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Evaluation of the Impact of Telephone Initial Claims Filing

Final Report
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EXECUTIVE SUMMARY

Within the past decade, nearly all states have changed, or have made plans to change, the process for filing initial claims for unemployment insurance (UI) benefits. Formerly, to file a UI claim, workers who became unemployed had to appear in person at a local UI office. Under the new procedures, known as telephone initial claims (TIC) filing or remote claims filing, states allow or require workers to file their UI initial claims by telephone. States are making this change primarily to reduce administrative costs and/or improve customer service, but conversion to telephone filing may have other effects as well. For example, the number of initial claims may increase because filing is easier. Some policymakers have expressed concern that TIC filing could adversely affect the ability of states to monitor the integrity of the claims-taking process and that other aspects of the process of delivering UI- or reemployment-related services to claimants may be adversely affected. In addition, some policymakers have questioned the viability of telephone filing as use of the Internet for filing continues to grow.

This study, sponsored by the United States (U.S.) Department of Labor (DOL), examines the effects of the conversion to remote claims filing on claims, claimants, and program operations. By examining data from a variety of sources, we find that the effects of TIC filing on the number of initial claims vary across states. Of seven states studied, one shows a clear increase in the number of claims, one a decrease, and three with no change. In the two other states, evidence was mixed and we could not draw formal conclusions about the effects of TIC filing on initial claims. Claimants uniformly like TIC filing and prefer it to in-person filing; we could identify no subgroups of claimants who seem to face additional barriers to filing under the new method. The switch to TIC filing affects program operations in several ways, most notably by increasing the likelihood that other UI activities also will be conducted by telephone. Although formal linkages between the UI agency and reemployment service agencies are maintained, reductions in communication between these two groups may affect service delivery to claimants. We also conclude that some, but not all, states realized administrative cost savings. Finally, we conclude that use of telephones and the Internet are compatible ways to serve claimants.

STUDY DESIGN

The study draws on the experiences of Colorado, Maine, Massachusetts, Missouri, Montana, Utah, and Wisconsin to examine the effects of conversion to TIC filing on the number of claims, claimants, and program operations. We chose these states because they were among the first to complete their conversions, allowing us to observe postconversion outcomes in each state for at least one year. Taken together, these states represent a wide array of state economic conditions and UI systems. These states also operate their TIC systems in different ways.

We used several data sources and analysis methods for the research. To conduct the research efficiently, we included all seven states in those parts of the study for which we could use existing data. For cost reasons, however, we included only a subset of the seven states

for those parts of the study where more costly data collection was necessary. To examine aggregate impacts on the volume of claims, payments, and other UI activities, we relied on readily available state-level aggregate data reported by states to DOL. Similarly, all seven study states collect some information on claimant satisfaction and therefore can be included in the analysis of customer survey data. On the other hand, data on operational approaches and administrative costs were gathered primarily through discussions with state administrators during and subsequent to site visits to three states.[1] Similarly, analysis of the characteristics of claimants used more resources and was limited to the smaller set of states. Each of these strategies and data sources was used to complement the other analyses, thereby enabling us to develop an overarching understanding of the effects of the switch to TIC filing.

Maine, Missouri, and Wisconsin were part of the in-depth analysis, which included site visits and claimant-level data analysis, in addition to the analyses of aggregate data and claimant surveys (Table ES-1). Several factors prompted us to select these three states for the in-depth analysis. Missouri kept its local offices open for other UI program activities, whereas Maine closed all local offices. Maine also allows claimants to use an alternative base period to file if they do not qualify when using the standard one, which might complicate the process of filing an initial claim. Further, Maine can provide insights into the experiences of states with small, geographically dispersed populations. Wisconsin's experience is important, both because it has a long history of TIC filing and because earlier research has found that TIC filing in the state has had a strong impact on claims and payments.[2]

Table ES-1. Data Sources Used for Analysis of Each State

DATA SOURCE	State-Level Aggregate Data	Site Visits	Claimant-Level Data	Claimant Surveys
Colorado	X			X
Maine	X	X	X	X
Massachusetts	X			X
Missouri	X	X	X	X
Montana	X			X
Utah	X			X
Wisconsin	X	X	X	X

STATE APPROACHES TO IMPLEMENTATION

States must make numerous decisions about how to convert from local-office filing of initial claims to telephone filing, and each of these decisions may have repercussions in the claims-taking process. States must consider whether to close all local offices or leave some or all of them open, to give claimants the option of filing initial claims in person or by telephone.

[1] We also conducted brief telephone interviews with administrators in study states not selected for in-depth analysis.

[2] Needels, Karen, and Walter Corson. "Evaluation of the Impact of Telephone Initial Claims Filing: Interim Report." Report submitted to the National UI Information Technology Support Center. Princeton, NJ: Mathematica Policy Research, Inc., July 1998.

The states must also determine characteristics of the TIC filing system, such as the number and location of call centers established and whether to provide a toll-free calling number. Decisions on each element could be affected by the motivation for converting to TIC filing, constraints resulting from the states' geographic characteristics and population distributions, and concerns about the needs or preferences of claimants, employers, UI staff, and legislators.

To better understand the potential ways in which the conversion to TIC filing could affect claims, claimants, and program operations, we examined several key choices made in structuring TIC operations (Table ES-2). These choices provide a context for the analysis of the effects of TIC filing on claims, claimants, and program operations.

Table ES-2. Characteristics of Implementation

Characteristic	Colorado	Maine	Massachusetts	Missouri	Montana	Utah	Wisconsin
Implementation Dates (month/year)	4/91	4/97-7/97	2/96-11/96	11/96-10/97	10/96-10/97	4/97-8/97	5/95-1/96
Main Reasons for Implementing TIC	Costs	Costs	Costs; local office space	Costs; local office space	Staff training; costs	Customer service; costs	Costs; customer service
Closed UI Local Offices for Initial Claims Filing	Yes	Yes	No	Yes	Yes	Yes	Yes
Number of Call Centers	1	2	4	4	2	1	2
Availability of a Toll-Free Number	Yes	No	No	Yes	No	Yes	Yes
Use of an IVR System	Minimal	Extensive	Extensive	Extensive	Minimal	Extensive	Extensive

MAIN REASONS FOR THE CONVERSION TO TIC FILING

Two frequently heard reasons for the switch are to reduce administrative costs and improve customer service. Others included pressure on local office space and the desire to improve staff training. The availability of DOL grant money also was likely to contribute to the decision.

THE NUMBER AND LOCATION OF CALL CENTERS

States opened between one and four call centers. State staff cited several factors in deciding on the number and location of call centers: a desire to retain trained staff, the location of existing office space, the availability and cost of alternative office space, the location of the claimant population (which would affect the cost of the telephone calls), the desirability of maintaining redundant systems (so as to minimize the effects of staff training or service interruption), and political considerations. All states except Massachusetts eliminated the option for claimants to file for benefits in person at a local office and, instead, required claimants to file a claim through a call center. Although Massachusetts intended to close all its local offices, legislation forced the UI agency to reopen a minimum of 15 offices. In response, the agency decided to reopen 23 offices, which made in-person filing available statewide.

AVAILABILITY OF A TOLL-FREE NUMBER

Administrators estimated that filing an initial claim takes an average of about 15 minutes, and may take longer during busy times. Some study states have set up toll-free service out of concern for equity between claimants in remote and urbanized areas and to make filing more accessible. Other states do not provide toll-free service.

USE OF AN INTERACTIVE VOICE RESPONSE (IVR) SYSTEM

Use of Interactive Voice Response (IVR) technology has the potential to improve services to claimants and to save administrative costs. An IVR system uses digitized voice technology to instruct callers to provide information by punching numbers into the telephone keypad. This information, which is stored directly in a computer, can be used both to collect information for initial claims and to route calls to specific agency staff. The potential benefits of the technology must be balanced against both the cost of developing and maintaining the IVR system and any impact on claimants' satisfaction with filing (claimants may prefer either the IVR system or a direct connection with a customer service representative [CSR]). All seven study states use an IVR system to sort calls, but they differ in how much information they collect through the IVR system.

IMPACTS ON CLAIMS, PAYMENTS, AND THE TRUST FUND

The implementation of TIC filing will likely make it easier and less time-consuming for claimants to file an initial claim for UI benefits. Because filing is easier, the number of initial claims, and subsequent payments, may increase. Indeed, prior research found that this had occurred.[3] Increases in claims and payments may, in turn, exert pressure on the trust fund balance and employer tax rates.

Impacts of Claims and Payments Are Mixed

We examined the impact of TIC filing on initial claims and other UI activities by comparing each measure of activity as it was before and after the transition to TIC filing. To gauge the long-run impacts on the UI system, we focused our examination on the impacts occurring *after* a transition period. We used quarterly state-level data reported to DOL that covered a five-year period prior to the transition to TIC and a period after the transition that was as long as the available data allowed. We took into account other factors (such as the unemployment rate, industrial composition, and UI program characteristics) that change over time and that could affect the levels of these UI activities. Finally, we tested the sensitivity of our findings to different specifications of the statistical models.

[3] Needels and Corson, previous citation.

Estimates of the impacts of the conversion to TIC filing on the number of initial claims filed in each state vary considerably, with most states showing no increase or a small increase in the number of claims.[4] The conversion from in-person UI initial claims filing in local offices to TIC filing increased the number of initial claims in Wisconsin substantially (by 20 to 30 percent), while reducing initial claims in Montana by about ten percent. The number of initial claims was not affected in Maine, Massachusetts, and Missouri. Conclusions are not clear-cut for Colorado and Utah, as some variants of the statistical model gave large and positive estimates, while other variants gave small estimates that were not statistically significantly different from zero. It is quite possible that the number of initial claims filed may have increased in Colorado and Utah, but our empirical estimation strategy was not able to distinguish these *real* effects from statistical noise in all models. The Colorado UI agency reports that initial claims activity moderately increased after the conversion to TIC filing, while Utah reports that this is the case for workers from professional and managerial occupations. Therefore, conclusions about the effects on initial claims in Colorado and Utah are more uncertain than for the other states.

Unfortunately, the available data do not enable us to isolate the reasons for the differences in effects on initial claims among the study states. However, two likely factors are the state-specific characteristics of the claimant population and the way call centers operated. State-specific characteristics of the claimant population include factors such as geographic dispersion, industrial composition, and preferences for in-person filing relative to telephone filing. Call center characteristics that could affect how many claims are filed include how extensively an IVR system is used, the adequacy of call center staffing, and whether the state or the claimant pays for a long-distance call.

Impacts on the Trust Fund Depend on the Size of Impacts on Payments

The impacts of changing from in-person to telephone filing on the trust fund and employer tax rates will depend on the amount of the increase in payments. States with very small increases are unlikely to experience a discernible trust fund impact. States with large increases may experience much larger impacts. Except for Wisconsin, the states in the study did not experience large increases in the number of initial claims and payments, which suggests that trust fund impacts in these states may be relatively small.

No Impacts on Overpayments Were Detected

A possible, undesirable side effect of conversion to TIC filing is that claims takers will have greater difficulty verifying the integrity of a claim or that potential claimants may be more likely to attempt to commit fraud by telephone. To investigate this issue, we used Benefit Accuracy Measurement (BAM) data and Benefit Payment Control (BPC) data to examine changes in overpayment rates over time. We also asked state administrators about their perceptions of the effects on overpayments of the change to TIC filing.

The quantitative evidence from BAM and BPC data is not conclusive one way or the other, because overpayments related to initial claims are extremely rare. However, administrators reported that states' primary mechanisms for detecting overpayments due to

[4]First payments and weeks compensated were affected in similar ways.

fraud or agency error were not affected by the conversion to TIC. Almost all administrators reported that there had been no changes in overpayments due to TIC.[5] From this analysis, we conclude that use of TIC filing, and the resulting reduction in face-to-face interaction between the claimant and UI staff, is unlikely to lead to an increase in overpayment rates.

THE EFFECTS ON CLAIMANTS

Two UI programs reported that improving customer service was a primary reason for changing to TIC filing. Even in states that did not cite better customer service as an objective, implementation may affect claimant satisfaction and the adequacy of services. We use three approaches to assess the effects of the switch to TIC filing on claimants. First, we examine claimants' reports of their level of satisfaction with TIC filing. Second, we assess whether claimants receive their first payments more quickly or more slowly. This is important because a key measure of the adequacy of UI services is whether claimants' eligibility is quickly identified and benefits are promptly paid. Third, we examine whether there are any identifiable groups of claimants who are worse off because of the switch to TIC filing.

Claimants Like TIC Filing

To assess claimant satisfaction levels with TIC filing, we reviewed results from surveys of claimants conducted by the states as well as for DOL. In all seven study states, an overwhelming majority of claimants report satisfaction with TIC filing. In Colorado, for example, more than 90 percent of claimants typically report being "very satisfied" or "satisfied" with the services provided. Claimants who had filed for benefits through in-person and telephone methods also overwhelmingly preferred telephone filing. This satisfaction probably is due to the perception that TIC filing is faster, easier, and more convenient. The minority of claimants who prefer local office filing say that they value face-to-face interaction with the claims taker.

TIC Filing May Slow First Payments

The time it takes to make initial UI payments after a claim is filed is an important measure of the UI program's ability to assist workers when they lose earnings. For intrastate claims, the DOL Secretary's standards require that 87 percent of first payments be made within 14 days in states with a waiting week, and within 21 days in states with no waiting week. The standards also require that, in all states, 93 percent of payments be made within 35 days.

TIC filing might affect the time between the initial claim and first payment. The average time might decrease if states are better able to automate the processing of claims by telephone. Alternatively, the average time might increase if claimants must mail documentation of eligibility rather than deliver it in person to a local office.

[5]One administrator reported that it is more difficult to verify eligibility for dependency allowances under the TIC system because claimants no longer provide documentation proving that they have dependents.

Using aggregate data reported to DOL on the number of first payments made within specified time intervals, we found that use of TIC filing slightly increased the period necessary to process an initial claim. Delays in getting documentation from claimants or employers are the most likely reasons for the increase. Nevertheless, states continued to meet the DOL Secretary's standards for payment timeliness.

No Identifiable Groups Were Adversely Affected by TIC Filing

Even though most claimants clearly prefer telephone filing to in-person filing, we also investigated whether some unemployed workers were less well off because of the switch to telephone filing and might choose not to file or be unable to do so. The ideal data for this analysis would be data on unemployed workers so that individuals who would have filed in person, but not by telephone, would be included. However, data on unemployed workers who choose not to file for UI benefits were unavailable. Thus, we tried several different strategies to gather indirect evidence about whether some workers face additional barriers to filing their UI claims. Each of these strategies is far from the ideal, but looking at them together is the best way to try to identify whether some claimants were worse off by the change in filing method.

Claimants with Special Needs Are Equally or Better Served

We asked state administrators how the switch to TIC filing affected claimants who might be likely to face barriers to telephone filing, or who might have special needs. We focused on three types of potential claimants: foreign-language speakers, hearing-impaired people, and those who have difficulty reading.

Most states have procedures for serving foreign-language claimants. Most agencies developed special procedures to accommodate foreign-language speakers, such as providing translation services for claimants who are not fluent in English. Linking foreign-language speaking claimants and bilingual CSRs was often difficult in the local office era because of the decentralization of staff. Administrators in several states, however, reported that the IVR system for TIC filing could route foreign-language callers directly to bilingual CSRs. In addition, some states reported using the AT&T translation line, which allows for translation into more than 100 languages. Several states also reported both that the demand for foreign language translation is low and that claimants often provided their own translators for TIC filing.

Hearing-impaired claimants have access to assistance in filing. One might expect claimants with hearing impairments to have more difficulty filing by telephone than in person. However, statewide "relay" services are widely available to facilitate telephone communication for deaf people. These services allow hearing-impaired individuals to use a telecommunications device for the deaf (TDD) to communicate with an operator, who then communicates with whomever the hearing-impaired individual wishes to contact (such as a CSR at a UI call center). Most states also have installed TDDs in one or more of their call centers, which enables hearing-impaired claimants to communicate with UI staff there without having to request an operator's assistance. Although some states offered this service during

the local office era, it may be more feasible to do so under the call center system because all claims from hearing-impaired claimants are centrally processed.

Claimants with literacy problems are better served. The switch from local offices to call centers has the potential to facilitate filing for claimants who have difficulty reading or writing. Indeed, most state administrators believe that claimants with literacy problems are better served by call centers than by local offices because the new system eliminates the need for written forms. In the past, some claimants who were not able to read would take the claim forms home rather than attempt to complete them in the local offices. This practice both increased the time required to file a claim and forced claimants to make more than one trip to the local office.

The Average Characteristics of Claimants do not Indicate that Specific Claimant Subgroups Were Adversely Affected

If TIC deters some groups of claimants from filing initial claims, we might detect a shift in the average characteristics of claimants over time. For example, a sudden large decline in the average age of claimants would suggest that older claimants have difficulty filing.

Maine, Missouri, and Wisconsin provided administrative records for samples of claimants for several years prior to the switch to telephone filing, for the year of implementation, and for as many years of post-implementation experience as were available. Data are available on demographic and pre-unemployment characteristics of a claimant (such as race, sex, age, base period earnings, and industry) and on the UI claim (maximum benefit amount, weekly benefit amount, remaining balance, and date of the claim).

Average characteristics of the claimant population changed, but it is likely that most changes are due to changes in the economy or secular changes in the labor force, rather than to TIC. Claimant groups who might be expected to have greater difficulty filing, such as older workers or workers with lower earnings, were not underrepresented compared to the pre-implementation period. This suggests that, at least among the characteristics of claimants for which data are available, TIC filing did not impose additional barriers to subgroups of claimants who might be expected to have difficulty using the telephone.

Claimants do not Report Additional Barriers in Customer Survey Data

If some claimants who successfully filed reported that TIC created new barriers to filing, we would suspect that other unemployed workers might have encountered insurmountable barriers which prevented them from filing a claim. However, claimants report in customer surveys that it was easy for them to get and understand the information they need and that call center hours were convenient. Since claimants who successfully filed do not report additional barriers attributable to TIC, there is no evidence to suggest that other unemployed workers had difficulty filing.

Eligibility Rates Suggest That Claimants Who File by Telephone Are Similar to Those Who Filed In Person

TIC filing makes it easier to file an initial claim relative to filing in person. Consequently, it is possible that workers who are not certain they are eligible for benefits may be more likely to file a claim when TIC filing is used. As a result, the proportion of initial claims that are ineligible may increase. This change in eligibility rates is especially likely in states in which the numbers of initial claims changed.

To learn whether this is the case, we examined quarterly state-level data on monetary eligibility, non-monetary determinations, and denial rates for reasons of separation. In most states, we found that the change in filing method did not significantly affect the percentage of claims found to be monetarily eligible. In Wisconsin, we found that claimants who filed by telephone had similar eligibility rates, compared to claimants who had filed in person at a local office, suggesting that these claimants are not characteristically more or less likely to be ineligible. In Montana, we found a similar result: the eligibility rates of claimants who filed in person were similar to those who filed by telephone, suggesting that claimants who did not file by telephone are similar to the in-person filers. In the states for which we found no change in the number of initial claims or ambiguous results, patterns in eligibility rates are more difficult to interpret, but they do not appear likely to be caused by changes in the composition of the claimant population resulting from additional barriers to filing for some claimants.

UI PROGRAM OPERATIONS

The filing of a UI initial claim is the entry point for unemployed workers, both into the UI system and to other services that assist workers as they seek new jobs or await a return to jobs from which they have been temporarily separated. As states change the way unemployed workers access the UI system, and as states plan for future changes, it is important to consider how these alterations affect UI functions specifically and reemployment services more generally.

We focus on four broad topics related to UI program operations. First, we consider how TIC filing affects administrative costs. Second, we look at how the switch to TIC filing led to changes in other UI activities. Third, we look at changes in linkages between UI agencies and reemployment service agencies. Finally, we address strategies that State Employment Security Agencies (SESAs) are considering using to handle initial claims filing in the future and how these strategies may affect claims taking and the UI system more generally.

Some, but Not All, States Saved on Administrative Costs

A frequent reason for implementing TIC filing is to reduce administrative costs. Indeed, all state administrators with whom we spoke cited potential cost savings as an important reason for making the change. In some cases, however, state administrators recognized that costs might increase in the short run. By establishing a more efficient method of claims

taking, they expected to reduce longer-run cost increases that would occur in the absence of the switch.

We examine administrative cost data for the years immediately before and after implementation of TIC filing to determine whether states saved on costs. Although we cannot control for other changes made to program operations during these years, the patterns in these data are suggestive of whether or not cost savings were realized.

We conclude that, with the introduction of TIC filing, some states experienced a reduction in costs, but that this was not the case in other states. Reductions in personnel costs and local office rent due to consolidation of operations in the call centers may be offset by increases in communication and in equipment-related costs. These increases can be substantial, particularly in states that pay for telephone calls to the call centers.

States Are More Likely to Use Telephones for Other UI Program Activities

The switch to TIC filing might affect UI program administration in ways other than by the direct impacts on the way in which initial claims are taken. Even in states that continue to operate some or all local offices, the use of new technology to serve initial claims filers could be expected to affect the way other UI program activities function. For example, these other operations might include the way in which states conduct determinations of initial or continuing eligibility for benefits or the way claimants file for their weekly benefit payments.

UI administrators reported that changing to TIC filing paralleled other changes in the way the claimants and UI staff interact. As states reduce their local-office presence, the use of telephones for filing initial claims made it easier to conduct other UI activities by telephone, such as adjudication and eligibility reviews. Some states were already conducting these activities by telephone, others had modified the processes to conduct these activities to take advantage of the centralization inherent in taking initial claims at call centers.

The Lack of a UI Presence in Local Offices and One-Stops May Affect Delivery of Reemployment Services for UI Claimants

Contact with the UI agency has often been a way that unemployed workers receive information and referrals for reemployment services. Conversion to TIC filing might affect the UI agency's linkages with other agencies that deliver reemployment services to claimants, and thereby the extent to which claimants receive these services. For example, if claimants file for UI benefits by telephone rather than in person, the UI agencies may develop new procedures to ensure that claimants register with and use the Job Services (JS), or that claimants participate in Worker Profiling and Reemployment Services (WPRS) activities.

We asked UI administrators how changing the filing method had affected these other UI program activities and claimants' use of reemployment services. Because we did not speak directly with staff from other reemployment service agencies or with claimants, however, our conclusions are based on only one perspective about these issues. According to UI administrators, the formal interagency exchange of information between UI staff and reemployment services staff, such as for worker profiling and for registrations to JS, generally

continued to operate smoothly. However, both direct staff interaction across agencies and cross-training of UI and JS staff may decline to some degree, because these staff are not collocated. This reduced familiarity of UI staff with reemployment services, in conjunction with lower walk-in service use because of the physical separation of the UI and JS agencies, might affect the extent to which UI claimants participate in and benefit from reemployment services.

Other research supports the view that changing from in-person initial claims filing to telephone filing reduces the extent of UI and One-Stop agency staff knowledge about the services offered by the other organization.[6] By looking at the linkages between UI agencies with the One-Stop systems in five states with TIC filing, Salzman et al. (1999) conclude that call center staff usually were able to provide claimants with some limited information about the One-Stop center nearest to where the claimant lived. CSRs, however, were unable to provide detailed information on the types of services offered or to address specific questions about the services.

Nevertheless, it is unclear how much information about reemployment services the CSRs would have been able to provide with in-person filing. Historically, not all UI offices were collocated with JS; consequently, not all UI staff had direct contact with staff from JS. Collocation of staff from different agencies in some locations may, however, facilitate some formal and informal communication between the agencies and may encourage walk-in UI claimants to seek information provided by JS and other service providers.

TIC AND INTERNET FILING ARE COMPATIBLE

Existing UI call centers and those becoming operational over the next few years will remain viable claims-taking entities far into the foreseeable future. The number of telephone claims nationwide is dramatically increasing and will soon be the dominant claims mode, replacing in-person claims filing. UI Internet claims capability is in its infancy. The absolute number of Internet claims is beginning to increase; however, it will in no way eclipse or replace telephone claims in the near future. Rather, the two modes of claims will operate together, allowing and offering claimants different modes of communication with UI staff. The call centers of today will become the "Customer Contact Centers" of tomorrow, where phone, fax, e-mail, and Internet will be different modes of communication. UI Staff at the "Customer Contact Centers" will have desktop capability for all the aforementioned modes of communication, and will interact with claimants as necessary.

The UI presence at One-Stops should also reflect customer choice (Intranet or Internet), where claimants may pick up a telephone to call the "Customer Contact Center" or utilize a "self-help" UI claims application to apply for benefits. In conclusion, communication choices between the public and government need to become a reality in the near future, thereby allowing the public access to government services as dictated by the individual's capability.

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[6] Salzman, Jeffrey, et al. "Unemployment Insurance in the One-Stop System." Prepared for the U.S. Department of Labor, Unemployment Insurance Service. Menlo Park, CA: Social Policy Research Associates. November 1999.

CONCLUSION

In conclusion, we find:

- TIC has little or no impact on claims and payments in most states
- TIC has little or no impact on overpayments
- Claimants prefer TIC filing to in-person filing
- TIC has better service for all claimants
- First payments are slightly less timely
- Some but not all states realized cost savings
- TIC and Internet claims filing are compatible

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SECTION 1

INTRODUCTION

Within the past decade, almost all states have changed the method of filing for initial claims for unemployment insurance (UI) from in-person filing to telephone initial claims (TIC) filing or have developed plans to do so. Also referred to as remote claims processing, TIC filing has the potential to make it easier to file a claim and to reduce the stigma associated with filing. Thus, a state's conversion from in-person to telephone filing may lead to an increase in initial claims. If claimants who would file by telephone but not in person are eligible for benefits, then total benefits paid will also increase. The states may have questions about other potential effects of the change in filing methods, such as whether they can adequately monitor the integrity of the claims-taking process as face-to-face contact between the claimants and UI agency staff is reduced or eliminated, whether claimants generally like the change, and whether the change makes filing harder for certain types of claimants. In addition, the switch to TIC filing may directly or indirectly affect other aspects of the process of delivering UI-related services to claimants.

This study, sponsored by the United Stated (U.S.) Department of Labor (DOL) and conducted by the UI Information Technology Support Center (ITSC) and Mathematica Policy Research, Inc. (MPR), examines a broad range of questions about the effects of the conversion to remote claims filing. First, it provides information on a range of impacts on the volume of claims and payments in seven states that have completed implementation of TIC filing, as well as on how these impacts might change over time. It also discusses potential impacts on the UI trust fund. Second, it examines the effects of the switch on the composition and satisfaction levels of claimants and whether some groups of claimants face considerable barriers to filing by telephone. Third, it investigates the impact of TIC filing on program operations, including staffing patterns, linkages with Job Services (JS), and administrative costs. The study also discusses the states' plans to use the Internet as another method by which claimants may file for benefits.

The current work extends previous MPR research that examined the potential impacts of converting from in-person to telephone filing in the first two states that switched completely - Colorado and Wisconsin - and in San Diego, one of the first areas in California in which the switch was made (Needels and Corson 1998). In "The Evaluation of the Impact of Telephone Initial Claims Filing: Interim Report," Needels and Corson concluded that the volume of claims and payments increased from about 5 percent to more than 30 percent, depending on the site and statistical model used. Most of the additional claimants were eligible for UI benefits, and no evidence of an increase in overpayments error was found. In summarizing findings from surveys of claimants conducted by the states, Needels and Corson concluded that claimants save time by filing by telephone rather than in person and like the new way of filing. The current research both expands the analyses presented in Needels and Corson (1998) by examining additional states and updating estimates for Colorado and Wisconsin and addresses new questions.

In the next part, we discuss how states were selected for inclusion in the evaluation, as well as the data sources used for it. In 1.2, we describe the contents of the rest of the report.

1.1 STATES INCLUDED IN THE EVALUATION AND DATA SOURCES USED TO CONDUCT IT

We used three criteria to choose states for inclusion in the evaluation. First, states must have used TIC filing long enough to allow for measurement of potential impacts. We set one year of post implementation experience as a minimum threshold. Much of the analysis relies on state reports to the Unemployment Insurance Service (UIS) on claims, payments, and other activities. Given the project schedule, data for the period through December 1998 could be used in the evaluation. Hence, states that were included had to have completed implementation of TIC filing before January 1998.

Second, the group of states was to represent as wide an array of state economies and UI systems as was feasible. Relevant factors included their region in the country, economies, and aspects of the UI system that were of interest to DOL policymakers.

Third, it was important that the states selected for the study had implemented TIC filing in ways that can shed light on the experiences that other states may encounter as they make the transition to TIC filing. On the one hand, pre-post comparisons are most feasible and significant in states that have rapidly implemented TIC filing statewide, because the data from the time periods for comparison most cleanly represent statewide use of the different systems for filing (in person or by telephone). On the other hand, states considering implementing TIC filing might have compelling reasons to do so either slowly over time or only partially. Therefore, it would be useful to gain an understanding of the implications of these strategies from states that already have used the methods.

According to ITSC data, the following eight states completed implementation of TIC filing statewide as of January 1998 and were potential candidates for inclusion in the study: (1) Alaska, (2) Colorado, (3) Maine, (4) Massachusetts, (5) Missouri, (6) Montana, (7) Utah, and (8) Wisconsin.[1] We excluded Alaska from our analysis because claimants there can file initial claims by mail as well as by telephone; thus, seven states were included in the evaluation.[2]

We used a variety of analysis methods and data sources in our research (Table 1-1). To conduct the research efficiently, we developed a strategy to include some of the seven study states in only parts of the analyses. We included as many states as was possible for less resource-intensive analyses and concentrated more resource-intense analyses on only three states. For example, to examine aggregate impacts on the volume of claims, payments, and other UI activities, we relied on easily available state-level aggregate data reported by states to DOL. Because this analysis used few resources, it made sense to include as many states as possible. Likewise, we were able to include all seven study states in analyses of claimant survey data because all states collect some information on claimant satisfaction. Collecting data from states on operational approaches, administrative costs, and the characteristics of

[1]Although California began implementing TIC filing in 1994, we excluded it from the analysis because it rolled out TIC filing slowly area-by-area, over several years. California therefore had not made the transition to TIC filing statewide in time for consideration.

[2]During discussions with state administrative staff, we discovered that Maine also allows claimants to file initial claims by mail. Fewer than five percent of Maine's claims are filed in this way. No states in the study reported widespread use of mail for initial claims filing prior to the establishment of call centers.

Table 1-1. Data Sources Used for Analysis of Each State

Data Source	State-Level Aggregate Data	Site Visits	Claimant-Level Data	Claimant Surveys
Colorado	x			x
Maine	x	x	x	x
Massachusetts	x			x
Missouri	x	x	x	x
Montana	x			x
Utah	x			x
Wisconsin	x	x	x	x

claimants used more resources and was limited to the smaller set of states. These data were gathered primarily through discussions with state administrators during, and subsequent to, site visits.[3] Each of these strategies and data sources was used to complement the other analyses, thereby enabling us to develop an overarching understanding of the effects of the switch to TIC filing.

Maine, Missouri, and Wisconsin were part of the in-depth analysis, which included site visits and claimant-level data analysis, in addition to the analyses of aggregate data and claimant surveys. Several factors suggested that these states were the most appropriate of the seven. Missouri is of interest because it kept local offices open for other UI program activities. In contrast, Maine closed all local offices but allows claimants to use an alternative base period to file if they do not qualify when using the standard one. This feature is important because the availability of an alternative base period might complicate the process of filing an initial claim. Maine can also provide insights into the experiences of states with small, geographically dispersed populations. Wisconsin's perspective is important both because it has a long history of TIC filing and because Needels and Corson (1998) estimated that TIC filing in that state had extremely large impacts on claims and payments.

We excluded Colorado from the in-depth analysis, as it would be difficult to obtain sufficient information on that state's preimplementation administrative costs. (Colorado, the first state to implement TIC filing, made the change at least four years before the next state did so.) We also excluded Montana and Utah from in-depth analysis because their caseloads are small relative to those of other states, and because their experiences might be represented, in part, by Maine's.

Our original intention was to include Massachusetts in the in-depth analysis. Its inclusion would have been extremely valuable for two reasons. First, the state's claimants can choose to file an initial claim either through a call center or through a local office. Second, because it allows claimants to choose between alternative base periods to maximize their benefits, Massachusetts has a complicated claims-taking process. However, it was unable to participate in the in-depth analysis, so the report cannot comment extensively on how TIC

[3]We also conducted brief telephone interviews with administrators in study states that were not selected for in-depth analysis.

filing may operate while local offices continue to take claims or under conditions in which claimants may choose from among more than one base period.[4]

Thus, in this report, we provide some level of detail on impacts for seven states. We offer a much richer discussion of the experiences of Maine, Missouri, and Wisconsin.

1.2 STRUCTURE OF THE REPORT

The remainder of the report is organized as follows. In Section 2, we discuss the states' approaches to implementation of TIC filing. In Section 3, we present the analyses of the effects of the conversion to TIC filing on claims, payments, and the trust fund. In Section 4, we discuss the implications of the switch on claimants, including the claimant population, the timeliness of payments, and claimants' satisfaction with TIC filing. In Section 5, we discuss the new method's effects on UI program operations and administrative costs. We also discuss the states' plans for the future, including Internet claims, and examine the compatibility of call centers and the Internet.

[4]Maine allows claimants' eligibility to be determined under an alternative base period if they are ineligible for benefits through the traditional base period. This method is the more common one for devising alternative base periods.

SECTION 2

STATE APPROACHES TO IMPLEMENTATION

With limited exceptions prior to 1991, all states required claimants to file their UI initial claim at a local UI office. However, in response to pressures on the cost of administering the UI program, Colorado implemented a new method of initial claims filing in 1991. Instead of reporting in person to a local UI office, claimants were required to file their initial claims by telephone. Located in a call center in Denver, claims takers answered telephone calls and collected information from claimants. The UI agency no longer maintained staff in local offices to collect initial claims. By centralizing staff, the agency hoped to take initial claims more efficiently and cost-effectively. Since 1991, almost all other states have either implemented procedures to take telephone initial claims (TIC) or are planning to do so.

States must make a variety of decisions about how to set up their call centers and implement TIC filing. For example, they must consider whether to close all local offices or leave some or all of them open to give claimants the option of filing initial claims in person or by telephone. The states also must determine characteristics of the TIC filing system (for example, the number and locations of call centers established, the use and extensiveness of an interactive voice response [IVR] system, and whether to provide a toll-free calling number). These decisions could be affected by the motivation for converting to TIC filing; constraints resulting from the states' geographic characteristics and population distributions; and concerns about the needs or preferences of claimants, employers, UI staff, and legislators.

In this section, we discuss several aspects of the process of implementing TIC filing. Our discussion is based on data obtained during site visits to Maine, Missouri, and Wisconsin and from relatively brief telephone interviews with staff from Colorado, Massachusetts, Montana, and Utah. In 2.1, we discuss the seven study states' motivations for switching to TIC filing. In 2.2, we discuss how they decided on the number of call centers to use. In 2.3, we cover the use of IVR systems. In 2.4, we address the decision about whether a state should make calls free to claimants. Finally, in 2.5, we discuss several details about how states make the transition to TIC filing, such as the mechanics of closing local offices, opening call centers, and advertising the change.

2.1 THE REASONS FOR SWITCHING TO TIC FILING

Implementing a change from allowing or requiring initial claims to be filed in person to TIC filing is a radical departure from the way UI agencies and claimants historically have interacted. Nevertheless, 29 states have made this change completely or partially and 21 others have plans to do so. Thus, it is important to understand the states' motivations for making this change and how these reasons affect the way the changes are implemented.

As shown in Table 2-1, state administrators reported two common reasons to switch from in-person filing at local offices to TIC filing through call centers: (1) to reduce administrative costs (alternatively, to provide services most cost-effectively), and/or (2) to

Table 2-1. Characteristics of TIC Implementation

Characteristic	Colorado	Maine	Massachusetts	Missouri	Montana	Utah	Wisconsin
Dates of Implementation	April 1991	April 1997 – July 1997	February 1996 – November 1996	November 1996 – October 1997	October 1996 – October 1997	April 1997 – August 1997[a]	May 1995 – January 1996
Main Motivation(s) for Implementation	Reduce administrative costs	Reduce administrative costs	Deliver services cost-effectively, respond to privatization of employment services	Deliver services cost-effectively, respond to pressure for space because of one-stop initiative	Improve staff training, reduce administrative costs	Improve customer service, reduce administrative costs	Reduce administrative costs, improve customer service
Approximate Length of Planning Period Before Opening First Center (months)	13	24	9	21	30	9	30
Received a DOLGrant	No	Yes	Yes	Yes	Yes	Yes	Yes[b]
Number of Local Offices Prior to Conversion	33	17	38	41	23	26	24
Closure of Local Offices for Initial Claims Filing	Yes	Yes	No[c]	Yes[d]	Yes	Yes	Yes
Number of Call Centers	1	2[e]	4[e]	4	2	1	2[e]
Use of 1-800 Number	Yes	No	No	Yes	No	Yes	Yes
Use of an Interactive Voice Response System	Minimal	Extensive	Extensive	Extensive	Minimal	Extensive	Extensive
Extent of Changes to the Forms and Processes at the Time of Implementation	Minimal	Minimal	Minimal	Minimal	Several	Minimal	Extensive

SOURCE: Discussions with state administrators.

[a] The interactive voice response system was established in November 1997.

[b] Wisconsin received a grant subsequent to its initial implementation.

[c] Massachusetts originally closed all 38 local offices but reopened 23 offices in late 1996 and early 1997 because new legislation required the UI agency to provide walk-in initial claims filing.

[d] Missouri claimants who try to file initial claims at a local office or one-stop center are directed to an on-site telephone so they can file through the call center. However, the UI agency has maintained a staff presence in local offices to perform other UI activities.

[e] In Maine, two call centers take initial claims and adjudicate. One of the centers supervises another site, which handles adjudication only. In Wisconsin, two call centers take initial claims and adjudicate, and two sites handle adjudication only. Massachusetts has four main call centers and four sites that report to and are supervised by the main sites.

improve customer service. Administrative cost savings were expected chiefly because states would be able to use fewer staff and less office space to serve claimants.[5] Some states considered the ability to resolve the issue of availability of local office space an important factor. In Massachusetts, other agencies were vacating shared local office space, which would have forced the UI agency to absorb the full cost of the space. In Missouri, the One-Stop initiative increased demands by other agencies for local office space that the UI agency had been using. In addition, several state administrators cited the availability of DOL grant money as extremely important in facilitating the switch because these funds helped the states to defray the one-time costs associated with the conversion.

In Colorado and Maine, the desire to reduce administrative costs helped to diffuse concerns of the business community and political representatives. On the one hand, the business community in many states believes that making it "too easy" to file and collect benefits will increase fraud. On the other hand, the business community sympathized with the UI agency's need to reduce costs while continuing to deliver good service. Discussions with chambers of commerce and other organizations in Colorado helped to explain the motivation for the switch and to address concerns. Maine benefited from political influences because a task force, which had been created as part of a new governor's initiative to reform government to more closely operate like the private sector, endorsed the switch.

