

AGREEMENT K-6558-8-00-80-60

UPDATED 2004 WORK STATEMENT, DELIVERABLES, AND SCHEDULE

*Administrative **Data** Research and **Evaluation** (ADARE) Project*

Submitted to:

Jonathan Simonetta
Division of Research and Demonstration
Office of Policy Development, Evaluation and Research
Employment and Training Administration
U.S. Department of Labor

simonetta.jonathan@dol.gov

202/693-3911

Submitted by:

David Stevens, Project Director
The Jacob France Institute
BC-368
University of Baltimore
1420 North Charles Street
Baltimore, MD 21201-5779

dstevens@ubalt.edu
410/837-4729

March 31, 2004

INTRODUCTION

This updated work plan supersedes the ADARE project work statement dated October 31, 2003. The intent here is to:

- Update state partner data acquisition responsibilities and provisions for sharing state-specific data among lead researchers.
- Describe the WIA net impact component design.
- Define the unemployment insurance claimant and WIA sub-population component work plans.
- Provide a revised schedule of deliverables based on agreement among the partners having lead and support responsibilities for the net impact estimates and unemployment insurance claimant research components of the overall work plan.

Six ADARE project partners continue—Georgia State University, Northern Illinois University, the University of Baltimore, the University of Missouri-Columbia, the University of Texas at Austin, and the Upjohn Institute for Employment Research. The Florida Department of Education and Florida Agency for Workforce Innovation, The Ohio State University, and the University of California—Berkeley are new state partners.

RESEARCH PARTNER RESPONSIBILITIES

State research partner responsibilities remain classified in three tiers:

1. A **lead investigator** is responsible for the professional quality of research conducted on a research topic, and for timely transmittal of the deliverables previously agreed upon for this component.

Clearance of state-specific tabulations and findings is an essential lead investigator responsibility prior to delivery of state-specific information to USDOL. This responsibility extends beyond careful review to ensure that no individual or business identity is disclosed, either directly or indirectly. Confidential administrative records have been made available to the ADARE project researchers as a privilege, not a right. Each of us, as a beneficiary of this privileged access, must be mindful of the obligation to offer database owners prior opportunities to review our findings.

Each lead investigator has full responsibility for the negotiation of data sharing agreements, if needed, authorizing the release of a partner state's administrative records to the lead investigator. The lead investigator is responsible, in turn, for complete specification of required data sources, data elements to be included from each source, and the expected timing of delivery of these data to the lead investigator.

Lead investigators are held harmless from any failure by other ADARE project partners to deliver requested information in the format and at the time previously agreed upon. Lead investigators are also held harmless from a partner's failure to successfully negotiate a data sharing agreement for release of confidential administrative information to the lead investigator.

2. **Co-investigator** responsibilities include advance and continuing coordination of shared roles with a lead investigator to ensure the assigned topic is covered with an appropriate quality of performance.

Each ADARE project partner is considered to be a co-investigator responsible for providing needed administrative data to other partners when required in an agreed upon format with identification of any data anomalies known to the partner.

3. **Data provider** responsibilities are limited to successful negotiation of necessary data sharing agreements (backward to the state agency owners of each data source and forward to other ADARE project partners when applicable), acquisition and basic understanding of covered administrative records, and delivery of agreed upon data elements to other partners on a previously agreed upon schedule.

Each partner has negotiated or is negotiating the acquisition of new historical data files—unemployment insurance claimant and Job Service registrant records at a minimum. Expectations about successful collection and processing of these new data sources are understood to be contingent upon state agency decisions that are beyond the control of the ADARE project partner.

The University of California, Berkeley and The Ohio State University are negotiating initial acquisition of historical WIA, TANF, UI wage record and Quarterly Census of Employment and Wages (formerly ES-202) information in addition to the UI claimant and Job Service files. The Florida Department of Education is negotiating acquisition of Florida UI claimant data.

During this 2004 cycle of ADARE project responsibilities, performance expected from the new CA, FL, and OH partners is limited to successful negotiation of necessary data sharing agreements (backward and forward as defined above), acquisition of data files, and processing of these files to deliver needed data elements to other partners. No direct responsibility for report writing and delivery to USDOL is expected from these new partners during this cycle.

