

National Unemployment Insurance Integrity Professional Development Conference

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U. S. Department of Labor



New Hire Data and UI Performance

- *Which UI performance measures are affected by the use of the National Directory of New Hires?*
- *How are Benefit Payment Control and Benefit Accuracy Measurement using the National Directory of New Hires?*



UI Performance Measures

- *The U. S. Department of Labor has developed several performance measures to gauge progress in meeting goals for the Unemployment Insurance program.*
- *These performance measures support two management assessments:*
 - *Government Performance and Results Act*
 - *UI Performs*



Government Performance and Results Act (GPRA)

- *Each year, the Employment and Training Administration (ETA) identifies program areas that warrant special attention, based on the five-year DOL Strategic Plan, which is required by Congress under the Government Performance and Results Act of 1993 (GPRA).*



Government Performance and Results Act (GPRA)

- *The UI program goal supports DOL Strategic Goal 4 — Strengthened Economic Protections.*
 - *Make timely benefit payments to unemployed workers;*
 - *Make accurate benefit payments to unemployed workers;*
 - *Facilitate the reemployment of unemployment insurance beneficiaries, and;*
 - *Set up unemployment tax accounts promptly for new employers.*



UI Performs

- *UI Performs is DOL's performance management system for Unemployment Insurance, which uses a combination of Core Measures and minimum performance criteria, referred to as Acceptable Levels of Performance (ALP), for managing performance.*
- *Corrective action plans through the State Quality Service Plan (SQSP) process are expected when states fail to reach a Core Measure ALP.*



UI Performs – Core Measures

- *Benefits Measures:*
 - First payment promptness
 - Nonmonetary determination time lapse
 - Nonmonetary determination quality separation issues
 - Nonmonetary determination quality nonseparation issues
 - Detection of overpayments



UI Performs – Core Measures

- *Appeals Measures:*
 - Average age of pending lower authority appeals
 - Average age of pending higher authority appeals
 - Lower authority appeals quality



UI Performs – Core Measures

- *Tax Measures:*
 - Measure of tax quality
 - New employer status determinations time lapse
- *Reemployment Measure:*
 - Facilitate reemployment



Detection of Overpayments

- *Percent of detectable / recoverable overpayments established for recovery.*

Overpayments Established (BPC)

X 100

Estimated Overpayments (BAM)



Detection of Overpayments

- *The BPC portion of the measure is the amount of UI benefit overpayments a state actually establishes for recovery, reported on the ETA 227 report.*
- *The BAM portion of the measure is referred to as the “Operational Overpayment Rate” and includes those overpayments that states can be reasonably expected to detect and establish for recovery through regular program operations.*



Detection of Overpayments

- *There is a six-month difference between the beginning and end dates of the periods covered by BPC and BAM.*
- *This difference reflects the fact that most of the overpayments identified through BAM are not detected and established for recovery by BPC - - through crossmatch and other detection methods -- until several months after they have occurred.*

