

Lessons Learned: Maximizing the Potential of Work-Sharing in the United States

George Wentworth
Claire McKenna
Lynn Minick

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About NELP

For more than 40 years, the National Employment Law Project has worked to restore the promise of economic opportunity for working families across America. In partnership with grassroots and national allies, NELP promotes policies to create good jobs, enforce hard-won workplace rights, and help unemployed workers regain their economic footing. For questions about this report, please contact George Wentworth at gwentworth@nelp.org.

Cover Photo: Courtesy of Oregon Aero. Manuel Miranda, an employee of Oregon Aero for nearly 12 years, is shown assembling a High-G certified patented crash-worthy airplane seat.

INTRODUCTION

The Great Recession that took hold in 2008 forced thousands of American employers to confront difficult decisions in order to keep their businesses afloat. Many companies were compelled for the first time to consider laying off employees as a cost-cutting strategy. Fortunately, in about a third of states, employers facing uncertain financial futures were able to access an alternative to layoffs, known as work-sharing.

Work-sharing, or short-time compensation (STC),¹ is a form of unemployment insurance (UI) that gives employers the option of reducing employees' hours instead of cutting their workforce during a business slowdown. For example, a business may determine it needs to reduce personnel costs by laying off five employees until business improves. Under work-sharing, the employer could instead reduce the hours of 25 employees by 20 percent, and those workers would receive a pro-rated UI payment for their one day per week of unemployment, while maintaining any existing health and retirement benefits. By opting for work-sharing, the business is able to operate during a downturn without losing valued employees and is better positioned to ramp back up when economic conditions improve.

Work-sharing has never been utilized as much in the United States as in other industrialized nations in Europe. But the American experience since 2008 has demonstrated that work-sharing can be a critical item in an employer's human-resources toolkit for dealing with temporary declines in demand for products or services. For states, work-sharing can be a key component of an economic policy that discourages the use of layoffs and instead encourages the retention of employees through the ebb and flow of business cycles. Using data from the U.S. Department of Labor, the Center for Economic and Policy Research estimates that from 2008 to 2013, more than half a million jobs were saved by employers using work-sharing as an alternative to layoffs.² A growing consensus of economists has identified work-sharing as an important means to preventing long-term unemployment and/or mitigating its corresponding negative consequences on the economy. (See "Broad Economic Support for Work-Sharing" on page 15.)³

Interest in work-sharing has increased dramatically in the past five years. Eleven states have passed work-sharing laws, bringing the total to 28 states.⁴ Congress passed federal legislation in 2012 that set national program standards and offered federal grants to states for implementing new programs, improving the operational efficiency of existing programs, and promoting enrollment and marketing of work-sharing to employers and workers.⁵ Twenty-six states have passed conforming state legislation that will enable them to apply for these grants by the current deadline of December 31, 2014. (See Figure 1 for information about available grant dollars by state.)

Work-sharing has the potential to dramatically re-shape the ways in which employers respond to business contractions. In an economy in which job-losers face a much higher probability of prolonged joblessness and must often take substantial pay cuts when they find new jobs, states should be promoting layoff prevention as smart economic policy. Employers should be provided the option of using the unemployment insurance costs they would otherwise incur in an alternative way that enables them to temporarily reduce hours and save workers' jobs.

The purpose of this paper is to provide states with recommendations for using federal grants to build, improve, and promote work-sharing programs in a

way that will increase interest and participation from employers facing temporary economic downturns. The paper begins with an examination of the program's relatively low U.S. take-up rate (compared to other countries) and variation between states, and highlights some factors identified by researchers as having either promoted or inhibited usage of work-sharing.

The remainder of the paper makes recommendations to states for improving program effectiveness and increasing promotion and enrollment. These recommendations are based largely on the best practices and survey responses of those states that have been most successful in increasing work-sharing take-up.⁶

RECOMMENDATIONS FOR A ROBUST WORK-SHARING PROGRAM

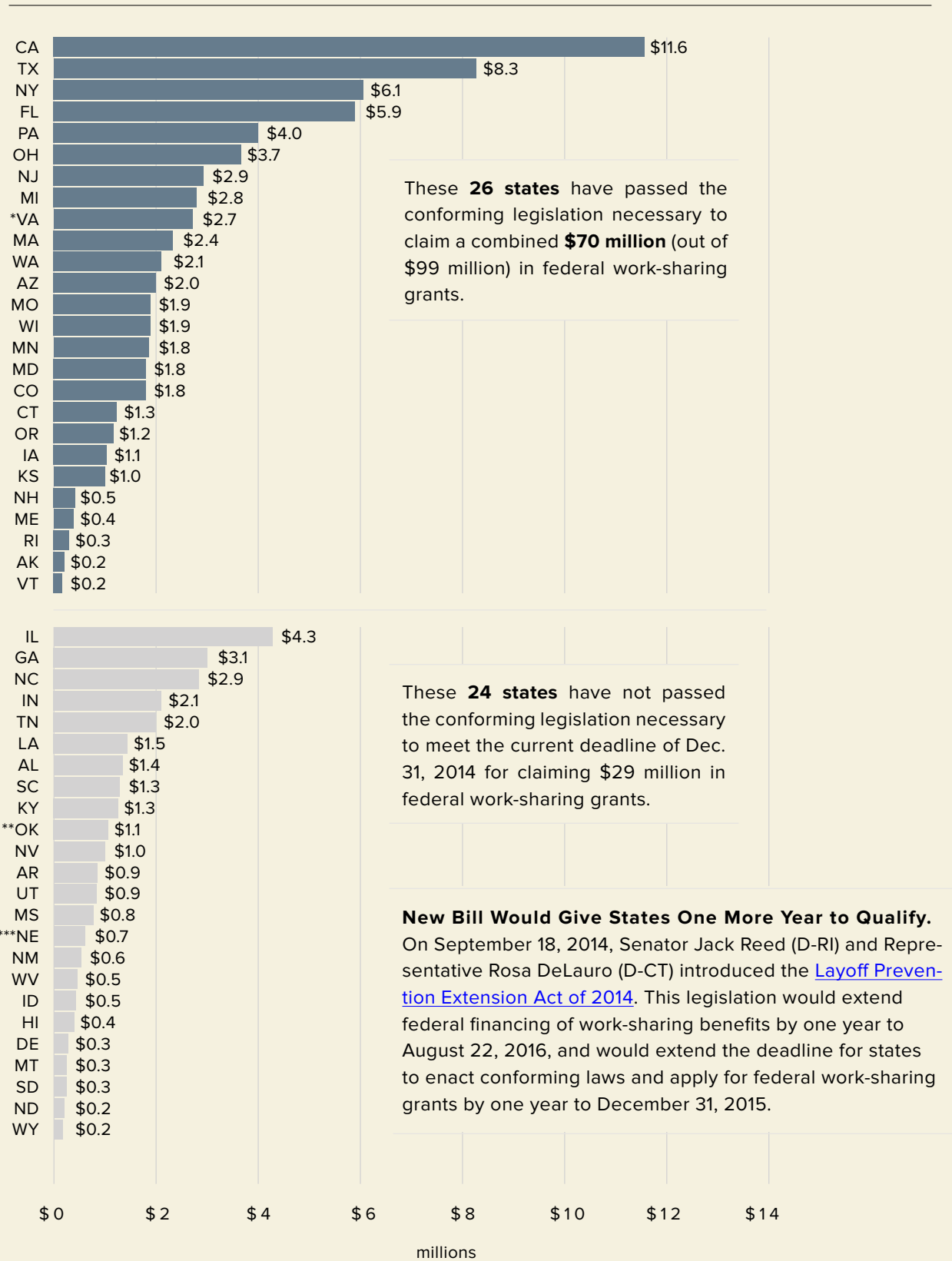
Improving Work-Sharing Program Efficiency and Effectiveness:

