

Legislative Council Study Report  
Reemployment Policies, Practices and  
Means of Limiting Job-Attached Claimants and WorkFirst Project Report

Testimony of Larry D. Anderson  
Job Service North Dakota

before the

Interim Legislative Committee on Industry, Business, and Labor  
Senator Karen Krebsbach, Chair

Tuesday, July 18, 2006

Chair Krebsbach and members of the Interim Industry, Business and Labor Committee, I am Larry Anderson, and I am the Director of Unemployment Insurance and Workforce programs for Job Service North Dakota. Madam Chair and Committee Members, my remarks today are to provide you with the findings and recommendations regarding the Reemployment Policies, Practices and Means of Limiting Job-Attached Claimants Study and a report on the WorkFirst Demonstration Project as directed by HB 1198.

Madam Chair, with your permission I will preface my remarks regarding the study and the demonstration project by orientating the Committee with the report document provided to the committee. If the committee would please follow along on Page 2 you will find a table of contents for the report. Pages 3 through 5 represents an Executive Summary regarding the findings and conclusions of the study and the demonstration project and attempts to synopsise the report. Pages 5 through 7 are provided as background as to legislative intent and the proposed and approved methodology for carrying out the study of reemployment policies, practices and means for limiting job-attachment. Pages 7 through 21 constitute the substance of the report and are a

representation of the specific study provisions called for in the legislation, a summary of the findings for these provisions along with the final conclusions and recommendations. These pages also provide the report and final outcomes regarding the WorkFirst Project authorized by the legislature. Please note the study along with the report on the WorkFirst Project is being submitted by Job Service North Dakota as well as the legislatively established Unemployment Insurance Advisory Council. Appendices are provided as additional background and substantiation for recommendations or to convey changes made in practice and procedure as a result of legislative direction with HB 1198.

At this time I would request the committee to direct your attention to the Executive Summary on Page 3 where you will find the general observations and considerations uncovered in carrying out the study:

- ❖ Employers tend not to support setting a fixed percentage of job-attached (varies by business).
- ❖ Negative balance employers did not express objection to paying for the privilege of having job attached claimants. There was no expectation that the system carry this cost for them (the reasonableness of the amount may be a trigger).
- ❖ There was a lack of understanding by some employers in completing forms (in some cases, they inadvertently consented to job-attached claims).
- ❖ “Job attachment” designation should be driven by the employer, not employee.
- ❖ The changes suggested by the study outcomes do not suggest initiatives that would tend to produce large quantities of potentially available workers.
- ❖ The study did provide ideas for some incremental initiatives to improve system integrity which should provide for some potential additional workers and slight adjustments in equity between positive and negative balance employers.

On Page 4 you will find the overall conclusions and recommendations offered as a result of the study. The first two items in this list are changes that would result in certain groups of employers being charged more than they may be currently. The first is a fee to be charged to employers using the “job attachment” designation and the second is a change to the way UI tax rates are calculated for employers. The modified tax rate calculation addresses the issue of job-attached claimants in a more indirect way – by attempting to reduce the impact of negative balance employers using job attached designation by charging them more, thereby reducing the subsidization of negative employers by positive employers. Preliminary estimates indicate that this change could be made without major changes in our current automated system and without significant staff resources. Please refer to Page 17 for a discussion of this approach. A financial impact of the approach is provided in Appendix N. The idea of charging a fee would address the issue more directly by impacting exactly those employers who use it. The intent is to ensure that any fee charged will impact the Trust Fund positively and more equally spread the costs of the UI program to those most utilizing job attachment, but will not be so high as to unduly burden employers.

Regarding the recommendation to consider assessing a fee for businesses utilizing job attachment as an employee retention tool, I find it necessary to provide this qualifier. If the option of a fee is the preferred approach by the committee the following consideration is requested. The proposal for this approach developed late in the study and there are a number of considerations regarding this approach that need further study and development. Madam Chair and Committee Members, I would request additional time

for study and resolution of these areas and would be glad to report back to this committee or a subcommittee regarding findings and a final recommendation regarding this as a potential course of action to favorably influence job attachment. Our needs for further development and study are in the areas of:

- The cost and effort required to make necessary changes to our system.
- The ongoing staff cost and effort necessary to administer the application of the charges as well as their collection.
- Whether the fee charged to employers who use the job-attached designation will provide a comprehensive solution to the "problem".
  - Limiting the number of job-attached claimants.
  - Increasing the available workforce.
  - Positively impact the Trust Fund.

Regarding the recommendation for Job Service North Dakota to continue to engage in cost containment risk management education and awareness, this is part of our ongoing efforts and Job Service is prepared to increase this effort with the business community.

The study identified a need and established the requirement for Job Service North Dakota to change the notice of claim filing that is sent to businesses upon receipt of claims. The belief is this will greatly improve the appropriate categorization of job-attachment status. Please refer to Page 13 for examination of the need and Appendix M for a facsimile of this change. I want to credit the UI Advisory Council members for submitting this recommendation.

The study recognized the need for Job Service to identify resources to further automate the verification of work search contacts. Job Service fully embraces and supports this recommendation and is searching with constrained resources to attempt to implement this

system enhancement. We project the ability to resource this improvement within the course of this next program and budget period. Please refer to Page 11 for further discussion of this recommendation.

The study proposes that Job Service North Dakota should make extensive use of an automated tool referred to as Worker Profiling Reemployment System. Job Service also supports and embraces this recommendation and has implemented extensive use of this automated functionality as a necessary step in managing workload with a constrained budget. Please turn to Page 16 for further discussion regarding this recommendation.

The study identified the need for Job Service to improve upon policy and practice in correctly identifying occupational skills of individual filing claims for unemployment and exposing them to the available job market. Job Service is currently in the process of acquiring the next version of our automated labor exchange and case management system from our IT vendor. This new version will include significant enhancements including our ability to automatically code individuals at the point of claim filing for quicker exposure to the available jobs in North Dakota. Please refer to Page 13 for a further discussion regarding need and added functionality with this automated tool.

Finally, the study concluded the legislature may want to consider an investment in providing extensive reemployment services for North Dakota workers largely due to the outcomes realized as a result of the Work First Demonstration Project. Please refer to Page 9 for a brief review of how Job Service North Dakota is funded, Page 10 for a

review of current funding constraints and Pages 19 and 20 for review and discussion of the outcomes of the Work First Project. Briefly the project proposed to reduce the average duration for a study group of claimants compared to the control group through the facilitation of extensive reemployment services. The overall result from the demonstration was a 1.01 reduction in the average duration for the study group during the twelve-month period ending June 30, 2006. Please turn to Appendix C.

Madam Chair and members of the committee, in summary, the study seems to suggest if we implement the policy and procedure changes recommended, combined with the consideration of either a modified tax rate or an administrative fee for businesses who utilize job attachment as a tool for retention, we will be addressing the primary reason for the study.

Madam Chair, this concludes my remarks regarding the reemployment study and a report to the committee on the outcomes of the Work First Demonstration Project. I would be happy to answer the Committee's questions or hear from you or committee members.



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# **Job Service North Dakota Reemployment Processes Study Work First Project Final Report**

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Version 1.0  
July 18, 2006

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## Executive Summary

The economy of North Dakota has changed significantly over the past decade. Due in part to globalization of our economy, we are experiencing unprecedented growth in employment. This is creating a growing demand for an available workforce with highly skilled workers that will enable our businesses to continue to participate in this economic growth. Today's most critical asset for economic growth and prosperity is talent. Business leaders from across our state have identified workforce as their primary concern. As a result, lawmakers are looking for any and all alternatives to address the availability of such a workforce.

The 2005 Legislative Assembly passed House Bill 1198 which, as amended, directed the study of reemployment processes and costs. It requested that appropriate methods to limit the number of "job-attached" unemployment insurance claimants be identified and studied in order that a portion of these workers might be exposed to reemployment activities and be made part of the available workforce. It also included language seeking outcomes of the Work First Demonstration Project authorized by the Legislature.

This is a report on the study and findings of the reemployment processes and reports the final outcomes of the Work First Demonstration Project authorized by the North Dakota Legislature. The reemployment study and Work First Project Report were completed in partnership with the legislatively established Unemployment Insurance Advisory Council as required.

The study of reemployment processes included a review and analysis of costs and effectiveness of potential methods for providing service to more claimants, potential methods to limit the number of job-attached claimants declared as "job-attached" by employers, and potential alternative methods of funding any additional costs that may be incurred in implementing any study recommendations. The study produced the following general observations and considerations:

- ❖ Employers tend not to support setting a fixed percentage of job-attached (varies by business).
- ❖ Negative balance employers did not express objection to paying for the privilege of having job attached claimants. There was no expectation that the system carry this cost for them (the reasonableness of the amount may be a trigger).
- ❖ There was a lack of understanding by some employers in completing forms (in some cases, they inadvertently consented to job-attached claims).
- ❖ "Job attachment" designation should be driven by the employer, not employee.
- ❖ The changes suggested by the study outcomes do not suggest initiatives that would tend to produce large quantities of potentially available workers.
- ❖ The study did provide ideas for some incremental initiatives to improve system integrity which should provide for some potential additional workers and slight adjustments in equity between positive and negative balance employers.

In consideration of the points raised in the study, the following conclusions and recommendations are offered:

- ❖ Consider adopting the assessment of a fee for the usage of job attachment as an employee retention tool.
- ❖ Consider adopting a Modified Tax Rate Calculation as proposed in this study.
- ❖ Job Service North Dakota should continue to engage in additional public information awareness efforts to inform businesses of cost containment and risk management.
- ❖ Job Service implemented a change to the Notice of Claim filing based on a recommendation from the Unemployment Insurance Advisory Council. This will result in improved response and identification of job-attached status.
- ❖ Job Service North Dakota should pursue additional funding to accomplish further automated changes for verification of work search contacts.
- ❖ Job Service North Dakota should implement extensive use of the Worker Profiling Reemployment System (WPRS) as an additional technique to ensure that intensive reemployment services are directed to those claimants identified as most likely to exhaust unemployment benefits and most in need of staff intensive reemployment services.
- ❖ Job Service North Dakota will realize ONET Autocoder functionality with the implementation of its enhanced Case Management System scheduled to go live in December 2006.
- ❖ Legislators consider General Fund appropriations or other funding mechanism (offset of UI Tax reductions) to fund intensive reemployment services for unemployment insurance claimants.

The legislative language established the requirement that Job Service North Dakota report on the progress and results from the reemployment demonstration project (Work First) to be carried out during the 2005-2006 Interim.

Resources approved by the Legislature for the Work First Project allowed Job Service North Dakota to provide early, innovative, and intensive reemployment services to a limited group of study claimants in selected project offices. The project did show a decrease of 1.01 weeks in the average duration of the study group of claimants vs. control group of claimants (a significant feat considering that North Dakota is already first in the nation in average duration). This correlates with national studies showing a link between providing intensive reemployment services positively affecting the duration of these claimants by returning them to work sooner.

The reemployment services currently provided by Job Service North Dakota have been effective, as shown by current performance levels which are among the best in the nation when it comes to duration and exhaustion rates. It can also be concluded that through even more intensive services, Job Service North Dakota was able to improve upon an already high level of performance.

However, with budget constraints and additional forecasted budget cuts for the upcoming program year, providing additional reemployment services will present a major stress to the agency. Job Service North Dakota is working to identify new methods and cost effective procedures to allow for the continuation of effective reemployment services. It is recommended that additional funding should be provided to Job Service North Dakota to further automate the reemployment process, where appropriate.

The proposals outlined within this report will serve to achieve positive outcomes that will address the primary reason for the study, to review the job attachment processes of the Unemployment Insurance Program.

Job Service North Dakota staff would like to acknowledge the contributions and assistance of the members of the Unemployment Insurance Advisory Council in the preparation of this study report.

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## Introduction

Reemployment of unemployed individuals within North Dakota is a critical component of the Unemployment Insurance Program affecting multiple areas within the state. Successful reemployment of claimants protects the integrity of the Unemployment Insurance Trust Fund, provides economic advantages to the claimant, and assists employers in maintaining a stable workforce. This report will provide background as to Job Service North Dakota's reemployment efforts. It also focuses on studies, surveys, and ideas being reviewed to improve upon the efforts of the agency to assist individuals in becoming reemployed.

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## Background

House Bill 1198 (attached as Appendix A) as amended in the House directs a study of reemployment processes and costs. In addition, it requests that an appropriate method to limit the total average number of job-attached unemployment insurance claimants be identified and studied in order that appropriate decisions regarding reemployment activities can be made. The legislative language included in the amendment encouraged the committee to seek information from Job Service North Dakota regarding its reemployment programs including information gained from the implementation of the Work First Demonstration Project. In addition, the committee was asked to gather information concerning the number of job-attached claimants in the state, the impact of premium caps, and associated costs to the Unemployment Insurance Trust Fund.

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## Purpose of the Bill

Specifically, the bill required the Legislative Council, with the participation of Job Service North Dakota, to study:

1. The costs and effectiveness of the current reemployment processes utilized by Job Service North Dakota and the appropriate methods for providing those services to a substantially greater number of claimants;
2. An appropriate method for limiting the number of job-attached claimants to those employees who are critical to the business processes of the employers that temporarily laid off those employees; and
3. An appropriate means of funding any additional costs that might be incurred as a result of implementation of the study's recommendations.

The bill also requires Job Service to report to the Legislative Council on the progress of, and results from, the Reemployment Demonstration Project to be carried out by Job Service during the 2005-06 Interim.

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## Study Approach & Timelines

In responding to this legislative direction, Job Service proposed the following study methodology to the Interim Industry Business and Labor Committee:

Proposed Work Plan  
Job-Attached Claimant Study  
May 18, 2005

Job Service has a significant interest in the outcome of the study mandated by House Bill 1198. The primary reason for Job Service North Dakota's high level of interest is that any reductions in the current percentage of claimants who are considered job-attached will require additional staff and local office infrastructure resources in order to provide reemployment services to the additional nonjob-attached claimants.

| <u>Output or Task:</u>   | <u>Responsible Party:</u> | <u>Deadline:</u> |
|--|---------------------------|------------------|
| 1. Determine means of reaching, and receiving input from employers.                              | Larry                     | Sept. 30, 2005   |
| 2. Use communication method(s) chosen through Task 1.  | Larry                     | Oct. 15, 2005    |
| 3. Meeting with newly established UI Advisory Council.   | Larry                     | Oct. 30, 2005    |
| 4. Instruct Research Analyst on data collection efforts in aid of the study.                     | Larry                     | Sept. 1, 2005    |
| 5. Review the "job-attached" statutes and practices of other states.                             | Larry                     | Oct. 30, 2005    |
| 6. Work with Legislative Council staff on development of "background" report.                    | Larry                     | TBD              |
| 7. Prepare report for Interim Committee on current practices and data on job-attached claimants. | Larry                     | TBD              |
| 8. Prepare testimony for first meeting of Interim Committee.                                     | Larry                     | TBD              |
| 9. Work with Council staff on the drafting of desired legislation, if any.                       | Larry and Mike            | Aug. 2006        |

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## Study Methodology

The proposed resolution called for a study, with participation by the newly formed UI Advisory Council. The legislative intent was that the UI Advisory Council should participate in the study of the reemployment policies and procedures of Job Service.

Because of the importance of the reemployment study to the state's employers, Job Service felt it was critical to seek input from employers concerning their thoughts on the management of the available workforce via the unemployment insurance process. In seeking employer input, the goal was:

1. To ensure that the Interim Committee had a basis for a decision that included the employer viewpoint.
2. To ensure that a broad cross section of employer types had provided input.
3. To ensure that commenting employers understood the ramifications of designating, or not designating, a claimant as "job-attached."

The UI Advisory Council determined that the primary means of gathering this information would be through statewide meetings conducted by the Job Service North Dakota Director of Unemployment Insurance and a web-based survey. In addition, feedback would be gathered through communications with various organizations throughout North Dakota. These included, but were not limited to Association newsletters of the Chamber, Associated General Contractors, National Federation of Independent Business, Motor Carriers' Association, and others. Other available communication mechanisms, such as, the UI Tax newsletter (InfoLink) and the agency website would solicit public comment regarding the study.

The basic points for this communication:

1. That UI claimants fall into two basic groups: (a) those that have been permanently laid off and need reemployment services; and (b) those that are returning to the employers who temporarily laid them off and who now do not receive reemployment services.
2. The data on average duration of claim and average rate of exhaustion comparing the data as applicable to job-attached and nonjob-attached claimants.
3. The percentage of claimants who were job-attached in the latest 12-month period.
4. What House Bill 1198 originally provided.
5. To stimulate employers thoughts in this matter and respond to the study provisions.

The conclusion was with the results of this interim study, the input from the UI Advisory Council, and the outcome from the Work First Project in hand, the Legislature will be much better prepared to make the necessary policy decisions during the 2007 Legislative Session.

In carrying out the study of job attachment, it was determined that the following data needed to be collected, processed, and/or analyzed:

1. Duration and exhaustion data for claimants classified as returning to their previous employer (job-attached) vs. claimants classified as not returning to their previous employer (nonjob-attached) for the last five years including graphs.
2. Employers with negative balances for the last tax year by industrial classification.
3. Number of non job-attached claimants during the last fiscal year, number of staff providing reemployment services to those claimants, average salary of those staff--to allow the calculation of an average caseload, and an average cost per case.
4. Cost of benefits paid to job-attached claimants compared to benefits paid to nonjob-attached claimants for the last five years.

5. Cost of benefits paid to job-attached claimants that were paid on behalf of employers that were negative for the last 12-month period. Cost of benefits paid to job-attached claimants which were not covered by the taxes paid by the employers that laid those employees off.
6. Current practice and procedure for verification of job attachment and timeframes.

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## **Study Provisions and Findings:**

- ❑ **The costs and effectiveness of the current reemployment processes utilized by Job Service North Dakota.**
- ❑ **The appropriate methods for providing those services to a substantially greater number of claimants.**

In an effort to address this study provision, data was collected and analyzed from a variety of sources in an effort to answer questions and ascertain facts regarding the following:

- Cost and effectiveness of reemployment.
- How the current reemployment services are funded.
- What impact do reemployment services have on our duration and exhaustion rates.
- How does North Dakota compare with other states on duration and exhaustion as a measure of performance.
- Impact reduced funding has on Job Service North Dakota's ability to expand reemployment services
- Practices and procedures for verifying job search contacts.
- Current practices and effectiveness of enforcing work search contacts.

### **Cost and Effectiveness of Reemployment**

An analysis of the cost and effectiveness of reemployment began with a review of the cost estimates to implement HB 1198 as initially introduced. An extract from the fiscal note follows:

This bill will reduce the annual number of job-attached Unemployment Insurance (UI) claimants by 6,650, thus necessitating reemployment services for those claimants and more than doubling the number of claimants currently receiving those services. The principle portions of the costs reported in this fiscal note are for the salaries of the additional staff necessary to do a credible job of providing reemployment services to those added nonjob-attached claimants. In the initial year following the effective date of the bill (Fiscal Year 2006), those costs are estimated at \$1,287,135 to pay and equip 21 additional Customer Service Specialists to handle the workload. In addition, some programming of our automated telephonic claims filing and our Internet claims filing systems would have to be done to make the random selection required by the bill. ITD has estimated that this will cost \$24,865, for a total cost for the 2005-2007 Biennium of \$1,312,000. The ongoing biennial costs are estimated (assuming one 4 percent salary increase in the 2007-2009 Biennium) at \$2,422,120. We have not estimated the impact to the UI Trust Fund, as we don't have the necessary historical data to make that estimate, but it will probably not be

significant. Unless Job Service was to receive revenue from the General Fund, or from a new funding source to fund these expenditures, this bill cannot be effectively implemented without drastic reductions in other UI services.

**A. Revenues:**

This bill will not cause an increase in revenues.

**B. Expenditures:**

This bill will cause an increase in expenditures from our limited federal funding source of \$1,312,000 in the 2005-2007 Biennium and \$2,422,120 in the 2007-2009 Biennium.

### **How the System Is Currently Funded**

In order to understand the impact of any potential change to the current policy and procedure for reemployment, it is important to understand how the administration of the Unemployment Insurance System is funded and what potential impact procedural changes may have on future performance and outcomes. The Unemployment Insurance Program is funded by employers in the state through the taxes they pay as required by the Federal Unemployment Tax Act (FUTA). A portion of the revenue from FUTA is deposited into the Employment Services Administrative Account (ESAA) which provides funds to the state for the administration and operation of the federal/state labor exchange and Unemployment Insurance Programs.

The resources returned to the state from the ESAA are then used by Job Service North Dakota to administer and operate the agency including, in this case, the provision of reemployment services. These resources have been diminishing for the past decade. Further examination and discussion of the ramifications of this are included later in this study report.

During the 2005 Legislative Session, Job Service sought a legislative appropriation to conduct a demonstration project regarding services for unemployment claimants. The purpose of this project was to validate a finding by the Upjohn Institute based on national studies that if you invest in providing intensive services to the unemployed early after they become unemployed you can influence their period of unemployment. Job Service proposed a project (Work First) to the 2005 Legislative Session to establish a demonstration in North Dakota to validate this finding. The project proposed to provide additional resources to hire additional staff to intervene with a study group of claimants early in their unemployment to provide them with intensive employability services and compare the results for this group with the entire claimant universe. This project proposed to demonstrate that the initial investment by the Legislature for the intensive employment services would be returned through a reduction in the average duration for the control group in contrast to the study group. The demonstration proposed to reduce the average duration for the control group by one week which roughly translates into an estimated \$1 million savings to the UI Trust Fund.

Appendix B is a detailed project operation plan for the conduct of this demonstration project. During the 12-month study period, the project successfully demonstrated an overall reduction in duration of 1.01 weeks for the study group vs. the control group. Consequently, the findings by the Upjohn Institute were validated. It is feasible to favorably influence the period of unemployment for individuals provided you intervene and extend intensive employability services for them early upon them becoming unemployed. The project also confirmed that the investments to achieve these results are approximately equal to or greater than the returns in this staff intensive effort. Appendix C includes graphs illustrating the project outcomes. This project also provided the agency useful data to better assess the cost of providing intensive reemployment services in contrast to current services.

Further discussion and findings regarding this project are found later in this study report.

### **Job Service North Dakota Funding**

In the fall of 2005, it became apparent to the leadership of the agency that we were likely to experience significant reductions in our federal operating funds for the period beginning July 1, 2006. During the

winter of 2005-2006, Congress passed, and the President signed, what would become the funding levels for Labor Health and Human Services, the source of funds for Job Service North Dakota. This provided agency leadership the first look at the actual allocation information for the agency. It was apparent from the budget information, the agency would need to make significant changes in the way we do business in light of a significant reduction in federal operating revenue.

The agency initiated many steps in response to this funding situation. Appendix D is a report to the Legislative Economic Development Committee detailing some of the steps taken to minimize and mitigate the impact on customer services and staff.

A further step in our efforts to mitigate the impact of this funding reduction on our ability to provide effective reemployment services and required eligibility compliance checks, the agency sought and was approved for a federal grant to further invest in technology infrastructure to automate many of the tasks previously performed by staff to provide these desired and required reemployment and eligibility compliance services. The agency was successful in the pursuit of these additional resources and is making the investments in the technology infrastructure to automate many of these processes. This will be in place and operating in the summer and fall of 2006. This application is appended and is discussed and reviewed later in this study report.

### **Duration and Exhaustion**

An important question and consideration in determining whether a change is necessary and appropriate is an examination of returns on investment. For purposes of this examination, we analyzed the average rates of exhaustion and average duration of all claimants. This helped us gain an understanding and a perspective on our current return on investment.

Appendix E provides detailed charts and graphs to aid in the analysis of current performance. An analysis of this data reveals for the five-year period studied the average rate of exhaustion and duration is nearly equal for the group of claimants designated as returning to their employment (job-attached) as for the group designated as not returning to previous employment (nonjob-attached).

### **How Does Our Performance Compare With Other States**

Appendix F provides data and information gathered in the study to help understand and address comparisons with other states' performance and effectiveness of efforts. This information was obtained from the American Institute for Full Employment. The American Institute for Full Employment is a nonprofit public policy research and development center founded in 1994 with offices in Klamath Falls, Oregon, and Washington, D.C.

This institute was founded with the goal of full employment--their mission is universal access to jobs with career potential for all who can work so they can avoid the many poverties of unemployment. The institute currently researches and develops effective public assistance, employment, and retirement policies.

This information provides an objective analysis of performance in North Dakota on many of the indicators important to this study.

### **Verification of Job Contacts**

In reviewing current verification practices, it was determined that an automated process would provide for the most efficient and cost effective method of verifying claimant job contacts. A process was outlined and an initial design of the automated process was created to coincide with the automation of the eligibility review process. The automated process calls for the random selection of claimants for verification. After selection, a letter is automatically generated to the employer listed by the claimant as the job contact. The verification process would automatically integrate with the Job Service electronic



workflow system to provide for automated tracking and processing of the resulting correspondence. This automated process would serve to effectively identify claimants who are not complying with the work search requirements of the Unemployment Insurance Program. Current implementation of the automated process is not feasible due to the costs associated with the necessary system programming. Approximately \$44,000 would be necessary to implement this automated process.

### **Current Practice and Effectiveness in Enforcing Work Search Contacts**

In an effort to further address and analyze the costs and effectiveness of reemployment, the study analyzed the current practice and procedure for verifying job contacts in the Work First Project. Every two weeks, six study group claimants were randomly selected to verify job search contacts. From this selection, approximately 8 percent of job contacts provided could not be substantiated and, as a result, a stop was put on their benefit check for the applicable week. This finding suggests a current unacceptable level of failure to comply with continued eligibility requirements. Job Service is considering alternative policies and practices to get this performance measure to a more acceptable level. This is hampered due to the reduction in operating revenue.

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## **Study Provisions and Findings:**

- ❑ **An appropriate method for limiting the number of job-attached claimants to those employees who are critical to the business processes of the employers that temporarily laid off those employees.**

In an effort to address this study provision, data was collected and analyzed to ascertain facts regarding the following:

- Who are the job-attached?
- Positive-Negative balance employer contributions in contrast to benefit payments on behalf of each rate group for job-attached vs. nonjob-attached.
- Changes made to the notice to employer.
- Current policy/practice vs. changes and impacts.
- ONET Autocoder.
- Establishing limits on number of job-attached permitted by any employer.

### **Who Are the Job-Attached?**

In order to determine whether or not it is appropriate to establish methods to limit the number of job-attached claimants to employees critical to the business, it is important to understand who job-attached claimants are. In order to answer this question, the study collected the following information for the 2005 timeframe. This is limited to job-attached claimants. It is interesting to note that if we combine installation, maintenance, and repair with construction, approximately 57 percent of our job-attached claimants are in industries other than construction. This tends to refute the perception that job attachment is a phenomenon unique to a specific industry.

| ONET Categories                     | % Per Category |
|-------------------------------------|----------------|
| Construction Related                | 39.27%         |
| Production Related                  | 10.15%         |
| Transportation/Trucking             | 9.52%          |
| Installation Maintenance and Repair | 3.63%          |
| All Other                           | 37.44%         |

### **Positive-Negative Balance Employer Contributions in Contrast to Benefit Payments on Behalf of Each Rate Group for Job-Attached vs. Nonjob-Attached**

The study methodology called for the examination and analysis of contributions from positive and negative balance rate employers in relation to benefits paid to claimants on behalf of each of these groups to job-attached and nonjob-attached claimants. Appendix G contains graphs which provide for this comparison.

An analysis of this information reveals that on average, for the five-year period examined, approximately 70 percent of the total claimants are characterized as job-attached. Approximately \$25 million dollars is paid in benefits to this group. In contrast, for this same five-year period, the balance, or approximately 30 percent of the claimants, is characterized as nonjob-attached and, on average, \$10 million dollars is paid in benefits to this group.

The study methodology also called for an examination of the level of benefits paid to job-attached and non job-attached on behalf of negative and positive balance employers. Appendix H provides this data and confirms that the highest benefit payout levels are on behalf of negative balance employers for job-attached claimants.

This analysis gives rise to the question of what industries make up the negative balance employers and what percent of negative rated (long-term deficit) employers are also short-term deficient in contributions vs. benefit payouts. Appendix I provides us with an understanding of the number of businesses in the state by industrial group in the negative rate categories. Appendix J confirms that many negative balance employers are positive when looking at Fiscal Year 2005 records. Only the top four rate groups (FY 2005) have a negative balance in the aggregate of each group. The six lower rate groups (FY 2005) have contributions in excess of benefits charged (in the aggregate of each group).

Individually, 465 (28%) of the 1,655 negative balance employers in FY 2005 paid contributions in excess of benefits charged for that year.

