

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

DISLOCATED WORKER BENEFITS PROGRAM
ANNUAL REPORT FOR 2008 TO THE JOINT STANDING COMMITTEE ON LABOR OF THE
124TH MAINE LEGISLATURE

In accordance with 26 MRSA §1196, sub-§2, there is respectfully submitted herewith an annual report of activities under the dislocated worker benefits (DWB) program for 2008.

- A. The number of persons who receive benefits under those provisions: 322
- B. The average length of time in training for persons who receive benefits under those provisions: 11.5 wks
- C. The average weekly benefit and average total amount of benefits paid to persons under those provisions:

Average Weekly Benefit.....	<u>\$260.38</u>
Total Benefits Paid to Each Person.....	<u>\$2,987.28</u>

- D. The success rate in placing trainees who receive benefits under those provisions for 1988-2008
[Data available only for trainees enrolled in Job Training System (JTS) programs.]

	1988-1994	1995-2008	Total
Total Eligible for DWB Program	5,748	8,444	14,192
Referred to Other Programs	1,487*	2,978	4,465
Total Referred to Jobs Training System (JTS) Programs.	4,261	5,466	9,727
Unenrolled Applicants	261	507	768
Total Enrolled Applicants	4,000	4,959	8,959
Active Enrollees	721	280	1,001
Total Inactive Entrants to JTS.	3,279	4,679	7,958
Project or Program Exitters.	171	219	390
Exited due to Global Exclusions**	0	204	204
Total Completions or Self-Exitters	3,108	4,256	7,364
Positive Completions:			
Full/Part-Time Unsubsidized Employment	2,263	3,519	5,782
Self-Employment	58	21	79
Called Back/Remained with Layoff Employer	0	37	37
Entered Other Training	0	8	8
Completed Major Level Training	0	8	8
Competency Certificate	4	7	11
Completed Individual Service Strategy	27	8	35
Retirement	0	3	3
Total Positive Completions	2,352	3,611	5,963
Total Positive Completions as a Percent of Total Completions or Self-Exitters	<u>76%</u>	<u>85%</u>	<u>81%</u>

*Includes Mountain Valley Training Dislocated Worker Program funded through General Revenue funds in 1988.

**Global exclusions include issues, which are expected to last more than 90 days of institutionalization, health/medical, family care, deceased, reservists called to active duty, and youth relocated to mandated residential programs.

- E. The total cost of benefits paid under those provisions and the effect on the Unemployment Trust Fund:

Total Cost of DWB	<u>\$961,905</u>
As a Percent of Total Benefits Paid	0.7%
As a Percent of Dec. 31, 2008 Trust Fund Balance	0.2%
Total Benefit Costs	\$137,849,853
Unemployment Trust Fund Balance as of Dec. 31, 2008	4580,597,583
Estimated 2008 Reserve Multiple:	
With DWB Program	1.022
Without DWB Program	1.024

APR 17 2009

DISLOCATED WORKER BENEFITS (DWB) PROGRAM
DEFINITIONS OF SELECTED TERMS

Unenrolled Applicants - Individuals who applied for JTS services but were not enrolled.

Total Inactive Entrants to JTS - Individuals who were enrolled in a JTS program and subsequently terminated.

Project or Program Exiters - Participants who were terminated due to the ending of the JTS project or program.

Total Completions or Self-Terminations - Individuals who were served by and terminated from JTS programs.

Full/Part-Time Unsubsidized Employment - Participants who entered full/part-time employment not subsidized by federal or state funds.

Self-Employment - A gainfully occupied participant who works for himself/herself as opposed to salaried or commissioned workers who are the employees of others.

Competency Certificate - Participants who have completed a Private Industry Council (PIC) approved competency area.

Completed Employment Development Plan (EDP) - Individuals who have completed the goals listed on their EDPs but who did not have a job at termination.

Reserve Multiple - Trust Funds are usually analyzed in terms of their ability to meet future benefit costs.

The reserve multiple provides a means of statistically gauging this ability by comparing a Trust Fund's capacity to meet its future benefit costs against some measure of past liabilities.

In making this comparison, the reserve multiple utilizes two measures: (1) the reserve ratio and (2) the highest benefit cost rate for a prior period.

The reserve ratio is determined by dividing the year-end Trust Fund reserves by total wages of contributing employers for that year.

The highest benefit cost rate for a prior period is usually defined as benefit costs (regular and state share of extended benefits, excluding direct reimbursable) for a 12-month period divided by total wages of contributing employers for the same period.

Expressed mathematically, the reserve multiple takes the following form:

$$\text{Reserve Multiple} = \frac{\text{Reserve Ratio}}{\text{Highest Benefit Cost Rate}}$$

A severe spell of unemployment usually is not confined to a single 12-month period but typically extends 18 months (1.5 x 12 months) or more. Therefore, Trust Fund reserves, expressed as a percentage of total wages, are considered inadequate if they are less than 1.5 times the highest benefit cost rate experienced during a 12-month period.

$$2008 \text{ Reserve Multiple} = \frac{(\text{December 31, 2008 Trust Fund})/(\text{Total Wages for 2008})}{(\text{Highest Benefit Costs for 12-month period})/(\text{Total Wages for Same Period})^*} =$$

$$\text{With DWB } \frac{(\$450,597,583)/(\$15,536,239,000)**}{(\$58,330,903)/(\$2,055,161,391)} = 1.022$$

$$\text{Without DWB } \frac{(\$451,559,488)/(\$15,536,259,000)**}{(\$58,330,903)/(\$2,055,161,391)} = 1.024$$

*Calendar year 1975 is the highest benefit cost rate for a 12-month period.

**Total Wages for 2008 are estimated.

March 4, 2009