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Considerations for States Planning Personal Reemployment Accounts

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Considerations for States Planning Personal Reemployment Accounts

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Outline

1. Lessons from the Bonus Experiments
2. Models for Targeting PRA Offers
3. Issues in Simulating Program Costs
4. Practical Implementation Issues
5. Possible Legislative Refinements

1. Lessons from the Bonus Experiments

Bonus Amount

Qualification Period

Reemployment Period

Response to Bonus Offer

Impact on Wages

Cost Effectiveness

Targeted Reemployment Bonuses

Entry and Displacement Effects

2. Models for Targeting PRA Offers

Worker Profiling and Reemployment Services (WPRS) Models

Accuracy of WPRS Models

Updating WPRS Models

Mechanisms for Targeting

3. Issues in Simulating Program Costs

Sample

Eligible for at least 20 weeks of regular UI benefits
Profiled (neither hiring hall nor recall standby)

Simulating services purchased before bonus take up

Take up rate of first bonus payment

Spending from PRAs after first bonus payment

Take up rate of second bonus payment

Targeting PRAs (state level, local level)

4. Practical Implementation Issues

Information about PRAs to job seekers

Personal reemployment plan with specific goals

Formal acceptance of PRA offer

Definition of return to full time work

Monitoring reemployment for six months

Pricing intensive and training services

Tracking expenditures from PRAs

Planning for and monitoring use of PRA budget

Preparing for evaluation of effectiveness

5. Possible Legislative Refinements

Federal to State and State to Local Distributions
Estimated unemployment versus UI first payments

Timing of Bonus Payments
60/40 versus 0/100

Definition of uniform PRA size throughout the state
A multiple of the Weekly Benefit Amount (WBA)

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