### **Changes Made to the Notice to Employer**

In an effort to more accurately identify job attachment status and to improve upon the communications regarding unemployment insurance claims, Job Service changed the Notice of Claim that employers receive when an employee is separated from employment and files a claim for unemployment insurance benefits. The notice is very similar to what is currently used but contains some additional information to assist in responding to Job Service concerning the separation. The notices also include more detail about the claimant's unemployment insurance status and work search requirements, as well as, the addition of some new questions related specifically to the separation from employment. See Appendix M for an example of the new notice.

These changes were made based on a recommendation from our recently established UI Advisory Council and are meant to provide for a more understandable notification that will assist employers in responding more appropriately when a claimant files a claim for unemployment insurance benefits.

## **Current Practice vs. Changes and Impacts**

Currently, when a claimant files a claim for unemployment insurance benefits, the individual is asked about the reason for layoff as well as whether they are returning to the employer that laid them off. Based upon the answers to these questions, the claimant is coded as returning to employer (job-attached) or not returning to employer (non job-attached). Based upon this coding, a work search may or may not be assigned. In addition, the day following the filing of the claim, a Notice of Claim is sent to each of the claimant's employers to notify them of the claim, to gather information as to the reason for layoff, and to ascertain whether the claimant will be returning to employment with the employer.

As a result of conversations with the UI Advisory Council, it was determined that the method being used was not as effective as it could be and a change was necessary. At this time, a change in the programming of the Notice of Claim was identified. The programming and changes were significant and were implemented on June 8, 2006. The changes provide for more information as to the claimant's statements and job-attached status and will aid the employer in responding to the questions included in the Notice of Claim they receive. It is felt that this additional information will allow the identification of a significant number of claimants incorrectly being identified as job-attached. Because of the short period of time that the change has been in place, no current data is available to gauge the impact of the changes.

## **ONET Autocoder**

The ONET Autocoder functionality is an automated method for occupationally coding claimants at the point of claim filing. This system was developed nationally and made available to states for implementation as part of their primary operating systems. A review of this functionality reveals at the point of claim filing or at the point of registration the system automatically assigns an occupational code to claimants and or job seekers and also automatically searches the available job openings for matches with claimants work experience. It has the effect of immediately referring the claimant to these available job openings. If the claimant refuses or fails to follow up the system flags the record and appropriate adjudication efforts can be implemented. Job Service North Dakota is currently upgrading it's labor exchange case management system to a more current version and will realize this capability upon implementation of this new version. This is currently scheduled for implementation in December of 2006.

## **Establishing Limits on Number of Job-Attached Permitted by Any Employer**

The study methodology called for the solicitation of viewpoints from a broad cross section of interested parties. In the solicitation, we determined it was necessary and important to attempt to ensure that there was an understanding of the ramifications of designating, or not designating, a claimant as "job-attached." Specifically, in seeking feedback for the study, we wanted to educate employers and claimants that UI recipients fall into two basic groups: (a) those that have been permanently laid off and need reemployment services; and (b) those that are returning to the employers who temporarily laid them off and who now do not receive reemployment services. We wanted this group of information providers to understand the average duration of claims in the state and average rate of exhaustion. We wanted this group to have a general understanding and awareness of this information for job-attached and nonjob-attached claimants. We also wanted this group of information providers to understand the percentage of claimants who were job-attached in the latest 12-month period and what House Bill 1198 originally provided.

To accomplish this, an electronic survey was created and administered. A group of 4,502 employers were randomly selected for participation in the survey. Likewise, a group of 3,740 claimants were randomly selected for participation in the survey. Appendix K provides a detailed report on the survey findings.

Following are the general conclusions and observations from the report on the survey:

**Survey Findings:** Results of the study indicate that respondents feelings toward changing the

job attachment policy of Job Service North Dakota's Unemployment Insurance Program is, for the most part, as one might expect. Employers--the nonconstruction firms that represent the majority of employment (approximately 93 percent of employees in this survey)--tend to favor changing the current policy of job attachment. While employers from construction firms (approximately 7 percent of the employees in this survey), that have a high participation rate of job-attached employees strongly favor retention of the current policy. It should also be noted that the construction industry, as a group, appears to take much higher interest in this topic and is almost twice as likely to respond to this survey as other employer groups. Two messages from nonconstruction firms, the majority of firms, appear to resonate in their responses.

- First, they do not tend to feel responsible to subsidize what they feel is the job attachment policy for the construction industry. Chart on Page 12 under "Who are the Job-Attached?" illustrates that more than 60 percent of the job-attached claimants are attached to industries other than construction and that nearly 10 percent are attached to the transportation industry.
- Second, many of these firms appear to be struggling to find workers themselves now. Employers in industries, such as, retail, transportation, or accommodations and food, perceive they subsidize the negative balance employers or are struggling to find sufficient numbers of employees. These employers tend to strongly disfavor the continuation of the current job-attached policy. This common "perception" that negative balance employers are all subsidized by positive balance employers is true only to an extent. For example, during the fiscal year ending September 30, 2005, there were 1,655 negative balance experience rated employers. Of those employers, 465 (28%) paid more in contributions than the amount of benefits that were charged to their accounts. From their perspective, subsidizing a labor force to wait until work is available when they need employees now is nonsensical. Members of the construction industry employer respondents need some mechanism to maintain their skilled labor force. To this group, keeping a cohesive, skilled labor force during the off-season is seen as a matter of economic survival. Utilizing the Unemployment Insurance Program as a retention tool through job-attached UI compensation and the resulting higher premiums that they pay appear to be key components in their strategies to retain their specialized labor force during their off-season.

For the employer groups referenced above, both those favoring change and those disfavoring change, sentiments tended to be stronger with the larger employer responses. The impact of these larger employers is more significant in the construction industry respondents than non-construction respondents. This difference of attitude based upon the size of the firm may be because these large firms recognize the discussion points regarding job attachment more clearly than those of smaller firms. They are also more likely to have specialized staff that deal with personnel and employment insurance issues.

Using responses to Question 3 regarding the proposed requirement for temporarily laid off employees to seek and accept other employment gives us a fairly clear picture of the employer respondents who favor or disfavor job attachment. Respondents from industries most strongly favoring change (selected either strongly agree or agree responding to Question 3 are):

- Management of Companies 100%
- Accommodations and Food 80%
- Transportation 75%
- Retail Trade 68%

Respondents from industries most strongly disfavoring change (selected either disagree or strongly disagree responding to Question 3 are):

- Construction 68%
- Mining 59%

Likewise, job-attached unemployment insurance claimants, as a group, strongly disfavor any changes to the current policy. Non-job-attached unemployment insurance claimants, as a group, do not tend to have

a strong opinion one way or another and appear to have somewhat of a collective response of, "This is not my issue."

Those respondents who attended the statewide meetings tended to be the most passionate in almost every issue, with many strongly favoring or strongly disfavoring most issues in the questionnaire. Only a small portion of these respondents selected neutral to most questions (the one exception to this is Question 8 which referenced the fact that a firm with high job attachment rates generally does not pay the full cost of their participation and whether or not this is good public policy). This group was likely a cross section of advocates opposed to the continuation of the current job attachment policy, representatives of employers with higher job-attached participation, and members of labor groups that are identified with job-attached populations, such as, construction workers.

Only 6 of 71 firms with three-digit mining North American Industry Classification System (NAICS) codes responded. Three of these employer's NAICS codes indicate they operate in the support activities of Mining (NAICS 213) and are not directly involved in mine operation. The other three in this group were directly involved with mining (NAICS 212) and may be sand and gravel operators. This sample group was the second smallest of any of the three-digit NAICS groups in the employer sample and may not be representative of this industry's overall feeling on the job attachment policy.

Areas where the employer groups tend to agree are in responses to Questions 6 and 12 concerning:

- Verification of job attachment.
- Requiring employers to respond to JSND to verify claimant job search.

Respondents that are job-attached UI claimants strongly disfavor change.

Respondents with standard occupational codes most disfavoring changes are (selected either disagree or strongly disagree responding to Question 3):

- Transportation 99%
- Construction 93%
- Repair 87%

In the final summation, this study raises a fundamental social policy question. That is whether or not job attachment for the retention of an industry's employees during off-season is an appropriate use of our state's Unemployment Insurance Program. This study points to sharp differences in opinion to the continuation or change of the current policy among the various groups affected. While the majority of employers tend to favor change, those most affected by any change (construction employers and UI claimants) strongly oppose any change to the current policy. Any change--or for that matter, no change at all--is likely to antagonize one or more groups involved in the unemployment compensation job attachment discussion. This is a situation in which common ground for all parties will likely be difficult to find. It is unlikely that any policy regarding job attachment will satisfy all groups with an interest in the discussion.

---

## **Study Provisions and Findings:**

- **An appropriate means of funding any additional costs that might be incurred as a result of implementation of the study's recommendations.**

In an effort to address this study provision, data was collected in an effort to ascertain facts regarding the following:

- Verification costs.

- WPRS Method to provide staff assisted reemployment services for a focused group.
- REA--Agency approach to manage federal compliance performance measure and exploit technology.
- Modified Tax Rate Calculation and/or assessing an Administrative Fee.
- Electronic Survey (Employers and Claimants)

### **Verification Costs**

As noted earlier in this report, automating job contact verification will provide an effective way to identify claimants not complying with the requirements of the Unemployment Insurance Program. Appropriate action can then be taken to adjudicate failure to comply with continued work search requirements. An estimate of costs associated with the automation of the job contact verification process was completed by the state Information Technology Department (ITD). ITD estimated that automation will cost approximately \$44,000.

### **Worker Profiling Reemployment System**

The Worker Profiling Reemployment System (WPRS) is an automated method of identifying unemployment claimants with the highest probability or likelihood of exhausting benefits. Claimants are assigned a number based upon a set criterion, with the highest numbers being the group most likely to exhaust their unemployment insurance benefits. The automated process sorts the pool of claimants by the number assigned, and selects the individuals needing intensive services. The agency has implemented the use of this tool in earnest in an effort to identify those most likely to exhaust benefits. This enables the agency to utilize scarce staff resources on those most in need of staff-assisted services. Utilization of this automated method became a necessity as an alternative to more expensive approaches of providing reemployment services. This is another step the agency took to manage the reduction in operating revenue.

### **Reemployment Eligibility Assessment**

Declining resources made it impractical for Job Service North Dakota to continue with its current service delivery approaches unchanged. We recognized that to remain a leader in delivery of unemployment and reemployment programs, we must be innovative and creative in the delivery of unemployment insurance eligibility reviews/assessments and reemployment services..

Our strategy was to apply for a grant from our federal partners to develop a sustainable method of service delivery that not only provided enhanced reemployment services to a select group of claimants, but through investments in technology, also positions us to maintain this effort in an environment of declining resources. Our proposal involved substantially increasing use of technology to deliver services, and necessitate modification to the existing UI computer applications, including our UI Internet Claims, Interactive Voice Response (IVR) System, our automated workflow process, and connected portions of our mainframe application. System and process modifications are designed to reduce staff time spent on documenting tasks and increase time spent on intensive reemployment efforts. While reemployment professionals around the country acknowledge the positive impact of intensifying efforts and increasing contact with claimants, declining resources make this approach impractical. We envision a method of maintaining a high level of contact while dealing with reduced staff resources. It is our expectation that our project will be used as a model for other states as they deal with resource issues.

Attached as Appendix L is a copy of our federal grant application. Job Service North Dakota was successful in pursuit of this grant and was awarded \$376,000 to pursue the technology infrastructure

changes necessary to realize this method of delivering reemployment services in an era of declining resources.

This is another initiative that was successfully pursued to fund the provision of reemployment services to our unemployment insurance claimants.

### **Assessment of Fee for the Usage of Job-Attachment**

Because of the need to maintain a skilled and experienced workforce, many employers feel that job-attachment is critical to the survival of their business. Consideration should be given to establishing an additional Unemployment Insurance premium, fee or administrative charge for the privilege of utilizing job-attachment for employee retention. More detailed study and analysis is necessary to judge the feasibility and cost of implementing this type of fee.

### **Modified Tax Rate Calculation**

In reviewing the information gathered during the course of the job-attached study, it became evident that an effective method of shifting the costs of the UI Program to those employers who utilize the job-attached policy the most should be identified. It was determined that the Legislature should consider refining the current multiplicative tax rate calculation to a modified rate calculation method. This modified method would serve to further shift costs to the group most utilizing job attachment for their employees. **Under this method, when the Trust Fund is above the target, all employer rates would be reduced using the subtraction method. When the Trust Fund is below the target, all employers' rates would increase using the multiplier method.**

Prior to 2005, tax rates were calculated using an addition/subtraction formula. This type of calculation was used in an effort to achieve the Trust Fund target. While this method provided an avenue to hit the Trust Fund target, it also provided that increases or decreases in rates would affect both negative and positive balance employers in equal addition/subtraction amounts. In 2005, an effort was made to spread the cost burden across the positive and negative employer groups more equitably. **The rate calculation formula was changed to a format in which a multiplier was used to adjust rates up or down, the result being that when rates were increased, the result would be a greater monetary increase for negative balance employers.**

However, at the end of 2005, the target was met, and the multiplier became less than 100%, which gave the negative balance employers a relatively higher rate reduction for CY 2006

Based upon the economic conditions within North Dakota, and bearing in mind the primary focus of this report, it may be time to further refine the rate calculation method to both maintain the Trust Fund balance at the target level and shift additional costs of the program to negative balance employers, the employer group most utilizing job attachment and the Unemployment Insurance Program in general.

This would be an evolution of the current multiplicative calculation to a format that will allow for continued maintenance of the Trust Fund balance and a more fair distribution of costs between negative and positive balance employers. This modification would provide that when the Trust Fund is above the target and rate reductions were applied, they would be achieved using a subtraction method, i.e., all employers would receive a similar decrease. It would also provide that when the Trust Fund was lower than the target and rate increases were applied, they would be achieved using a multiplier, i.e., employers rates would be increased by a percentage, resulting in a larger monetary increase for negative balance employers. A key benefit of this method is that it effectively shifts more of the cost burden of rate increases to negative balance employers.

An illustration of this modified impact is represented in Appendix N.

## Electronic Survey (Employers and Claimants)

Public comment was sought through an electronic survey of employers and unemployment insurance claimants regarding how any additional costs incurred as a result of a change in policy or direction should be funded.

The majority of respondents felt that the most appropriate method for funding any additional costs would be through some type of state appropriation. Following are the statistics regarding this question from the survey and comments offered by survey respondents to this question:

How should these additional costs be funded? (Select one response)

|                    | <u>State<br/>Appr.</u> | <u>Employer<br/>Surtax</u> | <u>Other</u> |
|--------------------|------------------------|----------------------------|--------------|
| Business           |                        |                            |              |
| —Unweighted        |                        |                            |              |
| Non-construction   | 53%                    | 31%                        | 16%          |
| Construction       | 57%                    | 16%                        | 27%          |
| —Weighted          |                        |                            |              |
| Nonconstruction    | 52%                    | 32%                        | 16%          |
| Construction       | 55%                    | 18%                        | 26%          |
| UI Claimant        |                        |                            |              |
| Attached           | 73%                    | 10%                        | 17%          |
| Not Attached       | 43%                    | 49%                        | 8%           |
| Meeting Respondent | 58%                    | 21%                        | 21%          |

Following are some of the comments provided by survey respondents:

Let the Legislators pay for it themselves.  
Increase premium of negative balance employers.  
I don't agree it will cost more.  
Have JSND make other cuts—personnel.  
The Governor should look for out-of-state funds.  
Lottery funds.  
Take it from the budget surplus.

Federal grants.  
Money saved by not paying out UI.  
County taxes.  
The additional workload will be minimal.  
Tax farmers that do not pay into UI.  
Union dues.

## Study Provisions and Findings:

- **Job Service's Report to the Legislative Council on the progress of and results from the reemployment demonstration project (Work First) to be carried out by Job Service during the 2005-2006 Interim.**

Resources approved by the Legislature for the Work First Project allowed Job Service to provide early, innovative, and intensive reemployment services to a limited group of study claimants in selected project offices. The project did show a decrease of 1.01 weeks in the average duration of the study group of claimants vs. control group of claimants. This correlates with national studies showing a link between providing intensive reemployment services positively affecting the duration of these claimants by returning them to work sooner. The project office with the least workload had the ability to provide the most personal one-on-one reemployment services and achieved the most notable decrease to average



duration between the study group and control group. Conversely, in the largest project office, workload exceeded expectations and frequency and intensity of reemployment services were impacted. This was reflected in average duration calculations for this project office. Appendix C, referenced previously in this study, is provided as the final report by Job Service North Dakota on the reemployment demonstration project (Work First) conducted during the 2005-2006 Interim.

---

## Study Summary Findings

Based upon current performance levels, the reemployment services currently provided by Job Service have been effective, as duration and exhaustion rates in North Dakota have proven, to be in the upper tier of performance nationwide. It can also be concluded that through even more intensive services, Job Service was able to improve upon an already high level of performance.

However, with budget constraints and additional forecasted budget cuts for the upcoming program year, providing additional reemployment services will provide a major stress upon the agency. Job Service is working to identify new methods and cost effective procedures to allow for the continuation of effective reemployment services. It is recommended that additional funding should be sought by Job Service to further automate the reemployment process, where appropriate.

The Work First Project substantiated the hypothesis that it is possible to positively influence the duration of a claimant's unemployment by providing intensive reemployment services early in a claimant's period of unemployment. However, the study also found that the cost of providing the additional level of reemployment services was greater than the realized savings from reducing the duration of the claim. This is, in part, due to the already low average duration of unemployment claims in North Dakota.

The issue that needs to be addressed now becomes; do we invest funds to provide intensive services primarily to provide the employer community with a better prepared labor pool?

From a purely financial viewpoint, the cost/benefit review of the intensive reemployment services provided via the Work First Project indicates that the current processes should be continued and the intensive reemployment efforts should not be implemented. However, this viewpoint does not take into account the benefits seen by the employers and claimants of North Dakota. The additional costs associated with intensive reemployment services provide benefits that may not be immediately visible. By getting individuals back into the workforce sooner, employers are better able to maintain an adequate workforce to sustain their businesses and claimants are encouraged to stay within North Dakota, rather than to move out of state for employment.

Survey results support the conclusion that employers who benefit the most from the job-attached categorization do not want or support change to the status quo while those employers who do not benefit from the job-attached categorization support and want changes.

An increase in the number of non-job-attached claimants increases the workload and infrastructure requirements of the agency that has just experienced a significant reduction in its funding level. A General Fund appropriation may be necessary in order to provide services to an increased number of claimants as a result of increasing the number of non-job-attached claimants should changes in the current categorization process be required.

Investments in technology represent a one-time cost and save staff time on an ongoing basis that can be used to provide reemployment/other necessary services.

Do not change the current job-attached/non-job-attached categorization without, at a minimum, some further study/review of options/potential vote by the employer base before any changes are implemented.

There is no need for Job Service North Dakota to change policy and practice with regard to members of organized labor who secure employment through a hiring hall.

Provide intensive reemployment services on the basis of increasing the skill level of the claimant and resultant labor pool available to employers. This may require a General Fund appropriation to make this happen.

Automate the job verification process, if possible.

---

## Conclusions and Recommendations

In consideration of the facts revealed through the data collected and analyzed as part of the study, the following conclusions and recommendations are offered:

- ❖ Consider the assignment of a fee for businesses utilizing job attachment as an employee retention tool
- ❖ Consider adopting Modified Tax Rate Calculation as proposed by the study.
- ❖ Job Service should continue to engage in public information awareness efforts to inform businesses of cost containment and risk management.
- ❖ Job Service implemented a change to the Notice of Claim filing based on a recommendation from the Unemployment Insurance Advisory Council. This will result in improved response and identification of job-attached status.
- ❖ Job Service should pursue additional funding to accomplish further automated changes to verification of work search contacts.
- ❖ Job Service implement extensive use of the Worker Profiling Reemployment System (WPRS) as an additional technique to ensure that intensive reemployment services are directed to those claimants identified as most likely to exhaust unemployment benefits and most in need of staff intensive reemployment services
- ❖ Job Service North Dakota will realize ONET Auto-coder functionality with the implementation of its enhanced Case Management system scheduled to go live in December 2006.
- ❖ Legislators consider General Fund appropriations or other funding mechanism (offset of UI Tax reductions) to fund intensive reemployment services for unemployment insurance claimants.

The legislative language established the requirement for Job Service to report on the progress and results from the reemployment demonstration project (Work First) to be carried out during the 2005-2006 Interim.

Resources approved by the Legislature for the Work First Project allowed Job Service to provide early, innovative and intensive reemployment services to a limited group of study claimants in selected project offices. The project did show a decrease of 1.01 weeks in the average duration of the study group of claimants vs. control group of claimants. This correlates with national studies showing a link between providing intensive reemployment services positively affecting the duration of these claimants by returning them to work sooner.

Based upon current performance levels, the reemployment services currently provided by Job Service have been effective, as duration and exhaustion rates in North Dakota have proven, to be in the upper tier

of performance nationwide. It can also be concluded that through even more intensive services, Job Service was able to improve upon an already high level of performance.

However, with budget constraints and additional forecasted budget cuts for the upcoming program year, providing additional reemployment services will provide a major stress upon the agency. Job Service is working to identify new methods and cost effective procedures to allow for the continuation of effective reemployment services. It is recommended that additional funding should be sought by Job Service to further automate the reemployment process, where appropriate.

A

Introduced by

Representative Keiser

- 1 A BILL for an Act to create and enact a new section to chapter 52-04 of the North Dakota  
2 Century Code, relating to limitations on the number of job-attached unemployment insurance  
3 claimants and soliciting employer information; and to provide an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

- 5 **SECTION 1.** A new section to chapter 52-04 of the North Dakota Century Code is  
6 created and enacted as follows:

7 **Identification of job-attached employees - Exemption from work search**  
8 **requirement - Definitions.**

- 9 1. Job service North Dakota shall adopt administrative rules setting out a procedure  
10 or procedures for identifying a limited number of estimated annual future claimants  
11 who may be considered job-attached as defined in this section. The number of  
12 job-attached claimants in any calendar year may not exceed thirty percent of the  
13 estimated number of initial claims to be filed in that calendar year. To assist job  
14 service North Dakota in identifying those claimants, a covered employer may  
15 submit a list of no more than thirty percent of the employer's maximum quarterly  
16 workforce, that the employer desires to have job service North Dakota consider  
17 job-attached. Job service North Dakota shall within thirty days of the effective date  
18 of this Act, publish the format for the list allowed by this section. Employers who  
19 desire to submit a list pursuant to this section must do so between December first  
20 and fifteenth of each calendar year. The procedure used by job service North  
21 Dakota to identify claimants who will be considered job-attached must be the result  
22 of random selection, except that job service North Dakota may include the persons  
23 identified on any list submitted by a covered employer as authorized in this  
24 subsection. Any person filing an unemployment insurance claim who has not been

- 1 identified by job service North Dakota pursuant to this subsection may not be  
2 considered job-attached and will be required to actively seek work during each  
3 week that the person certifies continuing eligibility for unemployment insurance,  
4 unless excused pursuant to other provisions of law.
- 5 2. Job service North Dakota shall treat those persons identified as job-attached  
6 pursuant to subsection 1, who file an unemployment insurance claim during the  
7 calendar year for which they are so identified, as exempt from the requirement to  
8 be actively seeking work for a period of not to exceed twenty weeks.
- 9 3. As used in this section:
- 10 a. "Certifies continuing eligibility" means action taken by an unemployment  
11 insurance claimant to report the claimant's continuing eligibility for weekly  
12 unemployment insurance benefits.
- 13 b. "Job-attached" means a claimant identified pursuant to subsection 1 who is  
14 temporarily laid off from employment and who is likely to be reemployed upon  
15 the completion of the necessary layoff period, and who will not be required to  
16 actively seek work for a period not to exceed twenty weeks during each of  
17 which the claimant is certifying continuing eligibility for unemployment  
18 insurance benefits.
- 19 c. "Maximum quarterly workforce" means the maximum number of employees  
20 listed on the employer's unemployment insurance contribution reports for the  
21 first four of the last five reported quarters, or on such fewer number of  
22 reported quarters as may be available.

23 **SECTION 2. EFFECTIVE DATE.** This Act becomes effective on July 1, 2006.

**Fifty-ninth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 4, 2005**

HOUSE BILL NO. 1198  
(Representative Keiser)

AN ACT to provide for a legislative council study of reemployment processes and costs and an appropriate method for providing a limitation on the total average number of job-attached unemployment insurance claimants.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE COUNCIL STUDY - REEMPLOYMENT POLICIES, PRACTICES,  
AND COSTS AND MEANS OF LIMITING JOB-ATTACHED CLAIMANTS - REPORT.**

1. During the 2005-06 interim, the legislative council, with the participation of job service North Dakota, shall study:
  - a. The costs and effectiveness of the current reemployment processes utilized by job service North Dakota and the appropriate methods for providing those services to a substantially greater number of claimants;
  - b. An appropriate method for limiting the number of job-attached claimants to those employees who are critical to the business processes of the employers that temporarily laid off those employees; and
  - c. An appropriate means of funding any additional costs that might be incurred as a result of implementation of the study's recommendations.
2. During the 2005-06 interim, job service North Dakota shall report to the legislative council on the progress of, and results from, the reemployment demonstration project to be carried out by job service North Dakota during the 2005-06 interim.
3. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Chief Clerk of the House

\_\_\_\_\_  
Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-ninth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1198.

House Vote:      Yeas    90      Nays    0      Absent    4

Senate Vote:    Yeas    43      Nays    1      Absent    3

\_\_\_\_\_  
Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2005.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2005.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2005,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State



B

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## **Project Operations Plan**

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### **Work First Project Operations Plan**

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## Introduction

Job Service is experiencing decreasing resources while customer needs are constant or increasing, and the agency's Planning and Policy Team recognizes that action is needed to launch a significant reemployment effort. We believe that if legislators invest in this reemployment activity, a positive impact to the Unemployment Insurance Trust Fund can be realized through a combination of administrative improvements and increased business and job seeker customer services. In addition to the anticipated savings to the UI Trust Fund, the project will result in increased General Fund revenues through the added income and sales tax payments generated due to the employment of UI claimants who will receive paychecks earlier. Savings to the UI Trust Fund will result in a positive UI tax rate for North Dakota businesses. The project will demonstrate the economic impact from the work done to involve businesses to reemploy claimants.

Claimant reemployment needs are increasing. Skills needed in the job market are constantly changing and businesses require a more rapid response at finding and training workers. Job Service's experienced and skilled staff members bridge the gap between businesses and claimants.

Statistics demonstrate that Job Service North Dakota is a consistently high-performing state. National Unemployment Insurance (UI) performance standards consistently show North Dakota to be among the top three states in the nation in meeting the performance measures of the Unemployment Insurance program. North Dakota claimants return to work four and one-half weeks sooner than the national average, and exhaust benefits at significantly less than the national average.

Job Service North Dakota believes, however, that improvements can be made to reemploy claimants even faster, and will take the lead to make that happen.

The purpose of the project is to have a positive bottom-line impact on the Trust Fund and unemployment insurance taxes by evaluating and improving the effectiveness of claimant return to work strategies and business account management strategies.

This project will:

- Implement and measure selected reemployment practices that will generate a positive return-on-investment and motivate and assist claimants to return to work earlier.
- Assess the impact of existing legislation and regulation on claimant return to work rates and make recommendations for legislative changes, if needed.
- Serve as a catalyst to connect skilled workers with business needs.

The business processes for carrying out this project are described in this Project Operation Plan.

## **Notification**

Early intervention has shown to have a positive impact on the duration of claims. Early notification is also the prerequisite for reemployment services to reduce the duration of UI claims. The sooner claimants receive reemployment services, the greater the effect on duration.

The JE241 lists newly filed claims. Staff will review the JE241 frequently to identify study group claimants (claimants with SSNs ending in 3, 5 or 9). Immediately upon identification of a claim filed, a reemployment case manager will initiate contact to begin the reemployment process. This initial attempt to contact will be made by phone\*\*. A fact sheet will be used during this contact to ensure consistency in the message delivered to each claimant, and to support a possible denial of benefits in the event of a failure to report to the scheduled appointment. The consistent message will provide evidence that a regular business process has been followed which will allow disqualification for a no show to a verbally scheduled appointment to be upheld during an appeal process. During this initial contact the claimant will be:

- Oriented as to the temporary nature of unemployment benefits
- Scheduled for an early in-person appointment
- Required to complete at least one on-line resume by close of business on the day of the initial appointment
- Advised of selection for, and participation in, the Work First Project

When the claimant is reached by phone, an appointment time will be scheduled verbally. The scheduled place, time and date will be documented in NDWorks Seeker Notes/ Reemployment Information. Example: (Name of Claimant) has been contacted by phone and has verbally agreed to attending Reemployment Orientation at (location) on (date) and (time). See Appendix J for phone script to be used to guide the conversation with the claimant. This script is located on the Central (I) Drive, 81 Special Projects, Reemployment Project, Work First – Initial Phone Contact Script – 3-31-2005.

