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10/2/03

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1115

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Dan H. Hall
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10/2/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1115

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1/20/03

Tape Number	Side A	Side B	Meter #
1		x	49.9-end
2	x		0.00-10.5
Committee Clerk Signature <i>Judith Hammer</i>			

Minutes: **CHAIRMAN KEISER** opened the hearing on HB 1115.

MAREN DALEY (EXECUTIVE DIRECTOR OF JOB SERVICE NORTH DAKOTA):

(See attached testimony)

REP. FROSETH: There is no fiscal note, is there a charge to enter in this agreement with the Census Bureau?

MAREN DALEY: At this point, the Census Bureau pays the costs. We provide valuable wage records as information. This is highly confidential. Reports will be released by the Census Bureau, not Job Service.

REP. RUBY: What personal info is included?

There would be a method of a personal identification, which would be an encrypted code.

Information would be comprised of wage records by industry and such classifications.

REP KASPER: Is the Census Bureau prohibited from sharing this information with any other governmental agencies?

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Deanna Ball
Operator's Signature

1/21/03
Date

-2-

House Industry, Business and Labor Committee
Bill/Resolution Number HB 1115 Hearing Date 1/20/03

MAREN DALEY: Yes.

REP. EKSTROM: How many states are in this project?

MAREN DALEY: Ten states.

REP. FROSETH: How many out of state requests does JSND get regarding industry and wage information, that could go through this system?

MAREN DALEY: We get many, many Website requests, I can't give you an exact count.

We are complimented on the user friendly Website we maintain. We'll continue to refine and improve the information available that will be obtained with participation in this program.

LEE PETERSON (COMMISSIONER, DEPARTMENT OF COMMERCE): Passage of this legislation will enhance our accountability as we will have recent, rather than two year old statistics. Secondly, we have the best labor force in the nation. We 'll be able to understand our labor and job force markets better.

CHAIRMAN KEISER: How many requests does your department or local economic development entities get relative to this information?

LEE PETERSON: Somewhere between 1500-2000 new contacts were made in 2001-2002.

There being no one else present to testify either in support of or in opposition to HB 1115, the hearing was closed.

ACTION:

Rep. Klein moved a Do Pass. Rep. Tieman seconded the motion. The motion passed unanimously. 14-0-0. Rep. Tieman will carry the bill.

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Deanna Hall
Operator's Signature

10/2/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1115

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1/22/03

Tape Number	Side A	Side B	Meter #
4		x	15.0-28.4
Committee Clerk Signature <i>John Hammer</i>			

Minutes: **Chairman Kelser** called for committee work on HB 1115. This relates to provision of employment insurance data to the US Census Bureau & to declare an emergency.

Rep. Severson moved to reconsider the committee's actions of 1/20/03 and bring it back into committee.

Rep. Ruby seconded the motion to reconsider. A voice vote carried the motion. The Governor has an amendment that the Census Bureau wishes added to the proposed legislation. (See attached) This is good legislation from an economic development perspective.

Rep. Klein moved to adopt the amendment.

Rep. Johnson seconded the motion.

As the language of this late breaking amendment was unclear and muddled, it was decided to obtain clarification from the Governor's Office so that the committee can consider it. **Ron**

_____ reported that Dee in the Tax Department prepared the amendment. The US Census

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Dennis Ballantyne
Operator's Signature

1/22/03
Date

Page 2
House Industry, Business and Labor Committee
Bill/Resolution Number HB 1115
Hearing Date 1/22/03

Bureau requested it for their new methodology to track certain populations, especially snowbirds and retired people.

Rep. Klein questioned "who receives the return information" on line 6. Ron stated that the state tax department and the Census Bureau are the only entities who will get this data. This information cannot be disseminated.

Rep. Kasper requested that the committee be presented with something in writing from the census officials, the federal government, confirming the confidentiality of the data.

A voice vote carried the adoption of the reconstituted amendment.

Rep. Klein moved a do pass as amended.

Rep. Nottestad seconded the motion.

The motion carried, the roll call vote was 14-0-0.

Rep. Tieman will carry this bill on the floor.

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Deanna Ballach
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10/2/03
Date

1/20/03
to #: 1

1115

☐ Check here for Conference Committee

Do Pass

To Pass

Klein

Tierman

overthinking

14

0

0

Teman

Returned to committee
to consider input from
Governor's office

Operator's Signature

18/2/03
Date

38066.0101
Title.0200

Adopted by the Industry, Business and Labor
Committee

January 27, 2003

VR
1/27/03

HOUSE AMENDMENTS TO HOUSE BILL NO. 1115 IBL 1-28-03

Page 1, line 1, after "Act" insert "to create and enact a new subsection to section 57-38-57 of the North Dakota Century Code, relating to provision of income tax return information to the United States census bureau;"

HOUSE AMENDMENTS TO HB 1115 IBL 1-28-03

Page 3, after line 9, insert:

"SECTION 2. A new subsection to section 57-38-57 of the North Dakota Century Code is created and enacted as follows:

The tax commissioner, upon written request from the secretary of commerce of the United States, may furnish officers and employees of the bureau of census, an individual taxpayer's identification number and county of residence as reported on the individual's return. However, any information obtained may be used only for the purpose of establishing migration methodologies in estimating the annual shifts in the state's population. A person who receives return information under this subsection may not disclose the return information to any person other than the taxpayer to whom it relates except in a form that cannot be associated with, or otherwise identify, directly or indirectly, a particular taxpayer."

Renumber accordingly

Page No. 1

38066.0101

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Operator's Signature

1/27/03
Date

Date: 1/22/03
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1115

House Industry, Business & Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 38066.0101 .0200

Action Taken None Do Pass As Amended.

