EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance CORRESPONDENCE SYMBOL OUI/DPM DATE August 20, 2021

ADVISORY: **UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 24-21**

TO: STATE WORKFORCE AGENCIES

FROM: SUZAN G. LEVINE
Acting Assistant Secretary

SUBJECT: Additional Planning Guidance for the Fiscal Year (FY) 2022 Unemployment Insurance (UI) State Quality Service Plan (SQSP)

1. **Purpose.** To initiate the SQSP process and define additional requirements for the FY 2022 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 planning and reporting instructions contained in Employment and Training (ET) Handbook No. 336, 18th Edition, Change 4 and instructions in this Unemployment Insurance Program Letter (UIPL);
   - Coordinate specifics, as appropriate, with ETA's Regional Office (RO) for electronic submission of the SQSP; and
   - Submit the FY 2022 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 (Secretary) to provide funds to the states to administer the UI program and

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governs the 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. The 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. Though this additional planning guidance is similar to the guidance issued in previous years, there are changes relevant to the FY 2022 SQSP cycle. Therefore, please review the new guidance carefully.

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

4. **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 discussion among the senior UI leadership, ETA establishes National Priorities for the UI program.

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (ARPA) into law (Public Law (Pub. L.) 117-2). Section 9032, ARPA, provides for a $2,000,000,000 appropriation to the Secretary to detect and prevent fraud, to promote equitable access, and to ensure timely payment of benefits to eligible workers with respect to Unemployment Compensation (UC) programs.

For FY 2022, ETA's top priorities align with reemployment strategies and ARPA goals and initiatives. The FY 2022 National Priorities are intended to guide states in the development of their SQSPs and include:

- Improving state capacity to administer and operate the UI program effectively and efficiently; and rebuilding and improving program performance by addressing the significant impact that the workload created by the Coronavirus Disease 2019 (COVID-19) pandemic had on the UI system;

- Focusing on improving the timely delivery of benefit payments and the reduction of the adjudication and appeals claims backlogs;

- Focusing on equitable access to UI programs;

- 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); and

- Combatting fraud, reducing the UI improper payment rate, and improving prevention, detection, and recovery of improper and fraudulent overpayments.

ETA provides the following information on its National Priorities for FY 2022. States should also establish additional state-level priorities for their UI program in their SQSPs.

Improving State Capacity to Administer and Operate the UI Program Effectively and Efficiently

The unprecedented claims workload during the pandemic has significantly impacted states' capacity to administer and operate the UI program. Many states continue to struggle with administrative and operational challenges, resulting in performance issues and poor customer service. These challenges include, but are not limited to: changes in state program leadership; aging technology systems and/or implementing new technology solutions; managing the loss of key subject matter expertise due to staff retirements and turnover; hiring new staff, requiring ongoing staff training and increased supervision combatting an increase in fraud and identity theft; and the need to improve overall program performance. While states experienced these challenges during the COVID-19 public health emergency and related massive spike in UC claims, they may likely continue to face these issues in addition to ongoing or residual pandemic-specific issues.

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

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

- Reviewing service delivery processes to ensure that current web-based, telephone-based, and other remote UI services meet the requirements of UIPL Nos. 02-16 and 02-16, Change 1, by providing and promoting alternative mechanisms for individuals with access barriers, such as a disability or limited English proficiency.

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

- Using online training modules available through the National Association of State Workforce Agencies' (NASWA) learning management platform at https://www.naswa.org/learning, which includes training courses from both the UI Integrity Center's National Integrity Academy (Academy) and the UI Information Technology Support Center (ITSC).

- Incorporating lessons learned from states' responses to the COVID-19 surge in UC claims and implementation of the temporary Coronavirus Aid, Relief, and Economic Security (CARES) Act UI programs, such as managing rapid changes in staffing, implementing 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, UI ITSC, the UI Integrity Center, and the US Digital Response, as well as the many resources available through the UI Community of Practice (CoP) on WorkforceGPS at https://www.workforcegps.org/.