2.2 THE NUMBER AND LOCATION OF CALL CENTERS AND THE AVAILABILITY OF LOCAL OFFICE FILING

At the time they designed their TIC systems, the seven study states had planned to remove the UI initial claims function from UI local offices[6] and to relocate customer service representatives (CSRs) to one or more call centers. Use of only a few strategically located call centers, rather than many local offices throughout a state, has the potential to facilitate more efficient service delivery. Nevertheless, states have flexibility in determining both the number of call centers to establish and whether to leave some, or all, local offices open.

In general, the most important factors affecting a state's decision about the number of call centers to establish and their locations included a desire to retain trained staff, the location of existing office space, the availability and cost of other office space, the location of the claimant population (which would affect whether the cost of the telephone calls would be low), the desirability of maintaining redundant systems (so as to minimize the effects of staff training or service interruption), and politics.[7] Each of these factors influences the desirability of using either one or a number of call centers (and, if more than one, how many) and the centers' locations.

In some states, such as Colorado, Missouri, and Utah, administrators reported that choosing the most appropriate number and location of call centers was easy. These states

[5]The state administrators also reported that increased centralization of staff resulting from switching enabled (or would enable) the states to train staff more effectively.

[6]Throughout the report, we use the expression "the closure of local offices" to indicate the withdrawal of UI staff from the local offices for handling in-person initial claims filing. Some states completely eliminated local UI presence but still had a local JS presence. Missouri maintained a local UI presence for other UI activities.

[7]The states' abilities to retain trained staff are discussed in more detail in Section 5.

established call centers in the largest cities and/or the state capital to reduce staff turnover, minimize the telephone costs borne by the state, and enable the capital site to retain its ability to handle interstate claims.[8]

Other states, such as Maine, had to balance several factors. Maine decided not to establish a call center in its largest city, Portland, because of the cost of space; instead, it was able to find a location that was considerably less expensive but still close enough to Portland so that staff from there could commute. Montana, which commissioned a feasibility study to examine the effects of a switch, acted against the recommendations of the study by choosing to establish two call centers rather than one. Although running two call centers was projected to be more expensive than running only one center, administrators from Montana believed the benefits of redundancy outweighed the saving in administrative costs associated with the extra center.

Administrators from several states cited political pressure as influencing call center locations and the decision to provide walk-in services in local offices. For example, political pressure to keep local offices open or to avoid laying off experienced staff forced Maine to establish more centers than it would have liked. In other states, local politicians tried to pressure the UI agency to establish call centers in their districts, so that jobs could be retained.

Massachusetts is currently the only state that permits claimants to choose whether to file at a local office or by telephone. During a nine-month period in 1996, the state closed all local offices and opened four call centers. However, legislation passed in late 1996 forced the UI agency to reopen at least 15 local offices. Massachusetts responded to this legislation by making walk-in filing available statewide, so that all of its claimants could choose whether to file by telephone or in person. Massachusetts, therefore, reestablished more local offices than was mandated by the legislation.

2.3 THE IVR SYSTEM

Use of IVR technology has the potential to improve services to claimants and to save administrative costs. An IVR system uses digitized voice technology to instruct callers to provide information by punching numbers into the telephone keypad. This information, which is stored directly in a computer, can be used to route calls to specific agency staff and to collect information for initial claims. The potential benefits of the technology must be balanced against both the costs of developing and maintaining the IVR system and any impacts on claimants' satisfaction with filing (claimants may prefer either the IVR system or a direct connection with a CSR).

These trade-offs persuaded different states to choose to use IVR systems to different extents. All seven study states use the IVR system to sort calls, although some states conduct some of the sorting by providing different telephone numbers to callers, depending on the

[8]Technological considerations also factored into Colorado's decision to set up only one call center, because it was technologically more difficult at that time to transfer calls across centers relative to today. Instead of achieving redundancy by establishing more than one call center, as other states have done, Colorado uses back-up systems at its sole call center. Thus, a system failure at this call center has not been a concern. Although improved technology would make it easier to manage the workload in multiple call centers than in the past, Colorado administrators believe that using only one center is likely to be less expensive and to better facilitate staff training.

reason for the call. States sort calls in a variety of ways. For example, they may (1) separate inquiry calls, employers' calls, continued claims calls, and initial claims calls; (2) route more difficult claims, such as Unemployment Compensation for Federal Employees (UCFE) and Unemployment Compensation for Ex-Service members (UCX) claims, to more experienced CSRs; and (3) route foreign-language callers to CSRs with the skills to handle those calls.

Four of the seven states (Maine, Missouri, Utah, and Wisconsin) also use an IVR system to collect basic information about the initial claim.[9] Administrators in these states cite an IVR used in this way as one of the primary mechanisms to reduce staff time. According to these administrators, the more information that an IVR system collects, the less staff time is required to complete a claim and the greater the potential savings in administrative costs.

Wisconsin is the only state thus far to permit some claimants to fill out their initial claim exclusively over an IVR system. In September 1997, Wisconsin redesigned its system so that a small fraction of claimants do not have to speak to a CSR when filing their initial claim (or additional claims). Between 3 and 10 percent of new claimants and 15 to 20 percent of additional claimants can file a "QuickTIC," which exclusively uses the IVR. In general, to be eligible to file a "QuickTIC," a claimant filing an additional claim must have an existing active benefit year with remaining benefits, and a claimant filing an initial claim must have had claim activity during a prior base period. In addition, the claimant must be able to use the telephone to file weekly claims and the caller's identity must be verified by an existing personal identification number (PIN) or by a driver's license record match. Other restrictions exist: for example, the prior claim cannot have included direct deposit of checks; special claims (such as emergency benefits, trade readjustment allowance [TRA] benefits, UCFE, and UCX) are excluded; the claimant cannot have changed his or her name, address, or occupation; and there can be no eligibility issues or wage data that are inaccessible to the IVR system.

Colorado, Massachusetts, and Montana do not use the IVR system to collect claims information. Colorado, the first state to use TIC filing, chose not to use an IVR system extensively. Although this initial decision was made to reduce potential opposition to the switch, the state has maintained the system this way, believing that customer satisfaction is higher when claimants can easily speak to a CSR. During focus groups conducted before the switch was made, claimants in Montana expressed great opposition to the use of an IVR system. Montana therefore established its call center system so that filers are directly connected with a CSR after it is determined that the caller is a claimant rather than an employer. Similarly, Massachusetts collects only the social security number and birth date information through its IVR system and then connects the claimant to a CSR.

Although Maine uses an IVR system to collect basic claims information, claimants initially were reluctant to use it. The state initially had allowed claimants to opt out of using the IVR system by pressing "0" for an operator. About one-quarter of claimants chose this option rather than listen to the other IVR menu choices.[10] Maine has since changed the IVR script

[9]In both Missouri and Wisconsin, the information collected by the IVR system is stored for a certain period of time if a claimant fails to complete the claim. A claimant who calls back therefore does not have to answer those questions again.

[10]Administrators from Maine attributed claimants' reluctance to use the IVR system to relative unfamiliarity with IVR systems. Unlike many of the other states that have made the conversion to TIC filing, Maine does not have telephone filing for weekly claims. Colorado and Massachusetts also did not use an IVR system for weekly claims filing when they established their call centers (Colorado subsequently established a telephone system for weekly claims).

so that claimants must listen to the complete script before being able to request a direct connection to a CSR. This strategy has reduced the fraction of claims that are taken completely by a CSR.

In deciding whether, and to what extent, to use an IVR system, a state must determine how to handle callers who do not have access to touch-tone telephones or who have difficulty with the system. Maine had provided the option to bypass the IVR system because some claimants did not own touch-tone telephones. Currently, a small proportion of claimants use this option, which is available to callers from rotary telephones. Wisconsin's administrators reported that about 15 percent of claims pass directly to a CSR, either because the claimant is calling from a rotary telephone or because the claimant "fails" three times when using a touch-tone telephone to access the IVR system. In contrast, Missouri does not provide a way for claimants to file from a rotary telephone. The state made this decision because touch-tone telephones are easily accessible (for example, in pay telephone booths and at the One-Stops) and to avoid the extra costs associated with having CSRs collect information that could be efficiently collected through the IVR system.

2.4 THE USE OF TOLL-FREE NUMBERS FOR LONG DISTANCE CALLS

By processing initial claims by telephone rather than in person, states might reduce some administrative costs (for example, some staff and rental costs). However, telephone costs have the potential to increase for the simple reason that communication between staff and claimants will occur by telephone. These costs can be dramatic, as administrators estimated that filing an initial claim takes an average of about 15 minutes, and may take longer during busy times. Telephone costs are partly affected by factors beyond a state's control, such as the location of the claimant population and the rate for calls that the UI agency can negotiate with telephone service providers. The UI agencies can avail themselves of several strategies to reduce their telephone costs, including requiring claimants to pay for long-distance calls. On the one hand, requiring claimants to pay for these calls saves the agency the cost of the calls. On the other hand, providing toll-free service to claimants may be viewed as fairer (claimants in more remote areas would not have to pay for long-distance calls and claimants in more urbanized areas could use local numbers to file) and may make filing more accessible.

In several of the study states, political factors affected decisions about whether to provide toll-free (1-800) numbers to claimants to absorb the cost of the calls. Both Colorado and Wisconsin established 1-800 numbers in response to concerns about the cost to claimants resulting from closing the local offices; these concerns were probably greater than in other states because Colorado and Wisconsin were the first states to use TIC filing. Other states could avert these political pressures because Colorado and Wisconsin had demonstrated the feasibility of TIC filing and because paying the cost of telephone calls might have negated a large portion of projected savings in administrative costs.[11] For example, Missouri provides a 1-800 number for initial claims calls but requires claimants to make a toll call for inquiries.

[11]Other states were able to benefit from Colorado's "first out of the gate" experience to avoid some problems that Colorado encountered with implementation. For example, in response to concern about potential threats to the integrity of the claims filing process, Colorado claimants who filed shortly after the call center opened were sent a "facsimile" initial claim form. Claimants had to sign and return the form, certifying that about ten items were accurate, before the claim was processed. This procedure--to which administrators attribute large declines in the state's ability to meet standards

The states also can use technology to reduce the costs of the telephone calls. Utah has greatly reduced the fraction of claimants who would have had to make long-distance calls by using T1 lines to convert what would otherwise have been long-distance calls into local calls for a large portion of the state's population. The rest of the claimants use a 1-800 number. Maine has increased the fraction of calls that are local by using a state telecommunications network that routes calls into the state telephone system. Massachusetts is also able to offer local calling to most of the state population, although a small portion of claimants may incur telephone charges.

2.5 MAKING THE TRANSITION

State administrators described several approaches the states used to make the transition to TIC filing, including the advantages and disadvantages of each, and lessons learned. The most important issues were the timing of the implementation and methods to advertise the switch. We discuss these issues in this section.

The timing of the implementation, such as whether to close local offices and open call centers incrementally or all at once, is an important determinant of the smoothness of the transition. Another factor affecting the degree of smoothness is whether the switch is implemented during times of seasonally or cyclically high or low UI claims volume. We discuss each of these factors in turn.

The states' approaches to timing of implementation of TIC filing have varied considerably. Officials in Colorado had considered switching to TIC filing for several years. Once the decision to do so had been made, the state moved quickly to implement this filing method. The time from the announcement of the switch to claims taking by the call center was less than one year. All local offices stopped taking claims on a Friday (April 12, 1991), and the call center opened to serve the entire state the following Monday (April 15, 1991). Colorado used this strategy in response to budgetary and political pressures to act quickly. It is possible that the strategy was more feasible in Colorado than in other states because Colorado has only one call center.[12]

Other states staggered implementation of TIC filing across the state by first running pilots and then training staff and opening any additional call centers over a period of several months. Staggered implementation may have reduced some pressure on the staff responsible for overseeing the implementation process. This strategy may be preferable in states that establish more than one call center.

Staggered implementation has several potential disadvantages that states should try to anticipate and address. First, the longer a state takes to implement TIC filing, the longer it must operate dual systems. Massachusetts and Missouri resolved this problem by restricting

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established by the U.S. Secretary of Labor on the timeliness of services--was dropped after one year, when a signature on the claim form was deemed unnecessary. Now, claims are processed immediately, although forms are still sent to claimants to confirm their accuracy. No other state has adopted the policy of requiring signatures before a claim can be processed.

[12]Rapid implementation might be more feasible when a state has only one call center because it may be easier for a limited number of key staff to manage the statewide transition.

the geographic areas from which telephone claims could be filed. Claimants in areas in which local offices were still open were required to go to their local offices to file. This strategy was expected to prevent the call centers, which were testing their new systems and were designed to handle calls from only a portion of the state, from becoming overwhelmed by calls statewide.

Second, the longer it takes to implement TIC filing, the greater the potential for groups within a state to attempt to rekindle debate about the decision. To avoid this problem, Maine solicited extensive feedback before making the decision to switch to TIC filing and then acted very quickly to establish the centers once the decision had been made.

Another factor in the degree of smoothness of the transition to TIC filing is whether states open one or more call centers during a time when claims volume is seasonally high. For example, with "20-20 hindsight," one state administrator cited difficulties opening call centers in the winter, when staff normally face extremely large workloads. If a state chooses to stagger implementation over the period of a year or more, it will most likely have to either open a call center during a period of heavy claims activity or delay the opening until claims activity is expected to be lower. If the state chooses the latter option, it must operate the dual system longer.

A final consideration related to the timing of implementation is the stage of the business cycle in a state. Implementing TIC filing during a business cycle downturn can have a large negative effect on the degree of smoothness. Most states implemented TIC filing during the late 1990s, when state economies were strong. However, Colorado implemented TIC filing during a recession and had much greater difficulty than it probably would have had during a nonrecessionary period. Colorado staff had to juggle learning about the new system and both administering a complicated emergency benefits program and processing a claims volume that increased 90 percent during the first year of TIC filing. Implementing TIC filing during a business cycle downturn may increase the difficulty of making the transition and may tarnish the reputation of the agency if claimants attribute any difficulties they encounter to the use of call centers rather than to stresses on the system resulting from the high volume of claims.

Ultimately, state officials may have to change their plans during the design and implementation process even after carefully weighing the advantages and disadvantages of different implementation strategies. For example, Utah quickly established its call center and added its IVR system several months later because a major, unanticipated departmental restructuring required that the state implement the switch earlier than was originally planned. The restructuring forced UI services to move out of its local offices early. As another example, Massachusetts responded to unanticipated legislation enacted shortly after the closure of all local offices by reopening some of its offices to provide walk-in services to claimants.

When, and how, to notify potential claimants about the switch is an important factor in the implementation process, as states want to disseminate information to interested parties in a way that minimizes confusion about the new procedures. The study states used a variety of methods to advertise the closure of local offices and the switch to TIC filing. Common activities included posting signs, posters, or videos at the offices that were closing and at the JS offices, welfare offices, or one-stops; airing public service announcements on the radio and

television; and placing notices in local newspapers. One state reported that it also sent information to legislators, city officials, and unions. To minimize confusion about the switch, announcements were often locally concentrated as each office closed. All the states mailed information to claimants who had existing benefit years. Maine, Massachusetts, and Montana also mailed letters to prior-year filers. Missouri rejected this approach because of concern that it might confuse the public and generate unnecessary inquiry calls.

SECTION 3

THE IMPACT ON CLAIMS, PAYMENTS, AND THE TRUST FUND

The implementation of TIC filing is likely to make it easier and less time-consuming for claimants to file an initial claim for UI benefits. As a result, the number of initial claims and subsequent payments may rise. A recent study sponsored by the U.S. DOL through the ITSC, and conducted by MPR, concluded that the number of claims and payments increased in the first two states that implemented TIC filing (Colorado and Wisconsin) and in San Diego, one of the first areas in California that did so (Needels and Corson 1998). The size of the increase varied considerably, with the estimates ranging from about 5 percent to more than 30 percent, depending on the site and the statistical model used.

Estimating and understanding how the conversion change to TIC filing affects the number of claims and payments is critical for assessing the overall influence of the change. On the one hand, if the number of claimants remains unchanged after the conversion, then the influence of the switch might be felt primarily through changes in claimants' satisfaction levels and agency operations. On the other hand, if the number of initial claims increases considerably because of the switch, then the volume of other UI activities might also increase. Employer taxes and the trust fund could be affected as well.

In this section, we present estimates of the effect of the switch to TIC filing on the number of initial claims and payments in seven study states.[13] We discuss our statistical analysis strategy and present estimates of the effects of the conversion to TIC filing on claims and payments. We also discuss the implications of any potential effects of claim and payment changes on the trust fund. Finally, we conclude by discussing the effects on UI overpayment rates.

3.1 ESTIMATING IMPACTS ON UI PROGRAM ACTIVITIES

We use the same analysis approach to estimate the impacts of the switch to TIC filing on a variety of UI program activities. In this section, we describe the approach and the variables we use. We focus on measures that should be affected most directly by the switch to TIC filing, such as new initial claims, first payments, and weeks compensated. As in Needels and Corson (1998), we examine the impact of TIC filing on these activities by comparing each measure of activity as it was before and after the transition to TIC filing. For example, to examine the hypothesis that the introduction of telephone filing increases the number of initial claims, we compare the number of initial claims during the year before the switch with the number during the year after the switch. We focus our examination on the impacts occurring *after* a transition period because this measure represents the impacts on the UI system in the long run, rather than during a time of flux for the UI system. We also adjust for the effects of economic conditions on UI activities.

[13]As discussed in Section 1, the study states are Colorado, Maine, Massachusetts, Missouri, Montana, Utah, and Wisconsin.

The analysis was guided by several considerations. First, as discussed in Section 1, we examined the effects of TIC filing in seven study states because each of these states completed statewide implementation by the end of 1997.[14] Although more than seven states have completely or partially implemented TIC filing, we wanted to observe post-implementation operations in each state for a minimum of one year. We used longer post-implementation periods when possible. In addition, we examined about five years of data for the preimplementation periods because estimates of the impact of the switch on UI activities calculated by comparing short (say, one year) pre- and postimplementation periods are subject to greater random fluctuations than are estimates that use information applicable to a longer period.

Many factors other than the method by which initial claims are filed affect measures of UI activity. For example, a significant increase in unemployment will increase the number of initial claims, regardless of the method of initial claims processing used. Economic conditions differ over time (during the pre- and postimplementation periods) and across states (Table 3-1). For example, Colorado's implementation period coincided with the beginning of the recession of the early 1990s. Therefore, the state's unemployment rate was almost 20 percent higher during the year after implementation of TIC filing (the post-implementation period) than in the preceding year (the preimplementation period). In contrast, unemployment rates in both Massachusetts and Wisconsin *decreased* between the pre- and postimplementation periods as much as Colorado's *increased*. Most other states also experienced changes in unemployment rates that could have affected the number of their UI activities. In addition, other factors, such as changes in the composition of the labor force, could also affect the number of UI activities. For example, the size of the labor force decreased in Maine and Missouri but increased in the other five states.

Taking into account factors that were likely to affect the outcomes of interest helped ensure that we did not attribute incorrectly the effects of changes in these factors to the use of telephone filing. To take these other factors into account, we conducted regression analysis - separately for each state - to measure the impact of the switch to TIC filing, and to control for other factors that could affect UI activity. We specified our time series model for each UI activity for each state as:

$$(1) \quad Y_t = a + b_1 * T_t + b_2 * PT_t + c * X_t + e_t ,$$

where Y_t is the dependent variable (such as the number of initial claims) in period t, T_t and PT_t are binary variables representing the implementation and postimplementation periods, X_t is a vector of variables designed to control for economic conditions and other factors expected to affect Y_t, and e_t is a random error term. Coefficients a, b_1, and b_2 and vector c are to be estimated. The impact of telephone filing in the long run is represented by the parameter b_2, as this parameter indicates the change in the postimplementation dependent variable relative to the preimplementation period. More generally, X_t can include current and lagged economic conditions, and e_t can be modified to incorporate serial correlation of the error terms:

Table 3-1. Economic Conditions during the Transition to TIC Filing

[14]States typically modify their systems even after the initial statewide implementation is complete. In some instances, the postimplementation changes are dramatic. However, for our purposes here, we define "implementation" as the process of making telephone filing available to claimants throughout a state.

	Mean Quarterly Number			Change Relative to Preimplementation Period (Percent)	
	Preimplementation Period	Implementation Period	Postimplementation Period	Implementation Period	Postimplementation Period
Colorado					
Unemployment Rate (Percent)	5.1	5.1	6.0	0.5	19.0
Number Unemployed	89,052	90,455	109,363	1.6	22.8
Labor Force	1,764,174	1,781,764	1,819,605	1.0	3.1
Maine					
Unemployment Rate (Percent)	5.2	5.4	4.4	5.5	−13.4
Number Unemployed	33,944	35,551	28,701	4.7	−15.4
Labor Force	665,909	659,417	650,964	−1.0	-2.2
Massachusetts					
Unemployment Rate (Percent)	5.4	4.3	4.0	−19.2	−24.6
Number Unemployed	169,758	136,587	130,785	−19.5	−23.0
Labor Force	3,164,130	3,171,576	3,260,224	0.2	3.0
Missouri					
Unemployment Rate (Percent)	4.5	4.3	4.4	−5.2	−2.8
Number Unemployed	130,455	124,297	125,230	−4.7	−4.0
Labor Force	2,891,528	2,904,224	2,852,357	0.4	−1.4
Montana					
Unemployment Rate (Percent)	5.3	5.4	5.6	1.7	6.5
Number Unemployed	23,477	24,389	26,279	3.9	11.9
Labor Force	445,910	455,286	467,822	2.1	4.9
Utah					
Unemployment Rate (Percent)	3.5	3.1	3.8	−10.1	8.9
Number Unemployed	35,154	32,315	39,947	−8.1	13.6
Labor Force	1,011,971	1,040,007	1,062,748	2.8	5.0
Wisconsin					
Unemployment Rate (Percent)	4.4	3.7	3.6	−17.0	−19.1
Number Unemployed	124,057	104,560	104,789	−15.7	−15.5
Labor Force	2,812,638	2,865,032	2,936,798	1.9	4.4

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.
SESA = State Employment Security Agency; TIC = telephone initial claims; UI = unemployment insurance

(2) $e_t = d_1 * e_{t-1} + \ldots + d_k * e_{t-k} + u_t$,

where k is the number of lags, d_1 through d_k are coefficients for the error terms, and u_t is normal and independently distributed. As described in the following section, we tested several empirical versions of this model.

3.1.1 The Implementation and Postimplementation Variables

We define the preimplementation period as the period during which TIC filing was not possible, the postimplementation period as the period during which telephone filing was available statewide, and the implementation period as the transitional period (Table 3-2).[15]

Table 3-2. Implementation Periods for Each State

State	Preimplementation Period	Implementation Period	Postimplementation Period
Colorado	January 1986 – December 1990	January 1991 – December 1991	January 1992 – December 1998
Maine	January 1990 – December 1996	January 1997 – December 1997	January 1998 – December 1998
Massachusetts	January 1990 – December 1995	January 1996 – December 1996	January 1997 – December 1998
Missouri	January 1990 – September 1996	October 1996 – September 1997	October 1997 –December 1998
Montana	January 1990 – December 1996	January 1997 – December 1997	January 1998 – December 1998
Utah	January 1990 – December 1996	January 1997 – December 1997	January 1998 – December 1998
Wisconsin	January 1990 – March 1995	April 1995 - March 1996	April 1996 - December 1998

NOTE: We explored whether use of different implementation and postimplementation periods in Missouri, Montana, and Utah would affect the results because these states took longer than one year to implement TIC filing statewide. Results were not sensitive to these changes in implementation periods.

TIC = telephone initial claims

To denote these periods, we use binary variables that equaled one during the relevant period, and zero otherwise. We included the implementation period in the analysis to account for the time taken to implement and begin smoothly operating TIC filing. If we had omitted a period that represented implementation, comparisons of UI activities immediately before and immediately after the introduction of TIC filing might have provided misleading estimates of the "impact" of introducing this claims-processing method.

In Massachusetts, claimants currently are allowed to file initial claims in person at local offices, even though all call centers have been opened and telephone filing is available statewide.[16] Thus, pre-post impacts in Massachusetts do not measure differences between the exclusive use of local offices for initial claims filing and the exclusive use of call centers.

[15]Needels and Corson (1998) used similar definitions in their analysis of the switch to TIC filing in Colorado, Wisconsin, and San Diego.

[16]For a brief period after the call centers were opened, claimants in Massachusetts were not permitted to file in local offices. However, the state legislature required the UI agency to reopen some of its local offices so that claimants could file in person.

Rather, they measure the effect of opening call centers while maintaining some local offices for initial claims filing.[17]

3.1.2. Other Explanatory Variables

We used the following independent variables in our models:

- ***Unemployment.*** UI claims activity is higher during business cycle downturns. We used the number of unemployed or the unemployment rate (depending on the model specification) to control for the state of the economy.

- ***Employment in Manufacturing and Construction.*** Studies of the UI population indicate that unemployed workers from the manufacturing and construction sectors often have been laid off temporarily, and that individuals who have been laid off temporarily tend to have shorter spells of unemployment than do individuals on permanent layoff (Corson and Dynarski 1990). In addition, some evidence suggests that individuals from these industries may be more likely than individuals from other industries to apply for UI benefits (Vroman 1991). Hence, the likelihood of applying for benefits and the number of claims is likely to be affected by the composition of the unemployed population. To control for this situation, we ideally would use a measure of the proportion of the unemployed population from the two industries; however, these data typically are not available. Therefore, we used data on the employed population as a proxy for this variable. As with unemployment, we used both the level of employment and the rate of employment in the manufacturing and construction industries in our models.

- ***Emergency Benefits.*** The availability of extended or emergency benefits can affect the number of claims filed in the regular UI program, independent of the level of unemployment, because claimants may be eligible for additional weeks of benefits. The Emergency Unemployment Compensation (EUC) program was in effect from 1991 through 1994 in all states. Because EUC might have increased the attractiveness of applying for UI benefits, we controlled for the availability of EUC benefits by including a binary variable that equals one for the periods during which EUC was in effect.

  In addition, an option was in effect during part of the EUC program enabling some claimants to apply for EUC rather than for regular UI; a small but significant fraction of claimants used the option (Corson et al. 1998). The option had the effect of reducing the number of regular UI claims filed. We controlled for the EUC option by including a binary variable that equals one when the EUC option was in effect.

[17]In theory, the differences between this type of "partial" implementation method and the "full" implementation method are complex. The relative size of the impact of a "partial" switch to TIC filing, compared with a "full" switch, may depend on how widespread is knowledge of TIC filing, who pays for the telephone call, and the number and location of local offices closed. In practice in Massachusetts, however, more than 90 percent of claims currently are filed by telephone, suggesting that most claimants are choosing to file by the newer method.

- ***Other UI Program Characteristics.*** Certain changes in UI program parameters may affect the number of claimants who apply for UI benefits and the fraction of claimants who qualify, at any given unemployment rate. We included statistical controls for two types of program changes. First, two of the study states (Maine and Massachusetts) recently changed their UI program rules to allow for use of alternative base periods when determining monetary eligibility (U.S. Department of Labor 1997b). To model this change in Maine, we included a binary variable that equals one after the establishment of the alternative base period (in 1992), and zero otherwise. To model the change in Massachusetts, we included two dummy variables: (1) one to model the establishment of an alternative base period (in 1993), and (2) one to model the state's change in definition of the regular base period (in 1995). We did not include binary variables for alternative base periods in the analysis for the states that did not change their policies on base periods.

  Second, we included the real maximum weekly benefit amount (WBA) as an independent variable. A higher WBA provides a greater incentive for unemployed workers to file for benefits and to continue to collect benefits after they are eligible (Corson and Dynarski 1990). In some states, the maximum WBA automatically adjusts in response to changes in average earnings. In other states, it changes only after legislative action.

- ***Seasonal Effects.*** Levels of UI activity tend to fluctuate seasonally, with the number of claims being highest in most states during the first and last quarters of the year. To control for these effects, we included quarterly binary variables in most of our models. In some models, we replaced the quarterly variables with a correction to the model error term for correlation at two- and four-quarter intervals.

We used state-level data that have been reported to DOL's UIS, and that are maintained in the UIS Unemployment Insurance Data Base, for these analyses. In Colorado, we have 52 quarters of data (20 quarters during the preimplementation period, 4 during the implementation period, and 28 during the postimplementation period). For the other six states, we have 36 quarters of data. In Maine, Montana, and Utah, the lengths of the preimplementation, implementation, and postimplementation periods are 28, 4, and 4 quarters, respectively. In Massachusetts, the lengths of the preimplementation, implementation, and postimplementation periods are 24, 4, and 8 quarters, respectively. Missouri's preimplementation, implementation, and postimplementation periods are 27, 4, and 5 quarters in length, respectively. Wisconsin's periods have 21, 4, and 11 quarters, respectively. For most states, therefore, the postimplementation period is relatively short, and estimates of postimplementation impacts are based on few observations.

3.1.3 Sensitivity Tests

The proper statistical specification for the relationship between UI activities (the dependent variables) and the factors that affect UI activities (the control variables) are unclear. We estimated variants of the model to examine the sensitivity of results to different specifications of these relationships. In the first three models, we regressed the *levels* of UI activities on the levels of the X_t variables (that is, the characteristics, such as the number

unemployed, that affect UI activities). In the fourth through sixth models, we regressed activity *rates* (for example, initial claims per member of the labor force) on *rates* for the X_t variables, such as the unemployment rate.[18] We used these different types of models to assess the magnitude of the impact of the switch to TIC filing on UI activities, rather than a single model, because it is unclear which specification most accurately reflects the underlying effects of the X_t variables on Y_t. Finding similar impacts among models increases the confidence in our conclusions despite uncertainty about the underlying relationships between dependent and independent variables.

3.2 THE EFFECTS OF TIC FILING ON INITIAL CLAIMS AND PAYMENTS

The economic conditions in effect at the time that states implemented TIC filing varied considerably. Unemployment rates in Colorado, Montana, and Utah increased between the pre- and postimplementation periods (Table 3-1). In contrast, the rates in Maine, Massachusetts, and Wisconsin decreased, whereas the rate in Missouri remained approximately the same. If the switch to TIC filing were to have no effect on the number of claims and payments, we would still expect that claims and payments would increase in states that experienced weaker economies (higher unemployment rates) over time. We would expect the converse in states whose economies strengthened over time. In this section, we examine the effects of the switch to TIC filing on initial claims and payments.

3.2.1 Initial Claims

For most states, the relationship between the changes in the unemployment rate and the number of initial claims during the pre- and postimplementation periods makes *a priori* sense (Table 3-3). The numbers of initial claims increased in Colorado and Utah while the unemployment rate increased and decreased in Maine, Massachusetts, and Missouri while the unemployment rate decreased. However, this intuitive relationship does not hold in Montana and Wisconsin: Montana's unemployment rate went up while initial claims went down, and Wisconsin's unemployment rate went down while initial claims went up. On the basis of this initial analysis, we would expect larger impacts (in absolute value) of TIC filing in Montana and Wisconsin than we would in the other states, although the impact in Montana is the opposite of what we would expect.

Regression analysis decomposes changes in UI activities into changes attributable to TIC filing and changes attributable to unemployment and other factors. We examined all seven states in a similar way and present a set of models to display a range of estimates that we believe accurately reflect the impact of telephone filing on UI activities (Table 3-4). We use two measures of initial claims as dependent variables for our regressions: (1) the number of these claims (models I, II, and III); and (2) the number of these claims per member of the

[18]Dividing dependent variables that are levels by the size of the labor force adjusts for the growth in the labor force and helps to correct for heteroskedasticity in the error term. Ordinary least squares assumes that the variance in the error is constant. Correction for heteroskedasticity, when the variance is not constant, can lead to increased efficiency in the model estimates.

Table 3-3. Initial Claims Activities

Initial Claims in	Mean Quarterly Number			Change Relative to Preimplementation Period (Percent)		Change in the Unemployment Rate (Percent)	
	Preimplementation	Implementation	Postimplementation	Implementation	Postimplementation	Implementation	Postimplementation
Colorado	23,030	28,250	28,448	22.7	23.5	0.5	19.0
Maine	14,332	12,350	13,432	−13.8	−6.3	5.5	−13.4
Massachusetts	61,467	56,284	52,159	−8.4	−15.1	−19.2	−24.6
Missouri	55,519	51,551	53,081	−7.1	−4.4	−5.2	−2.8
Montana	8,848	8,522	8,564	−3.7	−3.2	1.7	6.5
Utah	10,506	10,892	11,853	3.7	12.8	−10.1	8.9
Wisconsin	51,863	62,555	59,701	20.6	15.1	−17.0	−19.1

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.
SESA = State Employment Security Agency; UI = unemployment insurance

Table 3-4. The Impact of TIC Filing on Initial Claims (Percent Change)

	Initial Claims			Initial Claims Divided by the Labor Force		
	Model I	Model II	Model III	Model IV	Model V	Model VI
Colorado	27.6***	4.7		22.3***	2.5	−0.4
Maine	−0.5	−0.7	−2.7	−0.3	0.8	−2.4
Massachusetts	−0.2	4.6	−4.9	3.0	0.9	−0.7
Missouri	−4.4	−7.0	−5.0	−7.6	−2.4	−7.8
Montana	−13.2*	−9.2	−14.3**	−12.7**	−15.1**	−14.5***
Utah	11.7	14.6	18.1**	6.6	4.4	13.8*
Wisconsin	27.0***	28.3***	27.0***	30.8***	22.3**	23.7**

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.

NOTE: Percentage changes are calculated at the mean of the preimplementation dependent variable.

SESA = State Employment Security Agency; TIC = telephone initial claims; UI = unemployment insurance

* Significantly different from zero at the .10 level, two-tailed test.

** Significantly different from zero at the .05 level, two-tailed test.

*** Significantly different from zero at the .01 level, two-tailed test.

labor force (models IV, V, and VI). We divide claims by the labor force in the fourth through sixth models because the labor force and population are growing over time; thus, failure to do so might lead to the erroneous conclusion that the natural growth in initial claims associated with a growing population is attributable to the switch to TIC filing. Models I, II, and III account for this growth by including the number of the unemployed in the right-hand side of the equations.

The specifications for the explanatory variables differ across models because it is unclear which specification most accurately represents the true relationship between initial claims and the factors that may influence initial claims. Models I, II, and III contain the number unemployed whereas models IV, V, and VI contain the unemployment rate. Models I and III contain the number employed in the manufacturing and construction industries, whereas the other models contain the percentage of the employed in these industries. Model V contains the lagged unemployment rate and the percentage in manufacturing and construction. Models III and VI contain corrections for second- and fourth-quarter serial correlation of the error terms, whereas the other models contain indicator variables for the first, second, and third quarters. All six models contain an intercept term, implementation and post-implementation indicator variables, and indicator variables for the EUC period and the EUC option period.

Regression analysis shows that the effect of the switch to TIC filing varies across states (Table 3-4 above). (Detailed results of the regressions are shown in Appendix A.) Consistent with what was found by Needels and Corson (1998), the estimated impacts range from 22 to 31 percent in Wisconsin. No other state has consistent, statistically significant positive impacts, suggesting that the conversion to TIC filing may not have increased the number of initial claims filed in the other states. Some models for Colorado and Utah show positive,

statistically significant impacts, but the impacts in other models for these states cannot be statistically distinguished from random noise. In contrast to impacts in the other states, impacts in Montana - around 10 to 15 percent - are consistently negative and are statistically significantly different from zero.

We conducted several additional sensitivity tests on the results. Our most important reasons for doing so were our findings of (1) a wide range of estimates in Colorado, depending on the model specification; and (2) consistent, negative impacts in Montana, in contrast to our expectations. In addition, most of the impact estimates in Colorado are slightly smaller and less likely to be statistically distinguishable from chance compared with the ten percent impacts found by Needels and Corson (1998).[19] Two sensitivity tests are noteworthy. First, we examined whether effects of TIC filing might vary over the business cycle by including an interaction term between the postimplementation indicator variable and the measure of unemployment. It is unclear whether to expect higher unemployment rates to be associated with larger or smaller impacts. On the one hand, when unemployment rates are high, a higher fraction of unemployed workers may be unfamiliar with the UI program or might feel stigmatized by having to file in person for benefits. Allowing claimants to file by telephone might help prevent this feeling of stigma, so the effects of TIC filing would be positively associated with the unemployment rate. On the other hand, when unemployment rates are low, claimants might expect to be unemployed for only a short period. By making filing easier, TIC filing might help these potential claimants believe that filing for benefits is worth the effort. However, when we estimated models to examine whether the effects of TIC filing changed over the business cycle, the coefficients for these variables were generally insignificant (results not shown). In Colorado, the hypothesis that the effects of TIC filing on initial claims were zero could not be rejected in five of the six models, suggesting that the conclusion of "no impacts" in Colorado is probably warranted. In contrast, results for Montana still suggest that the joint effects of TIC filing are negative at conventional levels and rates of unemployment (in four of the six models).

Second, we examined the sensitivity of the results to the exclusion of the variables representing the industrial composition of the labor force (results not shown). In both Colorado and Montana, the results were sensitive to the exclusion of the industrial composition variables. Exclusion of these variables tended to reduce the magnitude of the estimated impacts toward zero - thereby making one more likely to conclude that the impacts could not be distinguished from chance.[20] Given that the variables for the number (or concentration) of the unemployed who come from the manufacturing and construction industries are relatively poor proxies, this sensitivity in results to the exclusion of these variables casts some doubt on the large positive impacts in models I and III in Colorado and the negative impacts for Montana that we present in Table 3-4.

Although we have attempted to remove the effects of the transition to TIC filing by focusing on the postimplementation period, it is possible that the switch to TIC filing

[19]About 10 to 15 percent of respondents to a quarterly claimant survey conducted in Colorado reported that they would not have filed a UI claim if they had had to file the claim in person by visiting a local office rather than filing by telephone. This finding lends some support to the belief in positive impacts.

[20]In the other states, the conclusions were not sensitive to whether the variables representing industrial composition were included.

generated temporary increased awareness of the UI program, which the estimates of postimplementation impacts reflect. This awareness - most likely an issue only in states with positive impacts - could have been generated by marketing campaigns to inform potential claimants of the switch or by other media coverage. In this case, the estimates in Table 3-4 fail to distinguish between the short-run effect of increased awareness of the UI system resulting from marketing and other media coverage and the long-run effect of the switch to TIC filing resulting from easier filing. This would suggest that a positive post-implementation impact in a specific state could diminish over time.[21]

In most instances, the postimplementation period consists of only four quarters, as states have only recently completed implementation of TIC filing. However, Colorado, Massachusetts, and Wisconsin have longer follow-up periods because they implemented TIC filing relatively early. For these three states, we examined whether the period shortly after completion of implementation differed from the subsequent period (Table 3-5).[22] We define

Table 3-5. The Impact of TIC Filing on Initial Claims, Examining Early and Late Postimplementation Periods Separately (Percentage Change)

	Initial Claims			Initial Claims Divided by the Labor Force		
Initial Claims, Examining Early and Late Postimplementation Periods	Model I	Model II	Model III	Model IV	Model V	Model VI
Colorado						
Early postimplementation period	26.7***	6.3	22.0**	3.5	3.3	1.7
Late postimplementation period	28.2***	3.9	23.4**	1.0	1.4	-5.1
Massachusetts						
Early postimplementation period	0.4	3.8	0.1	2.2	0.5	2.9
Late postimplementation period	16.9**	19.5***	17.2**	17.6**	15.6**	19.0**
Wisconsin						
Early postimplementation period	25.3***	38.6***	26.9***	42.0***	34.4***	33.2***
Late postimplementation period	29.3***	30.7***	27.2***	32.5***	25.8***	23.8***

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.
NOTE: Percentage changes are calculated at the mean of the preimplementation dependent variable.
SESA = State Employment Security Agency; TIC = telephone initial claims; UI = Unemployment Insurance
* Significantly different from zero at the .10 level, two-tailed test.
** Significantly different from zero at the .05 level, two-tailed test.
*** Significantly different from zero at the .01 level, two-tailed test.