Motion Made By Klein Seconded By Johnson Nottestad

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	/		Rep.Boe	/	
Rep.Severson, Vice-Chair	/		Rep.Ekstrom	/	
Rep.Dosch	/		Rep.Thorpe	/	
Rep. Froseth	/		Rep. Zaiser	/	
Rep. Johnson	/				
Rep.Kasper	/				
Rep. Klein	/				
Rep. Nottestad	/				
Rep. Ruby	/				
Rep.Tieman	/				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Tieman.

If the vote is on an amendment, briefly indicate intent:

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Operator's Signature

Date

REPORT OF STANDING COMMITTEE (410)
January 28, 2003 10:39 a.m.

Module No: HR-16-1174
Carrier: Tleman
Insert LC: 38066.0101 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1115: Industry, Business and Labor Committee (Rep. Kelsner, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1115 was placed on the Sixth order on the calendar.

Page 1, line 1, after "Act" Insert "to create and enact a new subsection to section 57-38-57 of the North Dakota Century Code, relating to provision of income tax return information to the United States census bureau;"

Page 3, after line 9, insert:

"SECTION 2. A new subsection to section 57-38-57 of the North Dakota Century Code is created and enacted as follows:

The tax commissioner, upon written request from the secretary of commerce of the United States, may furnish officers and employees of the bureau of census, an individual taxpayer's identification number and county of residence as reported on the individual's return. However, any information obtained may be used only for the purpose of establishing migration methodologies in estimating the annual shifts in the state's population. A person who receives return information under this subsection may not disclose the return information to any person other than the taxpayer to whom it relates except in a form that cannot be associated with, or otherwise identify, directly or indirectly, a particular taxpayer."

Renumber accordingly

2003 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1115

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Deanna Hall
Operator's Signature

10/2/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1115

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 02-26-03

Tape Number	Side A	Side B	Meter #
1		xxx	953
Committee Clerk Signature <i>Lisa Van Berkom</i>			

Minutes: Chairman Mutch opened the hearing on HB 1115. Senator Heitkamp was absent.

HB 1115 relates to provision of income tax return information to the United States census bureau.

Testimony in support of HB 1115

John Graham, Director of Centralized Services for Job Service North Dakota, introduced the bill. See attached testimony and brochure.

Senator Espgaard: You have to compete with other states to participate in this?

John: Yes.

Senator Espgaard: Are there funds available for this?

John: Yes.

Senator Mutch: Is there an interstate compact?

John: No.

Senator Mutch: It's not a nationwide organization of states?

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Doreen Hallmark
Operator's Signature

10/2/03
Date

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number 1115

Hearing Date 02-26-03

John: No, I am guessing that all states will be involved over time, but we would like to be involved quickly.

Senator Krebsbach: Was the only change in this bill in section 2?

John: Yes.

Senator Krebsbach: Do you have any objections to the adopted amendments made in the House?

John: No.

Lee Peterson, Dept. of Commerce, spoke in support as well. There is a need to act quickly because of limited ability. The Census Bureau is very structured in their confidentiality.

Korrine Lang, Job Service of North Dakota, spoke in support as well.

There was no opposing testimony.

Hearing was closed. No action taken at this time.

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Operator's Signature

Dianne Hall

Date

10/2/03

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1115

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 03-04-03

Tape Number	Side A	Side B	Meter #
1		xxx	4800-5250
Committee Clerk Signature <i>Lisa VanBerkom</i>			

Minutes: Chairman Mutch opened the discussion on HB 1115. All Senators were present.

HB 1115 relates to the provision of unemployment insurance data to the United States census bureau.

There was brief discussion from the committee.

Senator Krebsbach moved to amend. Senator Klein seconded.

Roll Call Vote: 7 yes. 0 no. 0 absent.

Senator Krebsbach moved a DO PASS AS AMENDED. Senator Klein seconded.

Roll Call Vote: 7 yes. 0 no. 0 absent.

Carrier: Senator Krebsbach

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Dennis Hall
Operator's Signature

10/2/03
Date

38066.0201
Title.0300

Adopted by the Industry, Business and Labor
Committee

March 4, 2003

JB
3-4-3

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1115

Page 3, line 8, remove the overstrike over "of"

Renumber accordingly

Page No. 1

38066.0201

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Danna Hall
Operator's Signature

10/2/03
Date

Date: 3-4-3
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate 1115 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken move to Amend Page 3 line 8

Motion Made By Krebsbach Seconded By Klein

Senators	Yes	No	Senators	Yes	No
Sen. Mutch, Chairman	X				
Sen. Klein, Vice Chairman	X				
Sen. Krebsbach	X				
Sen. Nething	X				
Sen. Heitkamp	X				
Sen. Every	X				
Sen. Espgaard	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment —

If the vote is on an amendment, briefly indicate intent: Remove overstrike
on word "of"

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Operator's Signature Dorena G. Ball Date 10/2/03

Date: 3-4-03
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate 1115 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Pass As Amended

Motion Made By Krebsbach Seconded By Klein

Senators	Yes	No	Senators	Yes	No
Sen. Mutch, Chairman	X				
Sen. Klein, Vice Chairman	X				
Sen. Krebsbach	X				
Sen. Nething	X				
Sen. Heitkamp	X				
Sen. Every	X				
Sen. Espgaard	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Krebsbach

If the vote is on an amendment, briefly indicate intent:

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Operator's Signature Doreen Ballman Date 10/2/03

REPORT OF STANDING COMMITTEE (410)
March 4, 2003 3:23 p.m.

Module No: SR-38-3893
Carrier: Krebsbach
Insert LC: 38066.0201 Title: .0300

REPORT OF STANDING COMMITTEE

HB 1115, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1115 was placed on the Sixth order on the calendar.