1. Invest in automation upgrades that integrate work-sharing with existing UI systems. Applications should provide employers with maximum flexibility to make changes.
2. Employ a work-sharing coordinator or manager.
3. Dedicate staff resources to ensure prompt processing of employer applications.
4. Streamline weekly claim-filing process.
5. Leverage work-sharing with classroom-type training to ensure employees acquire skills required by operational shifts.
6. Improve tracking of employers and participants, and generate metrics that will inform decisions about how best to target work-sharing outreach.
7. Recognize good-faith efforts of businesses trying to navigate uncertain conditions by extending work-sharing plans up to one year.

Promoting and Marketing Work-Sharing Programs:

1. The USDOL work-sharing website should be the first stop for state administrators seeking to increase employer participation.
2. The states that have been most successful in marketing work-sharing have websites with clear explanations of the program and how to apply.
3. Business interest in the work-sharing program has spiked in states where there has been well-publicized support and endorsement from the state's executive administration, especially the governor.
4. Partner with business groups and economic development agencies.
5. Promote work-sharing through other employer communications, including routine UI communications.
6. Promote work-sharing as a layoff-aversion tool through the state's rapid-response system.
7. Conduct industry research to identify employers that may derive some value from work-sharing at a future date.

Figure 1: 24 States Still Have Not Passed Legislation Necessary to Claim \$29 Million in Federal Grants



*VA: Sunset provisions in Virginia legislation may raise issue regarding state qualification for grant dollars.

**OK: Repeal of Oklahoma work-sharing law effective November 1, 2014.

***NE: Nebraska passed conforming legislation in 2014 (LB961) with an effective date in 2016, too late to qualify for federal grant.

I. WORK-SHARING TAKE-UP IN THE UNITED STATES DURING THE GREAT RECESSION

The scale of work-sharing in the United States is very small relative to most countries with similar programs. In 2009, the year layoffs reached their peak in the United States, just 17 states had work-sharing programs. All of them had been in place since 1994.⁷ Over the course of the economic recovery, 11 more states enacted work-sharing laws; only four of these reported paying any benefits by the end of 2013.⁸ As of the end of the 2014 legislative sessions, 26 states with work-sharing programs had also conformed to the new federal requirements established in the Layoff Prevention Act of 2012 (Subtitle D of Title II of the Middle Class Tax Relief and Job Creation Act).

States report work-sharing usage in two ways. One measure reflects the number of people who work a reduced schedule in a week and receive a work-sharing payment to make up for the lost income. For example, 100 people experience a 20 percent reduction in their schedule, working 32 hours instead of 40 hours per week. These workers represent 100 weekly claims or benefit payments. A second measure adjusts this figure to its full-time equivalent (FTE), so that usage can better be compared to regular program claims levels and other employment metrics. This is done by multiplying the number of weekly payments by the percentage reduction in work-hours. In the above example, 100 workers who work 20 percent fewer hours and in turn claim 20 percent of the benefit payment they would have received had they been unemployed one full week, represent 20 full weeks of benefit payments.

Table 1 shows the number of FTE work-sharing claims as a percent of regular UI claims in the 21 states that reported paying benefits between 2007 and 2013,

including the 17 long-standing programs, and for the entire United States. Figures are shown for selected years between 2007 and 2013 and for the two prior recessions. In this time period, FTE claims for work-sharing averaged just 0.5 percent of regular UI claims in the states with programs and just 0.3 percent in the United States.⁹ Like layoffs, FTE claims reached their peak of just 0.9 percent of regular claims among the 17 programs in 2009, and just 0.4 percent of total claims paid out nationally, with significant variation by state.

Rhode Island consistently had the highest rate among all states; its average rate was 2.2 percent over this period, and peaked at 4.1 percent in 2009. Ten states had rates of 1.0 percent or higher in 2009. Washington, Missouri, and Kansas also reported higher-than-average claims levels (ranging from 1.0 to 1.4 percent) over the entire seven-year period. Although these rates appear small by most standards, they indicate greater employer participation during the Great Recession than in the two prior recessions; from 2001 to 2002, for example, FTE claims equaled or exceeded 1.0 percent of regular claims only in Rhode Island and Vermont.

Table 2 presents work-sharing benefits paid as a percent of regular UI benefits paid for the same 21 states, and for the United States. As in Table 1, work-sharing was larger in scale during the Great Recession than in prior recessions. Furthermore, work-sharing benefits paid made up a greater share of regular UI benefits paid than did claims. In 2009, work-sharing benefits in the 17 original states peaked at an average of 1.3 percent of regular UI benefits. In Rhode Island, work-sharing benefits represented 9.7 percent of regular UI benefits, and in Vermont, 2.1 percent.

Table 1: FTE Work-Sharing Claims as % of Regular UI Claims

State	2013	2011	2009	2007	2002	2001	1992	1991
Arizona	0.1%	0.2%	0.5%	0.2%	0.2%	0.6%	0.7%	0.4%
Arkansas	0.0%	0.0%	NA	0.0%	NA	NA	0.7%	0.1%
California	0.6%	0.9%	1.0%	0.3%	0.5%	0.4%	0.7%	0.5%
Colorado	0.1%	0.0%	--	--	--	--	--	--
Connecticut	0.3%	0.3%	1.6%	0.1%	0.5%	0.4%	0.0%	--
Florida	0.0%	0.1%	0.2%	0.0%	0.1%	0.1%	0.2%	0.2%
Iowa	0.1%	0.3%	1.1%	NA	0.2%	0.0%	0.0%	0.1%
Kansas	0.3%	0.5%	2.5%	0.3%	0.5%	0.9%	0.6%	0.7%
Maine	0.0%	--	--	--	--	--	--	--
Maryland	0.1%	0.1%	0.2%	NA	NA	NA	0.1%	0.1%
Massachusetts	0.1%	0.1%	0.8%	0.1%	0.4%	0.1%	0.1%	NA
Minnesota	0.1%	0.2%	0.8%	0.2%	0.5%	0.3%	--	--
Missouri	0.9%	1.0%	1.6%	0.7%	0.5%	0.8%	0.3%	0.4%
New Hampshire	0.2%	0.1%	--	--	--	--	--	--
New York	0.3%	0.4%	1.1%	0.1%	0.4%	0.5%	0.2%	0.2%
Oregon	0.2%	0.3%	1.0%	0.1%	0.2%	0.2%	0.1%	0.1%
Pennsylvania	0.0%	--	--	--	--	--	--	--
Rhode Island	0.9%	2.0%	4.1%	1.0%	1.4%	1.4%	0.6%	0.0%
Texas	0.2%	0.4%	0.5%	0.3%	0.1%	0.1%	0.1%	0.1%
Vermont	0.1%	0.3%	1.5%	0.9%	1.3%	1.0%	0.1%	0.3%
Washington	0.6%	1.3%	1.3%	0.1%	0.3%	0.3%	0.1%	0.1%
W-S states	0.3%	0.5%	0.9%	0.2%	0.4%	0.4%	0.3%	0.3%
United States	0.2%	0.3%	0.4%	0.1%	0.2%	0.2%	0.2%	0.1%

Note: NA means data not available. '--' means the program did not yet exist in the state. NJ and MI enacted work-sharing in 2012, with effective dates of July 1, 2012 and January 1, 2013, respectively, but did not report paying any benefits over this period.