[21]Another theory is that impacts may increase over time as potential claimants become more comfortable with the new system. However, discussions with state administrators and customer survey data indicate that claimants generally adjust quickly to and like the change, suggesting that increases in impacts over time would be minimal.
[22]Whether postimplementation impacts would decrease over time was particularly salient in the analysis by Needels and Corson (1998). Needels and Corson found large, significant impacts in Wisconsin, using data on only four postimplementation quarters, and smaller impacts in Colorado, which had a longer follow-up analysis. However, at that time, additional data were not available for Wisconsin.

the "early postimplementation period" as the first four quarters of the postimplementation period, and the "late postimplementation period" as the subsequent quarters. (There are 24, 4, and 7 "late postimplementation" quarters in Colorado, Massachusetts, and Wisconsin, respectively.) From this analysis, we conclude that the large effects of TIC filing in Wisconsin remained the same over time. Point estimates suggest that the effects decreased very slightly or remained about the same in Colorado, and that they appear to increase in Massachusetts.[23,24] Taken together, these patterns suggest that the effects of TIC filing on the number of initial claims did not, in fact, decrease considerably over time because of the effects of advertising or other marketing associated with the switch.

3.2.2 First Payments and Weeks Compensated

Filing an initial claim is the first step in obtaining UI benefits, and number of initial claims is only one of several measures of UI activity. Telephone filing may affect first payments and weeks of benefit receipt. In the case of Wisconsin, where TIC filing appears to have considerably increased the number of initial claims, the extra claims filed ("extra," in that they are filed by telephone but would not have been filed in person) may have different dispositions from the claims filed through use of a local office system. For example, under the extreme case that all claims filed through TIC filing were found ineligible, the number of first payments or weeks compensated would not increase at all. In contrast, if the characteristics of the extra claims filed by telephone were very similar to those filed at local offices, then the increase in weeks paid would be approximately the same proportionately as the increase in the new initial claims. In the case of Montana, where our best estimates suggest that initial claims decreased, similar logic applies. The disposition of claims of claimants who chose not to file by telephone but who would have filed in a local office may differ from those of claimants who filed by telephone.

It is unlikely that the switch to TIC filing affected the numbers of these other measures of UI activity in states in which TIC filing did not increase the number of initial claims. Nevertheless, the switch might increase the likelihood of some groups filing for benefits and might decrease the likelihood of other groups filing, so that we cannot, on net, detect any differences in initial claims. Thus, changes in the composition of the population of those filing for benefits may affect first payments and weeks compensated even if the number of initial claims is not affected. We therefore examined changes in the numbers of first payments and weeks compensated in these states as well.

Our analysis of the effects of the conversion to TIC filing on first payments and weeks compensated uses the same methods and data as our analysis of new initial claims. Examining the numbers of first payments and weeks compensated, without adjusting for factors other than the switch to TIC filing that might affect these measures, leads us to conclude that first payments and weeks compensated substantially increased in Colorado and

[23]As was shown in Table 3-4, restricting the Massachusetts coefficients for the early and late post-implementation periods to be equal yields coefficients that are not statistically significantly different from zero. However, at a five-percent significance level, we can reject the hypothesis that the coefficients for the early and late postimplementation periods in the Massachusetts regressions are equal.

[24]It is unlikely that the large "late postimplementation" effect is associated with the reopening of local offices because most local offices reopened during or shortly after the implementation period.

Wisconsin (and did so to a lesser degree in Utah), and that these activities decreased or remained substantively unchanged in the other states (Table 3-6).

Table 3-6. Payment Activities

	Mean Quarterly Number			Change Relative to Preimplementation Period (Percent)	
	Preimplementation	Implementation	Postimplementation	Implementation	Postimplementation
First Payments					
Colorado	18,394	21,404	20,786	16.4	13.0
Maine	11,989	10,480	10,102	−12.6	−15.7
Massachusetts	51,561	48,976	45,037	−5.0	−12.7
Missouri	37,306	36,473	35,514	−2.2	−4.8
Montana	7,697	6,927	6,945	−10.0	−9.8
Utah	9,079	8,888	9,667	−2.1	6.5
Wisconsin	48,601	57,455	55,965	18.2	15.2
Weeks Compensated					
Colorado	228,032	270,046	275,142	18.4	20.7
Maine	171,111	177,070	173,005	3.5	1.1
Massachusetts	886,725	846,611	776,633	−4.5	−12.4
Missouri	504,466	468,607	448,645	−7.1	−11.1
Montana	110,569	100,716	91,084	−8.9	−17.6
Utah	103,193	103,380	113,423	0.2	9.9
Wisconsin	605,870	686,110	708,944	13.2	17.0

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.
SESA = State Employment Security Agency; UI = unemployment insurance

As with initial claims, we also present summary results from our regression models to adjust for changes in economic conditions (Table 3-7). In Wisconsin, we find that the use of TIC filing increased first payments about 17 to 27 percent. This range of increase is very similar to what we found for initial claims, suggesting that the majority of "extra" claims generated through TIC filing are similar to claims that would have been filed had Wisconsin continued to use local offices. As with initial claims, we do not find impacts on first payments in Colorado, Maine, Massachusetts, Missouri, or Utah that are consistently, statistically significantly different from zero (for Colorado, some coefficients are significant). Montana's negative impacts of roughly ten percent are qualitatively similar to those we found for initial claims.

The changes in weeks compensated in Colorado, Montana, and Wisconsin are generally consistent with the changes in initial claims. In Colorado and Utah, most models show no change in weeks compensated, although models I and III in Colorado show large impacts. Weeks compensated consistently decreased in Montana and increased in Wisconsin, as we would expect, given the initial claims results.

Table 3-7. The Impacts of TIC Filing on First Payments and Weeks Compensated (Percentage Change)

	Dependent Variable			Dependent Variable Divided by the Labor Force		
	Model I	Model II	Model III	Model IV	Model V	Model VI
First Payments						
Colorado	19.3***	−2.0	18.8**	−1.0	3.7	−5.2
Maine	−4.1	−4.4	−1.9	−4.1	−1.3	−1.7
Massachusetts	1.6	8.3	1.7	6.9	−3.9	7.1
Missouri	−6.3	−10.7	−3.6	−10.3	−0.3	−9.4
Montana	−11.8**	−7.5	−6.1	−11.9**	−14.3***	−8.6
Utah	−0.7	4.2	−7.3	−12.7	−15.0	−11.5
Wisconsin	26.1***	19.4**	26.9***	24.0***	16.7**	18.4
Weeks Compensated						
Colorado	28.0***	−4.2	23.3***	−0.9	4.8	−2.4
Maine	9.9*	13.0**	7.4*	12.5**	13.6**	11.9***
Massachusetts	7.0	13.0***	7.2	12.0***	9.2**	12.1**
Missouri	−5.3	−18.0***	−3.5	−17.0**	−12.6	−18.0**
Montana	−21.8***	−15.6**	−11.2	−19.3***	−22.3***	−14.4*
Utah	−1.5	1.9	−3.3	−14.2	−15.1*	−8.5
Wisconsin	36.9***	25.2***	34.1***	29.0***	31.8***	50.8***

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.
NOTE: Percentage changes are calculated at the mean of the preimplementation dependent variable.
SESA = State Employment Security Agency; TIC = telephone initial claims; UI = unemployment insurance
* Significantly different from zero at the .10 level, two-tailed test.
** Significantly different from zero at the .05 level, two-tailed test.
*** Significantly different from zero at the .01 level, two-tailed test.

Although the number of weeks compensated appears to have increased in Maine and Massachusetts, this finding is consistent with findings from other research (Needels and Nicholson 1999). Needels and Nicholson concluded that average durations of UI collection have increased in many states since the 1990s recession relative to what would be expected given the historical experience at these unemployment rates.[25] Nationwide, the average increase was about nine percent. Needels and Nicholson attributed their findings to changes in the demographic and industrial compositions of the labor force. The regression results in Table 3-7 do not include controls for the demographic composition of the labor force, and it is

[25]The decrease in weeks compensated in Missouri is in contrast to this explanation. We discuss changes in the claimant population more specifically in Section 4.

possible that the controls for the fraction of workers in manufacturing and construction do not pick up the full effects of changes in these measures on the number of weeks compensated.[26]

When we examine the early and late postimplementation periods to check whether the impact of TIC filing was larger immediately after the transition than over the long run, we find similar results (Table 3-8). Point estimates for the early and late postimplementation periods are generally in the same range in Wisconsin and are statistically significant. The effects in Colorado and Massachusetts are smaller and statistically significantly different from zero in a few models. This finding suggests that advertising had very little effect on first payments and weeks compensated in addition to the effects of the switch.

3.2.3 Conclusion

In conclusion, we find evidence that the conversion from in-person UI initial claims filing in local offices to TIC filing has led to a sizable increase (around 20 to 30 percent) in the number of initial claims, first payments, and weeks compensated in Wisconsin, a negative effect (around –10 percent) in Montana, and is less likely to have caused changes in the other states.

The conclusion from the estimates is less clear-cut in the case of Colorado and Utah, as estimates are large and positive in some models, and small and insignificantly different from zero in other models. It is possible that Colorado and Utah may have had positive effects of the conversion to TIC filing on the number of initial claims filed, but the empirical data may not be able to consistently distinguish these *real* effects from statistical noise. This interpretation is supported by the views of administrators in both Colorado and Utah, who report that initial claims activity has increased after the conversion to TIC filing. Their perceptions are based in part on customer survey data collected by the states (discussed more fully in Section 4). Colorado's quarterly survey asks claimants whether they would have filed a claim for unemployment insurance if they had to file in person by visiting a local office. Consistently across surveys, about ten percent of claimants reply that they would not have filed in person. Utah's survey, which is based on a smaller sample size, asks claimants a similar question, to which typically five to seven percent of respondents say either "Definitely not" or "Probably not."

Although the available data do not enable us to isolate the reasons for the differences in effects on initial claims among the states that we observed, state-specific characteristics of the claimant population and the way that call centers were established are likely factors. State-specific characteristics of the claimant population include factors such as geographic dispersion, industrial composition, and preferences for in-person filing relative to telephone filing. Call center characteristics that could affect how many claims are filed include how extensively an IVR system is used, how adequately the call centers are staffed, and whether the state or the claimant pays for a long-distance call. It is notable that a very high percentage of claimants in Montana must pay long distance charges for the initial claims call.

[26]An additional limitation of the measures of weeks compensated is that the quarters in which weeks are paid are subsequent to the quarter in which a claim is filed. Thus, some claims filed during the implementation period will result in weeks compensated during the postimplementation period. We did not adjust for this factor because (1) it is unclear how long this effect lasts, and (2) most states would not have a sufficient number of postimplementation quarters to mitigate this problem.

Table 3-8. The Impact of TIC Filing on First Payments and Weeks Compensated, Examining Early and Late Postimplementation Periods Separately (Percentage Change)

	Dependent Variable			Dependent Variable Divided by the Labor Force		
	Model I	Model II	Model III	Model IV	Model V	Model VI
First Payments, Examining Early and Late Postimplementation Periods						
Colorado						
Early postimplementation period	16.2**	−2.8	17.2**	−2.0	2.0	−5.0
Late postimplementation period	21.0***	−1.6	24.0	0.0	6.1	−5.9
Massachusetts						
Early postimplementation period	2.0	7.8	6.3	6.3	−4.2	10.6
Late postimplementation period	13.3	18.7*	20.6*	17.2	4.8	24.7**
Wisconsin						
Early postimplementation period	25.9***	27.0**	27.0***	31.2**	26.5**	26.7**
Late postimplementation period	26.4***	21.2**	22.2**	25.1***	19.6**	17.8
Weeks Compensated, Examining Early and Late Postimplementation Periods						
Colorado						
Early postimplementation period	24.1***	−4.2	23.3***	−1.7	3.7	−2.4
Late postimplementation period	30.2***	−4.1	31.9***	−0.1	6.4	−2.5
Massachusetts						
Early postimplementation period	7.3*	12.6***	10.8**	11.6***	9.0**	14.2***
Late postimplementation period	16.1***	20.7***	22.6***	19.9***	16.7***	24.8***
Wisconsin						
Early postimplementation period	35.6***	26.0**	34.4***	29.1***	36.4***	34.5***
Late postimplementation period	38.9***	25.4***	54.4***	29.0***	33.2***	47.6***

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.

NOTE: Percentage changes are calculated at the mean of the preimplementation dependent variable.

SESA = State Employment Security Agency; TIC = telephone initial claims; UI = unemployment insurance

* Significantly different from zero at the .10 level, two-tailed test.

** Significantly different from zero at the .05 level, two-tailed test.

*** Significantly different from zero at the .01 level, two-tailed test.

This may be a deterrent for potential claimants to file, although it is unclear how important this may be in explaining the results for Montana, particularly since several other states also require some claimants to pay for long-distance calls.

Because the follow-up periods for some of these states are so short - about one year - our results may be sensitive to the small number of observations for the follow-up period. However, our analysis of the longer postimplementation periods in Colorado, Massachusetts, and Wisconsin sheds some light on this issue. The large effects of TIC filing on claims and payments do not have appeared to have declined over time in Wisconsin, suggesting that the large increase cannot be attributed solely to advertising. Indeed, estimated impacts in Massachusetts suggest that the impact slightly increased.

When we compare the increases in initial claims with the increases in first payments in Wisconsin, it appears that claims changed to about the same extent, as did first payments. These comparisons are imprecise because of the sensitivity of our results to different model specifications, but they suggest that the claimants who use the telephone to file and who would not file in person are not dramatically different from the claimants who would file in person. The same logic holds for the decreases in these UI activities in Montana. Claimants who do not file by telephone but who would have filed in person are similar to claimants who choose to file by telephone.

The absence of large increases in initial claims, first payments, and weeks compensated in most states suggests that the switch to TIC filing will not necessarily strain state UI trust funds. Nevertheless, Wisconsin experienced a large increase in both claims and payments and Colorado and Utah may have experienced smaller increases. In the next section, we therefore discuss potential implications of the conversion to TIC filing on employer tax rates and state UI trust funds.

3.3 THE EFFECTS OF TIC FILING ON EMPLOYER TAX RATES AND TRUST FUNDS

In all states, an employer's tax rate depends on its historical experience in laying off workers who collect UI benefits. As a general rule, tax rates are set so that the amount each employer pays in UI taxes in the long run equals the amount of UI benefits paid to its former employees when the employer is responsible for their unemployment. Although legislated minimum and maximum tax rates restrict how closely this guideline is achieved in practice, an experience rating system is designed to ensure that employers who frequently lay off large numbers of workers pay more in UI taxes than do employers with fewer layoffs.[27] In this section, we present a theoretical discussion of how changes in payments that might result from TIC filing will affect the UI trust fund (the fund from which benefits and into which taxes are paid) and employer taxes.

Generally, a change in the number of UI payments made to unemployed workers for any reason will affect both employer tax rates and the UI trust fund. For example, increases in

[27]Other factors influence the extent to which a state's system is experience rated. For example, benefits may not be charged to an employer that did not cause the job separation. In addition, benefits may not be recouped because of employer closures. The importance of these factors varies considerably across states (Vroman 1999).

payments would be expected to reduce trust fund reserves in the short run because the cost of benefits paid is recouped through future taxes, rather than immediately. In the long run, tax rates for specific employers would rise to reflect the additional payments made to their separated employees.[28] The speed at which this increase occurs depends on state-specific factors, such as whether a state uses a reserve ratio, benefit ratio, benefit wage ratio, or payroll decrease system for taxation; the number of schedules; and the levels and distributions of tax levels within the schedules. However, to the extent that a state's experience rating system does not charge specific employers for all benefits paid to its former employees, states may have to adjust their tax rate schedules to maintain the trust fund at levels comparable to those existing before the change in the number of payments.

Any effects of changing from in-person to telephone filing on the trust fund and employer tax rates will depend on the size of the increase in payments. States with very small increases may experience no discernible trust fund impacts. States with large increases may experience much larger impacts. As was shown previously in the chapter, most states except Wisconsin did not experience large increases in the number of initial claims and payments, suggesting that trust fund impacts in these states may be relatively small.[29,30]

The impact of the switch to TIC filing can also depend on the way that any increase in payments is distributed *across* employers. The effects on employer tax rates depend on whether the distribution of claimants across employers changes as a result of TIC filing. An example will help illustrate this effect. Suppose that only two employers operate in a state, and that one employer's business is seasonal whereas the other's is not. Assume that the seasonal employer regularly lays off workers, many (but not all) of its employees collect UI benefits every year, and the employer's tax rate is at the maximum of the tax rate schedule. Assume that the nonseasonal employer has a tax rate in the middle of the schedule, and that its employees collect UI benefits only intermittently (say, during recessionary periods). If employees of the nonseasonal employer are laid off and are willing to file by telephone but not at a local office, then the switch to TIC filing will cause the number of UI payments to increase. Therefore, the tax rate for that employer will increase. These additional benefits will be effectively charged to the nonseasonal employer, and the tax rate for the seasonal employer will probably not be affected.[31] In contrast, if the switch to TIC filing increases the number of UI payments given to the seasonal employer's employees, then the amount of benefits not charged to base period employers will increase, as the seasonal employer already is at the maximum tax rate. It is likely that tax rates for both the seasonal employer and

[28]Although a shift to a higher tax rate schedule is the most direct response to increases in payments and typically occurs automatically as a function of the trust fund balance, states may also respond in other ways. For example, a state may choose not to increase the WBA when it might otherwise do so or might impose stricter eligibility requirements. It is likely that a state would not make these types of changes immediately.

[29]A trust fund model for Wisconsin was not available for us to examine the size of the effect of the increase on the trust fund balance and employer tax rates.

[30]In addition to direct effects of TIC filing on benefits received, trust funds, and tax rates, indirect effects on the economy may exist. However, macroeconomic effects--on the total and insured unemployment rates, the size of the total and insured labor forces, the taxable wage base, and wage rates--are probably small, and trust fund models often assume that macroeconomic conditions are determined exogenously (Corson and Decker 1991; and U.S. Department of Labor 1997a and 1997b).

[31]If the nonseasonal employer is at the minimum tax rate for the schedule, the additional benefits still will be effectively charged but may not affect the employer's tax rate because its historical level of charges might be less than the minimum taxes it must pay.

nonseasonal employer will increase if the tax rate schedule must be shifted upward to maintain the trust fund balance at levels sufficient to provide benefits without borrowing funds.[32]

3.4 THE EFFECTS OF TIC FILING ON OVERPAYMENTS

It is possible that, after conversion to TIC filing, CSRs will have greater difficulty verifying the integrity of a claim, or potential claimants will be more likely to attempt to commit fraud by telephone. Either activity would result in less accurate claims filing and, hence, increased overpayments. If the rate of overpayments were to increase after the switch, for example, states may want to consider developing better methods to collect information from claimants and additional safeguards against abuses to the system.

We rely on quantitative and qualitative data to investigate whether the conversion to TIC filing was associated with increases in fraud or nonfraud overpayment rates. The states report two measures of overpayments to DOL: (1) Benefit Accuracy Measurement (BAM) data and (2) Benefit Payment Control (BPC) data. Each of these measures provides a slightly different set of information and perspective on overpayments. Coming from investigations of random samples of payments, BAM data do not detect all overpayments but do provide an estimate of overpayment rates. Thus, estimates of overpayments from BAM data may be sensitive to the sample size, particularly for very rare events such as overpayments attributable to the initial claims filing process. BPC data, which come from a variety of methods, such as matches of UI claims to wage records, new hires, Social Security retirement data, and/or death records, are also incomplete since not all overpayments are detected through these methods. However, when examined together, the BAM and BPC data can provide insights on the patterns in overpayments among states. As shown by the BAM data, overpayments that are related to the initial claim represent only a small portion of the overall error (Table 3-9).[33] The dollar overpayment rate attributed to initial claim errors is between zero and three percent in all states and time periods. Initial-claims-related overpayments are rare, and it may be extremely difficult to detect changes in initial-claims-related overpayment rates.[34]

Overpayment percentages computed from BPC data are lower than those computed from BAM data because the BPC measure does not detect all overpayments. In addition, percentages of both fraud overpayments and nonfraud overpayments (obtained in BPC data) are small, and fraud overpayments are less likely to be made than are nonfraud overpayments in all states except Massachusetts. The number of fraud and nonfraud overpayments increased very slightly or decreased in several states (Colorado, Maine, and Montana), but the percentage of dollars overpaid increased, suggesting that dollars per overpayment rose. From the patterns we observed in the BAM and BPC data, we speculate that fraud and nonfraud overpayments that are related to initial claims might occur only rarely.

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[32]This example can be expanded to include many employers that operate at different points along the tax rate schedule. It can also allow for the possibility that more than one base period employer may be charged for benefits. These employers' locations along the tax rate schedule will affect the extent to which the charges are effectively experience rated.

[33]More common reasons for overpayments are related to a claimant's work search and earnings during the benefit year.

[34]Maine had an extremely large increase in initial-claims-related overpayments between the pre- and postimplementation periods. However, the difference may actually be due to the very low rate during the preimplementation period (less than half the rates in any other state) and the imprecision in the estimate of overpayments because BAM data are based on samples of claims.

Table 3-9. Detection of Overpayments

	Mean Quarterly Number			Change Relative to Preimplementation Period (Percent)	
	Preimplementation Period	Implementation Period	Postimplementation Period	Implementation Period	Postimplementation Period
Colorado					
Benefit Accuracy Measurement (BAM)					
Percentage of Amount of Payments					
Total	9.2	7.4	12.1	-19.6	31.5
Initial claims related	1.4	0.7	1.3	-50.0	-7.1
Benefit Payment Control (BPC)					
Percentage of Number of Payments					
Fraud	0.21	0.08	0.15	−62.5	−28.4
Nonfraud	0.91	0.76	0.92	−16.5	1.3
Total	1.12	0.84	1.07	−25.1	−4.2
Percentage of Amount of Payments					
Fraud	0.75	0.31	0.67	−58.3	−11.1
Nonfraud	1.95	1.76	2.55	−9.8	30.4
Total	2.70	2.07	3.21	−23.3	18.9
Maine					
BAM					
Percentage of Amount of Payments					
Total	14.2	22.6	23.4	58.8	64.4
Initial claims related	0.5	0.1	2.3	−73.0	380.9
BPC					
Percentage of Number of Payments					
Fraud	0.13	0.11	0.07	−8.8	−42.6
Nonfraud	1.22	1.15	1.17	−5.5	−4.5
Total	1.35	1.27	1.24	−5.8	−8.1
Percentage of Amount of Payments					
Fraud	0.53	0.55	0.44	4.6	−16.3
Nonfraud	1.51	1.77	1.98	17.3	30.9
Total	2.04	2.33	2.42	14.0	18.7

Table 3-9. Detection of Overpayments (Continued)

	Mean Quarterly Number			Change Relative to Preimplementation Period (Percent)	
	Preimplementation Period	Implementation Period	Postimplementation Period	Implementation Period	Postimplementation Period
Massachusetts					
BAM					
Percentage of Amount of Payments					
Total	4.6	3.6	4.5	−21.0	−1.6
Initial claims related	1.2	1.2	1.8	−2.6	47.3
BPC					
Percentage of Number of Payments					
Fraud	0.37	0.26	0.27	−29.3	−27.2
Nonfraud	0.24	0.20	0.19	−14.6	−20.5
Total	0.60	0.46	0.45	−23.5	−24.6
Percentage of Amount of Payments					
Fraud	1.11	0.73	0.69	−33.7	−38.1
Nonfraud	0.58	0.45	0.57	−23.1	−2.8
Total	1.69	1.18	1.25	−30.0	−25.9
Missouri					
BAM					
Percentage of Amount of Payments					
Total	5.2	4.0	5.9	21.9	5.0
Initial claims related	2.2	1.3	2.1	38.9	2.8
BPC					
Percentage of Number of Payments					
Fraud	0.27	0.26	0.34	3.6	6.1
Nonfraud	0.39	0.34	0.43	14.0	0.4
Total	0.66	0.60	0.78	9.8	6.8
Percentage of Amount of Payments					
Fraud	.69	1.67	2.18	−1.2	28.8
Nonfraud	.90	0.94	1.00	5.1	10.8
Total	.59	2.61	3.17	0.9	22.6

Table 3-9. Detection of Overpayments (Continued)

	Mean Quarterly Number			Change Relative to Preimplementation Period (Percent)	
	Preimplementation Period	Implementation Period	Postimplementation Period	Implementation Period	Postimplementation Period
Montana					
BAM					
Percentage of Amount of Payments					
Total	15.0	13.7	18.6	−8.5	23.6
Initial claims related	2.9	1.4	1.6	−52.8	−45.1
BPC					
Percentage of Number of Payments					
Fraud	0.07	---	0.14	---	108.3
Nonfraud	0.79	---	0.63	---	−20.9
Total	0.86	---	0.77	---	−10.9
Percentage of Amount of Payments					
Fraud	0.28	---	0.58	---	106.9
Nonfraud	1.35	---	1.24	---	−8.1
Total	1.63	---	1.82	---	11.7
Utah					
BAM					
Percentage of Amount of Payments					
Total	10.7	10.9	15.3	2.1	42.5
Initial claims related	2.3	2.2	2.7	−6.5	15.5
BPC					
Percentage of Number of Payments					
Fraud	0.46	0.35	---	−22.9	---
Nonfraud	1.00	0.88	---	−11.9	---
Total	1.45	1.23	---	−15.4	---
Percentage of Amount of Payments					
Fraud	1.50	1.30	--	−13.1	---
Nonfraud	1.79	1.85	---	3.3	---
Total	3.29	3.15	---	−4.2	---

Table 3-9. Detection of Overpayments (Concluded)

	Mean Quarterly Number			Change Relative to Preimplementation Period (Percent)	
	Preimplementation Period	Implementation Period	Postimplementation Period	Implementation Period	Postimplementation Period
Wisconsin					
BAM					
Percentage of Amount of Payments					
Total	9.7	10.4	8.3	7.6	−14.5
Initial claims related	1.3	1.4	1.3	6.4	0.2
BPC					
Percentage of Number of Payments					
Fraud	0.24	0.17	0.20	−27.3	−15.0
Nonfraud	2.72	2.71	2.86	−0.1	5.1
Total	2.95	2.89	3.06	−2.3	3.5
Percentage of Amount of Payments					
Fraud	0.73	0.57	0.78	−21.8	6.5
Nonfraud	1.75	1.34	1.57	−23.4	−10.0
Total	2.48		2.35	−23.0	−5.1

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations. The BPC numbers are computed from data on the ETA-227 form reported by states to the Unemployment Insurance Service (UIS). The BAM numbers are computed from BAM tabulations prepared by the UIS. Initial claims related overpayments include overpayments for separation issues and base period wage issues.

NOTE: The numbers include payments activity in the state UI, Unemployment Compensation for Federal Employees, and Unemployment Compensation for Ex-Service members programs. Statistics for the implementation period in Montana and for the postimplementation period in Utah cannot be calculated, because some of these data are missing.

SESA = State Employment Security Agency; UI = unemployment insurance; ETA = Employment and Training Administration.

Our regression analyses cannot disentangle the effects of the switch to TIC filing on overpayment rates from other factors (Table 3-10). For most states, point estimates of the effects of TIC filing vary substantially, with extremely large positive and extremely large negative changes in the rates, suggesting that most of the changes in overpayment rates cannot plausibly be attributed to the switch to TIC filing.[35] This finding suggests that other factors may explain substantial portions of the changes in rates of overpayments. For example, our models typically explain between 35 and 60 percent of the variation in the dependent variables (data not shown). Thus, the models fit the data substantially less well than do the models of other UI activities, and we are reluctant to attribute the detected changes in fraud or nonfraud overpayments to the switch to TIC filing. This weakness in our

[35]We present only three models for each dependent variable because the variables are in the form of rates of overpayments per payment or rates of dollars overpaid per dollar paid.

models is not surprising, given our findings from Table 3-9 that (1) only a small proportion of overpayments are detected, and (2) initial-claims-related overpayments are only a small portion of all overpayments.

Although statistical analysis does not shed much light on whether TIC filing leads to changes in fraud or nonfraud overpayment rates, discussions with state administrators suggest that TIC filing does not generally have negative effects on program integrity, and that it may improve it in some instances. The administrators cited several reasons for this effect. First, states reported establishing standard procedures at call centers to ensure the caller is the claimant. For example, to verify a caller's identity, CSRs in all the in-depth study states are instructed to require that callers repeat information already in the system, such as employer information and previous addresses.

Table 3-10. The Impact of TIC Filing on Overpayments, Estimated from BPC Data (Percentage Change)

	Rates of Dependent Variable as Proportions of Payments		
	Model I	Model II	Model III
Number of Overpayments			
Colorado	−24.0	−48.3***	−9.0
Maine	−24.3	−23.3	−38.8**
Massachusetts	42.1	41.2	22.3
Missouri	−17.9	−6.8	−24.4
Montana	8.9	33.5	−39.8
Utah	−97.5***	−100.5***	−98.5***
Wisconsin	−5.0	−7.3	−8.0
Number of Fraud Overpayments			
Colorado	−82.9***	−129.1***	−33.8
Maine	−52.5*	−57.7**	−70.7***
Massachusetts	−11.0	−2.2	56.4
Missouri	−3.1	14.4	−10.8
Montana	91.0*	86.3	102.0**
Utah	−84.4***	−79.1***	−32.1
Wisconsin	−15.2	−27.3*	−24.9**
Number of Nonfraud Overpayments			
Colorado	−12.6	−32.7**	−4.6
Maine	−21.6	−20.1	−35.8**
Massachusetts	65.4	60.2	56.8
Missouri	−29.1	−22.8	−49.9**
Montana	6.0	31.6	−45.2
Utah	103.9**	−110.9***	−125.8***
Wisconsin	−4.2	−5.7	−7.5

Table 3-10. The Impact of TIC Filing on Overpayments, Estimated from BPC Data (Percentage Change) (Concluded)

	Rates of Dependent Variable as Proportions of Payments		
	Model I	Model II	Model III
Amount of Overpayments (Dollars)			
Colorado	−10.1	−37.8*	0.1
Maine	−3.7	−3.7	−22.7
Massachusetts	−49.4**	−48.2*	−71.5***
Missouri	−6.2	5.6	−8.2
Montana	−19.4	−32.7	−20.2
Utah	−50.6**	48.8**	−25.8
Wisconsin	11.7	11.1	−1.2
Amount of Fraud Overpayments (Dollars)			
Colorado	−60.1*	−112.1***	2.8
Maine	−15.7	−20.2	−32.5
Massachusetts	−107.0***	−99.8***	−123.0***
Missouri	33.2*	57.3***	35.0*
Montana	91.9	85.9	118.0***
Utah	13.3	34.3	97.6**
Wisconsin	33.0	22.2	16.3
Number of Nonfraud Overpayments			
Colorado	5.9	−14.1	15.1
Maine	−0.6	0.5	−20.0
Massachusetts	−11.7	−14.3	−36.3
Missouri	−55.1	−58.7	−63.8**
Montana	−33.7	−47.9*	−38.6*
Utah	−100.6**	−113.7***	−100.1***
Wisconsin	4.3	7.3	−4.4

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.

NOTE: Percentage changes are calculated at the mean of the preimplementation dependent variable.

BPC = Benefit Payment Control; SESA = State Employment Security Agency; TIC = telephone initial claims; UI = unemployment insurance.

* Significantly different from zero at the .10 level, two-tailed test.

** Significantly different from zero at the .05 level, two-tailed test.

*** Significantly different from zero at the .01 level, two-tailed test.

First-time callers in Wisconsin are required to verify identification by providing their driver's license numbers, which CSRs check against driver's license records made available to the agency by the state Department of Transportation. (About 85 percent of Wisconsin's claimant population has a driver's license.) A CSR who has doubts about the identity of a

claimant will ask for an affidavit. Since converting to TIC filing, the state has taken this step for about 400 claims, less than 0.01 percent of the claims it has taken since establishing call centers.

In some instances, states developed procedures to safeguard against potential abuses after switching to TIC filing but subsequently dropped them because they either were deemed unnecessary or were legally barred. Colorado's initial experience with TIC filing serves as an example. Claimants in Colorado who filed shortly after the call center opened were sent a "facsimile" initial claim form.[36] Claimants had to sign and return the form, certifying that about ten items were accurate, before the claim would be processed. This procedure - which probably made it harder for the state to meet standards established by the U.S. Secretary of Labor on the timeliness of services - was dropped after one year, when a signature on a claim form was deemed unnecessary. Now, claims are immediately processed, although forms are still sent to claimants to confirm their accuracy. No other state has adopted the policy of requiring signatures before a claim can be processed. Likewise, to reduce the likelihood of fraud, Maine initially sent address change notices to both the old address and the new address after claimants called to provide their new addresses. However, a subsequent court ruling nullified the procedure. Nevertheless, the post office will not forward a benefits check unless an address change is recorded on post office records, thus helping to ensure that benefits are paid only to legitimate claimants.

State administrators provided a second reason explaining why they believed the switch to TIC filing would not affect program integrity adversely relative to the local office system. The states had not consistently and thoroughly verified identities when claimants had filed in person, at local offices. In fact, the states generally had not required proof of identification under the old system; therefore, there were no local office safeguards that could be removed or destroyed by converting to TIC filing. Finally, the procedures used to detect most fraud overpayments - employer notices and wage cross-matches - remained unchanged.[37,38]

Program integrity is an issue for continued claims as well as for initial claims. States that allow or require claimants to file continued claims by telephone do not require signatures at the time of claims filing. Signatures appear only on checks or on other forms that a claimant must complete in special cases (such as direct deposit authorizations). However, Missouri and Wisconsin require claimants to use PINs. For example, the Wisconsin IVR system prompts claimants to select PINs, which are used on all subsequent calls. A claimant who

[36]In part because of concern that fraud overpayments would increase, Colorado did not change its forms when switching to TIC filing. By maintaining the same forms, the UI agency could better convince concerned parties that potential problems with fraud could be prevented.

[37]The wage record file cross-match is not an ideal procedure, because wage data are often not available for six months. This supposition is supported by the patterns of data in Table 3-9, which show that BAM over-payment rates were higher than BPC rates. One state reported expecting eventually to cross-match with a data file on new hires, which will have a lag of only a few weeks.

[38]To address its increase in overpayment rates, Utah plans to modify its IVR system to further stress claimants' responsibility for knowing UI laws, and to add a question to the continued claims IVR system about whether a claimant has received the guidebook on rights and responsibilities. A claimant who states that he or she has not received a guidebook will be sent another one. Nevertheless, administrators in Utah speculated that payment accuracy decreased because a larger proportion of the claimant population might have been first-time filers, rather than because the state switched filing methods. First-time filers are less likely to be familiar with UI program requirements.

wants to change the PIN or forgets his or her number must speak to a CSR in order to verify identification but is not prevented from filing a claim.[39]

Massachusetts provided a different view about whether or not TIC filing is associated with higher overpayment rates. Administrators in Massachusetts believe that it is more difficult to verify eligibility for dependency allowances under the TIC system because claimants no longer provide documentation proving they have dependents. However, the administrators also believed that better methods of fraud detection might explain some of the increase in rates of detected fraud.

To summarize, neither qualitative data nor quantitative data indicate that TIC filing leads to overpayments. Most administrators believe that the likelihood of fraud and nonfraud overpayments has not changed (or may have decreased) as a result of TIC filing. Procedures states use to confirm the identify of a claimant are at least as stringent as those used in the local offices, and procedures that most frequently detect overpayments - employer notifications and wage cross matches - have not changed. Nevertheless, one state reported that it was harder to verify claims for dependency allowances because claimants no longer provide documentation of their dependents. Because of inherent limitations in the available data, we cannot draw firm conclusions about the effects of TIC filing on overpayments.

[39]Although the PIN is used primarily for continued claims, it can also be used for initial claims if a claimant has prior benefit years. The initial claims IVR system does not ask the claimant to verify any confidential information, such as previous employers, until the PIN has been provided. If a claimant cannot provide a PIN, the CSR reads that portion of the script.

SECTION 4

IMPACT ON CLAIMANT SATISFACTION, FIRST PAYMENT TIMELINESS, AND THE CLAIMANT POPULATION

This section examines the impacts of TIC filing on claimants. As discussed in Section 2, UI program administrators in several of the study states reported that improving customer service was one of their primary objectives in changing the method by which claimants can file. Even in states without better customer service as an objective, it is important to examine the impact of implementation on claimants because satisfaction levels provide a key measure of the adequacy of delivered services. Filing an initial claim is the entry point to the UI program, and increased or decreased satisfaction with the filing process may affect all future interactions between a claimant and the UI agency.

We use three dimensions to measure the effects of the switch to TIC filing on claimants. First, we examine claimants' reports of their level of satisfaction with TIC filing. Second, because a key measure of the adequacy of UI services is whether claimants' eligibility is quickly identified and benefits are promptly paid, we assess whether claimants receive their first payments more quickly or more slowly. Third, we examine whether the types of claimants who file for benefits have changed in any way, particularly claimants with special needs who might face barriers to filing that were not present in the local office context. This examination can help us determine whether potential claimants choose not to file by telephone.

We draw several conclusions from these analyses. First, examining both surveys of claimants in states with TIC filing and a national study of customer satisfaction with UI leads us to conclude that claimants' satisfaction levels with TIC filing are high, claimants prefer filing initial claims by telephone to filing in person at local offices, and claimants save time and reduce out-of-pocket expenses when filing by telephone.

Second, we find that the switch to TIC filing may have modest negative impacts (less than five percent) on the ability of UI agencies to process payments quickly, at least initially, possibly because of delays in obtaining documentation from claimants and employers to verify eligibility. For intrastate claims, the Secretary of Labor requires that states with waiting weeks pay a minimum of 87 percent of first payments within 14 days of when a claimant filed for benefits and that states without a waiting meet pay 87 percent within 21 days. The Secretary also requires all states to pay 93 percent of first payments within 35 days. Delays in payments because of TIC filing may make it harder for states to meet these standards, although almost all states were still able to meet these standards in the postimplementation period. The states appear to be able to "catch up" with payment processing over time as the effects of TIC filing on payment timeliness are weaker at 35 days after filing compared to 14 or 21 days. Nevertheless, despite this apparent improvement in payment processing speeds over time, small negative effects seem to have persisted in some states during the same period.

