EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance CORRESPONDENCE SYMBOL OUI/DPM DATE September 14, 2020

ADVISORY: **UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 29-20**

TO: STATE WORKFORCE AGENCIES

FROM: JOHN PALLASCH
Assistant Secretary

SUBJECT: Additional Planning Guidance for the Fiscal Year (FY) 2021 Unemployment Insurance (UI) State Quality Service Plan (SQSP)

1. **Purpose.** To initiate the SQSP process, provide supplemental instructions, and define additional requirements for the FY 2021 SQSP.

2. **Action Requested.** The Employment and Training Administration (ETA) requests State Administrators to:

   - Make this information available to appropriate staff;
   - Prepare their state's SQSP in accordance with instructions in this Unemployment Insurance Program Letter (UIPL) and the planning and reporting instructions contained in Employment and Training (ET) Handbook No. 336, 18th Edition, Change 4;
   - Coordinate specifics, as appropriate, with ETA's Regional Office (RO) for electronic submission of the plan; and
   - Submit the FY 2021 SQSP to the appropriate RO by the deadline set by the RO.

3. **Summary and Background.**

   a. **Summary.** This UIPL provides specific dates relevant to the SQSP process for the FY; summarizes National Priorities and Federal Program Emphasis; and identifies special planning requirements in effect for the FY.

   b. **Background.** The SQSP is the state's UI performance management and service plan. It represents an approach to the UI performance management and planning process that allows for an exchange of information between Federal and state partners to enhance the UI program's ability to reflect their joint commitment to performance excellence and client-centered services. As part of UI Performs, the comprehensive performance management system for the UI program, the SQSP is the principal vehicle that state UI programs use to plan, record, and manage improvement efforts as they strive for excellence in service. Title III of the Social Security Act (SSA) authorizes the Secretary of Labor to provide funds to the states to administer the UI program and governs the

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expenditure of those funds. The SQSP is part of the process by which states receive Federal UI administrative grants.

ET Handbook No. 336 (Handbook) contains general instructions for the SQSP. This Handbook is designed as a permanent guide for the planning and budget process, and provides states with planning guidelines and instructions for reporting UI financial and staff year information. The Handbook notes that ETA will issue a SQSP UIPL each year with additional planning guidance that supplements the Handbook and provides direction and instructions specific to the upcoming FY. This additional planning guidance is similar to the guidance issued in previous years, but is updated and must be read carefully by state personnel.

ET Handbook No. 336 is approved under the Office of Management and Budget (OMB) No. 1205-0132.

4. **UI Technical Assistance Resources.** The following resources provide states with information and support for UI program activities.

   a. **Information Technology Support Center (ITSC).**

   ETA created the UI Information Technology Support Center (ITSC) in 1994 through a cooperative agreement with the State of Maryland to develop products and services and to support state UI agencies in the use of information technology (IT) for efficient administration of the UI program. Since 2009, the National Association of State Workforce Agencies' (NASWA's), Center for Employment Security Education and Research (CESER) has operated the ITSC. ITSC's activities involve providing information, technical assistance, products, and services to states or state consortia in support of the modernization of IT systems used to administer the UI program.

   b. **UI Integrity Center.**

   In FY 2012, ETA created the UI Integrity Center of Excellence (UI Integrity Center) to support the needs of the fifty-three State Workforce Agencies (SWAs) in implementing strategies to ensure program integrity (with the exception of the Benefit Accuracy Measurement (BAM) program) to prevent, detect, and recover improper payments, and to reduce fraud in the UI program. NASWA's CESER operates the UI Integrity Center through cooperative agreements with the New York State Department of Labor and ETA.

5. **National Priorities.** ETA is eager to work with states to make the SQSP process a meaningful management tool and a strategic road map to improve program administration and ensure quality service delivery. The SQSP process focuses on promoting state performance and integrity, aligning state UI administration and operations with national policies, paying benefits accurately and timely, and connecting UI claimants with needed reemployment services. Each year, after consulting with our stakeholders, ETA establishes national priorities for the UI program.

   For FY 2021, ETA's top priorities are intended to guide states in the development of their SQSPs and include:

- Implementation of the Coronavirus Aid, Relief, and Economic Security (CARES) Act unemployment compensation (UC) programs and any potential successor enactments with integrity to ensure payment to eligible individuals;
- Reducing the UI improper payment rate and the prevention, detection, and recovery of improper and fraudulent overpayments;
- Improving state capacity to administer and operate the UI program effectively and efficiently;
- Improving program performance; and
- Continuing the implementation of the permanently authorized Reemployment Services and Eligibility Assessment (RESEA) program (Section 306 of the SSA), including its integration with the broader workforce system under the Workforce Innovation and Opportunity Act (WIOA).

ETA provides the following information on its national priorities for FY 2021. States should also establish additional state-level priorities for their UI program in their SQSPs.

Implementation of the CARES Act UI Programs with Integrity to Ensure Payments to Eligible Individuals

UIPL No. 23-20 discusses program integrity for the UI system and the UC programs authorized by the CARES Act. Addressing improper payments and fraud is a top priority for the Department and the entire UI system. States are in the midst of managing extraordinary workloads due to the effects of the spread of COVID-19. During this time, there is a heightened need for states to maintain a steadfast focus on UI functions and activities that ensure program integrity and the prevention and detection of improper payments and fraud across all programs operated within the UI system.

The programs and provisions within the CARES Act operate in tandem with the fundamental eligibility requirements of the Federal-State UI program, which remain in place and must be adhered to in concert with unique provisions governing CARES Act programs. In addition, some of the CARES Act programs include new eligibility requirements which states will need to apply.

States play a fundamental role in ensuring the integrity of the UI program. While states have been provided some flexibilities as a result of COVID-19, those flexibilities are generally limited to dealing with the effects of COVID-19. States must ensure that individuals receive benefits only in accordance with these statutory provisions.

As states continue to implement the CARES Act programs, states must implement them in accordance with Federal law and the Department's guidance to ensure that payments are made only to eligible individuals. In addition, because of the significant amount of fraud being experienced related to these programs, states must have strategies in place to carry out data analytics to detect and address fraud and processes to verify claimants' identity (See Section 4.b. in UIPL No. 23-20 for details.) States are required to add these strategies to their Integrity Action Plans for the FY 2021 SQSP.

