

NATIONAL ASSOCIATION OF
STATE WORKFORCE AGENCIES
BULLETIN

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July 19, 2013

Senate Confirms Thomas Perez as Secretary of Labor

On Thursday, July 18, 2013, the Senate confirmed the nomination of Thomas E. Perez to be the nation's 26th Secretary of Labor. Secretary Perez has spent his career in public service and will join the U.S. Department of Labor (USDOL) next week starting on Tuesday, July 23, 2013. Secretary Perez will join USDOL after serving as the Assistant Attorney General for the Civil Rights Division at the U.S. Department of Justice. He previously served as the Secretary of Maryland's Department of Labor, Licensing and Regulation, which enforces workplace safety laws, wage and hour laws and a range of consumer rights laws. President Obama nominated Mr. Perez to be Secretary of Labor in March.



NASWA and ODEP Sign Alliance Agreement to Improve Access of Workforce System Services to Persons with Disabilities

On Wednesday, July 17, 2013, at NASWA's Board of Directors meeting in Washington, D.C., an alliance agreement between NASWA the Office of Disability Employment Policy (ODEP) was signed that will support the common goal of improving the workforce system for individuals with disabilities, including veterans. Assistant Secretary of Labor for Disability Employment Policy Kathy Martinez and NASWA President and Mississippi Department of Employment Security (MDES) Executive Director Mark Henry (pictured on right) formalized the partnership by signing a memorandum of understanding between the two organizations.



The partnership will feature information sharing; training and professional development; and feedback on ODEP policies, programs, resources and outreach. "We appreciate the time NASWA has already invested in collaborating with both ODEP and LEAD, our national technical assistance center," said Martinez. "I look forward to working more closely with NASWA to advance the employment of people with disabilities."

NASWA WIA Reauthorization Update

In recent communications between NASWA and Senate Committee on Health, Education, Labor and Pensions (HELP) staff, NASWA has been informed that the formal introduction of the Committee's Workforce Investment Act (WIA) reauthorization bill likely will occur next week and the bill will be marked-up on July 31, 2013. NASWA will provide a full update on the bill in the next edition of the *Bulletin*.

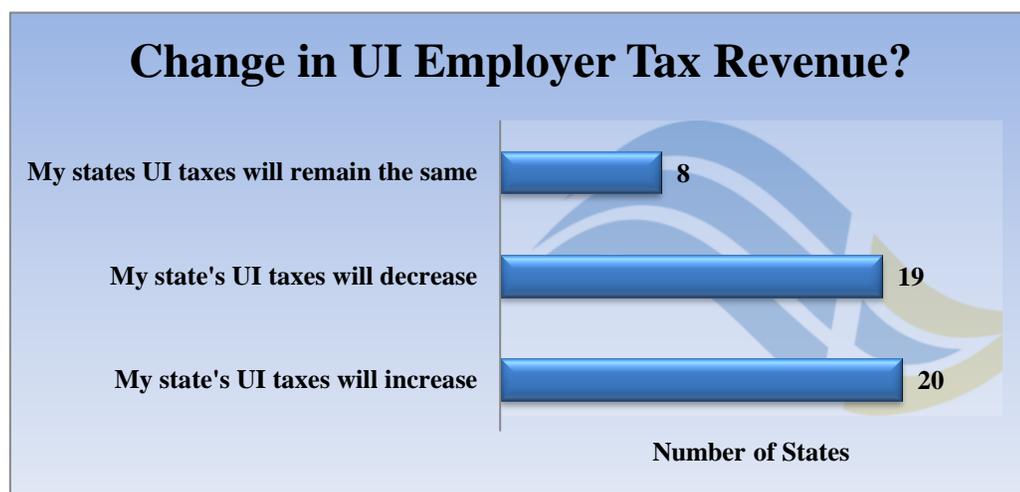
NASWA Releases Report on State Unemployment Insurance Financing Systems

NASWA recently completed its fourth annual survey of states on the status of their unemployment insurance (UI) financing systems entitled [NASWA Unemployment Insurance Tax Survey 2013](#). Originally intended to determine the amount and type of modifications to state UI tax mechanisms, the survey has evolved over the last four years, continuing to track tax changes, but now also tracking changes to weekly benefit payments, duration, eligibility, methods for employers to file UI taxes and alternative sources of funding for repayment of Title XII advances and interest on loan balances. To read the full report, click [here](#).