Source: NELP analysis of ETA 5159, Claims and Payment Activities data.

Table 2: Work-Sharing Benefits Paid as % of Regular UI Benefits Paid

State	2013	2011	2009	2007	2002	2001	1992	1991
Arizona	0.2%	0.3%	0.6%	0.3%	0.4%	0.7%	0.5%	0.4%
Arkansas	0.1%	0.1%	1.0%	0.0%	NA	NA	0.7%	0.2%
California	0.9%	1.4%	1.5%	0.6%	0.8%	0.7%	0.6%	0.6%
Colorado	0.1%	0.0%	--	--	--	--	--	--
Connecticut	0.6%	0.8%	2.0%	0.2%	0.6%	0.5%	0.0%	--
Florida	0.1%	0.1%	0.2%	0.0%	0.1%	0.1%	0.2%	0.2%
Iowa	0.1%	0.3%	1.3%	NA	0.2%	0.0%	0.2%	0.2%
Kansas	0.3%	0.5%	3.0%	0.3%	0.5%	1.0%	0.6%	0.8%
Maine	0.0%	--	--	--	--	--	--	--
Maryland	0.0%	0.1%	NA	NA	NA	NA	NA	NA
Massachusetts	0.1%	0.2%	0.9%	0.1%	0.5%	0.2%	0.1%	NA
Minnesota	0.2%	0.2%	1.0%	0.2%	0.5%	0.3%	--	--
Missouri	1.1%	1.1%	1.8%	0.8%	0.6%	0.8%	0.4%	0.4%
New Hampshire	0.1%	0.1%	--	--	--	--	--	--
New York	0.3%	0.4%	0.9%	0.2%	0.4%	0.5%	0.4%	0.3%
Oregon	0.3%	0.4%	1.4%	0.1%	0.3%	0.3%	0.1%	0.1%
Pennsylvania	0.0%	--	--	--	--	--	--	--
Rhode Island	1.1%	2.4%	9.7%	0.9%	1.6%	1.7%	0.7%	0.0%
Texas	0.2%	0.4%	0.5%	0.3%	0.1%	0.1%	0.1%	0.1%
Vermont	0.2%	0.3%	2.1%	1.0%	1.7%	1.3%	0.1%	NA
Washington	0.6%	1.5%	1.6%	0.2%	0.3%	0.4%	0.2%	0.1%
W-S states	0.4%	0.7%	1.3%	0.4%	0.5%	0.5%	0.4%	0.3%
United States	0.3%	0.4%	0.6%	0.2%	0.2%	0.2%	0.2%	0.1%

Note: NA means data not available. '--' means the program did not yet exist in the state. NJ and MI enacted work-sharing in 2012, with effective dates of July 1, 2012 and January 1, 2013, respectively, but did not report paying any benefits over this period.

Source: NELP analysis of ETA 5159, Claims and Payment Activities data.

Despite this increased activity during the Great Recession, the scope of U.S. work-sharing is limited when compared with most other countries with work-sharing programs. Research shows that FTE work-sharing beneficiaries in the 17 states with established programs represented just 0.2 percent of private-sector workers in 2009, compared to significantly greater percentages in Belgium (5.6 percent), Italy (3.3 percent), and Germany (3.2 percent).¹⁰ Similarly, U.S. work-sharing beneficiaries were just 0.2 percent of unemployed workers between 2007 and 2011, compared to 16.9 percent in Italy, 11.3 percent in Belgium, and 4.1 percent in Germany.¹¹

Despite the program's limited scope, claims activity suggests the program responded very sensitively to the Great Recession, with sharper peaks and troughs than reflected in other unemployment and UI program metrics. Like regular UI initial claims, work-sharing initial claims peaked in March 2009, while monthly unemployment peaked in the first half of 2010, suggesting the program can serve as a leading indicator of labor-market health.¹²

BRIEF HISTORY OF WORK-SHARING IN THE UNITED STATES

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- 1978 Establishment of a short-time compensation (STC) program in California prior to enactment of temporary federal program.
- 1982 Enactment of a temporary (three-year) federal program under the Tax Equity and Fiscal Responsibility Act (P.L. 97-248). The 1982 legislation defined requirements for a “qualified employer plan” under which there is a reduction in work hours rather than a temporary layoff. These requirements included continuation of health and retirement benefits and union consent.
- 1983 The U.S. Department of Labor issues UI Program Letter 39-83 to provide model legislative language for state STC programs. This guidance set the parameters for many state STC programs and continued to be used following the expiration of the temporary federal program.
- 1992 Enactment of permanent STC legislation with the Unemployment Compensation Amendments of 1992 (UCA, P.L. 102-318). The 1992 legislation included five elements in the definition of STC, but left out the requirements for a “qualified employer plan,” including the provisions related to fringe benefits and union consent. Following the passage of the 1992 legislation, the U.S. Department of Labor interpreted the five elements of the STC definition as the only authorized exceptions to the requirements of federal UI law. There were 17 state work-sharing programs in place by 1992 (Arizona, Arkansas, California, Connecticut, Florida, Iowa, Kansas, Maryland, Massachusetts, Minnesota, Missouri, New York, Oregon, Rhode Island, Texas, Vermont and Washington). None were enacted again until the Great Recession prompted a surge in work-sharing activity from 2008 to 2010.
- 2008-2009 Work-sharing claims activity increases ten-fold in the 17 states with active work-sharing programs.
- 2010 Colorado, New Hampshire, and Oklahoma enact work-sharing laws.
- 2011 Maine and Pennsylvania enact work-sharing laws.
- 2012 Enactment of the Layoff Prevention Act of 2012. Establishes federal definition of short-time compensation and provides federal reimbursements and incentive grants to states with conforming work-sharing laws. Michigan and New Jersey enact work-sharing laws.
- 2013 Ohio and Wisconsin enact work-sharing laws.
- 2014 Virginia and Nebraska enact work-sharing laws. Oklahoma repeals work-sharing law. Twenty-six states conform laws to federal standards included in Layoff Prevention Act of 2012. Washington and Ohio become first states to receive federal work-sharing grants under the Layoff Prevention Act of 2012.

II. FACTORS ASSOCIATED WITH WORK-SHARING TAKE-UP IN THE UNITED STATES

A variety of factors are associated with take-up of work-sharing programs in the states. First, certain long-held requirements regarding program design and administration have discouraged states from adopting work-sharing programs and limited the number of participating employers *and* workers in states where the program has been adopted. Secondly, a considerable lack of employer-outreach activity in the states has also discouraged participation, as discussed later in this section.