Improving State Capacity to Administer and Operate the UI Program Effectively

Many states continue to struggle with administrative and operational challenges that impede their ability to effectively administer and operate the UI program, resulting in some states providing poor performance and poor customer service. These challenges include, but are not limited to: changes in program leadership; aging technology systems and/or implementing new technology solutions; staff turnover requiring ongoing staff training and increased supervision; reduced staffing levels as workloads and funding decline; managing the loss of key subject matter expertise due to retirements; and the need to improve overall program performance. All of this was true prior to the COVID-19 public health emergency and related massive spike in UC claims; states will likely continue to face these challenges in addition to pandemic-specific challenges.

In developing their SQSPs, states are strongly encouraged to incorporate administrative performance improvement strategies such as:

- Using the FY 2019 results from the state's implementation of the UI State Self-Assessment Tool to identify areas for needed changes to operational processes for administration of the program;

- Conducting business process analyses in key areas to identify opportunities and recommendations for improving program operations and performance, and implementing such recommendations;

- Reviewing staff training strategies to support succession planning and ongoing staff development;

- Using online training modules available through NASWA, including the UI Learning Center on the ITSC website (http://www.itsc.org/Pages/UI-Learning-Center.aspx) and the Integrity Center's Integrity Academy (https://integrity.naswa.org/national-integrity-academy/national-integrity-academy-intro);

- Incorporating lessons learned from states' responses to the COVID-19 surge in UC claims and implementation of the CARES Act programs, such as mechanisms to rapidly add staff, implement call center expansions and innovations to manage customer flow; and technology solutions to increase capacity and detect and prevent fraud and other improper payments.

- Using technical assistance opportunities offered by ETA, the UI ITSC, and the UI Integrity Center, as well as the many resources available through the UI Community of Practice on WorkforceGPS (https://www.workforcegps.org/).

In FY 2019, state UI agencies completed the results of the inaugural state self-assessment reviews of key operational elements in 15 functional areas within the UI program. States should use the results compiled by their state reviewers to identify areas in need of process improvement and to formulate their strategies for addressing these areas, including staff training as needed.

Improving the Prevention, Detection, and Recovery of UI Improper and Fraudulent Payments

Working with states to address UI improper payments and reducing the improper payment rate is one of the U. S. Department of Labor's (Department's) top priorities. The President's Management Agenda identifies "Getting Payments Right" as a cross-agency priority goal to reduce taxpayer dollars lost to improper payments. As such, the Department has made reducing improper payments an agency priority goal in its Strategic Plan. As reported in the 2019 Agency Financial Report, many states demonstrated significant progress in reducing their improper payment rates and the national improper payment rate, which declined to 10.61[1] percent. However, the UI program has not met the Federal compliance requirement in the Improper Payment Elimination and Recovery Act of 2010 (IPERA), to report an improper payment rate below 10 percent. Achieving the statutory criterion of 10 percent is not the ultimate goal but rather our goal is to eliminate as many improper fraudulent and improper payments as possible. In light of the current progress and challenges posed to program integrity by the dramatic increase in UC claims and proper CARES Act implementation, now is the time to continue to enhance our efforts to reduce improper payments.

In order to reduce national and state improper payment rates and address the leading root causes of overpayments, including fraud, the Federal-state UI partnership has implemented a program integrity strategic plan.[2] The strategic plan contains a variety of strategies focused on main root cause of improper payments, including fraud, which all states are strongly encouraged to adopt. For FY 2021, ETA is highlighting three specific areas for inclusion in states' SQSP Integrity Action Plans:

1. Strategies designed to facilitate claimants' compliance with state work search requirements while also supporting their reemployment, such as adoption of the work search requirements in the Model Work Search Legislation provided to states in Training and Employment Notice (TEN) No. 17-19 (https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4227);
2. State use of UI Integrity Center resources, with a particular focus on state connection to the Integrity Data Hub and use of its data resources; and
3. Increased state use and employer take-up of the State Information Data Exchange System (SIDES).

Strategies to Support Claimant Compliance with State Work Search Requirements

States are strongly encouraged to implement strategies to address work search errors. Strategies to consider include:

- Encouraging states to proactively identify and refer claimants to suitable job openings from the full spectrum of public and private job banks, and requiring claimants apply to **all** referred suitable job openings (which may be more than the

[1] The improper payment rate is for the 12 months ending June 30, 2019
[2] https://www.dol.gov/sites/dolgov/files/OPA/reports/2019annualreport.pdf. pp. 163-173-169.

minimum number of required work search activities) and accept employment in suitable work if offered;

- As economies re-open and the COVID-19 pandemic subsides, states should make every effort to engage employers and supporting them getting their employees back to work, including providing them with various options to report when employees fail to return to their jobs.

- Requiring work search activities that embrace a wide array of activities that support reemployment in today's labor market and include receiving services through American Job Centers;

- Supporting claimant compliance with required work search activities through a reemployment service delivery design that includes ensuring that the claimant understands work search requirements (both acceptable activities and documentation requirements), understands the consequences of failing to comply with these requirements, and is provided assistance in developing a reemployment and work search plan that meets the requirements, including through customer-friendly technology applications that facilitate claimants carrying out their work search requirements;

- Documenting these activities through the state's case management system or other information technology systems that support documentation requirements; and

- Providing case management services through American Job Center career counselors, which include following up with claimants and employers on the results of job referrals in order to inform future job referrals and/or the need for additional reemployment services for the claimant.

ETA emphasizes that there are other strategies states should consider in developing their work search laws and designing reemployment service delivery strategies that support a claimant's ability to comply with a state's work search requirements. These strategies include:

- Designing the state RESEA program to support the development of an individual reemployment plan that can help each claimant effectively plan their work search activities;

- Encouraging RESEA and other workforce career counselors to take advantage of the My Reemployment Plan tools that are designed to support development of individualized reemployment plans and connect claimants to effective reemployment resources (see https://rc.workforcegps.org/resources/2016/10/03/05/36/Pathway_to_Reemployment_Framework), with an automated version now available from the UI Information Technology Support Center; and

- Reinforcing the requirement to complete work search activities throughout the claims cycle through the use of electronic communications, either in an online technology application or through emails or texts, to "nudge" claimants to comply with work search requirements. For example, in 2016, New Mexico implemented messaging and communication nudges in its online application forms that led to a reduction in the state's UI improper payment rate (see https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2016/10/behavioral-analytics-help-save-unemployment-insurance-funds).

State Use of UI Integrity Center Resources

The UI Integrity Center is a unique and extremely valuable resource available to states to support the reduction of state improper payment rates and the prevention, detection, and recovery of UI improper payments. States are strongly encouraged to access these resources on a regular basis to inform and support state strategies to address improper payments. Below are key resources that states should connect to and build into their Integrity Action Plans as part of the SQSP.