Page 3, line 8, remove the overstrike over "of"

Renumber accordingly

(2) DESK, (3) COMM

Page No. 1

SR-38-3893

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12/2/03
Date

2003 TESTIMONY

HB 1115

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Deanna Hallmark
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10/2/03
Date

House Bill No. 1115

Testimony of Maren L. Daley, Job Service North Dakota

Before the House Committee on Industry, Business, & Labor

January 20, 2003

Mr. Chairman, members of the Committee, I am Maren Daley, the Executive Director of Job Service North Dakota. I am here in support of House Bill No. 1115 that Job Service North Dakota caused to be pre-filed.

Job Service has an opportunity to compete with other States to enter into a joint venture with the Census Bureau entitled the "Longitudinal Employer - Household Dynamics [LEHD] State Partnership." This is an exciting prospect! It would allow us to receive reports from the Census Bureau that would be of much greater value to economic developers, workforce developers, and others than are currently available. I have attached a brochure, detailing some of the benefits of LEHD, to this testimony. In particular, I call your attention to pages six and seven in the brochure. These two pages indicate what the LEHD adds to quarterly workforce indicators. The first graph on Total Employment adds age groupings. The second graph, Change in Employment, adds job gains and job losses information. The third graph, Turnover, is enhanced with age grouping, gender and county information. The fourth graph, Earnings, is enhanced with age groups, new hire earnings and county level information.

Local decision makers -- employers, workers, transportation agencies, education and training institutions and economic development agencies -- need current local data to make decisions. The new LEHD *Quarterly Workforce Indicators* (QWI) series provides just that -- regularly updated information about where workers and clients are, what industries are hiring workers, and what workers get paid. The 29 new indicators show economic trends by worker age and sex, by county and workforce investment area. These, combined with local expertise and information, can provide an important local tool for decision makers: simply put, the Indicators provide a resource for:

- Informed planning
- Informed management
- Informed performance accountability
- Informed refinements of previous plans

Decision makers can use the data for strategic planning purposes -- to:

- Understand core performance in a local economic environment -- so that local Workforce Investment Board reports on entered employment, retention and earnings gain outcomes can be evaluated in a local context.
- Identify the most promising industry targets for helping workers to find new jobs at acceptable earnings levels.
- Identify stable concentrations of firms in a local workforce investment area that are hiring enough workers to justify client placement advocacy.
- Provide new evidence of emerging trends, and turning points in previously stable trends -- such as identifying changes in hiring patterns in the health care services sector or new job creation in an area of retail trade.

Employers can use the data to answer their common questions -- such as:

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- Where are the workers in my industry and county?
- How much are workers like mine paid?
- How does the turnover for other firms in my industry compare to the turnover in my workplace?

Workers can use the data to find out:

- Where are the jobs?
- How much can I expect to be paid in different industries?
- How long can I expect jobs to last?

Economic Development Organizations can use the data to tell prospective businesses:

- Where workers live
- The demographics of the local workforce
- What the local workforce earns
- How many workers who work in the area come in from other areas

Educational and Training Organizations can use the data to find out:

- Where potential students work and live
- Local benchmarks – such as what their students should be earning as new hires in different industries.

Transportation Organizations can use current information to find out:

- Where people live and where they work
- What people's income levels are – whether they will drive or use public transportation
- Current commuting patterns and trends

Suppliers can use trends on business job creation and destruction – by industry and by location – to decide where to locate.

I am honored to serve as the chair of the National Association of Workforce Agencies Labor Market Information Committee. In this role, I have become familiar with this program and the value other states have placed on the information from this program. Joining this program would position North Dakota on the forefront of providing expanded labor market information.

The partnership would require North Dakota to furnish the Census Bureau with specific wage record data from its Unemployment Insurance tax files. It is in order to legally allow Job Service to provide that data, that we caused this Bill to be pre-filed. The furnishing of wage data specific to an individual employee is limited to only those entities or persons specifically listed in our statutes. This bill would amend Section 52-01-03 of the Century Code to specifically authorize Job Service to enter into an agreement with the Census Bureau to furnish the UI wage data to the Bureau.

Confidentiality of the wage data would be addressed in two ways. First in the agreement between Job Service and the Census Bureau; and, second, by virtue of the rigorous confidentiality provisions that govern the Census Bureau itself.

Because time is important to the competitive position of North Dakota, we are requesting that the Bill be enacted with an emergency clause.

Mr. Chairman, I would be happy to answer the Committee's questions.

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Filling Data Gaps

11/5



U C NS SBU E U



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LEHD Fundamentals

What Is the LEHD/State Partnership?

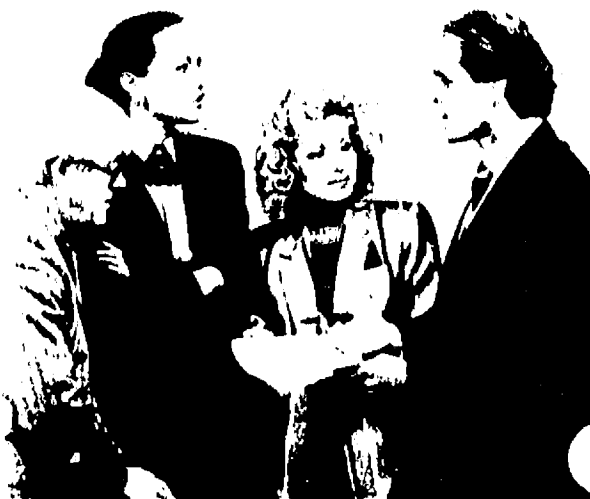
The Longitudinal Employer - Household Dynamics (LEHD) program is an innovative new state/federal partnership between the Census Bureau and ten states (CA, FL, IL, MD, MN, NC, NJ, OR, PA, and TX). Both sides gain from this partnership. States fulfill their mandate of providing high quality local labor market information to their customers. The Census Bureau uses state unemployment insurance (UI) wage record and ES202 data to fulfill its Title 13 mandate: improving the Census Bureau's economic and demographic censuses, surveys, and intercensal population estimates. The Memoranda of Understanding (MOU) between the Census Bureau and the state partners specify that this is a voluntary partnership. Research beyond that specified in the MOU must have the express written authorization of the state data custodian.

