6/30/2002 and the second quarterly crossmatch against the wage record file for the quarter ending 9/30/2002. Allowing time for employers to submit their wage records and the states to enter the data and run the crossmatch, states should report the crossmatch results to the National Office for the latest quarterly wage record file available no later than September 30, 2003.

6. Additional Data.

If the state is able to identify first payments prior to January 1, 2002, the state may include additional cohorts in the crossmatch pilot. These additional data are optional and should be included in the report discussed in section 4.