- **Integrity Data Hub (IDH).** The IDH is a secure, robust, centralized, multi-State data system that allows participating State UI agencies to submit UI claims for cross-matching and analysis to support the detection and prevention of UI fraud and improper payments. The IDH is continuing to evolve as new data sources have been added and more states are both contributing data and accessing the available data sources. Data sources currently available include the Suspicious Actor Repository; centralized foreign IP address detection; and multi-states claims data cross match. In FY 2020, the IDH is adding an identity verification solution, a fraud alert portal, and centralized cross matching with incarceration data from the Social Security Administration's Prisoner Update Processing System (PUPS).

- **State Services.** Among the most valuable assets that the Integrity Center has are its state subject matter experts. These experts can be deployed to support states assessing their business processes and providing recommendations for adoption of effective strategies – all with the goal of reducing a state's improper payment rate and improving program integrity. These services are now available to support states to address program integrity issues and combatting fraud related also to the CARES Act programs. Over the last year, the Center engaged intensively with 10 High Rate/High Impact states, which provided the opportunity to support state implementation of new strategies and to capture and evaluate their impact. This work now positions the Center to improve services to all states, including providing customized on-site services.

- **Capturing and Disseminating State Integrity Best Practices.** The UI Integrity Knowledge Exchange (which is accessed through the UI Community of Practice Integrity tab on WorkforceGPS) contains a wealth of information with over 1,500 resources. It also includes a State Practices Portal with over 90 proven integrity practices. The Knowledge Exchange also includes tools and products such as the Model Blueprint for Benefit Payment Control Units. In FY 2021, the Integrity Center will add a new collection of practices and messaging techniques using behavioral science to improve their impact; new original content; and a series of webinars featuring state practices.

- **UI National Integrity Training Academy.** The Academy currently has four online certificate programs with more than 120 lessons available for state staff in the areas of Program Leadership, UI Operations Integrity, Fraud Investigations, and Tax Integrity. The Integrity Center will soon add modules on data analytics and BAM sub-coding that will provide states with greater capacity to analyze their integrity challenges.

Increased State and Employer Use of SIDES

State implementation and employers' use of SIDES should be an integral part of the state's integrity strategy. *See* TEN No. 12-16. States should view SIDES as a critical part of their UI integrity efforts. The Department's Inspector General found that states' use of SIDES contributed to reduced improper payments.[3] Below are key SIDES-related resources that states should connect to and build into their Integrity Action Plans as part of the SQSP.

- **SIDES Separation Information Exchange.** The SIDES Separation Information Exchange is composed of Web Services for third-party administrators (TPAs) and large employers and E-Response for smaller employers. The exchange supports timely and accurate information from employers and TPAs, which aids in reducing separation errors. As set out in UIPL No. 19-16, ETA has expectations for the overall state usage of SIDES (Web Services and E-Response) with a goal for states to receive employer responses through SIDES Web Services and SIDES E-Response for at least 50 percent of all UI initial claims processed and, separately, a goal of at least 35 percent of all UI initial claims processed through the SIDES E-Response. ETA encourages states to increase employer usage of SIDES for separation exchanges by pursuing the following strategies:
    - Each state should strive to have all TPAs operating within the state to be live and using Web Services.
    - States that have been successful in obtaining greater employer use have SIDES as the default method of exchanging information unless employers "opt-out" of this approach.
    - States that have been successful in obtaining greater employer use have a single sign-on for SIDES and the state's employer portal. The NASWA SIDES Team can provide technical assistance to states on implementing a single sign-on option, if the state is not currently using a single sign-on for employers.
    - States also should consider efforts to promote SIDES E-Response and to encourage employers who do not use TPAs to use SIDES, especially those employers who are frequent users of the UI program. In marketing SIDES, states are encouraged to use resources like the SIDES toolkit found at http://sidesitk.naswa.org/sides. Also, as recommended in the OIG report, states can use their data to identify employers who have frequent claims

[3] https://www.oig.dol.gov/public/reports/oa/2017/04-17-003-03-315.pdf

activity and directly market and promote the use of SIDES to these more frequent users of the UI program.

- **SIDES Additional Fact-Finding Exchange.** The NASWA SIDES team recently developed a new exchange to facilitate and support the exchange of information when additional fact-finding with employers is needed to determine a claimant's eligibility. Again, this exchange allows for quicker and more accurate information from employers and will lead to reduced errors. States are encouraged to implement the use of this new SIDES exchange as part of their integrity efforts.

- **SIDES Earnings Verification Exchange.** States use various methods of fact finding when verifying a claimant's wages or earnings. Some states have manual operations using paper requests and responses. Other states have integrated various levels of automation, which may include electronic requests and/or electronic responses. Fifteen states have implemented the SIDES Earnings Verification application, which electronically sends wage verification requests to employers through a state-specific employer portal. The SIDES Earnings Verification exchange is recommended if a state does not have an automated web-based system for requesting employers to verify earnings. States are encouraged to implement the use of this SIDES exchange as part of their integrity efforts.

RESEA and the Reemployment of UI Claimants

Reemployment of UI claimants remains a top priority for the entire workforce system, including UI, and, as stated below, is reinforced by WIOA. RESEA is now codified in Section 306 of the SSA and permanently authorizes the RESEA program. Among other changes, the new RESEA requirements include increasing the use of evaluations that expand the availability of evidence-based interventions and service delivery strategies. The FY 2020 RESEA operating guidance is in UIPL No. 08-20 and includes instructions for the implementation of new program requirements, such as submission of a RESEA state plan. States have also submitted their WIOA state plans, which should reference the integration of RESEA into the broader workforce system.

It is acceptable for states to reference their RESEA state plans and WIOA state plans rather than replicate strategies and approaches in the SQSP. However, states should discuss how their RESEA strategies support reducing improper payments as discussed above. RESEA has the potential to address UI improper payments in multiple ways including the review of the claimant's eligibility and providing services to claimants that help them comply with work search requirements.

Government Performance and Results Act of 1993 (GPRA) UI Performance Measures (Federal Emphasis)

GPRA requires a commitment from all Department programs to attain expressed goals and objectives. Achieving these objectives requires the combined efforts of the federal and state partners.

ETA recognizes that the COVID-19 pandemic has impacted states' program performance in FY 2020. As the pandemic subsides, it will be important for states to refocus on meeting the performance measures that ensure the UI program is achieving its mission-critical goals. In FY 2021, ETA will work with states to refocus attention on the following GPRA goals for FY 2021, with targets that the system as a whole is expected to meet. States should continue to strive to reach or exceed these GPRA goals and targets. See https://oui.doleta.gov/unemploy/docs/GPRA_Summary_Report.asp for the FY 2021 GPRA goals and targets.