If a claimant does not attend the verbally scheduled Reemployment Orientation, document this event in the NDWorks Seeker Notes/Reemployment Information and establish the RR issue in emulation. Follow the Eligibility Issues procedures as outlined on page 10 of this Project Operations Plan.

If the claimant is not reached by phone on the first day attempted, a notification letter will be mailed from the CSO. This notification letter is located on the Central (I) Drive under 81 Special Projects; Reemployment Project. (See Appendix H for a sample of this letter.)

**\*\* Use [www.dexonline.com](http://www.dexonline.com) to assist in locating working phone numbers if the phone numbers listed in emulation or NDWorks are non-working numbers.\*\***

**Special Note:** Each claimant in a project office **must** be identified by seeker type in NDWorks Core Services Basic/General/Seeker Type field. Select the drop down box and select either Work First Claimant or Regular Claimant. This action must be taken by all Job Service staff providing case management reemployment services to Unemployment Insurance claimants, NOT just to Work First project claimants.

## **Orientation**

Claimants should be provided help in understanding the purpose of the reemployment program. Obtaining buy-in to the program purpose, having claimants understand that they are better off working, understand both the short-and long-term impacts of unemployment, helping them deal with the trauma of losing work, and confronting them about counter-productive activities are all important elements in running an effective reemployment program. The information should not only be provided in the initial orientation, but also reinforced throughout the claim duration.

In addition, claimants need to be provided information acquainting them with their responsibilities relevant to eligibility to receive unemployment benefits. They also receive this information during the course of their claim from the claims center staff, from the unemployment insurance claimant guide, and from reemployment case managers. The information includes when and how to certify continuing eligibility; what is suitable work; registration for work, employer contacts, and other work search requirements; reportable income, including severance pay and wages received while certifying weekly eligibility; and other guidance as needed.

Case managers may provide this information during the initial individual meeting with claimants or offices may conduct group orientations prior to the first individual meeting. Documentation of attendance at these orientation sessions and of any other pertinent discussions with the claimant about eligibility factors should take place in the notes section of NDWorks.

The Case Manager will give the Study Group Claimants an explanation and a handout informing them that their work search contacts may be verified by random selection. They will also be informed of their responsibilities and the enhanced services they will receive as a member of the study group. Enhanced services are intended to cause quicker reemployment of claimants. The Study Group Claimants will be instructed on the Employer Contact Verification component of the Work First project and specific documentation needed to satisfy verification should a claimant's record be randomly selected. See Appendix I for the notice of verification involvement letter. The purpose of this demonstration project is to evaluate and improve the effectiveness of the claimant eligibility assessment and return to work strategies. The project will necessarily involve

Business Services to serve as a catalyst to connect skilled workers with business needs. The success of this project will contribute to the state's overall economic health by providing a readily available workforce.

## **Assessment/Reemployment Plan**

During the first face-to-face appointment, the claimant and the case manager will, following assessment, mutually develop a reemployment plan, setting goals for rapid reemployment, describing the work search effort and describing any barriers and the means to be taken to address them. The claimant should discuss with the reemployment case manager the plans for her/his job search activities until the next scheduled appointment. The following will be included in all reemployment plans:

- Complete at least one well-done "on-line" resume to allow effective participation in our electronic matching system. Claimants will be informed of the ability to enter multiple resumes in the system and the benefits of doing so. Case managers will review the resumes for quality and, if needed, make suggestions for improvement.
- A study group claimant will be required to participate in a successive series of workshops or similar activities that build upon the employability skills learned in the previous workshops or other interactions with the case manager. If filing for benefits long enough, the claimant must complete the series of workshops or similar activities prior to the end of his/her eighth week. Workshops required for study group claimants are:
  1. Basic Job Search (How to do one)
  2. Interviewing Skills (May include mock interviews)
  3. Transferable Skills
  4. Job Retention Skills
  5. Employment Documents (Applications, Resumes, Cover Letters)

Where available, case managers/claimants may select the most appropriate of several related workshops. For example: they may select an Internet Job Search in lieu of the Basic Job Search, or they may attend an Advanced Resume rather than a Job Application workshop. Actions taken under this paragraph should be recorded in NDWorks under Job Seeker, Core Services, Extended, Services Provided, Select Job Search Related Workshop (reported and once attended, use completed). In the "Comments" section, write the specific name of the workshop required, i.e. Basic Job Search, Interviewing Skills, Transferable Skills, Job Retention Skills, and Employment Documents.

- All Study Group claimants will be provided with relevant Labor Market Information, customized to the claimant's particular situation. Resources under the project may include, but are not limited to: Area Supply & Demand

Assessments, America's Career InfoNet links to Employer Locator, Wages and Trends and General Outlook, LMI Publications on jobsnd.com, Occupational projections, Wages for ND Jobs, ND Employment & Wages, and Labor Availability Studies. Actions under this paragraph should be recorded in NDWorks under Job Seeker, Core Services, Extended Services Provided, Labor Market Information.

The reemployment plan is developed and maintained in the Seeker/Intensive/Plan section of NDWorks, under the Achievement Objective of Reemployment. The reemployment assessment is an effort to identify and help resolve issues preventing claimants from returning to work. In most cases the initial assessment consists of a review of the claimant's on-line work registration (resume) and an interview to establish whether or not the claimant has job skills and is able to conduct an effective work search. (See Appendix B for sample questions and answers.) Again, in most cases claimants are "job-ready" and the assessment can proceed to the development of a reemployment plan. A summary of the assessment results is to be recorded in Seeker Notes under the Subject heading of Assessment.

In some cases claimants will have problems that prevent them from conducting an effective work search. These claimants should be provided or directed to the appropriate agency, community, or Internet-based service. The suspension of a work search may be necessary in some cases until resolution of the problem has been accomplished. Plans should be prepared or amended to account for these developments. A work search may be suspended due to a substantive medical condition, which is expected to delay the search for an extended period, with the written support of a medical doctor. The doctor's document will indicate the length of time for which the work search may be suspended.

If a claimant has received and provided written notice of a job offer from an employer to start within a reasonable time, based on the type of work the claimant is seeking, and what the employment potential is for that type of work at the time, the work search may be suspended.

The work search may also be suspended for certain training activities upon approval of the Claims Center staff in the Central Office.

Appendix C contains several brief case scenarios that will provide the reader with typical assessment findings and courses of action.

Appendix B provides examples of assessment questions designed to assist in understanding factors affecting the work search. Documentation of the assessment must be placed in the notes section of NDWorks with the Subject heading of Assessment.

Typical reemployment plan documentation consists of a summary of information gathered during the assessment, a reemployment goal(s), and the strategies to be used to reach the goal. Also included would be appointment or strategy completion dates and



other comments, such as reminders and checkpoints, relative to the claimant. All plans are to be documented in NDWorks.

The Goal Description should list the type of employment the client is seeking and the Justification should contain a brief summary of the situation, reason for creating the plan or client requirements. (See Appendix A for samples of screen shots and sample plan.)

Several elements are common to all reemployment plans:

- Name and Social Security Number – self-explanatory.
- Reemployment Goal – An occupation or group of occupations based on customer training, experience, desire and other factors. The goal may also describe a series of intermediate goals leading to an ultimate goal. The goal, including intermediate or alternate goals, should be attainable and should reflect the quick return to work philosophy that is the purpose of reemployment.
- Strategies to reach goal – A series of actions that assist the claimant to secure work. Typical strategies include: maintaining available resume(s) on Job Service system, making and documenting employer contacts, attending workshops, attending reemployment reviews, testing, contacting help organizations, efforts to assess and plan for self-employment. Additional strategies may be required by the case manager to help the claimant return to work quickly. Required strategies may also be waived only if adequately justified and documented. (Use Seeker/Intensive Services/Plan/Services & Activities, Instructions field.)
- Penalty statement for non-compliance – The pre-established Instruction (Seeker/Intensive Services/Plan/Services & Activities) must be used on every Plan. The Instruction states: "NOTICE: Failure to comply with plan instructions, report for scheduled appointments, or meet assigned deadlines could result in denial of unemployment benefits."
- Agreement statement and signatures of claimant and staff - Following or similar text: "I agree to the work search plan and agree to complete the strategies listed."
- Appropriate dates – Scheduled times for activities or dates by which strategies must be completed.

A signed copy of the original plan must be given to the claimant. When significant changes are made to a plan, case managers must determine the need for obtaining the claimant signature on the modified plan. Having the Claimant sign the Plan provides the opportunity for discussion about expectations and enhances the claimant ownership and buy-in of the plan. Case manager signature emphasizes the importance of the plan in the reemployment process. Copies of plans and modifications are retained in NDWorks. (See Appendix A for samples of screen shots and sample plan.)

## **Reemployment Reviews**

Claimant progress in completing his/her reemployment plan will be monitored through in-person reviews. These reviews have three main components (listed below): reviewing claimant progress toward their goal; providing work search guidance and labor market information; and verifying continued eligibility for unemployment benefits. Claimants should be specifically informed of the components of the reemployment review and the rationale for those components. Local offices may provide reviews individually or in a group setting. Documentation of the review results should be annotated in NDWorks Job Seeker/Notes/Subject heading (reemployment information). Federal reporting requires that eligibility/reemployment reviews be documented/recorded within NDWorks (Core/Extended/Services provided--Reemployment Review.)

- **Reemployment goal progress:** During this part of the review, case managers query claimants about work search progress, progress in completing plan strategies, and any developments that have or may impact work search or strategy completion and annotate accordingly in NDWorks Seeker Notes.
- **Verifying continued eligibility for benefits:** When conducting this part of the review, case managers query claimants regarding such factors as being out of the area, working, or receiving income or payments, starting a business, filing or receiving retirement or disability, and if there is any reason you cannot accept a job at this time. A check of employer contacts reported since the previous review is also being undertaken at this time (see Appendix E). Offices may use the Eligibility Review Form SFN 44021 or develop their own guidance to assist with the verification. Documentation of issues shall be maintained in accordance with section Eligibility Issues, below.
- **Guidance and Labor Market Information:** Offices conducting group reviews can prepare short informational programs regarding any number of subjects pertaining to the experience of unemployment. Examples include: new employment developments in the community, "how to" sessions about interviewing, using the Internet, resume preparation, dealing with boredom or depression, considerations about part-time or temporary work, etc. Case managers conducting individual reviews should tailor their guidance to the claimant involved.

Case managers will make a personal contact with each of their study group claimants at least every ten working days, and more often if the situation warrants. Each such personal contact will include:

- A review of continued eligibility (eligibility assessment) for UI benefits;
- A review and discussion of progress and future action to achieve employability goals;

- Action taken by the claimant to overcome any identified employment obstacles; and
- A review of the results of the claimant's job contacts made since the last review.

The reemployment case manager will coach and counsel the claimant on job search activities during each of the subsequent visits.

During each successive personal contact the reemployment case manager will utilize professional judgment and knowledge of local labor conditions to determine the availability and suitability of work for the claimant.

## **Eligibility Issues**

When case managers become aware of a claimant's non-compliance with reemployment strategies or other UI eligibility requirements they should conduct any necessary fact-finding regarding the issue, documenting it in NDWorks Seeker Notes.

The most common issues case managers create are the Reporting Requirement (RR), the Not Available (NV), and the Not Seeking (NS). Case managers are to adjudicate (decide to allow or deny benefits) issues that are not automatically decided by failure of the claimant to report.

The only time a case manager may cancel an issue is when the issue has been established in error. This is because UI funding is, in part, allocated to states based on the number of UI eligibility issues adjudicated. Cancellation of an issue is not counted as adjudication.

Issues are created in the UI emulation system as follows:

- Reporting Requirement (RR) – initial appointment (JE240) – Enter DNR on JE220.
- Reporting Requirement (RR) – subsequent appointment or CS210 on initial appointment – Create appointment on JE240 and enter DNR (did not report) on JE220. It is important to enter the DNR the day the claimant actually missed the appointment because the DNR follow up letter will contain this date as the appointment date. The JE240 does not allow you to back date the appointment entry. (For detailed flowchart on this procedure, see Appendix D)
- All other issues are created on JN200. The JN210 screen is used to generate the nonmonetary determination letter. Guide sheets must be completed on issues to be adjudicated by the claims center. If the claimant is asked by local office staff to contact the claims center regarding a potential issue, it is not necessary to complete a guide sheet. Pertinent comments not entered on a guide sheet are entered on NDWorks Seeker Notes.

The above actions will also result in a notice to the claimant of his right to appeal.

The case manager must also be prepared to discuss and explain various issues established on a claimant's JB500. Case managers may also need to assist claimants in filing an appeal and to explain the appeal process.

Refer to the claims manual for additional guidance on Issues.

## **Employer Contact Verification**

The verification of employer contacts is being done as part of this project to ensure that claimants are in compliance with the work search requirements of the Unemployment Insurance Program.

Verifying employer contacts are systematically done during BAM (benefit accuracy measurement) audits, usually months after the claimant made the contacts. No verification of contacts has taken place by case managers in local offices prior to this project. Nor have any standard procedures been developed to explain what constitutes an acceptable contact and what constitutes an acceptable verification. Improvement in both areas is a goal of the Work First Project.

### **Project Coordinator Action**

- Hold conference call with project case managers prior to May 1, 2005 to discuss verification procedures.
- On May 16, 2005, begin selection of claimants to verify work search for the week ending May 14, 2005. Make selections on alternating Mondays for the most recent week ending date until May 15, 2006.
- Select 2 claimants each for the Bismarck/Ft. Yates and Fargo offices, and 1 claimant each for the Grand Forks and Minot offices each week selections are made.
- Make selections for each office on the "SSN Detail" sort of the Reemployment Management Reports. Sort by Local Office and RTE2. (Remember that only claimants with social security numbers ending with 3, 5, or 9 are involved in project.)
- Each week, select the project claimant(s) that has/have drawn benefits the least number of weeks, but not less than two weeks. Do not select (same) claimant more than once during the project.

- Create and send Excel file with claimant selections to the local offices. The file should contain the following elements: name of claimant, social security number, week for which contacts should be verified, employer name(s), method(s) of verification, a remarks column, and the name of person conducting the verification.
- Compile reports sent back from local offices. Monitor the verifications and take appropriate corrective action that might be suggested by findings during the course of the project. Prepare a report on this subject for the Project Team following the submission of the final verifications, but not later than July 1, 2006.

### **Case Manager Action**

- Conduct verifications on the minimum number of required weekly employer contacts for individuals selected by the Project Coordinator as soon after receipt of the Excel file as possible.
- Make appropriate notes in the claimant's case management file throughout the verification process. At a minimum, the notes should include the dates and results of verification activities. (NDWORKS Notes, Reemployment Information).
- Notify the claimant by the quickest means available of their selection for verification, and the requirement for them to produce evidence of the contact(s). Follow up with a standardized letter informing the claimant of the same requirements, including a statement of consequences if they do not comply within five working days following the date of letter. (See Appendix I for standardized letter.)
- Review evidence provided by the claimant of the employer contacts and decide if evidence is sufficient to reasonably prove that an acceptable employer contact was made. Acceptable evidence would include, but is not limited to: copies of submitted applications or resumes or other employment documents specifically listing the involved employer and dated during the week for which the verification is being conducted; copies of employer responses, or on-line access to e-mail accounts containing evidence of application/resume submittal; completed "Employer Contact Verification" cards for in-person contacts.
- When the claimant is unable to provide evidence of having made the contact and still insists that the contact was made, enlist the assistance of Business Services staff to attempt the verification through the employer.
- Complete the Excel file and return it to the Project Coordinator as soon as the verifications have been completed. Efforts should be made to complete verifications prior to the selection of new claimants.

## **Facsimile of Contact Verification Card**

JSND/UI  
SFN 54233 (4-05)

The individual presenting this card is participating in a Work First project funded by the United States Department of Labor and the State of North Dakota. The goal of the project is to study actions that may reduce the duration of unemployment claims, which may result in reduced unemployment tax rates for employers.

Name of Business \_\_\_\_\_

Signature \_\_\_\_\_

Today's Date \_\_\_\_\_

**THANK YOU FOR YOUR COOPERATION**

Job Service is an equal opportunity employer/  
program provider. Auxiliary aids and services are  
available upon request to individuals with disabilities.



### **Business Services Action**

- Begin efforts to conduct contact verification with an employer as soon as possible after notification by case manager of the need to verify a contact.
- Verifications should be conducted based on the best judgment of the staff most familiar with the employer, and can be conducted by phone, e-mail, or in-person. Both verbal and written verifications are acceptable from employers.
- Staff conducting the verification(s) should provide results, including failure to complete the verification, to the involved case manager immediately after contact with the employer.

## **Business Services Project Support**

Job Service North Dakota has established business as our primary customer. Although this project focuses effort on the claimant customer, it still requires the awareness, support, participation and cooperation of businesses and Business Services to be successful.

Reducing claimant's duration will involve Business Services efforts. Business Services Staff in the Project offices will work with the Project Manager to develop and implement a communication and marketing plan directed towards the Business Community. This plan at a minimum will include an orientation of the project scope for Businesses and the benefits of hiring UI claimants. These benefits include demonstrated work readiness, acquired skills sets, reduction in average durations impact on UI Trust Fund, reduction of employer tax burden and the philosophy that hiring qualified UI claimants is simply just good business.

Project reemployment staff case managing study group claimants will inform Business Services staff of that available workforce by providing copies of the VOS Resume(s) for each study group individual.

The Project Staff Case Manager will attend Business Services staff meetings to discuss the Study Group's situations and to learn from Business Services recent employer information. This information will be used by the Business Services Staff to perform job development contacts. Customer Service Office staff conducting outreach to rural areas will also receive this information as they conduct Business Services in rural areas.

## **Reporting and Tracking**

Project staff will provide input to Project Manager to meet monthly reporting.

The reporting and tracking document is based on the Work First Document presented to the Legislative Council and the REA grant application, which was created and presented to obtain the Federal grant. (See Appendix F).

Within NDWorks, staff members must identify all claimants as either:

1. A Work First Claimant if their SSN ends in 3, 5, or 9, and they are in one of the pilot offices,
- or:
2. A Regular Claimant if their SSN does not end in 3, 5, or 9, and they are in one of the pilot offices.

This identification must be entered for all claimants within the pilot offices. From this identifier, JSND will be able to create and run Discoverer inquiries. These inquiries that

we call reports will help us identify and analyze the data that has been entered within NDWorks.

Appendix K contains the detailed instructions for reporting and entering the following items in NDWorks: 1. Initial Contact Services, 2. Workshop Activity, 3. Referral to Job Order, 4. Services Provided, and 5. Wages for Post UI Claims Employment.

This document identifies the data elements we need to track and compile for reporting purposes.

**Table 1:** This measures the activities and timelines that are identified within the documents.

**Table 2:** This is a means to measure any demographic data of the claimants that the project includes. (This data is not identified within the documents, but we feel it will be of value to JSND in analyzing the data. This will need no further input by staff in order to capture the data. All that will be needed is to identify the claimant as either a “work-first claimant” or “regular claimant”.)

**Table 3:** This is to measure the outcomes of the project, and is probably the most important of all the sets of reports.

**Table 4:** This is the overall report sheet, which will assist JSND in managing the project, and pulling together the data needed for reporting to the Feds and to the State legislature.



## Appendix A:

### Reemployment Plan Notes Screen shot

Job Seeker Provider Employer Administrative Finance Reports Help Window ORACLE

Job Seeker Notes Ver: 2.1

Name: Grace D. Harmond SSN: 293-46-7311

| Note Date  | Subject    | Employment Representative | Source          | Action Date |
|------------|------------|---------------------------|-----------------|-------------|
| 11/03/2004 | Assessment | LINDA MORROW              | Employment Plan |             |
|            |            |                           |                 |             |
|            |            |                           |                 |             |
|            |            |                           |                 |             |
|            |            |                           |                 |             |

Note

Grace worked for 8 years as accountant and was laid off due to business closing. She has a BA degree in accounting and is currently looking for work in that field. She has no barriers to overcome to become reemployed and is job ready. She has resumes in VOS with realistic occupations, salary and location expectations. Grace is able to conduct a concentrated work search.

Record: 1/1

This is a screen shot of the Reemployment Plan Goal and Justification.

Job Seeker Provider Employer Administrative Finance Reports Help Window ORACLE

Employment Plan Ver: 2.1.5

Name: Grace D. Harmond SSN: 293-46-7311 Status: Active Active Plan

EMPLOYMENT PLAN | Ach. Objectives | Services/Activities | Service Funds | Plan Summary | W-4, W-2, HHS, etc.

| Goal Description                   | Planned    |            | Status | Justification   |
|------------------------------------|------------|------------|--------|---|
|                                    | Start Date | End Date   |        |   |
| Find full time Accountant position | 11/02/2004 | 11/05/2005 | Active | previous work history, education and desired employment information, this goal should be attainable |
|                                    |            |            |        |   |
|                                    |            |            |        |   |
|                                    |            |            |        |   |
|                                    |            |            |        |   |
|                                    |            |            |        |   |

ONETCode

Actual Start 11/02/2004

Closure Date

Closure Reason

Labor Market Info

An entry needs to be put in the goal description, planned start date, justification, and actual start.

When the plan is completed enter the closure date and closure reason from the list of values, and change the status from active to closed.

This is a copy of the Achievement Objectives part of the plan.

Job Seeker Provider Employer Administrative Finance Reports Help Window ORACLE

Employment Plan Ver: 2.1.5

Name: Grace D. Harmond SSN: 293-46-7311 Status: Active Active Plan

Employment Plan ACH. OBJECTIVES Services/Activities Service Funds Plan Summary Maintenance Fee

| Objective Type | Planned    |            | Actual     |          | Outcome |
|----------------|------------|------------|------------|----------|---------|
|                | Start Date | End Date   | Start Date | End Date |         |
| Re-Employment  | 11/02/2004 | 11/05/2005 | 11/02/2004 |          |         |
|                |            |            |            |          |         |
|                |            |            |            |          |         |
|                |            |            |            |          |         |

Instructions: Obligated \$ 0.00

| Funding Source | Allocation Level | Funding Location | Effective | Expiration | Obligation Amount | Date       | Fringe? |
|----------------|------------------|------------------|-----------|------------|-------------------|------------|---------|
|                |                  |                  |           |            |                   |            |         |
|                |                  |                  |           |            |                   | 11/16/2004 |         |
|                |                  |                  |           |            |                   |            |         |
|                |                  |                  |           |            |                   |            |         |

Click on the drop down tab to show the list of values and select. Planned start date must be entered; planned end date will automatically be added. An actual start date also needs to be entered. Enter the end date and outcome when plan is completed.

This is the Services/Activities part of the plan.

Job Seeker Provider Employer Administrative Finance Reports Help Window ORACLE

Employment Plan Ver: 2.1.5

Name: Grace D. Harmond SSN: 293-46-7311 Status: Active Active Plan

Employment Plan ACH. OBJECTIVES SERVICES/ACTIVITIES Service Funds Plan Summary Maintenance Fee

Office: Fargo Job Service Agent: LINDA R. MORROW Service Status:

| Service                 | Planned    |            | Actual     |          | JOBS |
|-------------------------|------------|------------|------------|----------|------|
|                         | Start Date | End Date   | Start Date | End Date |      |
| Job Search - Re-Employr | 11/02/2004 | 11/05/2005 | 11/02/2004 |          |      |
|                         |            |            |            |          |      |
|                         |            |            |            |          |      |
|                         |            |            |            |          |      |
|                         |            |            |            |          |      |

Planned Cost: 0.00 Actual Cost: 0.00

E-Mail Notice: ☐ Central Office ☒ Local Office

Services/Goods: ☐

Authorized Provider: JSND FARGO

Course: ☐

Contract #: ☐

Participation Hours: 0 Grade: ☐

Minimum Participation Hours: 0 Attending: ☒

Completed: ☐

Instructions: I will contact a minimum of 3 employers each w Time sheets Agreed Progress Outcome

Select the types of services that are appropriate. Add the planned start date. The planned end date will automatically be added. Add the actual start date and select the authorized provider, which should be the case managers local office. Enter the end date when each service is completed.



Job Service North Dakota  
EMPLOYMENT PLAN

Name: Grace D Harmon

Social Security Number: 293-46-7311

Employment Goal: Find full time Accountant position

This Employment Goal is based on the following:

previous work history, education and desired employment information, this goal should be attainable

Achievement Objective: Re-Employment

Start Date End Date

Instruction:

11.02.2004 11.05.2006

Service: Job Search - Re-Employment

| Weekly Hours | Start Date | End Date   |
|--------------|------------|------------|
|              | 11.02.2004 | 11.05.2006 |

Instructions I will contact a minimum of 3 employers each week for possible employment. I must keep a detailed record of contacts (date, position, company and contact person) for each week I certify for Unemployment. I will bring a copy of employer contacts with me each time I report to Job Service. I will maintain this record for 1 year.

I will enter available resumes on Job Service system. This process can be done over the internet at [www.joband.com](http://www.joband.com) at home or on the computer located in the Resource Area of the local Job Service office. I will enter contact information, background and complete resumes for each type of work I am looking for. I will maintain available resumes while filing Unemployment.

I will report when scheduled for appointments at workshops, reemployment reviews, one on one meetings, etc.

NOTICE: Failure to comply with plan instructions, report for scheduled appointments, or meet assigned deadlines could result in denial of unemployment benefits.

I agree to the work search plan and agree to complete the strategies listed.

Agreed Upon Progress:

This plan has been developed in partnership with the Job Service North Dakota and the customer.

The customer agrees with the above employment plan and understands his/her rights, responsibilities, and the appropriate program(s) grievance procedure(s).

Customer Signature

Date

Employment Counselor Signature

Date

## Appendix B

### Reemployment Assessment Guide

When assessing an individual for reemployment purposes, there are examples of basic questions to ask. This can be done in a group setting with each member of the group filling out the form and handing it in, or in a one-on-one setting where the questions are asked, and answers given verbally. Reemployment assessments should always start out assuming that the client is job ready (a Career Express client). It may become apparent during this process that the claimant is not completely job ready, and will require some additional assistance. The following questions are meant to assist in assessing the claimant's job readiness. The questions complement each other, and are not meant to stand-alone.

Assessment question examples:

1. Is there anything that would make it difficult for you to go to work tomorrow?
2. What jobs are you seeking? ("Find a job", is not adequate.)
3. Do you have a copy of your resume available, (or application form if appropriate)?
4. Which employers do you intend to contact in the next \_\_\_\_\_ ?
5. How do you intend to make the contacts?
6. In order to determine the applicant's readiness for an interview, identify a job that would be "appropriate" for this individual, and ask, "Why should I hire you?"

Assessing the answers:

1. Is there anything that would make it difficult for you to go to work tomorrow?
  - a. If the person is ready for work now—then no problem.
  - b. If the person reveals barriers that would cause difficulty in going to work now, find out why. (Do we have a workshop or other service that may address this? Check out the SHARE Network for possible solutions.)
2. What jobs are you seeking?
  - a. If the person can identify an occupation, an industry, and a location where he/she is willing to work—and their background shows that the plan is feasible—then they are job ready.
  - b. If the person cannot list all three items—(occupation, industry, and location), then explore further. The claimant should have attainable goals and be able to articulate those goals either in writing or verbally.

3. Do you have a copy of your resume available, (or application form if appropriate)?
  - a. If the person has a resume, or application, and upon review it is found to be acceptable by your office.
  - b. If the person does not have a resume or application form, or what he has is not acceptable by your office criteria, then identify the services that will give him the ability to upgrade his information.
4. Which employers do you intend to contact in the next \_\_\_\_\_?
  - a. If the person can list enough employers to provide an acceptable number of contacts, then no problem.
  - b. If the person cannot list enough employers to provide an acceptable number of contacts, there is a need for additional service. Consider referring to additional web sites, workshops, or discussion on methods of identifying additional employers.
  - c. The claimant should be left with the impression that the time spent looking for work is to equate to a full-time job.
5. How do you intend to make the contacts?
  - a. If the person can identify acceptable methods of contacting employers, then no problem.
  - b. The methods should favorably impress the employer. For example, for professional positions, a resume may be most appropriate; and for a general labor position, cold calls or an application form may be acceptable.
6. In order to determine the applicant's readiness for an interview, identify a job that would be appropriate for this individual, and ask him or her: Why should I hire you?
  - a. If the person can tell you about his experience/background, and is able to articulate verbally or in writing something about his skills, abilities, and desire that makes him a good candidate for the job, then there is no problem.
  - b. If the person struggles to articulate why he should be hired, consider providing information on interviewing techniques.