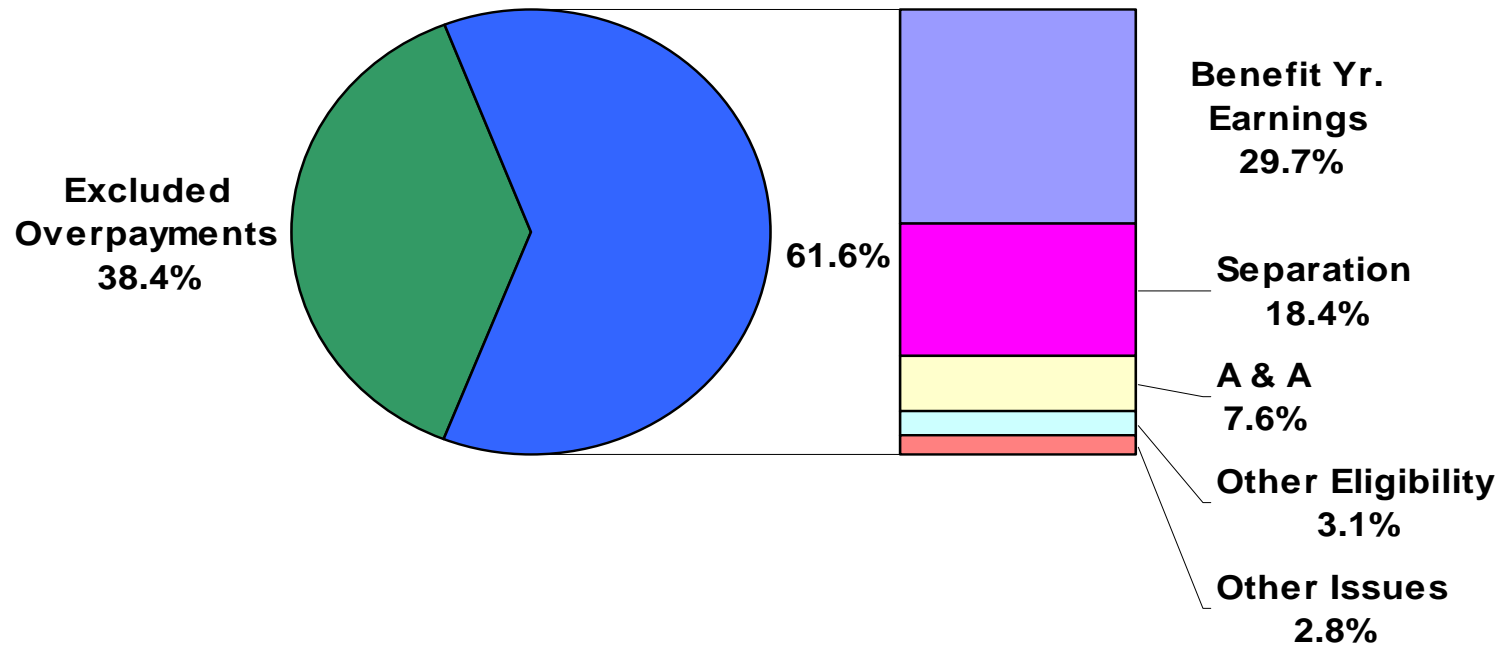


BAM Operational Overpayment Rate

- *Nationwide, the operational overpayment rate was 5.9% in Fiscal Year 2007, representing about \$1.9 billion in UI benefit overpayments.*
- *The BAM operational overpayment rate includes fraud and nonfraud recoverable overpayments in the following cause classifications.*

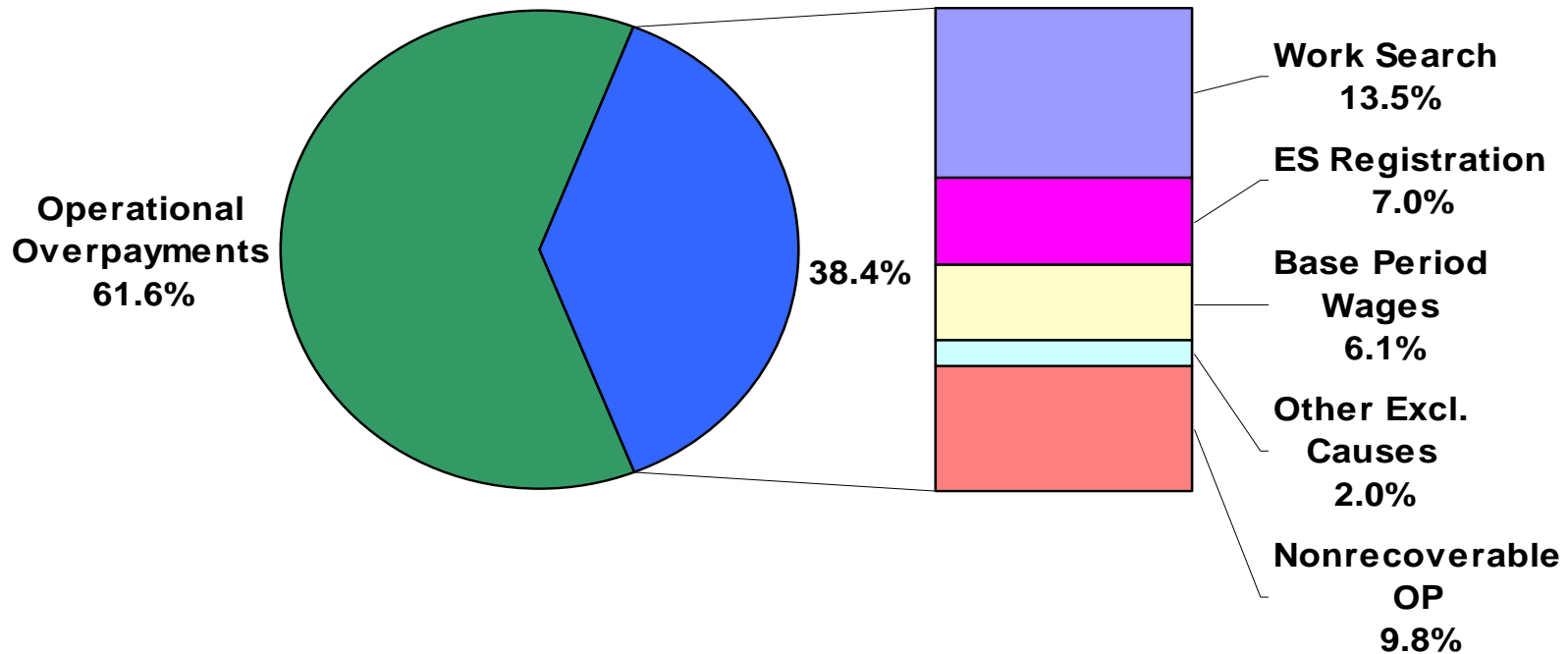
Operational and Excluded Overpayments

Distribution of UI Overpayments
(FY 2007 Distribution of Operational Rate Causes)



Operational and Excluded Overpayments

Distribution of UI Overpayments
(FY 2007 Overpayments Excluded From Operational Rate)



