

<b>EMPLOYMENT AND TRAINING ADMINISTRATION</b> <b>ADVISORY SYSTEM</b> <b>U.S. DEPARTMENT OF LABOR</b> <b>Washington, D.C. 20210</b>	CLASSIFICATION UI
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**ADVISORY:** UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 28-11

**TO:** STATE WORKFORCE AGENCIES

**FROM:** JANE OATES  
Assistant Secretary

*Jane Oates*

**SUBJECT:** Unemployment Insurance (UI) State Integrity Task Forces and Strategic Plans

**1. Purpose.** To announce a U.S. Department of Labor (Department) initiative to support states in convening cross-functional UI integrity task forces in September 2011, and developing state-specific strategic plans to aggressively reduce the UI improper payment rate and alert state UI administrators that the initiative is underway.

**2. References.** Improper Payments Information Act of 2002 (IPIA) (31 U.S.C. 3321 note); Improper Payments Elimination and Recovery Act of 2010 (IPERA) (31 U.S.C. 3321 note); Executive Order 13520, 74 Fed. Reg. 62,201 (November 20, 2009); Unemployment Insurance Program Letter (UIPL) No. 17-11; UIPL No. 19-11; UIPL No. 21-11; and UIPL No. 26-11.

**3. Background.** The UI program has been designated by the Office of Management and Budget (OMB) as one of the major benefit entitlement programs with an unacceptable level of improper payments. The level of UI improper payments (overpayments plus underpayments) rose to 11.2 percent for the 2010 reporting period and continues to climb. As a result, the program is now out of compliance with IPERA, which amended the IPIA by adding new requirements. Programs with improper payment rates above 10 percent are considered out of compliance, which triggers additional oversight by Congress, OMB, and the Office of Inspector General.

The Department issued a *call to action* to all states in UIPL No. 19-11 to ensure that UI integrity is a top priority and to develop state-specific strategies to bring down the UI improper payment rate. The Department has developed a comprehensive Improper Payment Strategic Plan that includes a number of strategies to support reducing the UI improper payment rate, all of which are geared to supporting state action to better understand the root causes of the state's improper payments and to develop targeted strategies to address the root causes that are most controllable. Those strategies can be found at: <http://wdr.doleta.gov/directives/attach/UIPL/UIPL19-11.pdf>.

Earlier this year, the Department engaged and partnered with 11 "High Impact" states, which are the states with the highest controllable amount of UI overpayments (due to the size of the state(s)) in a collaborative effort to quickly attack improper payments with the goal of attaining a

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more rapid reduction in the improper payment rate. These 11 states (CA, FL, IL, MI, NC, NJ, NY, OH, PA, TX, and WI) have effectively led the way in this effort by convening cross-functional task forces and developing and implementing comprehensive strategic plans to bring down their state improper payment rates. To support their work, the Department sponsored a virtual UI Integrity Institute during the month of June. The UI Integrity Institute consisted of a series of collaborative on-line webinar sessions interspersed with time for each state's task force to work in state-facilitated sessions to analyze the root causes of their improper UI benefit payments and to develop a strategic action plan to address those causes with the potential for the greatest impact. The states were provided with a number of tools and products to help get them started, including a charter, a self assessment tool, and a strategic plan template. The states were also provided with data sources they could consult as they analyzed their improper payment issues and were offered the opportunity to consult with subject matter experts on a one-on-one basis during their planning sessions. The Institute was very successful and resulted in all 11 states developing robust strategic plans that are now in the implementation phase with states making rapid progress.

**4. Strategic Plans for All States.** In UIPL No. 19-11 and also in an all-state webinar (<https://www.workforce3one.org/ws/www/Folders/3001119634173662271/webinar.htm>), the Department asked all states to establish cross-functional task forces and develop comprehensive state strategic plans to bring down the state's UI improper payment rate. In order to assist states in this process, the Department will be providing a refined set of tools. In addition, the remaining states will be invited to participate in a similar process called an "Institute in a Box."

States will be invited to a webinar on Friday, September 16, 2011 that will explain the process they will use to convene their cross-functional task forces and formulate state-specific strategic plans. The expectation is that each of the remaining states will use these tools to convene a cross-functional task force and develop and finalize a strategic plan and action agenda by October 14, 2011 that addresses the state's improper payment rate.

States will receive the following tools to facilitate their participation in the Institute in a Box:

- 1) A State Strategic Planning Process Guide that consists of materials to successfully navigate the strategic planning process and will include:
  - A UI Integrity Overview;
  - A Draft Team Charter and Proposed Membership;
  - A Working Calendar and Milestone Chart;
  - A Facilitator's Guide;
  - A Strategic Planning Guide and Template; and
  - Information on Accessing Subject Matter Experts (SME).
- 2) A series of live/synchronous events (webinars, chats, and/or conference calls) to provide state teams with access to subject matter expertise, and to train and support state team facilitators as they progress through the planning process.
- 3) Access to Web-based tools organized by key focus areas (types of root causes of overpayments, the concept that "everyone owns integrity," and state communication).
- 4) Access to SME consultations at scheduled intervals, as requested and as needed by state teams, including state peers from the 11 High Impact states.



The Department expects to make these tools available to states by September 14, 2011. As previously noted, the kick-off webinar will be conducted for states on Friday, September 16, 2011. In addition, the Department will provide state-specific data to assist with the state's analysis of its root causes for improper payments and a Web-based collaborative workspace to share ideas about preventing and reducing overpayments.

States should begin identifying the members of their cross-functional task force in order to be positioned to carry out this work. States also need to identify a facilitator that will be capable of leading the discussions for the cross-functional task force. The team should include a combination of management, front-line workers, and state SMEs to be most successful. Below is a list of the functional areas that should be represented.

- UI Director's Office
- Benefit Payment Control
- Benefit Accuracy Measurement
- UI Tax
- Call Center
- Claim Adjudications
- Appeals
- Information Technology
- Training

Ultimately, the goal is to have every state develop a strategic plan that will be its framework for action to achieve immediate and meaningful reductions in the improper payment rate. The Department looks forward to working with the remaining states on this effort and achieving the ultimate goal – a significant reduction in the national UI improper payment rate.

**5. Action Requested.** State Administrators and UI Directors, as key leaders in ensuring the success of this effort, are asked to actively support and participate in the entire process. In addition, State Administrators are asked to:

- 1) Share this UIPL with all appropriate staff;
- 2) Identify a facilitator for the state cross-functional task force and provide that information to the Regional Office by September 6, 2011;
- 3) Notify the facilitator that a webinar for facilitators will be conducted on Thursday, September 8, 2011;
- 4) Identify UI Improper Payment Task Force team members by September 6, 2011; and
- 5) Notify the state Task Force that the kick-off webinar will be conducted on Friday, September 16, 2011.

**6. Inquiries.** Inquiries should be directed to the appropriate Regional Office.