	CLASSIFICATION
EMPLOYMENT AND TRAINING ADMINISTRATION **ADVISORY SYSTEM** **U.S. DEPARTMENT OF LABOR** **Washington, D.C. 20210**	Unemployment Insurance
	CORRESPONDENCE SYMBOL OUI/DPM
	DATE June 15, 2020

ADVISORY: **UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 25-20**

TO: STATE WORKFORCE AGENCIES

FROM: JOHN PALLASCH /s/
Assistant Secretary

SUBJECT: Benefit Accuracy Measurement (BAM) Program Operations in
Response to the Coronavirus Disease of 2019 (COVID-19) Pandemic

1. **Purpose**. The purpose of this Unemployment Insurance Program Letter (UIPL) is to provide guidance to State Workforce Agencies on changes in the operation of the BAM program, including BAM sample selection and case management applications, as a result of issues arising from the COVID-19 pandemic. These COVID-19-related issues include the unprecedented increases in Unemployment Insurance (UI) program workloads and the new Unemployment Compensation (UC) programs created in the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136), including the Federal Pandemic Unemployment Compensation (FPUC) program, which provides a federal payment of $600 in addition to the state Weekly Benefit Amount (WBA).

2. **Action Requested**. The U.S. Department of Labor's (Department) Employment and Training Administration (ETA) requests that State Workforce Administrators provide the information in this UIPL and its attachments to the appropriate program staff in order to guide the state in reprogramming and modifying the BAM software applications to ensure the continued proper operation of the BAM program.

3. **Summary and Background**.

   a. Summary – This UIPL provides guidance to states on the operation of the BAM program, including: 1) required modifications of the BAM software application due to increases in UI claims workload and the enactment of the FPUC program; 2) required revisions to existing BAM sample selection, population count, and case management software applications; and 3) answers to questions received regarding BAM program operations.

   b. Background – On March 27, 2020, the President signed into law the CARES Act, which includes the Relief for Workers Affected by Coronavirus Act set out in Title II, Subtitle A. The CARES Act was designed to respond to the economic effects of the COVID-19 pandemic. Section 2104 of the CARES Act authorizes the temporary FPUC program, providing eligible individuals with $600 per week in addition to the WBA received from

RESCISSIONS	EXPIRATION DATE
None	Continuing

designated UC programs.

States play a fundamental role in ensuring the integrity of the UI program. In the midst of current extraordinary workloads, it remains vital that states continue to operate their programs, both new and existing, in conformity and compliance with federal laws and guidance and promote program integrity. The BAM program is one of the most important tools to measure UI payment integrity. The large increase in UI workloads and the additional provisions of the CARES Act present unique challenges to the accurate and timely reporting of BAM data. This UIPL describes the changes that are required in the BAM sample selection, population counts, and case management software applications.

4. **Changes in the BAM Program**. The BAM program is an integrity assessment tool. Representative samples of UI payments and disqualifying ineligibility determinations are drawn and comprehensively investigated to determine whether they were properly administered to claimants and whether these claimants were paid the proper amounts, or appropriately denied. Based on the errors identified and information gathered, states can develop and implement corrective actions to ensure accurate administration of state law, rules, and procedures.

See BAM State Operations Handbook (ET Handbook No. 395, 5th edition (ET Handbook 395)) for additional details about BAM program administration. Questions and Answers related to BAM program operations are provided in Attachment IV of this UIPL.

   a. **BAM Sample Selection and Population Counts**. The state selects weekly samples of BAM paid weeks and monetary, separation, and nonseparation denials using either a Common Business-Oriented Language (COBOL) program provided by the Department or a software application developed by the state that complies with the Department's specifications in the ET Handbook 395. With the large increase in UC claims as a result of the COVID-19 pandemic, several data elements in the current software cannot accommodate the population workload counts or the paid benefit amounts that states must report.

   The State UI Transaction file includes all records that meet the definition for inclusion in one of the four BAM populations (paid benefits, monetary denials, separation denials, and non-separation denials). The weekly sfsum.dat file consists of aggregate sample and population data for the four BAM populations. This data includes selected characteristics that are used to conduct statistical tests of sample validity. The weekly rec1.dat file consists of claimant data obtained from the state database for cases selected for the four BAM populations. *See* Chapter III of ET Handbook 395 for additional information on the State UI Transaction file, sfsum.dat file, and rec1.dat file.