A. FINANCING PROVISIONS THAT MAY DISCOURAGE EMPLOYER PARTICIPATION. Unemployment insurance (UI) tax rates are experience-rated, meaning employers with more layoffs and more employees drawing benefits generally pay higher taxes. Therefore, one would expect that employers seeking to minimize UI charges would favor systems like work-sharing that provide only partial benefits during periods of reduced demand for their goods and services. Besides reducing the costs to recruit, hire, and train workers once normal business resumes, work-sharing affords employers greater control over UI charges by reducing schedules only as required by production demand in any given week.

The Layoff Prevention Act now requires that states charge work-sharing benefits in the same manner that regular UI benefits are charged. However, state experience-rating of UI taxes is incomplete, meaning an employer's tax liability does not match the value of benefits paid to employees dollar for dollar.¹³ Employers normally repay benefit charges over a number of years, and states do not charge interest on remaining balances; nor do they credit interest to employers with positive balances. In addition, significant shares of

benefits are not charged to employers at all. Finally, states have minimum and maximum tax rates; for some employers at the high end, the cost of an additional layoff may be negligible.¹⁴

That work-sharing benefits are charged to employers like regular UI benefits may negatively impact participation in states with active programs. Recognizing this potential barrier, the 2012 federal legislation reimbursed states for all work-sharing benefits paid through August 22, 2015. States have the option of relieving participating employers of charges for any work-sharing benefits paid during this period, thus eliminating any UI tax consequences for employers who elect to utilize work-sharing instead of layoffs.

In interpreting the federal-law requirement that work-sharing and regular UI benefits be charged in the same manner, the U.S. Department of Labor has issued guidance to states that allows for a number of state UI tax provisions that effectively discourage employer participation.¹⁵ These include:

- (1) Excluding employers with negative unemployment experience from participating in work-sharing;
- (2) Excluding employers paying the maximum tax rate from participating in work-sharing; and
- (3) Excluding employers that are subject to a "new employer" tax rate from participating in work-sharing.¹⁶

These provisions are intended to give states tools to prevent employers from taking undue financial advantage of existing experience-rating features of

state UI law. The policy behind excluding employers with maximum tax rates or negative balances from participation is based on the idea that these employers have paid less in UI taxes than the benefits paid out to laid-off workers, and to allow them to participate in work-sharing would give them an additional tax advantage. (Currently, seven state UI programs prohibit employers with high experience rates or negative account balances from participating in work-sharing.)¹⁷

Although these provisions are intended to minimize abuse of the UI program, they effectively discourage participation by the businesses that could most benefit from work-sharing. Negative-balance high-layoff employers may well be those businesses that are most at risk of financial downturn. If state UI law permits an employer with an extensive record of layoffs to cap out at a certain tax rate and effectively incur no additional costs for layoffs, it is not clear what policy objective is achieved by taking away the work-sharing option from this employer. In effect, these exclusions deprive many of those businesses that could most benefit from the opportunity to shift their business model toward strategic schedule reductions and away from layoffs.

B. BENEFITS FEATURES THAT MAY INFLUENCE SUPPORT FROM WORKERS. Another feature influencing take-up of work-sharing is the fact that state UI programs count work-sharing benefits against an individual's maximum entitlement. Even though the payments are partial in most cases, they are still deducted dollar-for-dollar from the pool of benefits for which an individual is potentially eligible in a benefit year. As a result, workers may be reluctant to participate and feel compelled to "store up" benefits if they anticipate becoming totally unemployed in the near term. By contrast, employees participating in shared-work programs in most European countries and Canada are treated as though they are still employed.¹⁸

Furthermore, in the same way that program experts have noted the adverse impact of not permitting employers with poor experience-rating to participate in work-sharing, the fact that part-time and temporary

workers have historically been prohibited from participating may also help to explain the low take-up rates in states with programs.¹⁹ The Layoff Prevention Act of 2012 does not include a provision that explicitly forecloses participation of part-time workers, which may contribute to program growth in industries where full-time schedules are typically less than 40 hours per week.

C. DESIGN/ADMINISTRATIVE FEATURES. State agencies have established procedures for employers participating in work-sharing that are potentially more burdensome than for traditional layoffs. First, employers that anticipate layoffs must typically submit an application describing why they need to reduce schedules, the expected number of affected employees and work-hour reductions, and the estimated number of layoffs that would have occurred without work-sharing.²⁰ The reduction must not exceed 60 percent but cannot be less than 10 percent. The agency must approve the plan before the workers can receive payments.

By comparison, in Germany and Italy, employers can initiate work-sharing plans without first receiving agency approval. They also can administer benefits through their payroll systems with eventual reimbursement by the UI agency.²¹ Experts have also noted the burden on workers of having to file weekly or bi-weekly claims for work-sharing benefits through the state agency, usually through the telephone or the internet (like regular UI benefits).²² The method of payment in Germany and Italy, through the employer, prevents workers from having to interact with the agency. Presumably, such a feature encourages greater participation.

Another feature associated with employer participation is administrative flexibility, in terms of the scale of the reduction in work-hours and how the reduction is distributed across employees. Agencies could boost participation by permitting employers to rotate the pool of affected employees, to allow reductions based on individual employee preferences, and to modify the overall volume of the work-hours reduction while a plan is in effect to accommodate changes in business

MAKING WORK-SHARING WORK: ONE EMPLOYER'S STORY

Oregon Aero is a small family-owned manufacturer whose products include all types of aircraft seating systems, aviation headgear, and portable cushion systems. The company's largest customers are government law-enforcement agencies, such as the Department of Homeland Security. Oregon Aero's 60-person workforce designs, tests, and manufactures all its products at its facility in Scappoose, Oregon.



Pictured are Lisa Maxim, Human Resources Manager and Mike Dennis, President and Chief Executive Officer of Oregon Aero

In April 2013, facing declining sales and business uncertainties due to the impact of federal budget sequestration, the company determined it needed to reduce about 20 percent of its labor costs. For Mike and Jude Dennis, who founded Oregon Aero in 1989, this posed an unprecedented challenge. As Mike points out, “Our employees are highly skilled, specialized, and experienced. Because we have invested a lot of time and money in their training, they are extremely productive and hard to replace. As a result, we knew how difficult and expensive it would be when we eventually came out of the downturn and had to recruit and train employees to replace those lost during a temporary layoff. In our history, we have never laid off an employee for economic reasons.”

The solution for Oregon Aero came in the form of the Oregon Work Share program, which allowed the company to avoid layoffs by reducing the schedules of all workers by 20 percent (one day) during the period of business slowdown. Lisa Maxim, the company's human resources manager who was responsible for administering the program, calls work-sharing a “win-win” for employer and employees.

“The benefits are enormous. We preserve valued employee talent and experience, while workers maintain fringe benefits and employment status with a minor differential in pay in the form of pro-rated unemployment insurance. We did not lay off a single worker during the downturn and ramped back up easily when business returned to its former levels. In addition, there has been a tremendous payoff in employee morale that comes from committing to the company's workforce during tough times. And, of course, having fully trained workers when the business cycle turns up really does translate into a competitive advantage.”