- *Percent of Intrastate Payments Made Timely* (*Make Timely Benefit Payments)*
    - **Target:** 87.0 percent of intrastate first payments for full weeks of UC will be made within 14/21 days from the week ending date of the first compensable week.

- *Detection of Recoverable Overpayments* (*Detect Benefit Overpayments)*
    - **Target:** Overpayments established will be at least 57.5 percent of the estimated detectable, recoverable overpayments.

- *Percent of Employer Tax Liability Determinations Made Timely* (*Establish Tax Accounts Promptly)*
    - **Target:** 90.0 percent of status determinations for new employers will be made within 90 days of the end of the first quarter in which liability occurred.

6. **WIOA Combined State Plans.** WIOA provides the option for states to submit a Combined State Plan that includes program plans for mandatory one-stop partners and other programs. Given that the UI program is a mandatory one-stop partner under WIOA, states have the option of including the UI program as part of the Combined State Plan. However, each state must participate in the UI Performs SQSP process whether or not the state decides to include the UI program as part of its Combined State Plan.

States electing to include UI in a Combined State Plan must incorporate the SQSP in its entirety into the Combined State Plan through the Combined State Plan process via the online WIOA State Plan Portal at https://wioaplans.ed.gov/. Those states must incorporate the FY 2021 SQSP into the Combined State Plan upon ETA's approval of the SQSP, but no later than October 31, 2020.

7. **UI Program Performance and Criteria for FY 2021.** The attachment to this UIPL lists the performance criteria for the Core Measures, Secretary's Standards, and other program requirements where Corrective Action Plans (CAPs) and/or Narratives may be expected if annual performance is not acceptable.

a. Core Measures. Performance below the acceptable levels of performance (ALP) for Core Measures is expected to be addressed in a CAP unless otherwise indicated.

Additional instructions for Core Measures are as follows:

- ***The Detection of Overpayments Measure***. This measure is the percentage of detectable/recoverable overpayments estimated by the Benefit Accuracy

Measurement (BAM) survey that was established for recovery through regular UI Benefit Payment Control (BPC) program operations. States reporting an overpayment detection rate below 50 percent are required to address the deficiency in a CAP. In addition, because most states cannot cost-effectively detect and establish more than 90 percent of estimated overpayments, an upper limit of 95 percent has been established for monitoring purposes. States reporting ratios over 95 percent are expected to explain in the Narrative section the reasons for the higher-than-expected ratios. Additionally, the state is expected to submit a CAP (for BAM/Overpayment Detection or BPC/Overpayment Detection) if an overpayment detection rate above 95 percent is the result of improper administration of BAM or BPC activities or misreporting of data on the ETA 227 (Overpayment Detection and Recovery Activities) report[4]. The CAP is to be designed to produce valid data for the Overpayment Detection Measure. The performance period for the BPC component is the three-year period ending March 31, 2020; the performance period for the BAM component is the three-year period ending September 30, 2019.

- ***Effective Audit Measure***. The Effective Audit Measure, as noted in UIPL No. 03-11, is a blended measure of the following four factors: 1) *Percentage of Contributory Employers Audited Annually;* 2) *Percentage of Total Wage Changed as a Result of Audit;* 3) *Percentage of Total Wages Audited;* and 4) *Average Number of Misclassifications Detected Per Audit*. Each of the four factors has a minimum standard score that states must attain to pass the Effective Audit Measure, as well as an overall combined score that must be met. The measure also requires states to direct additional emphasis to the factor(s) that they deem important to their state. An additional two points must be earned among any of the four factors to attain the overall passing score of at least 7.0. States that do not meet this measure will be required to develop a CAP based on Calendar Year (CY) 2019 data.

- ***Facilitate Reemployment***. This core measure was discontinued beginning with the FY 2020 SQSP cycle. There is no additional reporting or administrative burden on states as a result of this change in the performance evaluation period. No action is required by states to implement this change and states are no longer required to report on this measure. No prior corrective actions on this measure will be enforced.

  In FY 2020, ETA will be announcing, in a separate guidance, the following two reemployment measures:

  - *Reemployment rate in the 2nd Quarter after Program Exit for RESEA Participants* – this core measure aligns with the performance standards required by WIOA and is effective in the FY 2021 SQSP cycle. It measures the percentage of RESEA participants who are in unsubsidized employment during the second quarter after exit from the Wagner-Peyser Act-funded Employment Service (ES) program.

[4] The ETA 227 report is included in ET Handbook No. 401.

- *Median Earnings in the 2nd Quarter after Program Exit for RESEA Participants* – This management information measure also aligns with the performance standards of WIOA, however, no targets will be established. This measure captures the wage amount that is at the midpoint of all the wages between the highest and lowest wage earned in the second quarter after exit for all RESEA participants who exited the ES program.

- ***Improper Payments Measure***. The Improper Payments Measure is defined as UI benefits overpaid plus UI benefits underpaid divided by the total amount of UI benefits paid. It is based on estimates from the results of the BAM survey of paid UI claims in the State UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-Servicemembers (UCX) programs.

  The Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) requires agencies to include all identified improper payments in the reported estimate, regardless of whether the improper payment in question has been or is being recovered. ETA's approved improper payment rate computation methodology can be found in UIPL No. 09-13, Change 1 (January 27, 2015). Corrective action and integrity plans for FY 2021 are based on this computation methodology.

  In line with section 3(a)(3)(F), IPERIA, ETA has established an ALP of less than 10 percent for the improper payment measure. States are expected to maintain an improper payment rate of less than 10 percent for covered programs. The performance period for the improper payments measure is aligned with the Improper Payments Information Act (IPIA) reporting period. This ALP is applicable to the IPIA 2019 performance period (July 1, 2018 to June 30, 2019). States failing to meet the ALP for the 2019 IPIA performance period will be required to develop a CAP as part of the FY 2021 SQSP.

- ***UI Overpayment Recovery Measure***. As explained in UIPL No. 09-13, the recovery rate is "the amount of improper overpayments recovered divided by the amount of improper overpayments identified." The ALP for the recovery rate measure is 68 percent for the 2019 IPIA performance period. The Department will compute future recovery targets based on the most recent recovery and other performance data available.

  The performance period will be based on data from Forms ETA 227, Overpayment Detection and Recovery Activity (Regular), and ETA 227, Overpayment Detection and Recovery Activity (Emergency Unemployment Compensation) (EUC), for the IPIA period (July 1, 2018 to June 30, 2019 of the IPIA reporting year). Pursuant to the UI Reports Handbook (ET Handbook No. 401, 5th edition), the June quarter ETA 227 reports are due August 1. States failing to meet the ALP for the 2019 IPIA performance period will be required to develop a CAP as part of the FY 2021 SQSP.

b. Secretary's Standards.