## Appendix C

### *A. Case 1*

**Key Points of Assessment:** Married mother of 3 school-aged children; past 12 years employed as a customer service representative for insurance company; technology skills up-to-date; making satisfactory emotional adjustments, loss of health insurance coverage most troubling.

**Action Plan:** Review employers that hire customer service representatives and provide list, if necessary. Require attendance at job search workshop. Research insurance coverage options, especially for children.

**Rationale:** Many possibilities for good customer service representatives in local market - list of employers (rather than list of jobs) increases opportunities. 12 years since last job search, needs updating. Demonstrate concern by taking action to help with significant financial problem.

### *Case 2*

**Key Points of Assessment:** Ole has held three entry-level auto mechanic positions since graduation from NDSCS three years ago, wants to stay in or close to chosen field. We discussed the reason for his frequent job changes. Ole indicated that his coworkers were the cause of his job loss.

**Action Plan:** Explore related fields (sales, management, etc.) for suitability. Expand search to include other fields of interest or capability and provide specific employers to contact, if appropriate. Scheduled to attend a job retention workshop or provide job retention handouts and information.

**Rationale:** Numerous employers, but generally slow market for similar positions. Three jobs in three years indicates problem with selection/retention. Help customer understand portable skills. Continued focus on chosen field to the exclusion of other possibilities may be a recipe for continued unemployment.

### *Case 3*

*(Claim filed on Sept 4, 2004, and assessment occurred on September 7, 2004.)*

**Key Points of Assessment:** Alice was laid off in August 2004 after 27 years as a master transmission mechanic. Willing to lower wage from \$24/hr to \$15/hr. Attending Power Plant Tech program online (past year) and will complete the coursework in December. She is available for fulltime work since she is taking online courses, which she is able to complete during evening hours. Willing to relocate to get experience.

Action Plan: Will check with local shops to see if they need any additional help. Will also pursue temporary work in almost any field. Continue working with college placement officer to apply for work at out-of-state plants. Provide information/workshop for on-line/electronic resumes/applications.

Rationale: Employers in the area have no openings in this declining field. Demonstrates realistic approach to starting over in new career, and in filling the gap between now and then.

#### ***D. Case 4***

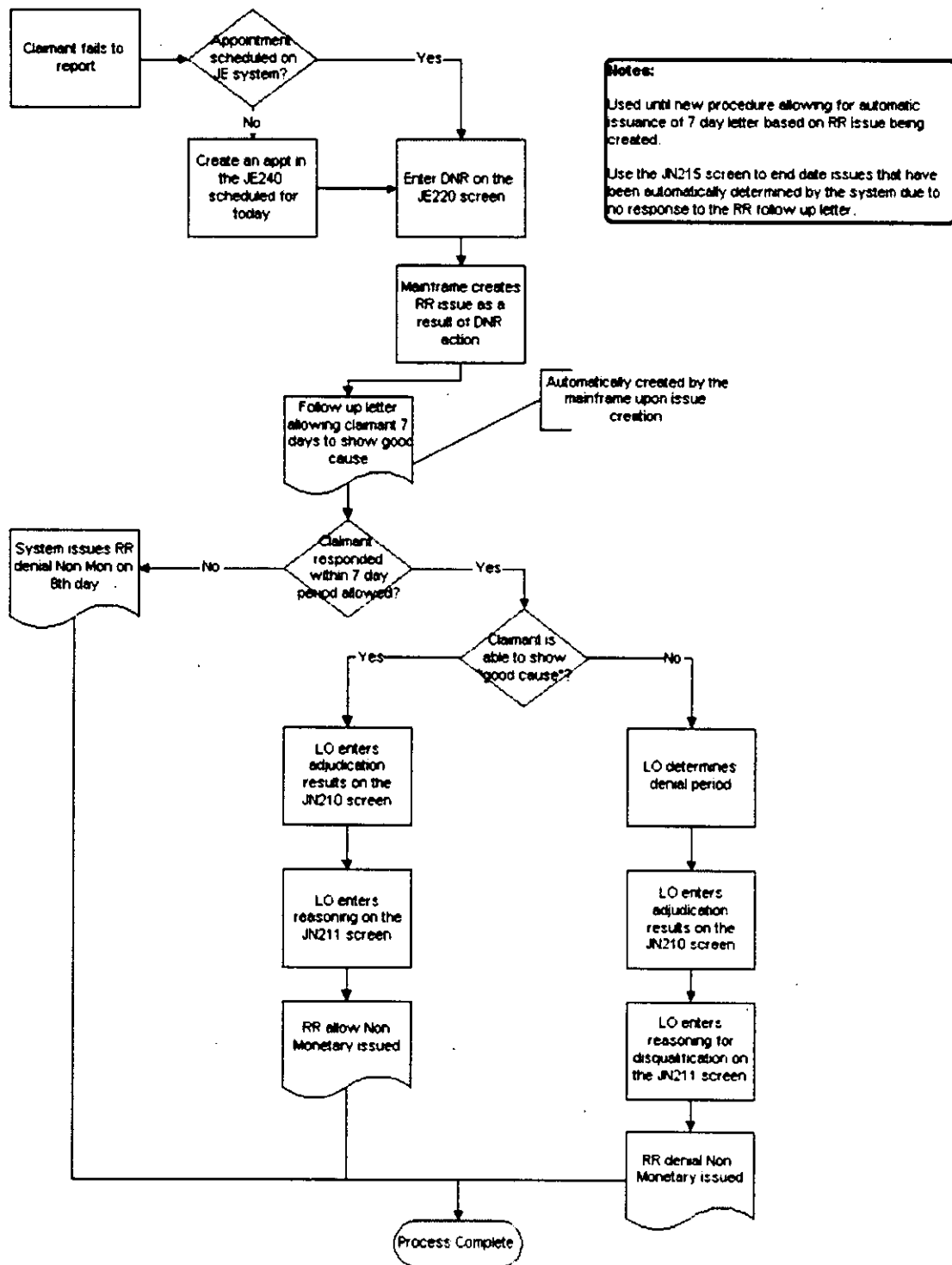
Key Points of Assessment: Single, 55 year old female. Office Manager, PR, Executive Director - nonprofits for past 6 yrs. Skills current, great with people. She is diabetic and cost of health insurance is a problem. Elderly mother in Bismarck, would move to Minot or Jamestown only.

Action Plan: Lower wage demand 38K to 30K. Confront about other relocation possibilities. Review resumes and cover letters - provide training as needed. Discuss financials - refer to Social Services for possible assistance with medications. Develop list of potential employers using Employer Locator/Employer Web Sites/Phonebooks.

Rationale: How about Dickinson and Fargo? Even executives should have their paperwork critiqued. Most job seekers benefit from help in exploring possibilities outside their area of expertise and outside the most common resources, such as newspapers and JSND job openings.

## Appendix D

## Proposed Intermediate RR Processing Method





## Appendix E

### Employer Contacts Scenario 1

Claimant, Susan Burroughs, is a CPA who was laid off from a struggling accounting firm, and, two days later, received notice from her husband that he filed for divorce. There are three primary school-aged children involved. The reemployment case manager is seeing Susan on an initial visit on Thursday, following the filing of her claim on Monday. There are seven local accounting-related jobs listed on jobsnd.com. Susan had been making \$3300 (\$39,600 annually) per month prior to her layoff. Her layoff occurred two weeks before the filing of her claim. The case manager's name is June Dayton.

June: Hi, Susan, I'm pleased to meet you, and sorry to hear about your layoff.

Susan: Hi. I should have seen it coming. We had lost several large clients in the past year. Oh, well, that's water over the dam.

June: Yes, it is. We need to focus now on getting you back to work. Have you thought about a plan for achieving reemployment? Have you already taken some steps?

Susan: Yeah, I had hoped not to have to file for unemployment because I would find another job and go back to work. I applied for two openings that I had heard about through the grapevine and didn't get an interview. That's when I thought about filing as I need to have a source of funds in case my soon-to-be ex-husband cuts me off from funds. I need money to keep my kids in childcare so I can hunt for work.

June: I'm sorry to hear about your marital problems. I know that puts additional pressure on you during this period of unemployment. It is good, however, that you already have childcare arrangements in place. Is the service reliable?

Susan: It has been very reliable. My kids are there after school and seem to enjoy it.

June: Good. Susan, when you filed your claim, the claimstaker told you that you would be responsible to do two employer contacts per week in order to maintain your UI eligibility. I want to talk about employer contacts, because they will be part of your reemployment plan. We are going to develop that plan today.

Susan: I wondered about what the employer contacts meant. I am assuming that I need to apply for two jobs per week. I believe that I need to do more than that.

June: That's good, because a thorough work search plan would, in most cases, include more than two contacts per week. We are showing seven accounting-related jobs listed in this area right now. [June shows Susan the list.] Are any of the firms you applied with on the list?

Susan: Yup, I applied at Brown and Rute and Crumm and Associates. [NOTE: These are both accounting firms.]

Given this scenario what would you say to Susan about employer contacts? What would you suggest be included in her reemployment plan? How many employer contacts should she make in the next week. How would you define "employer contacts" for her? What factors would you consider. Would you explore the application process she did go through in the preceding two weeks? Would you do any exploration of her mental state?

### Employer Contacts Scenario 2

Milo Krebs is in the tenth week of his unemployment claim. He has ten weeks remaining on his claim and receives \$150/week in benefits. Milo lost his last job at Atlas Moving due to a slow down in the industry. He had been working there for two years. Prior to working at Atlas, Milo had worked for several roofing contractors, and before that he was a delivery driver for a motel in another city. Milo is 33 years old, divorced, no dependents, and has a high school diploma.

There are four other moving companies in town, none of which are advertising for help, and all of whom Milo has contacted earlier in his search. At the time of his first 4-week (group) reemployment review, case manager Harry Mills changed Milo's minimum weekly contacts from two to three. Harry also encouraged Milo to expand his work search to include previous types of employment and to consider taking a temporary position to help extend the life of his claim and perhaps, as a way to regular employment. Milo scoffed at the idea of temporary employment, stating he would not accept anything but a regular job.

Milo attended his second 4-week review earlier today and Harry is now reviewing the contacts submitted by Milo during the group reemployment review.

- ❑ Milo reported contacting Jack's Moving again. This is the third time Milo has used this employer contact and each time the result has been "no jobs". What action, if any, should Harry take regarding this contact? Should he warn Milo about the use of the same employer as a contact? Should he stop the claim? Should he do nothing? What does the multiple use of an employer indicate about Milo's work search? What can be done to help him?
- ❑ Milo reported making two contacts during one week and four contacts during the following week. What action, if any, should Harry take as a result of this report?
- ❑ In ten of the eleven weeks in which he has certified eligibility for benefits, Mr. Krebs has reported performing the minimum required number of employer contacts. What might this indicate about Mr. Krebs, and what should his case manager do about it?

## APPENDIX F

| <b>Table 1: Activities and Timelines</b>  |                        |                              |
|---|------------------------|------------------------------|
| <b>Reporting analysis of Re-employment Study Group versus the Base-line Group</b> |                        |                              |
| <b>Activities and Timelines</b>   | <b>Base Line Group</b> | <b>Study Group</b>           |
| Early Intervention  | 5 days                 | 2 days                       |
| Contact Claimants sooner  | 5 days                 | 2 days                       |
| Initial appts scheduled   | 5 days                 | 2 days                       |
| Follow-up appts scheduled   | 30 days                | 10 days—may need % completed |
| Reemployment Review   | Within 21 days         | Within 10 days               |
| Failure to Report   | Same                   | Same                         |
| Claimant due process rights   | Same                   | Same                         |
| Adjudication  | Same                   | Same                         |

| <b>Table 2: Demographic Information</b> |                        |                    |
|---|------------------------|--------------------|
| <b>Demographic Info</b>                 | <b>Base Line Group</b> | <b>Study Group</b> |
| Gender                                  |                        |                    |
| Claimants age 19-44                     |                        |                    |
| Claimants age 45-55                     |                        |                    |
| Claimants age over 55                   |                        |                    |
| Ethnicity                               |                        |                    |
| Race                                    |                        |                    |
| Claimants Educ Background               |                        |                    |
| Claimants Primary O*NET code            |                        |                    |
| Claimants NAICs Code                    |                        |                    |

| <b>Table 3: Outcomes</b>         |  |                    |
|----------------------------------|--|--------------------|
| <b>Outcomes</b>                  | <b>Base Line Group</b>   | <b>Study Group</b> |
| Duration of Claim                |  |                    |
| Number of assessments completed  |  |                    |
| Eligibility issue determinations |  |                    |
| Service referrals                |  |                    |
| Resultant Services provided      | These measurements will not require any data input.  |                    |
| BAM                              |  |                    |
| BTQ                              |  |                    |
| Employment                       | These measures will result from having the Project manager obtain sample files and analyze those samples |                    |
| Nature of Employment             |  |                    |

|                                  |  |  |
|----------------------------------|--|--|
| Pay rate for reported employment | Salary data input into Notes for review by project manager                             |  |
| Maintaining eligibility          |  |  |
| Overpayments                     | Recorded within emulation  |  |
| Entered Employment               | This information will be found by searching the State UI wage records and WRIS records |  |
| Retained Employment              |  |  |

| Table 4: Reports               |                 |             |
|--------------------------------|-----------------|-------------|
| Reports                        | Base Line Group | Study Group |
| Duration—Monthly report        |                 |             |
| Planning team from One-Stops   |                 |             |
| Legislative Committee reports  |                 |             |
| Staffing needs reports         |                 |             |
| Contract evaluation contractor |                 |             |
| Federal Quarterly reports      |                 |             |
| Customer Satisfaction survey   |                 |             |

**Overall intent:** JSND intends to demonstrate that with the additional staffing levels and the additional activities, we can improve the effectiveness of claimant eligibility assessment, and shorten the duration of a claim.

1. We can identify applicants within NDWorks by adding "Work First " to the seeker type, and then selecting that seeker type for the appropriate seekers-"claimants with SSN ending in 3,5, or 9." Once we have a way to identify those seekers, we can create and run Discoverer reports on any data that we document.  
Documentation must be done in a consistent manner throughout all the pilot offices.
2. Mark has already set up reports based on LINC data. These reports are available on the intranet at this time.
3. If we are going to agree to collect data and record that data either within NDWorks or LINC, we should be collecting and recording similar data and recording it the same way across all pilot offices.

## APPENDIX G

### RTE1 Verification

**Purpose:** The purpose for conducting a verification of job attachment for the Return To Employer Yes (RTE1) file is to evaluate the effectiveness of current agency procedures for handling this type of claimant.

**Background:** The designation of RTE1 status is made during the claims filing process and is based on information supplied by the claimant. In general, if a claimant states that he or she will be returning to an employer or is a union member, the statement is accepted as a reasonably accurate estimate of future reemployment, and a designation of RTE1 status is attached to the claim. No work search requirement is made of the claimant except to remain available for recall with their previous employer or union.

Immediately following the claim filing, a "Notice of Claim for Job Insurance Benefits" form is mailed to affected employers, including the last employer of the claimant. This affords the employer(s) the opportunity to contest the information supplied by the claimant. In most cases initially coded as RTE1, no contradictory employer response is received and the claimant remains in RTE1 status throughout the term of their claim. If it is learned that a claimant will not be returning to their previous employer, JSND staff does change the work search requirement and the RTE1 to RTE2 – Return To Employer No status to indicate that the claimant is not attached to a particular employer.

Other than through a small number of BAM (benefit accuracy measurement) audits, no prior examination of the accuracy of RTE1 designation is known to have taken place prior to this study. Results of this verification study will provide baseline data for any subsequent investigations of this matter.

**Participating Offices:** Beulah, Devils Lake, Dickinson, Grafton, Jamestown, New Town, Rolla, Valley City, Wahpeton, Williston.

**Sequence of Events for Conducting the Verification:** The Project Coordinator will initiate and monitor all aspects of the RTE1 Verification.

1. By October 3, 2005, the Project Coordinator will prepare a coded letter inviting participating offices to a conference call regarding the RTE1 Verification.
2. By October 28, 2005, conduct a conference call to explain the verification process, what an acceptable verification consists of, and to answer any questions from participating offices.
3. During the week of November 7-10, select claimants for verification from the "SSN Detail" file of the Reemployment Management Reports for the week ending November 5, 2005.

- Select every third (3,6,9,12,15,18) claimant from the RTE1 sort for each participating office until a total of 6 (six) are achieved (five active, one reserve, in case a verification cannot be made). In the event that insufficient claimants are filing during the week, select as many as possible by first using the method above, and then begin to select every other claimant (2,4,6, etc.). In the event both methods produce an insufficient number of claimants, make additional selections during the week ending November 12, 2005, being careful not to make duplicate selections.
  - Conduct research using the JB500, CP520, and JT611 LINC screens, as well as the FileNet system to identify the most recent employer or union status, their contact information, and whether or not they have responded affirmatively to the "Notice of Claim for Job Insurance Benefits".
  - By November 15, 2005, create and send Excel files to all participating offices containing five claimants to be verified. The files are to be constructed so as to contain the claimant name and social security number; employer or union name, address, and phone number; a yes/no verification selection; and a remarks column. The Project Coordinator should complete documentation for any claimants whose status has been verified using a previous response from the employer (FileNet) prior to sending the file to the offices. Verifications with the same employer involving more than one office should be combined to avoid making multiple contacts. The Project Coordinator should alert offices to these situations and assist them in determining which office will conduct the verifications.
4. By November 30, 2005, participating offices must complete the verifications, document and return the Excel file to the Project Coordinator.

The Project Coordinator will next compile and analyze the verifications submitted by the offices, and issue a report of findings to the Project Team. Included in the report should be any recommendations for conducting additional RTE1 verifications.

## APPENDIX H

Date

Name

Address

City, State ZIP

Dear <Claimant's Name>:

Welcome to the Work First Project!

You recently filed a claim for unemployment insurance (UI) benefits. As a result of filing this claim, you have become part of a project that Job Service North Dakota is conducting with funding from the U.S. Department of Labor and the State of North Dakota. The Work First Project is designed to study the impact of intensive case management services on the duration of UI claims. Our goal is to decrease the time it takes for you to return to the workforce, which would lessen the impact that unemployment has on you and the state's economy.

What does the Work First Project mean for you? For the duration of your UI claim, you will be assigned to a Case Manager at your local Job Service office. Your Case Manager will work with you to develop and implement an intensive work search strategy that will include a series of employment workshops and other job search activities, which include:

- Orientation as to the temporary nature of unemployment benefits;
- Scheduling an early face-to-face appointment;
- Requiring that you complete at least one online resume by the close of business on the day of your initial appointment; and,
- Advising you that you have been selected for the Work First Project.

If they have not already done so, your local Job Service office will contact you to schedule your first appointment. By 5 pm on that appointment date, you must have an up-to-date resume entered on the Job Service website at [www.jobsnd.com](http://www.jobsnd.com).

Failure to comply with guidelines assigned by Job Service may result in interruption of your UI claim.

Sincerely,

## APPENDIX I

Date

Name

Address

City, State ZIP

Dear <Claimant's Name>:

As a participant in the Work First Project, you have been randomly selected to provide verification of your employer contacts for the week of \_\_\_\_\_.

Please provide this information to your Job Service Case Manager within 5 days of the date of this letter to avoid an interruption in your unemployment insurance benefits.

Verification documents could include, but are not limited to, Employer Contact Verification cards or copies of applications or resumes you submitted to an employer either on paper or online.

If you have questions, please contact your Job Service Case Manager.

Sincerely,



## APPENDIX J

### Work First Project

#### Script for Initial Telephone Contact Prepared March 31, 2005

Good [morning][afternoon], Mr. Smith, this is Sally Black calling from the [Bismarck] office of Job Service North Dakota. How are you today?

\_\_\_ Mr. Smith, I'm calling because I learned that you filed an Unemployment Insurance claim yesterday. The Legislature has authorized Job Service to carry out a reemployment demonstration project with randomly selected Unemployment Insurance claimants.

\_\_\_ Our random selection criteria is those new claimants, filing after April 1, 2005, whose social security numbers end in either 3, 5, or 9. Since your social security number ends in [3][5][9], you have been selected to be in the project.

\_\_\_ The purpose of this project, Mr. Smith, is to provide intensive reemployment services to the project participants to see if we can get them back to work very quickly. I have been assigned to work with you to develop a plan for those services, and to help you carry out that plan.

\_\_\_ In order to get a jump start on providing services to you, Mr. Smith, I need to [see you][meet you] as soon as possible. Are you available to meet with me [tomorrow at 9:00 a.m.]?

You are? Good, then I will be waiting for you at [9:00 a.m.] here at our offices on [1234 5<sup>th</sup> Street].

Mr. Smith, I know that you will enjoy participating in this project, and will appreciate the possibility of getting back to work as quickly as possible. I certainly look forward to working with you. \_\_\_ However, I need to tell you that while we are working together, I will set out some requirements – like meeting with me tomorrow at [9:00] – that must be met if you are to remain eligible to draw benefits.

Thanks again, Mr. Smith. Do you have any questions?

## APPENDIX K

### TRACKING AND REPORTING GUIDE

Initial Contact Services to be entered into NDWorks

Seeker Type-Core Basic/General/ Seeker Type

Job Seeker Provider Employer Administrative Finance Reports Help Window ORACLE

Ver: 2.1.53

GENERAL Additional Military Service Desired Employment Desired Location Employment History Skills

SSN 999-99-7654 Name Randy First  
Status Active Legal Randy

Home  
Street 1000  
Zip 58554 City

More Details Resident? Yes No  
De-Register ☒

Job Seeker Types

Find %

Seeker Type

Claimant-Work First  
Claimant-Regular  
Career Express

Find OK Cancel

Choices in list: 6  
Record: 1/1

## Assessment-Enter Assessment information in Seeker Notes

Back - - Search Favorites Media -

Address <http://itdndworks3.itd.nd.gov/dev60cgi/itcg60.exe?form=startup.fmx>

Job Seeker Provider Employer Administrative Finance Reports Help Window **ORACLE**

Seeker Notes Ver: 2.1

**JOB SERVICE North Dakota** Name: **Randy Spitzer** SSN: **999-98-7654**

| Note Date  | Subject    | Employment Representative | Source              | Action Date |
|------------|------------|---------------------------|---------------------|-------------|
| 03/31/2005 | Assessment | SUSAN GUNSCH              | Core Services Basic |             |
|            |            |                           |                     |             |
|            |            |                           |                     |             |
|            |            |                           |                     |             |
|            |            |                           |                     |             |

Note

Enter assessment information here:

Record: 1/1

- 1) Reemployment Review Conducted in Core Services/Extended/Services Provided
- 2) Labor Market Information- Core Services/Extended/Services Provided

Job Seeker Provider Employer Administrative Finance Reports Help Window **ORACLE**

Core Services Extended Ver: 2.1

**JOB SERVICE North Dakota** Name: **Randy Spitzer** SSN: **999-98-7654**

Certificate Education Skills Resume **SERVICES PROVIDED** Relevant Education

| Description                     | Date       | Job Title | Comments |
|---------------------------------|------------|-----------|----------|
| LABOR MARKET INFORMATION        | 03/31/2005 |           |          |
| REEMPLOYMENT REVIEW - CONDUCTED | 12/15/2003 |           |          |
|                                 |            |           |          |
|                                 |            |           |          |
|                                 |            |           |          |
|                                 |            |           |          |
|                                 |            |           |          |
|                                 |            |           |          |
|                                 |            |           |          |

Record: 2/2

## Workshop Activity to be entered in NDWorks

Enter each workshop separately- Core Services/Extended/Services Provided

\*\*\*There must be two entries for each workshop to receive credit for Profiling\*\*\*

Address <http://itdndworks3.itd.nd.gov/dev60cgi/itcgi60.exe?form=startup.fmx>

Job Seeker Provider Employer Administrative Finance Reports Help Window **ORACLE**

Core Services Extended Ver: 2.1.1

**North Dakota** Name: Randy Spitzer SSN: 999-98-7654

Certificate/Education Skills Resume SERVICES PROVIDED Relevant Education

| Description                          | Date       | Job Title | Comments         |
|--------------------------------------|------------|-----------|------------------|
| Audio Transcription-Walk In Schedule | 12/15/2003 |           |                  |
| JOB SEARCH RELATED WORKSHOP - REPORT | 03/31/2005 |           | Interviewing     |
| JOB SEARCH RELATED WORKSHOP - COMPLE | 03/31/2005 |           | Interviewing     |
| JOB SEARCH RELATED WORKSHOP - REPORT | 03/31/2005 |           | Basic Job Search |
| JOB SEARCH RELATED WORKSHOP - COMPLE | 03/31/2005 |           | Basic Job Search |
|                                      |            |           |                  |
|                                      |            |           |                  |
|                                      |            |           |                  |
|                                      |            |           |                  |
|                                      |            |           |                  |

Record: 5/5

## Referral to Job Order

Enter all job referrals – Employer/Jobs/Job Orders (select the correct job order)/Referrals tab/Referral Type (drop down list)

The screenshot shows the Job Service North Dakota application interface. A dialog box titled "Referral Status Type" is open, displaying a list of referral types: "Application/Resume Received - Sent", "Sending Job Seeker Profile", and "Provided Name to Employer". The dialog box has a "Find %" search field and "Find", "OK", and "Cancel" buttons. In the background, the main application window is visible, showing the "Job Orders" tab and a table of job orders. The table has columns for "SSN" and "Seeker". The first row shows "998-76-5432" and "Wayne Brostrom". The "Status" column shows "Not Active". The "Referrals" column shows "Referrals: 0". The "Job Order" column shows "Job Order: 1". The "Additional" column shows "Additional: 0". The "Summary" column shows "Summary: 0". The "Job Service North Dakota" logo is visible in the top left corner. The "ORACLE" logo is visible in the top right corner. The "Ver:" label is visible in the top right corner.

| SSN         | Seeker         | Status     | Referrals    | Job Order    | Additional    | Summary    |
|-------------|----------------|------------|--------------|--------------|---------------|------------|
| 998-76-5432 | Wayne Brostrom | Not Active | Referrals: 0 | Job Order: 1 | Additional: 0 | Summary: 0 |

Select one (that most accurately describes the action you have taken).  
Click OK and save.


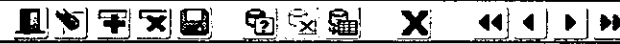
Enter all services as provided - Core Services/Extended/Services Provided  
 \*\*\*There must be two entries for those services with a dual entry including  
 "Reported" and "Completed" to receive credit for Profiling\*\*\*

37

## Wages for Post UI Claim Employment

Enter wages of employment gained through reemployment activities in  
Seeker Notes

Job Seeker Provider Employer Administrative Finance Reports Help Window **ORACLE**

Seeker Notes   Ver: 2.1.

Name: Randy Spitzer SSN: 999-98-7654

| Note Date  | Subject                  | Employment Representative | Source                 | Action Date |
|------------|--------------------------|---------------------------|------------------------|-------------|
| 03/31/2005 | Reemployment Information | SUSAN GUNSCH              | Core Services Extended |             |
|            |                          |                           |                        |             |
|            |                          |                           |                        |             |
|            |                          |                           |                        |             |
|            |                          |                           |                        |             |

Note

Randy has been hired by Job Service ND earning \$100/hr

Record: 1/1

**JSND-4044 (4-05)**

Job Service North Dakota is a Proud Member of America's  
Workforce Network.<sup>SM</sup>



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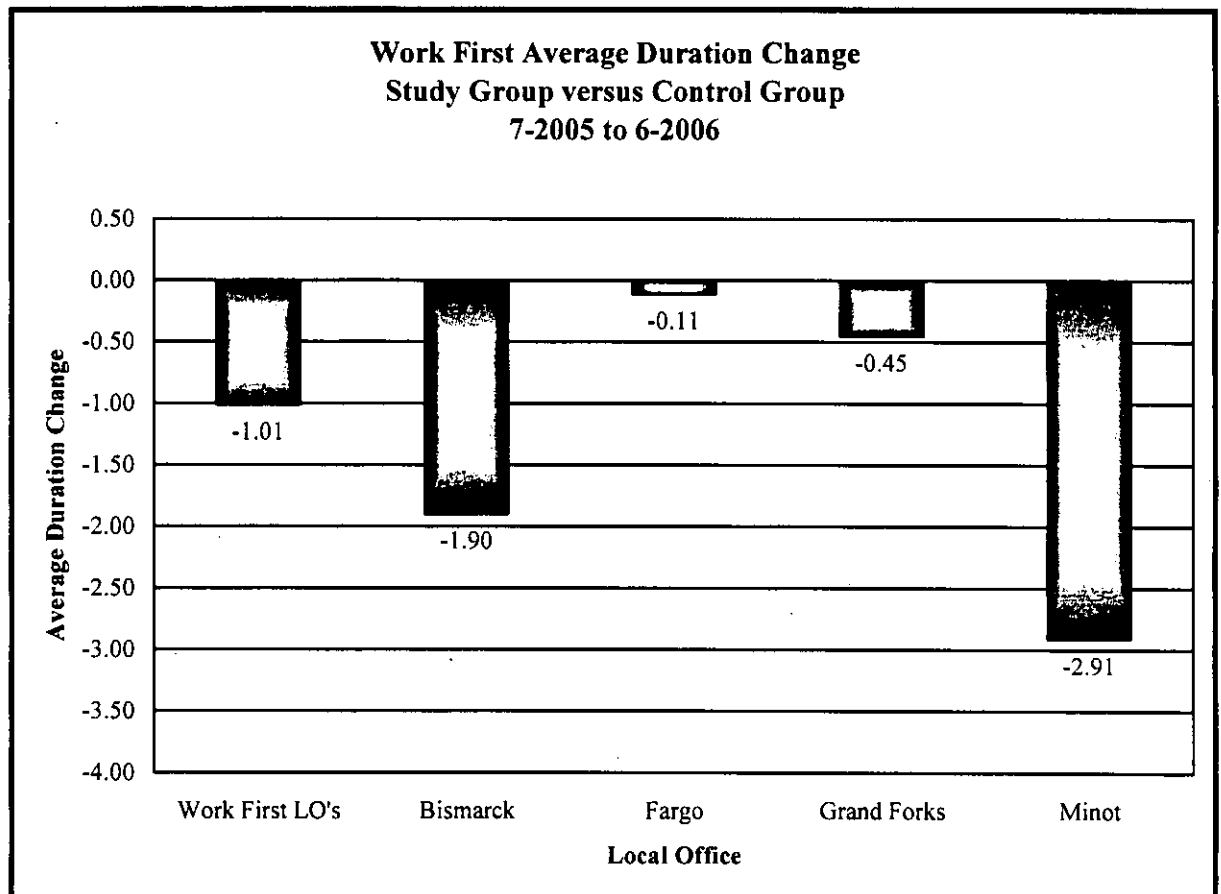
Job Service North Dakota is an equal opportunity employer/program  
provider. Auxiliary aids and services are available upon request to  
Individuals with disabilities.



