

<b>EMPLOYMENT AND TRAINING ADMINISTRATION          ADVISORY SYSTEM          U.S. DEPARTMENT OF LABOR          Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> UI/SQSP
	<b>CORRESPONDENCE SYMBOL</b> OWS/DPM
	<b>DATE</b> June 17, 2005

**ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO.25-05**

**TO:** STATE WORKFORCE AGENCIES

**FROM:** CHERYL ATKINSON s/s  
 Administrator  
 Office of Workforce Security

**SUBJECT:** Call Memo for the Fiscal Year (FY) 2006 Unemployment Insurance (UI) State Quality Service Plan (SQSP)

1. **Purpose.** To initiate the FY 2006 SQSP process and to issue supplemental instructions for the State Workforce Agencies (SWAs) to use to prepare the FY 2006 SQSP.
2. **References.** Unemployment Insurance Program Letter (UIPL) No. 41-95, "Draft Narrative Describing the System for Enhancing Unemployment Insurance Performance: The 'UI PERFORMS' System;" UIPL No. 37-99, "UI PERFORMS Tier I and Tier II Performance Measures and Minimum Performance Criteria for Tier I Measures;" ET Handbook No. 336, 17<sup>th</sup> Edition, "Unemployment Insurance State Quality Service Plan (SQSP) Planning and Reporting Guidelines;" Workforce Investment Act Final Rule, 20 CFR Parts 652, 660 et al; UIPL No.14-05, "Changes to UI Performs;" and UIPL No. 22-05, "Unemployment Insurance Data Validation (UI DV) Program Software and Policy Guidance."
3. **Background.** The SQSP serves two purposes: (a) it is the state UI performance management and service plan with a focus on continuous improvement; and (b) it is the grant document through which states receive Federal UI administrative funding. ET Handbook No. 336, 17<sup>th</sup> Edition contains general instructions for the SQSP. The Handbook is designed as a permanent instruction for the annual planning and budget process in each state and provides states with planning guidelines and instructions for reporting UI financial and staff year information. The annual Call Memo supplements those instructions and provides guidance and instructions specific to the year in question.

UI is one of the Workforce Investment Act Title I partners. While states have the option to include their UI programs as part of their two-year Strategic Unified State Plan submitted under Section 501 of the Act, they also must participate in the annual UI Performs SQSP process.

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> June 30, 2006
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4. **Federal Emphasis.** Each year, the Employment and Training Administration (ETA) identifies program areas that warrant special attention. The five-year Department of Labor (DOL) Strategic Plan forms the basis for the Federal emphasis for FY 2006. Required by Congress under the Government Performance and Results Act of 1993 (GPRA), the Strategic Plan is an integral part of the budget process and requires a commitment from all DOL programs to attain expressed goals and outcomes.

The UI program goal, shown below, supports the DOL strategic goal of “A Secure Workforce.”

**Make timely and accurate benefit payments to unemployed workers, and facilitate their reemployment.**

The GPRA goals and targets for FY 2006 are as follows:

- *Make Timely Benefit Payments.*
  - **Target:** 90.3% of all intrastate first payments for full weeks will be made within 14/21 days.
- *Establish Tax Accounts Promptly.*
  - **Target:** 82.5% of status determinations for new employers will be made within 90 days of the end of the first quarter in which liability occurred.
- *Detect Benefit Overpayments.*
  - **Target:** Overpayments detected will be at least 59.5% of the estimated detectable, recoverable overpayments.
- *Facilitate the Reemployment of Claimants.*
  - DOL is currently seeking Office of Management and Budget (OMB) approval for all states to collect and report data for the reemployment measure.

Achieving these outcomes requires the combined efforts of the Federal and state partners. States are expected to describe in the SQSP narrative the steps they will take to reach these targets.

5. **Program Performance.** DOL’s strategic approach to UI Performs is to focus efforts on raising the performance of states where performance is below minimum criteria while promoting performance excellence. Corrective Action Plans (CAPs) are expected whenever a state’s performance is below the Acceptable Levels of Performance (ALPs) for the SQSP measurement period. States will address all other performance deficiencies in the SQSP Narrative. The measurement period for the FY 2006 SQSP is April 1, 2004 – March 31, 2005. Multi-year CAPs continue to be an option for states so that efforts which, due to their size, scope, or complexity, must extend beyond a fiscal year can be realistically portrayed. Out-year portions of such multi-year plans do not need to provide quarterly targets or milestones as are required for the SQSP year, but should provide sufficient information to explain anticipated progress and results.