   The UI Transaction file, sfsum.dat file, and rec1.dat files are interdependent and so an error in any of these files creates an issue for administration of the entire BAM program. The BAM COBOL program can accommodate only six digits for all population fields and nine digits for the population amount of benefits paid in the sfsum.dat file. Therefore, states where the number of weeks paid exceeds 999,999 or the amount of payments exceeds $999,999,999 should temporarily suspend the BAM sampling process until changes to the sfsum.dat, rec1.dat, and BAM case management software have been completed. States should retain each week's UI Transaction file so that these samples and population counts

can be reconstructed retroactively when changes to the software application have been completed.

States with workload counts that can be accommodated by the existing sfsum.dat file (that is, UI weeks paid less than or equal to 999,999 and UC payments less than or equal to $999,999,999) should continue to enter UC payment amounts based on **ONLY** the state WBA (i.e., not include the $600 FPUC) in the following files:

- Max Pay field (positions 57 to 59) of the COBOL Control Record (or the equivalent in a State-developed program);
- Amount Paid to Claimant (Item #13) in the UI Transaction file;
- Amount of Offset Applied (Item #14) in the UI Transaction file;
- Amount of Intercept or Withholding (Item #15) in the UI Transaction file;
- Total Amount Paid to Claimant (Item #21) in the UI Transaction file;
- WBA (Before Investigation) (Item #29) in the rec1.dat file; and
- Amount Paid and/or Offset (Item #62) in the rec1.dat file.

Required Changes to the BAM Files

Every state must make the following changes to either the BAM COBOL program or the state-developed Sample Selection and Population Count software by BAM Batch 202027 (*i.e.*, the week ending July 4, 2020). The Department will revise and deploy the BAM case management software applications (Case Conversion, Update Cases, Reopen Cases, and Environment Settings) in June 2020.

i. UI Transaction file:

States must make the following changes to the UI Transaction file. The following data elements will increase from three positions to four positions:

Item No.	Name
13	Amount Paid to Claimant
14	Amount Offset
15	Amount of Intercept
21	Total Amount "Paid" Sum of items 13, 14, and 15

The UI Transaction file specifications are provided in Attachment I of this UIPL.

ii. sfsum.dat file:

States must make the following changes to the sfsum.dat file.

- Increase all population fields from six positions to seven positions.
- Increase the Amount of Population UI Benefits Paid from nine positions to ten positions.

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The sfsum.dat file specifications are provided in Attachment II of this UIPL.

iii. rec1.dat file:

States must make the following change to the rec1.dat file.

- WBA (Before Investigation) (Item #29) will increase from 3 positions to 4 positions.

The rec1.dat specifications are provided in Attachment III of this UIPL.

iv. Control Record:

The BAM COBOL sample selection and population count programs require a Control Record. The purpose of the file is to specify the batch from which the BAM paid, monetary, separation, and nonseparation samples are selected, the sample sizes and random start numbers for these samples, the beginning and ending dates of the requested batch, and the maximum WBA in the state, including dependents' allowances (referred to as Max Pay in the file). The record format of the Control Record is included in Chapter III of the ET Handbook 395.

States using the existing COBOL programs must modify the Control Record to increase the Max Pay field from three to four positions (positions 57 to 60). States that have developed their own BAM sample selection and population count programs will have to ensure the same functionality as the Control Record.

Whether a state modifies the BAM COBOL program or a program developed by the state that is the functional equivalent of the BAM COBOL program, the state must ensure that the modified sfsum.dat and rec1.dat files conform to the specifications required in this UIPL. Specifically, each state must ensure that each record in the files consists of 80-character lines. Positions 1 through 79 of each line must contain data or spaces (HEX '20', Octal '040', for example). Position 80 on each line must be coded with a line feed (for example, ASCII - 10, HEX '0A', EBCDIC 25, or Octal '012').

b. **BAM Data Elements**. Data from each case sampled for BAM are entered into a database on the state's Unemployment Insurance Database System (Sun Server). The data are obtained both from existing records and from case investigations. *See* Chapter IV of ET Handbook 395. The following section describes specific data elements that must be updated to accommodate the large increase in UI workload. Additionally, the Department will modify the BAM Case Conversion, Update Cases, Reopen Cases, and Environment Settings software with a planned release in June 2020.