Detection of Overpayments

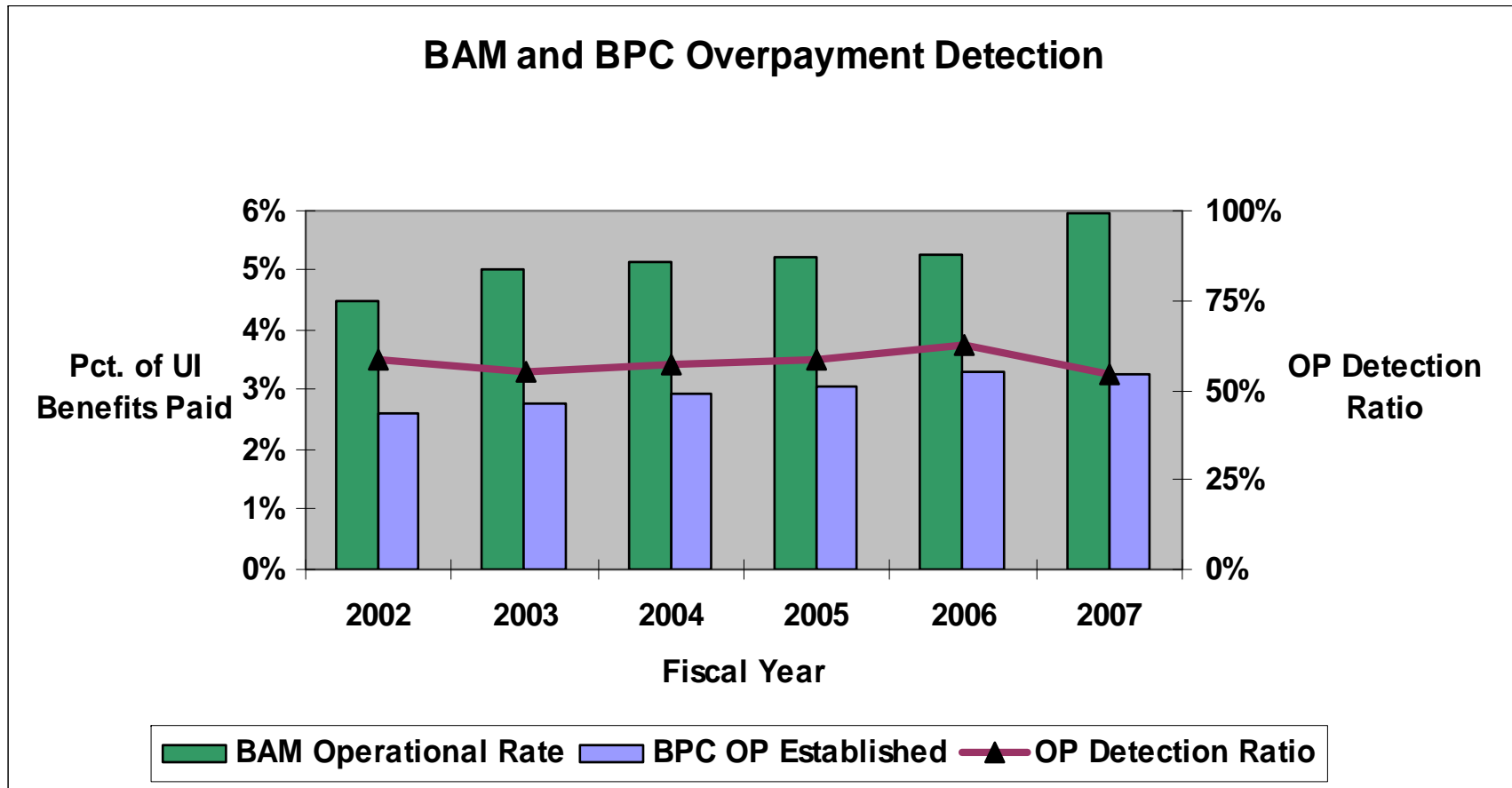
	GPRA	UI Performs
Performance Criteria	FY 2008: 56.0% FY 2009: 56.2%	ALP: 50% Upper Limit: 95%
Measurement Period	BPC: October to September BAM: April to March	BPC: 3-year period ending in March BAM: 3-year period ending in September (Prior year)



