

TRAINING AND EMPLOYMENT NOTICE	NO. 15-24
	DATE December 17, 2024

TO: STATE WORKFORCE AGENCIES

FROM: JOSÉ JAVIER RODRÍGUEZ
Assistant Secretary



SUBJECT: Availability of an Updated Cost-Benefit Analysis of State Benefit Payment Control (BPC) Activities

1. **Purpose.** To announce a report providing an updated cost-benefit analysis of state BPC activities based on FY 2019 data.
2. **Action Requested.** The U.S. Department of Labor’s (Department) Employment and Training Administration (ETA) requests that state workforce administrators share the information in this Training and Employment Notice (TEN) with appropriate staff.

3. **Summary and Background.**

- a) Summary – ETA previously developed an analysis first produced in 2004, based on Fiscal Year (FY) 2001 data, to determine an estimated return-on-investment value associated with funding increases for state efforts to recover Unemployment Insurance (UI) regular benefit overpayments. ETA recently updated this cost-benefit analysis using data on overpayments established and recovered by states in FY 2019, as well as staffing costs and total UI payment values. The updated report is publicly available.
- b) Background – The original 2004 analysis was conducted to evaluate the cost-benefit of increasing funding for state-level BPC activities. This analysis used data from the then newly launched Resource Justification Model (RJM) information collection along with estimates developed through the Benefit Accuracy Measurement (BAM) program. The analysis has long been used by the Department to estimate the impacts of certain UI legislative proposals. During correspondence with Congressional staff in 2024, the Department determined that an update to the original 2004 analysis was warranted to ensure the validity of future estimates. In addition, language in the Joint Explanatory Statement accompanying the Further Consolidated Appropriations Act for FY 2024 directed the Department to publicly release an updated report estimating the return-on-investment of additional spending on state-level BPC operations for the UI program.

4. **Publication Description.**

The recently updated and released cost-benefit analysis uses updated information collected from RJM and BAM to assess state-level BPC activities and determine the estimated return-on-investment for each additional dollar spent on BPC activities. While the original 2004

analysis determined the return-on-investment for each additional dollar spent on BPC activities to be \$5.00, the updated analysis, using identical analysis and assumptions, updates that figure to \$3.00 recovered in relation to each additional dollar spent on BPC activities. ETA intends to use this analysis in support of future estimates for benefit savings/recoveries resulting from increased investment in BPC operations.

More detailed information about the updated analysis can be found in the published report. A link to the updated report and analysis may be found at:
https://oui.doleta.gov/unemploy/integrity/bpc_roi_2019.pdf

A link to the original 2004 analysis may be found at:
https://oui.doleta.gov/unemploy/integrity/cb_ada.asp

This TEN serves as the official notice of the updated analysis and its public release on ETA's Office of Unemployment Insurance's website.

5. **Inquiries.** Please direct inquiries to the appropriate ETA Regional Office.

6. **References.**

- Further Consolidated Appropriations Act, 2024, Public Law 118-47;
- The Joint Explanatory Statement to the Further Consolidated Appropriations Act, 2024, *Division D - Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2024*, <https://docs.house.gov/billsthisweek/20240318/Division%20D%20LHHS.pdf>, at page 6;
- Employment and Training (ET) Handbook No. 410, 6th Edition, Resource Justification Model (RJM), <https://www.dol.gov/agencies/eta/advisories/handbooks/et-handbook-no-410-6th-edition>; and
- Employment and Training (ET) Handbook No. 395, 5th Edition, Benefit Accuracy Measurement State Operations Handbook (November 2009) <https://www.dol.gov/agencies/eta/advisories/handbooks/et-handbook-no-395-5th-edition>.

7. **Attachments.** N/A.