OVERVIEW OF RESEARCH TOPICS

The research topics being addressed during the 2004 cycle of the ADARE project fall into three categories:

1. **Continuing WIA research**—using state WIASRD files updated through June 2004 to deliver timely information about the staff assisted core services, intensive services, and training services composition of the quarterly flow of hard and soft exits from the Adult and Dislocated Worker funding streams.
2. **New Unemployment Insurance claimant research**
3. **New WIA sub-population research**—focusing on:
 - Older workers
 - Disabled individuals
 - Customers with limited English proficiency

The University of Baltimore (UB) is responsible for overall management of the ADARE project. UB also has lead investigator responsibility for the **continuing WIA research** component and the new **WIA sub-population research** component.

The University of Texas at Austin (UTA) has lead investigator responsibility for the new **Unemployment Insurance claimant** component, but the Upjohn Institute (UP) has major topic-specific deliverable responsibilities within this component. UTA also continues co-investigator responsibilities, shared with the Upjohn Institute (UP), for refinement and updating of the *WIA adult and dislocated workers net impact estimates* topic.

Other partners have lead investigator and/or co-investigator responsibilities for individual topics within the components. These responsibilities are:

- Northern Illinois University (NIU) has lead investigator responsibility for the *performance indicator diagnostics* topic, drawing upon DOL/ETA Office of Performance and Results technical assistance and counsel.
- The University of Missouri, Columbia (UMC) has lead investigator responsibility for updating the *low-income customer diagnostics* topic.
- The Upjohn Institute for Employment Research (UP) shares co-investigator responsibilities with UTA for:
 1. The *WIA adult and dislocated workers net impact estimate updating and refinements* topic
 2. *Unemployment insurance claimants research* topics defined below.

Georgia State University (GSU), the Florida Department of Education (FDE), the University of California, Berkeley (UCB), and The Ohio State University (OSU), have only data acquisition and sharing responsibilities.

RESEARCH THEMES AND DELIVERABLES

The nine ADARE project states account for 43 percent of the U.S. civilian labor force. States in every region except New England are included. All industries and major race/ethnicity groups are included.

Eight of the nine ADARE project states (CA, FL, GA, IL, MD, MO, TX, and WA) will soon receive the first production release of a NAICS-coded *Quarterly Workforce Indicator* (QWI) series from the Census Bureau Local Employment Dynamics (LED) Program. This will provide unprecedented local economic context variables that can be used in net impact estimates, unemployment insurance claimant research, and WIA sub-population studies.

The addition of historical unemployment insurance claimant and Job Service registrant files to the WIA and TANF files already maintained by the ADARE project partners will complete the solid foundation of administrative record coverage that is now available to address a wide range of policy and management topics.

An appended spreadsheet presents the schedule of deliverables by major research component and sub-topic within each of the three components, and identifies the investigator or co-investigators responsible for each deliverable. Updated comments about each of these deliverables follow:

Continuing WIA Research

- Client flow profile updates (UB)—the nine-state series of trend lines delivered to USDOL in March 2004 will be updated twice more, in August and December 2004. This timing is contingent upon each partner state's cooperation in delivering the required WIASRD file updates to UB.
- Client flow demographic attribute update (UB)—the tabulations previously delivered to USDOL will be updated twice, in May and December 2004.
- Customer choice diagnostics (UB)—the tabulations previously delivered to USDOL will be updated once in June 2004. Brief narrative observations about highlights found in these tabulations will accompany the updated tables.
- Activity and services combination profile update (UMC)—the tabulations previously delivered to USDOL revealed little useful insights because of the limited number of WIASRD data elements that are available for this kind of descriptive purpose. UMC will conduct diagnostics of WIA, Job Service, unemployment insurance claimant, and TANF recipient service mix and sequence, contingent upon timely acquisition of a database with common analytical record layout from cooperating ADARE project partners. Recipients of HUD housing assistance may be included on a pilot basis for one or more states contingent upon successful completion of negotiations with HUD to acquire the necessary customer database.