Detection of Overpayments

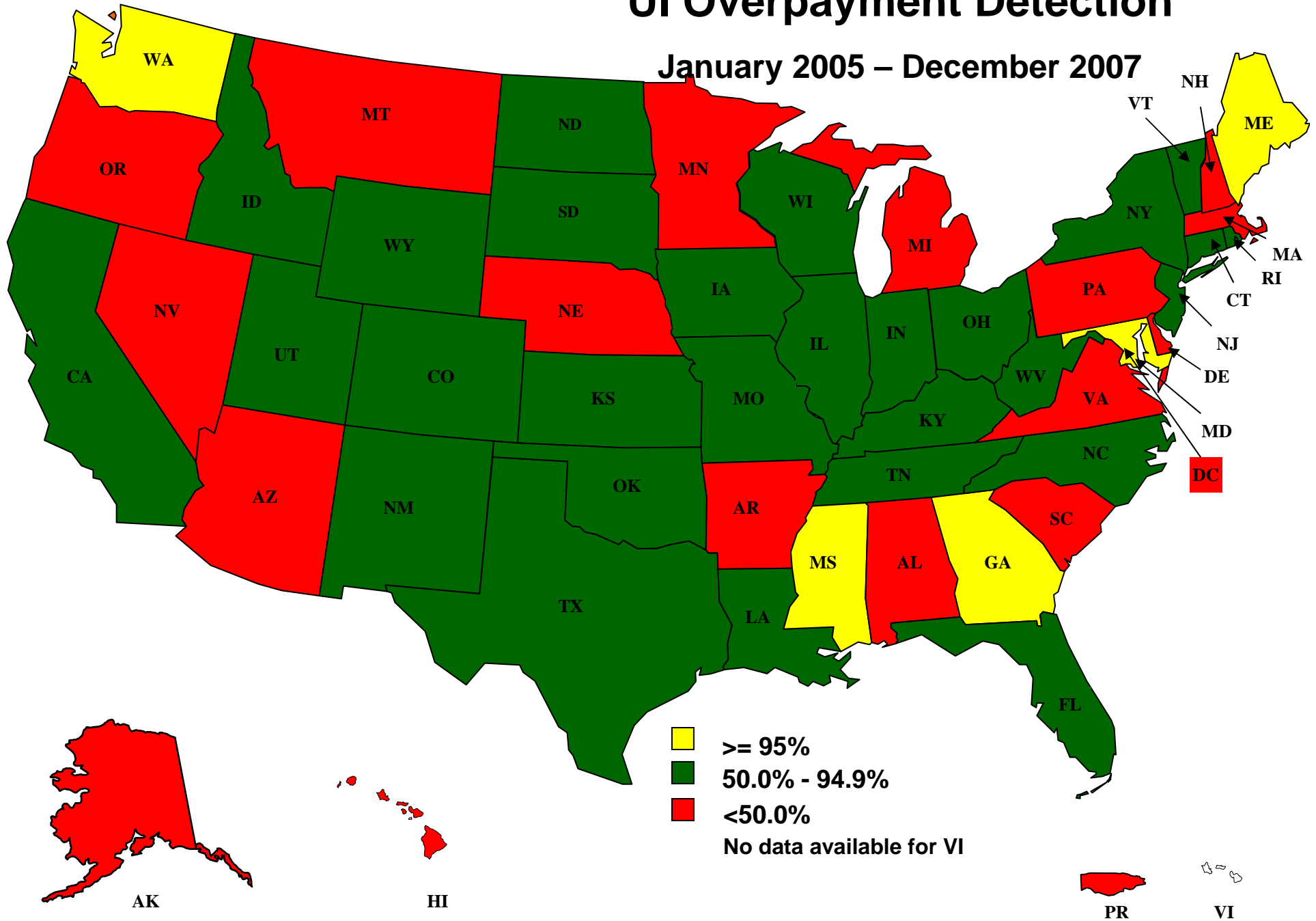
- *The FY 2009 SQSP cycle will include BPC data from April 2005 through March 2008 and BAM data from October 2004 through September 2007.*

Detection of Overpayments



UI Overpayment Detection

January 2005 – December 2007





Reemployment Measure

- *% of UI claimants who are reemployed within the quarter following their first UI payment.*
- *Reported on the ETA 9047 report.*

Number of UI Claimants Receiving First Payments in Quarter (X) Who Are Reemployed in Quarter (X+1)