Third, qualitative and quantitative data support the view that barriers to filing are no higher - and, in fact, in many instances are lower - with TIC filing than with in-person filing. Although we were unable to directly examine categories of potential claimants who chose not

to file, the available evidence suggests that the composition of the claimant population has not changed substantially with the advent of TIC filing. In addition, many states have developed procedures to meet the needs of potential claimants who might be expected to encounter difficulty filing by telephone. Claims are more likely to be adjudicated, however, suggesting that greater standardization of procedures, resulting from centralization, may lead to slightly higher denial rates.

4.1 CLAIMANT SATISFACTION

Some states that have converted to TIC filing or are considering doing so report that they are making the switch to improve customer service. We therefore expect that claimants would be more satisfied with filing by telephone than in person. Key outcome measures for claimant satisfaction are whether claimants (1) are satisfied with the system, (2) prefer filing initial claims by telephone than in person, and (3) report that telephone filing is easier or faster than in-person filing.

To examine these questions, we draw on results from (1) customer satisfaction surveys that the study states have conducted since the implementation of TIC filing, (2) surveys conducted by other states that have implemented TIC filing, (3) a 16-state study of customer satisfaction with the UI program more generally, and (4) discussions held with state administrative staff. Customer satisfaction surveys can be used to learn whether claimants like TIC filing; how long filing took; whether claimants had any difficulty filing; and whether the claimants would have filed in person, had TIC not been available (and, if the claimant would not have filed in person, why not).[40] The results from the various customer satisfaction surveys are not strictly comparable, because the questions and modes of administration differ among states. However, the findings are quite similar. Table 4-1 summarizes the periods covered, sample sizes, and survey methodologies used in these surveys.

The overall pattern that emerges from the surveys and from discussions with state administrative staff suggests that most claimants are satisfied with TIC filing, and that most prefer TIC filing to local office filing. Claimants who use TIC filing also generally save time and money.

4.1.1. Overall Satisfaction with TIC

In all seven study states, an overwhelming majority of claimants report satisfaction with TIC filing (Table 4-2). In Colorado, for example, more than 90 percent of claimants typically report being "very satisfied" or "satisfied" with the services provided. Similarly, 62 percent of claimants in Maine rank the claim filing process as a "5" on a five-point scale (where "5" equals "very good" and "1" equals "very poor,)" and 30 percent rank it as a "4." Other states' claimants also appear satisfied with TIC filing.

[40]We developed two short questionnaires, presented in Appendix C, that the states could use or adapt to examine some of these issues. One version is for use in states that have only TIC filing; the other version is for use in states that allow telephone or in-person filing. However, the data we use for this analysis are from surveys that the study states already had in place.

Table 4-1. Methodologies Used in Customer Satisfaction Surveys

State	Time Period	Sample Sizes	Survey Methodology
Colorado	June 1996 through September 1997 (6 quarters)	2,400 completes	Conducted quarterly by telephone by an outside contractor. Completes per quarter: 400
	Early 1992	905 claimants	Conducted once by telephone. Response rate: 67 percent. About half the respondents filed in local offices; the other half filed by telephone.
Maine	October 1997, May 1998, September 1998	150 completes	Conducted quarterly by telephone. Claimants per quarter: 50
Massachusetts	April 1997 through September 1997 statewide results	526 completes	Intermittently conducted by mail by each call center
Missouri	July 1997 through December 1998	1,541 completes	Conducted monthly by telephone. Extract of 150 records to target about 100 completes
Montana	July 1998 survey of claimants who filed from January 1998 to June 1998	450 completes (24 percent of surveys mailed)	Conducted once by mail. Survey mailed to ten percent of all claimants during a six-month period
Utah	October 1997 through July 1998	Approximately 560 completes	Conducted quarterly by mail. Selected every caller during a several-day period. Included callers who called for reasons other than to file an initial claim
Wisconsin	Calendar year 1998	2,177 completes	Conducted weekly by telephone. Targeted 50 completes per week for 10 weeks during each quarter, totaling about 2,000 surveys per year. Surveys conducted in the same telephone call as when claimants file for a continued claim
National Survey	1998	3,017 completes	Conducted once by telephone. Used two-stage sampling to select 16 states and then claimants. Response rate: 49 percent. Filing method: 86 percent of claimants reported filing in person, 7 percent reported filing by telephone, the remainder filed by mail. None of the seven study states included

NOTE: All state-specific customer satisfaction surveys were conducted by or on behalf of the states. The national survey was conducted by Marcus and Frees (1998) under contract with the U.S. Department of Labor.

Table 4-2. Responses to Customer Satisfaction Surveys

State	Claimant Satisfaction with TIC Filing	Claimant Preference for TIC Filing	Time and Money Saved with TIC Filing
Colorado	Typically, >90 percent "very satisfied" or "satisfied" with services provided (on 4-point scale)	Not asked	85 to 90 percent report services always provided in timely manner
Maine	62 percent rank claim filing process as a 5 and 30 percent as a 4 (on 4-point scale, with 5 = "very good" and 1 = "very poor")	TIC is easier (86 percent yes, 9 percent no, 3 percent about the same) TIC is faster (88 percent yes, 7 percent no, 5 percent about the same) Preferred method of filing (86 percent telephone, 14 percent in person) 49 percent of survey respondents reported filing in person before	82 percent uses local toll-free number Wait time to speak to CSR: 79 percent waited <1 minute 5 percent waited 1-2 minutes 7 percent waited 2-4 minutes 10 percent waited >4 minutes 97 percent thought wait time reasonable
Massachusetts	65 percent report overall TIC filing experience "excellent" and 30 percent report experience "good" (on 3-point scale: excellent, good, needs improvement)	TIC is faster (91 percent yes, 9 percent no) TIC is more convenient (92 percent yes, 8 percent no) 42 percent of survey respondents reported filing in person before	82 percent reached CSR on first call; most others in 2 or 3 calls Wait time to speak to CSR: 20 percent waited <1 minute 50 percent waited 1-3 minutes 21 percent waited 4-9 minutes 9 percent waited > 9 minutes 91 percent satisfied with the wait time
Missouri	66 percent "very satisfied" and 31 percent "satisfied" with telephone claims system (on 3-point scale: very satisfied, satisfied, needs improvement)	TIC is more convenient (91%), the same (7%), less convenient (2%) 60 percent of survey respondents reported filing in person before	

Table 4-2. Responses to Customer Satisfaction Surveys (Continued)

State	Claimant Satisfaction with TIC Filing	Claimant Preference for TIC Filing	Time and Money Saved with TIC Filing
Montana	84 percent "agree" that experience calling telephone center was positive, 10 percent say it was "neutral," and the remainder "disagree." Comparable percentages report satisfaction with telephone center services and believe TIC filing is convenient.	Not asked	Number of times had to call: 60 percent called 1 time 14 percent called 2 times 11 percent called 3 times 15 percent called ≥4 times Wait time to speak to CSR: 27 percent waited <1 minute 38 percent waited 1-3 minute 19 percent waited 3-5 minutes 15 percent waited >5 minutes
Utah[b]	Responses to statement, "Overall, I am satisfied with the quality of service from the claims center" average 3.7 to 4.0 in each quarter (5 = "strongly agree" and 1 = "strongly disagree")	Not asked	The system makes it easy to reach person claimant needs to talk to: quarterly averages = 3.4 to 3.7 "I rarely have to wait long" to speak with CSR: quarterly averages = 3.2 to 3.9[a] "I understand how to access the phone service from home": quarterly averages = 4.1 to 4.3 [a]
Wisconsin	50 percent rate TIC system as "excellent" and 38 percent rate as "good" (on 5-point scale: excellent, good, fair, poor, dislike). Ratings of claimants using IVR exclusively comparable to ratings of claimants who speak with CSR	TIC is more convenient (96 percent yes, 4 percent no) 45 percent of survey respondents reported filing in person before	Number of times had to call[b]: 40 percent called 1 time 29 percent called 2-5 times 20 percent called 6-10 times 10 percent called >10 times Wait time to speak to CSR[c]: 47 percent waited <2 minutes 35 percent waited 2-5 minutes 10 percent waited 5-7 minutes 8 percent waited >7 minutes 86 percent thought wait time to speak to CSR was acceptable

Table 4-2. Responses to Customer Satisfaction Surveys (Concluded)

NOTE: See Table 4-1 for a description of the surveys.

[a] All measures are on a five-point scale, where five equals "strongly agree" and one equals "strongly disagree."

[b] These data are inconsistent with results from the call centers' management information system, which reports that busy signals are quite rare. Staff in Wisconsin are investigating why survey data report a high rate of busy signals.

[c] Asked only of claimants who were required to speak to a CSR.

CSR = customer service representative; IVR = interactive voice response; TIC = telephone initial claims.

Most states ask survey respondents to provide open-ended responses about ways to improve the TIC filing system.[41] Many respondents did not have specific suggestions for improvement because they consider "the system . . . fine as is" or praise the system as easy, convenient, and fast (or an improvement over in-person filing). Claimants who did offer suggestions suggested making it easier to reach a CSR; adding more telephone lines or staff, presumably to decrease the wait time; adding a toll-free number (in states in which claimants may have to pay for the calls); extending the call centers' hours; and clarifying the call's purpose at the beginning of the call. Although these suggestions were among the most common ones offered, their number was small relative to the number of respondents who had no suggestions.

4.1.2 Preference for TIC Filing Compared with In-Person Filing

Claimants' satisfaction with the TIC filing process should be interpreted in the context of the primary alternative - in-person filing in local offices. Only one study state (Maine) recently has asked directly whether claimants prefer TIC or local-office filing; 86 percent reported a preference for TIC filing.[42] Although few states specifically ask claimants which filing method they prefer, it is common for states to ask TIC filers who had previously filed in a local office whether TIC filing is more convenient than local office filing. Consistently across surveys, between 40 and 60 percent reported having filed in a local office. Of these, about 90 percent report that TIC filing is more convenient. Additional data from California also support the perception that claimants generally prefer filing by telephone than in person. A small customer satisfaction survey conducted in San Diego and Oxnard, California, found that 86 percent of respondents preferred TIC filing, six percent had no preference, and the remaining eight percent preferred in-person filing.

One survey was designed to permit analysis of the types of claimants who preferred one filing method over the other. This 1992 Colorado survey included about 900 claimants, approximately equally divided between claimants who filed in local offices and claimants who filed by telephone (U.S. Department of Labor 1993). Results showed that claimants clearly preferred filing by telephone. Claimant characteristics, such as education level, race/ethnicity, and geographic area, were not strongly related to a preference for filing in person, except that non-English-speaking claimants were statistically more likely to prefer this method.

The minority of claimants who prefer local office filing say that they value face-to-face interaction with the CSR, particularly if a problem is associated with the claim. This reason is a common one in states that have directly asked about claimant preferences and in states that have asked open-ended questions about ways to improve the claim filing process. Likewise, in Massachusetts (where claimants can choose between in-person filing and telephone filing),

[41]Some respondents do not provide answers, and a portion of the answers pertain more generally to the UI system, rather than to the TIC filing process in particular. Examples of these answers include such comments as "get rid of the waiting week," the reporting of problems with the weekly claims process (for example, problems receiving checks), and suggestions that CSRs receive better training on special issues, such as severance pay.

[42]Maine gives claimants the option of filing by mail, but less than five percent do so. Maine asks claimants who filed by mail why they choose this method rather than file by telephone. A few respondents reported that they did not know they could file by telephone, they received the mail form from the JS office, or believed filing by mail was faster.

administrators believe that a large portion of claimants who file at the state's walk-in centers do so because they prefer to file that way.[43]

4.1.2.1 Time Required to File

TIC filing probably saves claimants time, but it is difficult to determine exactly how much. Factors influencing whether a claimant saves time with TIC filing relative to local office filing are (1) the time it takes to access a telephone or go to a local office; (2) the number of times it takes to call a center or visit an office; and (3) the length of time it takes to complete the call, if calling, or the time in the local office filing the claim.

Administrators report that filing an initial claim by telephone takes about 15 minutes after the claimant has been connected. The time required commuting to and from a local office plus time spent filing in the office will vary considerably, depending on a claimant's proximity to the nearest local office. However, it seems unlikely that local office filing could be completed in fewer than 15 minutes, particularly in rural areas, in which claimants may have to travel long distances to file. Indeed, survey data support the view that TIC filing is generally faster than in-person filing.[44] About 90 percent of claimants who had filed under both methods and who were asked whether TIC filing is faster than in-person filing report it is (Table 4-2).

Although data on the time required to file initial claims in local offices are sparse, several studies report that considerable time can be saved by using TIC filing. Claimants in San Diego and Oxnard, California, surveyed in October 1995 reported spending fewer than 14 minutes, on average, making telephone calls to file claims. Claimants who had previously filed for benefits reported spending considerably more time, on average, to file in person. These claimants reportedly spent slightly more than two hours in their local office and 20 minutes commuting to and from it. Similarly, according to Colorado's 1992 study, using the telephone to file substantially reduced the average total time previously required to file a claim in person - including time to reach the office, gather documents, and file the claim - from 3.4 hours to 1.7 hours. A national study of claimant satisfaction obtained similar results (Marcus and Frees 1998). In that study, claimants who filed by telephone reported taking an average of 11 minutes to file, whereas claimants who filed in person took an average of 61 minutes.[45] However, these estimates are only approximations of the average times to file, as in-person claimants may have spent time while they waited to file their claim performing other productive activities, such as

[43]Since Massachusetts opened its call centers, the percentage of claimants who file at the walk-in centers has dropped from about 12 to 15 percent to about eight percent. Administrators project that it may drop as low as, but will not go below, five percent.

[44]Although customer survey data can be useful in comparing the time spent filing by the telephone and at local offices, making these comparisons is difficult for three reasons. First, comprehensive data on the time required to file in local offices are unavailable. Second, even if claimants are asked how much time and money they spend to file in a local office, they may include time performing other activities, such as receiving services from a collocated JS, in their estimates. For example, claimants who go to a JS office may not save the costs of commuting to the local office to file their UI claims. Third, over time, states may include different activities in the initial claims call (for example, they may collect more information for JS or increase the amount of fact-finding conducted). At least one study state did so during the follow-up period.

[45]Marcus and Frees also asked claimants to rate the importance of the opportunity to file by telephone. They concluded that claimants generally accept the UI system as it is. In other words, claimants who filed by telephone thought the opportunity was very important, whereas claimants who filed in person or by mail did not think it was important.

reviewing job listings, or may have incorrectly included in their estimates time spent performing activities unrelated to the initial claim filing process.

Supplementary survey data enable us to examine the effort claimants must undertake to complete their claims, and to ascertain whether claimants believe this effort is reasonable. Several states ask survey respondents whether they had to call more than once to file initial claims or how long they were placed on hold before speaking to a CSR. Claimants frequently have to call more than once to complete their claims; most report getting through in three or fewer calls. In some instances, however, it is unclear whether claimants have to call more than once because they have difficulty accessing the system or because they did lacked some information necessary to file a claim.

Even though the total time required to complete a call may be shorter than the time required to file a claim in person, claimants may become frustrated if they are placed on hold while filing. Most claimants do not report long wait times while filing claims. As reported in survey data and by administrators, wait times while being transferred from the IVR system to a CSR typically last less than three minutes, although 10 to 20 percent of claimants commonly report waiting for more than five minutes. In the states that ask whether the wait time was reasonable or acceptable (Maine, Massachusetts, and Wisconsin), between 85 and 97 percent of claimants answered in the affirmative.[46]

4.1.2.2 Out-of-Pocket Costs of TIC Filing

To accurately assess the convenience of TIC filing relative to in-person filing, it is also necessary to consider claimants' out-of-pocket expenses. The cost of a telephone call should be compared with the cost of transportation to and from a local office to determine whether claimants have a greater out-of-pocket burden under the new filing method than under the old one. Depending on several factors, costs could be higher or lower under the TIC system. These factors include the length of a call, long-distance rates, the distance between claimants' residences and nearest local offices (to determine the costs of gasoline, vehicle repair and depreciation, and public transportation), and other out-of-pocket expenses (such as tolls and child care). Although some claimants may not be able to completely eliminate out-of-pocket costs, we expect that the majority of claimants reduce these expenses as a result of the switch to TIC filing.

States have addressed the question about who pays for the call in various ways, and the fraction of claimants in states who pay for a long-distance telephone call varies widely. Colorado, Utah, and Wisconsin offer toll-free telephone numbers to all claimants who are not within the local calling range of call centers - potentially eliminating all out-of-pocket costs to claimants.

Other states do not offer toll-free service, and the fractions of the claimant populations that incur costs vary considerably by state. Staff in Missouri do not consistently monitor the rate of long-distance calls but estimate that about 40 percent of initial claims calls are of this

[46]This finding is consistent with results from the quarterly Colorado survey, which asks respondents what they consider an acceptable amount of time to remain on hold or to wait to get through on the telephone. Average acceptable lengths range from three to five minutes. Colorado's survey does not ask respondents how long they were on hold, but 85 to 90 percent report that service was always provided in a timely manner.

type. In Montana, about 85 to 90 percent of calls are long-distance, which most likely is a function of the state's large size and dispersed population. Claimants who are not in the call centers' local calling areas (and who are most likely to have to pay for calls) probably also would be most likely to have had to travel considerable distances to the nearest local office. About half of Maine's claimants are able to use a local number; the call is long distance for the remainder of claimants.[47] Administrators in Massachusetts were of the opinion that almost all claims calls are local, but that a few claimants might incur toll charges for within-area-code calling.[48]

Out-of-pocket filing costs are probably zero for claimants who can file from their own homes using a local or toll-free long-distance number. It is also possible that claimants who do not have local or toll-free service may not have to pay for their calls. Almost all states allow claimants to use a telephone in a One-Stop Career Center to file, so the additional cost to a claimant of TIC filing relative to in-person filing might be zero.[49,50] Thus, if One-Stop career centers or JS centers are in the locations formerly used by UI local offices, the claimant could travel the same distance to the one-stop as he or she would under the previous filing system and so will not have to pay for the toll call.

No data exist on the average commuting distance to and from local offices, but an illustrative example can summarize the view that most claimants are likely to reduce out-of-pocket costs under TIC filing relative to in-person filing. The federal government estimates that the average cost of driving per mile (including gasoline, vehicle depreciation, and insurance) is about 30 cents (*Federal Register* 1999). Thus, commuting 20 miles each way to and from a local office to file an initial claim would cost approximately $12.00 (30 cents per mile times 40 miles round trip). The cost of a 20 minute long-distance telephone call would be about $4.00 (20 minutes times 20 cents per minute, including taxes).[51] These figures suggest that out-of-pocket expenses are in fact lower under the new filing method, and the conclusion is corroborated by the opinions of state administrators, who expressed the belief that claimants, particularly those who live in rural areas, generally save both time and money by filing by telephone.

4.1.3 Summary

Using data from customer surveys in both the study states and other states, as well as information reported by administrative staff, we conclude that most claimants are satisfied with TIC filing, and that claimants prefer this method to in-person filing. We also conclude that TIC filing is faster and less expensive for claimants than is in-person filing. The minority

[47]A considerably higher percentage of Maine's surveyed claimants (82 percent versus roughly 50 percent) reported using a local (toll-free) number. The small samples in the survey may explain this discrepancy.

[48]A published estimate indicates that about 20 percent of Massachusetts calls were long distance ones (ITSC UI Website 1999).

[49]Claimants who are required to report to a JS or one-stop center still may have commuting expenses.

[50]As part of the switch to call centers, Maine allows claimants to file initial claims by mail. Forms are available at JS centers, town halls, and some public libraries. Claimants who file in this way are likely to have out-of-pocket expenses under the new system that are no higher than those under the old system. Filing by mail was not an option prior to the switch.

[51]Long-distance rates have dropped considerably during the past several years. Current rates usually depend on the time of the call, the caller's location, and fees and taxes associated with long distance service. Long distance carriers also offer "calling plans," which tend to reduce per-minute charges but carry monthly fees. The conclusion that telephone filing is less expensive than in-person filing is probably not sensitive to these variations in the costs of the calls.

of claimants who either were dissatisfied with TIC filing or preferred in-person filing reported that they liked the face-to-face contact with the CSRs that was possible in local offices.

4.2 TIMELINESS OF FIRST PAYMENTS

The time it takes a state to make initial UI payments is an important measure of the UI program's ability to assist workers when they lose earnings. Instituting TIC filing might affect the speed with which initial claims are processed. The average time it takes states to make first payments might decrease if states are more able to automate claims handled by telephone. Alternatively, the timeliness might decrease if claimants must mail documentation of eligibility rather than deliver it in person to a local office. We therefore investigate the impacts of the conversion to TIC filing on both the timeliness of activities in general and the degree to which a state meets established U.S. DOL standards for timeliness.

We focus on time intervals that correspond to the Secretary's standards for timeliness of intrastate UI first payments, so that we can examine both impacts on general timeliness and impacts on the probability of meeting the Secretary's standards. For intrastate claims, the Secretary's standards require that 87 percent of first payments be made within 14 days in states with a waiting week and within 21 days in states without a waiting week. (All the study states except Wisconsin have waiting weeks.) The standards also require that 93 percent of payments be made within 35 days in states with waiting weeks and in states without waiting weeks. Given these standards, we calculated the rate of intrastate UI first payments made within 21 and 35 days in Wisconsin and within 14 and 35 days in the other six study states. These rates allowed us to measure the impact of TIC filing on the probability of meeting the Secretary's standards on intrastate UI first payments.[52]

All states with the exception of Colorado and Maine met or exceeded both of these standards during the postimplementation period (Table 4-3). Colorado and Maine met the timeliness standards for first payments made within 35 days but fell a few percentage points below the 14-day standard. Nevertheless, for both measures of payment timeliness that we examine (intrastate payments made within 14 or 21 days and within 35 days), all states except Utah experienced a very small decrease in the percentage of payments processed in a timely way (Table 4-3). These slowdowns were larger for the earlier of the two time frames, but states generally still exceeded the Secretary's standards for timeliness in both measures after the switch to TIC filing.

We now turn to a regression framework to examine whether the switch in filing methods is responsible for this pattern or whether other factors are responsible for it (Table 4-4). Similar to our analyses in Section 3, we distinguish between changes in timeliness that are the

[52]We also examined the patterns in first payment timeliness for UCFE and UCX claims. Results were generally similar to those for intrastate UI claims (data not shown). All states, in all three time periods (the years immediately before and after implementation and the year of implementation) met the Secretary's standards for UCFE first payment timeliness for 14 (or 21) days and 35 days. However, several states did not meet the percentages of payments made in 14 (or 21) days for UCX payments during the implementation and postimplementation periods. For both UCFE and UCX claims, the percentages of payments made within 14 (or 21) days and 35 days dropped very slightly in most states, except Maine and Utah, where they increased. The decreases in 14-day (or 21-day) timeliness were larger than the decreases in 35-day timeliness.

result of the use of TIC filing and changes that are the result of other factors, such as changes in the economy.[53] Controlling for changes in unemployment, the percentage of

Table 4-3. Intrastate UI First Payments Timeliness

	Mean Quarterly Percent			Change Relative to Preimplementation Period (Percent)	
	Preimplementation Period	Implementation Period	Postimplementation Period	Implementation Period	Postimplementation Period
Colorado					
Within 14 days	91.8	82.6	84.9	−10.0	−7.6
Within 35 days	97.0	94.9	94.0	−2.2	−3.2
Maine					
Within 14 days	94.7	89.1	84.6	−5.9	−10.7
Within 35 days	98.5	98.0	97.2	−0.5`	−1.4
Massachusetts					
Within 14 days	93.1	91.8	91.0	−1.5	−2.3
Within 35 days	97.2	97.2	97.0	−0.1	−0.2
Missouri					
Within 14 days	91.6	91.1	89.5	−0.6	−2.3
Within 35 days	97.8	97.9	97.7	0.1	−0.1
Montana					
Within 14 days	90.1	86.2	88.6	−4.4	−1.7
Within 35 days	96.8	94.9	96.8	−2.0	−0.1
Utah					
Within 14 days	93.6	94.7	94.1	1.2	0.6
Within 35 days	98.3	99.7	99.8	1.5	1.5
Wisconsin					
Within 21 days	96.4	95.1	92.1	−1.4	−4.5
Within 35 days	98.0	97.8	96.1	−0.2	−2.0

[53]For example, timeliness rates might be lower when the number of initial claims is higher, such as during seasonal or cyclical downturns. Timeliness might be affected by the industrial composition of the workers who apply for benefits because of differences in layoff rates (compared with other reasons for job separations) or the complexity of determining eligibility across industries.

Table 4-4. The Impact of Tic Filing on UI First Payment Timeliness (Percentage Change)

	Rates of Dependent Variable as Proportions of Payments		
	Model I	Model II	Model III
Intrastate UI Payments Within 14/21 Days			
Colorado	−7.3***	−7.4***	−6.6***
Maine	−10.3***	−9.7***	−8.4***
Massachusetts	−2.0*	−1.2	−3.9***
Missouri	−1.0	−1.5*	−1.4
Montana	0.3	−0.2	−0.2
Utah	−1.1	−1.1	−0.7
Wisconsin	−1.9	−1.2	−1.9
Intrastate UI Payments Within 35 Days			
Colorado	−2.2***	−2.3***	−2.5***
Maine	−1.2***	−1.1***	−1.2***
Massachusetts	0.7	0.9	0.6
Missouri	−0.3	−0.4	−0.4
Montana	0.7	0.7	0.6
Utah	1.7**	1.6**	1.9***
Wisconsin	0.3	0.6	0.2

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.

NOTE: Percentage changes are calculated at the mean of the preimplementation dependent variable. The specifications for the explanatory variables differ across models because it is unclear which specification most accurately represents the true relationship between the dependent variable and the factors that may influence the dependent variable. Models I and II contain indicator variables for the first, second, and third quarters, whereas Model III contains a correction for second- and fourth-quarter serial correlation of the error term. Model II contains the lagged unemployment rate and percentage in manufacturing and construction. All models contain an intercept term, implementation and postimplementation indicator variables, the unemployment rate, the percentage of the employed in the manufacturing and construction industries, and indicator variables for the Emergency Unemployment Compensation (EUC) period and the EUC option period.

TIC = telephone initial claims; SESA = State Employment Security Agency; UI = unemployment insurance.

* Significantly different from zero at the .10 level, two-tailed test.

** Significantly different from zero at the .05 level, two-tailed test.

*** Significantly different from zero at the .01 level, two-tailed test.

employed workers in manufacturing and construction, the EUC program, and seasonality, we typically find that the conversion to TIC filing has only very small effects on payment timeliness. In most states, most estimated impacts are between −4 and 2 percentage points and are not statistically significantly different from zero; this pattern suggests that TIC filing may have had no effect or only very slight effects on the speed of processing first payments. In Colorado and Maine, negative effects for 14- day payment timeliness are larger - between −7 and −10 percent - suggesting that TIC filing may have slowed the processing of some

claims.[54] This slowdown may be caused by delays in obtaining documentation from claimants and employers to verify eligibility or for other reasons.

These aggregate data cannot provide insights about why payment timeliness may be slower with TIC filing, and whether the effects are primarily through slowdowns in claims with adjudications or through slowdowns in all types of claims. To explore these questions, we discussed timeliness issues with state administrators. Most state administrators reported they did not detect slowdowns in payment timeliness for regular UI claims. However, two administrators reported that they initially had greater difficulty meeting timeliness standards because they had management or logistical problems that caused some delays in payments. They reported that these temporary problems have been corrected.

4.3 THE CLAIMANT POPULATION

The switch in filing methods may affect the probability that an individual separated from a job will file an initial claim because of a preference for one filing method over the other, specific barriers to filing, or other reasons. In Section 4.1, we concluded that most claimants who file by telephone are satisfied with filing their initial claims in this way. However, a limitation of the customer survey data used to draw this conclusion is that potential claimants who do not file by telephone, but who would have filed in person, are excluded from the surveys. If some potential claimants are so dissatisfied with the telephone filing process that they choose not to file, or if they are unable to file, then their views and experiences would not be represented in customer surveys, and our conclusion would not reflect their perspectives.

Even if the total number of claims filed does not change as a result of the switch to call centers, or even if the number of claims increases, some potential claimants may prefer not to file by telephone.[55] Without scientific surveys of all potential claimants that determine why some individuals do not file for UI benefits, we are unable to determine directly whether potential claimants are dissuaded from filing or are unable to do so (and why). This analytic problem led us to use several indirect methods of examining the issue. Two quantitative methods involve examining whether the composition of the claimant population has changed. Two other methods - one quantitative and one qualitative - involve assessing whether claimants encounter barriers to filing. Each method is inherently limited, so we draw conclusions about whether some groups of potential claimants are more or less likely to file initial claims by synthesizing the evidence from all the approaches. Our first approach uses statistical techniques (similar to those discussed in Section 3) to examine changes in monetary eligibility rates, nonmonetary determination rates, and denial rates. Our second approach directly examines a limited set of claimant characteristics, using administrative data from Maine, Missouri, and Wisconsin (the three in-depth study states) on claimants who filed initial

[54]We examined whether Colorado, Massachusetts, and Wisconsin (the three states that had relatively long postimplementation periods) increased their rates of processing first payments over time (results not shown). These rates seemed to speed up slightly in Colorado and Wisconsin but slowed down or remain unchanged in Massachusetts (depending on the model used). The changes over time were qualitatively minor.

[55]As shown in Section 3, most states did not experience an increase in claims, whereas Wisconsin experienced a large increase. Montana is the only study state in which the switch to TIC filing was associated with a decrease in the number of initial claims filed.

claims both before and after the switch to call centers. Our third approach is based on data provided by surveys of claimants on whether claimants report barriers to filing.

Even after using three different quantitative approaches, however, our ability to examine the effect of TIC filing on the claimant population is limited because potential claimants who do not file for benefits are not included in either individual- or aggregate-level data on claimants.[56] We therefore supplemented these three quantitative approaches with our fourth method, analyzing qualitative data from SESA staff. This information was designed to determine whether SESA staff believe that some groups of claimants have been deterred from or have had difficulty filing by telephone, and how the states accommodate claimants (or potential claimants) who may have difficulty filing. The availability of special procedures for groups that may have barriers would suggest that these claimants can successfully file by telephone.

Synthesis of the results from all these approaches suggests that the composition of the claimant population has remained basically the same with the advent of TIC filing. Most claimants are able to use an IVR system to file, and most states have implemented special procedures to accommodate claimants with special needs. These results are not surprising, given the findings in Section 3 that the volume of claims in most states has not changed considerably because of TIC filing. However, it is possible that using call centers for initial claims filing and adjudication may lead to higher determination and denial rates.

4.3.1 Eligibility, Determination, and Denial Rates

TIC filing makes it easier to file an initial claim relative to filing in person. Consequently, it is possible that workers who are not certain they are eligible for benefits may be more likely to file a claim when TIC filing is used. As a result, the proportion of initial claims that are not monetarily or nonmonetarily eligible may increase. Even if the number of claims does not increase, as was found to be the case in most states, the composition of the claimant population may change if some workers are more likely to file and others are less likely to file, which would create differences in eligibility rates among initial claims filers. Using a regression strategy similar to that in Section 3, we examine the impacts of the switch to TIC filing on the proportion of new claims that are monetarily eligible, and the rate of determinations and denials for separation reasons. We thus control for some of the other factors that may affect these rates. We conclude that claimants who file by telephone but who would not have filed in person are not dramatically different from claimants who would file in person. We speculate that TIC filing may lead indirectly to changes in determination and denial rates because SESAs are better able to standardize their procedures for handling these types of UI activities. However, quantitative data are not available to test this hypothesis.

Several patterns in eligibility rates during the time period are apparent (Table 4-5). First, patterns in monetary and nonmonetary eligibility rates varied considerably across states, even during the preimplementation period. More than 90 percent of claimants were

Table 4-5. Monetary and Nonmonetary Eligibility of Initial Claims

[56]This effect is likely to be smaller in a state, such as Massachusetts, that leaves some or all of its local offices open than in a state that closes all local offices.

	Mean Quarterly Number			Change Relative to Preimplementation Period (Percent)	
	Preimplementation Period	Implementation Period	Postimplementation Period	Implementation Period	Postimplementation Period
Colorado					
Monetary Eligibility					
Monetarily Eligible (Percent)	97.8	97.1	97.0	−0.7	−0.8
Nonmonetary Eligibility: Separation Issues					
Determinations (Number)	14,592	15,978	16,619	9.5	13.9
Denials (Number)	10,025	11,806	12,276	17.8	22.4
Determination Rate (Percent)	44.0	41.2	44.0	−6.4	−0.1
Denial Rate (Percent)	30.1	30.4	32.4	1.1	7.8
Denial/Determination	68.6	73.9	73.8	7.8	7.6
Maine					
Monetary Eligibility					
Monetarily Eligible (Percent)	67.7	67.3	72.6	−0.6	7.2
Nonmonetary Eligibility: Separation Issues					
Determinations (Number)	3,880	3,412	2,978	−12.1	−23.3
Denials (Number)	1,568	1,417	1,363	−9.6	−13.1
Determination Rate (Percent)	18.7	22.6	20.5	20.4	9.5
Denial Rate (Percent)	7.5	9.4	9.3	24.9	23.7
Denial/Determination	40.4	41.6	46.1	3.0	14.0
Massachusetts					
Monetary Eligibility					
Monetarily Eligible (Percent)	96.3	96.6	94.5	0.3	−1.8
Nonmonetary Eligibility: Separation Issues					
Determinations (Number)	12,754	13,150	13,927	3.1	9.2
Denials (Number)	7,143	7,265	7,505	1.7	5.1
Determination Rate (Percent)	13.4	14.7	17.2	10.0	28.2
Denial Rate (Percent)	7.5	8.1	9.3	8.1	23.4
Denial/Determination	56.0	55.2	53.9	−1.5	−3.8

Table 4-5. Monetary and Nonmonetary Eligibility of Initial Claims (Continued)

	Mean Quarterly Number			Change Relative to Preimplementation Period (Percent)	
	Preimplementation Period	Implementation Period	Postimplementation Period	Implementation Period	Postimplementation Period
Missouri					
Monetary Eligibility					
Monetarily Eligible (Percent)	84.0	84.1	84.1	0.1	0.1
Nonmonetary Eligibility: Separation Issues					
Determinations (Number)	26,119	26,128	26,444	0.0	1.2
Denials (Number)	15,632	15,527	16,020	−0.7	2.5
Determination Rate (Percent)	30.4	31.7	33.6	4.1	10.5
Denial Rate (Percent)	18.2	18.8	20.4	3.3	11.9
Denial/Determination	59.8	59.4	60.6	−0.8	1.3
Montana					
Monetary Eligibility					
Monetarily Eligible (Percent)	93.2	92.5	92.6	−0.7	−0.6
Nonmonetary Eligibility: Separation Issues					
Determinations (Number)	2,169	2,502	2,473	15.4	14.0
Denials (Number)	1,351	1,673	1,654	23.8	22.4
Determination Rate (Percent)	16.8	21.1	20.9	25.7	24.6
Denial Rate (Percent)	10.5	14.0	14.0	34.3	33.6
Denial/Determination	62.3	66.9	66.9	7.3	7.4
Utah					
Monetary Eligibility					
Monetarily Eligible (Percent)	95.0	95.4	94.6	0.4	−0.4
Nonmonetary Eligibility: Separation Issues					
Determinations (Number)	5,033	5,734	6,216	13.9	23.5
Denials (Number)	2,186	2,767	2,942	26.6	34.6
Determination Rate (Percent)	36.9	40.8	40.7	10.6	10.3
Denial Rate (Percent)	16.3	19.6	19.2	20.5	17.8
Denial/Determination	43.5	48.2	47.3	10.9	8.9

Table 4-5. Monetary and Nonmonetary Eligibility of Initial Claims (Concluded)

	Mean Quarterly Number			Change Relative to Preimplementation Period (Percent)	
	Preimplementation Period	Implementation Period	Postimplementation Period	Implementation Period	Postimplementation Period
Wisconsin					
Monetary Eligibility					
Monetarily Eligible (Percent)	92.7	93.5	91.9	0.8	−0.9
Nonmonetary Eligibility: Separation Issues					
Determinations (Number)	15,698	18,074	22,188	15.1	41.3
Denials (Number)	7,347	8,578	10,479	16.8	42.6
Determination Rate (Percent)	16.5	15.3	19.5	−7.4	18.2
Denial Rate (Percent)	7.8	7.3	9.2	−6.0	19.3
Denial/Determination	46.8	47.5	47.3	1.6	1.1

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations. Computed from data on the ETA-207 and ETA-218 forms reported by states to the Unemployment Insurance Service.

NOTE: The numbers are for monetary and nonmonetary activity under the state UI program.

ETA = Employment and Training Administration; SESA = State Employment Security Agency; UI = unemployment insurance

monetarily eligible in all states except Maine and Missouri. Preimplementation determination rates ranged from 13 percent in Massachusetts to 44 percent in Colorado. Denial rates ranged from about 8 percent (in Maine, Massachusetts, and Wisconsin) to 30 percent in Colorado. These differences suggest that examining changes in eligibility rates is more important for estimating the effects of the switch to TIC filing than is focusing on the absolute levels of the rates.

After implementing TIC filing, most states experienced extremely small changes in monetary eligibility rates. Most rates changed by less than one percent; the change in Massachusetts was slightly less than two percent. Maine is the exception: its monetary eligibility rate was considerably lower than those of the other states but increased seven percent.

Increases in determination and denial rates were more substantial. All the states with the exception of Massachusetts experienced increases in denials per determination; in Massachusetts, this rate decreased by four percent. The rates in the six other states increased to varying degrees; some increased only very slightly (around one percent in Missouri and Wisconsin); some increased moderately (around seven to nine percent in Colorado, Montana, and Utah), and one increased considerably (14 percent in Maine).

We examined these patterns in a regression framework to determine whether they can be attributed to the conversion to telephone filing or whether they are the result of some other

change occurring over time. Our regression framework to examine eligibility issues is similar to that used in Section 3. We present only three models for each dependent variable because the dependent variables are already rates. We summarize the results by presenting the percentage changes in the preimplementation dependent variables associated with the coefficients for the postimplementation indicator variables.

Controlling for the effects of such factors as the unemployment rate, percentage of employment in manufacturing and construction, seasonality, and whether the EUC program was in effect does not substantively affect our conclusions about the impact of telephone filing on eligibility (Table 4-6). We still find that changes in rates of monetary eligibility were small and not statistically different from zero in four of the seven states. Determinations and denials increased dramatically in most states.

Our descriptive analysis in Table 4-3 shows that the ratio of denials to determinations increased. When we control for other factors, the estimates are positive in six of the seven states (all except Massachusetts). Coefficients were statistically significantly different from zero in three of these states, as well as in Massachusetts. Because the increase in denials was greater than the increase in determinations in Maine, Missouri, and Montana, the typical telephone claim is somewhat more likely to result in a denial than was historically the case for an in-person claim. The opposite appears to be true in Massachusetts.

