ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 22-05, Change 2

TO: STATE WORKFORCE AGENCIES

FROM: BRENT R. ORRELL /s/
   Acting Assistant Secretary

SUBJECT: Unemployment Insurance Data Validation (UI DV) Program Activities during Validation Years (VY) 2008 and Beyond

1. **Purpose.** To provide updated guidance on UI DV activities for VY 2008 and beyond.

2. **References.** Unemployment Insurance Program Letter (UIPL) No. 22-05, "Unemployment Insurance Data Validation (UI DV) Program Software and Policy Guidance;" UIPL 22-05, Change 1, "Unemployment Insurance Data Validation (UI DV) Program Activities during Validation Years (VY) 2007 and 2008 and Policy Clarification."

3. **Background.** After extensive testing at the National Office and by several states, Version 1.1 of the state DV software was released to all states in late November, 2007. This release of the software puts the full DV program back on track after its suspension between June 2006 and November 2007. Software tutorials for Version 1.1 have been posted to the DV Web site at: http://ows.doleta.gov/dv/. The generic DV handbooks are being updated to reflect this release and will be posted to the DV Web site.

4. **Validation Schedule and Activities for VY 2008 and Beyond.** Validations for the following populations are due for VY 2008:
   ▪ populations never submitted;
   ▪ populations whose latest validation failed;
   ▪ Government Performance and Results Act (GPRA) populations (Benefits 4 and 12, Tax 3), which must be validated annually;
   ▪ populations that last passed validation in VY 2005;
   ▪ Wage Item validations (Module 5, submitted using the DV software) if no passing results have been submitted since VY 2005; and

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- ▪ Benefits Timeliness and Quality and Tax Performance System sample validations (Module 4 submitted by e-mail to dvrpts@uis.doleta.gov using the template on the DV Web site) if no passing results have been submitted since VY 2005.

See "Validation Activities Required During Validation Year 2008, by State" on the DV Web site at http://ows.doleta.gov/dv/.

The State Quality Service Plan (SQSP) for Fiscal Year 2009 must address all due items for which passing validation results are not submitted by the May 10, 2008, reporting deadline, as indicated in the forthcoming FY 2009 SQSP Call Memo.

5. **Change in How Benefits DV Results Are Submitted.** For a Benefits population to pass, all of its random samples and Report Validation (RV) must pass. Originally, to minimize validation efforts, UIPL 22-05 allowed Benefits random samples and RV results to be submitted separately, and the DV software was configured accordingly. This procedure has allowed a state to validate a population using different extract files for samples and RV. This approach was found to make it impossible to formulate a consistent set of rules for determining Pass and Fail in populations with multiple random samples.

Beginning with Validation Year 2009, a Benefits DV population will only be considered to pass validation if all of its random samples and RV pass validation and are based on the same extract file. The next version of the software will reflect this new policy by only allowing users to submit Benefits samples and RV results for a population as a set, as it now requires them to do for Tax.

6. **Workload Validation (WV) No Longer Allowed in Lieu of Conducting Data Validation.** UIPL No. 22-05 instructed states to conduct WV if it were not possible for them to conduct DV immediately, and in cases where states needed to concentrate their resources on implementing DV, it permitted a waiver of WV.

Beginning with VY 2009, WV is no longer available as an alternative to DV. Although the DV requirement cannot be waived, a state may delay conducting DV if it is replacing its Tax or Benefits system within a year, and can document that resources are not available for DV.

States that can begin DV but lack resources to validate all populations should prioritize DV as follows.

- For the *Tax Populations*, begin with Population 3 (Status Determinations--this validates the GPRA New Status Determination timeliness measure), followed by Population 1 (Active Employers--the tax workload item).
- For the *Benefits Populations*, begin with Populations 4 (Payments—this validates the GPRA Timely First Payment indicator) and 12 (Overpayments Established—this validates the numerator of the GPRA Detection of Overpayments indicator.) Next, validate the populations containing workload items (Population 1, Weeks Claimed; Populations 3 and 3a, Initial Claims; Population 5, Nonmonetary Determinations; and Population 8, Appeals Decisions.)
- Finally, validate in any order as many as possible of the remaining populations.

7. **Report and Specification Changes.** As full DV activity resumes, validators need to be particularly aware that the elimination of the ETA 9053 report and some DV specification changes have implications for DV.

   ETA 9053 Report. This report was eliminated from the new version of Handbook 401 in the summer of 2007, but resources were not available to reflect that change in Version 1.1 of the DV software. If states validate Benefits Population 5 (Nonmonetary Determinations) using a reporting period that falls after the ETA 9053 report was dropped, the software will display zero counts for ETA 9053 reported cells, and validation groups based on those cells will fail the report validation (RV) test. Because every pass-fail group or item must pass for a population to pass validation, the DV software will indicate that Population 5 fails validation. In response, the National Office will ignore the 9053 groups in Benefits Population 5 (i.e., Groups 5.11 and 5.12) in preparing the state status reports; therefore, if all other groups in Population 5 pass, the population will pass. In addition, state validators have been instructed to automatically pass the key element--Date of First Week Affected--on which that report is based when they review Population 5 random samples. The next version of the software will correct these items.

   Specifications and Software Changes. A few specification and software changes may require changes to state DV extract files. Validators should review the Benefits Notes and Tax Notes on the DV Web site at http://ows.doleta.gov/dv/, which explain the effects of these specification changes.

8. **Training and Technical Assistance.** Training for data validation software will resume at the Minnesota Training Center in the spring of 2008. The Center also offers web-based training in specific DV activities, such as for

Module 4 validations. The Center's scheduled offerings can be seen at http://www.tc.state.mn.us/calendar.html. On-site training will be provided by request as resources permit.   On-going technical assistance with the software and the validation process is available through the National Office (NO) DV Team and Mathematica Policy Research, Inc. All requests for assistance should go through the Regional DV coordinators and the NO DV Team.

9. **Actions.** State Workforce Administrators are requested to:
   - Distribute this advisory to appropriate staff;
   - Review the list of validations due for VY 2008 to see that it is consistent with your own list of submitted DV reports and inform the National Office DV team of any discrepancies;
   - Ensure that all validations due for VY 2008 to the National Office are submitted by May 10, 2008. These include:
     o Submitting results for all populations and Wage Item validation that are due using the DV software;
     o Submitting Module 4 validations that are due by using the template on the DV Web site and sending results to dvrpts@uis.doleta.gov.
   - Remind validators that they may contact the National Office DV team by e-mail at dvrpts@uis.doleta.gov for technical assistance with use of the software and the validation process. If any operational problems are encountered with the software, they should contact the Office of Workforce Security (OWS) Technical Support Staff (Hotline) at 1-800-473-0188, or send an email to hotline@uis.doleta.gov.

10. **Inquiries.** Direct questions to the appropriate Regional Office.