- Using the FY 2019 results from the state's implementation of the UI State Self-Assessment Tool to identify needed changes in the operational processes for administration of the 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 timely delivery of benefit payments and the reduction of the adjudication and appeals claims backlogs

States have experienced extraordinary workloads due to the economic impacts of the COVID-19 pandemic, while managing the implementation and operation of new temporary UI programs created by the CARES Act and successor enactments. During this time, there is a heightened need for states to maintain a steadfast focus on UI functions and activities that improve the timely payment of benefits. Under Section 303(a)(1) of the SSA, a state's laws must provide for "methods of administration" that are "reasonably calculated" to ensure full payment of unemployment benefits "when due" in order to receive a UI administrative grant. "When due" is the basis for federal requirements concerning timeliness of benefit payments and eligibility determinations.

Many states continue to struggle with significant adjudication and appeals backlogs as a result of the impact of the pandemic. In preparation of the FY 2022 SQSP, states should examine strategies and processes with the goal of quickly reducing the level of backlogs. As discussed below and as part of the FY 2022 SQSP process, states will need to describe their plan to address any adjudication and appeals backlogs and submit monthly updates to its RO on the number of adjudication and appeals cases that are still on its backlog.

Ensuring Equitable Access to UI Programs

Another area in need of improvement in UI programs is ensuring equitable and meaningful access to the program. The "when due" requirement under Section 303(a)(1) of the SSA, discussed above, also includes ensuring that individuals have sufficient access to the program so that eligibility can be determined, and benefit payments can be made promptly.

On January 20, 2021, the President issued Executive Order (EO) 13985 concerning advancing racial equity and support for underserved communities. This EO articulates the importance of advancing equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality. This includes, low wage workers, Black and Hispanic/Latinx workers, individuals with disabilities, and individuals with limited English proficiency. Advancing equity requires a systematic approach to embedding fairness in decision making processes and eliminating barriers to access. Public programs must be designed to serve all individuals. For this reason, the Federal Government should, consistent with applicable law, allocate resources to address the historic failure to invest sufficiently, justly, and equally in underserved communities, as well as individuals from those communities. Therefore, state UI agencies must ensure that use of technologies and systems for administering UI programs and providing services do not create barriers (e.g., procedural, technological, or informational) that may prevent individuals from accessing UI benefits, such as by denying them a reasonable opportunity to establish their eligibility.

States are reminded of the Management Report, issued by the U.S. Government Accountability Office on June 17, 2021, regarding potential racial and ethnic disparities in the UI program during the pandemic (*see* https://www.gao.gov/assets/gao-21-599r.pdf). States are encouraged to examine any available claimant demographic data to help inform strategies to enhance outreach and education about the program to underserved communities. States should also explore strategies to improve their state's UI program recipiency rate. In addition, state should focus on UI functions and activities that ensure equitable access to these programs. UIPL Nos. 02-16 and 02-16, Change 1, outline the requirements that the state must meet to ensure access to the UI program and timely payments are made to eligible individuals.

Supporting RESEA and the Reemployment of UI Claimants

As the nation's economy reopens in the aftermath of the pandemic, reemployment of UI claimants is 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, which permanently authorizes the RESEA program. These provisions require states to increase the use of evidence-based interventions and service delivery strategies and conduct evaluations to expand the availability of such strategies to improve employment outcomes and reduce the average duration of UC receipt through rapid reemployment. UIPL No. 13-21 provides the FY 2021 RESEA operating guidance, including instructions for the implementation of the latest program requirements. 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 and WIOA state plans in the SQSP rather than replicate these strategies and approaches. However, states should discuss how their RESEA strategies support reducing improper payments. RESEA has the potential to address UI improper payments in multiple ways, including reviewing the claimant's eligibility and providing services to claimants that help them comply with work search requirements.

Combatting Fraud and Identity Theft, Reducing the UI Improper Payment Rate, and Recovering Improper Payments, Including Fraudulent Payments and Overpayments

Working with states to address UI fraudulent and improper payments is one of the U.S. Department of Labor's (Department's) top priorities. As reported in the 2020 Agency Financial Report,[1] many states demonstrated significant progress in reducing their improper payment rates and the national improper payment rate, which declined to 9.17 percent.[2] However, achieving the statutory requirement of 10 percent is not the ultimate goal; rather, the goal is to prevent as many improper payments, including fraudulent payments as possible. In light of the current challenges posed to UI program integrity, which include a

[1] https://www.dol.gov/sites/dolgov/files/OPA/reports/2020annualreport.pdf
[2] The improper payment rate is for the 12 months ending June 30, 2020.

significant increase in UC claims workload and a surge in fraudulent activity, states must continue to enhance efforts to combat fraud and reduce improper payments.