States receive three key products from the Census Bureau: (1) quarterly workforce indicators about the state economy at detailed industry and geography, (2) enhanced UI wage records, and (3) information about successor/predecessor firms:

Quarterly Workforce Indicators

States receive 29 indicators for each county, for each industry, for each quarter for which they provide data. These indicators include:

- Measures of job gain and loss for different types of workers - so that economic development agencies know where jobs are created and for whom.
- Measures of hires and layoffs for different types of workers - so that Workforce Investment Boards know what skills to provide.
- Measures of employment by where people work and where they live - so that transportation planners know where roads and public transportation should be located to reduce congestion and pollution, while improving emergency evacuation routes, and businesses know where to locate their establishments and attract workers.
- Measures of earnings by type of worker - so that job search professionals can provide information on job location decisions and career counselors can tell students where to get jobs.



2 Filling Data Gaps

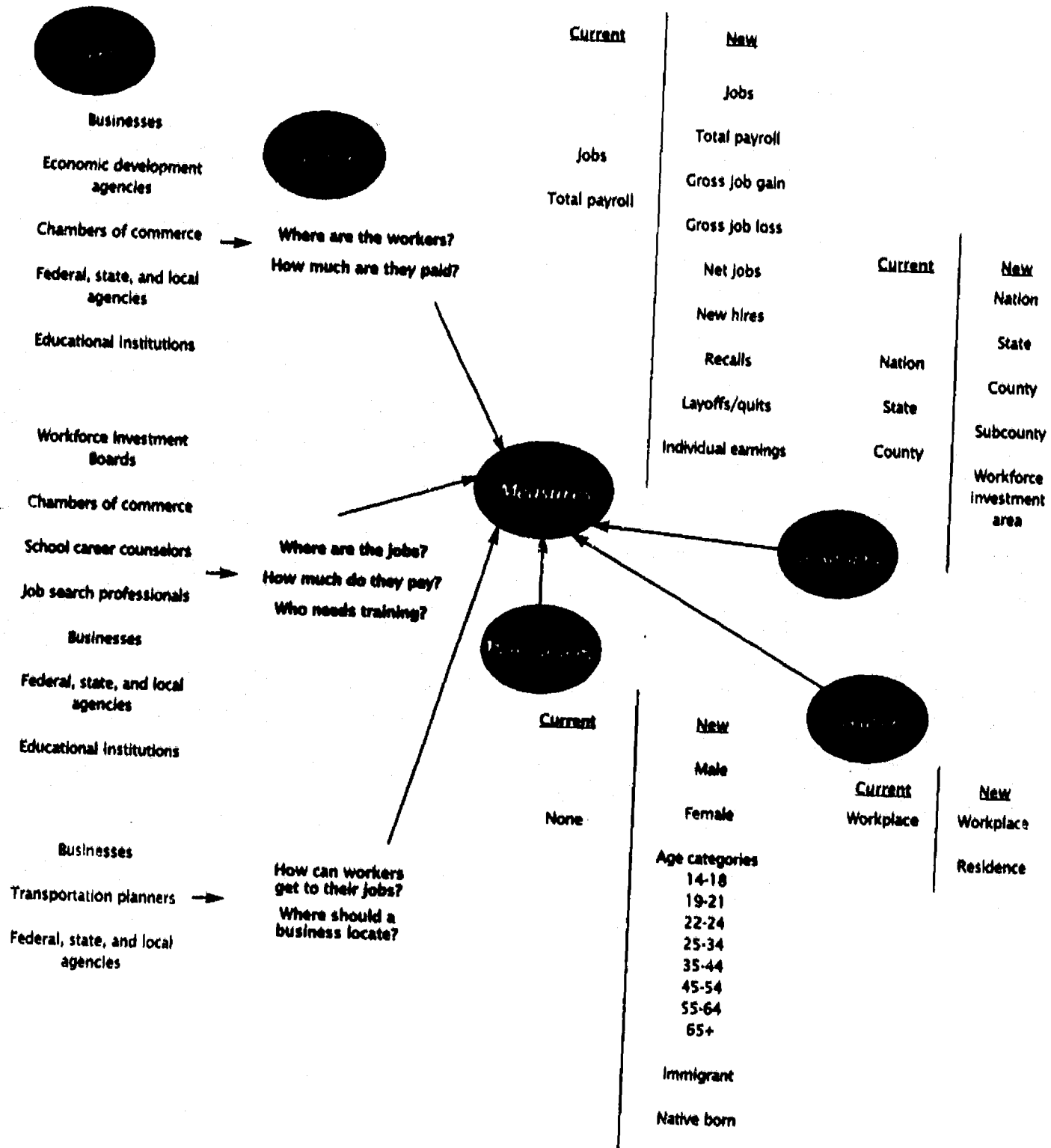
U.S. Census Bureau

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Operator's Signature

10/2/03
Date

Quarterly Workforce Indicators



U.S. Census Bureau

Filling Data Gaps 3

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Deanna Hall
Operator's Signature