6. **Performance Criteria and Planning Requirements for FY 2006.** As a result of an intensive review, DOL has made changes to UI Performs. DOL announced the changes in UIPL No. 14-05, dated February 18, 2005. Implementation of those changes will begin with the FY 2006 SQSP. ET Handbook 336, 18<sup>th</sup> Edition will be issued later this year and will reflect

these changes. In the interim, DOL will administer the SQSP process in accordance with instructions in ET Handbook 336, 17<sup>th</sup> Edition and in this Call Memo.

The cycle of the UI Performs management system requires advanced planning. The implementation of the changes to the measures is being done systematically so that SWAs know in advance what will be expected of them. Therefore, CAPs will be expected for annual performance that does not meet ALPs on Core Measures as indicated on Attachment A, with the following exceptions. These exceptions are to be addressed in the SQSP Narrative (Section D, Program Deficiencies) as described in Attachment B.

- ***First Payment Promptness:*** % of *all* 1<sup>st</sup> payments made within 14/21 days after the compensable week (excludes workshare, DUA, retroactive payments.)
- ***New Employer Status Determinations Time Lapse:*** % of New Status Determinations within 90 days of Quarter End Date. The criterion for New Employer Status Determinations Timeliness was raised from 60% to 70% completed within 90 days of the quarter ending date. SWAs that do not meet the ALP in calendar year 2004 will acknowledge the need for improvement in the 2006 SQSP narrative.
- ***Tax Quality:*** assessment of the accuracy and completeness of the tax program. SWAs are expected to address Tax Quality in the narrative if four or more functions fail TPS in a year or if any single function fails TPS three consecutive years.

SWAs are not expected to submit CAPs for the following Core Measures because ALPs have not yet been established:

- ◆ Detection of Overpayments
- ◆ Average Age of Pending Lower Authority Appeals
- ◆ Average Age of Pending Higher Authority Appeals
- ◆ Facilitate Reemployment

SWAs are not expected to submit CAPs for Management Information Measures unless performance is so conspicuously poor that compliance with Federal law requirements is in question; however, CAPs are expected for Secretary's Standards where performance falls below the criteria.

SWAs will be expected to submit an SQSP Narrative in the attached format (Attachment B) describing the actions planned to correct deficiencies regarding program reviews and reporting requirements:

- ◆ **Program Review Deficiencies.** Uncorrected deficiencies identified in program reviews conducted by the state, or DOL. Examples of such program reviews include Federal programs, Benefit Payment Control, and Internal Security.
- ◆ **Benefits Accuracy Measurement (BAM) Deficiencies.** Failure to meet Federal BAM requirements. States will describe in the SQSP Narrative the steps to be taken for correcting the problems that the regional office (RO) identified in the BAM annual administrative determination letter. The Narrative must provide projected dates for the completion of each step. The BAM requirements are contained at 20

CFR Part 602 and in the Benefits Accuracy Measurement State Operations Handbook (ET Handbook 395).

- ◆ **Tax Performance System (TPS) Deficiencies.** Failure to fully complete all parts of TPS as required in ET Handbook 407, Tax Performance System, must be addressed in the narrative.
- ◆ **Reporting Deficiencies.** Consistent failure to timely or accurately submit any federally-required reports.
- ◆ **Data Validation.** For FY 2006, states are expected to address in the narrative failures to implement data validation or parts thereof, including validation tests of the samples used for BTQ and TPS quality validations and of tax wage items. Additionally, failures to pass Benefits or Tax Reports Validation and the associated “Data Element Validation” should be addressed in the narrative. (See UIPL 22-05, dated April 28, 2005.) States should give priority to full implementation of data validation and to passing validation of the reports used to measure performance of the GPRA goals.

7. **Funding Period.** The proposed appropriation language provides for obligation of FY 2006 UI allocations by states through December 31, 2006 (with 90 additional days to liquidate the obligations and complete the expenditure of funds). However, states may obligate FY 2006 UI funds through September 30, 2008, if such obligations are for automation acquisitions. Therefore, the end of the FY 2006 obligation period is September 30, 2008, for automation acquisitions and December 31, 2006, for all other funds. However, ETA may extend the liquidation date upon written request.

8. **Data Availability.** The ROs will provide states with reports showing their performance against the Core Measures, the GPRA goals, and other information relative to completing the SQSP (i.e., reporting deficiencies).

9. **Deadline for State SQSP Submittal.** Each RO will set a deadline for states to submit their SQSPs for FY 2006.

10. **Electronic Submission of the SQSP.** States are requested to submit the SQSP electronically and should contact their RO SQSP Coordinator prior to submittal to coordinate specific details. Standard forms required as part of the budget reporting process (Chapter II of ET Handbook No. 336, 17<sup>th</sup> Edition) are available in PDF format and may be downloaded from the OMB website at [www.whitehouse.gov/omb/grants/index.html](http://www.whitehouse.gov/omb/grants/index.html). If electronic signatures are approved by the state for use in the submission of legal documents to the national office and ROs, states may submit the SQSP signature page electronically. States that do not submit an electronic signature page must submit the signature page in hard copy by mail or facsimile by the deadline set by the RO.