Since the enactment of the CARES Act, which created several new temporary UC programs (including Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation), incidences of UI fraud have increased significantly, further testing the integrity of individual state systems and the UI program as a whole. During the COVID-19 pandemic, UI programs have become targets for fraud, with states experiencing a significant amount of imposter claims filed with stolen or false identities. The Unemployment Insurance Fraud Protection Guide[3] issued by the U.S. Department of Justice on September 21, 2020, states: "Fraudsters, some of which are transnational criminal organizations, are using stolen identities of U.S. citizens to open accounts and file fraudulent claims for UI Benefits, exploiting the unprecedented expansion of these benefits provided in response to economic disruption caused by the COVID-19 pandemic."

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[4]. The strategic plan contains a variety of strategies focused on the main root causes of improper payments, including fraud, which all states are strongly encouraged to adopt.

For FY 2022, ETA is highlighting four specific areas for inclusion in states' SQSP Integrity Action Plans (IAP):

- Use of tools, strategies, process improvements, and/or procedural changes adopted by the state to combat fraud and identity theft and enhance recovery efforts.

- State use of UI Integrity Center resources, with a particular focus on state connection to the Integrity Data Hub and use of its datasets to cross-match UI claims to detect and prevent fraud (*see* Training and Employment Notice (TEN) No. 4-20);

- State use and employer participation in the State Information Data Exchange System (SIDES) (*see* TEN No. 12-16); and

- 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 (*see* TEN No. 17-19).

Additional tools, strategies, process improvements, and/or procedural changes to combat fraud and identity theft and enhance recovery efforts

Intercepting fraud as early as possible minimizes its impact on the UI system. Fraud detection, operations, and procedures, coupled with front-end identity verification tools, are critical to ensuring payment is made timely and only to individuals entitled to receive benefits. The Department continues to strongly encourage states to adopt multiple strategies

[3] https://www.justice.gov/file/1324726/download
[4] https://oui.doleta.gov/unemploy/pdf/ui_prog_integrity.pdf

and techniques to validate UI claims, detect and share suspicious claim attributes between states, and consider a range of other tools available on the market when combating fraud and ensuring program integrity. In addition, states should work collaboratively with law enforcement agencies to administer their prosecutorial actions, and continue to make referrals to the Office of Inspector General (OIG), Office of Investigations, which is the primary law enforcement agency responsible for investigating UI fraud.

Overpayment recovery is critical to protect both state UI trust funds and federal funds and must be given the same priority as overpayment prevention and detection. ETA strongly encourages states to work proactively and collaboratively with banks and financial institutions to detect suspicious activity, ensure that accounts are not unduly suspended, and recover overpayments.

ETA reminded states of program integrity functions required for the regular UI program (*see* UIPL No. 23-20) and provided additional funding to support states with fraud prevention and detection and overpayment recovery activities in the CARES Act UI programs (*see* UIPL Nos. 28-20 and 28-20, Change 1). In addition, the Department intends to provide additional funding opportunities to states to support fraud detection and prevention, including identity verification and overpayment recovery activities, in all UC programs.

Furthermore, under the direction of ARPA, the Department has made available to states access to consultative services through vendor supported “Tiger Team” state assessments. These consultations will focus on operations, communications, process flows, and technologies that support timeliness of benefit distribution, reduction of backlogs, equity of benefits access and awareness, and fraud prevention and detection. States are encouraged to work with the Department’s “Tiger Team” consultative services to develop customized recommendations to detect and prevent fraud and take advantage of potential funding opportunities to implement the “Tiger Team” recommendations.