C

# Appendix C

| Work First Local Offices, RTE is No, Average Duration |                             |                                   |                   |                     |   |                 |
|---|-----------------------------|-----------------------------------|-------------------|---------------------|---|-----------------|
| Period  | 3, 5 or 9<br>Study<br>Group | not 3, 5 or 9<br>Control<br>Group | 6/30/2006<br>Goal | Monthly<br>Progress | Months<br>Available<br>to Reach<br>Goal | Monthly<br>Goal |
| 7-2004 to 6-2005                                      | 10.04                       | 9.81                              | -1.23             |                     | 12                                      | -0.1025         |
| 8-2004 to 7-2005                                      | 9.83                        | 9.75                              | -1.08             | -0.15               | 11                                      | -0.0982         |
| 9-2004 to 8-2005                                      | 9.76                        | 9.90                              | -0.86             | -0.22               | 10                                      | -0.0860         |
| 10-2004 to 9-2005                                     | 9.76                        | 9.89                              | -0.87             | 0.01                | 9                                       | -0.0967         |
| 11-2004 to 10-2005                                    | 9.68                        | 9.84                              | -0.84             | -0.03               | 8                                       | -0.1050         |
| 12-2004 to 11-2005                                    | 9.40                        | 9.74                              | -0.66             | -0.18               | 7                                       | -0.0943         |
| 1-2005 to 12-2005                                     | 9.19                        | 9.62                              | -0.57             | -0.09               | 6                                       | -0.0950         |
| 2-2005 to 1-2006                                      | 8.96                        | 9.57                              | -0.39             | -0.18               | 5                                       | -0.0780         |
| 3-2005 to 2-2006                                      | 8.63                        | 9.42                              | -0.21             | -0.18               | 4                                       | -0.0525         |
| 4-2005 to 3-2006                                      | 8.59                        | 9.44                              | -0.15             | -0.06               | 3                                       | -0.0500         |
| 5-2005 to 4-2006                                      | 8.48                        | 9.50                              | 0.02              | -0.17               | 2                                       | 0.0100          |
| 6-2005 to 5-2006                                      | 8.45                        | 9.64                              | 0.19              | -0.17               | 1                                       | 0.1900          |
| 7-2005 to 6-2006                                      | 8.51                        | 9.52                              | 0.01              | 0.18                |   |                 |



D

Budget Update Information

Presented by Korrine Lang  
Job Service North Dakota

to the

Economic Development Committee  
Representative Rick Berg, Committee Chairman

Wednesday, June 21, 2006

Chairman Berg, members of the Economic Development Committee, I am Korrine Lang, representing Job Service North Dakota. I am here today to update you on Job Service North Dakota's budget situation.

Job Service North Dakota is unique in that virtually 100% of our workforce programs are federally funded but state administered and locally delivered. Due to significant nationwide cuts in the federal budget, along with increasing costs, this structure has created a challenging budget situation for Job Service North Dakota. We responded to this budget challenge by working to find the right fit within the budget structure. We called this process the Job Service North Dakota right size budgeting process. The major budget impacts totaled approximately \$3.8 million including:

- Job Service North Dakota would need to absorb a cut of about \$1,000,000 in federal program funding.
- Increases for costs such as salary/fringe benefits and inflationary increases for operational costs would also have to be absorbed. These increases were approximated at \$800,000.

- The right size budget would be developed on a baseline that did not include any special, competitive grants funding or carryover of budget balances. This impact was quantified at approximately \$2,000,000. The reasoning for this budget assumption was that the right size budget should meet the baseline budget for ongoing, recurring costs. Special, competitive grant funding and carryover should be for special needs or projects not included in the baseline budget.

Agency leadership held numerous discussions regarding how Job Service North Dakota would, within the right size budget, continue to meet the needs of our customers; maximize our technology investments; and continue to be the provider of choice for workforce development needs throughout North Dakota. A number of rightsizing strategies were implemented to meet budget constraints. We implemented several ideas that were brought forward from staff; we reduced and continue to reduce our operational expenses; and we discussed how we will deliver our services in the future with less staff.

The Agency Planning Team has been restructured to align with a business model designed to build value in our workforce services through effective delivery in a predominantly technological environment. The core functions under this model for Job Service North Dakota are twofold - central office functions and service office functions. Accountability and performance are integral to all of these functions. They break out as follows:

**Central Office functions** - design of products, services and customer service delivery, labor market information, management information systems, state and federal program administration (guidance and reporting), and operations (procurement, human resources, finance, legal and marketing).

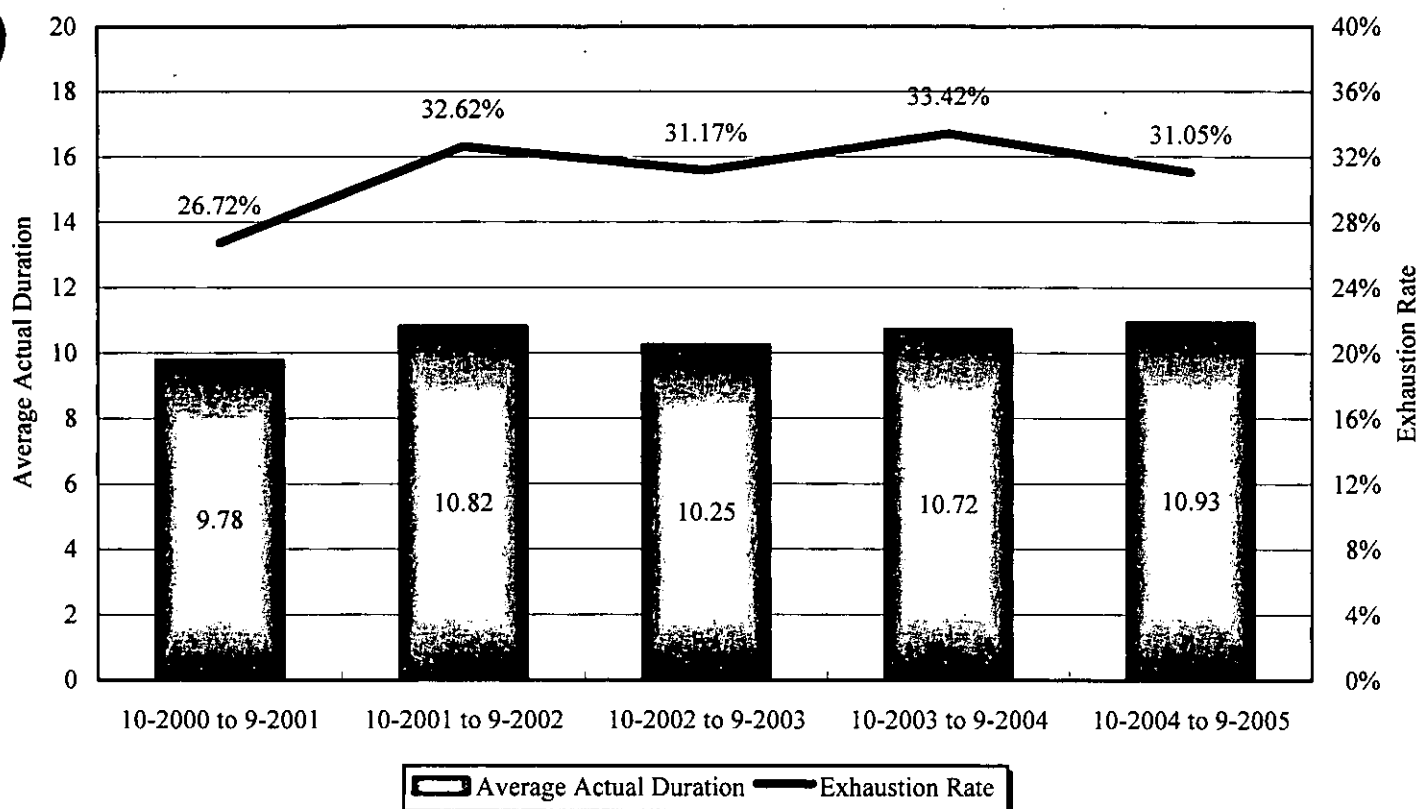
**Service Office functions** - deliver standard services and products to meet customer needs within a cohesive structure of standard operation procedures, processes and systems. The local office structure was reorganized with consistent staffing patterns of large, medium and small offices. The decision on rightsizing staff within these offices was based on specific demographic data including population, labor force, number of firms and unemployed workers.

Job Service North Dakota minimized the number of necessary staff reductions by not filling vacant positions within the agency throughout the past year and by offering a voluntary retirement incentive program to eligible employees. Through attrition, we were able to reduce 43 vacant positions and were still forced to enter into a reduction-in-force. Effective June 30, 2006, 13 staff members were laid off. This is approximately a 15% reduction in staffing.

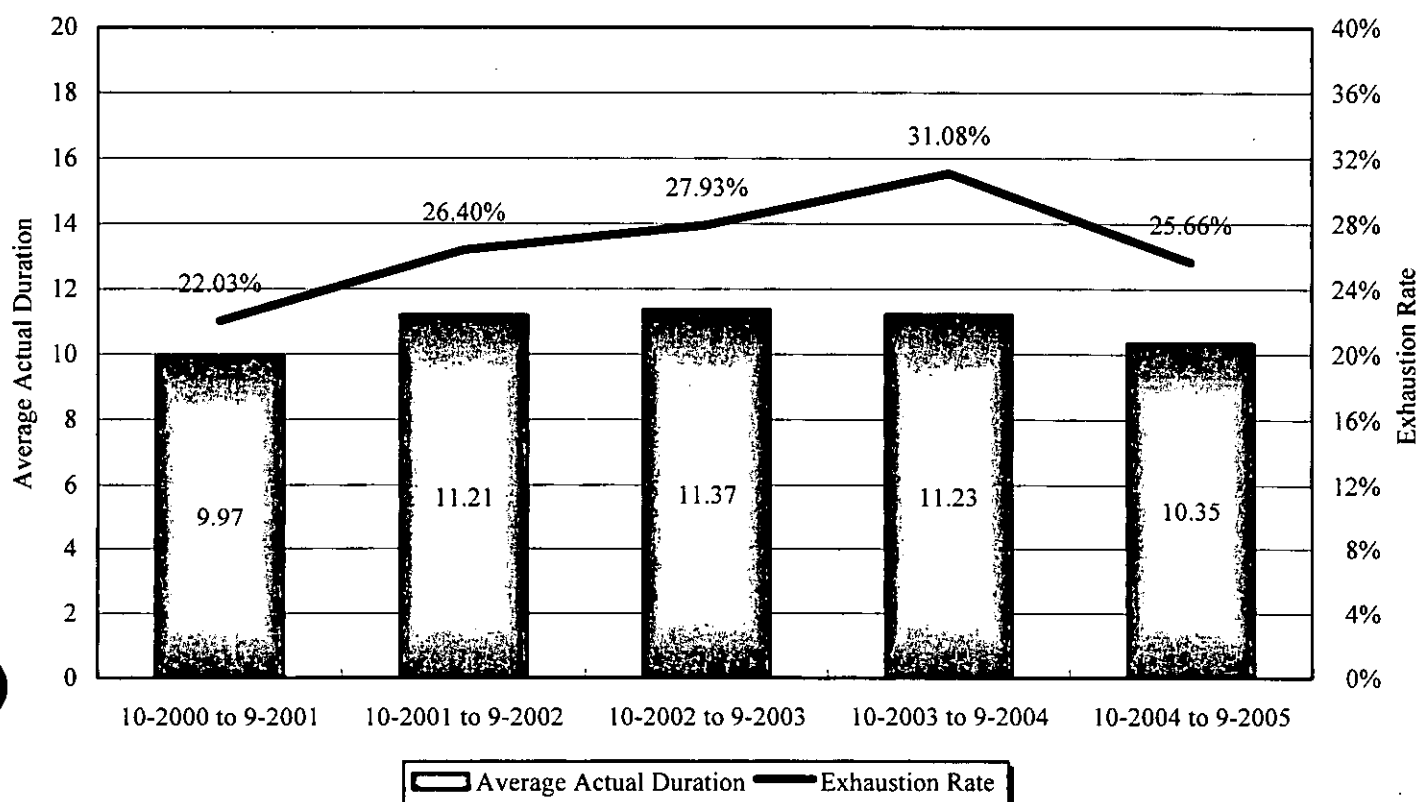
Budget development going forward continues to be a concern since we expect further federal budget cuts in the future. Costs will continue to increase for employee salary and related benefit adjustments, and for general and specific price increases for operating expenses. These are unavoidable costs that we must fund. With flat to declining federal funds we will be unable to maintain the purchasing power of the present budget. If there are no State funds provided for these purposes, Job Service North Dakota will develop a plan to address those needs that are high priority and, therefore, must be funded even if additional budget cuts and/or significant reductions in planned carryover of funds must be implemented to do so.

E

## Average Actual Duration &amp; Exhaustion Rate - Return to Employer is Yes



## Average Actual Duration &amp; Exhaustion Rate - Return to Employer is No





F

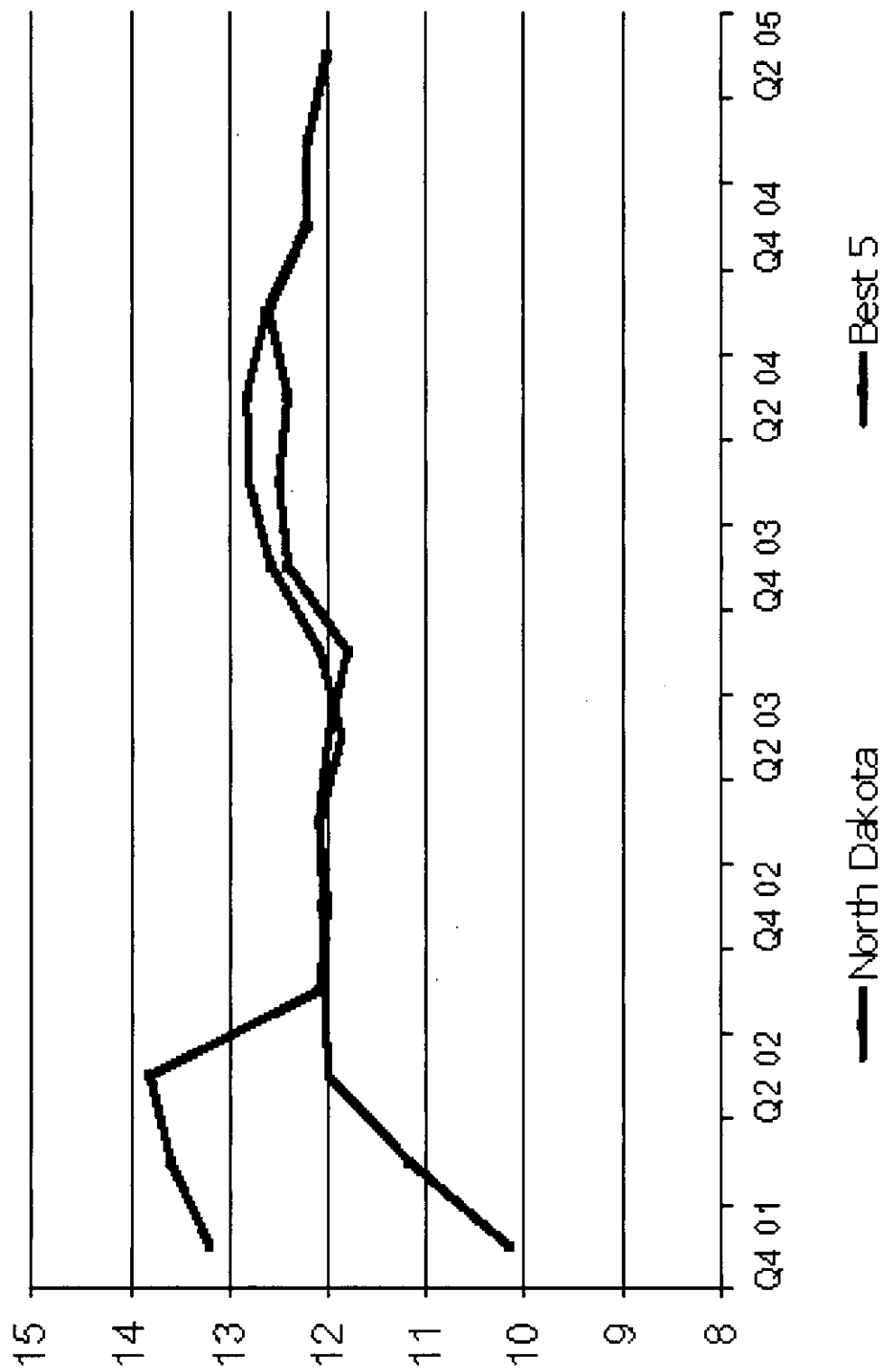
## Unemployment Rate and Caseload

|                      | Jun-04  | Jun-05  |
|----------------------|---------|---------|
| Unemployment Rate *  | 3.40%   | 3.40%   |
| Civilian Labor Force | 353,982 | 354,175 |
| Number Unemployed    | 11,927  | 12,153  |
| UI Caseload          | 2,183   | 1,824   |

\* Seasonally Adjusted

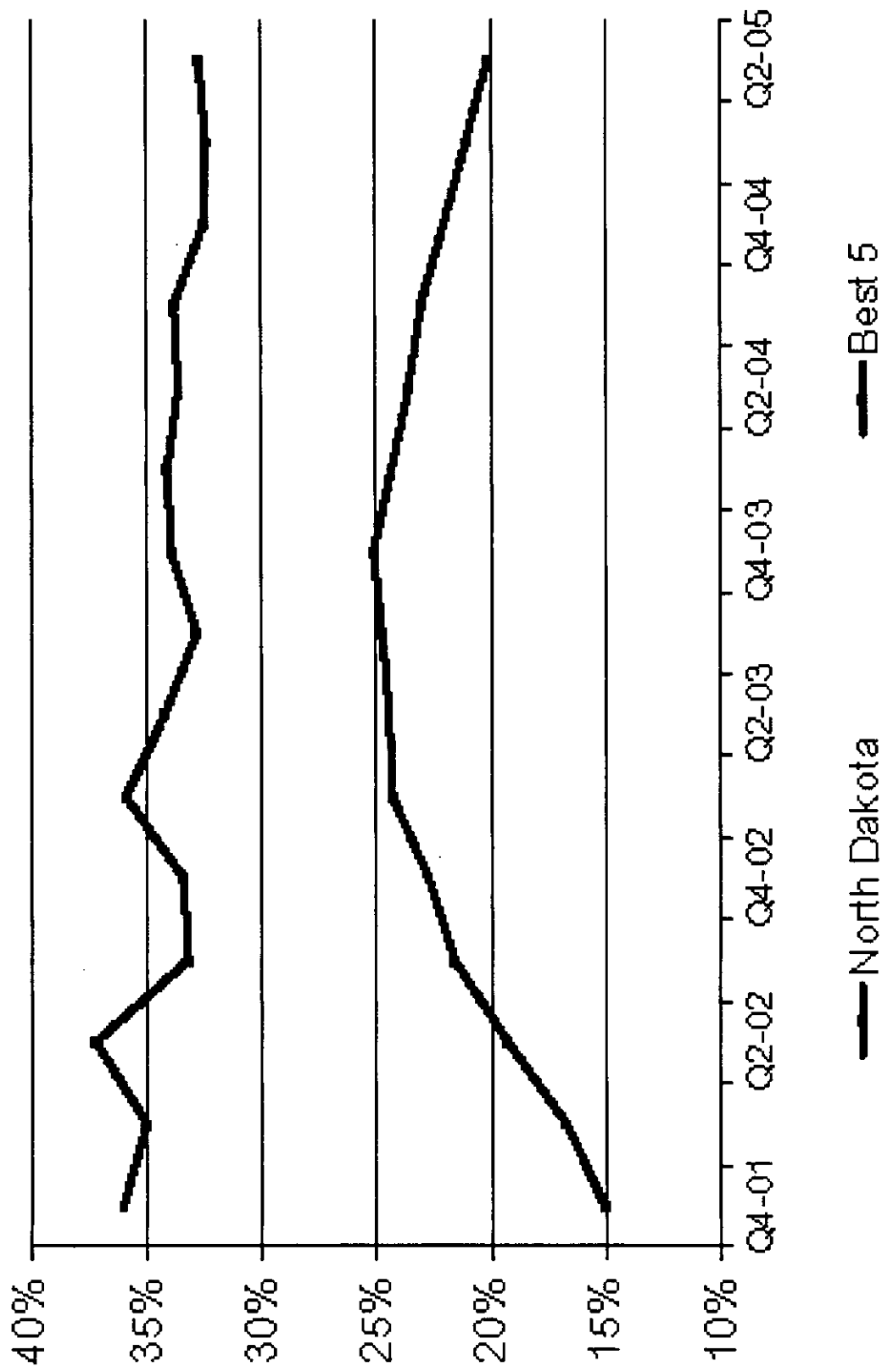
Data from American Institute for Full Employment

# Claim Duration (weeks) Quarterly Data



Data from American Institute for Full Employment

## Exhaustion Rate Quarterly Data



Data from American Institute for Full Employment

| July 2004 - June 2005 Average |      |      |       |      |
|-------------------------------|------|------|-------|------|
|                               | Best | Best | ND    | ND   |
|                               | 5    | 10   | 04-05 | Rank |

**CLAIM DURATION**      The average number of weeks a claimant received benefits      12.5      13.0      12.3      1

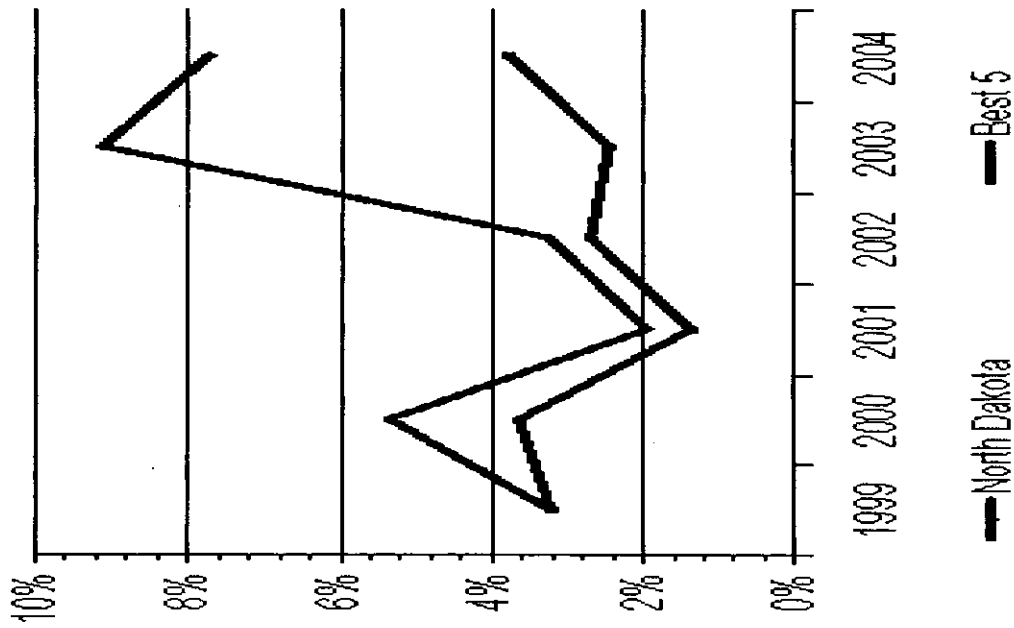
**EXHAUSTION RATE**      The average percentage of UI claimants that exhausted their benefits      21.6%      24.3%      32.9%      17

|  | Best | Best | ND   |  |
|--|------|------|------|--|
|  | 5    | 10   | 2003 |  |

**COST SHIFTING**      The % of claim charges related to an average employer's account that are subsidized by all taxed employers (inverse of the Experience Rating Index 100-ERI)      32.4%      37.4%      20%

Data from American Institute for Full Employment

# Overpayment Rate



| Best | Best | ND   | ND   |
|------|------|------|------|
| 5    | 10   | 2004 | Rank |

## OVERPAYMENT RATE

Percent by which the state erroneously overpaid on claims

3.77% 4.39% 7.72% 20

## UNDERPAYMENT RATE

Percent by which the state erroneously underpaid on claims

0.11% 0.16% 0.23% 9

## OPEN DATABASE

How much has the state opened its database of unemployed to employers seeking workers for job openings? Open, Partial, Closed

Partial

July 2004 - June 2005 Average

ND

'04-'05

## Lost Jobs in the Economy

### LOST JOBS IN THE ECONOMY

Equivalent number of jobs lost from claimants having a longer average claim duration than the Best 5 state average

-57 Duration for this state is one of the country's top 5

North Dakota State Duration 12.28  
Best 5 Duration - 12.51  
Weeks Lost per Claimant -0.23

### TOTAL UI BENEFITS PAID\*

\$36 million

\* June 2004 thru June 2005 data

Weeks Lost per Claimant

July 2004 - June 2005 Average

Lowest 5 Lowest 10

ND ND

'04-'05

Total Claimants

X 12,919

UI TAX COST PER EMPLOYEE

37

The average annual amount of UI taxes paid by an employer per employee \*\*

\$81.25 \$109.69 \$303.20

Total Weeks Lost

-2,971

Weeks per Job (52)

÷ 52

WAGE REPLACEMENT RATE

48

The average amount of weekly UI benefits paid per claimant divided by the average amount of weekly wages earned