11. **Action.** State Administrators are requested to:

- a. Make this information available to appropriate staff;
- b. Prepare their SQSPs in accordance with instructions in this UIPL and the planning and reporting instructions contained in ET Handbook No. 336, 17<sup>th</sup> Edition;

- c. Coordinate specifics, as appropriate, with the RO for electronic submission of the plan; and
  - d. Submit FY 2006 SQSP to the appropriate RO by the date specified by the Regional Administrator.
12. **Inquiries**. Questions should be directed to the appropriate RO.
13. **Attachments**. Attachment A: [Core Measures Criterion Table](#)  
Attachment B: [State Plan Narrative Outline](#)

Core Measures	Acceptable Levels of Performance (ALPs) FY 2006 SQSP
<b>Benefits Measures</b>	
<b>First Payment Promptness:</b> % of all 1 <sup>st</sup> payments within 14/21 days after the compensable week (excludes workshare, DUA, retroactive payments)	87
<b>Nonmonetary Determination Time Lapse:</b> % of Separations within 21 days of Detection Date % of Nonseparations within 21 days of Detection Date	80 (combined score)
<b>Nonmonetary Determination Quality- Nonseparations:</b> % of Nonseparation Determinations with Quality Scores >80 points	75
<b>Nonmonetary Determination Quality- Separations:</b> % of Separation Determinations with Quality Scores >80 points	75
<b>Overpayment Measure</b>	
<b>Detection of Overpayments:</b> % of detectable/recoverable overpayments established for recovery	TBD
<b>Appeals Measures</b>	
<b>Average Age of Pending Lower Authority Appeals:</b>	TBD
<b>Average Age of Pending Higher Authority Appeals:</b>	TBD
<b>Lower Authority Appeals Quality:</b> % of Lower Authority Appeals with Quality Scores at least 85% of potential points	80
<b>Tax Measures</b>	
<b>New Employer Status Determinations Time Lapse:</b> % of New Status Determinations within 90 days of Quarter End Date	70
<b>Tax Quality:</b> assessment of the accuracy and completeness of the tax program	4 or more functions failing TPS in a year
	any single function failing TPS 3 consecutive years
<b>Reemployment Measure</b>	
<b>Facilitate Reemployment:</b> % of UI claimants who are reemployed within the quarter following their first UI payment	TBD

### Secretary Standards in Regulation

<b>First Payment Promptness (Regulation):</b> % of 1 <sup>st</sup> Payments within 14/21 days: IntraState UI, full weeks	87
<b>First Payment Promptness (Regulation):</b> % of 1 <sup>st</sup> Payments within 35 days: IntraState UI, full weeks	93
<b>First Payment Promptness (Regulation):</b> % of 1 <sup>st</sup> Payments within 14/21 days: InterState UI, full weeks	70
<b>First Payment Promptness (Regulation):</b> % of 1 <sup>st</sup> Payments within 35 days: InterState UI, full weeks	78
<b>Lower Authority Appeals (Regulation):</b> % decided within 30 days of filing	60
<b>Lower Authority Appeals (Regulation):</b> % decided within 45 days of filing	80

## **STATE PLAN NARRATIVE OUTLINE**

### **STATE PLAN NARRATIVE**

*(State Name - FY xxxx)*

#### **A. Overview**

1. State priorities and the strategic direction the state has adopted to ensure continuous improvement.
2. Assessment of past performance and expected future performance. Includes, at state discretion, a discussion of external factors that may have performance implications.

#### **B. Federal Emphasis (GPRA goals)**

1. State performance compared to the GPRA goals.
2. Actions taken to improve performance in GPRA goals.

#### **C. Program Review Deficiencies**

1. Causes for failures to conduct required reviews/activities, e.g., Benefit Accuracy Measure, Benefits, Timeliness, and Quality, Tax Performance System, and Data Validation.
2. Plans to conduct the reviews as required.

#### **D. Program Deficiencies**

1. Plans to correct deficiencies identified through required program reviews, e.g., deficiencies identified during an internal security review.
2. Core Measure transition performance improvement acknowledgments, e.g., new Core Measure for tax quality.

#### **E. Reporting Requirements Deficiencies**

1. Actions to correct reporting deficiencies. Reporting deficiencies are defined as missing reports, or reports submitted late more than 50 percent of the time (7 of 12 months for monthly reports; 3 of 4 quarters for quarterly reports).

#### **F. Customer Service Surveys (optional)**

#### **G. Other**