States experiencing performance below the criteria for the Secretary's Standards established in regulations at 20 CFR Parts 640 and 650 must address the performance issues in a CAP. The Secretary's Standards are listed in the attachment to this UIPL.

c. UI Programs.

States must address the following UI Programs as described below:

- ***State Directory of New Hires (SDNH)/National Directory of New Hires (NDNH)***

  State BAM operations that, based on the BAM Administrative Determination, are not compliant with the NDNH matching requirements in ET Handbook No. 395, 5th Edition, chapter VI, UIPL No. 03-07, and UIPL No. 03-07, Change 1, must be addressed in a CAP for FY 2021.

  State BPC operations that have not implemented the guidelines in UIPL No. 13-19 and the enhanced Recommended Operating Procedures (ROPs) for NDNH and SDNH Cross-matching Activity must be addressed in a CAP for FY 2021. Based on the OIG audit report, *Improved Oversight of States' Use of New Hire Tools Would Help Reduce Improper Payments*, published September 27, 2018, that identified weaknesses in New Hires operations, and a review of NDNH and SDNH data, ETA concluded that states were underutilizing New Hires cross-matches.[5]

- ***Benefit Accuracy Measurement (BAM)***

  State BAM operations or operational components are based on the BAM Administrative Determination. Components that are identified as not compliant with investigative and/or method and procedure requirements established in ET Handbook No. 395, 5th Edition, and through findings established through ET Handbook No. 396, 4th Edition monitoring reviews (based on the annual determination letter issued on or before May 1, 2020), must be addressed in a CAP. This includes paid and denied claim population variances outside established control limits.

- ***Tax Performance System (TPS)***

  To ensure that UI tax operations are in compliance with Federal reporting and oversight requirements, a state's failure to conduct one or more TPS sample reviews will be subject to a CAP. Additionally, a tax function that is not sampled will be included in the number of total failing functions as measured by Tax Quality Part A (no more than three tax functions may fail TPS review) and Part B

[5] *See* https://www.oig.dol.gov/public/reports/oa/2018/04-18-003-03-315.pdf

(a tax function cannot fail for three consecutive years). Exceptions include universes that are too small to support a sample ("S"), an Experience Rate sample that was not scheduled for review during the performance year ("E"), or the granting of a temporary waiver by the RO ("W"). Program Review Findings Charts should be noted accordingly.

- ***Data Validation (DV)***

  The deadline for submitting DV results is June 10, 2020. DV items that fail to pass validation, or that are due but not submitted, are expected to be addressed in the state's FY 2021 SQSP. Non-submitted items include failure to certify that Module 3 of the DV Benefits and Tax Handbooks are up-to-date during the April 1 – June 10, 2020, certification window.

  Any DV items due for Validation Year (VY) 2020 that did not pass or were not submitted by the June 10, 2020, deadline, must be addressed in a CAP for FY 2021.

  ROs will monitor states every three years on cycles coinciding with the DVVY. They will assess the accuracy of the state's DV results considered passing or not due as of the time of the monitoring review to verify that the states are properly implementing the DV program. DV items submitted as passing but which a monitoring review determined to have failed must also be addressed in the SQSP.

  The FY 2021 SQSP CAP will include DV items failing after review in the VY 2020 monitoring cycle (monitored between June 11, 2019 and June 10, 2020). All subsequent SQSP cycles will address items changed from pass to fail in the previous year's monitoring review.

- ***UI Program Integrity***

  States are required to report their planned activities to prevent, detect, reduce, and recover improper UI payments in their Integrity Action Plan (IAP), which should be submitted as part of their SQSP submission (IAP format and instructions are provided in Chapter 1, Section VI and Appendix V of ET Handbook No. 336, 18th Edition, Change 4). States should convene their previously established cross-functional integrity task force to update their IAP. States must analyze their BAM data to identify the top root causes for improper payments and develop strategies that will be effective in reducing or recovering improper payments. The most recent state data is available at the Department's website at https://www.dol.gov/general/maps/data.

  For this SQSP cycle, states are asked to include in their Integrity Action Plans specific strategies to address prevention and detection of fraud and other improper payments in the CARES Act programs and recovery methods, including working directly with financial institutions to recover these payments.

ETA tracks and considers the impact of overpayments established by states that are in excess of $25,000 as required by Executive Order 13520. Overpayments that are in excess of $25,000 are reported quarterly on the ETA 227, Overpayment Detection and Recovery Activities report, as High Dollar Overpayments. UIPL No. 8-12, Change 1, provided further instructions for the ETA 227 report that High Dollar overpayments "may be a single overpayment or multiple overpayments established during or prior to the reporting quarter…" and states are required to report this data for fraud and non-fraud overpayments.

For the performance period April 1, 2019 – March 31, 2020, states will need to explain in their IAP, High Dollar Overpayment causes and develop strategies to prevent these large overpayments, if they report High Dollar Overpayments, in more than one quarter, on the ETA 227 report. Additionally, ETA may request additional information from states reporting High Dollar Overpayments, on the ETA 227 report, in any quarter.

ETA will continue to provide technical assistance to states to support their integrity activities through webinars, individual state technical assistance, and in partnership with the UI Integrity Center. States are strongly encouraged to review and consider the use of the Integrity Center's products and tools as part of their own state-specific work search strategies. These products and tools are posted on the "Integrity" tab at https://ui.workforcegps.org/. In addition, ETA will work with states to expand participation in TOP for the recovery of overpayments, to implement and use SIDES for obtaining timely and complete separation information, and to more effectively use the SDNH, NDNH, and other overpayment prevention tools for BPC.

d. Other UI Performance.

States are expected to address the following performance deficiencies in the SQSP Narrative, unless otherwise indicated:

- Failure to conduct required program reviews;
- Deficiencies identified during required program reviews;
- Failure to meet reporting requirements; and
- Invalid recording of the Issue Detection Date (IDD) and Determination Date (DD). The validity of the UI Performs nonmonetary determination timeliness measure depends on the accuracy of the state's IDD and DD data. IDD and DD data are considered accurate if dates were correct in at least 95 percent of the nonmonetary determinations evaluated in the quarterly quality samples (obtained from the ETA 9056 report). Since the accuracy of IDD and DD data is based on sample results, sampling variation will be taken into account in setting the percentage below which a state's data will be considered inaccurate. States with invalid IDD or DD data are expected to address the steps they will take to record the IDD and DD correctly in the SQSP Narrative.

e. Single Audits.