States must reopen completed BAM cases to revise data as a result of the release of the revised software (for example, entering the FPUC amount or improper payments that exceed $999) will reopen these cases using Reopen Code '9'. Case completion timeliness will not be recalculated.

i. For sampled UC payments where FPUC was paid to the claimant for that week, states must enter the amount of this supplemental federal payment in data element d7. This data element is currently defined as Tax Rate for Last Employer. As of the release of the BAM revised software associated with this UIPL, states should stop collecting the tax rate information for the d7 element. The data element will be redefined as:

> (d7) Federal Supplemental Payment
> Definition: Enter the amount of any federal supplemental payment associated with the UI claim (for example, FPUC dollars) that are paid to the claimant for the Key Week (KW), whether paid in a single payment or as a separate payment for the KW sampled. Enter whole dollar amount of the federal supplemental payment.
> Format: money (4,0)

ii. Other changes to data elements in the BAM database are summarized in the following tables.

Data Elements in b_master as **Currently** defined as of May 2020:			Data Elements in b_master as **Revised** in June 2020:		
Element Name	**Data Type**	**Item Name**	**Element Name**	**Data Type**	**Item Name**
e9	money(3,0)	WBA Before	e9	money(4,0)	WBA Before
e10	money(3,0)	WBA After	e10	money(4,0)	WBA After
h2	money(3,0)	Amount Should Have Been Paid	h2	money(4,0)	Amount Should Have Been Paid
h3	<=$50,000	Total Amount OP	h3	<=$99,999	Total Amount OP
h5	money(3,0)	Tot KW OP	h5	money(4,0)	Tot KW OP
h6	money(3,0)	Tot KW UP	h6	money(4,0)	Tot KW UP

Data Element in b_errisu as **Currently** defined in May 2020:			Data Elements in b_master as **Revised** in June 2020:		
Column	**Type**	**Name**	**Column**	**Type**	**Name**
ei1	money(3,0)	Amount of KW Error	ei1	money(4,0)	Amount of KW Error

Data Elements in b_dca_master as **Currently** defined in May 2020:			Data Elements in b_dca_master as **Revised** in June 2020:		
Element Name	Data Type	Item Name	Element Name	Data Type	Item Name
Wbabef	money(3,0)	WBA Before	wbabef	money(4,0)	WBA Before
Wbaaft	money(3,0)	WBA After	wbaaft	money(4,0)	WBA After

5. Inquiries. Please direct questions to the appropriate Regional Office.

6. **References**.

- Section 2104 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. 116-136), including Title II Subtitle A, Relief for Workers Affected by Coronavirus Act;
- The Families First Coronavirus Act, (Public Law 116-127), specifically Division D, the Emergency Unemployment Insurance Stabilization and Access Act of 2020;
- 20 C.F.R. Part 602, Quality Control in the Federal-State Unemployment Insurance System;
- UIPL No, 10-20, *Unemployment Compensation (UC) for Individuals Affected by the Coronavirus Disease 2019 (COVID-19)*, issued March 12, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8893;
- UIPL No. 13-20, *Families First Coronavirus Response Act, Division D Emergency Unemployment Insurance Stabilization and Access Act of 2020*, issued March 22, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8634;
- UIPL No. 13-20, Change 1, *Families First Coronavirus Response Act, Division D Emergency Unemployment Insurance Stabilization and Access Act of 2020*, issued May 4, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?docn=5374;
- UIPL No. 15-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Federal Pandemic Unemployment Compensation (FPUC) Program Operating, Financial, and Reporting Instructions*, issued April 4, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9297;
- UIPL No. 15-20, Change 1, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 - Federal Pandemic Unemployment Compensation (FPUC) Program Reporting Instructions and Questions and Answers*, issued May 9, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3946; and
- Employment and Training (ET) Handbook No. 395, 5th Edition, *Benefit Accuracy Measurement State Operations Handbook* (November 2009).

7. **Attachments**.

- Attachment I: UI Transaction file
- Attachment II: sfsum.dat file
- Attachment III: rec1.dat file
- Attachment IV: BAM Program Operation Questions and Answers