

TRAINING AND EMPLOYMENT NOTICE	NO. 15-04
	DATE January 25, 2005

TO: ALL STATE WORKFORCE LIAISONS
ALL STATE WORKFORCE AGENCIES

FROM: 
MARIA K. FLYNN
Administrator
Office of Policy Development and Research

SUBJECT: Release and Availability of *ETA Occasional Paper 2004-08: Personal Reemployment Accounts: Simulations for Planning Implementation*

1. Purpose. To announce the release and availability of the *ETA Occasional Paper 2004-08: Personal Reemployment Accounts: Simulations for Planning Implementation*.

2. Background. The Employment and Training Administration (ETA) recently announced a \$9 million demonstration project (Training and Employment Guidance Letter No. 5-04) for states interested in implementing Personal Reemployment Accounts (PRAs) that will help unemployed workers find new jobs. PRAs are to provide unemployed workers with more control over their access to training and services and to help them make a quick return to work. This demonstration project will be used to test the effectiveness of PRAs.

PRAs are personally managed funds that eligible unemployed workers use to purchase job training and supportive services and products from either the marketplace or public One-Stop Career Centers. States participating in this demonstration will be able to offer individual accounts of up to \$3,000 to unemployed workers most likely to exhaust their Unemployment Insurance benefits before finding employment. Individuals finding employment within 13 weeks of receiving a PRA can keep a portion, in an amount set by the state, of the remaining account funds as a reemployment bonus. After a set period of retention on the job, the individual will receive the remaining portion of the bonus.

To learn more about possible ways to design and operate a PRA program, ETA funded the following reports: (1) *ETA Occasional Paper 2004-04- What Can We Expect Under Personal Reemployment Accounts? Predictions and Procedures*; and (2) *ETA Occasional Paper 2004-08- Personal Reemployment Accounts: Simulations for Planning Implementation*. Both reports are available on our Web site at: <http://www.doleta.gov/reports/searcheta/occ/>

We hope that the seven states participating in the demonstration will find this information useful when designing their PRA systems.

3. Publication Description. This report, *ETA Occasional Paper 2004-08- Personal Reemployment Accounts: Simulations for Planning Implementation*, provides a simulation analysis of questions relevant to implementation of PRAs by states. The analysis uses data for the state of Georgia. Simulations rely on recent patterns of intensive, supportive and training services use. Simulations for alternative rules setting the PRA amount and varying behavioral responses are examined. The simulated PRA offers to eligible individuals are targeted using Worker Profiling and Reemployment Services models. The key question examined is, how many PRA offers to eligible individuals can a state make given a fixed budget? Proposed and alternative rules for sub-state budget allocation are also examined. The framework presented in this paper allows the exploration of several behavioral responses to incentives created by the PRA.

4. Inquiries. To view an abstract of this publication as well as to download the full report as a PDF, visit the ETA Occasional Paper series Web site at:
<http://www.doleta.gov/reports/searcheta/occ/>

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