Maxim says that other states that are designing or re-designing their work-share programs should follow Oregon's lead and consider the employer's perspective and

needs. “For a business owner to sign on to a government program that will effectively be integrated into its payroll operations, the state needs to promise that there will not be lots of problem cases, disruptions, or delays. Oregon’s program, while not yet highly automated, operates efficiently with a minimum of red tape. The basic employer application is simple and straightforward. The weekly claims are transmitted at the beginning of the week, and employees receive their work-sharing payments within a few days. Predictability is important to our employees, and so it is important to us.”

Ms. Maxim outlined these three features as key to a successful work-sharing program:

- Make sure the filing requirements are easy for workers to understand and for HR professionals to explain.
- To the extent possible, minimize exceptions to the rules. The program is most successful when employees view it as an extension of the payroll process and when they receive their payments on a regular schedule each week.
- Provide employers with flexibility in their plans to adapt to fluctuating business demands. Ms. Maxim explains: “We may initially expect that all workers will need to work a four-day schedule for the next two months. But if a surprise new order means most of the workers are needed full-time for a few weeks, we will want to take some or most workers off Work Share. In turn, we may need to put them back on the program after the order is filled. The beauty of Oregon Work Share is that it sets guidelines but lets us utilize the program in a way that is consistent with changing business conditions.”

Lisa Maxim believes that all states should offer work-sharing. “It may not be the answer for every business, but for employers who expect a downturn to be temporary and who want their workforce to emerge strong and intact on the other side, it is an invaluable option.”

activity.²³ The extent to which the administrative agency permits employers to increase the duration of an active work-sharing plan in response to shifting business activity could also help to encourage participation. For example, German employers were authorized to have plans in place for up to 18 months in 2008, and 24 months in 2009, up from six months during non-recession periods.²⁴

D. IMPORTANCE OF EMPLOYER OUTREACH. Apart from features of program design, actions by various stakeholders, such as state agency officials, legislators, and employers, are known to strongly influence business take-up. A major national work-sharing evaluation in 1997 found that a lack of information helped account for the low rate of participation among employers in states with active programs in the 1990's.²⁵ The same problem likely contributes to low awareness among workers facing a layoff.²⁶

The program literature notes the importance of using media advertisements and agency websites to promote work-sharing among business leaders and conducting site visits to employers contemplating or engaged in layoffs. In addition, having employers that benefited

from work-sharing publicly endorse the program, especially with other employers, is essential.²⁷

Research often singles out the promotional efforts of administrators in Rhode Island, where take-up is consistently higher than in other states, as Tables 1 and 2 show. The state UI agency implemented an aggressive marketing strategy over the Great Recession. Key features of that effort include having an agency representative dedicated to fielding questions from employers in a quick timeframe, accessible presentation materials, and strong support from the governor, state legislators, and outside agencies with which employers may interact, like chambers of commerce or economic development agencies.²⁸

Recognizing the importance of employer outreach and the fact that few states even advertise their programs, the 2012 federal legislation provides grants to states specifically for promotional activities. In conjunction with the federal effort, the Department of Labor has developed a program website featuring a [Business Outreach Toolkit](#), which includes customizable templates and sample employer-outreach materials from states.

III. RECOMMENDATIONS FOR IMPROVING WORK-SHARING PROGRAM EFFICIENCY AND EFFECTIVENESS

Responsible business planning at the start of an economic downturn involves a range of decisions about how to withstand reduced demand for products or services while keeping the employer’s operations vital and nimble enough to respond to further changes. Unsurprisingly, many businesses express doubts about the prospect of a government program like work-sharing being an effective tool in helping reduce personnel costs during a period of economic uncertainty. Those states that have succeeded in growing their programs have instituted measures that have minimized red tape and have made work-sharing easy to use.

One-third of each state’s available federal short-time compensation (STC) grant dollars may be used to implement or improve a state STC program. As work-sharing states apply for federal implementation grants, the following recommendations are offered based on the findings of researchers who have studied the program and best practices identified by state program administrators:

A. SMART USE OF AUTOMATION. Before the Layoff Prevention Act of 2012, there was no federal funding specifically dedicated to the administration of work-sharing programs. Consequently, many state programs have not automated the intake and processing of employer plans and work-sharing claims to the same level as regular unemployment insurance claims. The resultant administrative burden has been identified by researchers as a deterrent to employer participation.²⁹ States should invest federal implementation grants in automation upgrades that more readily integrate work-sharing with existing UI systems and make participation more attractive to employers. In addition to electronic filing of weekly claims, states should design plan applications that provide employers with

maximum flexibility to make changes in individual worker participation and hours reductions on a week-to-week basis.

B. PROGRAM COORDINATION AND STANDARDS. In order for work-sharing to grow as a viable alternative to layoffs and UI, it is important that the state UI agency employ a work-sharing coordinator or manager—an individual with specialized expertise in all aspects of the program. In addition to being the face of the program to employers and taking a leadership role in marketing, a program expert is a critical player in the implementation of process improvements. Since work-sharing has, to date, been largely “off the grid” in terms of federal oversight and UI quality standards, a program coordinator needs to apply first-hand operational experience to the development of new program-performance measures and benchmarks. Some states have committed to using *LEAN* process and quality-improvement tools to streamline work-sharing activities. Being responsive to ideas from customers (i.e., employers and workers) about making the exchange of information more efficient will be central to transitioning from a traditional UI claims process to a new, more transparent form of payroll supplement.

C. Prompt Determination of Plan Approval. Employers that are trying to avert layoffs often only become aware of work-sharing when financial pressures make the need to cut costs urgent. States should establish timeliness standards for employer-plan approvals. This requires the dedication of staff resources sufficient to guarantee prompt processing of employer and worker information and confirmation of compliance with program standards and legal requirements.

BROAD ECONOMIC SUPPORT FOR WORK-SHARING

Economists view work-sharing as an effective policy tool to help preserve jobs and prevent extended durations of unemployment and the associated scarring effects on workers and the economy during recessions.

“Worksharing and Long-Term Unemployment”

Kevin A. Hassett and Michael R. Strain, April 2, 2014

“To the extent that work-sharing can keep some workers in jobs and out of long-term unemployment, it can increase potential output even after the recession passes In this way, work-sharing can add to gross domestic product (GDP), increasing labor demand and household incomes in addition to simply spreading the recession-caused pain around.”

“The damage caused by long-term unemployment is severe, inflicting high economic and human costs. Our current suite of policies is not up to the challenge Other policies must be implemented, and work-sharing should be at the top of the list.”

Kevin Hassett is director of economic policy studies at the American Enterprise Institute. Michael Strain is a resident scholar at the Institute.

“Short-Time Compensation as a Tool to Mitigate Job Loss? Evidence on the U.S. Experience during the Recent Recession”

Katharine Abraham and Susan Houseman, August 2013

“Had all states been like Rhode Island in their use of short-time compensation, the average number of full-time-equivalent workers on STC in 2009 would have been approximately ten times as large as the number actually observed. . . . And had the average take-up rate been similar to that in Germany or Italy in 2009, . . . the average number of full-time-equivalent workers on STC would have approached one million. In other words, with STC usage at European levels, as many as one in eight of the roughly 8 million jobs lost during the recession could potentially have been saved.”