Total Jobs Lost

-57

\*\* Taxable wage data lags other data by two quarters

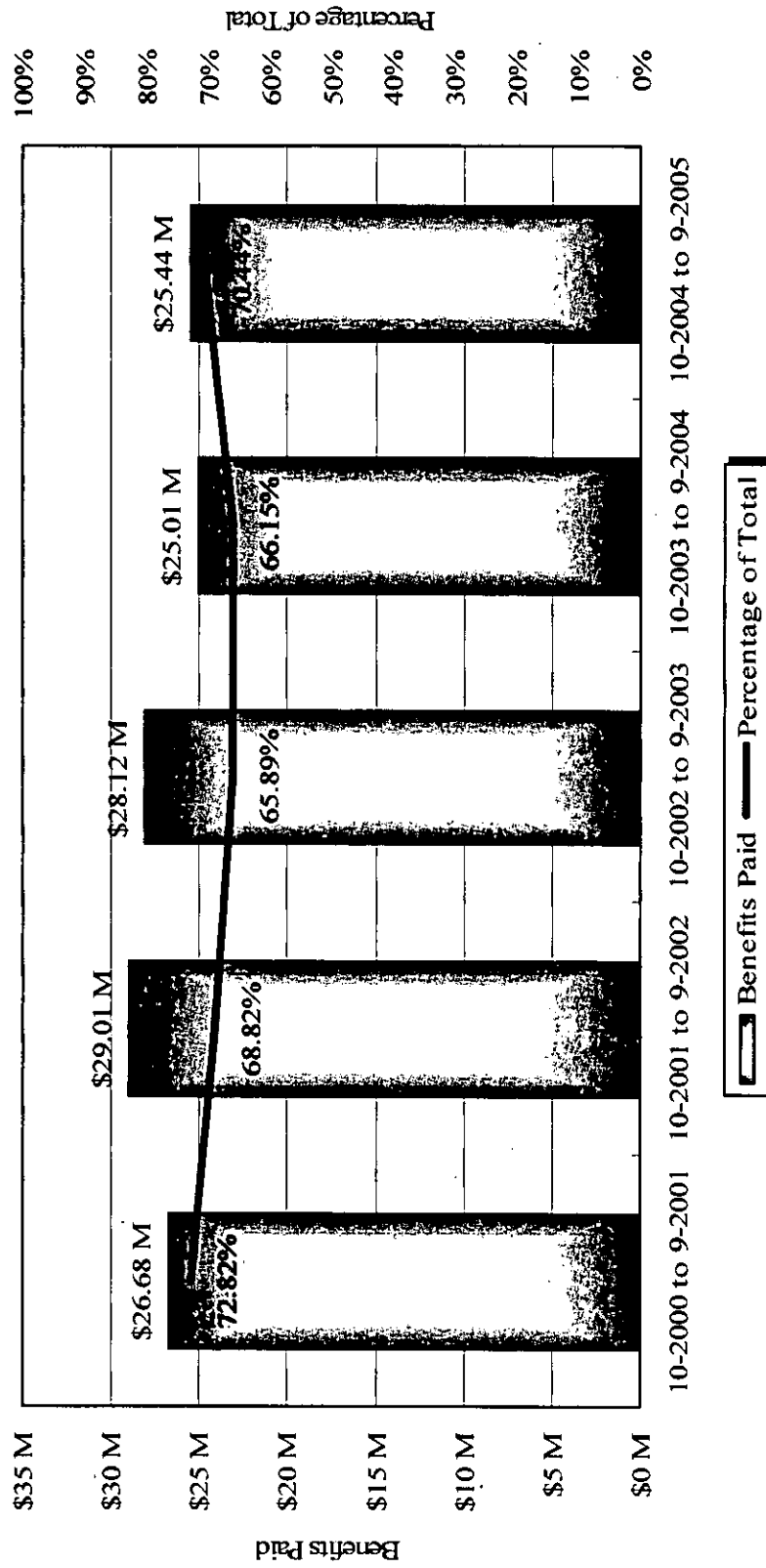
Data from American Institute for Full Employment

G



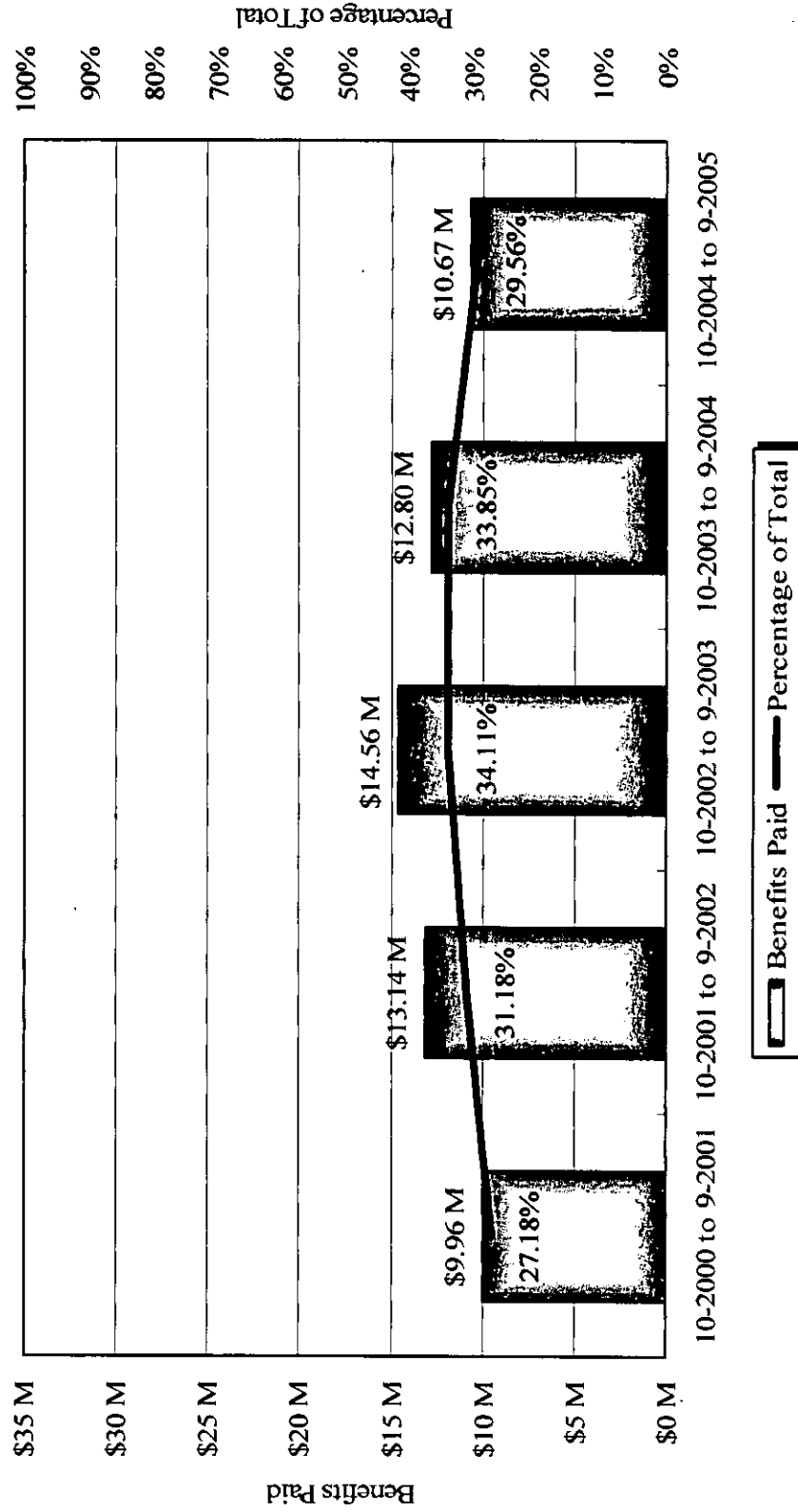
# Benefits Paid & Percentage of Total Return to Employer Yes

Benefits Paid & Percentage of Total - Return to Employer is Yes



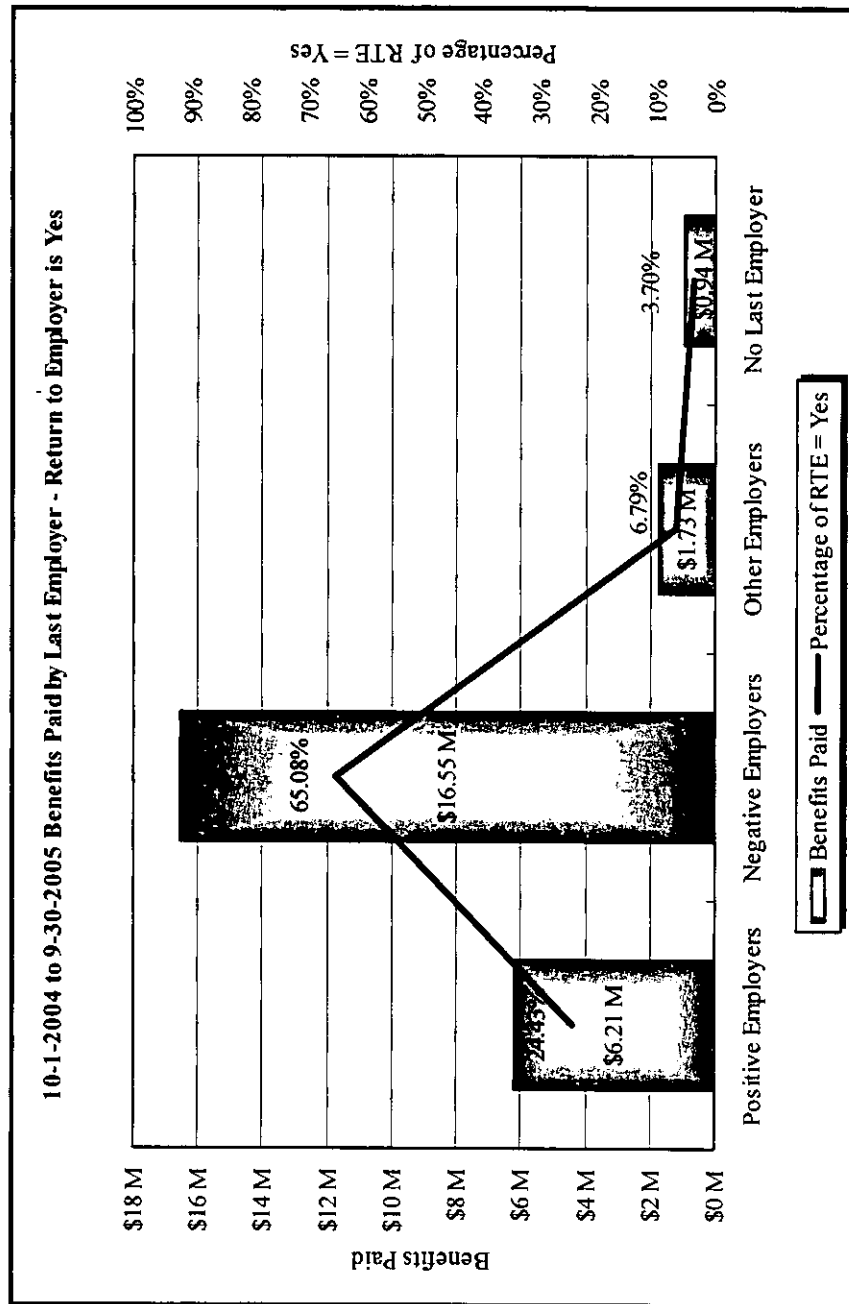
# Benefits Paid & Percentage of Total—Return to Employer No

Benefits Paid & Percentage of Total - Return to Employer is No

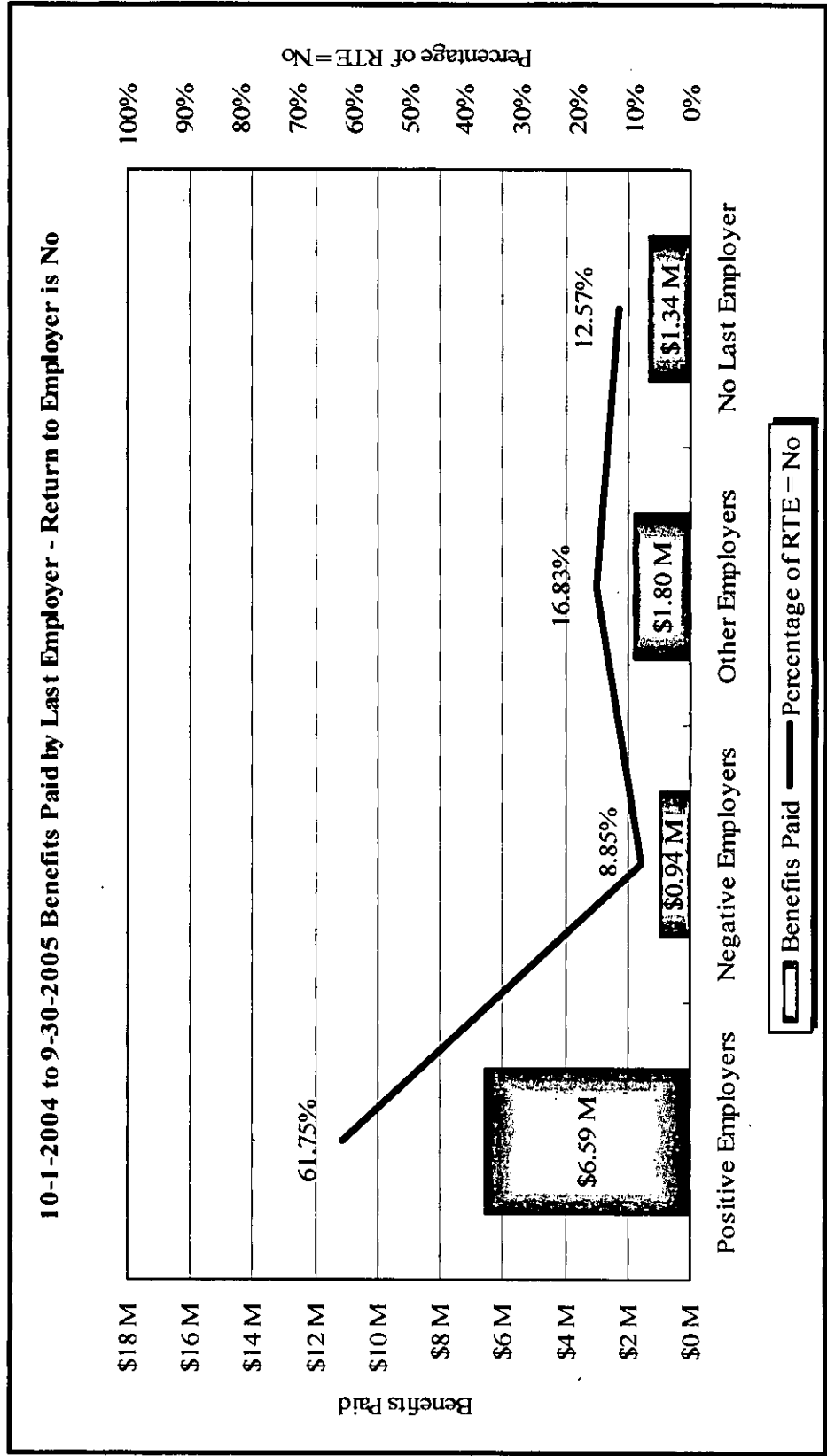


H

# Benefits Paid by Last Employer Return to Employer is Yes



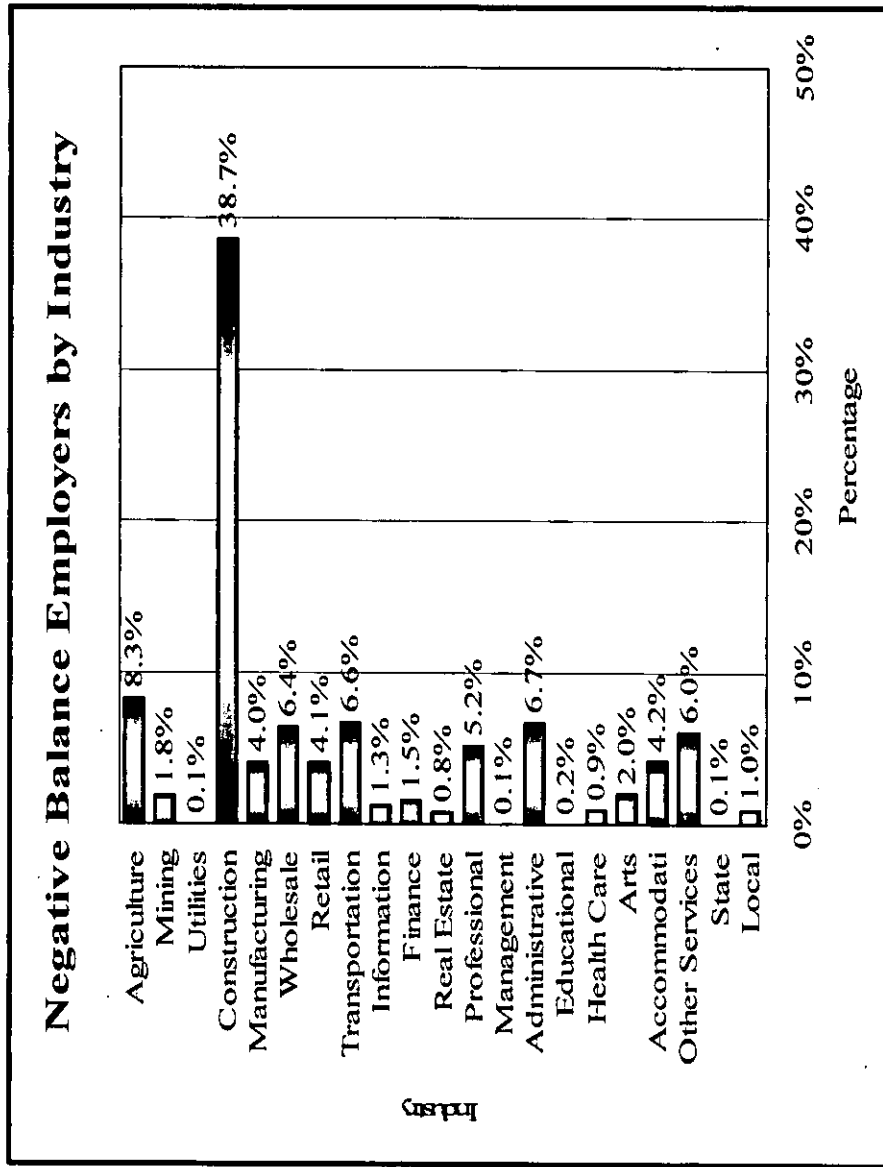
# Benefits Paid by Last Employer Return to Employer is No



I

# Negative Balance Employers by Industry

|                |       |
|----------------|-------|
| Agriculture    | 147   |
| Mining         | 32    |
| Utilities      | 1     |
| Construction   | 689   |
| Manufacturing  | 72    |
| Wholesale      | 114   |
| Retail         | 73    |
| Transportation | 118   |
| Information    | 23    |
| Finance        | 26    |
| Real Estate    | 14    |
| Professional   | 93    |
| Management     | 2     |
| Administrative | 120   |
| Educational    | 4     |
| Health Care    | 16    |
| Arts           | 36    |
| Accommodations | 75    |
| Other Services | 107   |
| State          | 1     |
| Local          | 16    |
| Total          | 1,779 |



Source: CY 2005 experience rate run, negative balance employers.

Excluded if there were no recent taxable wages.

J



## Appendix J

| Categories            | Average Tax Rate | 10-1-2002 to 9-30-2003 - FY 2003 |               |               |  | 10-1-2003 to 9-30-2004 - FY 2004 |               |               |  | 10-1-2004 to 9-30-2005 - FY 2005 |               |               |  |
|-----------------------|------------------|----------------------------------|---------------|---------------|--|----------------------------------|---------------|---------------|--|----------------------------------|---------------|---------------|--|
|                       |                  | Contributions                    | Benefits      | Difference    |  | Contributions                    | Benefits      | Difference    |  | Contributions                    | Benefits      | Difference    |  |
| Positive Rated        | 0.94%            | 28,708,734.64                    | 19,429,755.28 | 9,278,979.36  |  | 30,733,560.82                    | 14,589,993.56 | 16,143,567.26 |  | 33,152,183.57                    | 14,868,408.97 | 18,283,774.60 |  |
| Negative Rated        | 8.29%            | 17,366,948.35                    | 19,197,402.83 | -1,830,454.48 |  | 20,132,537.77                    | 19,359,879.11 | 772,658.66    |  | 17,501,067.43                    | 17,757,530.93 | -256,463.50   |  |
| Negative Maximum      | 10.09%           | 236,370.78                       | 382,774.44    | -146,403.66   |  | 285,861.39                       | 328,200.68    | -42,339.29    |  | 472,566.46                       | 576,446.12    | -103,879.66   |  |
| Negative Minimum      | 6.49%            | 888,320.63                       | 1,641,123.40  | -752,802.77   |  | 256,355.11                       | 781,570.57    | -525,215.46   |  | 108,859.67                       | 455,218.30    | -346,358.63   |  |
| New - nonconstruction | 2.08%            | 3,668,333.90                     | 970,885.30    | 2,697,448.60  |  | 3,856,034.44                     | 443,440.94    | 3,412,593.50  |  | 3,916,054.53                     | 666,453.72    | 3,249,600.81  |  |
| New - construction    | 10.09%           | 1,667,588.23                     | 454,339.96    | 1,213,248.27  |  | 2,511,392.48                     | 365,308.78    | 2,146,083.70  |  | 2,409,682.85                     | 656,915.95    | 1,752,766.90  |  |
| Total                 |                  | 52,536,296.53                    | 42,076,281.21 | 10,460,015.32 |  | 57,775,742.01                    | 35,868,393.64 | 21,907,348.37 |  | 57,560,414.51                    | 34,980,973.99 | 22,579,440.52 |  |
| Positive Rated        | 0.49%            | 1,721,841.51                     | 2,359,158.74  | -637,317.23   |  | 1,770,039.69                     | 1,914,871.21  | -144,831.52   |  | 2,230,510.33                     | 2,469,736.01  | -239,225.68   |  |
|                       | 0.59%            | 1,960,219.51                     | 2,156,719.47  | -196,499.96   |  | 1,926,481.42                     | 1,185,928.57  | 740,552.85    |  | 2,284,692.85                     | 1,033,311.34  | 1,251,381.51  |  |
|                       | 0.69%            | 2,099,712.45                     | 1,034,987.36  | 1,064,725.09  |  | 2,312,060.15                     | 730,800.26    | 1,581,259.89  |  | 2,503,969.65                     | 549,991.37    | 1,953,978.28  |  |
|                       | 0.79%            | 2,296,790.20                     | 1,080,839.13  | 1,215,951.07  |  | 2,474,053.98                     | 911,598.72    | 1,562,455.26  |  | 2,751,537.52                     | 587,382.59    | 2,164,154.93  |  |
|                       | 0.89%            | 2,527,171.58                     | 1,156,647.90  | 1,370,523.68  |  | 2,851,402.22                     | 702,691.75    | 2,148,710.47  |  | 3,310,578.22                     | 566,767.14    | 2,743,811.08  |  |
|                       | 0.99%            | 2,778,440.73                     | 814,285.80    | 1,964,154.93  |  | 3,017,744.73                     | 999,317.14    | 2,018,427.59  |  | 3,041,641.75                     | 544,042.57    | 2,497,599.18  |  |
|                       | 1.09%            | 3,266,331.37                     | 1,288,761.65  | 1,977,569.72  |  | 2,803,656.15                     | 659,371.46    | 2,144,284.69  |  | 3,317,477.44                     | 793,937.29    | 2,523,540.15  |  |
|                       | 1.19%            | 3,371,608.35                     | 1,349,090.15  | 2,022,518.20  |  | 4,106,066.87                     | 1,658,551.30  | 2,447,515.57  |  | 3,481,484.35                     | 1,235,546.14  | 2,245,938.21  |  |
|                       | 1.29%            | 3,560,847.08                     | 1,851,507.17  | 1,709,339.91  |  | 3,616,844.02                     | 2,056,979.58  | 1,559,864.44  |  | 4,295,770.51                     | 2,130,020.77  | 2,165,749.74  |  |
|                       | 1.39%            | 5,125,771.86                     | 6,317,757.91  | -1,191,986.05 |  | 5,855,211.59                     | 3,769,883.57  | 2,085,328.02  |  | 5,934,520.95                     | 4,957,673.75  | 976,847.20    |  |
| Negative Rated        | 6.49%            | 2,274,815.54                     | 1,419,541.26  | 855,274.28    |  | 2,289,209.91                     | 1,174,173.57  | 1,115,036.34  |  | 2,009,168.95                     | 1,530,372.15  | 478,796.80    |  |
|                       | 6.89%            | 1,094,740.92                     | 1,101,944.26  | -7,203.34     |  | 1,616,586.21                     | 1,409,188.31  | 207,397.90    |  | 865,901.66                       | 782,682.17    | 83,219.49     |  |
|                       | 7.29%            | 815,177.43                       | 989,436.13    | -174,258.70   |  | 940,439.15                       | 715,019.23    | 225,419.92    |  | 494,443.05                       | 291,765.29    | 202,677.76    |  |
|                       | 7.69%            | 1,166,062.33                     | 964,049.61    | 202,012.72    |  | 1,578,130.53                     | 1,072,334.11  | 505,796.42    |  | 1,138,906.95                     | 811,412.62    | 327,494.33    |  |
|                       | 8.09%            | 1,760,947.17                     | 1,199,315.41  | 561,631.76    |  | 882,568.27                       | 785,044.20    | 97,524.07     |  | 1,807,634.91                     | 1,268,858.10  | 538,776.81    |  |
|                       | 8.49%            | 314,339.31                       | 310,248.33    | 4,090.98      |  | 1,495,987.94                     | 1,627,032.90  | -131,044.96   |  | 1,262,362.90                     | 1,151,127.40  | 111,235.50    |  |
|                       | 8.89%            | 2,444,164.08                     | 2,083,558.25  | 360,605.83    |  | 2,152,981.54                     | 2,177,182.18  | -24,200.64    |  | 1,939,092.67                     | 2,096,574.38  | -157,481.71   |  |
|                       | 9.29%            | 2,140,608.85                     | 2,619,017.16  | -478,408.31   |  | 2,414,465.15                     | 2,400,201.54  | 14,263.61     |  | 2,345,333.86                     | 3,210,987.39  | -865,653.53   |  |
|                       | 9.69%            | 3,084,216.23                     | 5,102,874.52  | -2,018,658.29 |  | 3,670,277.26                     | 3,664,337.70  | 5,939.56      |  | 2,839,082.56                     | 3,018,404.88  | -179,322.32   |  |
|                       | 10.09%           | 2,271,876.49                     | 3,407,417.90  | -1,135,541.41 |  | 3,091,891.81                     | 4,335,365.37  | -1,243,473.56 |  | 2,799,139.92                     | 3,595,346.55  | -796,206.63   |  |
| Negative Maximum      | 10.09%           | 236,370.78                       | 382,774.44    | -146,403.66   |  | 285,861.39                       | 328,200.68    | -42,339.29    |  | 472,566.46                       | 576,446.12    | -103,879.66   |  |
| Negative Minimum      | 6.49%            | 888,320.63                       | 1,641,123.40  | -752,802.77   |  | 256,355.11                       | 781,570.57    | -525,215.46   |  | 108,859.67                       | 455,218.30    | -346,358.63   |  |
| New - nonconstruction | 2.08%            | 3,668,333.90                     | 970,885.30    | 2,697,448.60  |  | 3,856,034.44                     | 443,440.94    | 3,412,593.50  |  | 3,916,054.53                     | 666,453.72    | 3,249,600.81  |  |
| New - construction    | 10.09%           | 1,667,588.23                     | 454,339.96    | 1,213,248.27  |  | 2,511,392.48                     | 365,308.78    | 2,146,083.70  |  | 2,409,682.85                     | 656,915.95    | 1,752,766.90  |  |
| Total                 |                  | 52,536,296.53                    | 42,076,281.21 | 10,460,015.32 |  | 57,775,742.01                    | 35,868,393.64 | 21,907,348.37 |  | 57,560,414.51                    | 34,980,973.99 | 22,579,440.52 |  |

K

# **Unemployment Insurance Compensation Survey**

## **Job Attachment Policy**

**Conducted February and March 2006**

## **Survey Results**

**Prepared by**



**Executive Director**  
Maren L. Daley

**Labor Market Information Center**  
Labor Market Information Manager  
Duane Broschat

**Product Development and Outreach Supervisor**  
Marcia Slag

**Primary Researcher**  
Kevin Iverson

**Spring 2006**

**1. Executive Summary:** This study provides a detailed analysis into the opinions of various groups as to the proposal to change North Dakota state law and Job Service North Dakota (JSND) policy regarding job attachment of unemployment insurance claimants.

Results of the study indicate that respondents' feelings toward changing the job attachment policy as it relates to JSND's Unemployment Insurance Policy is pretty much as one might expect intuitively. The group's feelings on the proposed changes pretty much reflect how the changes would affect them financially.

Employers in industries that tend to hold the perception that they subsidize negative balance employers and those struggling to find sufficient employees, tend to strongly disfavor the continuation of the current job-attached policy. Employers that have a high participation rate of job-attached employees strongly favor retention of the current policy. Among the employer groups, both those favoring change and those opposed to change, sentiments tended to be stronger with larger employers' responses.

Likewise, job-attached Unemployment Insurance (UI) Claimants also strongly disfavor any changes to the current policy. Non-job-attached unemployment insurance claimants do not tend to have a strong opinion one way or another and appear to have somewhat of a collective response of "this is not my issue." Individuals that attended public meetings concerning proposed changes to the policy tended to be the most passionate respondents in almost every issue and expressed definite feelings both ways.

**2. Background:** During the 58<sup>th</sup> Legislative Session, the following House Bill Number 1198 was passed to deal with the reemployment process and to study costs related to changes. Provided below is a copy of the bill.