Several potential reasons might explain the increases in determination rates, denial rates, and ratios of denials to determinations. First, claimants with lower likelihoods of eligibility for benefits might have been more likely to apply over the telephone than in person. They might done so because of greater ease in filing, less stigma, or increased awareness of the UI system fostered by the advertising campaigns associated with the switch to TIC filing. In this case, the ratio of denials to determinations would be higher as more claims are properly flagged for investigation. However, this reason requires one of two patterns to be observed: (1) an *increase* in the total number of claims filed, or (2) a change in the claimant population. However, it is unlikely that the total number of claims filed increased, as the number of claims did not increase in most states. If the claimant population changed, some claimants who previously had filed in person would then choose not to file by telephone. However, the second pattern would require some types of claimants to *stop* filing, and ineligible workers to increase their likelihood of filing (so that the total number of filers remains unchanged). It seems unlikely that this pattern would be observed, given that claimants generally are satisfied with telephone filing and prefer it to in-person filing.

A second potential reason is that the claims takers and adjudicators who had been newly hired during the transition period to TIC filing have to become fully familiar with what warrants a determination. Determination and denial rates would stabilize over time as new claims takers become more proficient in identifying potential issues. If this hypothesis is true, then the ratio of denials to determinations might decrease if the new claims takers would be more likely to flag cases for investigation that did not warrant it. We observed this pattern only in Massachusetts. In contrast, we found that the ratio of denials to determinations increased in Maine, Missouri, and Montana and remained the same in the other states. In

addition, only Wisconsin reported having to hire a large number of new CSRs as a result of opening call centers; other states hired few new staff.[57]

Table 4-6. The Impact of TIC Filing on Eligibility (Percentage Change)

	Rates of Dependent Variable		
	Model I	Model II	Model III
Monetary Eligibility			
Colorado	0.4*	0.5**	0.3**
Maine	8.9**	9.0*	9.2**
Massachusetts	−1.2	−1.5	−0.7
Missouri	0.7	0.6	1.0
Montana	1.2	1.6	4.0*
Utah	0.5	0.1	0.5
Wisconsin	−0.1	0.3	1.4
Separation Determination Rate			
Colorado	47.9***	57.7***	40.9**
Maine	8.4	7.2	12.2
Massachusetts	25.0***	17.1**	33.7***
Missouri	14.8**	14.7*	18.8**
Montana	19.1***	19.4***	18.7**
Utah	−0.5	0.0	6.6
Wisconsin	56.4***	55.5**	45.0**
Separation Denial Rate			
Colorado	65.2***	79.2***	61.0***
Maine	21.0	20.6	28.8***
Massachusetts	12.7	1.5	24.4***
Missouri	17.1**	17.1**	20.9**
Montana	26.9***	25.9***	28.3***
Utah	18.6	12.8	−20.5
Wisconsin	56.2***	56.4**	46.2**
Separation Denials per Determination			
Colorado	8.5	11.1*	7.6
Maine	11.5***	12.6***	13.4***
Massachusetts	−12.4***	−15.1***	−12.3***
Missouri	1.9***	2.1**	2.1**
Montana	6.1***	5.7***	8.7***
Utah	17.6	12.4	20.4
Wisconsin	0.5	1.5	1.0

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.
NOTE: Percentage changes are calculated at the mean of the preimplementation dependent variable.

[57]In Section 5, we discuss in more detail the UI agencies' staffing changes.

SESA = State Employment Security Agency; UI = unemployment insurance.

* Significantly different from zero at the .10 level, two-tailed test.

** Significantly different from zero at the .05 level, two-tailed test.

*** Significantly different from zero at the .01 level, two-tailed test.

A third potential reason is that using call centers for initial claims filing and adjudication indirectly leads to higher determination and denial rates. This outcome can occur in two ways. First, states may be better able to train staff involved in these activities. According to discussions with administrators in the study states and a review of changes in state laws, it appears that states generally did not enact major legislative changes that resulted in tighter eligibility during this period (Runner 1992-1999).[58] Nevertheless, it is possible that centralizing staff facilitates better staff training to identify potential problems and adjudicate claims. This outcome could result in higher determination and denial rates even if eligibility criteria did not change. Higher determination rates might lead to a greater likelihood of denial if a claim is adjudicated.[59] Indeed, administrators in several states reported that reducing the number of locations in which CSRs and adjudicators worked (that is, from many local offices to only a few call centers) facilitated better training of these staff. The administrators believed that the procedures for taking and adjudicating claims were more uniformly implemented in the call center environment.

Use of call centers may lead to changes in determination and denial rates even if claimants' underlying situations have not changed, because adjudication and determination are handled differently. Administrators in Maine and Wisconsin reported that the switch to call centers enables their staffs to better handle adjudication by telephone.[60] If improved telephone adjudication increases employers' or claimants' participation in the process, then the ratio of denials per determination might change. In particular, greater employer involvement in adjudication would be expected to lead to increased denial rates. Changes in the number of determinations and denials may therefore indirectly result from the centralization of staff in call centers, even if the number and types of claimants do not change.

It appears that the most likely explanation for the data is the third one (that is, the application of procedures to identify claims for adjudication, which is a result of more uniform training, and the mode of conducting adjudication have changed). We conclude that claimants who filed using the telephone but who would not file in person are equally likely or slightly more likely to be momentarily eligible as are claimants who file in person, and that these claimants may be slightly less likely to be nonmonetarily eligible for benefits, particularly in Maine and Montana. This finding might be an artifact of changes in the procedures used to determine eligibility, even if no legislative changes in eligibility have been made. In Wisconsin, the one state in which the number of claims increased substantially, the determination and denial rates increased by about equal amounts. Thus, "extra" claimants

[58]States are continually changing UI laws. However, it appears that most of the legislative changes during the 1990s pertained either to aspects of the UI program (such as taxation) other than eligibility or to only very narrow categories of workers (such as a change in the definition of independent contractor employment). The sole exception is Massachusetts; administrators there reported that the requirements for requalification for benefits after a disqualification have become more stringent. However, the change in Massachusetts should not affect the rates examined here because we are examining only determinations that result from actions at the time a claimant was separated from employment.

[59]A reduction in face-to-face contact between CSRs and claimants--resulting from the switch to TIC filing--may also lead to changes in determination and denial rates.

[60]We discuss this subject in more detail in Section 5.

who might not have filed in person but who have filed by telephone do not appear to be more or less likely to qualify than claimants who would have filed in person.

4.3.2 Characteristics of Claimants

The second approach we used to determine whether some potential claimants might be deterred from filing by telephone involved examining claimants' characteristics. If different groups of claimants have different filing method preferences, they might have different likelihoods of filing in person and by telephone. Converting from local office filing to telephone filing would lead to a different average set of characteristics of claimants. Thus, detecting significant changes in the average characteristics of claimants suggests that the switch in filing methods might have affected the types of potential claimants who actually file for benefits.

The administrative data consisted of random samples of about 2,000 claimants per year in each of the three in-depth study states (Maine, Missouri, and Wisconsin), for several years preceding implementation of TIC filing and for as many years after TIC implementation as were available.[61] Data from Wisconsin cover 1990 through 1998; data from Missouri cover 1991 through 1998; data from Maine cover 1995 through 1998.[62] Data are available on demographic and pre-unemployment characteristics of a claimant (such as race, sex, age, base period earnings, and industry), the UI claim (such as the maximum benefit amount [MBA], weekly benefit amount [WBA], remaining balance, and date of the claim).

We can use these data to detect any major changes in claimant characteristics that might have occurred. Comparisons of the prevalence of certain demographic and UI program characteristics between the pre- and postimplementation years in each state suggest that several changes in average claimant characteristics did occur (Table 4-7). The percentage of claimants who are nonwhite has increased substantially in each of the three in-depth study states, as have both the percentages who are female and claimants' average ages, although to lesser extents. In addition, the average MBA and WBA have increased, most noticeably in Maine but also substantively in Missouri. Missouri also experienced a five percentage point decrease in the percentage of claimants who had worked in the manufacturing sector. Although these differences in the mean characteristics of claimants in the years before and after implementation are statistically significant, many of the changes are not qualitatively significant.

The conversion to TIC filing may not have been the cause of the changes in average claimant characteristics or in the benefits received in a given year, as many factors may affect the type of person who files UI claims and the benefit amount. For example, certain types of workers may be more likely to file for benefits during periods of high levels of unemployment. The proportion of claimants who are male will increase during recessionary periods if layoffs occur in male-dominated manufacturing industries. If the switch to TIC filing coincides with the beginning of a recessionary period, then one might be tempted to erroneously conclude

[61]Random samples of 2,000 claimants per year allow us to measure claimant characteristics fairly precisely, and to detect changes in claimant characteristics of about two percentage points for characteristics that occur about ten percent of the time. Characteristics that occur more frequently in the population will be estimated less precisely.
[62]The preimplementation period in Maine is only two years long because data from earlier years were unavailable.

that TIC filing "caused" the fraction of claimants who are male to increase. Other patterns of layoffs may lead to different changes in the characteristics of claimants. Thus, these changes, which might suggest potential TIC effects, must be interpreted in the context of other changes occurring in the economy and labor market.

We therefore examined changes in claimants' characteristics, using a regression model to control for some of these factors, such as a time trend, the unemployment rate, the real maximum WBA, and the quarter in which a claim is filed. The results, presented in Appendix B, generally confirm the qualitative patterns of changes in the claimant population shown in Table 4-7. However, when we try to determine how much of the change in several characteristics is associated with TIC filing after controlling for other economy-wide and claimant-specific factors, we find that TIC filing is associated with decreases of several percentage points in the percentage of claimants in Missouri and Wisconsin who are women. These changes may be attributable to the change in filing methods, the imprecision in the specification of the model (the actual relationships among many variables in the model are unclear), or other factors that the analysis could not control for.[63] However, we estimate that the total number of claims filed by both women and men increased in Wisconsin, because the total number of initial claims increased in that state.

4.3.3 Barriers to Filing

As a third way of assessing whether TIC filing prevents some potential claimants from filing, we analyzed customer survey data about barriers to filing. Some of these barriers may not be unique to TIC filing. For example, a claimant may have difficulty obtaining information from a CSR in a local office because the CSR has been inadequately trained in communication skills. However, if the telephone hinders effective communication, relative to face-to-face interaction in a local office, then TIC filing may exacerbate these other barriers. For example, claimants may have difficulty using or understanding an IVR system (because of language barriers or other reasons), obtaining information from a CSR, or accessing a telephone during hours when claims can be filed.

In this section, we rely on claimant survey data - covered much more fully in Section 1 - to assess whether claimants can obtain necessary information easily, understand how to use the telephone to file a claim, and consider call center hours convenient. As discussed previously, claimant survey data cannot be used to ascertain directly whether certain types of potential claimants are prevented from filing. However, a finding that many claimants who successfully filed reported difficulty understanding how to file or accessing call centers during operating hours, for example, is likely to lead us to believe some potential claimants who attempted to file were unsuccessful.

We conclude from this analysis that almost all claimants consider the IVR system easy to use, CSRs answer claimants' questions, and call center hours are convenient. Claimants reported that, in general, the IVR instructions are easy to follow, their questions are answered completely, and they do not face unnecessary barriers to filing.

[63]The negative impact in Missouri is sensitive to the inclusion of a variable indicating a change over time in the percentage of claimants who are female. Exclusion of this time trend variable yields a positive, insignificant effect of TIC filing on the percentage of claimants who are female--a result that is consistent with the pattern shown in Table 4-7. Exclusion of the same variable in Wisconsin yields a very small, insignificant coefficient of TIC filing on the percentage of claimants who are female.

Table 4-7. Claimant Characteristics, By Period

	Preimplementation Period	Implementation Period	Postimplementation Period	Change Relative to Preimplmentation Period (Percent)	
				Implementation Period	Postimplementation Period
Maine					
Percentage Female	41.3	41.3	41.5	0.0	0.5
Percentage Nonwhite	1.9	2.0	2.2	5.3	15.8***
Mean Age (Years)	37.6	38.2	38.9	1.6	3.5
Percentage in Manufacturing	27.7	23.5	28.6	-15.2	3.3
Mean Base Period Earnings (Real Dollars)	8,979	8,757	9,703	-2.5	8.1***
Mean Maximum Benefit Amount (Real Dollars)	2,405	2,389	2,551	-0.7	6.1*
Mean Weekly Benefit Amount (Real Dollars)	109	110	114	0.9	4.6
Mean Days from Job Separation to Filing	19	14	14	-26.3	-26.3
Missouri					
Percentage Female	41.6	43.6	43.5	4.8	4.6
Percentage Nonwhite	20.4	21.1	24.9	3.4	22.1***
Mean Age (Years)	38.4	38.6	39.3	0.5	2.3
Percentage in Manufacturing	34.0	29.1	29.0	-14.4	-14.7**
Mean Base Period Earnings (Real Dollars)	12,079	10,806	11,833	-10.5	-2.0***
Mean Maximum Benefit Amount (Real Dollars)	2,365	2,286	2,475	-3.3	4.7***
Mean Weekly Benefit Amount (Real Dollars)	101	98	105	-3.0	4.0***
Mean Days from Job Separation to Filing	22	20	21	-9.1	-4.6

Table 4-7. Claimant Characteristics, By Period (Concluded)

Wisconsin

Percentage Female	37.7	37.1	37.8	−1.6	0.3
Percentage Nonwhite	8.5	9.2	10.0	8.2	17.7***
Mean Age (Years)	37.5	37.6	38.0	0.3	1.3
Percentage in Manufacturing	37.1	45.0	37.9	21.3	2.2
Mean Base Period Earnings (Real Dollars)	12,770	13,493	12,565	5.7	−1.6
Mean Maximum Benefit Amount (Real Dollars)	3,345	3,434	3,361	2.7	0.5
Mean Weekly Benefit Amount (Real Dollars)	135	138	136	2.2	0.7
Mean Days from Job Separation to Filing	35	30	36	−14.3	2.9*

SOURCE: Evaluation of the Impacts of UI Claims Taking Technologies on SESA Operations.

NOTE: Data consist of random samples of administrative records on claimants in each in-depth study state. The three time periods are defined in Section 3.

SESA = State Employment Security Agency; UI = unemployment insurance.

4.3.3.1 Ease of Understanding and Obtaining Necessary Information

Claimants apparently rarely have difficulty using or understanding an IVR system or obtaining information from CSRs (Table 4-8). For example, in Colorado, 95 percent of survey respondents reported that the pace of the conversation with the CSR was "about right," 97 percent of respondents in Maine reported that the IVR menu instructions were easy to understand, and 98 percent reported that the CSRs answered their questions completely. Likewise, almost all respondents in Wisconsin reported that the system information was clear, and that the claims specialist was able to answer all their questions. A nationwide claimant study by Marcus and Frees (1998) obtained similar results. In that study, 78 percent of telephone filers reported a ranking of either "5" or "4" when asked to rank their satisfaction with the ease of use of the automated voice response system used to filing initial claims ("5" represented extreme satisfaction and "1" represented extreme dissatisfaction).

4.3.3.2 Call Center Hours

Inconvenient call center hours could make it more difficult for claimants to file (this problem could affect local offices as well). Little direct information is available on whether potential claimants believe call center hours hinder their ability to file, because claimant surveys are unable to include potential claimants who cannot file during those hours. However, two states - Montana and Wisconsin - ask customer survey respondents whether the call center hours are convenient (Table 4-8).[64] Seventy-six percent of Montana's respondents thought their hours, from 8:00 A.M. to 4:30 P.M. during weekdays, were convenient; 90 percent of Wisconsin's respondents thought their hours, from 7:45 A.M. to 4:30 P.M., were convenient. In both states, evening hours were the most commonly requested other times.

Wisconsin redesigned its system in September 1997 so that claimants who meet certain conditions can file at any time. This step eliminated the need for claimants to call during hours when the call center is staffed. Between 3 and 10 percent of new claimants and 15 to 20 percent of claimants who reopen their claims after an interruption in their benefit collection can file a "QuickTIC," which is done exclusively through the IVR system. To be eligible, claimants generally must have filed for UI benefits in the recent past and cannot have changed their names or addresses. Although other conditions also restrict the types of claimants who can use the QuickTIC, this option has the potential to greatly reduce the costs of processing these claims because claimants do not have to speak to a CSR. Wisconsin hopes to expand the criteria under which claimants can file exclusively through the IVR system.

4.3.4 Claimants with Special Needs

Although most claimants may consider TIC filing faster and easier than in-person filing, it is also possible that a switch to TIC filing will impose an excessive burden on potential claimants who have special needs. To determine whether some potential claimants may never file because of this reason, we used a fourth method to examine the experiences of

Table 4-8. Evidence of Barriers to Filing

[64]Administrators in several states reported that they often extend the centers' hours when the claims volume is high.

State	Barriers to Filing
Colorado	80 to 90 percent report the service was always easy to obtain.
	About 95 percent report the pace of conversation with the CSR was "about right."
Maine	97 percent report the IVR menu instructions were easy to understand.
	98 percent felt their questions were answered completely.
Massachusetts	96 percent said the automated system was clear and understandable.
	98 percent said the CSR was responsive.
	94 percent said the CSR was knowledgeable.
Missouri	47 percent said the recorded questions were "very clear," and 50 percent said they were "clear" (on a 3-point scale: very clear, clear, unclear).
	52 percent said the CSR was "very knowledgeable," and 42 percent said the CSR was "knowledgeable" (on a 3-point scale: very knowledgeable, knowledgeable, somewhat knowledgeable).
Montana	The CSR was knowledgeable about UI.
	91 percent agreed
	7 percent were neutral
	2 percent disagreed
	The CSR gave clear explanations.
	89 percent agreed
	8 percent were neutral
	3 percent disagreed
	The CSR was responsive to problems or questions.
	90 percent agreed
	6 percent were neutral
	4 percent disagreed
	76 percent said the telephone center hours were convenient.
Utah	The quarterly average responses to a question about whether instructions received clearly describe rights and responsibilities while filing for benefits ranged from 3.4 to 3.7.[a]
Wisconsin	The information is clear.
	94 percent yes
	6 percent no
	The specialist was able to answer questions.
	98 percent yes
	2 percent no
	The hours were convenient.
	90 percent yes
	10 percent no

NOTE: See Table 4-1 for a description of the surveys.

[a]Responses were measured on a five-point scale, where five equals "strongly agree" and one equals "strongly disagree."

CSR = customer service representative; IVR = interactive voice response.

three types of claimants that might be thought to be affected by the change: (1) those with language barriers, (2) those with hearing problems, and (3) those who have difficulty filling out written forms.

A survey of potential claimants would be the most accurate way to collect information on the barriers that claimants with special needs encounter. However, it is difficult to identify these claimants, and surveys of actual claimants may have only limited value if individuals with language or hearing problems are excluded.[65] Our ability to understand the experiences of claimants with relatively uncommon special needs (such as hearing impairments) is limited because these claimants tend to comprise small portions of surveys that use small samples, and because many surveys do not ask information that would allow these claimants to be identified.

Given these limitations of surveys, we therefore relied on discussions with state administrators to explore how the switch to TIC filing may have affected the three types of claimants. Although the administrators' knowledge about who does not file (and why) may also be limited, we conclude from these discussions that claimants with special needs are almost always at least as well served under TIC filing as they were under local office filing.

4.3.4.1 Foreign-Language Speakers

State administrative staff report that foreign-language speakers are at least as well served under TIC filing as under in-person filing. Some state administrators have developed special procedures to accommodate foreign-language speakers. Administrators who have not done so report that foreign-language speakers face roughly the same barriers to filing under both filing methods. In this section, we review the methods the states developed to serve claimants who speak foreign languages and compare these methods with the ones used in the local office era.

Providing translation services is an obvious way to assist claimants who are not fluent in English. The states weighed several factors in deciding whether, and for which languages, translation services should be available. The foremost factor was the claimant population's need for translation services and administrators' assessments of whether claimants would be unable to file if these services were not offered. Other factors included the states' ability to recruit and retain foreign-language-speaking CSRs, the cost of obtaining translation services in other ways, and the potential political ramifications of providing translation services for some foreign languages but not for others.

Maine has several staff who are bilingual in French (the predominant non-English language in the state) and uses the AT&T translation line, which allows for translation into more than 100 languages.[66] During the local office era, claimants in Maine had to bring translators to the offices. Frequently, if the state had to locate a translator for a claimant, completion of the claim would take several weeks.

[65]For example, claimants who cannot read or speak English well may not be adequately represented in an English-only survey, even if the state allows claimants to use other languages to file. (All the states currently conduct surveys in English, although Wisconsin hopes to use a Spanish version soon.)

[66]Current AT&T translation service rates range from $2 to $4 per minute, depending on the time of the call and the language spoken.

Wisconsin provides in-house translation for claimants who speak Spanish and Hmong and uses the AT&T language line for other languages. Providing in-center, foreign-language service is especially feasible in Wisconsin because about 96 percent of non-English calls are Spanish. Wisconsin's IVR system quickly directs Spanish speakers to Spanish-speaking CSRs, bypassing the rest of the IVR questions.[67] If all the bilingual claims takers are busy, an English-speaking claims taker will record the contact information that will enable a bilingual CSR to call the claimant back within an hour. Like other states, Wisconsin reported that claimants would often bring interpreters to the local offices; claimants are less likely to have interpreters with them when they file by telephone.

Missouri does not allow claimants to file in languages other than English. Administrators from the state reported that demand to file in foreign languages is low. Missouri's Spanish-speaking population is small, and no foreign language is used much more frequently than any other. Furthermore, claimants often were accompanied to local offices by their own translators, and they continue to use their own translators for TIC filing. In addition, the state is concerned that the public may react negatively if it offers translation services in some foreign languages but not in others. (Administrators from several other states expressed the same concern.) Missouri has not used the AT&T translation line because of its expense.

We also spoke with administrators in Colorado, Massachusetts, Montana, and Utah about their experiences in meeting the needs of foreign-language speakers. Montana reported having very few foreign-language speakers. Like Maine and Wisconsin, it contracts with AT&T, but administrators reported that the claimants often provide their own interpreters. Colorado, Massachusetts, and Utah allow Spanish-speaking claimants to bypass the IVR system and file directly with a Spanish-speaking CSR. Colorado requires speakers of foreign languages other than Spanish to provide their own interpreters, as it had done during the local office era. Utah also provides in-house translation for Korean, Russian, and Vietnamese, and Massachusetts provides in-house translation for Cantonese and Portuguese. Massachusetts considered providing this service for several other languages but found little demand for them. Although Colorado, Massachusetts, and Utah often used bilingual CSRs in the local office setting, the ability of these states to serve foreign-language speakers probably has improved under TIC filing. Under the new filing system, with its centralization of call centers, the states may be better able to route a claimant to a bilingual CSR.

In summary, most state administrators believe that foreign-language speakers are at least as well served by call centers as they were by local offices. States can route foreign-language callers to CSRs fluent in common foreign languages - a strategy that was less feasible in the local office era. Some states also contract with AT&T for translation services for languages that small numbers of claimants use. Although several administrators expressed concern that providing special assistance to some foreign-language speakers but not to others would have potential political repercussions, the states that offer foreign-language assistance have not reported any such problems.

[67]The IVR script asks claimants to press 1 for English. The next phrase, which is in Spanish, asks the claimant to press 1 if she or he speaks some English and to press 2 if she or he speaks no English. Because some claimants who were able to file in English preferred filing in Spanish, the system now tries to encourage claimants who speak some English to use English to complete claims.

4.3.4.2 Claimants Who Have Difficulty with Aural Communication

It is possible that claimants who rely on visual cues to communicate will have greater difficulty filing by telephone than in a local office. This situation could apply to both potential claimants with hearing impairments and claimants who prefer to review written forms. We discuss each of type of claimant in this section.

All the states reported that claims by individuals with hearing impairments comprise a very small portion of total claims. Although one might expect these claimants to have more difficulty filing by telephone than in person, statewide "relay" services are widely available to facilitate telephone communication for deaf people. These services allow hearing-impaired individuals to use a telecommunications device for the deaf (TDD) to communicate with an operator, who then communicates with whomever the hearing-impaired individual wishes to contact (such as a CSR at a UI call center). Most states have also installed TDDs in one or more of their call centers, so that hearing-impaired claimants can communicate with staff there without having to request an operator's assistance. Although some states offered this service during the local office era, it was more feasible to do so under the call center system because all claims from hearing-impaired claimants are centrally processed.[68]

Less is known about whether non-hearing-impaired claimants who prefer visual communication encounter difficulty with TIC filing. As we have discussed, overall satisfaction levels with TIC filing are quite high, and claimants only rarely report a preference for local-office filing. In addition, Colorado's experience shows that it may not be very important to make special accommodations for claimants with this limitation. When Colorado established its call center, it worked with an employee group that believed local offices should maintain staff to help visually oriented claimants; the group assumed that these claimants would have an easier time filing if they could look at the forms.[69] The group developed a plan to use staff in other parts of the UI agency (such as the tax or appeals referees) to assist claimants with this problem. Some of these staff, who remained in the field after the conversion to TIC were trained to help claimants file their claims. They also were able to meet with claimants within one business day after the claimants had called, if the claimants had difficulty filing. However, the state has never had to use this system in the more than eight years since switching to TIC.

4.3.4.3 Claimants Who Have Difficulty Filling Out Forms

The switch from local offices to call centers has the potential to facilitate filing for claimants who have difficulty reading or writing. Indeed, most state administrators believe that claimants with literacy problems are better served by call centers than by local offices because the new system eliminates the need for written forms. In the past, some claimants who were not able to read would take the claim forms home rather than attempt to complete them in the local offices. This practice both increased the time required to file a claim and forced claimants to make more than one trip to the local offices.

[68]In the past, Maine would send a signer to the local offices, but this step could delay the filing of the claim. Missouri reported that claimants would typically bring their own signers to the local offices.

[69]The employee group also believed that local offices would have to handle extremely complicated problem claims.

Missouri had reduced this barrier during its local office era by allowing claimants who filed in person to verbally answer questions posed by CSRs. The CSRs would enter the claimants' responses into a computer. A form would then be printed, which claimants had to sign. No other reading or writing skills were necessary.

4.3.5 Summary

In this section, we discussed strategies and data sources used to determine whether some potential claimants might be deterred from filing because of the switch to TIC filing. None of our analytic strategies was ideal because we were unable to identify potential claimants who chose not to file. However, these strategies were designed to detect changes in the claimant population occurring after TIC implementation or changes in the barriers that some groups of claimants face. We hypothesized that large changes of either type would suggest that some groups of claimants might be dissuaded from filing because TIC filing seemed relatively more difficult than in-person filing.

Our synthesis of the results of the analyses leads us to conclude that the change in filing method very likely did not deter large numbers of claimants from filing. Claimants who filed did not report encountering serious barriers, suggesting that no large group of potential claimants with this problem exists. In addition, administrators in many states reported that their states provide mechanisms, such as translation services, to help claimants with special needs to file. Even in the absence of these mechanisms, it is unlikely that barriers increased after the switch to TIC filing. Directly examining the demographic characteristics of claimants in Maine, Missouri, and Wisconsin showed us that several statistically significant changes in the claimant population in the latter two states occurred over time. Although claimants in Wisconsin were more likely to be male or to have worked in the manufacturing sector than to be female or in a nonmanufacturing sector, given the increase in the total number of claims filed, it is unlikely that the number of claims filed by any claimant group *decreased*.[70] Claimants in Missouri were more likely to be nonwhite, male, or from the nonmanufacturing sector than to be white, female, or from the manufacturing sector; however, it is unclear whether these changes can be attributed to TIC filing or to some other reason, particularly as we did not detect changes in the number of claims filed in Missouri. Finally, it appears that determination and denial rates have increased in most states since the implementation of TIC filing (as has the ratio of denials to determinations). We believe that these changes were unrelated to changes in the composition of the claimant population. It is more likely that changes in the procedures to detect issues and handle adjudications, which are indirect results of the establishment of call centers, explain the findings.

[70]The increase in the total number of claims filed is discussed in Section 3.

SECTION 5

IMPACT ON PROGRAM OPERATIONS

The UI initial claims filing process is the entry point for unemployed workers into both the UI system and, often, to other services that assist workers as they seek new jobs or await a return to previous jobs from which they have been temporarily separated. As states change the way that the unemployed population accesses the UI system and make plans for future changes, it is important to consider how these alterations affect the rest of the UI system specifically and reemployment services more generally.

In this chapter, we cover three broad topics related to UI program operations. First, we discuss how the switch to TIC filing has led to changes in some UI and reemployment service activities but not in others. Second, we consider how TIC filing affects administrative costs, paying particular attention to the way that states adjust staffing levels to accommodate the conversion to call centers. Finally, we address strategies that SESAs are considering using to handle initial claims filing in the future, and how these strategies may affect claims taking and the UI system more generally.

5.1 INTERACTIONS WITH OTHER UI AND REEMPLOYMENT SERVICE ACTIVITIES

The switch to TIC filing might affect UI program administration and servicing of UI claimants other than by its direct impacts on the way in which initial claims are taken. Even in states that continue to operate some or all local offices, the use of new technology to serve initial claims filers could be expected to affect the structure of other UI program operations. These other operations might include the processes to collect more detailed information on the nature of a claimant's job separation and determine eligibility, to gather information from claimants for the duration of their eligibility for UI benefits, and to review claimants' eligibility statuses. In addition, the conversion to TIC filing might affect linkages with different agencies that deliver services to claimants. For example, if claimants file for UI benefits over the telephone rather than in person, the states may have to develop different procedures to ensure that claimants register with and use the JS, or that claimants participate in Worker Profiling and Reemployment Service (WPRS) activities. The necessity of ensuring that only qualified claimants receive UI benefits and that assistance to job seekers is efficiently and comprehensively delivered points to the importance of examining the impact of the switch to TIC filing on both other UI program procedures and linkages with other agencies.

During site visits to Maine, Missouri, and Wisconsin, we discussed changes in UI system activities and linkages with other agencies that may have resulted from the conversion to TIC filing.[71] We covered a range of topics, such as adjudication, continued claims filing, eligibility reviews, interaction with the WPRS system, and referrals to JS. Administrators reported that many of these other activities and formal linkages with other agencies were unaffected by the

[71]We supplement the discussion with any information we obtained from UI administrators in Colorado, Massachusetts, Montana, and Utah. This information is limited because we conducted brief telephone interviews with these administrators, rather than extensive site visits.

switch to TIC filing, although some UI activities and reemployment referral processes have undergone changes because of withdrawal of UI from the local offices. Most notably, administrators thought that the conversion to TIC filing probably has facilitated conducting other UI activities by telephone rather than in person. Because we spoke with neither administrators from other agencies nor UI claimants, however, the conclusions we draw reflect only one perspective on the way changing the filing method affected other UI program activities and claimants' involvement in reemployment services.[72]

5.1.1 Other UI Program Activities

Filing an initial claim is only the first activity among many during which a claimant may interact with a UI agency. After the initial claim is filed, the agency will determine - on the basis of a claimant's earnings and reason for unemployment - whether the claimant is eligible for any UI benefits. A claimant determined to be eligible for benefits typically is required to attest on a weekly or biweekly basis that he or she is still eligible. States also may choose to investigate the continued eligibility of some claimants. In this section, we discuss ways in which the change in initial claims procedures may have affected how claimants are informed about these other UI program activities, and how the activities are conducted.

Although part of the initial claims filing process, the benefit rights interview (BRI) provides an important foundation for many of these future interactions between the claimant and the agency. When initial claims are filed, CSRs inform claimants of their rights and responsibilities while they collect UI benefits. The BRI may include such topics as the requirement to search for work, the records the claimant must keep, the way in which a claimant may appeal a decision on eligibility for benefits, and other aspects of collecting benefits.

As part of the changes to TIC filing, states changed the way they conduct BRIs. Previously, CSRs at local offices typically gave claimants a brochure and verbal instructions about rights and responsibilities. In addition, claimants may have been instructed to watch a video at the local offices that covered these topics. Now, CSRs inform claimants during the telephone call of their rights and responsibilities and mail the claimants a pamphlet with a more extensive explanation of the conditions under which UI benefits may be collected.[73,74] The states we studied modified this pamphlet to update the information and, because the booklet could no longer be given to claimants at local offices, to decrease its size (to reduce mailing costs or to fit into a standard-sized envelope).

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[72]For example, one state's UI staff noted that JS staff reported a reduction in the number of claimants seeking services since the UI agency withdrew its presence from local offices. However, it is unclear whether the reduction occurred because JS staff is spending less time registering claimants or because there was a reduction in service use by claimants. We did not speak directly to JS staff about this or other ways that claimant involvement in reemployment services may have been affected by TIC filing.

[73]Maine also makes the BRI available from other sources. The BRI runs once or twice per day on local cable channels and is available at JS centers and some public libraries. Claimants are told to watch it. Prior to the switch, the state also used cable television to show the BRI.

[74]In Wisconsin, the IVR system informs claimants that their claims are not considered to be complete until the claimants are told that they are complete. For this to occur, claimants must listen to the BRI, which is given by CSRs during regular initial claims calls and by the IVR system for calls that do not require claimants to speak to CSRs. If a claimant hangs up too early and does not call back to complete the call within a specified time period, the information the claimant punched into the system is erased.

After the BRI has been given and the initial claim completed, the UI agency gathers information and makes a decision based on this information about a claimant's eligibility for benefits. These fact-finding and adjudication processes were often modified as a result of the switch to call centers. In Maine and Wisconsin, for example, fact-finding previously had been handled in person while the claimants were at the local offices, with optimal employer participation by telephone; now, fact-finding for both the claimant and the employer is handled by telephone.[75,76] (Missouri already handled adjudication by telephone during the local office era.) Using call centers for initial claims filing probably facilitated use of telephones for these other activities because staff were more centralized and much of the infrastructure was already in place. States also reported that training staff for both initial claims taking and adjudication is easier - and a more uniform set of procedures is likely to result - when these activities are centralized.

We also discussed with administrative staff whether and how continued claims filing may have been affected by the switch to TIC filing.[77] Although the initial and continued claims filing processes are distinct because a different set of information must be collected and reviewed for each process, the technologies to conduct initial and continued claims filing can complement each other. Prior to the introduction of TIC filing, both Missouri and Wisconsin required claimants to file continued claims by telephone through an IVR system. UI staff in these states believed that telephone filing of continued claims helped smooth the transition to telephone filing of initial claims, but that the continued claims process was not affected by the change in the initial claims taking process. In Maine and Massachusetts, which use a mail-in process for continued claims, SESA staff hope that implementation of TIC filing will help smooth an anticipated transition to the use of telephones and an IVR system for handling continued claims. When Colorado established its call center, it also used a mail system for continued claims. Since then, it has developed a telephone system for continued claims.

In Missouri, claimants who are not expected to be called back to work by their former employers are required to report in person at a local office every four weeks while they collect benefits. In contrast to most of the other study states, in which the UI staff presence has been eliminated with the introduction of TIC filing, this striking feature of Missouri's UI laws has compelled the UI program to maintain a local office presence.[78] If claimants in Missouri do not fulfill this reporting requirement, they are denied UI benefits until they report in person.[79] This requirement for continued eligibility has not changed as a result of the establishment of call centers, although TIC filing may provide an impetus to explore ways to reduce the UI presence in local offices further.

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[75]Maine started telephone adjudication prior to, but in anticipation of, the switch to TIC filing.

[76]About four years after establishing its call center, Colorado eliminated the distinction between claims taker and adjudicators. It is unlikely that this change is a direct result of using call centers.

[77]No state reported changes in work search requirements as a result of the switch to TIC filing.

[78]Even though Missouri had to maintain a local office presence, it interpreted a U.S. DOL TIC implementation grant that it received as requiring that grant recipient states to establish only one method of filing. Therefore, claimants who enter a local office after the conversion to TIC filing are offered a telephone to use for filing. Missouri also instituted this approach after the agency made the decision to establish call centers in order to reduce cost inefficiencies by discouraging in-person filing.

[79]In the case of Missouri claimants who are required to participate in WPRS activities, the orientation session is scheduled to coincide with the four-week, in-person reporting required by law.

In addition, we examined the procedures for conducting eligibility reviews and any changes that occurred as a result of TIC filing. Most of the study states reported that eligibility reviews were not conducted consistently, and that TIC filing has not affected this situation. The exception - Missouri - reported that it started conducting eligibility reviews by telephone in December 1998 (a little more than one year after all its call centers were operational). As was the case for adjudication, establishing call centers probably paved the way to conduct eligibility reviews by telephone.

5.1.2 Linking Claimants to Other Services

During the mid-1990s, two important legislative acts have affected UI operations. The first requires the states to establish WPRS systems that direct reemployment services to claimants who are likely to exhaust benefits. Most states use "profiling models" to rank claimants who are permanently separated from their former jobs by their likelihood of exhausting benefits. Claimants who are likely to exhaust are notified of their selection for participation in WPRS activities and are required to participate in reemployment activities (typically at the local JS office) to hasten their return to work. At a minimum, claimants must attend an orientation session, but states have flexibility in requiring participation in other activities, such as job search workshops or resume preparation activities. JS informs the UI agency which claimants do not participate in the required activities, so that mandated sanctions can be imposed. Unemployment Insurance administrators in the study states reported that UI's withdrawal from the local offices did not noticeably affect the information exchange or communication between staff in the two agencies.[80] Furthermore, the WPRS process was not affected by the switch to TIC filing because computerized methods for transferring the data between the two agencies remained unchanged.

The second legislative act - the Workforce Investment Act (WIA) - requires states to develop one-stop centers that provide access to a comprehensive set of employment-related and training services to customers of the public workforce development system.[81] The act specified that the labor exchange services provided by the JS be offered through the one-stops in conjunction with services provided by the local workforce investment boards and other agencies. In addition, the one-stop system is to maintain close ties with UI services. Because program staff in the study states (and at DOL) uniformly interpreted the act as requiring access to UI, rather than a physical presence, they make telephones and pamphlets available in the one-stop centers but most states do not station UI staff there. Claimants who walk into a one-stop center are directed to the telephone and provided with information about the UI program.

One important function conducted by the UI program, registration with and referral of claimants to the local JS, was not noticeably affected in most instances by the switch to TIC filing. Prior to the implementation of TIC filing, UI and JS were often collocated, and registration with JS was often part of the process of filing for UI. (All UI offices were collocated with JS in Maine and Missouri and between one-half and two-thirds in Wisconsin

[80] We did not speak with JS administrators to ascertain their perceptions of how the withdrawal of UI staff affected communication between the two agencies.

[81] One state reported that the One-Stop legislation provided an additional incentive to reduce the UI presence in local offices because of increased demands for space in the offices by other, incoming agencies.

were collocated.) In Maine, Missouri, and Wisconsin, registration with JS is now handled automatically and electronically when a claimant files a UI claim by telephone. The TIC screens prompt the CSR to collect all data required for registration, such as education and occupation, in addition to data required to establish eligibility for the UI claim. However, claimants are still encouraged by CSRs to go to JS for job search assistance, even if they are not required to do so.[82]

These types of interagency collaborations might need more formalization as direct contact between local office staff is reduced, even though this process typically works smoothly. For example, one state reported that JS staff in a few offices were initially reluctant to allow UI claimants to use the telephones; this problem was subsequently corrected. However, another state reported that both the UI and JS agencies recognized that they were performing services for each other, even though they were no longer collocated in local offices. During the initial claim application process, UI staff were collecting information for the exclusive use of JS, while JS staff were allowing walk-in claimants to use telephones to file for UI benefits.