“[E]xtending the availability of STC programs to all states and taking the necessary steps to familiarize employers with these programs could provide a valuable additional tool in the arsenal available for responding to economic downturns.”

Katharine Abraham is a professor in the joint program in survey methodology at the University of Maryland and a former member of the Council of Economic Advisers. Susan Houseman is senior economist at the W.E. Upjohn Institute for Employment Research.

“Short Time Compensation and Job Preservation”

Wayne Vroman, June 2013

“[E]mployers increasingly rely on permanent job separations rather than temporary layoffs when they reduce staffing levels.”

“The prospect of long unemployment duration in the future and its serious consequences makes it imperative to devise policies that reduce occurrences of unemployment and shorten unemployment duration. . . . Unlike some other labor market interventions, [short-time compensation] is viewed favorably by many labor market stakeholders.”

Wayne Vroman is a senior fellow at the Urban Institute.

“Work-Sharing: The Quick Route Back to Full Employment”

Dean Baker, June 2011

“Work sharing is not a new idea. The idea of shortening work time to create more work has a long history. . . . [In] an economy that is operating well below its potential—and projected to remain so for much of the next decade—work sharing may be the most viable way of bringing the economy back closer to full employment.”

Dean Baker is co-director of the Center for Economic and Policy Research.

Generally, plans should be approved within 30 days of receiving the employer's application. Washington State commits to issuing a plan determination (approval or denial) within 15 days of receiving a complete application. The Layoff Prevention Act specifically includes enhancement of systems to automate submission and approval of employer work-sharing plans as a permissible use of federal STC grants.

D. Streamline Weekly Claim-Filing Process. Because work-sharing is a form of unemployment insurance, participating employees need to provide individual information as part of an initial claim process. Once employer plans are approved, employers are required to verify the reduction in hours for eligible employees each week in order to authorize the issuance of work-sharing payments. This process can be as simple as certifying the accuracy of an automated file documenting the percentage reduction in hours for participating employees in that week.

However, to date, most states also require that employees complete and sign individual weekly certifications that are then transmitted to the UI agency by the employer. The primary reason for this requirement is to verify any outside earnings the employee has received from a non-work-sharing employer. Three states (Rhode Island, Missouri and Connecticut) exempt outside earnings in the calculation of work-sharing benefits and, as a result, are able to process payments based on the employer's certified file and without the need for weekly claim-filing by employees. Other states should consider this approach as a means of improving administrative ease of operation and generating greater employer interest in the program.³⁰

States have adopted a variety of practices to facilitate weekly claim-filing, ranging from regularly scheduled new-employer orientation and training sessions to step-by-step processes posted on agency websites. Making sure the company staff responsible for processing work-sharing claims has early and complete understanding

of all the steps necessary to generate prompt payment of benefits is critical to program success.

E. Combine Work-Sharing With Approved Training.

Employers opting for work-sharing in lieu of layoffs are generally anticipating that the need to reduce labor costs will be temporary. Frequently, there are more factors at play than the normal ups and downs of an industry business cycle, or even a larger economic contraction like the Great Recession. In some instances, the employer is changing a product line or introducing a new product or service. Such operational shifts may involve new machinery, equipment, software, or other technological upgrades. Businesses making such transitions often need to invest in training of their workforce in order to ensure they have the requisite skills and knowledge to operate in the new environment.

The Layoff Prevention Act specifically calls for state work-sharing programs to allow employers to combine the reduction of schedules with state-approved training.³¹ While not a viable option for on-the-job training (which must be compensated under federal wage-and-hour law), work-sharing can be leveraged effectively with classroom-type training under the right circumstances. For example, a manufacturer with a product line that is experiencing reduced sales likely faces a continuing stream of employee layoffs. Management believes the addition of a new product could turn business around, but the current workforce is not trained in operating the much more highly automated machinery. By reducing employee hours, the business can ensure sufficient productivity to meet existing demands while simultaneously providing the requisite training (compensated by work-sharing benefits) to bridge the transition to the more technologically advanced workplace needed to support the new product line.

F. Better Data Management Systems.

Entering the Great Recession, work-sharing had a very low profile in almost all of the states with existing programs. While marketing and employer-outreach recommendations

REQUIRED ELEMENTS FOR STATE WORK-SHARING PROGRAMS

*Under the Layoff Prevention Act of 2012**

In order to qualify for federal administrative grants for program implementation and promotion and enrollment, state work-sharing laws must include the following features:

- Employer participation is voluntary.
- Employers reduce employee hours in lieu of layoffs.
- Employees whose hours are reduced by at least 10 percent but not more than 60 percent (as determined by the state) are not disqualified from unemployment compensation.
- Employees receive a pro-rated share of the unemployment benefits they would have received if totally unemployed.
- Employees meet work availability and work-search requirements if they are available for their work week as required.
- Eligible employees may participate in appropriate training approved by the state UI agency.
- If health and retirement benefits are provided, employers must certify that those benefits will not be reduced due to participation in the STC program.
- The employer must submit a written plan to the state UI agency describing how it will implement requirements of the STC program (including a plan to give advance notice, where feasible, to employees whose work week will be reduced), as well as an estimate of the number of layoffs that would have occurred but for the STC program.
- The employer's plan must be consistent with employer obligations under applicable federal and state laws.
- States can request and the Secretary of Labor can approve such other provisions that are determined to be appropriate for the purposes of STC.

* For more detail regarding the Layoff Prevention Act of 2012 (Subtitle D of Title II of the Middle Class Tax Relief and Job Creation Act), refer to:

* *Unemployment Insurance Program Letter 12-22 (June 18, 2012)*

* [Seizing the Moment: A Guide to Adopting State Work Sharing Legislation after the Layoff Prevention Act of 2012.](#) Ridley, Neil and Wentworth, George. (NELP/CLASP), December 2012.

are documented in Section IV below, it is clear that states need to do a better job of generating useful information about work-sharing, both for purposes of more effective program management and to document the value of work-sharing to employers considering using the program. Because there have been few federal reporting requirements to date, states have often not fully integrated work-sharing into their UI data systems. States should use federal work-sharing grants to improve data systems in order to track employer plans (by size, industry and other relevant measures) and participant information, and to generate metrics and management reports that will inform state decision-making about how best to target work-sharing outreach.

G. Flexibility in Extension of Employer Plans. State work-sharing programs vary in duration of plan approval. The most common duration for work-sharing plans is six months with the potential for a six-month renewal. Some states have recently enacted statutory limits on plan durations and frequency in order to guard against

employers relying on work-sharing as an ongoing business model instead of as a temporary measure to avert layoffs.³² On the other hand, during the Great Recession, many countries (including Germany) extended the potential duration of work-sharing plans in response to the prolonged nature of the economic downturn.³³

While states should institute monitoring to make sure that work-sharing employers have a plan to return to full employment, they should also be flexible enough to respond to situations in which slack business conditions extend longer than projected. The six-month plan and possible six-month renewal is an approach that has generally proven effective for existing programs. More than a year of work-sharing activity generally results in benefit reductions attributable to reduced wages in workers' UI base periods. But a state work-sharing policy that aims to favor hours reductions and avert layoffs should recognize the good-faith efforts of businesses trying to navigate uncertain business conditions for up to a year.

