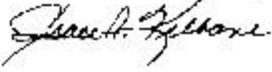


U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION UI
	CORRESPONDENCE SYMBOL
	DATE April 10, 2001

DIRECTIVE : UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 28-01

TO : STATE EMPLOYMENT SECURITY AGENCIES

FROM : GRACE A. KILBANE 
 Administrator
 Office of Workforce Security

SUBJECT : Unemployment Insurance (UI) Benefit Accuracy Measurement (BAM) Paid and Denied Claims Accuracy

1. Purpose. To notify State Employment Security Agencies (SESAs) of Office of Management and Budget (OMB) approval of the Department of Labor's request to modify the BAM information collection program and to provide additional guidance on the implementation of BAM denied claims accuracy (DCA) and the inclusion of interstate liable claims in BAM paid claims accuracy (PCA) samples.

2. References. Unemployment Insurance Program Letter (UIPL) No. 1-98 (October 20, 1997); UIPL No. 10-01 (November 23, 2000); UIPL No. 22-01 (February 23, 2001); Code of Federal Regulations (CFR), Title 20, Part 602; Unemployment Insurance Reports Handbook, 3rd Edition, ET Handbook 401; and Benefit Accuracy Measurement State Operations Handbook, ET Handbook No. 395.

3. Background. UIPL No. 10-01 notified SESAs that the Department of Labor requested OMB approval, in accordance with the Paperwork Reduction Act of 1995 (PRA95) [44 U.S.C. 3506(c)(2)(A)], to establish DCA as a component of the Quality Control program in the Federal-State unemployment insurance system (20 CFR Part 602) and to include paid interstate liable claims in PCA samples. OMB notified the Department of Labor on March 22, 2001, that it approved the request to modify the BAM paid and denied claims information collection program in accordance with PRA95. SESAs should begin selecting DCA samples and including paid interstate liable claims in PCA samples as of batch 200123 (BAM sampling period June 3 to June 9, 2001).

4. DCA Methodology and Definitions. UIPL No. 10-01 describes the DCA methodology, including sample design, sample sizes, scope, operational definitions of the sampling frames, frequency and timing, case investigation procedures, data recording and reports, and resource issues. The DCA data collection instrument is available at the Employment and Training

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Administration (ETA) Office of Workforce Security (OWS) public Internet site:
http://workforcesecurity.doleta.gov/unemploy/pdf/dca_dci.pdf.

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All States will sample a minimum of 150 cases of each type of denial in each calendar year (CY). Because DCA sampling will begin with batch 200123, the sample allocations for CY 2001 will be prorated to 87 cases of each type of denial.

Detailed definitions of the monetary, separation, and nonseparation determinations that should be included in the DCA sampling frames (transactions files) are included in UIPL No. 10-01. In constructing the transactions files of denied claims, SESAs are urged to review the definitions used in the Unemployment Insurance Reports Handbook (ET Handbook 401, 3rd edition). Nonmonetary determinations that deny eligibility or reduce a claimant's weekly benefit amount will meet the definition for inclusion in the ETA 9052 Nonmonetary Determinations Time Lapse (Detection Date) report. In general, the ETA 9052 report uses the same definitions as the ETA 207 report (ET Handbook 401, pp. I-4-3 to I-4-12). However, nonmonetary redeterminations, which are reported on the ETA 207 report, are not reported on the ETA 9052 report and should not be included in the DCA separation or nonseparation sampling frames.

SESAs should note that the following actions are not reportable nonmonetary determinations and should not be included in the DCA separation or nonseparation sampling frames:

- ! Determinations made solely for deciding whether charges should be made to an employer's experience rating account.
- ! Routine exploration of facts or questioning claimants in association with the claims taking process except under circumstances of disagreement. Several examples of routine questioning or decisions that are not countable are provided on pages I-4-4 and I-4-5 of ET Handbook 401.
- ! Overpayment notices on uncontested earnings detected by any method (for example, crossmatch).

5. ADP Tasks and Resources. SESAs are responsible for the programming required to construct the BAM paid and denied claims transactions files. UIPL No. 1-98 includes the specifications for this task and the documentation for the BAM PCA and DCA population edit and sample selection COBOL program. UIPL No. 10-01 provides additional instructions on BAM ADP requirements. States can download copies of UIPL No. 1-98 and UIPL No. 10-01 from the OWS Internet site at <http://workforcesecurity.doleta.gov/dmstree/>.