Some of the key highlights from the survey include:

- Overall, the survey shows evidence of improving labor markets in states from 2012 to 2013.
- The number of states expecting increases in their state unemployment insurance taxes in 2013 was 20, a 13 state decline from the 33 who indicated state unemployment insurance taxes would increase in 2012.

- The number of states projecting unemployment tax revenue to increase in 2013 as compared to state unemployment tax revenue collected in 2012 ranged from 1 to 120 percent; with a weighted average state increase of about 6.62 percent.



- The number of states increasing unemployment tax rates that indicated a discretionary increase in the state's taxable wage base in 2013 was only two, down from 10 states who indicated they would use this method to increase UI taxes in 2012. Increases in experience ratings on employers and indexation of taxable wage bases were listed as one of the top four methods of increasing UI tax revenue.
- The number of states where tax schedules and surtaxes have reached their maximum levels for 2013 was little changed from 2012, with 23 states indicating their tax schedules and surtaxes have reached their maximums, compared to 22 states who answered similarly for 2012.
- The number of states proposing legislation to address their UI financing systems increased slightly in 2013 with 13 states indicating legislation would be proposed, up from 10 states in 2012.
- The number of states enacting legislation in 2012 pertaining to UI benefits dropped considerably from 13 in 2011 to only six states enacting legislation in 2012.

The number of states expecting proposed legislation addressing UI benefits levels increased from five to nine, from 2012 to 2013.

ITSC Update: A Checklist of UI Integrity Cross Matches and Data Exchanges

Did you know that there are over 30 cross matches and data exchanges used in the Unemployment Insurance (UI) program?

Many states are familiar with cross matching UI claims with the National Directory of New Hires (NDNH) and the Social Security Administration (SSA), which are used for the prevention, detection, and collection of benefit overpayments. But, there are some cross matches that some states are not using or do not know about.

UI Integrity Cross Matches and Data Exchanges		
CROSS MATCH/DATA EXCHANGE	DESCRIPTION	FUNCTIONAL AREA*
FEDERAL		
NDNH (National Directory of New Hire)	The NDNS enables state UI Agencies to detect when a claimant has returned to work using a batch process that matches SSNs and relevant claim data to a national database which contains new hire information provided by employers. This cross match can also be used to resolve or detect gaps in claimant work history.	Overpayments
NTIS** (National Technical Information Service, Department of Commerce)	Provides access to SSA Death Records Master File through either an interactive web application or automated batch processing supported by NTIS.	Claim Filing/Overpayments
Railroad Retirement Board	Normally a batch process which exchanges data on individuals who have or are receiving both UI benefits and railroad benefits.	Claim Filing/Overpayments
SAVE (Systematic Alien Verification for Entitlements)	A multi-level process used to verify the immigration status of non-citizen claimants. If the record fails the initial verification, staff enter all available immigration information into the Web application to further attempt to validate the claimant's status. A SFTP process is also available for high volume users.	Claim Filing/Overpayments
SIDES (State Information Data Exchange System)	An automated nationally standardized server based system that allows electronic transmission of UI information requests and replies between UI agencies and multi-state employers and/or Third Party Administrators (TPAs), via a Central Broker that uses Web services (computer-to-computer Internet connection). The SIDES process also includes E-Response, an application whereby smaller employers can post responses to state requests via a website.	Non-Monetary Determination/Overpayments
Separation Data Exchange	States transmit standardized requests for separation information to the Larger multi state employers and/or TPAs who receive the request and respond back through the Central Broker in the same standardized format. Employers not using the web based system will generally receive the request by mail or email and are then given the option to login to the E-Response site to post their response which is transmitted via the Central Broker back to the requesting state.	Non-Monetary Determination

At the request of the state of New Jersey, the ITSC compiled a “checklist” of common cross matches and data exchanges that most states use. The checklist presents both federal and state specific cross matches and data exchanges with short descriptions of each and the corresponding UI functional areas. Also included in this checklist are descriptions of the various ICON (Interstate Connection Network) data exchanges. To access this checklist, click [here](#). The ITSC hopes that this new resource is helpful to states and looks forward to create additional checklist and resources. If you have any additional comments or suggestions to enhance this checklist, please contact ITSC Project Manager Marie Moss at (202) 744-5149 or marie.moss@itsc.org.