States are subject to a Single Audit for the regulations outlined in 2 CFR Part 200, Subpart F. Any unresolved program compliance or performance deficiencies identified by a single audit must be addressed in a CAP for FY 2021. However, if a state is developing a CAP for a performance measure associated with the unresolved program compliance or performance deficiencies from the single audit, the corrective actions for both items may be addressed in a single CAP. Information on the program and audit objectives for the UI program is available as part of the FY 2019 Compliance Supplement at: https://www.whitehouse.gov/wp-content/uploads/2019/07/2-CFR_Part-200_Appendix-XI_Compliance-Supplement_2019_FINAL_07.01.19.pdf

8. SQSP Planning Guidance and Requirements. ET Handbook No. 336, 18th Edition, Change 4, and this UIPL, provide guidelines for the completion and submission of the SQSP for FY 2021. The Handbook can be found on the OUI website at: https://wdr.doleta.gov/directives/attach/ETAHandbook/ET_Handbook_No.336_18th_Edition_Change_4_acc.pdf.

The Department's strategic approach to UI Performs is to focus efforts on improving the performance of states where performance is below minimum criteria while promoting overall excellence. To that end, CAPs and/or Narratives are expected whenever a state's performance does not meet established criteria for the SQSP measurement period and remains uncorrected before the preparation of the SQSP.

The measurement period for the FY 2021 SQSP is April 1, 2019 – March 31, 2020, unless otherwise indicated (see attachment). CAPs and Narratives addressing performance deficiencies are components of the state's formal plan and schedule for improving performance; therefore, the causes of performance shortfalls should be thoroughly analyzed before the development of the state's SQSP.

a. SQSP Submittal Cycle.

The SQSP process provides a 24-month window for states to adequately plan and implement performance improvement efforts. The process provides for two types of submittals: a Formal two-year (Biennial) plan and an Alternate Year plan. Descriptions of the Biennial and Alternate Year SQSP submittals, significant activities, and dates relating to the submittal and approval of the SQSP are outlined in ET Handbook No. 336, 18th Edition, Change 4.

As described in UIPL No. 9-20, ETA has implemented a new schedule for SQSP submittals. Beginning with the FY 2021 SQSP cycle, all states will submit a complete Biennial SQSP. In FY 2022, all states will submit an Alternate Year SQSP. This submittal schedule will continue on a recurring basis for all future SQSP cycles.

b. SQSP Preparation.

States must use the Excel CAP Workbook to develop their CAPs and IAPs for the SQSP submissions. States must use the Workbook also for reporting updates to the specific milestones and performance each quarter. The RO will provide states with the Workbook and specific instructions at the beginning of the SQSP planning cycle.

c. SQSP Assurances.

By signing the SQSP Signature Page, a state certifies that it will comply with the assurances listed in ET Handbook No. 336, 18^{th} Edition, Change 4, and institute plans or measures to comply with the requirements for each of the assurances.

States will continue to provide information for the Assurance of Contingency Planning and the Assurance of Automated Information Systems Security. In the State Plan Narrative, Section H, states are expected to provide the dates that their Information Technology (IT) Contingency Plan, System Security Plan, and Risk Assessment were implemented, tested, and reviewed/updated.

Each state must:

- Review and, if necessary, update, and test its IT Contingency Plan annually;
- Review and/or update its System Security Plan annually; and
- Conduct a Risk Assessment once every three years.

If a state does not have an IT Contingency Plan, System Security Plan, and Risk Assessment procedures in place or if these documents are incomplete, then the state is required to address the actions it plans to take to meet these requirements in a CAP. These plans and procedures must meet the minimum controls listed in the Chapter I, Section VIII-H and Section VIII-J of ET Handbook No. 336, 18^{th} Edition, Change 4.

9. <u>Performance Improvement Efforts</u>.

The "At-Risk" Process

ETA had previously identified persistently low-performing states as "At-Risk" since FY 2011, because of consistently significant low performance for the first payment and appeals timeliness measures. States that have been identified as "At-Risk" in previous years will continue to work collaboratively with ETA to achieve performance improvement. The action strategies and technical assistance activities are to be included in the state's SQSP CAP for those measures that have caused the state to be designated "At-Risk."

The "At-Risk" designation will continue until each of the remaining states designated as "At-Risk" meets the ALP for the identified performance measure for six consecutive months, and is likely to continue to sustain this performance improvement. These states will also continue to receive enhanced technical assistance as needed.

The ROs must schedule and conduct quarterly status calls with each "At-Risk" state to discuss the state's progress in implementing the activities and strategies identified in the

SQSP, and the state's progress towards achieving the performance standards. The quarterly calls will include the "At-Risk" state, the RO, and the National Office.

The "High Priority" States Process

As part of the reengineering of its program oversight and accountability processes, ETA identifies states that are considered to be "High Priority" and in need of more intensive technical assistance. The "High Priority" model is designed to use a variety of important program performance measures relating to UI benefit payment performance, integrity, and operations, to produce a score for each state. The methodology was developed to include integral parts of UI Performs core measures, DV results, and program integrity-related data. Please refer to TEN Nos. 08-14 and 03-15 for details.

The selected "High Priority" state(s) will be formally notified by ETA with information on the specific focus areas that caused their selection under this initiative. One of the key aspects of this process is an onsite review with each "High Priority" state by a select expert team of program specialists. The expert team will include National, Regional, and state subject matter experts on the issue areas identified as needing improvement. ETA will work collaboratively with each state to identify strategies and action steps to enable the state to improve its performance in the areas identified by the onsite review. The "High Priority" designation framework and process are outlined in UIPL No. 17-16.

As states develop their SQSPs, they should consider including strategies that will significantly enhance program accountability and performance improvement, and seek technical assistance through ETA's ROs. Also, those states that have been designated as "High Priority" must address review findings as part of the SQSP process.

ROs must schedule and conduct quarterly status calls with each "High Priority" state to discuss the state's progress in implementing the activities and strategies identified during the onsite review and address those items in the state's SQSP. The quarterly calls will include the "High Priority" state, the RO, and the National Office.

The "High Priority" designation will continue until the state: (1) completes corrective actions resulting from the state's onsite review; (2) meets the standards for the core measures related to the areas of concern during the initial designation process for six consecutive months, and is likely to continue to sustain this performance improvement; and (3) maintains performance in other program areas without any diminution of performance.

The "High-Rate/High-Impact" States Process

Starting in FY 2019, the Department has been identifying states with high UI improper payment rates (based on the three-year average for the period from July 1, 2015, through June 30, 2018) that also significantly contribute to the national UI improper payment rate. These "High-Rate/High-Impact" states will be expected to take actions to address improper payments in their states.