The first scheduled deliverable in June 2004 will define the common record layout and confirm which of the ADARE project states will be able to provide the data needed to study customer flows among the WIA, Job Service, UI claimant, and TANF funding streams.

The content of the second deliverable in October 2004 will be contingent upon successful acquisition of the required state-specific data files.

This sub-component of the overall ADARE project work plan is seen as a new and fundamental source of continuing return-on-investment resulting from nine-state coverage including 43 percent of the U.S. workforce. There has been persistent speculation about flows among WIA, Job Service, UI claimant, TANF, and HUD housing assistance recipients.

Note: While not included in the 2004 work plan, some of the ADARE project state research partners continue to work with Food Stamps and Subsidized Child Care databases. Both are of particular importance and interest to understand the success of investments in delivery of services through WIA. The Jacob France Institute offers to host a forum to discuss these on-going research activities.

- Low-income customer diagnostics (UMC)—Previous coverage of this topic has received particularly enthusiastic responses from participants in multiple national forums. A single update in September 2004 will build on these accomplishments to date. Census Bureau LED QWI series for the eight participating states are expected to be useful in this update.
- Performance indicator diagnostics (NIU)—NIU continues many years of national leadership in the design and proper use of performance indicators. This investment has followed two complementary paths. Management applications are funded through other sources. ADARE project funds are used to improve researcher understanding and use of performance indicator information.

A final report covering this topic is scheduled for November 2004. This report will focus on the new OMB common measures that begin July 1, 2004. Interim documents and briefings have been delivered by NIU to USDOL in recent months. Another presentation is scheduled this month at the NGA conference in Miami, FL.

- WIA Adult and Dislocated Worker net impact estimate refinements (UTA/UP)—Previous coverage of this topic through ADARE project auspices has received widespread attention based on multiple presentations in national forums and continuing communication between the co-investigators and leading peers in the research and evaluation community.

Two deliverables, an interim update in August and a final cycle report in October are scheduled. The lead investigators are completing the specification of models to be estimated based on agreements reached at a February 16, 2004 meeting of these principals and other ADARE project partners in Austin, TX.

An essential contingency in successful completion of this net impact estimation research remains timely delivery of required state-specific databases to the lead investigators. The new net impact estimate approach can be broadened in future cycles of the ADARE project to include unemployment insurance claimant and WIA sub-population estimates.

UI Claimant Research

Substantial interest has been expressed in knowing more about three facets of UI claimant behaviors and the consequences of these behaviors—repeat claims, benefit exhaustion, and reemployment profiles. The central aim of ADARE project research on UI claimant activity during the current cycle is to look for recent historical evidence of these dynamics across cooperating ADARE project states, controlling for cyclical local economic trends when possible. The demographic and industrial composition of claims will be examined. An understanding of changes in the composition of claims is key to explaining trends in repeat claims, benefit exhaustion rates, and reemployment patterns.

- Composition of the UI Claimant Population (UTA/UP)—the lead investigators are examining how the claims shares of particular groups have changed over time in terms of the demographic and characteristic information provided. A historical database of Georgia UI claimants is providing initial insights about how to organize, process, analyze, and present claimant profile information. Groups of particular interest are: 1) low income and public assistance recipients, 2) dislocated and older workers, 3) manufacturing sector and permanent layoff claimants, and 4) repeat UI claimants.
- Analysis of Benefit Duration (UTA/UP)—the lead investigators will estimate models of UI benefit duration, including attention to the importance of repeat claims and reemployment prospects in understanding duration issues. This type of analysis is facilitated in states where weekly UI payment data or beginning and ending dates of each claim spell are available, so that first spell and multiple spell analyses can be carried out.

Various specifications will be estimated, including OLS, two-limit Tobit and Weibull estimators. Models will be based on required, desired, and additional variables listed in the data request that has been provided to each ADARE project state partner.

Both panel data and cross section models with time varying variables will be estimated. Time trend and year-specific indicator variables (fixed effects), and variables to control for local labor market conditions will also be included. These will permit testing of hypotheses regarding changes in duration over time, and the causes of any changes.