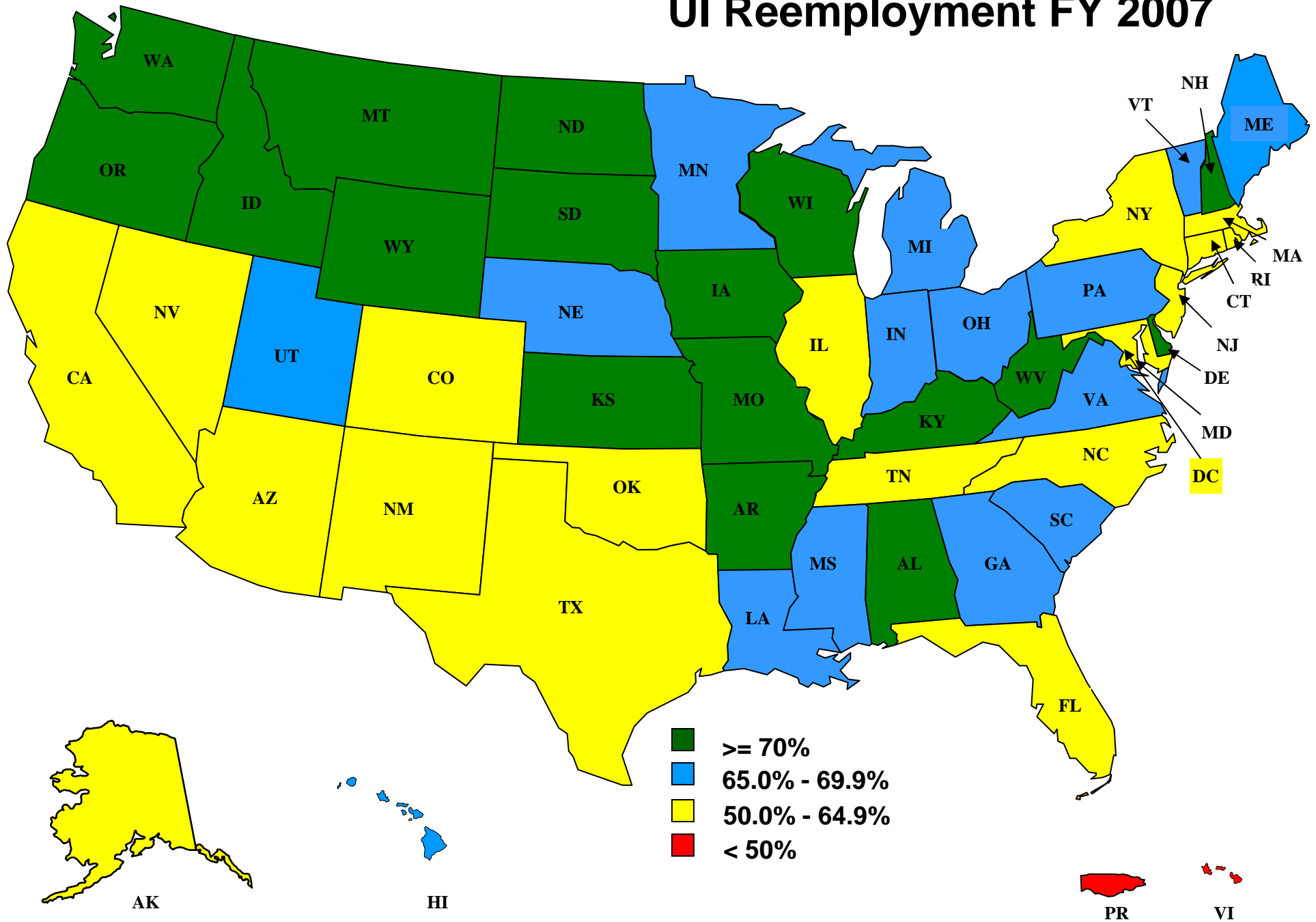
X 100

Number of UI Claimants Receiving 1st Payments in Quarter (X)

Reemployment Measure

	GPRA	UI Performs
Performance Criteria	FY 2008: 65.2% FY 2009: 65.3%	ALP will vary depending on the State's: <ul style="list-style-type: none">➤ Total Unemployment Rate➤ % of UI Claimants Exempt from Work Search / ES Registration
Measurement Period	October to September	1st Payments: October to September Reemployment: January to December

UI Reemployment FY 2007





Use of New Hire Data

- *Public Law 108–295 (“SUTA Dumping Prevention Act of 2004”) authorized state workforce security agencies to access the National Directory of New Hires (NDNH) “for purposes of administering an unemployment compensation program under Federal or State law”.*



Use of New Hire Data

- *During FY 2005, Texas, Utah, and Virginia participated in a pilot test matching UI payments against the NDNH data.*
- *In FY 2007, 50 states used either SDNH or NDNH data to detect overpayments, with an estimated savings of \$86 million.*