IV. RECOMMENDATIONS FOR PROMOTING AND MARKETING WORK-SHARING PROGRAMS

The Layoff Prevention Act specifies that two-thirds of a state's work-sharing grant may be used for promotion and enrollment activities such as outreach to the business community or educating employers about the program. This section describes approaches that some states use to market and advertise work-sharing, to link work-sharing to their rapid response systems and to identify employers who may be facing layoff decisions.

A. Start with Federal Resources. The U.S. Department of Labor's Office of Unemployment Insurance has developed a short-time compensation website (<http://stc.workforce3one.org>) that provides states with a wide range of useful resources for developing a strong work-sharing marketing strategy. In addition to all relevant federal administrative and legislative guidance, the site provides a comprehensive business-outreach toolkit, links to state work-sharing websites, customizable business-outreach templates, and a variety of fact sheets and presentation materials. The USDOL website should be the first stop for state administrators developing a plan for increasing employer usage of work-sharing as an alternative to layoffs.

B. Work-Sharing Websites. All of the states that have been most successful in marketing work-sharing have websites that provide businesses and workers a clear and thorough explanation of the program and how to apply. Typically, these sites feature hyperlinks to promotional brochures, business testimonials, program requirements, employer-plan applications, and frequently asked questions and answers. The Oregon website has an e-mail feature where the public poses work-share questions and responses are posted by the agency. Washington's [website](#) includes a YouTube

video explaining the program and posts testimonials from employers from a variety of industries.

C. High-Level Sponsorship. Having the state's governor or top labor official promote work-sharing as a smart option for businesses facing temporary downturns can be critical. In March 2009, after Connecticut's then-Governor M. Jodi Rell issued a press release that reminded employers struggling with the full impact of the Great Recession that they might avert layoffs through the state's Shared Work Program, plan applications tripled within months.³⁴

D. Partner with Business Groups and Economic Development Agencies. To increase the visibility of work-sharing among employers, states have learned that it is key to connect with leadership of state and regional chambers of commerce and trade associations. For a struggling business considering a governmental program as part of a strategy for economic survival, an endorsement from a business membership organization can be the factor that tips the balance in favor of participation. Nearly all the states that have had the highest levels of participation have worked collaboratively with statewide business and manufacturing associations in their outreach efforts, which include large-group presentations at monthly meetings and annual conferences, as well as one-on-one follow-up in response to individual business-member requests.

Rhode Island's marketing strategy recognizes that the first point of contact for a business facing layoffs may be an economic development agency. Staff who deal with businesses in distress are trained to inform these employers about work-sharing.³⁵ Washington State has used its federal STC grant to expand its outreach to

WHY WORK-SHARING IS GOOD FOR BUSINESS

Mark Soycher, Connecticut Business and Industry Association



Mark Soycher is an attorney who works for Connecticut Business & Industry Association (CBIA), the state's largest business organization. As manager of CBIA's Human Resources and Consulting Services, he spends most days on the phone providing advice to business owners and HR professionals on the full range of employment law issues they face in running their businesses.

"I love my job, but during the recession, work was frequently draining and demoralizing. Nearly every conversation was about desperate strategies to keep the doors open, cost-cutting, layoffs, unemployment insurance." Soycher recalls, "For many of our members, laying off long-time employees was a last resort. So when I would tell a member company about Connecticut's Shared Work program, it was often like I was offering up the first encouraging news they had heard in a long time."

"These members—especially manufacturers—knew they had less work to offer their workforce and that they would have to incur some UI costs. But they also expected that the storm would eventually pass, and they hated the idea of losing valued workers and having to rebuild and train new workers from scratch on the other side of the downturn. Shared Work offered an answer—a flexible program that allowed them to preserve their talent pools and institutional knowledge while helping maintain morale by committing to employee job security at a time when lots of their neighbors were losing their jobs."

Soycher credits the state's Department of Labor with recognizing the need to process employer plans promptly since quick implementation was critical for many employers who needed to achieve savings immediately. He notes: "I advised employers to submit plans covering as broad a group of workers as possible so that they could have options as to whose hours were reduced each week. Our members appreciated that it was possible to rotate which employees went on Shared Work each week, based on individual, department and production needs."

The CBIA has become a major booster of the Shared Work program, and has worked with the Connecticut DOL to educate its member companies about how the program can be an important tool for employers facing a temporary business downturn. Soycher thinks much more can be done to publicize the value of work-sharing. "Shared Work doesn't fit every situation, but it is an option that every business should have in their HR toolkit when there is a need to reduce personnel costs in the short term, but a commitment to preserve valued employees over the long haul."

all kinds of business associations through in-person presentations at trade shows and conferences and other speaking engagements, as well as webinars and a video presentation that corresponds with informational brochures.

The Connecticut Department of Labor has partnered with the Connecticut Business and Industry Association (CBIA) in promoting work-sharing to its members; those efforts intensified during the recession (see “Why Work-Sharing is Good for Business” on page 20). CBIA recently started airing an informational commercial for the program on its [website](#).

E. Promote Work-Sharing Through Other Employer Communications. Successful work-sharing states often piggyback on their routine UI communications to market the program. In California, marketing of the work-sharing program is integrated with all marketing and promotional activities conducted for UI benefit programs and coordinated with the California Employer Advisory Council. Employers receive information about work-sharing in mailings whenever they establish an employer account and frequently in employer newsletters distributed with quarterly tax statements. Missouri relies heavily on social media and targeted employer emails.

Many state employment security agencies employ business-services staff who regularly interact with employers on a variety of issues related to workforce development, employee recruitments, unemployment insurance, and other human-resources needs. States such as Rhode Island, Connecticut and Washington have integrated work-sharing promotional materials and presentations into their business-services portfolios.

F. Linking with the Rapid-Response System. Rapid-response services are a required activity under the federal Workforce Investment Act (WIA), as well as the Workforce Innovation and Opportunities Act (WIOA),

which becomes effective in July 2015. When employers file mass-layoff notices under the WARN Act or otherwise give notice of future layoffs or plant closures, state employment security agencies are typically part of a multi-agency team dispatched to respond with critical information and services, including information on layoff aversion. States have several layoff-aversion options to offer, such as WIA-funded incumbent-worker training, employer-loan programs for employee-skill upgrading, Trade Adjustment Assistance for firms, alternative business-ownership options, and, of course, work-sharing.

Many states aggressively promote work-sharing as a layoff-aversion tool through their rapid-response activities. Rhode Island connected its WorkShare and rapid-response programs before the recession began in 2007 and offered the WorkShare program as an option to those employers it identified as contemplating layoffs. Personal contact with the employer’s human-resources manager as soon as possible after notice of the possible layoffs is cited as essential since the window for a business re-thinking a layoff decision is typically short, if it exists at all.

G. Conduct Research to Identify Employers That Might Benefit From Work-Sharing. One issue consistently identified by program administrators is the need to make employers aware of the benefits of work-sharing early enough to inform and influence the business decision to institute layoffs or not. Once an employer has announced its intent to lay off workers, it is much less likely to reconsider such an action in favor of a more widespread reduction in hours. For this reason, it is important for states to analyze their own economic and industry data to identify employers that may derive some value from the program at a future date.