10/2/03
Date

Quarterly Workforce Indicators What They Are

1. Total Employment (for example, Texas and North Carolina Temporary Help Industry)
 - A. Beginning of period
 - B. End of period
2. Change In Employment (for example, California Health Care Industry)
 - A. Job creation¹
 - B. Job destruction¹
 - C. Net job change¹
3. Turnover (for example, Education Industry in Miami/Dade County, Florida)
 - A. Accessions¹
 - New hires¹
 - Recalls¹
 - B. Separations¹
4. Earnings (for example, High Tech Industry in Montgomery/Frederick Counties, Maryland)
 - A. All employees¹
 - B. Accessions¹
 - C. Separations¹
 - D. New hires¹
5. Change In Earnings
 - A. Accessions¹
 - New hires¹
 - Recalls¹
 - B. Separations¹

Disaggregated by:

Nine Age Categories -

14-18, 19-21, 22-24, 25-34, 35-44, 45-54, 55-64, 65+, All

Gender -

Men, Women, All

¹These series are also available by the degree of workforce attachment.



4 Filling Data Gaps

U.S. Census Bureau

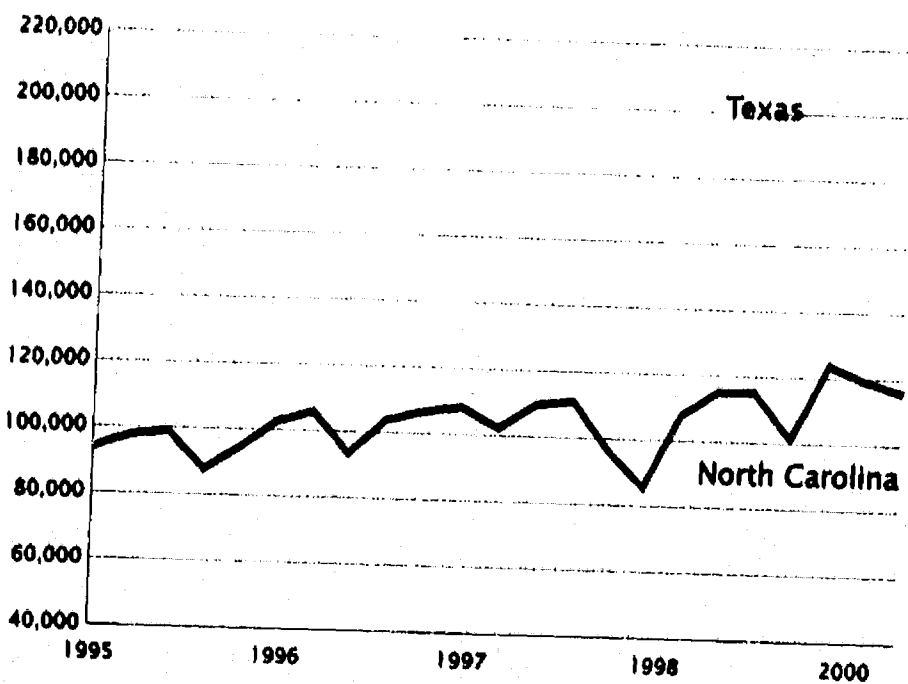
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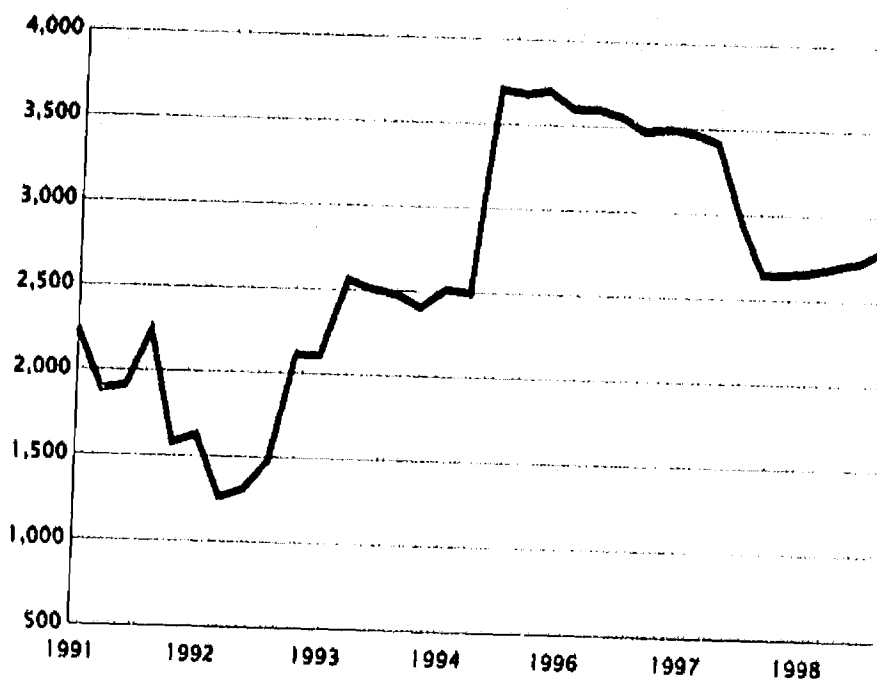
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Quarterly Workforce Indicators What Was Available Before LHHB

Employment in the Temporary Help Industry in Texas and North Carolina



Employment Growth in High Technology Industries in Montgomery and Frederick Counties, Maryland



