

TRAINING AND EMPLOYMENT NOTICE	NO. 2-08
	DATE August 1, 2008

TO: STATE WORKFORCE AGENCIES

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

SUBJECT: Changes to Unemployment Insurance (UI) Performance Recognition System

1. Purpose. To announce a revised method for determining recipients of the UI State Performance Excellence Awards.
2. References. Training and Employment Notice (TEN) 10-05, "Unemployment Insurance (UI) Performance Recognition System."
3. Background. In order to promote and recognize performance excellence, the Employment and Training Administration (ETA) presented performance awards at the 2006 and 2007 UI Directors' National Meetings. These awards recognized the top performers for each of four performance categories: Benefits, Nonmonetary Determinations, Appeals, and Tax. The overall best performer was awarded the Pinnacle Award. As described in TEN 10-05, award recipients were determined by ranking states' performance on UI Performs Core Measures for the preceding performance year (July 1– June 30). Measures were combined into the four award categories to determine the category winners; the four categories were then averaged to determine the Pinnacle Award winner. States that fail to meet an Acceptable Level of Performance (ALP), or fail to submit their data, are not eligible for consideration for the category of which the measure is a component.

The experience of the past two years has shown that state size is a critical determinant of performance. Nine of the eleven 2006 and 2007 award recipients were small states.

4. New Selection System. To recognize performance more equitably and provide greater incentives for performance improvement, ETA has modified the selection method to allow states to compete within groups based on size. ETA will use the following procedure beginning with the awards presented in 2008.
  - *Size Groupings.* States will be classified into three groups, based on UI covered employment. Covered employment was selected as a stable measure of size; alternative workload-based measures, such as weeks claimed, are subject to random variation due to natural disasters or uneven impacts of economic change. To create homogeneous groups, "natural" groupings will be identified based on significant changes in size among states.

The groups for the 2008 awards are:

Small states: (15 states)	Alaska, Delaware, District of Columbia, Hawaii, Idaho, Maine, Montana, New Hampshire, North Dakota, Rhode Island, South Dakota, Vermont, Virgin Islands, West Virginia, and Wyoming.
Medium-sized states: (25 states)	Alabama, Arizona, Arkansas, Colorado, Connecticut, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Nebraska, Nevada, New Mexico, Oklahoma, Oregon, Minnesota, Mississippi, Missouri, Puerto Rico, South Carolina, Tennessee, Utah, Washington, and Wisconsin.
Large states: (13 states)	California, Florida, Georgia, Illinois, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas, and Virginia.

- *Award Categories.* Previously, separate awards were given for the Benefits and Nonmonetary Determinations categories. These two categories will be combined into a single “Benefits” awards category because both relate to UI benefit functions. Other award categories are unchanged. The Pinnacle Award will continue to be the prestigious award that recognizes the one state with the best overall performance.
- *Other Conditions.* As in 2006 and 2007, to be eligible for a category award or the Pinnacle Award, a state must have met every ALP and submitted all UI reports required to produce the performance measures.

As soon as 2008 Performance Year (July 1, 2007 – June 30, 2008) data are available, a detailed explanation of the awards procedure plus performance data will be posted to the Office of Workforce Security Web page at <http://ows.doleta.gov/unemploy/performance.asp> so that states can replicate the award computations.

5. Inquiries. Inquiries should be directed to the appropriate regional office.