New ETA Deputy Assistant Secretary Named



Eric Seleznow was named U.S. Department of Labor Employment and Training Administration Deputy Assistant Secretary this week. Mr. Seleznow brings more than 30 years of experience in the workforce development system and served as state policy director for the National Skills Coalition for the past three years. Before joining the coalition, he served as executive director of the Governor's Workforce Investment Board in Maryland. Mr. Seleznow also served as local WIB director for the Montgomery County (MD) Department of Economic Development. During his tenure on the Maryland workforce investment board, Mr. Seleznow worked with Gov. Martin O'Malley in the launch of Skills2Compete-Maryland, one of the first efforts to assess how many people are being trained for skilled credentials across the state's public workforce, and for education and human services programs. At ETA, Seleznow also will assume the role of acting assistant secretary.

USDOL Announces \$64 Million in Reemployment Grants

With recent research showing strong evidence that reemployment and eligibility assessments can help unemployed workers find a job more quickly, the USDOL announced a new round of grants on July 15 to help implement these programs at the local level. The funds will be used to provide unemployment insurance recipients with personalized re-employment plans based on career interests and local labor market information as well as referrals to local training programs. Two new states, Connecticut and Delaware, along with the Virgin Islands, are receiving grants to implement an REA program while 36 additional states, Puerto Rico and the District of Columbia are being awarded additional funds to continue existing programs. The funds also will be used to help review claimants' eligibility for Unemployment Insurance benefits and to reduce improper payments. Please click [here](#) for USDOL's news release.

Bureau of Labor Statistics Commissioner Erica Groshen Answers Questions on Revisions to Monthly Jobs Numbers

At the start of each month, the Bureau of Labor Statistics reports the change in payroll employment for the previous month. Recently, the estimate of jobs lost — particularly the unemployment rate — has been closely watched by policymakers, far less attention is paid to revised estimates, which are more accurate. Erica Groshen, the BLS commissioner, answers three questions on revisions to jobs numbers.

Why are revisions necessary?

The Current Employment Statistics (CES) estimate of employment change is based on a monthly survey of about 560,000 work sites, selected to represent the millions of businesses throughout the country. Sampled businesses report the total number of people who worked or received pay during the pay period that includes the 12th of the month. Because users of CES data are intensely interested in the earliest possible read on labor market developments, BLS releases the first monthly employment change estimate based on initial reports collected from survey respondents. Although BLS uses a variety of methods to gather reports as quickly as possible, many businesses do not have their payroll data ready to report by the scheduled date that BLS initially releases the data. In 2012, for example, the average collection rate at the time of the initial release was 73.1 percent. In order to improve the quality of the CES data, BLS continues to collect payroll reports for a reference period after the initial release of data. With each subsequent estimate, more businesses have provided their information, making the estimate more accurate.

What steps are taken to improve estimates?

In recent years, BLS made changes to the CES program that resulted in savings while improving or maintaining the quality of the estimates nationwide. A portion of the savings is being used to increase the amount of data available when the initial estimates are made. More of the initial reports from employers are now being collected via Computer Assisted Telephone Interviewing, which has a higher collection rate than other methods used by CES. The CES program also is exploring improvements to the way the estimates are calculated. For example, one project is looking at whether alternative imputation methods — the methods we use to account for the reports we do not receive in time for the scheduled initial release — may lead to improved initial estimates and smaller revisions.

What's the best way to understand these data?

Data users should remember that the initial estimates of payroll employment are a preliminary look at what occurred in each month. It is the quick but lower resolution snapshot of what went on in the job market that month. Because the revised estimates are based on more complete data, they create a higher resolution picture — and occasionally the revised data produce a different impression altogether. As more time to collect information, the labor market image becomes less blurry. Many users find the early read very useful — but they should understand that it takes time to develop a really clear picture.

BULLETIN CONTRIBUTIONS

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FEEDBACK

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