The selected "High-Rate/High-Impact" states will be formally notified by the Department with information on the specific focus areas that caused their selection under this initiative. ETA will establish connections between these states and UI subject matter experts from the UI Integrity Center, and work with the state to:

- Identify action steps designed to reduce improper payments with a particular focus on prevention, establish a target reduction for the state's improper payment rate, and provide technical assistance strategies to support the successful implementation of action strategies and the achievement of improved performance;

- Modify the state's IAP to include the newly-identified action steps and improper payment rate reduction targets; and

- Monitor the state's performance and conduct quarterly conference calls to assess progress and identify ongoing technical assistance needs.

All "High-Rate/High-Impact" states will remain subject to additional monitoring and technical assistance until they achieve an improper payment rate under 10 percent and sustain that performance for at least two quarters.

ROs must schedule and conduct quarterly status calls with each "High-Rate/High-Impact" state to discuss the state's progress in implementing the activities and strategies identified to address improper payments in the state. The quarterly calls will include the "High-Rate/High-Impact" state, the RO, and the National Office.

9. **Funding Period.** The Department's proposed FY 2021 appropriation language for State UI and Employment Service Operations allows for obligation of UI allocations by states through December 31, 2021, with 90 additional days to liquidate the obligations and complete the expenditure of funds. Under this proposed language, states would be able to obligate FY 2021 UI funds through September 30, 2023, if such obligations are for automation, competitive grants awarded to states for improved operations, or for conducting in-person reemployment and eligibility assessments and improper payment reviews, and providing reemployment services and referrals to training, as appropriate. However, if such funds were obligated to states for automation being carried out through a consortium of states, states would have through September 30, 2027 to obligate and September 30, 2028 to expend FY 2021 funds. ETA will notify state agencies of the language that Congress ultimately adopts. ETA will notify state agencies on what language Congress adopts. The grant management resources and information including grant terms and conditions are available at https://www.doleta.gov/grants/resources.cfm. Please note that FY 2021 grant terms and conditions are not available at this time. This information will be provided through ROs at a later date and also posted at the webpage indicated above.

10. **Data Availability.** The ROs will provide states with data showing their performance measured against the Core Measures, Secretary's Standards, and other information relevant to the SQSP (*e.g.*, reporting deficiencies).

11. **SQSP Submittal Deadlines.** Each RO will set a date and inform states of the deadline to submit their SQSPs for FY 2021.

States electing to include UI in a Combined State Plan must incorporate the FY 2021 SQSP into the Combined State Plan upon approval of the SQSP, but no later than October 31, 2020.

12. **Electronic Submission of the SQSP.** States must submit the SQSP electronically and should contact their RO SQSP Coordinator before submittal to coordinate specific details. Standard forms required as part of the budget reporting process (Chapter II of ET Handbook No. 336, 18th Edition, Change 4) are available in PDF and may be downloaded from the OMB website at: https://www.grants.gov/web/grants/forms/sf-424-family.html#sortby=1.

    States may submit the SQSP Signature Page electronically if the state law permits. States that do not submit the signature page electronically (which includes by fax or scan) must submit the signature page by mail by the deadline set by the RO.

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

14. **References.**

- Social Security Act (SSA), sections 303(a)(1) and 306 (42 U.S.C. 503(a)(1) and 506);
- Government Performance and Results Act (GPRA) of 1993, Pub. L. 103-62, as amended by GPRA Modernization Act of 2010, Pub. L. 111-352;
- Improper Payments Elimination and Recovery Act of 2010 (IPERA), Pub. L. 111-204 (31 U.S.C. 3301 note and 3321 note);
- Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), Pub. L. 112-248;
- Workforce Innovation and Opportunity Act (WIOA), Pub. L. 113-128, 29 USC 3101 note and Title I;
- Wagner-Peyser Act, 29 U.S.C. Sec. 49 *et seq.*, as amended by Title III of WIOA;
- Trade Act of 1974, Pub. L. 93-618, as amended;
- The Bipartisan Budget Act of 2013, Pub. L. 113-67;
- Bipartisan Budget Act of 2018, Pub. L. 115-123;
- Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2020, Pub. L. 116-94;
- 20 CFR Parts 601, 640, 650, 652, and 660;
- 20 CFR Part 200, Subpart F;
- The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Parts 200 and 2900;
- Unemployment Insurance Program Letter (UIPL) No. 14-05 (February 18, 2005), *Changes to UI Performs*, and its Changes 1 (October 12, 2005), 2 (December 13, 2006), and 3 (April 16, 2008);
- UIPL No. 22-05, *Unemployment Insurance Data Validation (UI DV) Program Software and Policy Guidance* (April 28, 2005), and its Changes 1 (July 21, 2006) and 2 (March 14, 2008);

- UIPL No. 03-07, *Use of National Directory of New Hires (NDNH) in Unemployment Insurance (UI) Benefit Accuracy Measurement (BAM) Audits* (October 31, 2006), and its Change 1 (February 27, 2008);
- UIPL No. 17-08, *The Unemployment Insurance (UI) Reemployment Rate Core Measure* (May 14, 2008);
- UIPL No. 22-10, *Selecting and Monitoring At-Risk States for Continuous Improvement and Compliance with First Payment Timeliness and First Level Appeals Promptness* (April 23, 2010);
- UIPL No. 03-11, *Implementation of the Effective Audit Measure* (December 30, 2010);
- UIPL No. 34-11, *Performance Measure for Unemployment Insurance (UI) Integrity* (September 28, 2011), and its Changes 1 (May 28, 2014) and 2 (July 20, 2016);
- UIPL No. 05-13, *Work Search and Overpayment Offset Provisions Added to Permanent Federal Unemployment Compensation Law by Title II, Subtitle A of the Middle Class Tax Relief and Job Creation Act of 2012* (January 10, 2013);
- UIPL No. 09-13, *Integrity Performance Measures for Unemployment Insurance (UI* (January 29, 2013), and its Change 1 (January 27, 2015);
- UIPL No. 17-14, *Revised Employment and Training (ET) Handbook No. 336, 18th Edition: "Unemployment Insurance (UI) State Quality Service Plan (SQSP) Planning and Reporting Guidelines"* (July 7, 2014);
- UIPL No. 17-16, *Reengineering Unemployment Insurance (UI) Benefits Program Accountability Process: High Priority Designation of States with Sustained Poor Performance* (July 13, 2016);
- UIPL No. 19-16, *Unemployment Insurance (UI) Supplemental Funding Opportunity for Improved Operations* (August 2, 2016);
- UIPL No. 03-17, *Fiscal Year (FY)2017 Unemployment Insurance (UI) Reemployment Services and Eligibility Assessment (RESEA) Grants* (December 8, 2016), and its Change 1 (September 22, 2017);
- UIPL No. 18-17, *Unemployment Insurance Benefits Operations Self-Assessment Tool* (July 28, 2017);
- UIPL No. 07-19, *Fiscal Year (FY) 2019 Funding Allotments and Operating Guidance for Unemployment Insurance (UI) Reemployment Services and Eligibility Assessment (RESEA) Grants* (January 11, 2019);
- UIPL No. 13-19, *National Directory of New Hires (NDNH) and State Directory of New Hires (SDNH) Guidance and Best Practices* (June 7, 2019);
- UIPL No. 08-20, *Fiscal Year (FY) 2020 Funding Allotments and Operating Guidance for Unemployment Insurance Reemployment Services and Eligibility Assessments (RESEA) Grants* (January 20, 2020);
- UIPL No. 09-20, *Unemployment Insurance (UI) State Quality Service Plan (SQSP) Submittal Schedule* (February 6, 2020);
- UIPL No. 23-20, *Program Integrity for the Unemployment Insurance (UI) Program and the UI Programs Authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 - Federal Pandemic Unemployment Compensation*