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Filling Data Gaps 5

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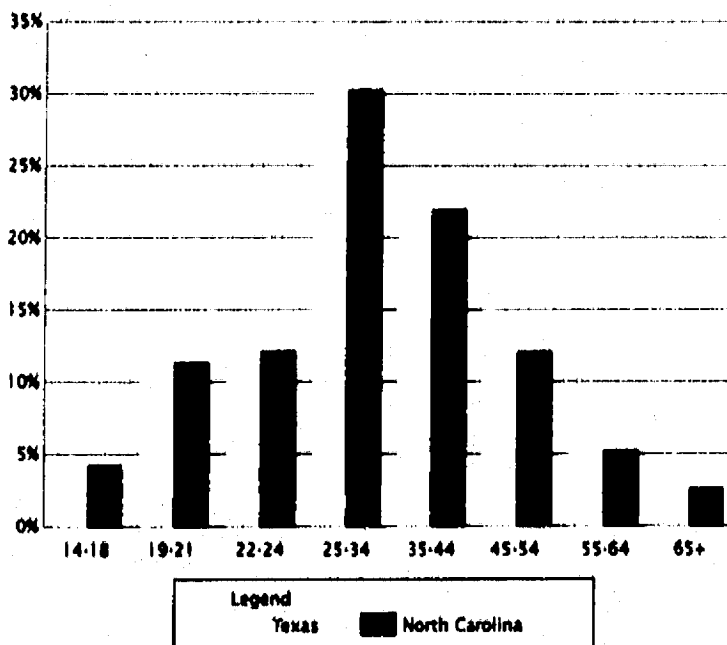
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Quarterly Workforce Indicators What LEHD Adds

1. Total Employment: Example

Who Works in the Temporary Help Industry?



Why We Care

- Temporary help - fastest growing employment sector
- One-fifth the size of manufacturing
- Major input is labor, but no information available about the workforce

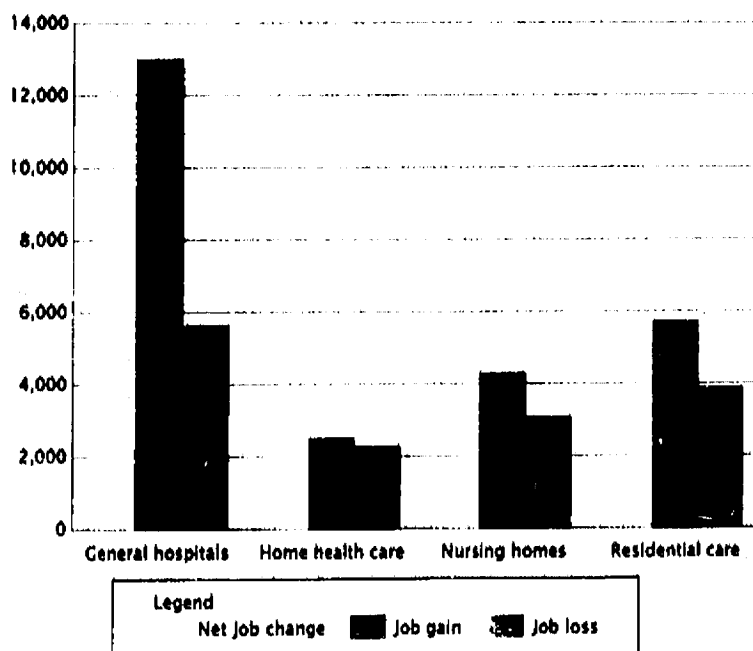
Key Clients

- Labor market information agencies
- Workforce investment boards

Source: Texas Workforce Commission, North Carolina Department of Employment Security, LEHD Program

2. Change in Employment

Job Gains and Job Losses in the California Health Care Industry



Why We Care

- Aging population
- Labor - key input of production
- Quick indicator of shift in demand - change in employment between hospitals and nursing homes

Key Clients

- Local businesses
- Care giver training initiative
- California Department of Economic Development

Source: California Employment Development Department LEHD Program

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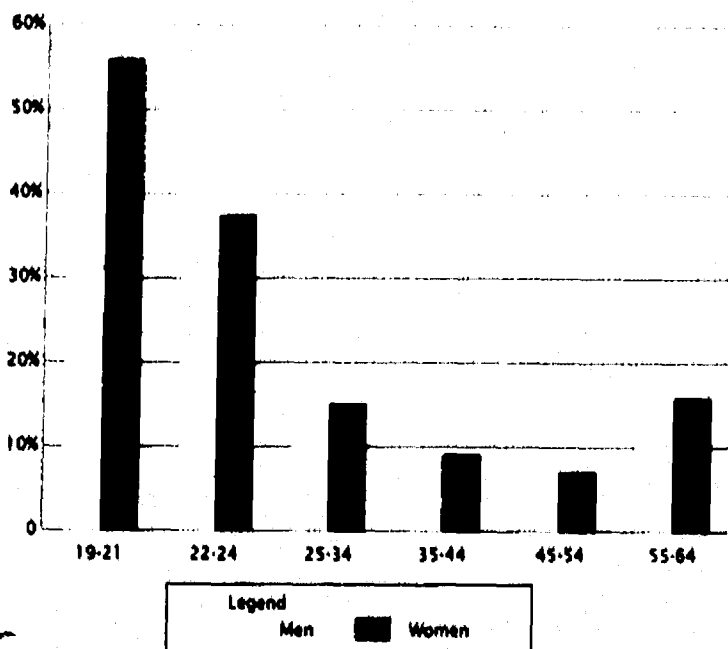
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Quarterly Workforce Indicators What LEHD Adds

3. Turnover: Example

Turnover Rates for Workers in Elementary/Secondary Education
in Miami/Dade County, Florida



Why We Care

- Governor Bush mandated statewide performance measures
- Little data for counties about turnover, earnings changes, job gains and losses