Nevertheless, the lack of direct contact between UI and JS staff, as well as the lack of physical collocation of services, may affect service provision to claimants. We did not speak directly with staff from other reemployment service agencies. However, other research suggests that changing from in-person initial claims filing to telephone filing affects how much information that UI agency and One-Stop agency staff know about the services offered by the other organization, as well as the extent to which claimants become involved in reemployment services (Salzman et al. 1999). By looking at the linkages between UI agencies with the One-Stop systems in five states with TIC filing, Salzman et al. (1999) conclude that, in many instances, call center staff were able to provide claimants with information about the One-Stop center nearest to where the claimant lived. However, the CSRs were not able to provide additional information on the types of services offered or to address specific questions the claimants may have about reemployment services.

Despite this finding, however, it is unclear how much information the CSRs would have had about reemployment services had in-person filing continued as the primary method of filing initial claims. Historically, not all UI offices were collocated with JS, so not all UI staff had direct contact with staff from JS. In addition, UI staff at One-Stop centers may operate separately from other partners' staff even though they are collocated. Comprehensive cross-training of staff was rare and general training was increasingly infrequent (Salzman et al. 1999). Nevertheless, collocation of staff from different agencies at one physical location may facilitate some formal and informal communication between the agencies and may encourage walk-in UI claimants to seek out information provided by JS and other service providers.

5.1.3 Summary

Our discussions with state administrators lead us to conclude that many UI activities and linkages with reemployment services did not change because the states established a new way

[82]In Colorado, the initial claim process generates a "partial" JS registration. All claimants who are not job- or union-attached are required to complete registration at a JS office in order to be considered eligible for UI benefits. Claimants are given about one month to register before the state will disqualify them for benefits. Thus, claimants who fail to register may receive several UI checks, but not subsequent ones.

to file initial claims. In the most noteworthy changes, some other UI activities, such as adjudication and eligibility reviews, were more likely to be conducted by telephone than in person. Administrators in states that require claimants to file weekly claims by mail expressed the hope that changing the way initial claims were filed might smooth the process of establishing continued claims filing by telephone. Thus, telephone filing of initial claims may be one of many evolutionary steps in the way claimants and UI agencies interact.

5.2 ADMINISTRATIVE COSTS AND STAFFING CHANGES

A common reason for states to establish call centers is to reduce administrative costs, and most of the state administrators with whom we spoke cited potential cost savings as their primary motivation for making the change. In some cases, however, the states did not expect to realize savings in the short run. By establishing a more efficient method of claims taking, they expected to reduce the size of longer-run cost increases that would occur in the absence of the switch. Several state administrators also reported that the change in claims processing was designed to improve customer service. In one state, this goal was its primary one.

We begin this section by discussing potential sources of cost savings, any realization of these anticipated savings, and the way savings were achieved.[83] We then specifically focus on the study states' experiences in making staffing changes, because staffing reductions are important potential sources of savings, and because these changes may have broader effects on the UI agency as an employer.

5.2.1 Administrative Costs

Switching from local office initial claims taking to telephone claims taking changes a state's administrative structure in ways that could lead to an overall reduction in administrative costs. With telephone claims taking, a state can reduce or eliminate its local office presence, thereby leading to reductions in staffing and office rental costs. These cost savings will be offset to some degree by the need to staff and rent space for call centers, but there should be a net reduction in the two cost items. For example, a state with 20 local offices that are staffed by a manager and claims taking staff can, at a minimum, reduce the number of managers required by switching to call centers. It is also likely that fewer claims takers would be needed because a small number of call centers should be able to process claims more efficiently than is possible in 20 local offices. It should be possible to adjust staff hours more easily to account for fluctuations in workload, and the staff time needed per claim should be reduced through the use of IVR technology. Of course, call centers require a greater investment in technology and experience increased communication costs relative to a local office system; these increased costs could offset savings in staff and rent costs.

To explore potential cost savings, we collected administrative cost data from four states - Maine, Missouri, Montana, and Wisconsin - for the fiscal year preceding the introduction of TIC filing and for the fiscal year subsequent to implementation of this filing method. We

[83]Although we focus on changes in operating costs and ignore the one-time costs associated with implementing TIC, our numbers may include some transitional costs of implementing TIC. For example, states that close local offices may continue to pay some local office rental costs during the postimplementation period, until the leases expire.

asked administrators from the four states to provide information on local office costs, call center costs, and total costs for the unemployment compensation system, and to break down costs into major components when possible. We received different levels of detail from the states. We also had access to data from an evaluation of TIC implementation in Colorado conducted by the state that included an evaluation of administrative cost savings (Colorado Department of Labor and Employment 1993).

Our plan was to compare administrative costs in the two fiscal years to determine whether the combined costs of local office and call center operations fell with the introduction of TIC filing and whether any reduction was offset by cost increases elsewhere in the system. We were interested in the latter issue because some costs attributable to TIC filing may not be assigned to the call centers. We also wanted to examine specific cost categories in which we expected change to occur as a result of the introduction of call centers. Of course, these simple comparisons may not truly reflect changes arising from the introduction of TIC filing, as other factors may lead to changes in administrative costs. The number of claims may have increased or decreased, salaries may have increased, and other major administrative changes may have occurred.

The results of this analysis are mixed (Table 5-1). Our findings suggest that implementing TIC filing can reduce administrative costs, but that it is also possible for administrative costs to remain about the same or even to rise somewhat. Of the four states for which we have data, only Montana experienced an overall reduction in costs (an 18 percent reduction in total administrative costs). This 18 percent reduction can be compared with the state's small decrease in the number of new initial claims during this period (a decrease of about six percent), suggesting that costs dropped more substantially than did claims.[84] Colorado staff reported a reduction of 20 percent in operating costs, based on the state's own internal evaluation (Colorado Department of Labor and Employment, 1993).[85] Utah staff reported, in our telephone discussion, that they also had experienced cost savings.

However, we find an increase in administrative costs in each of the other states in our study. Maine experienced a 17 percent increase in overall costs, but a 20 percent reduction in combined local office and call center costs. (Maine's claims decreased by six percent.) The increase in Maine's costs is not solely due to the introduction of TIC filing; the state converted to a new computer system during the postimplementation year, and the cost of the conversion shows up in that year. We cannot adjust the cost numbers to take this conversion into account. However, our discussions with state staff lead us to conclude that the cost savings in local office/call center operations were largely offset by increases in communication costs, which appear in the "nonpersonnel services" cost category in Table 5-1. Costs for Missouri and Wisconsin, which are available for the benefits operation in Missouri and for local office/call center operations in Wisconsin, show small increases in

[84]A small change in the number of claims is likely to have had only a small effect on administrative costs because it would affect only the marginal costs of taking a claim.

[85]Colorado estimated this reduction by comparing staff years worked per initial claim during the pre- and postimplementation periods. This method adjusts for changes in the number of initial claims in the two time periods.

Table 5-1. Unemployment Compensation Administrative Costs Before and After Implementation of TIC Filing

State	Annual Cost in FY Prior to TIC Implementation ($1,000s)			Annual Cost in FY After TIC Implementation ($1,000s)			Change in Costs			
	Personnel Services and Benefits	Nonpersonnel Services	Total	Personnel Services and Benefits	Nonpersonnel Services	Total	Personnel Services and Benefits ($1,000s)	Nonpersonnel Services ($1,000s)	Total ($1,000s)	Total (Percent)
Maine										
Local offices	3,945	1,202	5,147	0	0	0	-3,945	-1,202	-5,147	-
Call centers	0	0	0	3,238	918	4,156	3,238	918	4,156	-
Subtotal	3,945	1,202	5,147	3,238	918	4,156	-707	-284	-991	-19.3
Other costs	7,238	2,300	9,538	6,757	6,209	12,966	-481	3,909	3,428	35.9
Total	11,183	3,502	14,685	9,995	7,127	17,122	-1,188	3,625	2,437	16.6
Missouri										
Local offices	9,976	560	10,536	2,389	486	2,875	-7,587	-74	-7,661	-
Call centers	3	1	4	7,596	577	8,173	7,593	576	8,169	-
Subtotal	9,979	561	10,540	9,985	1,063	11,048	6	502	508	4.8
Other costs	1,530	101	1,631	1,499	116	1,615	-31	15	-16	-1.0
Total	11,509	662	12,171	11,484	1,179	12,663	-25	517	492	4.0
Montana										
Total	1,339	513	1,852	1,232	280	1,512	-107	-233	-340	-18.4
Wisconsin										
Local offices and adjudication	10,610	1,534	12,144	6,974	961	7,935	-3,636	-573	-4,209	-
Call centers	175	450	625	3,974	1,321	5,295	3,799	871	4,670	-
Total	10,785	1,984	12,769	10,948	2,282	13,230	163	298	461	3.6

SOURCE: Administrative cost data provided by each state.

NOTE: Data for Maine, Missouri, and Montana are for FY 1996 and FY 1998; the fiscal years begin in October. Data for Wisconsin are for FY 1995 and FY 1997. Wisconsin's fiscal year begins in July. Total costs for Maine and Montana include all unemployment compensation costs. Total costs for Missouri include only the administrative costs associated with benefit payments. Total costs for Wisconsin include only the costs of the local offices and call centers.

FY = fiscal year; TIC = telephone initial claims.

administrative costs (four percent in each state). These increases should be viewed in relation to the six percent and 12 percent increases in the number of claims in Missouri and Wisconsin, respectively.[86]

As expected, more detailed examination of administrative costs indicates that personnel costs fell in every state except Wisconsin, where this cost item increased slightly (by two percent).[87] The reduction in this cost item was much larger in Maine (11 percent) and Montana (nine percent) than in Missouri (two percent), but this difference was expected because Missouri did not close its local offices, whereas the other two states did. Wisconsin did not consolidate all its benefit operations in its two call centers. That state also maintained two separate locations for adjudications.

More detailed data, broken down by cost category, are available for Maine and Wisconsin, but not for Missouri and Montana. These data show qualitatively the changes that occur with the introduction of TIC filing (data not shown). Maine experienced reductions in personnel services, personnel benefits, rent, and premises expenditures, and increases in communications (telephone) costs, postage (required to mail informational pamphlets to claimants), equipment rent, and equipment expenditures.[88] Similar changes occurred in Wisconsin, where reductions in rent, premises expenditures, and travel costs fell and communication and equipment-related costs, particularly service contracts, increased.

In conclusion, we find that some states experienced a reduction in costs with the introduction of TIC filing, but this was not the case in other states. Savings in personnel costs and local office rent may be offset by increases in communication and equipment-related costs. These increases can be substantial, particularly in states that pay for telephone calls to the call centers.

5.2.2 Staffing Changes

As we have discussed, the anticipated reduction in staff size and the ability to retain staff are important factors that influence whether states decide to switch to TIC filing. They also affect how states design their call centers (for example, the number and location of the centers), how much the switch costs in both the short run and the long run, and whether services are delivered smoothly and efficiently to claimants during the transition.

The seven states we contacted had very different experiences in trying to retain staff. Staffing issues included (1) changing the number of trained staff to target sizes, (2) ensuring that staff are given appropriate positions in the call centers, (3) helping staff who will not continue employment at the UI agency find appropriate employment elsewhere, and (4) helping retained staff adjust to the new work environment. Our discussion of each of these

[86]The Missouri UI agency maintains a presence in local offices because a law requires claimants to report in person every four weeks. Therefore, these postimplementation costs cannot be interpreted as costs attributable to the closure of local offices.

[87]For convenience, we combine data on personnel services (wages and salaries) and personnel benefits (fringe benefits). Analyzing these categories separately suggests that they changed in similar ways.

[88]Some of the increase in equipment rent and expenditures is due to Maine's computer system conversion, but some is associated with the telephone system.

issues, in this section, is based on information reported by state administrators during our interviews.

5.2.2.1 Changing the Number of Staff

The states' experiences in changing the number of CSRs (or benefit operations staff, more generally) to meet target needs for staff in call centers varied considerably. Some states lost more staff than they had hoped or anticipated because some staff did not want to relocate to work in the call centers (or relocated but subsequently left). Other states more easily made the transition, so that relatively few new staff had to be hired to work in the call centers. Key factors influencing whether states met their target workforce reductions included (1) the distance between call centers and the staffs' homes, (2) other employment options available to staff, (3) retirement packages offered, (4) procedures for involving staff in the switch, and (5) staff perceptions of the change.

In most instances, states wanted to reduce the number of staff by 10 to 25 percent. For example, Colorado's goal was to reduce benefit operations staff by one-fourth. In the end, every call center position was filled with existing staff. However, the recession and Emergency Unemployment Compensation caused staff workloads to increase such that the numbers of staff increased almost to pre-TIC levels during the three years after the switch. Some staff who had relocated to Denver for the switch transferred back to rural areas when other government jobs became available. Thus, by the end of the third year, about half the staff were new and so had not worked at the UI agency during the local office era. Despite initially being able to retain key staff, Colorado experienced considerable attrition after the transition.

Wisconsin, the second state to establish call centers, lost about two-thirds of its claims takers during the conversion to TIC filing. Most of these staff had worked in offices in the northern part of the state, which were too far from the call centers for a commute. Wisconsin also lost about 20 to 25 percent of its adjudicators, although use of two special adjudication centers (in Appleton and Eau Claire) helped prevent additional loss of trained staff. Thus, during the conversion to TIC filing, Wisconsin had to hire and train a large fraction of its CSRs, as it had wanted to reduce its staff by 25 percent, not by two-thirds.

In Maine, the move to TIC filing was accompanied by about a 25 percent reduction in staff. Maine had to hire a small number of CSRs at the time of the switch, but the actual loss in experienced staff was closer to what was desired than was the case in Wisconsin. On the whole, the reduction was not difficult, as a number of staff retired and others found new jobs after choosing not to relocate. Much of the staff attrition occurred after the UI department announced the date on which the new system would be operational but before the conversion was made.

Administrators from Massachusetts and Missouri reported that adjusting the number of staff was relatively easy. Massachusetts did not have a target number for the staff reduction, but some staff left during the conversion. Missouri, which wanted to reduce staff by about 15 percent, had to hire very few new staff, because locating the call centers in major cities enabled many trained staff to commute. As in the other states, the advance notice of the change resulted in attrition through retirements and voluntary resignations.

Administrators from Utah reported that the switch to TIC filing led to a ten-percent reduction in staff. Very few of the local office staff from rural offices, who were cross-trained between UI and JS, relocated to work at the Salt Lake City call center because the switch to TIC filing coincided with a departmental restructuring that merged JS and welfare services, and that allowed staff to deliver welfare services from their own offices. Nevertheless, Utah reported that about 60 percent of its CSRs and more than 60 percent of its adjudicators are experienced because the state's highly concentrated population enables the agency to retain a large portion of the local office staff.

Of the states with whose administrators we spoke, Montana is unique in that the number of full-time-equivalent (FTE) claims takers increased as a result of the switch to TIC filing. Prior to TIC filing, Montana contracted with JS to perform UI activities, using a cost per FTE. Under TIC filing, the number of FTEs has increased from 36 or 37 to about 39, because full-time, year-round staff is used although claims taking is seasonal in nature. The CSRs also conduct more fact-finding than in the past, so they absorb a slightly greater portion of the workload relative to when they worked in the local offices. Although Montana increased the number of FTEs as a result of TIC filing, it still lost almost all of its experienced staff in the western part of the state (Helena area). It had a better rate of retaining staff in the east because of the greater concentration of staff in that area. (Although the number of FTEs has increased, Montana administrators believe - and the cost data in Table 5-1 support the view - that the state spends less on personnel and non-personnel costs because some management services, which UI does not currently have to pay, were built into the rates the state paid to JS for UI activities.)

5.2.2.2 Ensuring Retained Staff Can Maintain Seniority and Benefits

Of course, reducing the number of staff to meet the staffing requirements at the call centers does not ensure that all staff are in positions that are appropriate for their skills and seniority levels. Administrators from several states mentioned the need to ensure that retained staff was "mapped" appropriately into call center positions. In Maine, for example, special accommodations were made for senior staff who were retained. The two most senior local office managers became heads of the call centers, and six others were made team leaders in the centers. The remaining local office managers were offered positions as adjudicators, with initial salaries at the manager level. The salaries for these staff were maintained at pre-TIC levels so they would not have to take salary reductions; however, they would not receive pay increases. This arrangement was considered equitable because the affected staff generally accepted the need for the change.

In Missouri, the local office supervisors mapped well into the same supervisory positions at the call centers, because local office supervisors had different ranks depending on the length of their tenure with the agency and the size of the local office they supervised. Missouri used existing job classifications in the call centers so staff would not lose seniority or benefits because of the switch. Unlike Maine, Missouri promoted a few staff because of the transition. These center managers were selected well in advance so that they could be involved in the design and transition process.

5.2.2.3 Assisting Staff Who Would Not Work in the Call Centers to Find New Employment

One might expect that an important objective of any SESA would be to help its staff obtain new employment when a major restructuring displaces workers from their jobs. Many of the displaced staff were from rural areas, which were far from the areas in which call centers were located.[89] The agencies offered various types of assistance to staff who could not commute to the call centers or who did not want to relocate. A key, and typically effective, strategy was to work with local and other state agencies so that the UI staff who did not want to or could not work in a call center could be hired. For example, as part of the process of reducing staff from 240 FTEs to 180 FTEs, Colorado's UI agency convinced the governor to instruct state departments to give first consideration to UI staff when they had job openings. The agency made similar arrangements with some county governments. All but two of the 60 staff who did not remain at the UI agency found another government job with the state or a county; the two left government work. Likewise, Wisconsin staff was offered "super-eligibility" transfer rights to other state agencies. The agency also offered a series of presentations and support for coping with change.[90] In addition, it paid for training, even at non-state employers, for staff who did not want to relocate.

5.2.2.4 Helping Staff Adjust to the Call Center Environment

State administrators reported that, in most instances, the switch to TIC filing was easy for experienced staff who remained because these workers like the secure and more pleasant environment that call centers offer.[91] A survey of CSRs in Wisconsin showed that 75 percent believed taking claims by telephone was "much easier," 88 percent would prefer taking claims by telephone, and that stress was lower (88 percent). Three-quarters reported that it took them two weeks or less to feel comfortable with the new system. Administrators from Maine reported that their employees generally supported the switch because they recognized something needed to be done to address looming budget problems. Nevertheless, other research based, in part, on focus groups with CSRs in several states with TIC filing found that some CSRs feel additional pressure in the call center environment to meet minute-per-unit timeliness for claims-taking activities since it is easier for call center managers to monitor how the CSRs use their time.

Administrators from Massachusetts reported that adjusting to the call center environment was difficult for some senior staff who previously had managed local offices. These problems probably stemmed from the reduction in autonomy that the staff in the call centers experienced relative to the greater independence they had had in the local offices. Greater levels of teamwork and collaboration are required in call centers because the staff from many different local offices must work in more centralized environments. To help these senior

[89]In Section 2, we discuss the issues related to the decision about where to locate the call centers. In several instances, administrators reported that they encountered pressure from legislators to locate the centers in areas that would enable staff in the legislators' districts to retain their jobs.

[90]The program to help staff adjust to change was so successful that it was adopted statewide for government agencies.

[91]Several states reported using the switch from local offices to call centers as an opportunity to enhance the work environment in several ways. For example, several agencies reported providing additional rooms for employees to use during breaks, and ensuring that employees' work spaces were ergonomically designed. Although some of these enhancements could have been made during the local office era, it may have been more cost-effective to do so in call centers because call center staff work in fewer separate facilities.

staffs adjust to the significantly changed work culture, Massachusetts offered a series of staff development courses.

5.2.2.5 Summary

The seven study states had a variety of experiences in trying to adjust the number of staff to meet work demands in the call center environment. Several states, such as Massachusetts and Missouri, reported encountering very few difficulties in reducing the number of staff to the desired levels. In contrast, Wisconsin lost many more staff than had been planned, requiring the state to hire and train new staff to work in the call centers. Most states reported that the staff who did not continue to work in the call center environment were from more rural areas, far from the urban areas in which call centers tend to be located. The UI agencies often tried to help employees who did not continue working in the agencies find jobs in other government agencies. These types of assistance plans were generally successful.

State administrators reported that the remaining staff generally liked the call center environment. However, successfully mapping senior staff into jobs appropriate for their skill levels is a potential problem, and one state reported that some senior staff had difficulty adjusting to the call center environment because the level of collaboration and teamwork required in a call center is greater than that experienced in a local office environment.

SECTION 6

FUTURE PLANS

SESA administrators are considering new strategies to handle initial claims beyond TIC. These new strategies will affect claims taking and the UI system in general. The implementation of advanced telephony applications into the call center environment, re-defining the SESA roles in the One-Stop operations, and integrating new Internet applications are critical issues facing the SESAs. With growing interest in the Internet, by both the public and the business community, SESA administrators are expressing a greater interest in the incorporation of Internet technologies into their future operations. All seven states we surveyed are either planning for or considering the implementation of Internet initial claims (IIC) services as an alternative method of filing claims in the near future. Concerning SESA future plans for UI applications, we focus on three primary questions:

- What trend might be expected in the future by an alternative method (telephone, Internet, and in-person) for UI filing methods with respect today's filing processes? What is the preferred method of filing initial claims in the near future by the claimants?

- What roles can telephone claims taking and the Internet have in the One-Stop environment?

- Will telephone claims taking become obsolete in the next decade considering the increasing use of the Internet and the potential use of other technologies?

Internet claims applications are being pilot tested in Maryland, Minnesota, New Jersey, and North Carolina. The pilots are just that at this stage, pilots - with limited availability and limited usage by claimants. (Wyoming will have a true Internet claims application available through the Wyoming 'home page', by summer of 2001.) The concept of offering UI claimants access to initial claims filing at a One-Stop center has become a popular strategy for states. By offering the walk-in public access to a terminal with a self-help application for UI claims, the spirit of the WIA law will be further expanded to include not only telephone access, but also self-registration. The application, residing in the One-Stop center, can be developed using Web technologies but will have the added security of utilizing the state's wide area network (not the Internet) which would assure better security for both the claimant and the SESA. Most states, have not yet developed these self-help applications, but have plans to do so as part of their WIA integration. The integration of Internet capabilities into the UI processing system for filing unemployment claims presents new challenges and opportunities to the states beyond their current TIC experiences. We discussed these challenges and opportunities with state administrators during the on-site interviews.

There is a major trend in the private industry call centers to merge traditional call center technology, with Internet technology. The more advanced, for-profit call centers have merged these two technologies and are now referring their call centers as 'Customer Contact Centers' or ' Customer Interaction Centers.' These new terms reflect the fact that the centers now have multiple means of customer contact, such as telephone, fax, email, voice over the

Internet (VoIP) and web. The CSRs are able to interact with customers in numerous ways, all via the desktop personal computer (PC). This private sector model is where the UI call centers are moving, although more slowly than the private sector. Basic call center technology infrastructure and experience in application development using Internet technologies is a prerequisite for this model. The seamless presentation of different modes of communication between the centers and the claimants requires the call center infrastructure, upon which additional Internet technologies are added.

6.1 CURRENT STATE OF CLAIMS TAKING (TIC)

In order to predict, with any accuracy, future SESA trends, it is necessary to look at the current UI Claims situation. The ITSC tracks the current status of UI Call Center activity. This activity is presented and discussed here. Based on the most recent data, ninety-eight percent of SESAs are either planning, piloting, or have implemented TIC. Almost all states report improvements in the claims taking procedures, more effective management structure, and enhanced teamwork related to the implementation of a call center.

Over the past four years, grant recipients of TIC applications from the DOL have averaged eight states per year (Table 6-1). Between 1996 and 1999, the DOL has sponsored a total of 34 states. Grants ranged from $0.4M to $1M per state. Although these grants are good inducements to establish call centers, they do not cover the entire investment cost necessary for implementation.

Table 6-1. UI Telephone Initial Claims Grants

1996 TIC		1997 TIC		1998 TIC		1999 TIC	
States	$M	States	$M	States	$M	States	$M
MA	$ 1.00	CT	$ 1.00	AZ	$ 1.00	AL	$ 1.00
NJ	$ 0.97	HI	$ 1.00	ID	$ 1.00	KY	$ 1.00
PA	$ 0.94	KS	$ 0.37	IA	$ 1.00	MI	$ 1.00
FL	$ 0.73	MN	$ 0.60	NY	$ 1.00	NE	$ 0.86
TX	$ 1.00	MD	$ 1.00	OH	$ 1.00	NM	$ 1.00
KS	$ 0.39	MN	$ 1.00	TN	$ 1.00	WY	$ 0.75
MO	$ 0.66	NH	$ 0.62	WI	$ 0.98		
MT	$ 0.85	NY	$ 1.00				
UT	$ 1.00	OK	$ 1.00				
WA	$ 0.78	RI	$ 0.89				
		VT	$ 0.52				
Number of TIC States	10		11		7		6

The implementation of the TIC systems has (and continues to have) large impacts on the SESAs infrastructure (both brick and mortar and information technology [IT] [voice/data]). The introduction of new voice and data technologies, such as client/server applications and Internet protocol (IP) has allowed the SESAs to develop better, more efficient infrastructures, which will further allow them to introduce and utilize Internet technologies and applications. In essence, the call centers have laid a necessary groundwork for future Internet interaction

with the public. In general, TIC systems have resulted in reduced staff, thereby offsetting the capital investments costs necessary to implement call centers. TIC systems generally have required 1½ to 2 years of planning and implementation time from the receipt of the approved DOL grant to pilot phase. The differences in developmental time spans are related to infrastructure complexities, integration problems, and political support. Currently, thirteen states have fully implemented TIC systems. Figure 6-1 identifies the progress nationwide of the SESAs in incorporating TIC systems (as of November 1999).

6.2 SESA INTERNET APPLICATIONS – CURRENT STATUS

In order to predict, with any accuracy, the future SESA trends, it is necessary to look at the current UI Internet activity. The ITSC tracks the current status of UI Internet activity, this is presented and discussed here.

Table 6-2 provides a listing of the 13 states that have received DOL IIC grants to support their implementation of Internet claims. Five states (Iowa, New Hampshire, North Carolina, Wisconsin, and Wyoming) received grants during 1998 that totaled approximately $2.0 million in funding. During 1999, an additional $3.4 million was granted to seven more states (Idaho, Kentucky, Minnesota, Missouri, New Jersey, Rhode Island, and Utah). New Hampshire received additional funds.

Table 6-2. UI Internet Initial Claims DOL Grants

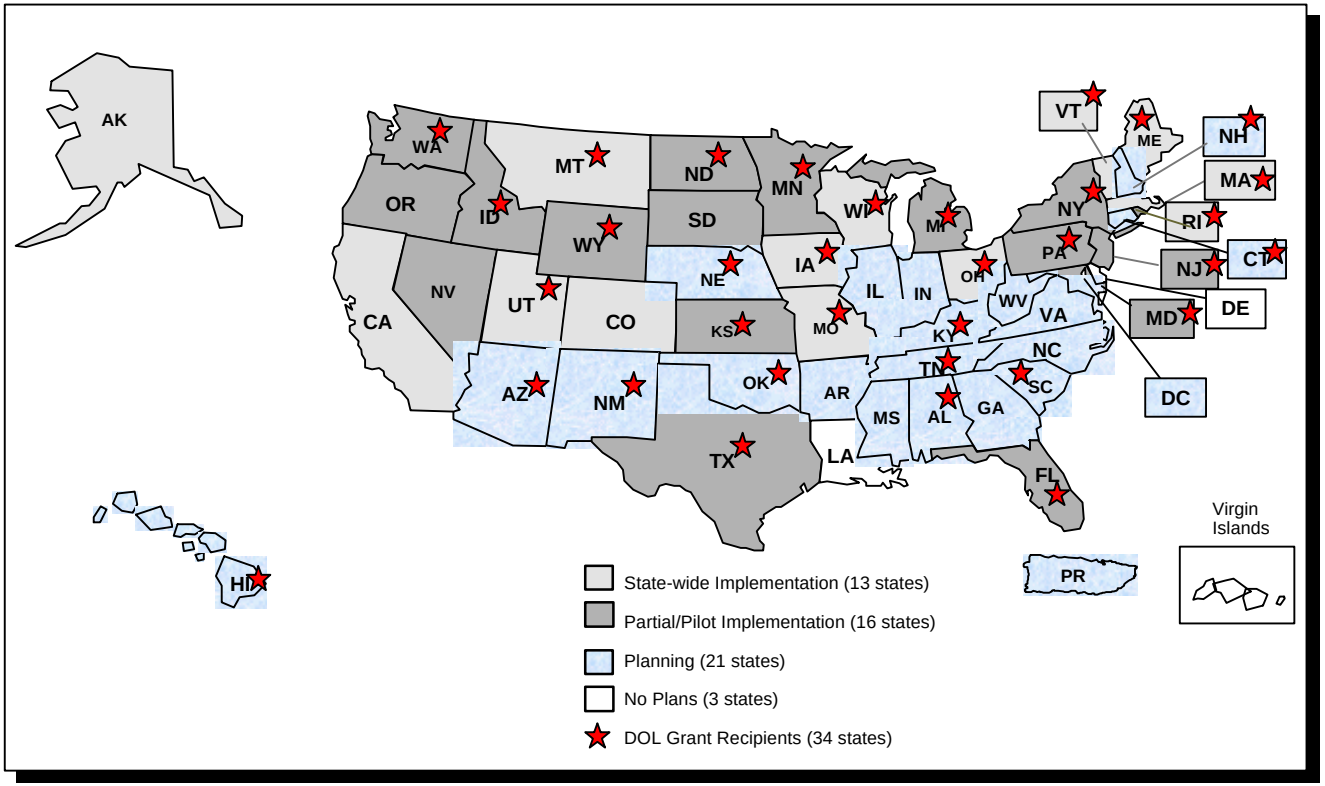
State UI Internet Claims Implementation Grants (1998-1999)			
1998 IIC States	**$M**	**1999 IIC States**	**$M**
IA	$ 0.50	ID	$ 0.39
NH	$ 016	KY	$ 0.50
NC	$ 0.46	MN	$ 0.50
WI	$ 0.50	MO	$ 0.50
WY	$ 0.40	NH	$ 0.32
		NJ	$ 028
		RI	$ 0.40
		UT	$ 0.50
Total	$ 2.02		$ 3.39
Number of States	5		8

Similar to the TIC grants, the IIC grants provide support toward the SESAs' developmental effort but do not provide all of the funding required for IIC program completion. Internet interest continues to grow as SESAs desire to provide more avenues for customer interaction. The public is beginning to demand faster, better government service with easier access to programs, easier to use interfaces, and integrated services that do not require redundant intake of basic information. Additionally, the SESAs see the potential benefits available through Internet use, such as better timeliness and quality and potential

http://www.itsc.state.md.us/prog_info/inclaims/ticmap.htm

Who is Doing Telephone Initial Claims? (Intrastate)

(Updated 11-9-99)



ITSC

Figure 6-1. Telephone Initial Claims

staff savings. The current status of IIC applications throughout the nation is shown in Figure 6-2. Note that the map shows five states have implemented Internet claims. This statement must be observed and taken as it is meant to be - that there is 'some level of Internet claims ability' in the state. By no means are Internet claims the only, or even a small minority, of claims at this point in time. The message is that Internet claims are in their infancy but will continue to grow. There is no reason to believe that Internet claims will fully supplant telephone claims in the near future, but rather will augment telephone claims and act as another choice given to claimants.

More data on current and expected UI plans have been captured through an informal survey of the UI community, via the ITSC Web Site. These results have been captured and summarized in Table 6-3. An 'X' indicates that the function has been implemented; a 'P' indicates the function is actively being planned; a 'C' indicates the function is being considered.

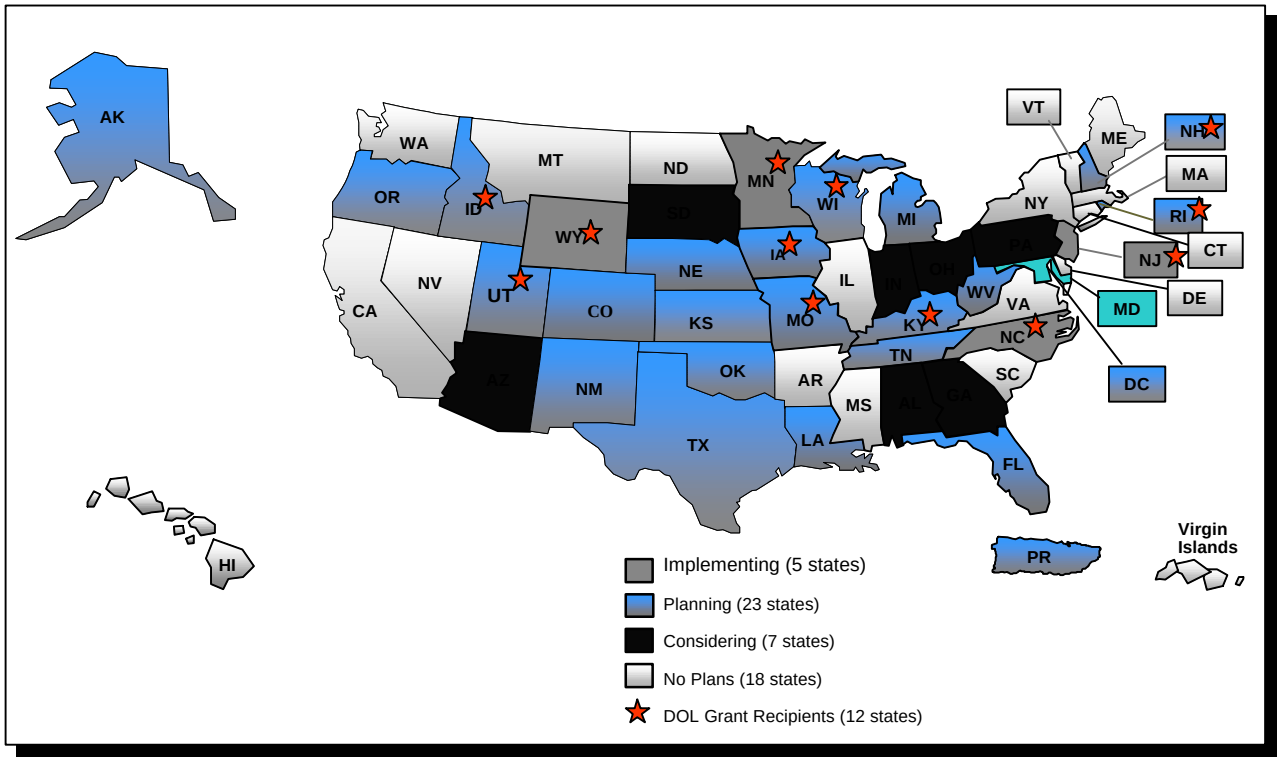
As shown in the Table 6-3, all states currently provide general information regarding UI Services to the public via their home web page. This information generally includes the 'hows and whys' of basic UI filing. From a staff perspective, one-half of the SESAs provide staff with Internet tools (an Internet Browser, which is a conduit to the Internet). This indicates that further penetration of the UI community is necessary in order to provide the basic Internet infrastructure and tools that staff will require. Thirty-six SESAs have plans for the introduction of Internet initial claims, and 17 have plans for Internet continued claims. On the employer side, three states currently offer Internet UI tax registration and four states offer Internet Wage & Contribution Report capability. Twenty-five states are planning or considering the offering of Intranet Wages & Contributions reporting by employers. Other UI applications that are being considered for Internet use consist of Inquiries, Notification of Filing, Separation Notices, and New Hire Reporting for employers. Three states are currently using the Internet for filing Appeals and five more states are planning for Internet applications in support of Appeals.

The Internet provides many advantages to UI activities, the foremost being that the communication conduit is free. Internet applications are built on commercially available technologies and may be less expensive, and more robust than custom engineered solutions. Other advantages of Internet applications over telephone filing methods include:

- Data entry by the web claimant saves CSR time
- Inherent IVR limitations to 'alpha' answers are not an Internet constraint
- Abandonment rates are traced easily
- Data are saved in a digital format for easier processing
- Claims can be taken regardless of the day or time, e.g., when claims offices are closed
- Follow-up claims review can be scheduled at off-peak hours

http://www.itsc.state.md.us/info/iicmap.htm

Who is Doing Internet Initial Claims? (Updated 11-9-99)



ITSC

Figure 6-2. Internet Initial Claims

Table 6-3. SESA Internet Planning

UI INTERNET APPLICATIONS (status a/o Nov. 22, 1999)														
			Claimant Applications			Employer Applications						Appeals		
State	Info for Public Web	Intranet for Staff	Initial Claims	Cont'd Claims	Check Info	Registration	Wage & Contribution Report	Inquiry	Notification of Filing	Separation Notices	New Hire Reporting	Filing	Status	Search Decisions
AL	X		C				C				P			
AK	X		P			P	P							
AZ	X		C			C	C		C					
AR	X	X		P			P							
CA	X	X												
CO	X		P	P		P	P	P				P		
CT	X	P										X		X
DE	X													
DC	X		P											
FL	X	X	P	P			P							
GA	X	C	C	C	C	C	C		C			P		
HI	X													
ID	X	P	P					P			X			
IL	X													
IN	X	C	C	C	C	X	P	P			X			
IA	X	P	P	P		P	P							
KS	X	X	P	P		P	P				X			
KY	X	X	P			P	P							
LA	X		P							X				
ME	X						X							
MD	X	X	X			X	X			P				
MA	X						P							
MI	X	X	P	P	P	P	P	P	P			P		
MN	X		X	P	P	P		P						
MS	X						P							
MO	X	X	P	C		C	C							
MT	X	P												
NE	X	X	P											
NV	X													
NH	X		P	P										
NJ	X	X	X				P							
NM	X	P	P	P	P	P	P					P		
NY	X													
NC	X		X			X	X							
ND	X													
OH	X	P	C			P	P	P				X		
OK	X	P	P			P	P	P	P			P		
OR	X	X	P			X	X		P					
PA	X		P			X	P				X			
PR	X		P											
RI	X		P	P	C	C	C	C	C			X	C	X
SC	X					P								
SD	X	X	C								X			
TN	X		P			P								
TX	X	X	P			P	P	X						
UT	X		P	P		P	P	P			P			
VT	X										X			
VI	X													
VA	X		P			P	P							
WA	X	P												
WV	X	X	P	P	C		P	P	X					
WI	X	X	P	C	P	P	P	C			X			
WY	X	X	X	C										
Total	53	26	36	17	8	25	30	12	7	2	9	8	1	2

- Claims can be automatically validated and accepted, reducing the claims review workload
- The claims taker function can be upgraded by incorporating some claim adjudication functions into the role of a "claims specialist"

Internet claimants will usually complete the IIC form on a real-time basis by providing the required initial claim information. The range of information asked via the IIC is greater than

that which can be collected using IVR technology. Validation checks may be built into the software to verify the correctness and consistency of the information submitted. Issues that require adjudicator fact-finding may be indicated on the form to expedite the handling and processing of the claims file. Claims presented to a claim specialist for review will indicate the results of validation checks on the submitted information form and will help to shorten the claim specialist's review time. To implement these validation checks, real-time databases containing background information may be available to the claim specialist via an UI claims server.