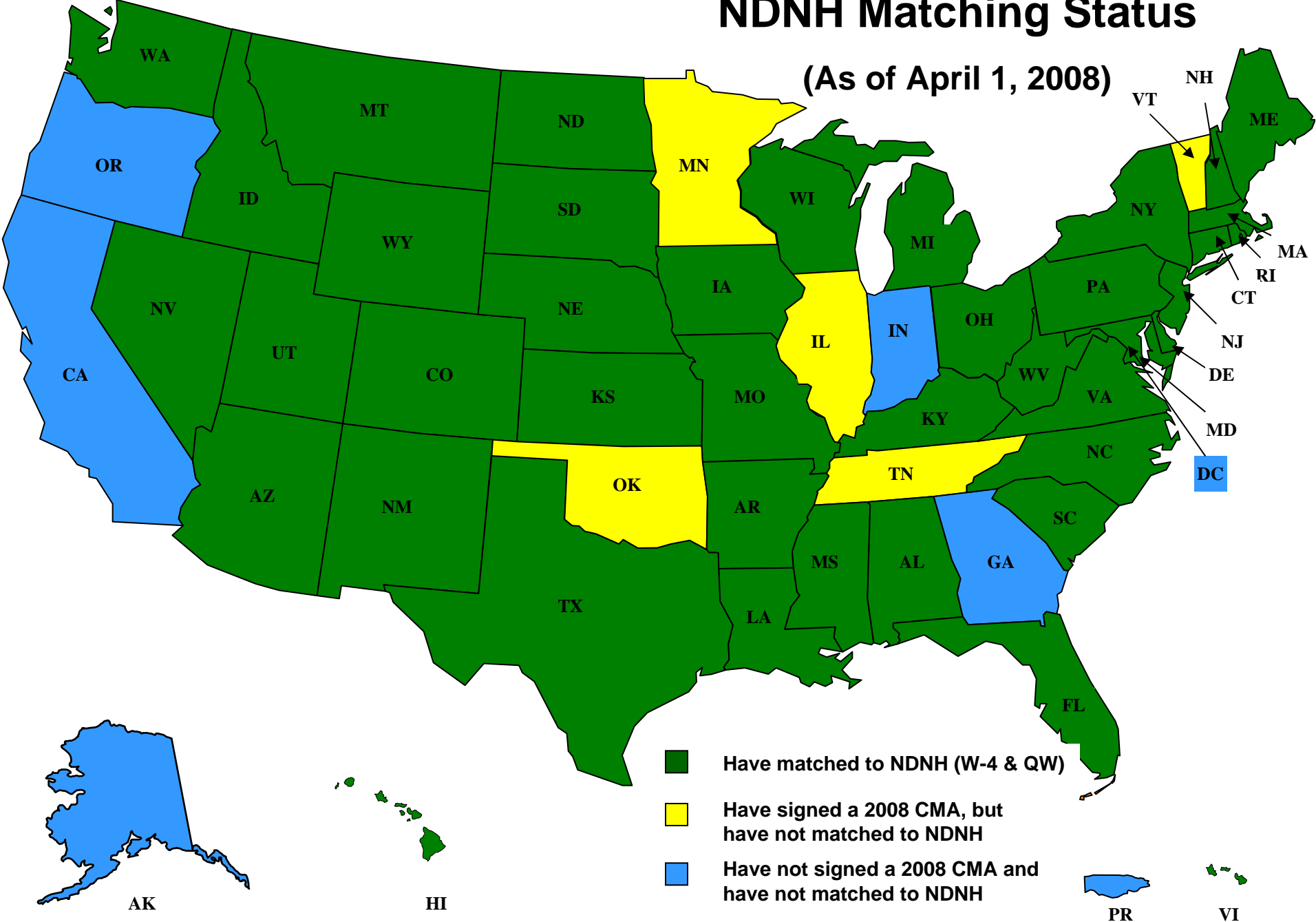


Use of New Hire Data

- *Both BAM and BPC use New Hire data to detect a portion of the overpayments included in the GPRA and UI Performs Overpayment Detection Measures.*
- *States also use the Quarterly Wage data in the NDNH to collect out-of-state reemployment data for the ETA 9047 report.*

NDNH Matching Status

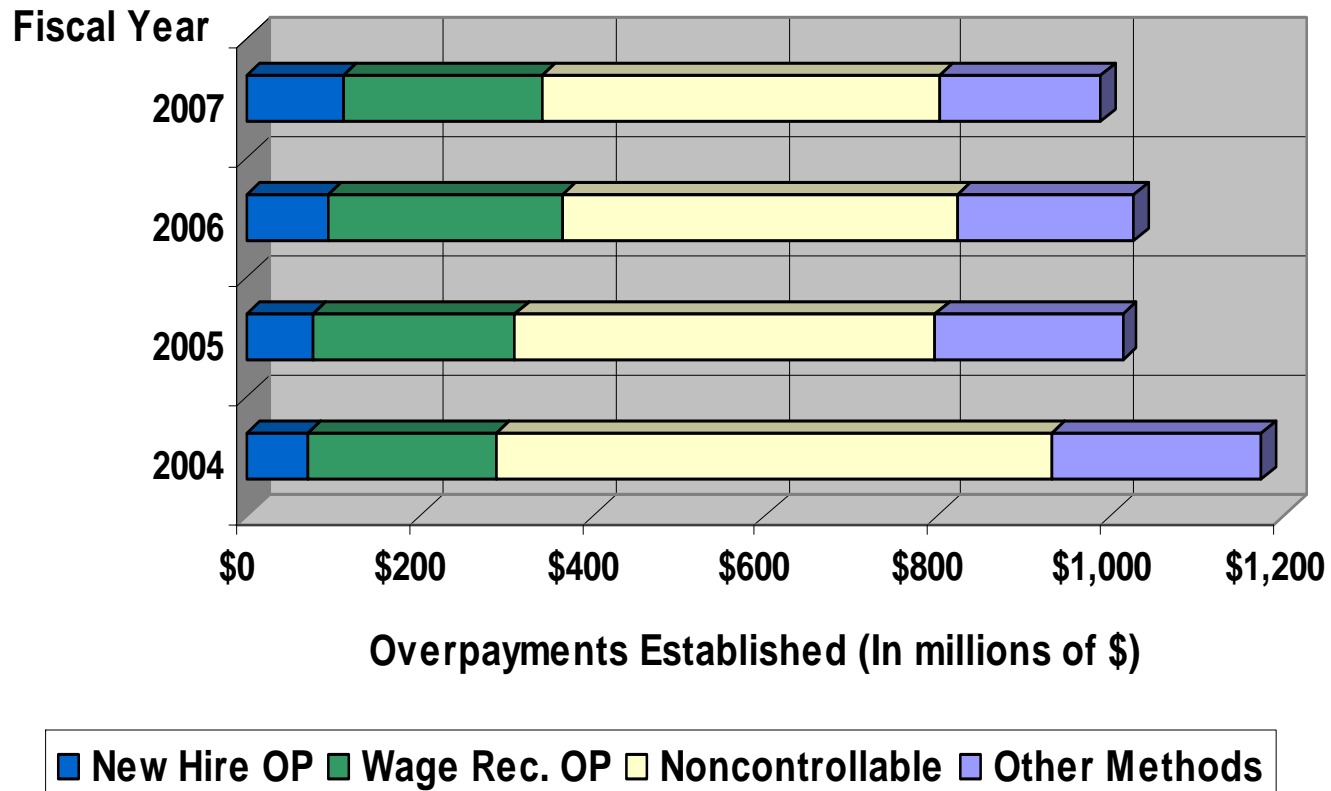
(As of April 1, 2008)