Chapter 503

House Bill No. 1198

Reemployment Process and Cost Study

An act to provide for a legislative council study of reemployment processes and costs and an appropriate method for providing a limitation on the total average number of job-attached unemployment insurance claimants.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA

Section 1. LEGISLATIVE COUNCIL STUDY – REEMPLOYMENT POLICIES, PRACTICES, AND COSTS AND MEANS OF LIMITING JOB-ATTACHED CLAIMANTS – REPORT.

1. During the 2005-06 interim, the Legislative Council, with the participation of Job Service North Dakota, shall study:

## Job Service North Dakota Survey on Job Attachment Policy, February – March 2006

- a. The costs and effectiveness of the current reemployment processes utilized by Job Service North Dakota and the appropriate methods for providing those services to a substantially greater number of claimants.
- b. An appropriate method for limiting the number of job-attached claimants to those employees who are critical to the business process of the employers that temporarily laid off those employees; and
- c. An appropriate means of funding any additional costs that might be incurred as a result of implementation of the study's recommendations.

2. During the 2005-06 interim, Job Service North Dakota shall report to the Legislative Council on the progress of, and results from, the reemployment demonstration project to be carried out by Job Service North Dakota during the 2005-06 interim.

3. The Legislative Council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth legislative assembly.

Approved March 15, 2005

Filed March 16, 2005

**CURRENT JOB SERVICE NORTH DAKOTA POLICY:** Job-attached is an unemployment insurance term that is defined as: a claimant who is temporarily laid off from employment and who is likely to be reemployed upon completion of the necessary layoff period, and who will not be required to actively seek work. During this time period the job-attached claimant does NOT have to do work searches, but must be available for immediate recall.

As a result of the requirements of the law listed above, Job Service North Dakota developed a survey to measure the attitudes of both employers and unemployment claimants affected by any policy or law change.

**3. Methodology:** JSND developed two approaches to solicit input from those who would be impacted by policy changes, employers and claimants. An online survey requires the use of a personal computer with Internet capability. The paper survey was developed using the same questions and was handed out and collected at public meetings throughout the state in late February 2006.

**Questionnaire Development:** The JSND Unemployment Insurance staff developed questions selected for the study with the assistance of analysts in the Labor Market Information Center. The questions were intended to obtain opinions on a range of issues concerning a possible change in policy concerning unemployment insurance.

**Questionnaire Design:** The questionnaire primarily used the Likert scale, providing the respondent with a statement and a range of responses from Strongly Agree to Strongly Disagree. In addition, there were two multiple-choice questions and two open-ended

questions. In the online version, one of the open-ended questions was “trigger dependant.” Question 10 only appeared on the screen if the respondent chose “other” in question 9. Question 10 was limited to 100 character spaces and Question 12 was limited to 200 spaces. These limitations were intended to encourage the respondents to provide a very brief key point valid to the discussion on job attachment. A number of respondents expressed frustration with this design feature.

**Sampling Approach:** The sampling approach differed based upon whether the survey was presented at public meetings or online where an HTML format was used.

For the online survey, the selected sample group consisted of both employers and unemployment insurance claimants. Online respondents for this survey were randomly selected from two existing databases.

Employers were selected from a file of unemployment insurance reports submitted for the third quarter of 2005. Use of this time frame ensured we did not underweight the impact of companies that have a high job-attached employee participation rate such as construction firms. We projected that we would need approximately 352 total business responses to obtain a 95% confidence level with a 5% confidence interval. This would provide a perspective of the overall business - employer community, but would not be specific enough to state with certainty about stratified employment groups (by size) within the employment community. To obtain a stratified assessment of each size group of employers, we needed approximately 1,780 responses. We anticipated that response rate from business would exceed 33%.<sup>1</sup>

To provide a safe margin for our sample size, we tripled the number of businesses that we included in the survey to 5,362. This count was later reduced to approximately 4,560 when multiple address employers were removed from the survey. Information from businesses was imbedded with the appropriate three-digit business NAICS code and the number of employees employed by them in the third quarter of 2005. These embedments were done to allow for analysis at the conclusion of the survey.

Selection of UI Claimants was conducted in a manner similar to employers but there was no need to attempt to seek a stratified assessment. This survey group was similarly randomly selected from the existing pool of unemployment insurance claimants. A total of 13,620 individuals were in the database of claims submitted in 2005. We projected that we would need approximately 374 total employee responses to obtain a 95% confidence level with 5% confidence interval. We also estimated the response rate from employees would exceed 10%. Therefore, to provide a safe margin for our sample size, we multiplied our requirement for the employee sample size by 10 to equal 3,740. Claimants' information tables were imbedded with their standard occupation code and return to employer codes<sup>2</sup>.

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<sup>1</sup> There have been no previous online surveys conducted by JSND; therefore, we had no history to use to determine the expected response rate for this survey.

<sup>2</sup> Return to employer or RTE code is used to identify whether a claimant has an ongoing relationship with an employer. RTE code 1 indicates that the claimant will return to work with their previous employer when work is available. This group is not required to seek new employment while receiving UI benefits.

## Job Service North Dakota Survey on Job Attachment Policy, February – March 2006

(There is no method at this time to code claimants to employers who use job attachment or the business NAICS code.)

Each selected respondent was sent an individualized letter explaining the purpose of the survey, a discrete password and the URL address of the survey. Respondents were invited to respond to the survey.

For the paper survey, a copy was handed to every interested attendee. They were asked to complete the survey and hand them in. Neither sampling techniques nor cohort/demographic coding was possible with this group.

Data Collection: There were 1,031 responses collected. This consisted of 944 online responses and 87 completed paper questionnaires collected at the public meetings.

Of the online survey respondents, 73 letters were returned. Some individuals called stating they did not have computer access. These individuals were mailed a survey and asked to mail their responses in an envelope provided. Their responses were entered into the survey locally and are included in the online totals above.

Employer Responses: A total of 642 of the 4,502 businesses, or approximately 14%, responded to the survey. Non-construction employers responded at approximately the rate of 13%, while construction companies responded at the approximate rate of 24%. This level of employer response provided a confidence interval of +/- 3.58% at the 95% confidence level.

There were 562 non-construction employer and 80 construction employer respondents. The total number of employees directly represented by the employers that responded is estimated to be 38,122 as of the 3<sup>rd</sup> quarter 2005. This breaks out to 34,966 employees for the non-construction employer and 3,156 employees for the construction employer. The average size of non-construction employer was 60, while the average size employment of the construction employer was 39.

The size distribution of employer responses<sup>3</sup>

| Group By Size:     | 1-4 | 5-9 | 11-19 | 20-49 | 50 Plus |
|--------------------|-----|-----|-------|-------|---------|
| Non - Construction | 60  | 86  | 105   | 106   | 205     |
| Construction       | 5   | 10  | 23    | 20    | 22      |

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Those coded RTE code 2 do not have an ongoing relationship with their previous employer and are required to seek employment while receiving UI benefits.

<sup>3</sup> Twenty-one non-construction employer respondents entered the survey but did not answer any question. Their figures are not included in any total in this report.

## Job Service North Dakota Survey on Job Attachment Policy, February – March 2006

**UI Claimant Responses:** A total of 302 of the 3,740, or an approximate rate of 8%, responded to the survey. Job-attached unemployment insurance claimants responded at the rate of approximately 9%, while non-job-attached responded at the rate of 6%. In other words, job attached UI Claimants were 50% more likely to participate in this survey as non-job-attached.

Construction workers made up the largest single response group of the job-attached respondents. Ninety-one of the 240 job-attached respondents have standard occupational codes (SOCs) of construction. Sales workers made up the largest group of non-attached unemployment insurance claimants. There were 11 employees coded as sales specialties of the 62 respondents. The unemployment claimant level of response provided a confidence interval of +/- 5.56% at the 95% confidence level.

**Meeting Respondents:** A total of 87 survey responses were collected at the public meetings. No demographic information is known about these respondents.

**4. Analysis:** Responses were analyzed in a number of ways. Responses from employers, unemployment insurance claimants and meeting attendees were analyzed separately. Employers' responses were measured in two separate ways as described below.

### Quantitative Analysis:

Responses to Likert scale questions were assigned a value as shown below. The abbreviation shown is used in the results table.

| Likert Scale Response | Abbreviation | Assigned Value |
|-----------------------|--------------|----------------|
| Strongly Agree        | SA           | 1              |
| Agree                 | A            | 2              |
| Neutral               | N            | 3              |
| Disagree              | D            | 4              |
| Strongly Disagree     | SD           | 5              |

For the Likert scale questions, a median (rather than a mean) average was used to post each group's response. Median statistic tends to be more resistant to outlier and therefore provides a better representation of actual group responses.

Responses to ordinal questions were reported as a percentage of respondents that selected those responses. No averaging was conducted for these responses.

**Qualitative analysis:** Questions 10 and 13 were open-ended questions that asked the respondent to provide feedback. The respondent was asked to type in a text response to the question. Similar responses that addressed issues repeatedly were selected to represent the feelings of the response groups.

### Analysis by Group:

**Employers:** Responses from employers were measured both in an unweighted method as well as a weighted method. In the weighted method, two adjustments were made.



First, employers' responses were proportionally adjusted to reflect the actual distribution of employer by size. In the sample of employers, the smallest group, employers who employed 1- 4 workers, were significantly underrepresented, while those who employed more than 50 were overrepresented. Second, an adjustment was made to reflect the average number of employees that each of these group members in the sample represented. As an example, the smallest 23 employers employed 1 employee each, while the largest 23 employers employed an average of 349 employees each. The method used in weighting the responses is (1 over the percentage of population of the group represented) times the average employees per employer size group.<sup>4</sup>

The resulting employer weights are represented below<sup>5</sup>

| Group Size | Mean Employees per Group | Response Number | Response Rate | Percent (respondents/ Group Size population) | Assigned Weight |
|------------|--------------------------|-----------------|---------------|--|-----------------|
| 1-4        | 2.15                     | 65              | 7%            | .63%   | <b>344.3</b>    |
| 5-9        | 7.08                     | 96              | 11%           | 2.13%  | <b>332.7</b>    |
| 10-19      | 14.59                    | 128             | 15%           | 4.09%  | <b>356.4</b>    |
| 20-49      | 30.13                    | 126             | 15%           | 6.07%  | <b>496.5</b>    |
| 50 +       | 139.37                   | 227             | 23%           | 19.04%                                       | <b>731.8</b>    |

Employers' responses were also analyzed in groups by industry using their three-digit NAICS code. They were analyzed using both the unweighted and weighted methods described above.

UI Claimants: Claimants were analyzed using two methods. First, they were analyzed based upon their assigned "return to employer" code (RTE 1 or RTE 2) whether they were job-attached or not job-attached. Second, they were analyzed by their assigned standard occupational code. A combination of both of these methods was also used.

Meeting Attendees: This group's responses were recorded and reported separately from the other groups. As no demographic/cohort information was available for this group, only limited analysis is possible.

**5. Finding:** Respondent's survey answers varied greatly based upon how they are affected by any proposed policy changes.

Under the logic of the survey program, Question 1 was not truly a question in the traditional sense, rather an explanation of the survey. Therefore, the first question in the traditional sense is Question 2. The numbers in parentheses immediately behind "weighted" provide the best overall indication of employers collective attitude for each question.

<sup>4</sup> I.e. Group Size 1 – 4 weight is obtained from  $1/.0063 \times 2.15 = 344.3$ .

<sup>5</sup> Weighting, while important to determine if survey results were skewed by an over- or under-representation of a particular size group of employers, in the end made relatively little difference in the outcome of this particular survey.

Job Service North Dakota Survey on Job Attachment Policy, February – March 2006

Question 2. Do you agree that lawmakers should make changes to the current policy concerning job-attached employees?

|                       |           |
|-----------------------|-----------|
| Business              |           |
| –Unweighted           |           |
| Non-construction      | 2.5 (A/N) |
| Construction          | 3.6 (D)   |
| –Weighted (2.6) (A/N) |           |
| Non-construction      | 2.5 (A/N) |
| Construction          | 3.8 (D)   |
| UI Claimant           |           |
| Attached              | 4.7 (SD)  |
| Not Attached          | 2.8 (N)   |
| Meeting Respondent    | 3.7 (D)   |

Question 3. Do you agree that lawmakers should require employees on temporary layoff to seek and accept other employment?

|                    |          |
|--------------------|----------|
| Business           |          |
| –Unweighted        |          |
| Non-construction   | 2.2 (A)  |
| Construction       | 3.9 (D)  |
| –Weighted (2.3)(A) |          |
| Non-construction   | 2.2 (A)  |
| Construction       | 4.0 (D)  |
| UI Claimant        |          |
| Attached           | 4.9 (SD) |
| Not Attached       | 3.5 (D)  |
| Meeting Respondent | 4.0 (D)  |

Question 4. Do you agree that lawmakers should establish a limit for employers on the number of claimants that they can identify as job-attached?

|                     |          |
|---------------------|----------|
| Business            |          |
| –Unweighted         |          |
| Non-construction    | 2.3 (A)  |
| Construction        | 3.7 (D)  |
| –Weighted (2.4) (A) |          |
| Non-construction    | 2.3 (A)  |
| Construction        | 3.8 (D)  |
| UI Claimant         |          |
| Attached            | 4.7 (SD) |
| Not Attached        | 3.0 (D)  |
| Meeting Respondent  | 4.1 (D)  |

Question 5. If current policy were changed to only allow a maximum percent of claimants from any one employer be considered as job-attached, what range would you feel is appropriate?

|                    | Up – 25% | 26-50%         | 51-75% | 76-100% |
|--------------------|----------|----------------|--------|---------|
| Business           |          |                |        |         |
| –Unweighted        |          |                |        |         |
| Non-construction   | 40%      | 32%            | 13%    | 15%     |
| Construction       | 17%      | 22%            | 14%    | 47%     |
| –Weighted          |          |                |        |         |
| Non-construction   | 39%      | X <sup>6</sup> | 13%    | 15%     |
| Construction       | 18%      | 19%            | 14%    | 50%     |
| UI Claimant        |          |                |        |         |
| Attached           | 18%      | 6%             | 15%    | 71%     |
| Not Attached       | 23%      | 23%            | 26%    | 28%     |
| Meeting Respondent | 26%      | 10%            | 18%    | 46%     |

<sup>6</sup> X indicates median response

Question 6. Do you agree that lawmakers should mandate verification of job-attachment for all claimants who self-describe themselves as being attached to a particular employer?

|                     |            |
|---------------------|------------|
| Business            |            |
| –Unweighted         |            |
| Non-construction    | 1.7 (A)    |
| Construction        | 1.8 (A)    |
| –Weighted (1.7) (A) |            |
| Non-construction    | 1.7 (A)    |
| Construction        | 1.9 (A)    |
| UI Claimant         |            |
| Attached            | 3.4 (D/SD) |
| Not Attached        | 2.1 (A)    |
| Meeting Respondent  | 1.7 (A)    |

Question 7. If North Dakota's current unemployment insurance policy were changed, then job-attached claimants would have to search for work and accept employment.

Do you agree that this would be harmful to the claimant's last employer?

|                     |            |
|---------------------|------------|
| Business            |            |
| –Unweighted         |            |
| Non-construction    | 2.8 (N)    |
| Construction        | 1.7 (A)    |
| –Weighted (2.6) (N) |            |
| Non-construction    | 2.8 (N)    |
| Construction        | 1.7 (A)    |
| UI Claimant         |            |
| Attached            | 1.2 (SA)   |
| Not Attached        | 2.6 (N)    |
| Meeting Respondent  | 1.5 (SA/A) |

Question 8. Job-attached claimants tend to work for firms that pay higher unemployment insurance tax rates. As is common in insurance practice, these higher rates do not always pay all the costs for those firms who have job-attached claimants.

Do you agree this is good public policy?

|                         |             |
|-------------------------|-------------|
| Business                |             |
| –Unweighted             |             |
| Non-construction        | 3.4 (N / D) |
| Construction            | 3.0 (N)     |
| –Weighted (3.4) (N / D) |             |
| Non-construction        | 3.4 (N / D) |
| Construction            | 3.0 (N)     |
| UI Claimant             |             |
| Attached                | 2.8 (N)     |
| Not Attached            | 3.1 (N)     |
| Meeting Respondent      | 2.9 (N)     |

Question 9. If policy required employers to verify job attachment and require job-attached claimants to search for work, this would cost Job Service North Dakota more due to workload increases.

How should these additional costs be funded? (Select one response)

|                    | <u>State</u><br><u>Appr.</u> | <u>Employer</u><br><u>Surtax</u> | <u>Other</u> |
|--------------------|------------------------------|----------------------------------|--------------|
| Business           |                              |                                  |              |
| –Unweighted        |                              |                                  |              |
| Non-construction   | 53%                          | 31%                              | 16%          |
| Construction       | 57%                          | 16%                              | 27%          |
| –Weighted          |                              |                                  |              |
| Non-construction   | X <sup>7</sup>               |                                  |              |
| Non-construction   | 52%                          | 32%                              | 16%          |
| Construction       | 55%                          | 18%                              | 26%          |
| UI Claimant        |                              |                                  |              |
| Attached           | 73%                          | 10%                              | 17%          |
| Not Attached       | 43%                          | 49%                              | 8%           |
| Meeting Respondent | 58%                          | 21%                              | 21%          |

<sup>7</sup> X indicates median response

Question 10. You selected “other” funding source in the previous question. Please tell us how you feel this program should be funded. (Limited to 100 characters) <sup>8</sup>

Examples of responses to question 10:

*Let the Legislators pay for it themselves.*  
*Federal grants*  
*Increase premium of negative balance employers.*  
*Money saved by not paying out UI.*  
*I don't agree it will cost more.*  
*Have JSND make other cuts – personnel.*  
*The additional workload will be minimal.*  
*County taxes.*  
*The Governor should look for out-of-state funds.*  
*Tax farmers that do not pay into UI.*  
*Lottery funds.*  
*Union dues.*  
*Take it from the budget surplus.*

Question 11. If policy were changed to limit the number of job-attached claimants, this may expand the availability of skilled employees that could be hired by other firms.

Do you agree that this is good public policy?

Business

–Unweighted

Non-construction 2.2 (A)

Construction 3.3 (N)

–Weighted (A) (2.2)

Non-construction 2.2 (A)

Construction 3.4 (N / D)

UI Claimant

Attached 4.3 (D / SD)

Not Attached 2.5 (A / N)

Meeting Respondent 3.7 (D / SD)

<sup>8</sup> Question 10 was a “trigger” question. In the online survey this field only populated if the respondent selected “other” in response to Question 9.

Question 12. Do you agree that employers should be required to respond to Job Service North Dakota to verify claimant searches for work?

|                     |           |
|---------------------|-----------|
| Business            |           |
| –Unweighted         |           |
| Non-construction    | 2.3 (A)   |
| Construction        | 2.4 (A)   |
| –Weighted (2.3) (A) |           |
| Non-construction    | 2.3 (A)   |
| Construction        | 2.4 (A)   |
| UI Claimant         |           |
| Attached            | 3.9 (D)   |
| Not Attached        | 2.5 (A/N) |
| Meeting Respondent  | 2.4 (A)   |

Question 13. Do you have any suggestions or comments concerning the current or future status of job-attached claimants? (Response is limited to 200 characters) This last question was intended as a “catch all.” Responses tended to be fairly different based upon the response group (*employers, both non-construction and construction firms, unemployment insurance claimants, both job-attached and non job-attached and meeting respondents*).

Non-construction Employer Comment Themes:

- This current policy is not fair to me.*
- Should be no such thing as Job-attached.*
- If they want Job-attached then they should pay for it.*
- Create a separate system just for Job attached employers.*
- Let me have their employees just when they aren't using them.*

Construction Business Comment Themes:

- Leave the policy as is!*
- Please consider impact on seasonal industries.*
- I must have job-attached to keep my skilled employees!*
- Please consider what nearby states are doing.*

Job-Attached UI Claimant Comment Themes:

- The system works – leave it alone!*
- I work hard much of the year and get my 2080hrs in 8 months I deserve a break.*
- We earn our unemployment checks!*
- Change it, everyone moves to Minnesota!*
- Taking a short-term job is just not realistic.*

Not Job-Attached UI Claimant Comment Themes:

- ND should pay higher UI like MN.*
- Job attached have it too easy – they should look for work.*
- Employers that practice job attachment should pay for it.*
- I have other issues with JSND services – I want to talk to a person not a computer.*

Meeting Respondent Themes

- The system is working – leave it alone!*
- If employers want job attached, let them pay for it.*
- Its very difficult to keep our skilled construction workers now!*
- Too many people are factoring tax monies into their lifestyle.*
- With our population declines – we need incentives to keep our workers.*
- Job-attached recipients must accept jobs even if for a short-term.*

**Conclusions:** Results of the study indicate that respondents' feelings toward changing the job attachment policy of JSND's Unemployment Insurance Program is pretty much as one might expect.

Employers--the non-construction firms that represent the majority of employment (approximately 93% of employees in this survey)--tend to favor changing the current policy of job attachment. While employers from construction firms (approximately 7% of the employees in this survey), that have a high participation rate of job-attached employees, strongly favor retention of the current policy. It should also be noted the construction industry, as a group, appears to take much higher interest in this topic and is almost twice as likely to respond to this survey as other employer groups.

Two messages from non-construction firms, the majority of firms, appears to resonate in their responses. First, they do not tend to feel responsible to subsidize what they feel is the job attachment policy for the construction industry. Second, many of these firms appear to be struggling to find workers themselves now. Employers in industries, such as retail, transportation or accommodations and food, which perceive they subsidize the negative balance employers or are struggling to find sufficient employees, tend to strongly disfavor the continuation of the current job-attached policy. From their perspective, subsidizing a labor force to wait until work is available when they need employees now is nonsensical.

To members of the construction industry employer respondents, they need some mechanism to maintain their skilled labor force. To this group, a cohesive, skilled labor force during the off-seasons is seen as a matter of economic survival. Utilizing the Unemployment Insurance Program as retention tool through job-attached UI compensation and the resulting higher premiums that they pay appear to be key components in their strategies to remain viable construction firms during their off-season.



For both the employer groups referenced above, both those favoring change and those disfavoring change, sentiments tended to be stronger with the larger employers' responses. The impact of these larger employers is more significant in the construction industry respondents than non-construction respondents. This difference of attitudes based upon the size of the firm may be because these large firms recognize the discussion points regarding job attachment more clearly than those of smaller firms. They are also more likely to have specialized staff that deal with personnel and employment insurance issues.

Using responses to Question 3, regarding the proposed requirement for temporary laid-off employees to seek and accept other employment, gives us a fairly clear picture of the employer respondents who favor or disfavor job attachment.

Respondents from industries most strongly favoring change (selected either strongly agree or agree responding to Question 3 are)<sup>9</sup>:

- Management of Companies 100%
- Accommodations and Food 80%
- Transportation 75%
- Retail Trade 68%

Respondents from industries most strongly disfavoring change (selected either disagree or strongly disagree responding to Question 3 are)<sup>10</sup>

- Construction 68%
- Mining 59%<sup>11</sup>

Likewise, job-attached unemployment insurance claimants as a group strongly disfavor any changes to the current policy. Non-job-attached unemployment insurance claimants, as a group, do not tend to have a strong opinion one way or another and appear to have somewhat of a collective response of "this is not my issue."

Meeting respondents tended to be the most passionate respondents in almost every issue with many strongly favoring and strongly disfavoring most issues in the questionnaire. Only a small portion of these respondents selected neutral to most questions (the one exception to this is Question 8 asking about the fact that a firm with high job attachment rates generally do not pay the full cost of their participation and whether or not this is good public policy). This group was likely a cross-section of advocates opposed to the continuation of the current job attachment policy, representatives of employers with higher

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<sup>9</sup> Weighted responses are used in this measurement.

<sup>10</sup> Weighted responses are used in this measurement.

<sup>11</sup> Only 6 of 71 firms with three-digit mining NAICS codes responded. Three of these employers' NAICS codes indicate they operate in the Support Activities of Mining (NAICS 213) and are not directly involved in mine operation. The other three in this group were directly involved mining (NAICS 212) and may be sand and gravel operators. This sample group was the second smallest of any of the three-digit NAICS groups in the employer sample and may not be representative of this industry's overall feeling on job attachment policy.

job-attached participation and members of labor groups that are identified with job-attached populations such as construction workers.

Areas where the employer groups tend to agree are in responses to questions 6 and 12 concerning:

- Verification of job attachment
- Requiring employers to respond to JSND to verify claimant job search

Respondents that are job-attached UI Claimants strongly disfavor change. Respondents with standard occupational codes most disfavoring changes are (selected either disagree or strongly disagree responding to Question 3):

|                 |     |
|-----------------|-----|
| •Transportation | 99% |
| •Construction   | 93% |
| •Repair         | 87% |

In the final summation, this study raises a fundamental social policy question. That is whether or not job attachment for the retention of an industry's employees during off-season is an appropriate use of our state's Unemployment Insurance Program. This study points to sharp differences in opinion to the continuation or change of the current policy among the various groups affected. While the majority of employers tend to favor change, those most affected by any change, construction employers and UI Claimants, strongly oppose any change to the current policy. Any change--or for that matter, no change at all--is likely to antagonize one or more groups involved in unemployment compensation job attachment discussion. This is a situation in which common ground for all parties will likely be difficult to find. It is unlikely that any policy regarding job attachment will satisfy all groups with an interest in the discussion.

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**Unemployment Insurance Reemployment and  
Eligibility Assessment (REA) Grant Proposal**

Submitted by Job Service North Dakota  
February 7, 2006

**Project Summary:** Job Service North Dakota operates the Unemployment Insurance (UI) program and administers North Dakota's One-Stop Career Centers. This structure provides customers with efficient unemployment insurance claim processing and high quality reemployment services. This is demonstrated by North Dakota's low average unemployment insurance claim duration and its continuously excellent performance against relevant U.S. Department of Labor performance standards.

Declining resources do not allow Job Service to continue its current service delivery approaches unchanged. To remain a leader in delivery of unemployment and reemployment programs, we must become innovative and creative in the delivery of unemployment insurance eligibility reviews/assessments and reemployment services. We view this demonstration project as a significant factor in meeting those changing needs.

Our strategy is to modify our current REA project to develop a sustainable method of service delivery that not only provides enhanced reemployment services to a select group of claimants, but through investments in technology, positions us to maintain this effort in an environment of declining resources. Proposed REA project changes involve substantially increased use of technology to deliver services, and necessitate modification to the existing UI computer applications, including our UI Internet Claims, Interactive Voice Response (IVR) system, our automated workflow process, and connected portions of our mainframe application. System and process modifications are designed to reduce staff time spent on documenting tasks and increase time spent on intensive reemployment efforts. While reemployment professionals around the country acknowledge the positive impact of intensifying efforts and increasing contact with claimants, declining resources make this approach impractical. We envision a method of maintaining a high level of contact, while dealing with reduced staff resources. It is our expectation that our project will be used as a model for other states, as they deal with resource issues.

The primary focus of our proposed project continues the tracking of results for a study group of individuals receiving intensive assessment and reemployment activity against a baseline control group. However as an added benefit, the mechanisms we will develop for the study will serve our entire UI population, building our infrastructure and allowing sustainability of service delivery into the future.

Our current REA project concepts will serve as the basis for the continuation. The study group will be provided intensive one-on-one services. The control group of claimants will provide us with the validation to discern our level of success of providing the additional reemployment services. Tasks such as providing UI claims orientation, initial employability assessment and development of the employability plan will be managed

through technology, and will be largely claimant-driven. Study group participants will receive additional assistance via interactive participation in group workshops as well as one-on-one interactive video conferencing. The services provided to the study group in the original project will be continued, but through interactive video participation rather than physical contact. This allows us to provide quality service from limited locations – a benefit in several ways:

- Increases the consistency in service delivery
- Allows us to even out caseload ratios
- Allows us to reduce staffing levels

Other facets of the automation of the reemployment process include tasks such as eligibility assessment and review processes. Job Service is seeking REA Grant funds to assist in automating the reemployment process through enhancements of existing computerized applications.

Automation will allow claimants to file new claims using Job Service's UI Internet Claims, *UI ICE*, or Interactive Voice Response (IVR) systems. If a non-job attached claimant files using IVR, he will be transferred to a claims taker at the Call Center. The claims taker will gather required information and direct claimants to a *UI ICE* website to certify eligibility. The *UI ICE* system will automatically schedule an eligibility review within a designated number of days, and direct claimants to complete the eligibility review online. The system will automatically track eligibility requirements and completion and establish issues automatically if deadlines are missed.

Claimants selected to participate in the project will be provided additional reemployment services. Project claimants will be immediately scheduled to meet with a case manager within five days to complete assessments and reemployment plans; be scheduled for an early orientation appointment at the relevant One-Stop Center; be informed of the requirement to complete at least one online resume by close of business on the day after the initial claim is filed and of the consequences for non-compliance with project requirements. Claimants will also be directed to a web site to complete a self-directed assessment to review with case managers at their initial meeting.

