

Exploring Unemployment Insurance (UI) Program Options for Guam: Technical Appendix

SUMMARY

In 2023, the Chief Evaluation Office (CEO), partnering with the <u>Employment and Training Administration (ETA)</u> and the <u>Guam Department of Labor</u>, commissioned Summit Consulting, LLC, to understand the feasibility of implementing an unemployment insurance (UI) program in Guam. The study aimed to identify factors to consider in the design and implementation of a UI program and determine potential program design options to provide temporary financial assistance to qualified unemployed workers until their return to work. To explore the feasibility of UI program in Guam, Summit reviewed relevant literature and policy, analyzed secondary data, conducted interviews with experts on UI and Guam, and fielded a survey with a purposive sample of employers.

This Department of Labor-funded study contributes to the labor evidence-base to inform <u>data, methods, and tools</u> and <u>unemployment insurance</u> programs and policies as well as addresses Departmental strategic goals and priorities.

This technical appendix describes the exploratory study in depth, identifying the research questions, methodology, and limitations as well presents the data analyzed that support the information provided in the brief it supplements.

The <u>accompanying brief</u> present the findings of the study by identifying factors relevant to UI program implementation in Guam and describing five potential UI program design options.

KEY TAKEAWAYS

- The factors Guam will need to consider prior to implementation, regardless of UI program design, include the legal requirements, funding source for benefits, eligibility requirements of unemployed workers, benefit amounts, support and resources for the program, and program integrity
- The study identified five potential design options for Guam to consider:
 - The Federal-State Unemployment Compensation (UC) Program
 design option would implement the traditional UI design used by 53
 jurisdictions in the United States. With this design, the federal government
 provides some funding for program administration, while Guam would
 administer and fund the program, which most jurisdictions do through
 employer taxes.
 - 2. The **federal joint-state UI program** design option would allow Guam to partner with a state or territory already operating a Federal-State UC



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- Program to share administrative resources, expertise, and possibly even funding sources.
- 3. The **non-federal permanent UI program** design option would allow Guam to create a program outside of the federal system, meaning it would be solely responsible for designing, supporting, and funding this program.
- 4. The **non-federal temporary UI program** design option would allow Guam to develop a program that is responsive during periods of high unemployment and is triggered based on economic indicators identified by Guam (e.g., downturn in tourism from East Asia).
- 5. The **non-federal industry-specific UI program** design option would allow Guam to provide coverage to workers in industries that are most vulnerable to economic volatility and layoffs.

SEE FULL STUDY

TIMEFRAME: 2023-2024 PARTNER AGENCY: Employment and Training Administration and

Guam Department of Labor

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