- Analysis of UI Entitlement Exhaustion—the lead investigators will estimate models of UI benefit exhaustion. Following the recent literature on estimating UI benefit exhaustion for Worker Profiling and Reemployment Services (WPRS) models, the researchers will estimate linear probability models of the proportion of entitlement used. Limited dependent variable models will also be estimated using OLS and logit specifications.

Model performance will be assessed by out of sample validation with a reserved subset from the available state data. For states providing weekly UI payment data, first spell exhaustion models will also be analyzed. Models will be based on required, desired, and additional variables listed in the data request. Hypotheses about the effect of claimant characteristics on UI exhaustion will be tested.

- Repeat Use of UI—the lead investigators will estimate models of UI duration and exhaustion using pooled cross section-time series data. This approach usually assumes a zero covariance in errors across individuals and time. Imposing such a restriction on the parameters would suppress information about claimants who are repeat users of the system. It is possible to estimate such models without the zero covariance assumptions, but this is difficult and will be impossible on a consistent basis if model estimation is decentralized to one or more state partners because of data confidentiality considerations.

A simple approach to understanding the impact of repeat use on UI duration and exhaustion is to use only the most recent UI claim observed for each unique claimant, and then to define dummy variables indicating the maximum number of claims observed in the time frame data was drawn. For example, if 10 years of data are provided and the maximum number of claims observed for any individual in that period is 8, then an appropriate set of indicator variables can be defined and parameter estimates on these variables are estimates of the effect of repeat use of UI. Such variables could be included in both duration and exhaustion models estimated either on benefit year or first spell data.

- Patterns of Services Use—the lead investigators will study patterns of employment services use including referral by state Worker Profiling and Reemployment Services (WPRS) systems. Patterns will be identified for groups of particular interest defined by demographics and characteristics available in the sample. Such information in itself will be informative, since UI, employment services, and claimant characteristics data has rarely been linked before. An attempt will also be made to estimate correlations between services use and reemployment as evidenced by earnings in UI wage record files.
- Patterns of Earnings and Labor Force Participation—the lead investigators will study patterns of claimant earnings before and after UI benefit receipt. These earnings data provide counterfactual evidence about patterns of labor force dropout behavior. Among other groups we will focus on: public assistance recipients, dislocated workers, older workers, and permanent layoff claimants. Parametric earnings models will be estimated to examine trends in earnings recovery and labor force participation success over time for important claimant subgroups.

WIA Sub-population Research

UB has lead investigator responsibility for each of the three sub-populations identified earlier—older workers, disabled persons, and those with limited English proficiency.

Previous inclusion of out-of-school youth and homeless persons in the ADARE project work plan dated October 31, 2003 has been deleted because data needed to include these two sub-populations are not available. The WIASRD cannot be used to begin research focused on these two WIA sub-populations.

- WIASRD data element 102 can be used to identify Adult and Dislocated Worker *older workers*.
- WIASRD data element 116 can be used to identify WIA Adult and Dislocated Worker customers with *limited English proficiency*, but this is not a mandatory reporting item for customers receiving only Core services.
- WIASRD data element 104 can be used to identify WIA customers defined as having a *disability*, but more detailed descriptors are not expected to be available.

Widespread interest in these sub-populations within USDOL and throughout the broader communities of policy analysts, advocacy organizations,

and elected officials serves as ample incentive to determine how and how far the ADARE project team can improve public understanding of how each of these sub-populations is served and might be better served through workforce development investments.

The WIASRD files provide basic delivery-of-services information for the sub-populations of interest. This descriptive starting point will be complemented by use of state-specific UI wage record information and Census Bureau LED QWI information (when these become available in NAICS-coded form) to study pre- and post- WIA participation profiles for each of these three sub-populations.

The schedule of sub-population reports is:

- Older workers—April 2004 (descriptive only) and November (beginning of a cohort analysis that will track a defined age group population as the individuals age and move among detectible programs, services, and employment affiliations).
- Limited English proficiency—May 2004
- Disabled—July 2004