Project claimants will be scheduled to meet with a case manager one on one, using interactive video technology. The case manager will review the online assessment with the claimant to identify existing skills, current labor market information and conditions. Claimants will be provided information as to the temporary nature of unemployment benefits, and work with a case manager to identify any barriers to employment. The completed assessment will be used to develop a personalized electronic reemployment plan.

The short time frame available for implementing project changes necessitates a fairly controlled study group size. We will continue to select study group participants based on the last digit of the social security number. However, we will select those SSNs from North Dakota's Worker Profiling Reemployment Services (WPRS) Model pool, and we

expect to select 30% of the individuals in the pool for the study. We estimate this to be 1,560 assessments from July 1 through December 31, 2006. Likewise, the control group will comprise 30% of the non-study SSNs from the WPRS pool. Because we target August 1, 2006, as the implementation date for the MIS changes, we will continue to conduct the current project processes in the month of July.

# **I. Project Costs:**

## **a. Fixed Minimum Costs:**

Our projected total caseload from July 1 – December 31, 2006, is 1,560. Our estimate of staff costs per assessment is \$65.74. Total project budget including all costs for this grant application is \$447,335 and detailed below.

## **b. Incremental Costs:**

Since the demonstration project is deliberately limited in scope, there will be no additional incremental.

## **c. Staff Needs:**

By automating eligibility assessments and reviews, we are planning to reduce from our current staffing configuration of seven full-time equivalent (FTE's) down to four FTE's. Staff will consist of one Program Administrator III and two Customer Service Specialists to carry out the eligibility assessments and other reemployment activities envisioned in our **Project Design** section set out in Section II below and one support staff to handle scheduling and rescheduling, mailing, and documentation. These positions will be in addition to our regular staffing pattern. See Attachment 1 for a description of these positions and their costs, as well as other anticipated project costs.

### **4 Staff**

| Position                    | Hours | Cost Per Hour | Total              |
|-----------------------------|-------|---------------|--------------------|
| Project Manager             | 1040  | \$22.41       | \$23,306.40        |
| Customer Service Specialist | 1040  | \$17.73       | \$18,439.20        |
| Customer Service Specialist | 1040  | \$17.73       | \$18,439.20        |
| Support Staff               | 1040  | \$14.77       | \$15,360.80        |
|                             |       | <b>Total</b>  | <b>\$75,545.60</b> |

Staff Salaries: - **\$75,546**

Staff Fringe Benefits: - **\$27,008**

## **d. Other:**

Other costs will include:

1. Install Interactive Video Network (IVN) Equipment at Job Service North Dakota Claims Center building:

### **Equipment costs:**

|                               |          |
|-------------------------------|----------|
| IVN Equipment                 | \$11,252 |
| Installation of IVN Equipment | 6,200    |
| Certifying Jack               | 200      |

|                   |                  |
|-------------------|------------------|
| Wiring for Jack   | 200              |
| Electrical Wiring | 790              |
| 8 Web Cameras     | <u>358</u>       |
| <b>Total</b>      | <b>\$ 19,000</b> |

We plan to utilize existing IVN technology, together with an upgrade to IVN equipment in the same location as our claims center to deliver orientation services and job search related workshops to locations across the state. This will allow for consistent presentation of information to all project claimants. In addition to eliminating duplication of staff resources and time presently required to deliver individual workshops at each of the project sites, it shifts a major workload from our network of One Stop Career Centers to an automated, limited staff assistance mode. This is necessary due to budget reductions to operating grants overall. We are budgeting \$19,000 for purchase and installation of the IVN equipment.

2. Upgrading connected portions of our mainframe applications **\$140,757**
3. Upgrading UI Internet Claims system to allow for automated eligibility reviews through web based services **\$147,878**

These costs would be hourly costs to an independent contractor with experience working on Job Service existing systems.

4. Overhead and indirect costs (see Attachment 1): **\$ 37,146**

The total amount requested by this application is \$447,335. See Attachment 1 for detail. Summary breakdown:

|                                  |                |
|----------------------------------|----------------|
| Staff Salaries                   | \$ 75,546      |
| Fringe Benefits                  | 27,008         |
| Overhead and Indirect            | 37,146         |
| Equipment                        | 19,000         |
| Upgrade Mainframe                | 140,757        |
| Upgrade UI Internet Claim System | <u>147,878</u> |

|              |                  |
|--------------|------------------|
| <b>TOTAL</b> | <b>\$447,335</b> |
|--------------|------------------|

## **II. Project Design:**

### **a. Statement of Need**

Current claimant reemployment and eligibility reviews are staff time intensive. With declining resources available to fund the level of staffing previously allowed, Job Service must prepare for the future by designing new service delivery models, using automation and technology.

Job Service North Dakota realizes that continuing to provide staff intensive reemployment services to the entire population of unemployment insurance claimants cannot be accomplished given the diminished funding resources. In order to continue to provide reemployment services, we have identified an innovative, automated method of delivering services to the universe of claimants, while providing additional staff assisted services to a select study group. New resources and service delivery models must be put in place to continue to meet the needs of claimant eligibility assessments and reemployment activities.

National studies have demonstrated that by utilizing early intervention, coupled with progressive services, a reduction in the average duration and exhaustion rates for claimants can be realized, resulting in reductions in benefit expenditures from the UI Trust Fund. The project continues to emulate best practices to build on proven results from other states, by targeting claimants most likely to exhaust for additional reemployment services.

The proposed project automates claimant eligibility assessment and reemployment services to the universe of claimants, and goes beyond standard automated processes, providing extended services such as one on one assessments and developing electronic reemployment plans, workshops such as Networking Skills, Employment Retention Skills, and Transferable Skills, and Virtual One Stop online job search Demonstration Classes to the select project group claimants. A successful project also contributes to the State's overall economic health by providing a readily available workforce for businesses and pilots a mechanism for meeting increasing reemployment needs with decreasing funds.

Specifically, the project will:

- Implement and measure automated eligibility assessment, electronic reemployment plan development, participation in group workshops over interactive video, and other selected reemployment practices that will generate a positive return-on-investment and motivate and assist project claimants to return to work earlier.
- Develop a model that maximizes resources *and* provides quality services with sustainability after the life of the project.

Technology upgrades are needed to facilitate this revised service model. Conversely, the revised model reduces dependence on staff.



### **b. Project Practices and Activities**

For the current REA project, we established a control group and a study group. The study group receives baseline services plus the additional services detailed in this project proposal for comparison with the control group, which will continue to receive baseline services only. Baseline services include:

- Claimants are assigned a return to work status at the time the claim is taken.
- Claimants with no job attachment must complete an initial eligibility review (ER) within eight to twelve days, and once every four weeks thereafter.
- Eligibility reviews will be completed solely via the Internet using the *UI ICE* system. Claimants may complete the reviews from home or from our Customer Service Office resource rooms.
- Issues established due to eligibility reviews will be adjudicated in the same manner as other issues generated during the claims process.
- Claimants will be notified of required eligibility reviews via the *UI ICE* system, the JSND IVR system, and by letter.
- Periodic reemployment reviews, including eligibility assessments once every four weeks.

For this project we envision that upon filing of an initial claim, qualifying claimants will be flagged as study group or control project participants. Project claimants will be notified by mail to schedule an appointment with a case manager within five days and directed to an additional website with project information. This website will provide the following information to the claimant.

During the initial claims filing process, the project claimant will be guided by the system to:

- Schedule an appointment with a case manager within five days;
- Complete at least one well-done online resume to allow effective participation in our electronic job matching system;
- Develop a self-directed personal assessment to review with case manager;
- In addition, case managers will assist project claimants through some of the following efforts:
  - Develop personal, electronic reemployment plan including goals to facilitate rapid reemployment;
  - Identify barriers to reemployment;
  - Directly refer claimants to employers known to have suitable employment available;
  - Inform claimants of their rights and responsibilities as a UI project claimant;
  - Direct claimants to the nearest One Stop Center for reemployment services such as resume writing, interviewing workshops, job finding/placement activities.

### **c. Employability Skills Development**

Study group claimants will be required to participate in a successive series of workshops and seminars that build upon their employability skills at the relevant One Stop office,

facilitated by staff via the interactive video network (IVN) system. Workshops and seminars will have the goal of rapid employment of the claimants and will stress the "better off working" philosophy. Claimants will develop skills that help them identify barriers to employment, identify and improve their skills and end a pattern of repeated unemployment.

The subject matter of these workshops may include dealing with loss of employment; unemployment benefits as temporary subsistence while securing new employment; motivation, basic employability skills presentations modeled after jobs in the labor market; making effective use of on-line resources for securing employment; making well informed job choices; effective use of customized labor market information and overall job readiness preparations.

Reemployment case managers will speak with the study group claimants on the phone, or face-to-face via video technology located in the claims center at least every ten days, and more often if the situation warrants. Each one-on-one exchange may include:

- A review and enhancements to their self-assessments and employment plans;
- A review and discussion of progress to achieve employability goals;
- Action taken by the claimant to overcome any identified employment obstacles;
- A review of the results of the claimant's job contacts made since the last review; and
- Sharing of customized relevant Labor Market Information

#### **d. Selection of Claimants and Specific Actions**

In carrying out this project, the study group will be selected as claimants file initial claims over the Internet or via IVR system. The study group will consist of claimants selected from one of the four project offices whose social security numbers end in the numerals 3, 5, or 9, and who are not union members or job-attached, and are identified through WPRS as in the top 30% of most likely to exhaust benefits. Study group claimants will be notified via mail of selection for the project, provided general information about selection for the project, instructed to call and schedule an appointment with a case manager within five days and directed to the study group web site.

Automated eligibility reviews will be encompassed within the comprehensive assessment and review, intended not only to inform and encourage claimants of their responsibility to maintain UI eligibility, but of the importance to their careers of returning to work as soon as possible. The orientation component of the overall assessment and planning process will let the claimant know that:

1. UI is not an entitlement, and that it is only provided to those claimants who are monetarily eligible (thus demonstrating their attachment to the workforce), who are unemployed through no fault of their own, and who maintain continuing weekly (non-monetary) eligibility.
2. The claimant has due process rights in those instances where Job Service is making a determination that affects the claimant's eligibility for benefits. Those due process rights can be exercised through Job Service's administrative appeals

process that will be explained to the claimant during the assessment and planning process.

3. A person who is working has more career-building opportunities than one who is not working, thus getting a job early expands those opportunities.
4. Early planning and action to get back to work is critical to maintaining a good mental attitude about the work search process.
5. If barriers to work are identified, Job Service will take case management action to help the claimant address and overcome, or mitigate, the effects of those barriers.

The initial portion of the assessment process will occur via technology and will be staff assisted and self-directed. However, study group participants will meet with case managers within five (5) days of the claim being filed to review and refine their employability assessments, discuss barriers to employment and methods to overcome those barriers, and refine their employability plans via interactive video technology.

Service plans will be developed and recorded in Job Service's automated jobseekers' information system. That system is now accessed by Claims Center claims takers; and by Benefits Accuracy Measurement (BAM) and Benefits Timeliness and Quality (BTQ) employees tasked with quality reviews of case actions and eligibility issue determinations. The project claimant will be an active participant in the development of the online plan and will assent to its wording. Case managers will review the plan with the claimant to check for compliance with project objectives before signing off on the acceptable plan. The plan will then become the basis for further case management activities with the claimant and will also form the basis for holding the claimant accountable to perform in accordance with it.

Other Job Service staff involved in the claimant's reemployment activities will be notified through use of the automated case management system. Other parties (such as service providers tasked with helping to mitigate employment barriers) will be notified by an appropriate method.

The UI program will receive periodic reports on the project's impact on the study group through both existing weekly activity reports and through ad hoc reports, developed for specific management reporting on the demonstration project.

### **III. Management Information:**

Many of the reporting mechanisms and content that will be helpful in evaluating and adjusting the activities under this project are already in place. Duration reports are prepared monthly and will be modified to allow managers to see the comparison between the claimants involved in the demonstration project and the remainder of the claimants. Automated scheduling tools will be put in place and will be utilized in such a way as to differentiate between study group claimants and the remainder of the entire universe of claimants.

Reports will show the number of project assessments and reviews scheduled and completed, and the number and rationale for missed meetings. Eligibility issue determinations related to issues arising because of failure to report and other requirements of the demonstration project will be tracked separately. Appropriate reports will be prepared and submitted to DOL as required.

Service referral and resultant service provision data will also be kept and reported. That data will be correlated with claims duration data to assess the impact of referrals and the resultant service on claims duration. Additional Benefits Timeliness and Quality (BTQ) reviews of samples selected from the study group claimants will be carried out during the project to determine the quality of the work done in accordance with BAM and BTQ standards and to compare that to the outcomes in cases selected for the required reviews.

Data on the timing of the study group claimants' employment and the nature and pay of that employment will be kept separately. Appropriate reports will go to those implementing the demonstration project so appropriate modifications of effort can be made, if necessary.

Information will be gathered, reported, and analyzed regarding the number of overpayments established with respect to study group claimants for purposes of comparative reporting.

#### **IV. Projected Performance Improvements:**

As noted in Section II above, national studies have demonstrated that by utilizing early intervention coupled with progressive services, a reduction in the average duration and exhaustion rates for claimants can be realized, resulting in reductions in benefit expenditures from the UI Trust Fund. Job service will identify claimants most likely to exhaust benefits and deliver additional services to those claimants in an effort to reduce duration and exhaustion rates.

We will see that the project claimants are contacted sooner and are seen more often to ensure adherence to the mutually developed plan. However, after an initial outlay for system development, we will do so using far fewer resources than originally planned.

In addition, we will enhance effectiveness and performance in areas including:

- Increased automation allows staff to focus on critical reemployment services.
- Use of the **UI ICE** system for reviews increases awareness of Internet for receiving UI services (claims filing and weekly certifications).
- Use of **UI ICE** system provides:
  - Consistency and quality of service delivery
  - Consistency in fact-finding for issues
    - Issues can be identified and adjudicated in a more timely manner using an automated system.

- It is easier to train staff on adjudication issues.
- Allows for easier implementation of changes in issue establishment and adjudication.
- Improves consistency and quality of decisions.
- Adjudication of eligibility issues established during reviews will be centralized and done by experienced adjudicators, potentially increasing quality resulting in higher quality scores.
- Customer Service Office staff will serve as a resource rather than an enforcer.
- Investments in infrastructure enable maintaining quality services in a future of declining resources.

#### **V. Estimated Time and Cost for Each Assessment:**

We are estimating that the number of initial and ongoing staff assisted assessments and plan development activities to be accomplished during the project period will be 1,560. We will have 2 FTE positions completing those assessments and plan development. We anticipate that it will take an average of 1 hour per assessment with plan (including preparatory and post-assessment activities), and that each case manager can, with other work requirements, complete 30 assessments per week. Thus, case managers will be devoting 75% of their workweek to assessments and plans. The staff cost per assessment is estimated to be \$65.74. The overall cost per assessment (Project budget/Number of assessments) is \$286.75.

##### Project Timeline

##### Task or Action:

Install Upgraded IVN Equipment  
 Modify MIS Systems  
 Revise Project Operational Plan  
 Train Project Staff  
 Implement Project Plan  
 First quarterly evaluation  
 Second quarterly evaluation  
 Project Ends  
 Grant funds obligated  
 Grant funds expended (staff costs)  
 Grant funds expended (non-staff costs)  
 Project evaluation

##### Completed by:

June 30, 2006  
 July 31, 2006  
 July 1, 2006  
 July 24-28, 2006  
 August 1, 2006  
 October 2006  
 January 2007  
 December 31, 2006  
 December 31, 2006  
 December 31, 2006  
 March 31, 2007  
 January – March 2007

**Amendment To North Dakota  
Unemployment Insurance Reemployment and  
Eligibility Assessment (REA) Grant Proposal**

Originally Submitted February 17, 2006  
Amendment Submitted March 17, 2006

Page 3, I. Project costs:

c. Staff Needs

By automating eligibility assessments and reviews, we are planning to reduce from our current staffing configuration of seven full-time equivalent (FTE's) down to 1.4 FTE's. Staff will consist of one Program Administrator III and one support staff at 40% to handle scheduling and rescheduling, mailing, and documentation. These positions will be in addition to our regular staffing pattern. See Attachment 1 for a description of these positions and their costs, as well as other anticipated project costs. Staff time to carry out the eligibility reviews and reemployment assessment tasks envisioned in our Project Design set out in Section II below will be absorbed by current staff.

| 1.4 Staff             | Hours        | Cost Per Hour | Total              |
|-----------------------|--------------|---------------|--------------------|
| Project Manager       | 1040         | \$22.41       | \$23,306.40        |
| 40% FTE Support Staff | 416          | \$14.77       | \$6,144.32         |
|                       | <b>Total</b> |               | <b>\$29,450.72</b> |

|                       |          |
|-----------------------|----------|
| Staff Salaries:       | \$29,451 |
| Staff Fringe Benefits | \$10,529 |

Page 4, Other Costs

2. Upgrading connected portions of our mainframe applications. (One time costs)

|  |                  |
|--|------------------|
| a. Contract LINC Programming staff.  |                  |
| b. LINC Programming, <b>781.5 hours @ \$145 per hour.</b>  | \$113,317        |
| c. Developer "seat" – cost for one developer.  | \$ 5,000         |
| d. Ongoing cost of a development seat 127.30 per month per developer.<br>(only during development phase) | \$509            |
| e. Network Costs   | \$291            |
| f. Emulation Software  | \$450            |
| g. Office Suite (software)   | \$290            |
| h. Storage to JSND FileNet system.   | \$900            |
| i. Interface with JSND VOS system (programming)  | \$20,000         |
| <b>Total</b>   | <b>\$140,757</b> |

3. Upgrading UI Internet Claims system to allow for automated eligibility reviews through web based services
  - a. Contracted staff through North Dakota Information Technology Division experienced with working on Job Service existing systems.
  - b. **\$58 per hour; estimated 2549.62 hours.**

|              |                  |
|--------------|------------------|
| <b>Total</b> | <b>\$147,878</b> |
|--------------|------------------|

4. Overhead and indirect costs (see Attachment 1) **\$ 14,480**

The total amount requested by this application is \$361,573. See Attachment 1 for detail. Summary breakdown:

|                                  |                |
|----------------------------------|----------------|
| Staffing Salaries                | \$ 29,451      |
| Fringe Benefits                  | 10,529         |
| Overhead and Indirect            | 14,480         |
| Equipment                        | 19,000         |
| Upgrade Mainframe                | 140,757        |
| Upgrade UI Internet Claim System | <u>147,878</u> |

|              |                  |
|--------------|------------------|
| <b>TOTAL</b> | <b>\$362,095</b> |
|--------------|------------------|

Estimated programming hours to modify system to allow for automated reporting required for compliance with ETA 9060 and 9061 reports:

1. 50 hours programming time LINC changes at \$145 per hour  
\$ 7,250
2. 120 hours programming time *UI ICE* changes at \$58 per hour  
\$ 6,960

|              |                  |
|--------------|------------------|
| <b>Total</b> | <b>\$ 14,210</b> |
|--------------|------------------|

|                      |                  |
|----------------------|------------------|
| <b>TOTAL REQUEST</b> | <b>\$376,305</b> |
|----------------------|------------------|

2-040

RETURN TO  
JOB SERVICE NORTH DAKOTA  
APPLICANT SERVICES  
PO BOX 5507, BISMARCK, ND 58506-5507  
701-328-2866  
(TDD) 800-366-6888 or (Fax) 701-328-2738

Appendix M

NOTICE OF CLAIM FOR JOB INSURANCE BENEFITS  
07/10/2006

Employer Name

ACCT#: \_\_\_\_\_  
TYPE: LAST & BASE  
LO: 01  
SSN: \_\_\_\_\_



Claimant Name

has filed a claim for Job Insurance benefits.

THE MAXIMUM POTENTIAL CHARGE TO YOUR ACCOUNT FOR THIS CLAIM IS \$9126.00

THIS EMPLOYEE STATES THAT EMPLOYMENT ENDED BECAUSE :  
LACK OF WORK. THIS EMPLOYEE HAS INDICATED THAT HE/SHE WILL BE RETURNING  
TO EMPLOYMENT WITH YOU AFTER A TEMPORARY LAYOFF. IF YOU AGREE WITH THESE  
STATEMENTS, NO RESPONSE TO THIS NOTICE IS REQUIRED.

AS LONG AS THIS EMPLOYEE'S UNEMPLOYMENT STATUS DOES NOT CHANGE, THE  
EMPLOYEE WILL NOT BE REQUIRED TO SEARCH FOR WORK DURING THIS LAYOFF PERIOD

Employees' address for employers with many locations. *Rep. Dosch*

☒ I agree

☐ I disagree

*Rep. Kasper*

If the separation was due to reasons other than lack of work, please  
respond on the reverse side of this notice, with detailed reasons why  
Claimant Name is no longer employed by you. Your  
reply must be delivered or postmarked no later than 07/20/2006 or the  
determination of Job Service shall be final. A non-response may result  
in charges to your account.



M

| Calendar Year 2006 Tax Rate Schedule                |                     |                   |                  |                             |                  |       |
|---|---------------------|-------------------|------------------|-----------------------------|------------------|-------|
| Description   | Number of Employers | Tax Rate          |                  | Percentage of Taxable Wages | Projected Income |       |
|   |                     | Before Multiplier | After Multiplier |                             |                  |       |
| 10 groups = 100% of positive employer taxable wages | 4,667               | 0.43%             | 0.40%            | 88.27%                      | \$1,405,000      |       |
|   | 2,597               | 0.53%             | 0.50%            | 88.27%                      | 1,756,000        |       |
|   | 1,958               | 0.63%             | 0.59%            | 88.27%                      | 2,072,000        |       |
|   | 1,194               | 0.73%             | 0.69%            | 88.27%                      | 2,423,000        |       |
|   | 964                 | 0.83%             | 0.78%            | 88.27%                      | 2,739,000        |       |
|   | 959                 | 0.93%             | 0.88%            | 88.27%                      | 3,091,000        |       |
|   | 1,081               | 1.03%             | 0.97%            | 88.27%                      | 3,407,000        |       |
|   | 1,148               | 1.13%             | 1.06%            | 88.27%                      | 3,723,000        |       |
|   | 1,114               | 1.23%             | 1.16%            | 88.27%                      | 4,074,000        |       |
|   | 1,915               | 1.33%             | 1.25%            | 88.27%                      | 4,390,000        |       |
| Positive  | 17,597              |                   |                  |                             | \$29,080,000     |       |
| 10 groups = 100% of negative employer taxable wages | 236                 | 6.43%             | 6.05%            | 5.52%                       | 1,329,000        |       |
|   | 77                  | 6.83%             | 6.43%            | 5.52%                       | 1,412,000        |       |
|   | 79                  | 7.23%             | 6.81%            | 5.52%                       | 1,496,000        |       |
|   | 105                 | 7.63%             | 7.18%            | 5.52%                       | 1,577,000        |       |
|   | 98                  | 8.03%             | 7.56%            | 5.52%                       | 1,660,000        |       |
|   | 193                 | 8.43%             | 7.94%            | 5.52%                       | 1,744,000        |       |
|   | 172                 | 8.83%             | 8.31%            | 5.52%                       | 1,825,000        |       |
|   | 127                 | 9.23%             | 8.69%            | 5.52%                       | 1,909,000        |       |
|   | 178                 | 9.63%             | 9.07%            | 5.52%                       | 1,992,000        |       |
|   | 390                 | 10.03%            | 9.44%            | 5.52%                       | 2,073,000        |       |
| Negative  | 1,655               |                   |                  |                             | \$17,017,000     |       |
| Positive & Negative                                 | 19,252              |                   |                  |                             | \$46,097,000     |       |
| Negative - construction                             |                     | 10.03%            | 9.44%            | 0.20%                       | 751,000          |       |
| New - non-construction                              |                     | 6.43%             | 6.05%            | 0.19%                       | 457,000          |       |
| New - construction                                  |                     | 1.99%             | 1.87%            | 5.14%                       | 3,824,000        |       |
| Rounding  |                     | 10.03%            | 9.44%            | 0.68%                       | 2,554,000        |       |
| Total   |                     |                   |                  |                             | \$53,683,000     |       |
| Average Tax Rate                                    |                     |                   |                  |                             |                  | 1.35% |

① Employer counts are from a database with 10-1-2004 to 9-30-2005 taxable wages used for Calendar Year 2006 tax rates.

| Proposed Tax Rate Schedule   |                   |                  |                             |                  |  |       |
|--|-------------------|------------------|-----------------------------|------------------|--|-------|
| Description  | Tax Rate          |                  | Percentage of Taxable Wages | Projected Income |  |       |
|  | Before Multiplier | After Multiplier |                             |                  |  |       |
| If the trust fund is above the target, then the multiplier is set to 100%, and the same amount is subtracted from all rates to get the final rate. | 0.35%             | 0.35%            | 88.27%                      | \$1,229,000      |  |       |
|  | 0.45%             | 0.45%            | 88.27%                      | 1,580,000        |  |       |
|  | 0.55%             | 0.55%            | 88.27%                      | 1,932,000        |  |       |
|  | 0.65%             | 0.65%            | 88.27%                      | 2,283,000        |  |       |
|  | 0.75%             | 0.75%            | 88.27%                      | 2,634,000        |  |       |
|  | 0.85%             | 0.85%            | 88.27%                      | 2,985,000        |  |       |
|  | 0.95%             | 0.95%            | 88.27%                      | 3,336,000        |  |       |
|  | 1.05%             | 1.05%            | 88.27%                      | 3,688,000        |  |       |
|  | 1.15%             | 1.15%            | 88.27%                      | 4,039,000        |  |       |
|  | 1.25%             | 1.25%            | 88.27%                      | 4,390,000        |  |       |
| Positive   |                   |                  |                             | \$28,096,000     |  |       |
| 10 groups = 100% of negative employer taxable wages  | 6.35%             | 6.35%            | 5.52%                       | 1,395,000        |  |       |
|  | 6.75%             | 6.75%            | 5.52%                       | 1,482,000        |  |       |
|  | 7.15%             | 7.15%            | 5.52%                       | 1,570,000        |  |       |
|  | 7.55%             | 7.55%            | 5.52%                       | 1,658,000        |  |       |
|  | 7.95%             | 7.95%            | 5.52%                       | 1,746,000        |  |       |
|  | 8.35%             | 8.35%            | 5.52%                       | 1,834,000        |  |       |
|  | 8.75%             | 8.75%            | 5.52%                       | 1,922,000        |  |       |
|  | 9.15%             | 9.15%            | 5.52%                       | 2,010,000        |  |       |
|  | 9.55%             | 9.55%            | 5.52%                       | 2,097,000        |  |       |
|  | 9.95%             | 9.95%            | 5.52%                       | 2,185,000        |  |       |
| Negative   |                   |                  |                             | \$17,899,000     |  |       |
| Positive & Negative  |                   |                  |                             | \$45,995,000     |  |       |
| Negative - construction  | 9.95%             | 9.95%            | 0.20%                       | 792,000          |  |       |
| Negative - non-construction  | 6.35%             | 6.35%            | 0.19%                       | 480,000          |  |       |
| New - non-construction   | 1.87%             | 1.87%            | 5.14%                       | 3,824,000        |  |       |
| New - construction   | 9.95%             | 9.95%            | 0.68%                       | 2,692,000        |  |       |
| Rounding   |                   |                  |                             | -100,000         |  |       |
| Total  |                   |                  |                             | \$53,683,000     |  |       |
| Average Tax Rate   |                   |                  |                             |                  |  | 1.35% |

|                                 |                 |
|---------------------------------|-----------------|
| Projected CY 2006 Taxable Wages | \$3,978,680,000 |
| Income                          |                 |
| Difference                      |                 |
|                                 | -\$176,000      |
|                                 | -176,000        |
|                                 | -140,000        |
|                                 | -140,000        |
|                                 | -105,000        |
|                                 | -106,000        |
|                                 | -71,000         |
|                                 | -35,000         |
|                                 | -35,000         |
|                                 | 0               |
|                                 | -\$984,000      |
|                                 | \$66,000        |
|                                 | 70,000          |
|                                 | 74,000          |
|                                 | 81,000          |
|                                 | 86,000          |
|                                 | 90,000          |
|                                 | 97,000          |
|                                 | 101,000         |
|                                 | 105,000         |
|                                 | 112,000         |
|                                 | \$882,000       |
|                                 | -\$102,000      |
|                                 | 41,000          |
|                                 | 23,000          |
|                                 | 0               |
|                                 | 138,000         |
|                                 | -100,000        |
|                                 | \$0             |
|                                 | 0.00%           |

N