State Use of UI Integrity Center Resources

The UI Integrity Center is a unique and extremely valuable resource available at no cost to states to support the detection of potential fraud and the reduction of state improper payment rates. States are strongly encouraged to access UI Integrity Center resources on a regular basis to inform and support state strategies to prevent, detect, and recover improper, including fraudulent, payments. ETA expected that all states be positioned to use the UI Integrity Center’s Integrity Data Hub no later than March 31, 2021, for the CARES Act UI programs (*see* UIPL No. 28-20 and UIPL No. 28-20, Change 1). Below are key resources that states should connect to and build into their IAP 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 continues to evolve as new data sources are added and more states cross-match data and identify suspicious claim attributes. Data sources currently available through the IDH include, the Suspicious Actor Repository (SAR); Foreign Internet Protocol (IP) address detection; Multi-State Cross-Match (MSCM); Identity Verification (IDV) solution; and the Fraud Alert System. Also, the UI

Integrity Center is in the process of providing an Account Verification Service (AVS) to authenticate bank accounts designated by UI claimants.

- **State Consultative Services.** One of the UI Integrity Center's most valuable assets is its state subject matter experts. The UI Integrity Center is available 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 also available to support states to address program integrity issues, including combatting fraud and identity theft in the UI system.

- **Capturing and Disseminating State Integrity Best Practices.** The UI Integrity Knowledge Exchange Library at https://library.naswa.org/, is an online, searchable, knowledge-sharing platform that provides a repository of all UI Integrity Center resources including, model state operational processes, promising state practices, and recommendations to strengthen UI program integrity.

- **UI National Integrity 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 UI Integrity Center has added modules on prioritizing outcome results from cross-matches, data analytics, and Benefit Accuracy Measurement (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 OIG found that states' use of SIDES contributed to reduced improper payments.[5] Below are key SIDES-related resources that states should connect to and build into their IAP 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:

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

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

- **SIDES Additional Fact-Finding Exchange.** This exchange facilitates and supports 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. Sixteen 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.

- **Monetary & Potential Charges Exchange**. This exchange provides employers notification of charges to their account and an opportunity for an employer to respond to the state UI agency if something appears suspicious or wrong.

Strategies to Support Claimant Compliance with State Work Search Requirements

As economies re-open and the COVID-19 pandemic subsides, states should make every effort to engage employers and support the reemployment of UI claimants. States are strongly encouraged to implement strategies to address work search errors. Strategies to consider include:

- 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 (*see* TEN No. 17-19);

- 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 providing assistance in developing a reemployment plan that meets the requirements, including through customer-friendly technology applications that facilitate claimants carrying out their work search requirements;

- Encouraging states to proactively identify and refer claimants to suitable job openings from the full spectrum of public and private job banks, and accept employment in suitable work if offered;

- Documenting these activities through the state's case management system or other information technology (IT) 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 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, and making such services available virtually to support a broader reach;

- 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 UI ITSC; and

- Reinforcing the requirement to complete work search activities throughout the claims cycle through the use of behavioral messaging in electronic communications, either in an online technology application or through emails or texts, to "nudge" claimants to comply with work search requirements.

<u>Government Performance and Results Act of 1993 (GPRA) UI Performance Measures (Federal Emphasis)</u>

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 negatively impacted states' program performance in FYs 2020 and 2021. As the impact of the pandemic subsides, it will be important for states to refocus their efforts on meeting the performance measures that ensure the UI program is achieving its mission-critical goals.

In FY 2022, ETA will work with states to rebuild performance with attention on the following GPRA goals for FY 2022, 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. States must describe in the SQSP Narrative the steps they will take to reach and/or exceed these GPRA goals and targets. See https://oui.doleta.gov/unemploy/docs/GPRA_Summary_Report.asp for the FY 2022 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 at a rate that is 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.

5. <u>SQSP Planning Guidance</u>. ET Handbook No. 336, 18th Edition, Change 4, and this UIPL provide guidelines for the completion and submission of the SQSP for FY 2022. 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.

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 and this UIPL.

As described in UIPL No. 09-20, ETA has implemented a new schedule for SQSP submittals. Beginning with last year's (FY 2021) SQSP cycle, all states submitted a Biennial SQSP. This year (FY 2022), all states will submit an Alternate Year SQSP. This submittal schedule will continue on a recurring basis for all future SQSP cycles.

SQSP Preparation

States must use the Excel Corrective Action Plan (CAP) Workbook to develop their CAPs and IAP for the SQSP submissions. States must also use the Workbook for reporting updates to specific milestones and its performance each quarter. The RO will provide states with the Workbook and specific instructions relevant to this Alternate Year SQSP planning cycle.