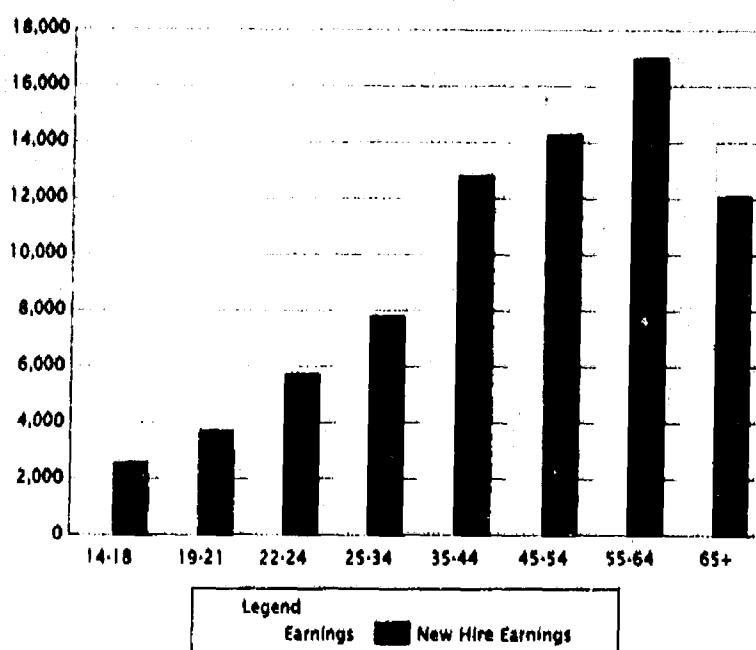
Key Clients

- State legislature
- Florida Department of Education

Source: Florida Agency for Workforce Innovation Florida Department of Education; LEHD Program

4. Earnings: Example

Earnings of All Workers and Earnings of New Hires in High Technology Industries in Montgomery and Frederick Counties, Maryland



Why We Care

- Volatile Industry
- Engine of job growth
- Labor is a key input that is important for competitiveness

Key Clients

- High technology businesses hiring workers
- Workers looking for high technology jobs
- Maryland Department of Business and Economics

Source: Maryland Department of Labor, Licensing and Regulation; LEHD Program

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Filling Data Gaps 7

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Other LEHD Products Edited Wage Records

State partners receive edited wage record data and edited individual employment histories that are created without using any confidential Census Bureau data. The editing is based on name-matching technology developed at the Census Bureau. The process is crucially dependent on the name information received with state wage data. It also exploits LEHD's very large computing capacity to generate individual earnings histories. Both are used in the matching process to identify donor records.

- The wage record editing process has two stages. The first stage uses observation-weighted name information to identify false matches miscoding of a social security number (SSN) resulting in another valid SSN on file. The second stage uses name, earnings, and within-firm employment history to match donor records (plugs) to job interruptions (holes).
- LEHD has worked with a number of state wage records. In a typical state, approximately 4 percent of all name-SSN combinations are found to be false matches, affecting 0.5 percent of all records. Across all years, about 8 percent of wage records qualify as potential plugs, but slightly less than 1 percent contribute to the definition of a hole.
- The overall match rate varies between 15 and 23 percent of eligible holes, depending on the quality of the underlying data.
- Preprocessing of records through Stage 1 unduplication improves match rates in Stage 2 by more than 40 percent. The net total increase in number of successfully matched records, when compared to an exact name-based matching process, is more than 200 percent.
- Typically, the number of single-period interrupted spells is reduced by over 15 percent.
- It is important to note that the reason the data can be returned to the states is because processing occurs before any Census Bureau data are used. The states agree that the data can only be used for statistical purposes—not program administration.



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Other LEHD Products Successor/Predecessor Information

This activity uses worker flows to improve information on changes in economic entities - successor/predecessor UI accounts (SEIN) and reporting units (SEINUNITs) - over time. The resulting product is useful in its own right to our partner states, and to the Census Bureau. It has the additional benefit of eliminating false worker and job flows from the employment dynamics estimates.

Key Findings

For UI data:

- The industry with the most successor/predecessor changing is eating and drinking establishments (SIC 5810), followed by doctor's offices (8011).
- The industry into which most businesses are acquired is industry 7363 (temporary help), followed by eating and drinking establishments.

For industries of particular interest: employment agencies (7361) and temporary help (7363):

- The main predecessor firms for industry 7363 are in eating and drinking establishments (5810), firms with no industry provided, 7363 itself, and construction firms (1711).
- When the predecessor firm continues, and still sends large numbers of employees to temporary help agencies (7363), they are predominantly in industries: temporary help agencies (7363), eating and drinking establishments (5810), grocery stores (5411), department stores, (5311) and employment agencies (7361).
- For employment agencies (7361), there are significant employment flows from one firm in the industry to another. The other main industries that send large clusters of workers to employment industries are primarily temporary help (7363), eating and drinking establishments (5810), and grocery stores (5411).



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Filling Data Gaps 9

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Other LEHD Products Additional Research

Partner states have indicated interest in additional work in the areas of low-wage work, worker skill, immigration, and aging. LEHD staff have attracted external grants from the Rockefeller Foundation, the Sloan Foundation, the Russell Sage Foundations, and the National Institute on Aging to support this research. Partner states receive interim reports customized to their states.

Low Wage Work: Selected Results

- LEHD has worked with state partners to identify the low-wage population in each state. About 12 percent of workers have low wage jobs according to our definitions: 16 percent of women and 9 percent of men.
- Of these low-wage workers, 24 percent are foreign born.
- Eleven percent of all low-wage workers are employed in eating and drinking establishments; 11 percent in educational services, and 10 percent in business services.
- Almost 70 percent of low-wage workers are employed in only ten 2-digit industries.
- Women are more likely to remain low-wage than men; foreign born workers are more likely to remain low-wage than native born.
- Firm and industry placements matter: two-thirds of those who escape low-wage work do so through a job change, and about one-half do so through an industry change. This varies - if workers are in health services, staying with the industry is the best way out of low-wage work.