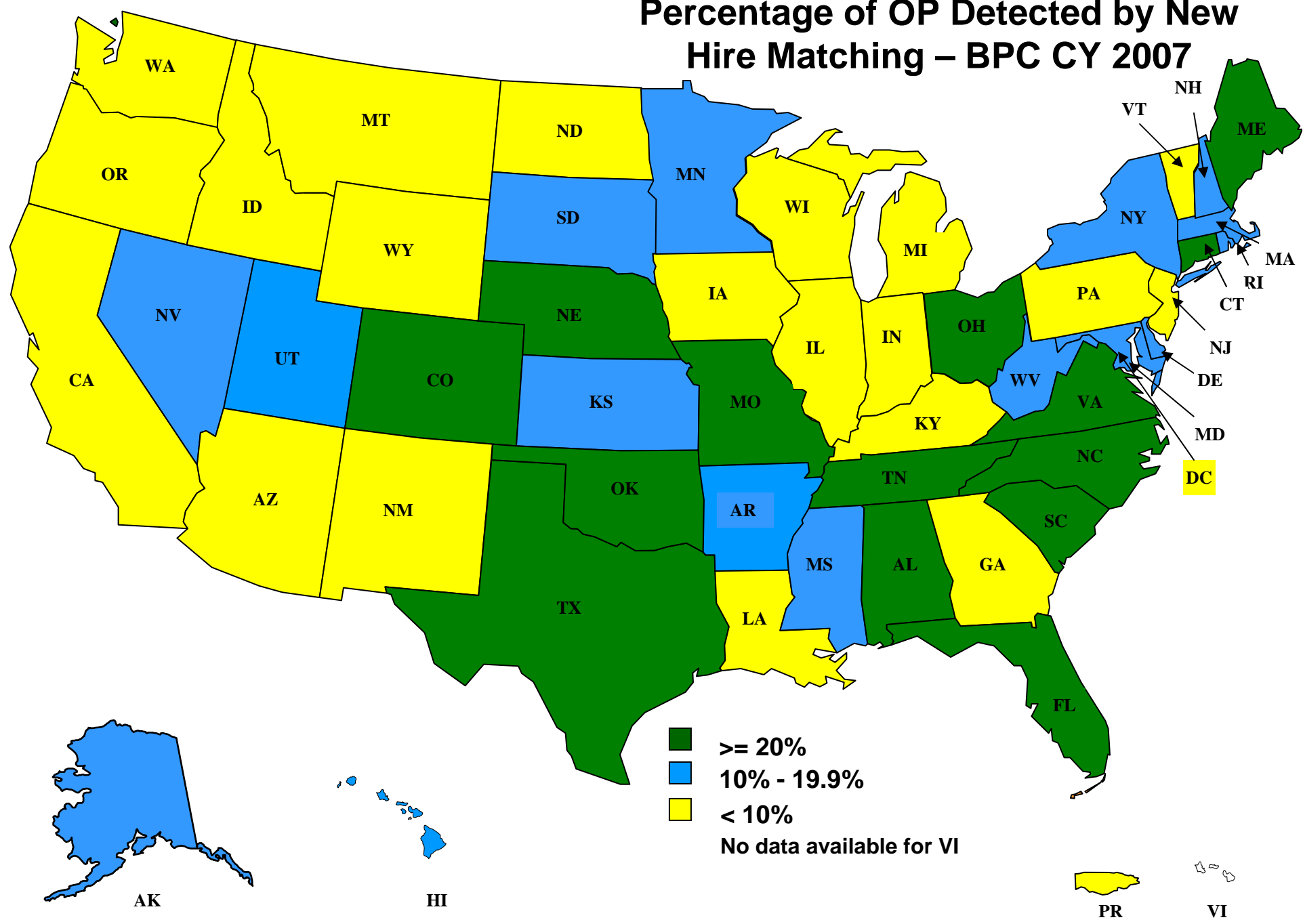
- Have matched to NDNH (W-4 & QW)
- Have signed a 2008 CMA, but have not matched to NDNH
- Have not signed a 2008 CMA and have not matched to NDNH