(FPUC), Pandemic Unemployment Assistance (PUA), and Pandemic Emergency Unemployment Compensation (PEUC) Programs (May 11, 2020);

- Workforce Innovation and Opportunity Act (WIOA), Pub. L. No. 113–128, 29 U.S.C. 3101 *et seq*.;
- Training and Employment Notice (TEN) No. 08-14, *Reengineering Unemployment Insurance (UI) Benefits Program Accountability Processes* (September 2, 2014);
- TEN No. 03-15, *Reengineering Unemployment Insurance (UI) Benefits Program Accountability Processes: Update on Implementation Progress and State Impacts* (July 27, 2015);
- TEN No. 12-16, *Unemployment Insurance (UI) State Information Data Exchange System (SIDES)* (September 27, 2016);
- ET Handbook No. 336, *Unemployment Insurance (UI) State Quality Service Plan (SQSP) Planning and Reporting Guidelines,* 18th Edition, Change 4 (March 2019);
- ET Handbook No. 361, *Unemployment Insurance Data Validation Handbook, Benefits* (September 2019);
- ET Handbook No. 361, *Unemployment Insurance Data Validation Handbook, Tax* (September 2019);
- ET Handbook No. 395, *Benefit Accuracy Measurement State Operations Handbook,* 5th Edition (November 2009);
- ET Handbook No. 396, *Unemployment Insurance Benefit Accuracy Measurement Monitoring Handbook,* 4th Edition (November 2009); and
- ET Handbook No. 401, 5th Edition, *UI Report Handbook No. 401* (July 2017).

15. <u>Attachment</u>.

Measures/Programs to be Addressed in the Fiscal Year (FY) 2021 State Quality Service Plan (SQSP)

Measures/Programs to be Addressed in the Fiscal Year (FY) 2021
State Quality Service Plan (SQSP)

Core Measures	Measurement Period	Criteria	CAP	Narrative
First Payment Promptness	Apr 1, 2019 – Mar 31, 2020	87%	√	
Nonmonetary Determination Time Lapse	Apr 1, 2019 – Mar 31, 2020	80% (combined score)	√	
Nonmonetary Determination Quality – Nonseparations	Apr 1, 2019 – Mar 31, 2020	75%	√	
Nonmonetary Determination Quality – Separations	Apr 1, 2019 – Mar 31, 2020	75%	√	
Detection of Overpayments	BPC: Apr 1, 2017 – Mar 31, 2020; BAM: Oct. 1, 2016 – Sept. 30, 2019	≥50%	√	
		≤95%		√
	If the rate is a result of improper administration of BAM and/or BPC	>95%	√	
Average Age of Pending Lower Authority Appeals	Apr 1, 2019 – Mar 31, 2020	30 days	√	
Average Age of Pending Higher Authority Appeals	Apr 1, 2019 – Mar 31, 2020	40 days	√	
Lower Authority Appeals Quality	Apr 1, 2019 – Mar 31, 2020	80%	√	
New Employer Status Determinations Time Lapse	Jan 1, 2019 – Dec 31, 2019	70%	√	
Tax Quality – Part A	Jan 1, 2019 – Dec 31, 2019	No more than 3 tax functions failing Tax Performance System (TPS) in a year	√	
Tax Quality – Part B	Jan 1, 2019 – Dec 31, 2019	The same tax function cannot fail for 3 consecutive years	√	
Effective Audit Measure	Jan 1, 2019 – Dec 31, 2019	Score ≥7;and pass all 4 factors	√	
Improper Payments Measure	BAM batches 201827 to 201926 (July 1, 2018 to June 29, 2018)	< 10%	√	
UI Overpayment Recovery Measure	July 1, 2018 – June 30, 2019	68%	√	

Measures/Programs to be Addressed in the UI (FY) 2021

State Quality Service Plan (SQSP) (cont'd)

Secretary's Standards in Regulation	Measurement Period	Criteria	CAP	Narrative
First Payment Promptness (Intrastate 14/21 Days)	Apr 1, 2019 – Mar 31, 2020	87%	√	
First Payment Promptness (Intrastate 35 Days)	Apr 1, 2019 – Mar 31, 2020	93%	√	
First Payment Promptness (Interstate 14/21 Days)	Apr 1, 2019 – Mar 31, 2020	70%	√	
First Payment Promptness (Interstate 35 Days)	Apr 1, 2019 – Mar 31, 2020	78%	√	
Lower Authority Appeals (30 Days)	Apr 1, 2019 – Mar 31, 2020	60%	√	
Lower Authority Appeals (45 Days)	Apr 1, 2019 – Mar 31, 2020	80%	√	
UI Programs, etc.	**Measurement Period**		**CAP**	**Narrative**
Data Validation – Populations & Modules	Apr 1, 2019 – Mar 31, 2020	Results not submitted by June 10, 2020	√	
		Failing/incomplete submission by June 10, 2020	√	
Compliance with NDNH matching requirements for BAM	Status as of March 31, 2020		√	
BAM operations not compliant with investigative and/or method and procedure requirements including construction of valid samples and sample populations	Based on the annual determination letter issued by May 1, 2020		√	
Incorrect recording of the Issue Detection Date and/or Determination Date	Apr 1, 2019 – Mar 31, 2020			√
TPS Sample Reviews	Jan 1, 2019 – Dec 31, 2019		√	
UI Program Integrity		**To be addressed in the UI Integrity Action Plan**		