Worker Skill: Selected Results

- LEHD staff have developed measures of worker skill, for each worker in the dataset.
- Consistent upskilling of the workforce has occurred in partner states during the 1990s.
- While the amount of human capital increased for the typical business, tremendous differences exist across businesses - even within the same industry. Some businesses upskill and others downskill over the same period. Technology is a driving force.
- Continuing businesses and entering businesses used more human capital at the end of the 1990s than they did at the beginning of the decade—not because they employed more workers, but because the workers they employed were more skilled.
- Exiting businesses generally used less human capital than either continuers or new entrants.

Immigration: Selected Results

- LEHD is analyzing state data to describe the evolution of the immigrant population in each state over the 1990s and into 2002.
- The largest immigrant group is Mexican.
- The Philippines account for the next largest group (from a single country).
- Most immigrant workers are between 25 and 44 years old: 61 percent of Mexicans, 50.7 percent of Filipinos, 60.8 percent of Vietnamese, and 48.1 percent of U.S. born workers are in this age group.
- Immigrants from Europe and Cuba are most likely to still be working after age 65—7.85 percent of Cuban workers, 6.1 percent of Europeans, and 3.4 percent of native born workers.

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Filling Data Gaps 11

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House Bill No. 1115

Testimony of John Graham, Job Service North Dakota

Before the Senate Committee on Industry, Business, & Labor

February 26, 2003

Mr. Chairman, members of the Committee, I am John Graham, the Director of Centralized Services for Job Service North Dakota. Maren Daley, our Executive Director, who testified on this bill in the House, is at a business meeting out-of-state and asked me to testify on her behalf. I am here in support of House Bill No. 1115 that Job Service North Dakota caused to be pre-filed.

Job Service has an opportunity to compete with other States to enter into a joint venture with the Census Bureau entitled the "Longitudinal Employer - Household Dynamics [LEHD] State Partnership." This is an exciting prospect! It would allow us to receive reports from the Census Bureau that would be of much greater value to economic developers, workforce developers, and others than are currently available. I have attached a brochure, detailing some of the benefits of LEHD, to this testimony. In particular, I call your attention to pages six and seven in the brochure. These two pages indicate what the LEHD adds to quarterly workforce indicators. The first graph on Total Employment adds age groupings. The second graph, Change in Employment, adds job gains and job losses information. The third graph, Turnover, is enhanced with age grouping, gender and county information. The fourth graph, Earnings, is enhanced with age groups, new hire earnings and county level information.

Local decision makers - employers, workers, transportation agencies, education and training institutions and economic development agencies - need current local data to make decisions. The new LEHD *Quarterly Workforce Indicators (QWI)* series provides just that - regularly updated information about where workers and clients are, what industries are hiring workers, and what workers get paid. The 29 new indicators show economic trends by worker age and sex, by county and workforce investment area. These, combined with local expertise and information, can provide an important local tool for decision makers: simply put, the Indicators provide a resource for:

- Informed planning
- Informed management
- Informed performance accountability
- Informed refinements of previous plans

Decision makers can use the data for strategic planning purposes - to:

- Understand core performance in a local economic environment - so that local Workforce Investment Board reports on entered employment, retention and earnings gain outcomes can be evaluated in a local context.
- Identify the most promising industry targets for helping workers to find new jobs at acceptable earnings levels.
- Identify stable concentrations of firms in a local workforce investment area that are hiring enough workers to justify client placement advocacy.

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- Provide new evidence of emerging trends, and turning points in previously stable trends – such as identifying changes in hiring patterns in the health care services sector or new job creation in an area of retail trade.

Employers can use the data to answer their common questions – such as:

- Where are the workers in my industry and county?
- How much are workers like mine paid?
- How does the turnover for other firms in my industry compare to the turnover in my workplace?

Workers can use the data to find out:

- Where are the jobs?
- How much can I expect to be paid in different industries?
- How long can I expect jobs to last?

Economic Development Organizations can use the data to tell prospective businesses:

- Where workers live
- The demographics of the local workforce
- What the local workforce earns
- How many workers who work in the area come in from other areas

Educational and Training Organizations can use the data to find out:

- Where potential students work and live
- Local benchmarks – such as what their students should be earning as new hires in different industries.

Transportation Organizations can use current information to find out:

- Where people live and where they work
- What people's income levels are – whether they will drive or use public transportation
- Current commuting patterns and trends

Suppliers can use trends on business job creation and destruction – by industry and by location – to decide where to locate.

Maren Daley, in her role as the chair of the National Association of Workforce Agencies Labor Market Information Committee, is familiar with this program and the value other states have placed on the information from this program. Joining this program would position North Dakota on the forefront of providing expanded labor market information.

The partnership would require North Dakota to furnish the Census Bureau with specific wage record data from its Unemployment Insurance tax files. It is in order to legally allow Job Service to provide that data, that we caused this Bill to be pre-filed. The furnishing of wage data specific to an individual employee is limited to only those entities or persons specifically listed in our statutes. This bill would amend Section 52-01-03 of the Century Code to specifically authorize Job Service to enter into an agreement with the Census Bureau to furnish the UI wage data to the Bureau.

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Confidentiality of the wage data would be addressed in two ways. First in the agreement between Job Service and the Census Bureau; and, second, by virtue of the rigorous confidentiality provisions that govern the Census Bureau itself.

Because time is important to the competitive position of North Dakota, we are requesting that the Bill be enacted with an emergency clause.

Mr. Chairman, I would be happy to answer the Committee's questions.

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