SQSP Assurances and Approval

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

6. **UI Program Performance.** 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, states are expected to address performance that does not meet established criteria for the SQSP measurement period. The measurement period for the FY 2022 SQSP is April 1, 2020 – March 31, 2021, unless otherwise indicated (*see* the Attachment to this UIPL).

   ETA realizes that, during the performance period, states were engaged in implementing and operating the UI-related temporary programs under the CARES Act of 2020; implementing the changes in the Continued Assistance Act and in the ARPA; combatting fraud; and processing the unprecedented volume of claims that were filed for these and the regular UI programs. As a result, states were provided operational flexibilities to support many states that needed to divert available staff in supporting the program's mission and operations. ETA has considered these situations in determining FY 2022 corrective action requirements. Modifications to the FY 2022 SQSP submittal are described below in Section 7.

7. **Performance Criteria and Planning Requirements for FY 2022.** For the FY 2022 SQSP, ETA will administer the SQSP process as described in ET Handbook No. 336, 18th edition, Change 4 with the following modifications and requirements. There are temporary changes in the process to allow for the efficient administration of UI Performs while states continue to strive to improve performance.

   Modifications and Requirements for FY 2022:

   a. Alternate Year SQSP

      All states will submit an Alternate Year SQSP for FY 2022. This submittal will consist of a transmittal letter; modifications to the State Plan Narrative, including Assurances; updates to existing CAPs; a FY 2022 IAP; budget worksheets/forms; organizational chart (if changed); and a Signature Page.

b. SQSP State Plan Narrative

The SQSP Narrative provides an opportunity for states to share their key program objectives for the coming year. The components to be addressed are described in ET Handbook No. 336, 18th Edition, Change 4 and this UIPL.

For FY 2022, the State Plan Narrative must be modified to include the following:

- States must describe their plan to address any adjudication and appeals backlogs. States will submit monthly updates to its RO on the number of adjudication and appeals cases that are still on its backlog. The RO will provide details for this submission.

- Assurance of Contingency Planning and Assurance of Automated Systems Security

  States are required to provide the dates that their 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 the State Plan Narrative. 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, 18th Edition, Change 4.

- Assurance of Disaster Unemployment Assistance (DUA)

  Beginning with the FY 2022 SQSP, each state must assure that ~~it~~ will conduct annual training for its DUA staff and develop and maintain a standard operating procedures manual for DUA. States are encouraged to use the DUA training modules available on the NASWA learning platform https://www.naswa.org/learning).

  Each state must:

    - Indicate that it has conducted training and provide the date of the training; and

    - Indicate that it has developed and/or maintained DUA Standard Operating Procedures for use during a major disaster declaration

c. Corrective Action Plans (CAPs).

In past years, states were required to develop a CAP if performance did not meet the established criteria/ acceptable level of performance (ALP) for performance measures and UI programs. The performance measures aligned with the period used for developing the SQSP for FY 2022 have been significantly impacted by the COVID-19 pandemic and the operational flexibilities allowed during much of the pandemic. As a result, most states would be required to develop new CAPs due to diminished performance. In light of these extraordinary circumstances, for FY 2022, ETA will not require states to write or develop new CAPs due to poor performance during the FY 2022 performance measurement period for failure to meet the criteria/ALP for Core Measures, Secretary Standards, and/or UI Programs with the following exceptions: (*see* the Attachment to this UIPL for a recap of the areas where CAPs will not be required and where they will be required for the FY 2022 SQSP)

- *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 Payment Integrity Information Act of 2019 (PIIA) 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. Corrective action and integrity plans for FY 2022 are based on this computation methodology.

  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 PIIA reporting period. This ALP is applicable to the PIIA 2020 performance period (July 1, 2019 to June 30, 2020). States failing to meet the ALP for the 2020 PIIA performance period will be required to develop a CAP as part of the FY 2022 SQSP. In developing a CAP for the improper payment measure, the Department strongly suggests states consider committing to participation in a "Tiger Team" consultative service to assist states in developing customized recommendations to detect and prevent fraud. In addition, as part of CAP development, states are encouraged to include any new prevention and detection strategies implemented with funds the Department has made available to states for combatting fraud and identity theft.

- *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 30, 2021), must be addressed in a CAP. This includes denied claim population variances outside established control limits.