BPC Use of New Hire Data

BPC Method of Overpayment Detection



Percentage of OP Detected by New Hire Matching – BPC CY 2007





BAM Use of New Hire Data

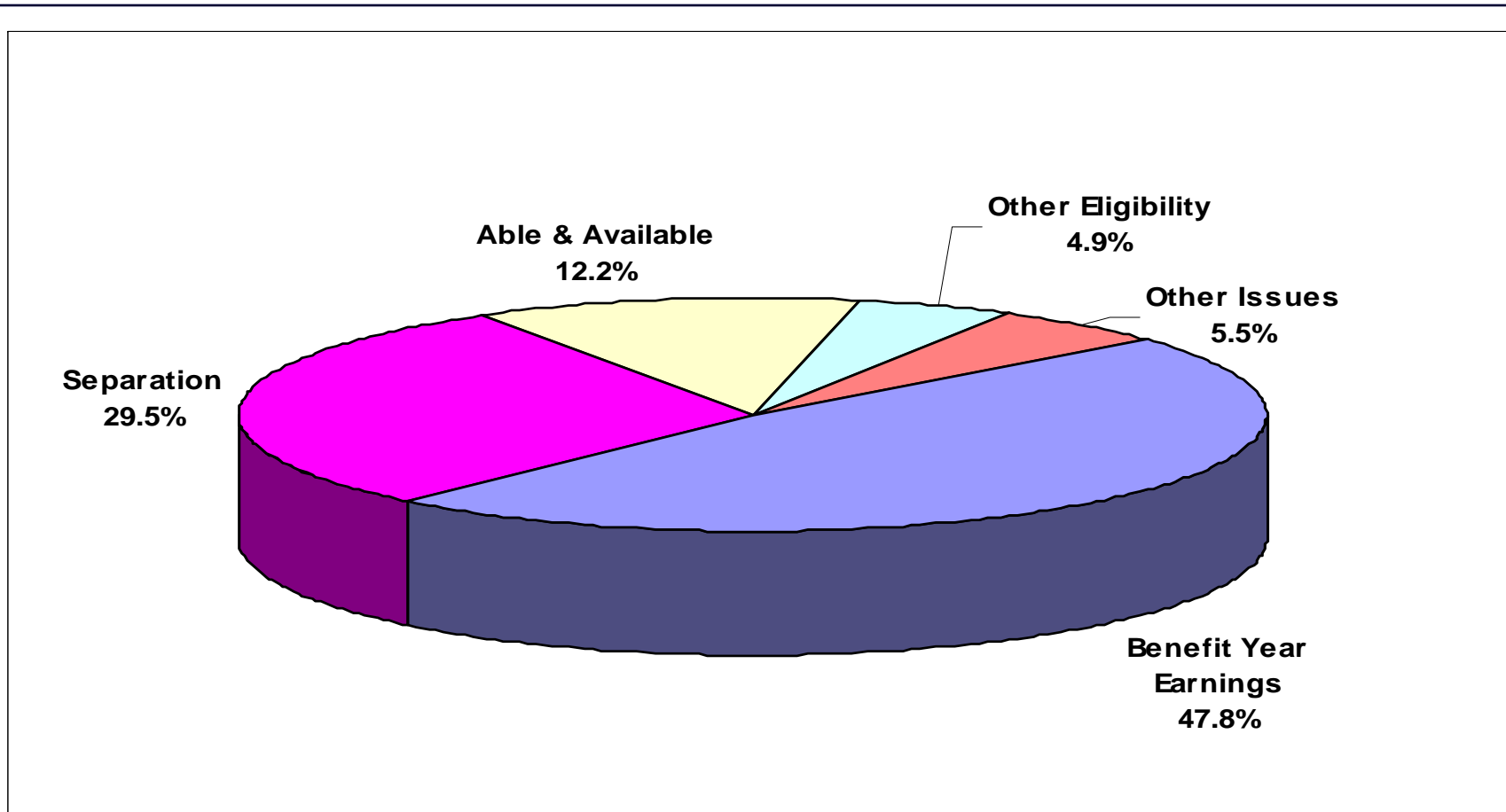
- *As of January 2008, all UI paid claims selected for BAM audit must be crossmatched with the NDNH (UIPL No. 3-07, October 31, 2006).*
- *Additional guidance on NDNH matching for BAM was provided in UIPL No. 3-07, Change 1, February 27, 2008.*



BAM Use of New Hire Data

- *Although states detected relatively few overpayments using New Hire data in FY 2007, we expect the percentage to increase significantly during FY 2008 -2009 as all states begin matching.*
- *Based on a pilot study, we expect that NDNH matching will increase the overpayment detection rate by at least 0.5 percentage points.*

Causes of Operational Overpayments FY 2007



Detection of Operational Overpayments FY 2007