The BAM population edit and sample selection COBOL program has been modified to allow paid interstate liable claims in the UI transactions file to pass the edit for inclusion in the BAM PCA sampling frames. The COBOL program has also been modified to accommodate a two-week lag in sampling monetary denials, which is a requirement identified in the 1997-1998 DCA pilot. The Department of

Labor anticipates that it will distribute the COBOL program to the SESAs in early May 2001, after compliance testing has been completed. States will have to recompile the revised COBOL program on their ADP systems prior to June 3, 2001. States that have not yet completed the programming required to implement DCA sampling and to include paid interstate liable claims in the PCA samples are urged to do so as soon as possible in order to test the programs and identify any problems that require correction in advance of the June 3, 2001, effective date. In May 2001 the Department of Labor will install the revised DCA applications software on each State's Sun Ultra 10 computer.

SESAs should note the following guidance for constructing the UI transactions files.

a. Monetary Denials (sample type 2). The edit for the transaction date in the BAM/DCA COBOL program has been modified to accept records that meet the following criteria:

1. Transaction date (positions 26-33 in the UI transactions file) must be greater (later) than or equal to the date 14 days prior to the beginning date of the batch.
2. Transaction date must be less (earlier) than or equal to the date 14 days prior to the ending date of the batch.
3. Claim date (positions 18-25 in the UI transactions file) must be less (earlier) than or equal to the transaction date.

Only records of claimants who are monetarily ineligible for unemployment compensation (UC) as of the run date (positions 60-67 in the UI transactions file) should be included in the transactions file. For example, for the initial sample selection of monetary denials (batch 200123, June 3 to June 9, 2001), the sampling frame will consist of new initial and transitional claims for which: 1) a determination denying monetary eligibility was issued between May 20 and May 26; 2) the claim date is on or prior to the date of the determination denying eligibility; and 3) the claimant is monetarily ineligible for UC as of the date that the program that constructs the transactions file is run. Note that this example differs from the example on page 7 of UIPL No. 10-01 and reflects revisions to the BAM COBOL program made in response to the results of software testing.

If the State agency issues more than one determination that denies eligibility for monetary reasons on the same claim during the week for which transactions are being assembled, only the most recent determination should be included in the UI transactions file for that week.

b. Nonseparation Denials (sample type 4). According to UIPL No. 10-01 (p. 6):

If a denial was based on nonmonetary nonseparation determinations conducted for more than one issue (for example active work search and pension), separate records

should be created for each issue, and only the issue selected for the sample will be investigated.

If an agency issues separate determinations that deny eligibility based on more than one nonmonetary nonseparation issue, SESAs should distinguish these separate records in the UI transactions file by the transaction date, if the determinations were issued on different dates. If the determinations were issued on the same date, SESAs can use positions 72-80 in the UI transactions file record for the nonmonetary nonseparation issue code. This code should be mapped to positions 163-164 (reason for nonmonetary nonseparation denial) in the rec1.dat file.

A multiclaimant determination based on a single set of facts which applies to two or more similarly situated individuals and which may result in the issuance of one or more notices, depending upon the number of individual claimants involved, should be represented by a single record in the DCA transactions files.

6. Training and Handbooks. UIPL No. 22-01 provides information on the two training conferences which have been scheduled on the implementation of DCA and the inclusion of paid interstate liable claims in the BAM PCA samples: Washington, DC, (April 11-13, 2001) and San Diego, CA, (May 23-25, 2001).

The Department is revising the Benefit Accuracy Measurement State Operations Handbook, ET Handbook No. 395, to reflect the inclusion of DCA and the sampling of paid interstate liable claims in the BAM program. The revised Handbook 395 will be distributed to the SESAs and posted on the OWS Internet site (<http://workforcsecurity.doleta.gov>) in advance of the June 3, 2001, implementation. Sample claimant questionnaires for BAM paid and denied claims will be included in ET Handbook 395 and distributed at the training conferences.

7. Notification. If a SESA expects that it will not complete all of the required ADP tasks (constructing the transactions files and installing the BAM COBOL program) and training tasks by the June 3, 2001, implementation, it should notify the National Office and the appropriate Regional Office at the earliest possible date. States should provide the reason they are unable to meet the implementation date, the actions that they are taking to meet the implementation requirements, and date by which they expect to implement the BAM program requirements.

Notification to the Department of Labor National Office should be directed to:

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ETA / Office of Workforce Security
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Washington, DC 20210

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Notification to the Department of Labor that a State will be unable to meet the June 3, 2001, implementation will not constitute or imply a waiver of the BAM program requirements, and States will be expected to implement these requirements as soon as possible.

8. Action Required. State Administrators are requested to:
 - a. provide copies of these instructions to the appropriate staff; and
 - b. ensure that all required ADP tasks described in this directive, UIPL No. 10-01, and UIPL No. 1-98 are completed prior to DCA implementation.
9. Inquiries. Questions should be directed to the appropriate ETA Regional Office.