If the submitted information passes all mandatory validation checks, the claimant file is accepted; otherwise, follow-up contact can be made with the claimant either through e-mail (preferred) or the telephone. During the interaction with the claimant (if necessary), the claim specialist has access to each related block of information: personal information, dependency information, eligibility information, work information, and employment information. The claim specialist may update the submitted information or may record the disposition of the issues on "Fact Finding" screens. When all issues are resolved, the claim is moved to the "Accepted Claims" database. Once the claim is accepted it is uploaded into the SESA mainframe benefit system. At this point, standard claim processing activities are initiated.

6.3 PUBLIC USE OF THE INTERNET – NOW AND FUTURE

Market studies that contain details regarding current and projected usage of PCs and access to the Internet are included in our research. The demographics and distribution of Internet use throughout the nation are critical in establishing future trends. Based on data gathered by recent surveys from MediaMark Research, Inc. (MRI) and Scarborough Research, Internet use is growing in all sectors of the nation, including both rural and metropolitan areas of the country. These market surveys indicate that a large portion of the Internet users (53 million) currently access the Internet from either at home ("Home Only," 28 million users) or from several locations ("More than One Location," 7 million users). Figure 6-3 shows the number of Internet users and the percentage of web-access points from multiple locations. The data indicate that Internet users are more likely to access the Internet from home than from work.

The relative number of home to work usage is encouraging from the SESA perspective since unemployed workers will, by definition, not have access through their workplace and, therefore, need to access the Internet either at home or in a public building. In general, metropolitan areas throughout the country represent the highest number of users according to recent surveys.

Internet usage has grown remarkably over the past five years, across all income levels and throughout the nation. Some of the top Internet markets are in metropolitan areas dispersed across the country (Figure 6-4 shows an example.).

The most important consideration for Internet claims applications is access by claimants. The following questions arise: Do UI claimants mirror the general population? If they do not, how do they differ? If they differ, is it by income or by educational level? And if they

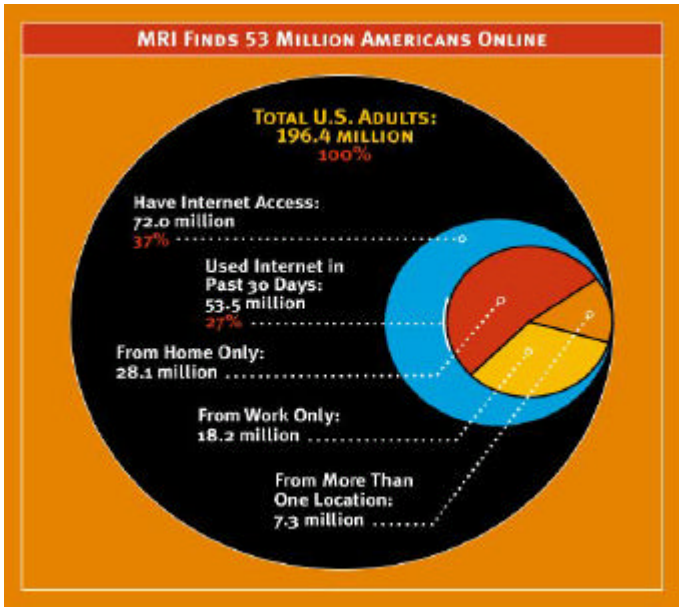


Figure 6-3. Distribution of Net Users (source: MRI)

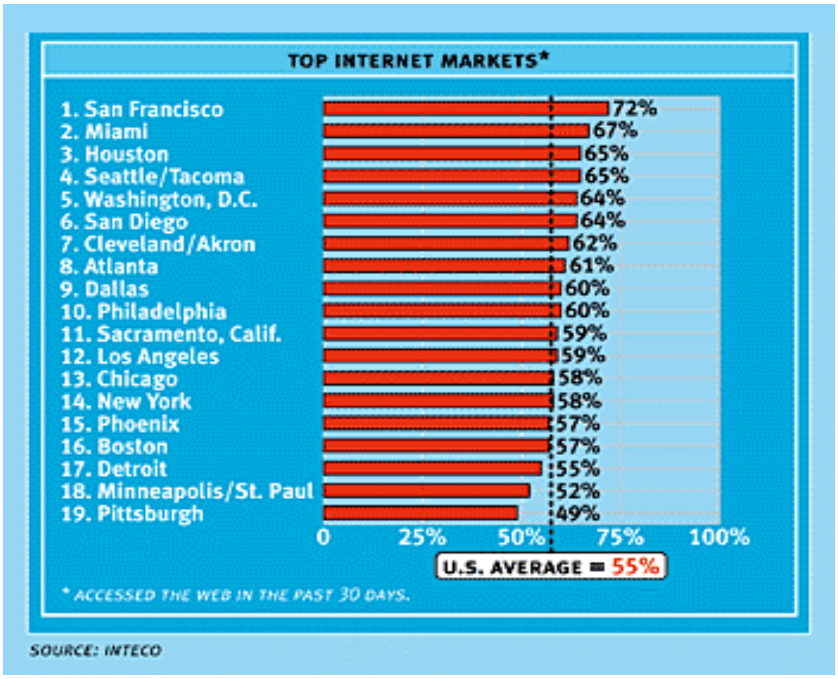
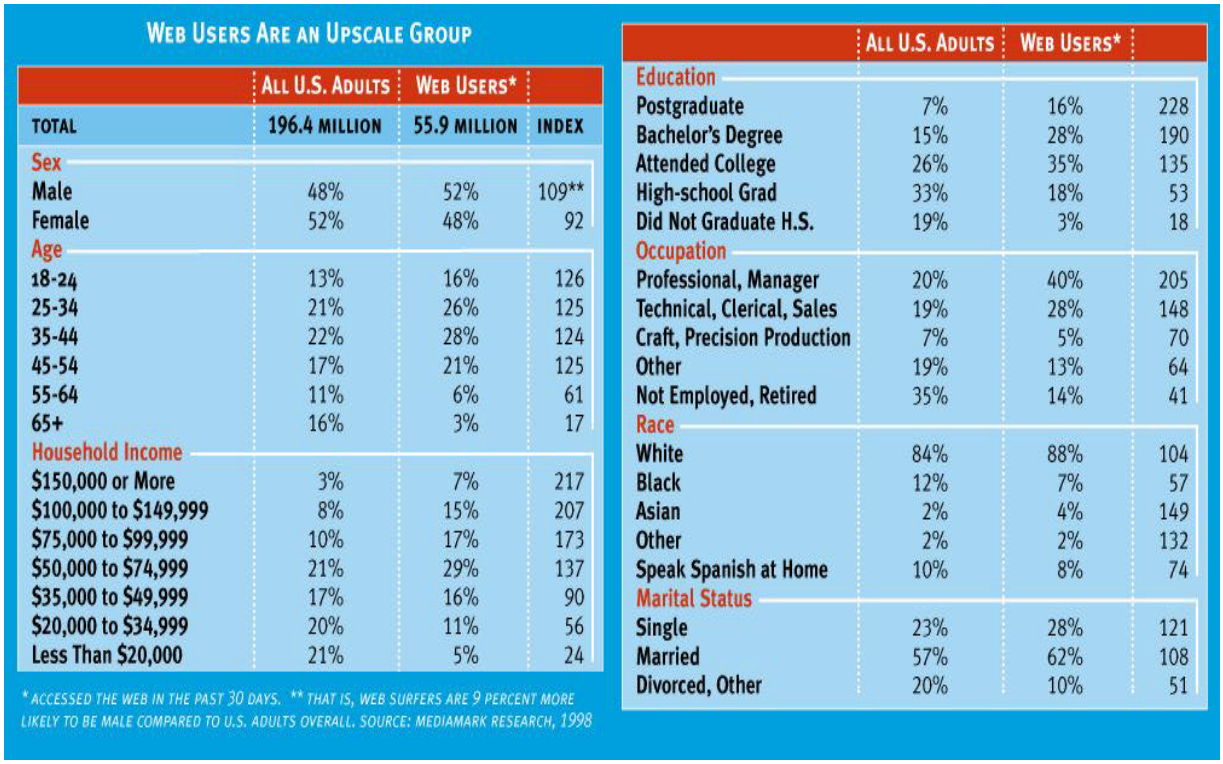


Figure 6-4. Web Users by Metropolitan Area

differ by income or education, does this translate (or will it translate) into less opportunity for access to the Internet and/or less ability to use applications designed for the Internet?

Table 6-4 dissects the Internet users by sex, age, income, education, occupation, and race, and compares them to the U.S. population as a whole. The survey data suggest a positive correlation between education and web use. Further, the survey data suggest a positive correlation between employed 'white collar' professions and web use. Race and marital status show little or no correlation. The challenge for the SESAs (and all government agencies) is to make the Internet applications available in government buildings and/or in public places and to design interfaces that claimants will find simple and easy to use. Unemployment insurance is addressing this through the taking of mass claims layoffs at empolyer sites and/or union halls. One-Stop offices and public kiosks may provide additional access to Internet claims, as well as computer-based training skills for the UI claimant that does not have adequate skills to utilize the applications.

Table 6-4. Demographics of Internet Users



WEB USERS ARE AN UPSCALE GROUP

	ALL U.S. ADULTS	WEB USERS*	
TOTAL	196.4 MILLION	55.9 MILLION	INDEX
Sex			
Male	48%	52%	109**
Female	52%	48%	92
Age			
18-24	13%	16%	126
25-34	21%	26%	125
35-44	22%	28%	124
45-54	17%	21%	125
55-64	11%	6%	61
65+	16%	3%	17
Household Income			
$150,000 or More	3%	7%	217
$100,000 to $149,999	8%	15%	207
$75,000 to $99,999	10%	17%	173
$50,000 to $74,999	21%	29%	137
$35,000 to $49,999	17%	16%	90
$20,000 to $34,999	20%	11%	56
Less Than $20,000	21%	5%	24
Education			
Postgraduate	7%	16%	228
Bachelor's Degree	15%	28%	190
Attended College	26%	35%	135
High-school Grad	33%	18%	53
Did Not Graduate H.S.	19%	3%	18
Occupation			
Professional, Manager	20%	40%	205
Technical, Clerical, Sales	19%	28%	148
Craft, Precision Production	7%	5%	70
Other	19%	13%	64
Not Employed, Retired	35%	14%	41
Race			
White	84%	88%	104
Black	12%	7%	57
Asian	2%	4%	149
Other	2%	2%	132
Speak Spanish at Home	10%	8%	74
Marital Status			
Single	23%	28%	121
Married	57%	62%	108
Divorced, Other	20%	10%	51

*ACCESSED THE WEB IN THE PAST 30 DAYS. ** THAT IS, WEB SURFERS ARE 9 PERCENT MORE LIKELY TO BE MALE COMPARED TO U.S. ADULTS OVERALL. SOURCE: MEDIAMARK RESEARCH, 1998

6.4 FUTURE PROJECTIONS

The preceding pages laid out the current status of TIC claims, IIC, claims, and the usage of Internet today. Here we answer the questions posed for the future of SESA interaction with UI claimants, based upon the national trends and knowledge of SESA plans.

- *What trend might be expected in the future by an alternative method (Telephone, Internet, and In-Person) for UI filing methods with respect today's filing processes?*

Telephone initial claims will soon be the dominant claims mode across the nation. They have taken over - or will takeover - almost all claims activity within the next three years. They will replace, almost entirely, in-person claims activity. There may be temporary setbacks (e.g., Massachusetts) or occasional periods (e.g., contingency/peak periods) when claims may have to be taken in One-Stop locations, but these will be the exception and not the rule. The 13 states with full implementation of TIC represent well over 28 percent of the nation's population. Adding to those 13 states, other states that have received DOL grants to implement TIC, will bring the national population with telephone claims to approximately 80 percent.

Internet claims are still in their infancy. The number of claims taken in the five states with IIC claims capability is in the noise level today. However, Internet claims will continue to grow and complement telephone claims (as another method of filing) over the next five years. We stress, again, that Internet claims and telephone claims are compatible and will continue to be so, with claims and follow-up (fact-finding/adjudication) being handled by the "Customer Contact Centers." Figure 6-5 depicts the expected claims trends over the near future, with in-person claims declining, telephone claims increasing until a saturation point is reached and then decreasing with the growth of Internet claims. It is estimated (at the time of this report) that over 30 percent of claims nationwide are filed via the telephone. Within two years, it is anticipated to be greater than 70 percent. Internet claims are less than one percent nationwide. The percentage of Internet claims may climb to 20-to-25 percent within five years.

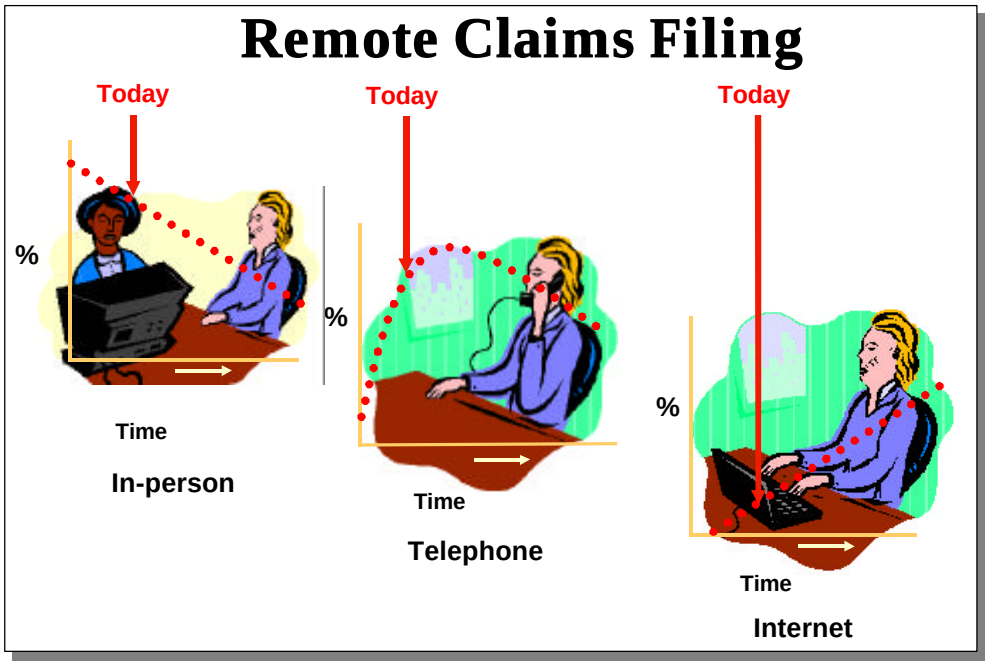


Figure 6-5. UI Claims Filing Trends

- *What is the preferred method of filing initial claims in the near future by the claimants?*

As discussed previously in this report, the current preferred method of filing is telephone. Satisfaction rates with telephone filing are over 90 percent. The data from surveys shows that claimants who filed previously in local offices and now file by telephone prefer, in almost all cases, telephone filing. Because of the ubiquitous nature of the telephone, we believe that this will continue to be the most predominate mode of filing through the first decade of the new millennium. We expect PC/Internet proficient users who become unemployed will choose to file Internet claims (if available). However, the applications for Internet claims and the knowledge that this interface is available will necessarily lag behind the willingness to use it. Once Internet claims are available from the home, One-Stop offices, and other public buildings, the use of Internet claims will increase substantially, but will probably not grow larger than telephone claims in the near future (i.e., the next five years).

- *What roles can telephone claims taking and the Internet have in the One-Stop environment?*

Many One-Stop offices have telephone access for UI claimants to dial directly to the call center. This is a no-cost option provided by the SESA, which is important for those states that do not offer toll-free service. As the majority of One-Stops open up, telephone access should be available in most offices. The next major step is for the One-Stops to provide self-help applications that will allow claimants to file their claims while using other services. Many states are incorporating this capability into their plans for One-Stops. The logical step, from an IT perspective, is to build a Web interface that can be used in the One-Stop, at home, or anywhere there is Internet access. Placing this capability in a One-Stop office can mitigate the security issue of using the Internet, since SESAs could utilize their own secure data networks to transmit claim data to the call center.

- *Will telephone claims taking become obsolete in the next decade considering the increasing use of the Internet and the potential use of other technologies?*

Almost all American households have a telephone or access to a telephone. Based on the seven states surveyed, UI claimants generally prefer the telephone for initial claims filings versus the Internet due to their familiarity with the technology and ease of accessibility. During the first decade of the new millennium, telephone and Internet applications, together, appear to offer the greatest advantages to UI claimants by allowing them a choice in filing modes. According to a Gartner Group research study, Computer Telephony Integration applications will lead the technology advances in call center designs through the Year 2002. During this time frame, Internet use is expected to double. However, the slower pace of implementation of SESA Internet applications will keep telephone claims as the major source of claims into the future.

Voice Over the Internet, commonly called VoIP, which allows the Internet to be used for voice transmission is in limited use today. The obvious advantage to this technology is the lack of toll charges for long distance calls. The routers and routing schemes necessary to prioritize and forward voice/data/video have yet to be implemented in order to make VoIP an effective and quality means of communication; however, studies show that these problems may be overcome in the next decade, leading to a potential surge in voice traffic on the

Internet. This could, in turn, allow the SESA "Customer Contact Centers" (of the future) to talk to a person while reviewing the data on-line.

6.5 STATE SURVEYS

Customer Satisfaction Surveys were collected from several SESA UI offices (Colorado, Maine, Massachusetts, Missouri, Montana, Wisconsin, and Utah) concerning TIC effects. These surveys addressed not only current SESA operations and technical challenges but the states' perspectives on future applications for claims taking, especially their plans for Internet use.

The results of the surveys indicate TIC systems as the dominant and most favorable claims taking process at this time.

The majority of claims taking is currently performed over the telephone with minimal in-person filings, except for special cases. Based on a 100 percent scale for claimants' feedback, telephone filings appear to be preferred by at least 85 percent of the claimants over any other filing method. And the in-person filing method was still being used as an alternative by 14 percent of the claimants. Internet filing alternatives are still relatively new to the majority of the claimants either from home or from a designated "One-Stop" and currently contribute one percent or less (if available) of the number of filers.

From the on-site visits with Missouri and Wisconsin during February 1999, the responses received concerning future applications are addressed below:

- *What pattern might be expected with respect to claims filed by phone, over the Internet, and in person? Given the choice of the three methods, what do claimants prefer?*

For **Missouri**, 93 percent of claimants preferred filing by the telephone and TIC systems were considered more (or at least as) convenient than walk-in claims. The state is currently handling initial claims by the telephone via four call centers located at Jefferson City (the capital), Kansas City, Springfield, and St. Louis, where 60 percent of the claimants use toll-free service. Local offices are still available for a small number of walk-in claimants for unusual circumstances either caused by illness, hearing impaired, or something similar. For future UI applications, Missouri is currently testing a small application on their Intranet to alleviate a state law requiring claimants to show up at a local office every four weeks to acknowledge their work search efforts and to remain eligible for benefits. The Intranet application will allow a claimant (at a local office) to register every four weeks and thus free up the need for an agent interview. Due to these political requirements, the lack of TDD capabilities being offered to file initial claims, and the feedback received from claimants' surveys, Missouri's future pattern supports infrastructure improvements to their existing call center environment since state administrators are "very satisfied with their current system." Long-term plans include the incorporation of Intranet/Internet capabilities.

For **Wisconsin**, primarily all of their claimants file by the telephone with a small occurrence (maybe five per year) of walk-in filings. All of their local UI offices were closed in

1995 (transition date for TIC) as the two initial claims call centers opened in Madison and Milwaukee. All of the local offices in Wisconsin were closed when Wisconsin transitioned to TIC in 1995. For the next ten years, the projected growth of the Internet is of the most interest to their future development beyond the TIC systems. Accordingly, Wisconsin's five-year projection through 2003 is that the potential exists for approximately 50 percent of Wisconsin's claims to be filed on the Internet (claimant survey conducted in mid-1998 which indicates Internet access doubling by 2002.) Wisconsin currently is in the planning stages of their Internet project. Implementation is currently projected to be in the July 2000 time frame for initial claims, and later on for continued claims.

- *What role can telephone claims and the Internet have in the One-Stop environment? Is an Intranet solution for some One-Stop applications in the works?*

For **Missouri**, there are no foreseeable plans to integrate TIC with One-Stops since the definition of One-Stop for their purposes is still being defined. One of the services to be considered in their One-Stops is the four-week reporting requirement. Currently, they have fifty designated One-Stops; this number is changing as the definition and services are being refined for One-Stop processes. Claimants will have access to telephones in order to file their claims at the One-Stops; however, the there are no current plans to place TIC applications within a One-Stop office other than providing telephones for claimants to file for benefits.

Missouri has a state law requiring claimants to show up at a local office every four weeks to acknowledge their work search efforts and to remain eligible for benefits. They are currently testing an Intranet application that will allow a claimant at a local office or designated One-Stop to register every four weeks and, thus, free up the need for an agent interview. Internet claims processing in the future will depend on the success of this Intranet project.

For **Wisconsin**, the telephone and Internet claims role in the One-Stop environment offers the claimant easier access. "The key is to provide technological access to the telephone claims systems from the One-Stop, not necessarily a physical presence." Wisconsin started One-Stop operations in 1973 and currently operates seventy-seven One-Stops. Similar to Missouri, Wisconsin offers designated telephones to access the UI office for filing initial claims. Self-help PCs/kiosks are available at the One-Stops to access things like America's Job Bank. For the future, Internet applications are envisioned using either dedicated PC/kiosks for filing initial claims and/or "at-home" services.

- *With the increasing use of the Internet and the potential for other technologies, might telephone claims taking become obsolete in the next decade? How far into the future will telephone initial claims be an important method of filing?*

For **Missouri**, both the telephone and the Internet technologies lead UI claims in the 2000-2010 time frame. However, based on their opinion, the incompatibility of the two systems relies on the design, applications, and equipment supporting the two systems. Currently, they did not have immediate plans for any Internet claim applications…nor for that matter to convert to any form of GUI, client/server technologies, such as "virtual call center." They are quite happy with their mainframe application and see no reason to change. Remote access in support of telecommuting work is not being planned at this time as an option.

For **Wisconsin**, telephone claims taking will not become obsolete in the 2000-2010 time frame. They believe telephone claims will be a viable means for taking UI claims into the foreseeable future. Different than Missouri, Internet and telephony applications are compatible from their perspective since "Internet is just another means of technological access to the call center." The processing and handling of the claim is all going to be handled at the call center regardless if the claim is taken over the telephone or comes in to the center via an Internet application. Similar to Missouri, "working-at-home" is not envisioned for the near future due to the "logistics of this type of arrangement."

In summary, both states feel assured that telephony and Internet applications will affect their future operations. For the near term, Wisconsin is currently integrating Internet access and telephony-based systems into their One-Stop operations. Their future plans are focusing on "*to provide technological access to the telephone claims systems from the One-Stop, not necessarily a physical presence*" and this was supported by the political position in the state to close all of the local offices in 1995. For Missouri, they are expanding the role of their One-Stop operations and this is highlighted by the administrator's comments "*no foreseeable plans to integrate TIC with One-Stops. They are, however, looking at the four-week reporting requirement to be part of the One-Stop process. They are also still defining just what a One-Stop is and what services it should provide*" concerning their progression into Internet. Therefore, Missouri will probably transition into Internet applications during the latter half of the next decade, especially since the local offices will remain open to provide walk-in services. And claimants will have other easily accessible alternatives to file their claims instead of purely the telephone.

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APPENDIX A

RESULTS OF INITIAL CLAIMS REGRESSIONS

In this appendix, we present the detailed regression results on initial claims and discuss the coefficients of the factors other than implementation that were included in the models (Tables A-1 through A-7). We do not discuss the postimplementation impacts of telephone initial claims (TIC) filing on initial claims because Section 3 contains a detailed discussion of those results.

The signs and magnitudes of these other coefficients are generally (but not always) consistent with theoretical predictions. Greater unemployment (as measured by either the number unemployed or the unemployment rate) generally leads to more initial claims (or more initial claims per labor force participant). Estimates suggest that about one out of every five, or fewer, unemployed persons file initial claims.[92] These estimates are lower than those from other research, which has found the ratio of new initial claims to total unemployment to be about 35 percent (Corson and Nicholson 1988). Coefficients for the Emergency Unemployment Compensation (EUC) period and the EUC options period were usually not statistically significantly different from zero. Coefficients for the quarterly dummy variables and the second- and fourth-order autocorrelation terms tend to be highly significant, indicating strong seasonal patterns in initial claims filing. The first and fourth quarters had the highest rates of UI filing, which is consistent with expectations about seasonal downturns during the winter. One would expect that a higher maximum weekly benefit amount would be associated with more claims. This pattern was often, but not always, supported by the statistical analyses.

The coefficients for the number or concentration of workers employed in manufacturing and construction are more difficult to interpret because we do not have a perfect proxy for the variable of interest - the percentage of unemployed workers from these industrial sectors. The coefficients were positive in some specifications and negative in others. Theoretically, one might expect that increases in the number of employed in these industries would decrease the number of new initial claims, because higher employment rates in these cyclically sensitive industries would decrease unemployment in them. However, a greater concentration of employment in these industries would increase the number (or rate) of new initial claims because workers in these industries are frequently laid off.

[92]This calculation is only a rough estimate because the numerator represents the flow of the unemployed and the denominator is a measure of the number of the unemployed.

Table A-1. Regressions Of New Initial Claims: Colorado
(Standard Errors in Parentheses)

	New Initial Claims			New Initial Claims Divided by the Labor Force		
Independent Variables	Model I	Model II	Model III	Model IV	Model V	Model VI
Intercept	−5,453.084	1,961.201	−1,320.952	0.001	0.002	−0.002
	(9,489.799)	(14,213.556)	(13,229.900)	(0.008)	(0.008)	(0.010)
Implementation Period	6,393.234	4,804.600	5,300.708	0.003	0.003	0.002
	(1,293.492)	(1,627.649)	(1,357.800)	(0.001)	(0.001)	(0.001)
Postimplementation Period	7,429.195	1,262.720	5,987.440	0.0003	0.0004	−0.0001
	(1,749.977)	(1,315.855)	(2,169.200)	(0.001)	(0.001)	(0.001)
Number Unemployed	0.076	0.158	0.071	---	---	---
	(0.033)	(0.030)	(0.035)			
Unemployment Rate (Percent)	---	---	---	0.002	0.002	0.002
				(0.0003)	(0.0004)	(0.0003)
Number Employed in Manufacturing and Construction	−0.131	---	−0.123	---	---	---
	(0.033)		(0.039)			
Percentage of the Employed in Manufacturing and Construction	---	−55,230.000	---	−0.013	−0.101	0.062
		(144,223.563)		(0.078)	(0.148)	(0.079)
One-Quarter Lagged Unemployment Rate (Percent)	---	---	---	---	−0.0004	---
					(0.0004)	
One-Quarter Lagged Percentage of the Employed in Manufacturing and Construction	---	---	---	---	0.109	---
					(0.178)	
EUC Period	−1,464.730	1,102.773	−711.857	0.001	0.001	0.001
	(1,295.016)	(1,321.192)	(1,339.700)	(0.001)	(0.001)	(0.001)
EUC Optional Claims Period	−1,283.300	−889.351	−1,625.199	−0.001	−0.001	−0.001
	(1,279.494)	(1,499.022)	(1,186.300)	(0.001)	(0.001)	(0.001)
First Quarter	621.201	811.716	---	0.0003	−0.0003	---
	(974.035)	(1,142.687)		(0.001)	(0.001)	
Second Quarter	−2,714.305	−3,075.784	---	−0.002	−0.001	---
	(866.497)	(1,041.047)		(0.001)	(0.001)	
Third Quarter	−6,501.547	−6,421.361	---	−0.003	−0.003	---
	(789.880)	(924.225)		(0.001)	(0.001)	
Real Maximum Weekly Benefit Amount	326.027	100.694	285.680	0.00003	0.00001	−0.00001
	(87.370)	(103.281)	(106.300)	(0.00005)	(0.0001)	(0.0001)
Second-Order Lag of the Error Term	---	---	0.197	---	---	0.120
			(0.128)			(0.124)
Fourth-Order Lag of the Error Term	---	---	−0.606	---	---	−0.666
			(0.135)			(0.143)
R-Squared Statistic	**0.88**	**0.83**	**0.60**	**0.90**	**0.90**	**0.64**
Sample Size	**52**	**52**	**52**	**52**	**52**	**52**

Table A-1. Regressions Of New Initial Claims: Colorado
(Standard Errors in Parentheses) (Concluded)

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.

EUC = Emergency Unemployment Compensation; SESA = State Employment Security Agency; UI = unemployment compensation.

* Significantly different from zero at the .10 level, two-tailed test.
** Significantly different from zero at the .05 level, two-tailed test.
*** Significantly different from zero at the .01 level, two-tailed test.

Table A-2. Regressions of New Initial Claims: Maine (Standard Errors in Parentheses)

	New Initial Claims			New Initial Claims Divided by the Labor Force		
Independent Variables	Model I	Model II	Model III	Model IV	Model V	Model VI
Intercept	−10,677.000	−10,675.000	−28,327.000	−0.017	−0.016	−0.046
	(28,581.923)	(25,920.626)	(27,793.600)	(0.040)	(0.042)	(0.040)
Implementation Period	−2994.755	−2,956.040	−3,844.771	−0.004	−0.003	−0.006
	(1,630.183)	(1,625.205)	(1,257.300)	(0.003)	(0.003)	(0.002)
Postimplementation Period	−85.203	−121.330	−487.793	−0.0001	0.0002	−0.001
	(1,887.844)	(1,796.942)	(1,499.200)	(0.003)	(0.003)	(0.002)
Number Unemployed	0.289	0.279	0.361	---	---	---
	(0.095)	(0.083)	(0.070)			
Unemployment Rate (Percent)	---	---	---	0.003	0.003	0.004
				(0.001)	(0.002)	(0.001)
Number Employed in Manufacturing and Construction	0.031	---	−0.022	---	---	---
	(0.125)		(0.092)			
Percentage of the Employed in Manufacturing and Construction	---	1,5636.000	---	0.041	−0.180	−0.005
		(45,608.602)		(0.071)	(0.419)	(0.052)
One-Quarter Lagged Unemployment Rate (Percent)	---	---	---	---	0.0002	---
					(0.002)	
One-Quarter Lagged Percentage of the Employed in Manufacturing and Construction	---	---	---	---	0.228	---
					(0.427)	
EUC Period	−2,222.651	−2,558.141	−3,974.527	−0.003	−0.003	−0.006
	(1,605.299)	(1,566.874)	(1,188.900)	(0.002)	(0.003)	(0.002)
EUC Optional Claims Period	−3,315.135	−3,282.100	−3,315.040	−0.005	−0.005	−0.005
	(1,656.196)	(1,591.629)	(1,422.600)	(0.002)	(0.003)	(0.002)
First Quarter	−4,12.452	−409.158	---	−0.0004	−0.003	---
	(1,495.216)	(1,487.907)		(0.002)	(0.005)	
Second Quarter	−7,334.714	−7,285.399	---	−0.011	−0.012	---
	(1,226.933)	(1,240.329)		(0.002)	(0.005)	
Third Quarter	−5,023.871	−4,975.217	---	−0.008	−0.009	---
	(1,182.575)	(1,198.274)		(0.002)	(0.004)	
Real Maximum Weekly Benefit Amount	156.115	162.910	286.842	0.0002	0.0002	0.0004
	(158.439)	(159.322)	(157.600)	(0.0002)	(0.0003)	(0.0002)
Second-Order Lag of the Error Term	---	---	0.639	---	---	0.639
			(0.205)			(0.204)
Fourth-Order Lag of the Error Term	---	---	−0.216	---	---	−0.224
			(0.208)			(0.207)
R-Squared Statistic	**0.90**	**0.90**	**0.92**	**0.91**	**0.91**	**0.92**
Sample Size	**36**	**36**	**36**	**36**	**36**	**36**

Table A-2. Regressions of New Initial Claims: Maine (Standard Errors in Parentheses) (Concluded)

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.

EUC = Emergency Unemployment Compensation; SESA = State Employment Security Agency; UI = unemployment insurance.

* Significantly different from zero at the .10 level, two-tailed test.

** Significantly different from zero at the .05 level, two-tailed test.

*** Significantly different from zero at the .01 level, two-tailed test.

Table A-3. Regressions of New Initial Claims: Massachusetts (Standard Errors in Parentheses)

	New Initial Claims			New Initial Claims Divided by the Labor Force		
Independent Variables	Model I	Model II	Model III	Model IV	Model V	Model VI
Intercept	−3,3085.000	−94,076.000	−12,0974.000	−0.029	−0.031	−0.085
	(130,214.201)	(13,3318.115)	(128,777.000)	(0.043)	(0.044)	(0.042)
Implementation Period	231.278	508.761	308.697	0.0001	0.0001	0.0003
	(3,987.867)	(3,839.429)	(3,766.700)	(0.001)	(0.001)	(0.001)
Postimplementation Period	−121.661	3,377.559	−3,575.741	0.001	0.0002	−0.0002
	(4,534.178)	(4,277.217)	(4,830.800)	(0.001)	(0.002)	(0.001)
Number Unemployed	0.166	0.113	0.190	---	---	---
	(0.059)	(0.043)	(0.059)			
Unemployment Rate (Percent)	---	---	---	0.001	0.002	0.002
				(0.0004)	(0.001)	(0.0004)
Number Employed in Manufacturing and Construction	0.235	---	0.268	---	---	---
	(0.079)		(0.082)			
Percentage of the Employed in Manufacturing and Construction	---	928,101.00	---	0.283	0.181	0.378
		(276,786.295)		(0.089)	(0.299)	(0.093)
One-Quarter Lagged Unemployment Rate (Percent)	---	---	---	---	−0.001	---
					(0.001)	
One-Quarter Lagged Percentage of the Employed in Manufacturing and Construction	---	---	---	---	0.070	---
					(0.263)	
EUC Period	3,750.948	3,413.116	1,881.340	0.001	0.001	0.001
	(3,295.190)	(3,121.558)	(3,346.000)	(0.001)	(0.001)	(0.001)
EUC Optional Claims Period	−7,002.473	−5,956.663	−4,703.804	−0.002	−0.002	−0.001
	(3,261.334)	(3,212.596)	(3,599.400)	(0.001)	(0.001)	(0.001)
First Quarter	−3,421.464	−3,177.268	---	−0.001	−0.003	---
	(2,589.282)	(2,499.695)		(0.001)	(0.002)	
Second Quarter	−21,388.000	−20,334.000	---	−0.006	−0.006	---
	(2,744.648)	(2,723.693)		(0.001)	(0.001)	
Third Quarter	−25,290.000	−22,894.000	---	−0.007	−0.008	---
	(3,119.182)	(3,158.510)		(0.001)	(0.001)	
Real Maximum Weekly Benefit Amount	−225.826	−102.665	11.878	−0.00003	0.00001	0.0001
	(413.092)	(408.151)	(401.800)	(0.0001)	(0.0001)	(0.0001)
Second-Order Lag of the Error Term	---	---	0.335	---	---	0.568
			(0.239)			(0.268)
Fourth-Order Lag of the Error Term	---	---	−0.603	---	---	−0.353
			(0.231)			(0.266)
R-Squared Statistic	**0.94**	**0.95**	**0.82**	**0.95**	**0.95**	**0.92**
Sample Size	**36**	**36**	**36**	**36**	**36**	**36**

Table A-3. Regressions of New Initial Claims: Massachusetts (Standard Errors in Parentheses) (Concluded)

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.

EUC = Emergency Unemployment Compensation; SESA = State Employment Security Agency; UI = unemployment insurance.

* Significantly different from zero at the .10 level, two-tailed test.

** Significantly different from zero at the .05 level, two-tailed test.

*** Significantly different from zero at the .01 level, two-tailed test.

Table A-4. Regressions of New Initial Claims: Missouri (Standard Errors in Parentheses)

	New Initial Claims			New Initial Claims Divided by the Labor Force		
Independent Variables	Model I	Model II	Model III	Model IV	Model V	Model VI
Intercept	41.596.000	3,091.228	31,325.000	0.009	0.013	0.009
	(81,613.046)	(25,920.130)	(72,468.200)	(0.011)	(0.009)	(0.011)
Implementation Period	83.005	289.460	749.495	0.0001	0.001	0.0005
	(3,139.287)	(3,155.704)	(2,838.600)	(0.001)	(0.001)	(0.001)
Postimplementation Period	2,748.463	4,375.566	3,078.167	0.002	0.001	0.002
	(3,402.520)	(3,397.800)	(3,470.600)	(0.001)	(0.001)	(0.001)
Number Unemployed	0.178	0.216	0.188	---	---	---
	(0.080)	(0.060)	(0.069)			
Unemployment Rate (Percent)	---	---	---	0.002	0.003	0.002
				(0.001)	(0.001)	(0.001)
Number Employed in Manufacturing and Construction	0.093	---	0.080	---	---	---
	(0.133)		(0.118)			
Percentage of the Employed in Manufacturing and Construction	---	103,553.000	---	0.009	0.422	0.002
		(138,029.997)		(0.054)	(0.142)	(0.047)
One-Quarter Lagged Unemployment Rate (Percent)	---	---	---	---	0.001	---
					(0.001)	
One-Quarter Lagged Percentage of the Employed in Manufacturing and Construction	---	---	---	---	0.465	---
					(0.152)	
EUC Period	5,051.448	5,986.785	4,791.732	0.0002	0.004	0.002
	(3,377.444)	(2,716.195)	(2,951.100)	(0.001)	(0.001)	(0.001)
EUC Optional Claims Period	9,555.656	9,731.781	8,628.082	0.004	0.003	0.003
	(3,161.721)	(3,134.654)	(2,672.300)	(0.001)	(0.001)	(0.001)
First Quarter	3,371.332	3,448.162	---	0.001	0.00002	---
	(2,714.510)	(2,677.802)		(0.001)	(0.002)	
Second Quarter	14,509	15,062.000	---	0.006	0.004	---
	(2,378.170)	(2,354.678)		(0.001)	(0.001)	
Third Quarter	8,840.856	9,656.357	---	0.004	0.003	---
	(2,549.157)	(2,360.871)		(0.001)	(0.001)	
Real Maximum Weekly Benefit Amount	392.544	488.589	368.195	0.0002	0.0001	0.0002
	(208.074)	(239.190)	203.100)	(0.0001)	(0.0001)	(0.0001)
Second-Order Lag of the Error Term	---	---	0.289	---	---	0.278
			(0.163)			(0.161)
Fourth-Order Lag of the Error Term	---	---	0.589	---	---	0.612
			(0.172)			(0.169)
R-Squared Statistic	**0.88**	**0.88**	**0.68**	**0.90**	**0.93**	**0.73**

Sample Size	**36**	**36**	**36**	**36**	**36**	**36**

Table A-4. Regressions of New Initial Claims: Missouri (Standard Errors in Parentheses) (Concluded)

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.