State employment security agencies have responsibility for collecting employment and unemployment data for state and federal economic reports, including industry

and local area employment trends. In addition, UI agencies maintain records of employer layoff histories. This data can be mined strategically to identify industries and employers that have some history of temporary non-seasonal declines in employment followed by returns to full employment.

Washington, one of the first states to receive a federal STC grant, is using that funding to employ data warehousing as a means of identifying potential work-sharing employers. Grant-funded staff explore and identify industry trends, distressed counties, and occupational information through an interactive web tool that is customizable by audience. This review of economic trends to identify at-risk employers has provided many leads and helped re-shape the marketing of the program.

CONCLUSION

In the five years of economic recovery since the recession ended, nearly two-million jobs in mid-wage and higher-wage industries have been replaced by lower-wage jobs that cannot sustain middle-class families. In the current labor market, employers still exercise great caution in expanding their workforces and increasing payroll costs. In this business climate, work-sharing provides employers the opportunity to simultaneously navigate periodic business contractions and avert worker unemployment (and the potentially devastating consequences of long-term unemployment). States should use federal incentive dollars to expand and improve their work-sharing programs, while conducting vigorous business outreach and education. For states that succeed in these efforts, businesses facing the need to cut personnel costs in the future will routinely consider work-sharing as an alternative to layoffs.

Endnotes

- 1 The terms “work-sharing”, “short-time compensation” and “STC” are used interchangeably throughout this paper.
- 2 Questions about the methodology should be directed to the Center for Economic and Policy Research.
- 3 See Kevin Hassett and Michael Strain, “Work-Sharing and Long-Term Unemployment,” Center on Budget and Policy Priorities, April 2014, http://www.pathtofull-employment.org/wp-content/uploads/2014/04/hassett_strain.pdf; Katharine Abraham and Susan Houseman, “Short-Time Compensation as a Tool, to Mitigate Job Loss? Evidence of the U.S. Experience during the Recent Recession,” Upjohn Institute working paper 12-181, Revised August 2013, http://research.upjohn.org/cgi/viewcontent.cgi?article=1198&context=up_working_papers; and Wayne Vroman, “Short-Time Compensation and Job Preservation,” Urban Institute, June 2013, <http://www.urban.org/UploadedPDF/412851-Short-Time-Compensation-and-Job-Preservation.pdf>.
- 4 The number of work-sharing states will reduce to 27 on November 1, 2014 when a legislative repeal of Oklahoma’s work-sharing law will take effect.
- 5 Title II of the Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112-96), the Layoff Prevention Act of 2012(Subtitle D of Title II, sections 2160-2166).
- 6 In June 2014, NELP emailed short surveys to nine states with long-standing work-sharing programs that had the highest employer participation during the Great Recession, soliciting information on program implementation and promotional and enrollment practices. We received responses from California, Connecticut, Missouri, Oregon, Rhode Island and Washington. Kansas, New York, and Vermont did not respond.
- 7 Abraham and Houseman, 2013; Vroman, 2013.
- 8 They are Colorado, Maine, New Hampshire, and Pennsylvania.
- 9 Regular claims include state UI, UCFE, and UCX programs. Those states are: Arizona, California, Connecticut, Florida, Iowa, Kansas, Massachusetts, Maryland, Minnesota, Missouri, New York, Oregon, Rhode Island, Texas, Vermont, and Washington. Arkansas had a program but did not report benefits data from 2007 to 2009.
- 10 See Table 3 in Katharine Abraham and Susan Houseman, “Encouraging Work-Sharing to Reduce Unemployment,” Hamilton Project, June 2014, http://www.brookings.edu/~media/research/files/papers/2014/06/19_hamilton_policies_addressing_pov-erty/work_sharing_abraham_houseman.pdf.
- 11 Vroman, 2013.
- 12 Vroman, 2013. See also Wayne Vroman and Vera Brusentsev, “Short-Time Compensation as a Policy to Stabilize Employment,” November 2009, http://www.urban.org/uploadedpdf/411983_stabilize_employment.pdf.
- 13 For a more detailed discussion of this issue, see Daniel Hamermesh, “Unemployment Insurance Financing, Short-Time Compensation, and Labor Demand. Background Paper No. 17,” U.S. Department of Labor, September 1989, <http://files.eric.ed.gov/fulltext/ED317684.pdf>.
- 14 Abraham and Houseman, 2013 and 2014.
- 15 Unemployment Insurance Program Letter No. 22-12, Change 2 (February 7, 2014).
- 16 “New employers” generally are assigned a favorable initial UI tax rate because they have less than 3 years of experience on which to establish a tax rate.
- 17 Abraham and Houseman, 2014.
- 18 Vroman and Brusentsev, 2009, and Vroman, 2013.
- 19 OECD, “OECD Employment Outlook 2010 -- Moving Beyond the Jobs Crisis,” 2010, <http://www.oecd.org/employment/emp/48806664.pdf>; Vroman and Brusentsev, 2009; and Jon Messenger, “Work sharing: A strategy to preserve jobs during the global jobs crisis,” TRAVAIL Policy Brief No. 1, June 2009, http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_120705.pdf.
- 20 Vroman, 2013.
- 21 Vroman, 2013.
- 22 Vroman and Brusentsev, 2009.
- 23 Jon Messenger and Naj Ghosheh (eds.), “Executive Summary--Work Sharing during the Great Recession, New Developments and Beyond,” International Labor Organization, 2009, http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_215599.pdf; and Vroman and Brusentsev, 2009.
- 24 Vroman and Brusentsev, 2009.
- 25 Berkeley Planning Associates and Mathematica Policy Research, Inc., “Evaluation of Short-time Compensation Programs: Final Report,” U.S. Department of Labor, March 1997, http://workforcesecurity.doleta.gov/dmstree/op/op97/op_03-97.pdf.
- 26 Vroman and Brusentsev, 2009.
- 27 Abraham and Houseman, 2014; Vroman, 2013; and Messenger and Ghosheh (eds.), 2009.
- 28 See Box 12-1 in Abraham and Houseman, 2014, “Work Sharing in the Great Recession: The Case of Rhode Island,” featuring recommendations from Ray Filippone, former Rhode Island Unemployment Insurance Director.
- 29 Abraham and Houseman, 2014.
- 30 Neil Ridley and George Wentworth, “Seizing the Moment: A Guide to Adopting State Work Sharing Legislation After the Layoff Prevention Act of 2012,”

NELP/CLASP, December 2012, http://nelp.3cdn.net/cf9fee033458019791_3rm6b9hhu.pdf.

- 31 For over 40 years, the Federal Unemployment Tax Act (FUTA) has authorized the payment of UI benefits to claimants who are engaged in training programs approved by the state UI agency. 26 USC Sec.3304 (a) (8).
- 32 Wisconsin limits approval of employer work-sharing plans to six months in any 5-year period. See 2013 WI Act 11, Section 108.062 (d).
- 33 Abraham and Houseman, 2014.
- 34 See Governor Rell's Press Statement at: <http://northwestctpolitics.blogspot.com/2009/03/governor-rell-states-shared-work.html>
- 35 Box 12-1 in Abraham and Houseman, 2014, Ray Filippone.