EUC = Emergency Unemployment Compensation; SESA = State Employment Security Agency; UI = unemployment insurance.

* Significantly different from zero at the .10 level, two-tailed test.
** Significantly different from zero at the .05 level, two-tailed test.
*** Significantly different from zero at the .01 level, two-tailed test.

Table A-5. Regressions of New Initial Claims: Montana (Standard Errors in Parentheses) (Concluded)

	New Initial Claims			New Initial Claims Divided by the Labor Force		
Independent Variables	Model I	Model II	Model III	Model IV	Model V	Model VI
Intercept	−4,925.440	−12,003.000	6,017.616	−0.010	−0.018	0.009
	(15,298.678)	(15,185.545)	(12,364.200)	(0.037)	(0.036)	(0.031)
Implementation Period	−618.584	−440.539	−949.049	−0.001	−0.001	−0.002
	(505.544)	(467.726)	(464.500)	(0.001)	(0.001)	(0.001)
Postimplementation Period	−1,089.530	−764.472	−1,186.049	−0.002	−0.003	−0.003
	(570.141)	(505.381)	(500.400)	(0.001)	(0.001)	(0.001)
Number Unemployed	0.059	0.020	0.028	---	---	---
	(0.070)	(0.067)	(0.054)			
Unemployment Rate (Percent)	---	---	---	0.0004	−0.001	0.0002
				(0.001)	(0.001)	(0.0005)
Number Employed in Manufacturing and Construction	0.171	---	0.206	---	---	---
	(0.053)		(0.047)			
Percentage of the Employed in Manufacturing and Construction	---	129,219.000	---	0.169	−0.105	0.235
		(38,057.618)		(0.092)	(0.201)	(0.078)
One-Quarter Lagged Unemployment Rate (Percent)	---	---	---	---	0.001	---
					(0.001)	
One-Quarter Lagged Percentage of the Employed in Manufacturing and Construction	---	---	---	---	0.290	---
					(0.207)	
EUC Period	−129.626	0.293	42.597	−0.0002	−0.001	0.00003
	(400.016)	(396.534)	(354.000)	(0.0009)	(0.001)	(0.0008)
EUC Optional Claims Period	−224.444	−234.310	−243.322	−0.001	−0.001	−0.001
	(466.832)	(459.433)	(414.600)	(0.001)	(0.001)	(0.001)
First Quarter	1,047.458	1,805.200	---	0.003	0.0003	---
	(496.584)	(609.200)		(0.001)	(0.002)	
Second Quarter	−3,881.083	−3,547.449	---	−0.009	−0.009	---
	(414.632)	(434.267)		(0.001)	(0.004)	
Third Quarter	−5,987.999	−6,031.626	---	−0.014	−0.013	---
	(386.158)	(380.415)		(0.001)	(0.003)	
Real Maximum Weekly Benefit Amount	52.911	68.081	−40.402	0.0001	0.0002	-0.0001
	(99.148)	(96.824)	(82.545)	(0.0002)	(0.0002)	(0.0002)
Second-Order Lag of the Error Term	---	---	0.704	---	---	0.761
			(0.215)			(0.212)
Fourth-Order Lag of the Error Term	---	---	−0.271	---	---	−0.212
			(0.218)			(.215)
R-Squared Statistic	**0.95**	**0.95**	**0.49**	**0.96**	**0.96**	**0.38**
Sample Size	**36**	**36**	**36**	**36**	**36**	**36**

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.

EUC = Emergency Unemployment Compensation; SESA = State Employment Security Agency; UI = unemployment insurance.

* Significantly different from zero at the .10 level, two-tailed test.
** Significantly different from zero at the .05 level, two-tailed test.
*** Significantly different from zero at the .01 level, two-tailed test.

Table A-6. Regressions of New Initial Claims: Utah (Standard Errors in Parentheses)

	New Initial Claims			New Initial Claims Divided by the Labor Force		
Independent Variables	Model I	Model II	Model III	Model IV	Model V	Model VI
Intercept	9,459.253	18,467.000	2,4601.000	0.009	0.017	0.027
	(26,703.401)	(20,057.662)	(14,597.200)	(0.029)	(0.025)	(0.016)
Implementation Period	1,674.283	1,621.753	1,733.180	0.002	0.001	0.002
	(550.679)	(559.831)	(453.500)	(0.001)	(0.001)	(0.001)
Postimplementation Period	1,223.360	1,536.840	1,901.892	0.001	0.001	0.002
	(1,295.632)	(1,190.094)	(774.600)	(0.001)	(0.001)	(0.001)
Number Unemployed	0.205	0.195	0.198	---	---	---
	(0.064)	(0.064)	(0.043)			
Unemployment Rate (Percent)	---	---	---	0.003	0.003	0.002
				(0.001)	(0.001)	(0.0003)
Number Employed in Manufacturing and Construction	−0.004	---	0.002	---	---	---
	(0.015)		(0.011)			
Percentage of the Employed in Manufacturing and Construction	---	11,145.000	---	0.003	−0.270	0.009
		(28,363.963)		(0.031)	(0.087)	(0.024)
One-Quarter Lagged Unemployment Rate (Percent)	---	---	---	---	−0.001	---
					(0.001)	
One-Quarter Lagged Percentage of the Employed in Manufacturing and Construction	---	---	---	---	0.278	---
					(0.085)	
EUC Period	−216.278	−27.352	-329.701	−0.0004	−0.0002	−0.001
	(560.815)	(609.480)	(447.000)	(0.001)	(0.001)	(0.0005)
EUC Optional Claims Period	−18.820	−11.101	283.625	0.0002	−0.0001	0.0005
	(545.327)	(543.624)	(501.200)	(0.001)	(0.001)	(0.0005)
First Quarter	565.378	982.768	---	0.001	−0.0002	---
	(1,001.659)	(859.017)		(0.001)	(0.001)	
Second Quarter	−2,575.794	−2,324.590	---	−0.003	−0.001	---
	(719.590)	(622.524)		(0.001)	(0.001)	
Third Quarter	−3,499.421	−3,360.873	−132.368	−0.004	−0.003	---
	(557.548)	(535.983)	(93.378)	(0.001)	(0.001)	
Real Maximum Weekly Benefit Amount	−27.446	−97.490	−132.368	−0.00005	−0.0001	−0.0002
	(168.243)	(131.468)	(93.378)	(0.0002)	(0.0002)	(0.0001)
Second-Order Lag of the Error Term	---	---	0.773	---	---	0.747
			(0.217)			(0.224)
Fourth-Order Lag of the Error Term	---	---	−0.146	---	---	−0.182
			(0.221)			(0.228)
R-Squared Statistic	**0.88**	**0.88**	**0.72**	**0.92**	**0.94**	**0.88**
Sample Size	**36**	**36**	**36**	**36**	**36**	**36**

Table A-6. Regressions of New Initial Claims: Utah (Standard Errors in Parentheses) (Concluded)

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.

EUC = Emergency Unemployment Compensation; SESA = State Employment Security Agency; UI = unemployment insurance.

* Significantly different from zero at the .10 level, two-tailed test.

** Significantly different from zero at the .05 level, two-tailed test.

*** Significantly different from zero at the .01 level, two-tailed test.

Table A-7. Regressions of New Initial Claims: Wisconsin (Standard Errors in Parentheses)

	New Initial Claims			New Initial Claims Divided by the Labor Force		
Independent Variables	Model I	Model II	Model III	Model IV	Model V	Model VI
Intercept	240,737.000	−61,644.000	333,358.000	−0.077	−0.059	0.016
	(69,704.577)	(160,133.320)	(52,057.600)	(0.059)	(0.061)	(0.057)
Implementation Period	15,018.000	16,622.000	14,599.000	0.007	0.004	0.006
	(3,211.560)	(3,989.418)	(2,671.300)	(0.002)	(0.002)	(0.001)
Postimplementation Period	15,610.000	16,356.000	15,658.000	0.007	0.005	0.005
	(3,303.543)	(4,022.586)	(2,775.000)	(0.002)	(0.002)	(0.002)
Number Unemployed	0.129	0.301	−0.036	---	---	---
	(0.100)	(0.120)	(0.069)			
Unemployment Rate (Percent)	---	---	---	0.004	0.004	0.003
				(0.001)	(0.001)	(0.001)
Number Employed in Manufacturing and Construction	−0.101	---	−0.121	---	---	---
	(0.045)		(0.039)			
Percentage of the Employed in Manufacturing and Construction	---	703,466.000	---	0.368	−0.176	0.115
		(404,509.122)		(0.148)	(0.272)	(0.154)
One-Quarter Lagged Unemployment Rate (Percent)	---	---	---	---	−0.001	---
					(0.001)	
One-Quarter Lagged Percentage of the Employed in Manufacturing and Construction	---	---	---	---	0.535	---
					(0.261)	
EUC Period	−3,763.122	−1,462.399	−3,763.398	−0.0001	−0.0002	−0.001
	(2,930.014)	(3,592.108)	(2,550.700)	(0.001)	(0.001)	(0.001)
EUC Optional Claims Period	−2,492.414	−46.388	−3,060.658	0.0002	0.0005	−0.0001
	(2,769.073)	(2,962.439)	(2,410.800)	(0.001)	(0.001)	(0.001)
First Quarter	−7,338.36	−6,813.982	---	−0.004	−0.004	---
	(3,934.92)	(4,046.698)		(0.002)	(0.002)	
Second Quarter	−29,654.000	−30,558.000	---	−0.012	−0.008	---
	(2,541.323)	(2,651.757)		(0.001)	(0.002)	
Third Quarter	−29,140.000	−32,907.000	---	−0.012	−0.009	---
	(2,265.312)	(2,540.065)		(0.001)	(0.002)	
Real Maximum Weekly Benefit Amount	−684.267	−487.139	−11,24.698	−0.0001	−0.0001	−0.0002
	(356.156)	(409.516)	(271.100)	(0.0002)	(0.0002)	(0.0001)
Second-Order Lag of the Error Term	---	---	0.646	---	---	0.148
			(0.223)			(0.150)
Fourth-Order Lag of the Error Term	---	---	−0.322	---	---	−0.824
			(0.223)			(0.147)
R-Squared Statistic	**0.95**	**0.94**	**0.70**	**0.94**	**0.95**	**0.63**
Sample Size	**36**	**36**	**36**	**36**	**36**	**36**

Table A-7. Regressions of New Initial Claims: Wisconsin (Standard Errors in Parentheses) (Concluded)

SOURCE: Evaluation of the Impacts of UI Initial Claims Taking Technologies on SESA Operations.

EUC = Emergency Unemployment Compensation; SESA = State Employment Security Agency; UI = unemployment insurance.

* Significantly different from zero at the .10 level, two-tailed test.

** Significantly different from zero at the .05 level, two-tailed test.

*** Significantly different from zero at the .01 level, two-tailed test.

APPENDIX B

ANALYSIS OF CHANGES IN CLAIMANTS' CHARACTERISTICS

As discussed in Section 4, the average characteristics of claimants may vary year-to-year, depending on changes in factors that are unrelated to the method by which claimants file for benefits. Failure to control for these factors may lead to erroneous conclusions about the relationship between who files a claim and the method of filing. We therefore examined changes in claimant characteristics using a regression model to control for some of these factors.[93] The results are presented here.

In addition to the effects of economy-wide factors on who files for benefits, it is likely that changes in one claimant characteristic are associated with changes in other claimant characteristics. For example, workers in manufacturing tend to have higher earnings than do workers in other industries. Female and nonwhite workers tend to have lower earnings than do male and white workers, respectively, and older workers tend to have higher earnings than younger workers. Thus, we expect that the characteristics we are investigating are correlated with each other, and our model for a specific characteristic should include other claimant characteristics as regressors.

For example, we model age as a claimant characteristic in the following way:

$$\text{age} = f(\text{implementation, postimplementation, aggregate economic conditions, aggregate labor market conditions, UI program parameters, other claimant characteristics}),$$

where *f* denotes a function. We include a trend variable, which increases by one each year, to allow for broad changes in the characteristics of labor market participants.

It is extremely important to note that not all the relationships between the dependent variable and the regressors are *causal*. Having higher base period earnings or a higher unemployment rate, for example, does not *cause* a claimant to be older. In the same way, the switch from local office filing to telephone initial claims (TIC) filing does not cause claimants to age. Nevertheless, we use this model to examine whether the average claimant who filed by telephone differs from the average claimant who filed in person at a local office.

The correlations between claimant characteristics suggest that the switch to TIC filing on a specific characteristic may operate through a "direct effect" on the characteristic of interest (say, age) and "indirect effects" operating through other characteristics. Suppose, for example, that the switch to TIC filing affects the likelihood that older workers file for benefits. This could occur through a direct effect, such as if older workers feel less comfortable communicating by telephone and are less likely to file. It could also operate through an

[93]The analysis focused on changes in the demographic and pre-unemployment characteristics of claimants because unemployment insurance (UI) program outcomes depend on the parameters of the UI program. For example, legislative changes in the maximum weekly benefit amounts (WBA) available to claimants will affect actual maximum benefit amounts and WBAs, even if the claimant population has not changed at all.

indirect effect, if TIC filing substantially increases the likelihood that workers with higher earnings file (because it is easier to file this way), and workers with higher earnings are more likely to be older. Mathematically, this example looks like:

$$\frac{d(age)}{d(postimplementation)}\Big|_{total\ effect} = \frac{d(age)}{d(postimplementation)}\Big|_{direct\ effect} + \sum_{i=1}^{i=k} \frac{d(age)}{d(x_i)} \frac{d(x_i)}{d(postimplementation)},$$

where x is a vector of k other claimant characteristics, such as base period earnings, sex, race, and industry. Thus, the second term on the right-hand side of the equation represents the sum of the indirect effects of TIC filing on age, operating through changes in the other claimant characteristics. The first term represents the direct association between TIC filing and age when changes in other characteristics are held constant.

A specific example can help show how we implement this strategy. To estimate how TIC filing affects the typical age of a claimant, we use the following model:

$$\begin{aligned} AGE = {} & \hat{a}_0 + \hat{a}_1 IMP + \hat{a}_2 POSTIMP + \hat{a}_3 NONWHITE + \hat{a}_4 FEMALE + \hat{a}_5 MANUF \\ & + \hat{a}_6 EARNINGS + \hat{a}_7 UNRATE + \hat{a}_8 MWBA + \hat{a}_9 QTR1 + \hat{a}_{10} QTR2 \\ & + \hat{a}_{11} QTR3 + \hat{a}_{12} TREND, \end{aligned}$$

where:

AGE equals the claimant's age,

IMP equals 1 during the implementation period, and 0 otherwise,

POSTIMP equals 1 during the postimplementation period, and 0 otherwise,

NONWHITE equals 1 if the claimant is nonwhite, and 0 otherwise,

FEMALE equals 1 if the claimant is female, and 0 otherwise,

MANUF equals 1 if the claimant is from the manufacturing sector, and 0 otherwise,

EARNINGS equals the claimant's real base period earnings,

MWBA equals the maximum real weekly benefit amount available in the state at the time the claimant filed for benefits,

QTR1, *QTR2*, and *QTR3* equal 1 during the first, second, and third quarters, respectively, and 0 otherwise,

TREND equals a counting variable to indicate the year in which the claimant filed for benefits, to allow for broad changes in the characteristics of labor market participants, and

β_0 through β_{12} represent coefficients to be estimated.

To estimate the indirect effects of TIC filing on the average age of claimants, operating through changes in other claimant characteristics, we estimated the following models:

$$NONWHITE = \acute{a}_0 + \acute{a}_1 IMP + \acute{a}_2 POSTIMP + \acute{a}_3 AGE + \acute{a}_4 FEMALE + \acute{a}_5 MANUF + \acute{a}_6 EARNINGS + \acute{a}_7 UNRATE + \acute{a}_8 MWBA + \acute{a}_9 QTR1 + \acute{a}_{10} QTR2 + \acute{a}_{11} QTR3 + \acute{a}_{12} TREND$$

$$FEMALE = \tilde{a}_0 + \tilde{a}_1 IMP + \tilde{a}_2 POSTIMP + \tilde{a}_3 NONWHITE + \tilde{a}_4 AGE + \tilde{a}_5 MANUF + \tilde{a}_6 EARNINGS + \tilde{a}_7 UNRATE + \tilde{a}_8 MWBA + \tilde{a}_9 QTR1 + \tilde{a}_{10} QTR2 + \tilde{a}_{11} QTR3 + \tilde{a}_{12} TREND$$

$$MANUF = \ddot{a}_0 + \ddot{a}_1 IMP + \ddot{a}_2 POSTIMP + \ddot{a}_3 NONWHITE + \ddot{a}_4 FEMALE + \ddot{a}_5 AGE + \ddot{a}_6 EARNINGS + \ddot{a}_7 UNRATE + \ddot{a}_8 MWBA + \ddot{a}_9 QTR1 + \ddot{a}_{10} QTR2 + \ddot{a}_{11} QTR3 + \ddot{a}_{12} TREND$$

$$EARNINGS = \ddot{e}_0 + \ddot{e}_1 IMP + \ddot{e}_2 POSTIMP + \ddot{e}_3 NONWHITE + \ddot{e}_4 FEMALE + \ddot{e}_5 MANUF + \ddot{e}_6 EARNINGS + \ddot{e}_7 UNRATE + \ddot{e}_8 MWBA + \ddot{e}_9 QTR1 + \ddot{e}_{10} QTR2 + \ddot{e}_{11} QTR3 + \ddot{e}_{12} TREND,$$

where α_0 through α_{12}, γ_0 through γ_{12}, δ_0 through δ_{12}, and λ_0 through λ_{12} are to be estimated.

From these regressions, we estimate the total effect of TIC filing as the sum of direct and indirect effects:

$$\textit{Total effect of TIC filing on age} = \hat{a}_2 + \hat{a}_3 \acute{a}_2 + \hat{a}_4 \tilde{a}_2 + \hat{a}_5 \ddot{a}_2 + \hat{a}_6 \tilde{a}_2,$$

where β_2 is the direct effect of TIC filing on age and the rest of the right-hand side is the indirect effect of TIC filing on age, operating through changes in other claimant characteristics. Characteristics besides age can be modeled this way as well.

The total effect of TIC filing on claimant characteristics into direct and indirect components is shown in Table B.1. Because the total and indirect effects in Table B.1 are not estimated directly from regression analysis but, rather, are the sum of products of estimated coefficients, we do not report significance levels for these effects. Instead, we provide descriptive information on any important mechanisms for indirect effects. Because

Table B-1. Changes in the Characteristics of Who Files for Benefits

	Total Effect	Direct Effect	Indirect Effect	Primary Mechanism(s) for Indirect Effect
Maine				
Age (Years)	0.63	0.53	0.11	No important indirect effects
Percentage Nonwhite	0.04	0.08	−0.04	Increases in manufacturing and percentage female associated with decrease in percentage nonwhite
Percentage Female	2.46	2.23	0.23	No important indirect effects
Percentage in Manufacturing	5.91	5.92	−0.01	Decrease in earnings associated with decrease in manufacturing; increase in age associated with increase in manufacturing
Base Period Earnings (Real Dollars)	9	−55	64	Increases in manufacturing and age associated with increase in earnings; increase in percentage female associated with decrease in earnings
Missouri				
Age (Years)	−0.42	−0.12	−0.30	Decrease in percentage female and earnings associated with decrease in age
Percentage Nonwhite	5.40	5.50***	−0.10	No important indirect effects
Percentage Female	−4.18	−4.73**	0.55	Decrease in earnings associated with increase in percentage female
Percentage in Manufacturing	−5.42	−4.81**	−0.61	No important indirect effects
Base Period Earnings (Real Dollars)	−397	−405	8	Decrease in manufacturing associated with decrease in earnings; decrease in percentage female associated with increase in earnings
Wisconsin				
Age (Years)	0.74	17.4	−16.7	Decreases in percentage female and earnings associated with decrease in age; increase in manufacturing associated with increase in age
Percentage Nonwhite	0.85	0.53	0.32	Decrease in earnings associated with increase in nonwhites
Percentage Female	−1.58	−2.83*	1.25	Decrease in earnings associated with increase in percentage female; increase in manufacturing associated with increase in percentage female
Percentage in Manufacturing	6.61	7.29***	−0.68	No important indirect effects
Base Period Earnings (Real Dollars)	−29	−419	389	Increases in age and manufacturing associated with increase in earnings

Table B-1. Changes in the Characteristics of Who Files for Benefits (Concluded)

SOURCE: Evaluation of the Impacts of UI Claims Taking Technologies on SESA Operations.

NOTE: The "total effect" is the sum of the "direct effect" and the "indirect effect." Statistical significance is calculated only for entries in the "direct effect" column. The indirect effect is the sum of the products of the coefficients for postimplementation indicator variables in models of other claimant characteristics and the coefficients for the other characteristics in the model for the dependent variable. A more complete explanation is in the text of the appendix.

Other regressors in the equations are an intercept, an implementation dummy variable, a postimplementation dummy variable, the unemployment rate, three quarterly dummy variables, the maximum weekly benefit amount, and a time trend.

SESA = State Employment Security Agency; UI = unemployment insurance.

* Significantly different from zero at the .10 level, two-tailed test.

** Significantly different from zero at the .05 level, two-tailed test.

*** Significantly different from zero at the .01 level, two-tailed test.

the relationships between the claimant characteristics are not *causal*, it is possible to detect that a change in one characteristic leads to a change in another characteristic, and vice versa. However, it is also possible in some instances to determine when these types of feedback mechanisms do not occur.

Several patterns are apparent in Table B.1. First, most of the estimated effects of the switch to TIC filing on claimants' characteristics are direct effects rather than indirect effects.[94] For example, in Maine, the direct effect of TIC filing on age is about five times as large as the sum of all indirect effects. (The direct effect is still statistically indistinguishable from chance.) Similarly, for most substantively large changes in claimant characteristics, the bulk of the estimated changes are attributable to direct effects rather than indirect effects, suggesting that the feedback across claimant characteristics is relatively small.

Second, the three states had different patterns of changes. In Maine, none of the compositional changes in claimant characteristics can be distinguished from statistical noise. This is true even for the change in manufacturing, which has a relatively large point estimate (5.92).

In contrast, Missouri appears to have experienced several large changes. After we control for economy-wide factors that may influence who files for UI benefits, it appears that the typical claimant who filed for benefits by telephone is more likely to be nonwhite, male, and from the nonmanufacturing sector. These findings are puzzling because we did not detect changes in Missouri's overall level of claims in Section 3. It is also not clear theoretically why we find these changes in the race and sex claimant population. One might hypothesize, for example, that nonwhites reside in different geographic areas than do whites. If, for example, nonwhites are more likely to live in areas that are far from where UI offices in Missouri were located and, therefore, benefit more from the establishment of call centers because they do not have to travel to local offices, then the fraction of claimants who are nonwhite might increase.

[94]We also estimated these models excluding other claimant-specific characteristics from the right-hand sides of the equations. The results were qualitatively similar.

However, we would expect this change to lead to an increase in the total number of claimants--evidence we did not find in Section 3. We also do not have any theories to explain why women as a fraction of claimants might decrease. One might expect that their share of claims would remain the same or would increase with the introduction of call centers; we expect women have equal access to telephones but might benefit more from a faster method of filing because of greater household responsibilities.[95]

To investigate the result that TIC filing is associated with a decrease in the percentage of claimants in Missouri who are female, we conducted a test on the sensitivity of the results to the exclusion of the variable indicating a change over time in the percentage of claimants who are female. Exclusion of this time trend variable leads to a positive, insignificant effect of TIC filing on the percentage of claimants who are female--a result that is consistent with the pattern presented in Section 4 from the descriptive data. Exclusion of the time trend variable does not lead to a change in the conclusion that TIC filing is associated with an increase in the percentage of claimants who are nonwhite and from the nonmanufacturing sector. Thus, we conclude that the estimated relationship between TIC filing and the percentage of Missouri claimants who are female is sensitive to the specification of the model.

In Wisconsin, in which we found large increases in the number of initial claims (Section 3), we find that the typical telephone claimant is more likely to be from manufacturing than is a typical in-person claimant, after we control for other factors. This finding is consistent with what one would expect given how Wisconsin has developed its interactive voice response (IVR) system. Although we expect that using call centers facilitates filing for most claimants, repeat claimants might have an even easier time filing in Wisconsin because a portion of claimants can file through exclusive use of the IVR system. Eligibility for filing this way depends heavily on whether claimants have filed before, something we expect to be more likely for workers in manufacturing than in other industries. Nevertheless, it is likely that many claimants from manufacturing file for benefits regardless of the filing method available. The typical telephone claimant was also more likely to be male than was the typical in-person claimant. When we examined the sensitivity of Wisconsin's results to exclusion of the time trend variable, we found that the regressions yield a very small, insignificant coefficient (around one percent) of TIC filing on the percentage of claimants who are women. Thus, these results do not appear to be sensitive to the exclusion of the time trend.

It is important to recognize that, in a state in which the total number of claimants increases, finding compositional changes does not imply that some groups of workers are excluded from the UI system. For example, the findings in Wisconsin do not imply that females and nonmanufacturing workers face additional barriers to filing by telephone relative to filing in person. Women comprised about 38 percent of Wisconsin filers prior to the establishment of call centers. If the percentage of filers who are female decreased to 36

[95]The patterns in Missouri suggest an important limitation of this analysis: the absence of data on the state-specific characteristics of the unemployed. In a small geographic area such as a town, for example, layoffs at one factory could dramatically affect the composition of the unemployed - and, hence, UI claimants. This may also be true when the analysis is conducted at a state level. Economic shocks to particular industries may account for much of the variation in claimant characteristics, and the absence of adequate data for a lengthy follow-up period may cause the results of these economic shocks to be erroneously attributed to the switch to TIC filing.

percent (as we estimated, after we controlled for other factors that influence the claimant population), but the number of initial claims filed increased 30 percent, then the total *number* of female filers increased 23 percent (1.30*0.36/0.38). The number of male filers increased 34 percent (1.30*0.64/0.62). Thus, compositional changes in claimant characteristics - in and of themselves - do not imply negative effects of TIC filing in states that have increases in the number of claims.

From a policy perspective, one might care most about whether certain groups of claimants face additional barriers to filing by telephone relative to filing in person. Examining changes in the claimant population indicates that this does not appear to be the case. We detected no significant compositional changes in Maine. Although we detected some changes in Wisconsin, given the large increase in the number of claimants associated with TIC filing, the filing rates of all groups appeared to increase. After we controlled for changes in several economy-wide factors that influence the claimant population in Missouri, the typical claimant who filed by telephone was more likely to be male, nonwhite, and from the nonmanufacturing sector. We do not have reasons to explain this finding, particularly as we did not detect a change in the number of initial claims filed in Missouri. However, we did find that the result about the effect of TIC filing on the fraction of Missouri claimants who are female was sensitive to whether a time trend variable was included in the regressions. Thus, these changes may be attributable to the change in filing methods, to the model specification, or to some other factors that the analysis could not control for.

APPENDIX C

CLAIMANT SURVEYS

VERSION 1: TIC FILING ONLY

The purpose of this study is to improve services to people who apply for unemployment benefits.

Our purpose is to evaluate our services. Your answers will not affect your eligibility for benefits. By answering the questions below you will help to improve services in your area.

Our questions ask about the time you initially filed for unemployment insurance benefits.

We think you will find the questions quick and easy to answer. Just mark the box next to the choice that is closest to your answer.

1. When you initially filed your claim for unemployment insurance benefits, did the representative you talked to on the phone fully answer all your questions?

1 ☐ Yes

0 ☐ No

2. When you initially filed for unemployment insurance benefits, was the unemployment insurance representative polite at all times?

1 ☐ Yes

0 ☐ No

3. Was it easy for you to understand the recorded instructions?

1 ☐ Yes

0 ☐ No

4. Did you have any problems selecting the choices from the recorded instructions?

1 ☐ Yes

0 ☐ No

5. What language would you prefer to file your claim in . . .

PLEASE MARK ONE RESPONSE ONLY

1 ☐ English,

2 ☐ Spanish, or

3 ☐ another language?

IF YOU MARKED "3" (SOME OTHER LANGUAGE), PLEASE TELL US WHAT LANGUAGE YOU WOULD PREFER TO FILE YOUR CLAIM IN.

LANGUAGE PREFERENCE:_____

6. When you initially applied for unemployment benefits, were you able to file your claim in your preferred language?

1 ☐ Yes → ***PLEASE GO TO Q.8***

0 ☐ No → ***PLEASE GO TO Q.7***

7. Because you were not able to file your claim in this language, was it harder for you to understand the questions or follow the instructions?

1 ☐ Yes

0 ☐ No

8. Thinking about when you tried to file this initial claim, how many times did you have to call the unemployment insurance office until you were able to file? Include the time you actually filed your claim. (Your best guess is fine.)

|___|___| # **TIMES CALLED**

9. Thinking of all the calls you made, when you were trying to file this initial claim for unemployment insurance benefits, how many minutes in total were you on the telephone? Please include time spent waiting or on hold and time providing information about your claim. (Your best guess is fine.)

|___|___|___| **TOTAL MINUTES ON THE TELEPHONE**

10. Overall, how would you rate the telephone filing service for initial claims? Would you say it is . . .

PLEASE MARK ONE RESPONSE ONLY

1 ☐ excellent,
2 ☐ good,
3 ☐ fair,
4 ☐ poor, or
5 ☐ very poor?

11. Did being able to file your initial claim for unemployment benefits by telephone, instead of visiting a local office in person, make it more likely that you would file this claim?

1 ☐ Yes → ***PLEASE GO TO Q.11a***
0 ☐ No → ***PLEASE GO TO Q.13***

11a. Did it make it . . .

1 ☐ much more likely, or
2 ☐ somewhat more likely?

12. What were the reasons it was more likely that you would file for unemployment benefits because you could file by phone?

PLEASE MARK YES OR NO FOR EACH ITEM

	Yes	No
You thought you could get better service by telephone	1 ☐	0 ☐
You had transportation problems	1 ☐	0 ☐
You had child or elder care problems	1 ☐	0 ☐
You had a disability or personal mobility problems	1 ☐	0 ☐
You had time constraints	1 ☐	0 ☐
Its easier to reach someone who speaks your language	1 ☐	0 ☐
Too many people waiting in the local office .	1 ☐	0 ☐
You see people you know in the local office .	1 ☐	0 ☐
No reason, just prefer telephone	1 ☐	0 ☐
Another reason you prefer to file by phone . .	1 ☐	0 ☐

What is it?

_____

_____

13. Have you ever filed an initial claim for unemployment insurance benefits by going in person to a local office in this state?

1 ☐ Yes
0 ☐ No → ***PLEASE GO TO Q.17***

14. When you most recently filed an initial claim for unemployment insurance benefits in person at a local office, about how many minutes did it take you to get to the office each way? Please include from the time you left your home to the time you arrived inside the office.

|___|___|___| **MINUTES**

15. Taking everything into consideration, how easy or difficult was it for you to get to a local office? Would you say it was . . .

PLEASE MARK ONE RESPONSE ONLY

1 ☐ very easy,
2 ☐ somewhat easy,
3 ☐ somewhat difficult, or
4 ☐ very difficult?

16. How many minutes did you spend in the office when you filed your claim there? Please include any time you spent waiting or filling out forms. (Your best guess is fine.)

|___|___|___| **# OF MINUTES**

17. If you had a choice, would you prefer to file your initial claim for unemployment insurance benefits . . .

PLEASE MARK ONE RESPONSE ONLY

1 ☐ by telephone,
2 ☐ by mail,
3 ☐ in person,
4 ☐ by Internet, or
5 ☐ you have no preference?

18. Do you have easy access to the Internet?

1 ☐ Yes
0 ☐ No

Those are all our questions. Thank you very much for helping us improve our services to our community.

VERSION 2: FILING CHOICE

The purpose of this study is to improve services to people who apply for unemployment benefits.

Our purpose is to evaluate our services. Your answers will not affect your eligibility for benefits. By answering the questions below you will help to improve services in your area.

Our questions ask about the time you initially filed for unemployment insurance benefits.

We think you will find the questions quick and easy to answer. Just mark the box next to the choice that is closest to your answer.

1. When you initially filed your claim for unemployment insurance benefits, how did you file your claim? Did you file . . .

PLEASE MARK ONE RESPONSE ONLY

1 ☐ in person at a local office
2 ☐ by telephone → ***PLEASE GO TO Q.3***
3 ☐ by mail → ***PLEASE GO TO Q.19***
4 ☐ by Internet → ***PLEASE GO TO Q.19***
5 ☐ some other way → ***PLEASE GO TO Q.19***

2. What were the reasons you filed in person?

1 ☐ You did not know you could file by telephone
2 ☐ It was more convenient to file in person
3 ☐ You prefer face-to-face contact
4 ☐ An employer or friend told you to file in person
5 ☐ You thought you could get better treatment or service
6 ☐ You thought you could get better information about the unemployment insurance program
7 ☐ You were going to the same location for information or to apply for other programs
8 ☐ There was another reason you filed in person

IF YOU MARKED "8" (SOME OTHER REASON), PLEASE TELL US THE REASON YOU FILED IN PERSON.

REASON FILED IN PERSON:_____

_____

GO TO Q.19

3. When you initially filed your claim did the representative you talked to on the phone fully answer all your questions?

1 ☐ Yes
0 ☐ No

4. When you initially filed for unemployment benefits, was the unemployment insurance representative polite at all times?

1 ☐ Yes
0 ☐ No

5. Was it easy for you to understand the recorded instructions?

1 ☐ Yes
0 ☐ No

6. Did you have any problems selecting the choices from the recorded instructions?

1 ☐ Yes
0 ☐ No

7. What language would you prefer to file your claim in . . .

PLEASE MARK ONE RESPONSE ONLY

1 ☐ English,
2 ☐ Spanish, or
3 ☐ another language?

IF YOU MARKED "3" (SOME OTHER LANGUAGE), PLEASE TELL US WHAT LANGUAGE YOU WOULD PREFER TO FILE YOUR CLAIM IN.

LANGUAGE PREFERENCE:_____

8. When you initially applied for unemployment benefits, were you able to file your claim in your preferred language?

1 ☐ Yes → ***PLEASE GO TO Q.10***
0 ☐ No → ***PLEASE GO TO Q.9***

9. Because you were not able to file your claim in this language, was it harder for you to understand the questions or follow the instructions?

1 ☐ Yes

0 ☐ No

10. Thinking about when you tried to file this initial claim, how many times did you have to call the unemployment insurance office until you were able to file your claim? Include the time you actually filed your claim. (Your best guess is fine.)

|___|___| # **TIMES CALLED**

11. Thinking of all the calls you made, when you were trying to file this initial claim for unemployment insurance benefits, how many minutes in total were you on the telephone? Please include time spent waiting or on hold and time providing information about your claim. (Your best guess is fine.)

|___|___|___| **TOTAL MINUTES ON THE TELEPHONE**

12. Overall, how would you rate the telephone filing service for initial claims? Would you say it is . . .

PLEASE MARK ONE RESPONSE ONLY

1 ☐ excellent,

2 ☐ good,

3 ☐ fair,

4 ☐ poor, or

5 ☐ very poor?

13. Did being able to file your initial claim for unemployment benefits by telephone, instead of visiting a local office in person, make it more likely that you would file this claim?

1 ☐ Yes → ***PLEASE GO TO Q.13a***

0 ☐ No → ***PLEASE GO TO Q.15***

13a. Did it make it . . .

1 ☐ much more likely, or

2 ☐ somewhat more likely?

14. What were the reasons it was more likely that you would file for unemployment benefits because you could file by phone?

PLEASE MARK YES OR NO FOR EACH ITEM

	Yes	No
You thought you could get better service by telephone	1 ☐	0 ☐
You had transportation problems	1 ☐	0 ☐
You had child or elder care problems	1 ☐	0 ☐
You had a disability or personal mobility problems	1 ☐	0 ☐
You had time constraints	1 ☐	0 ☐
Its easier to reach someone who speaks your language	1 ☐	0 ☐
Too many people waiting in the local office	1 ☐	0 ☐
You see people you know in the local office	1 ☐	0 ☐
No reason, just prefer telephone	1 ☐	0 ☐
Another reason you prefer to file by phone	1 ☐	0 ☐

What is it?

_____

_____

15. Have you ever filed an initial claim for unemployment insurance benefits by going in person to a local office in this state?

1 ☐ Yes

0 ☐ No → ***PLEASE GO TO Q.19***

16. When you most recently filed an initial claim for unemployment insurance benefits in person at a local office, about how many minutes did it take you to get to the office each way? Please include from the time you left your home to the time you arrived inside the office.

|___|___|___| **MINUTES**

17. Taking everything into consideration, how easy or difficult was it for you to get to a local office? Would you say it was . . .

PLEASE MARK ONE RESPONSE ONLY

1 ☐ very easy,
2 ☐ somewhat easy,
3 ☐ somewhat difficult, or
4 ☐ very difficult?

18. How many minutes did you spend in the office when you filed your claim there? Please include any time you spent waiting or filling out forms. (Your best guess is fine.)

|___|___|___| **# OF MINUTES**

19. If you had a choice, would you prefer to file your initial claim for unemployment insurance benefits . . .

PLEASE MARK ONE RESPONSE ONLY

1 ☐ by telephone,
2 ☐ by mail,
3 ☐ in person,
4 ☐ by Internet, or
5 ☐ you have no preference?

20. Do you have easy access to the Internet?

1 ☐ Yes
0 ☐ No

Those are all our questions. Thank you very much for helping us improve our services to our community.

GLOSSARY

BAM	Benefit Accuracy Measurement
BPC	Benefit Payment Control
BRI	benefit right interview
CSR(s)	customer service representative(s)
DOL	Department of Labor
ETA	Employment and Training Administration
EUC	Emergency Unemployment Compensation
FTE(s)	full time equivalency (ies)
FY	fiscal year
GUI	graphical user interface
IIC	Internet initial claims
IP	Internet protocol
IT	information technology
ITSC	Information Technology Support Center
IVR	interactive voice response
JS	Job Service
MBA	maximum benefit amount
MPR	Mathematica Policy Research, Inc.
MRI	MediaMark Research, Inc.
PC	personal computer
PIN	personal identification number
SESA(s)	State Employment Security Agency (ies)
TDD	telecommunications device for the deaf
TIC	telephone initial claims, Telephone Initial Claims
TRA	trade readjustment allowance
U.S.	United States
UCFE	Unemployment Compensation for Federal Employees
UCX	Unemployment Compensation for Ex-Service
UI	Unemployment Insurance
UIS	Unemployment Insurance Service
VoIP	Voice over the Internet protocol

WBA weekly benefit amount
WIA Workforce Investment Act
WPRS Worker Profiling and Reemployment Service