- *Tax Performance System (TPS)*

  - Tax Quality Part B

    A CAP for the FY 2022 SQSP is required if a state fails Tax Quality Part B (a tax function cannot fail for three consecutive years, which includes a failed tax function in FY 2020). A failed tax function in CY 2020 will be included in the measurement of Tax Quality Part B for a SQSP in future years.

  - TPS Sample Reviews

    Although ETA allowed state TPS reviewers to postpone systems reviews of tax functions that were due in CY 2020 to CY 2021, state TPS reviewers were required to conduct acceptance sampling of tax functions in CY 2020. A CAP for the FY 2022 SQSP is required if a state TPS reviewer did not conduct acceptance sampling of tax functions in CY 2020. **Note**: A CAP will not be necessary under this requirement if the state TPS reviewer conducted acceptance sampling of at least one tax function in CY 2020. States should identify the reason(s) why no acceptance sampling was conducted in CY 2020 and identify their plans to conduct acceptance sampling in the future.

d. UI Program Integrity and the IAP

The IAP must be completed each year. The purpose of the IAP is for the state to provide details on their agency's UI integrity strategies including:

- Actions to address the state's top three improper payment root causes;

- Activities related to identity verification, fraud prevention and detection, and overpayment recovery. States should include any customized integrity recommendations from “Tiger Team” consultative services and details on additional strategies, solutions, and/or activities using funds the Department has made available to states for combatting fraud and identity theft; and

- The National Priorities identified in this UIPL.

States are required to provide a status report/update on the IAP when submitting the quarterly update for the quarter ending March 31st. The six-month (October-March) update should include a progress report on all integrity strategies outlined in the IAP and provide details on any new identity theft and fraud prevention strategies, solutions, and/or activities; changes to existing integrity strategies; plan or strategy delays; positive outcomes; and identified successes.

UI Program Integrity

States are required to report their planned activities to prevent, detect, reduce, and recover fraud and improper UI payments in their IAP, which should be submitted as part of their SQSP submission (the IAP format for FY 2022 will be provided by the RO). 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. States must also develop strategies to combat fraud and identity theft in the UI programs.

For this SQSP cycle, states are asked to include in their IAP specific strategies to address prevention and detection of fraud and other improper payments in all UI programs, including the CARES Act programs. States must include recovery strategies, including working directly with financial institutions and/or law enforcement agencies to recover UC funds held by banks and financial institutions. In addition, states must address the National Priorities outlined under Section 4, "Combatting Fraud and Identity Theft, Reducing the UI Improper Payment Rate, and Recovering Improper Payments, Including Fraudulent Payments and Overpayments" in the IAP.

In addition, 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. 08-12, Change 1, provides 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, 2020 – March 31, 2021, 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 implement and use the UI Integrity Center's products and tools as part of their own state-specific strategies. In addition, ETA will work with states to expand participation in Treasury Offset Program (TOP) for the recovery of overpayments, to implement and use SIDES for obtaining timely and complete separation information, and to more effectively use State Directory of New Hires, the National Directory of New Hires, and other overpayment prevention tools for states' Benefit Payment Control operations.

Other UI Performance

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

- 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.

Future Performance Requirements

In FY 2021, ETA published UIPL No. 07-21 that announced a new reemployment core measure: Reemployment rate in the 2nd Quarter after Program Exit for RESEA Participants.

This core measure calculates 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.

Performance data for FY 2020 and FY 2021 will be used to review state performance trends and to establish baseline state RESEA performance. States that do not meet performance criteria for both of these performance periods will not be required to submit a CAP for the FY 2022 SQSP. However, FY 2022 performance outcomes for this Core Measure will be used by ETA for evaluation, and states that do not meet performance criteria will be required to submit a CAP as part of the FY 2024 SQSP submission.

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

The "At-Risk" and "High Priority" Designations

Since FY 2016, ETA has been working with states that have been designated At-Risk or High Priority for poor performance over a significant period of time. Due to the challenges facing states as a result of the COVID-19 pandemic, these designations have been suspended until further notice. Additionally, the quarterly monitoring calls required as a result of the state's designation will not be conducted. The suspension of these designations will allow states to continue to focus their resources on processing claims, reducing backlogs, and combatting fraud in the UI program.

In addition, ETA will be using UI Response "Tiger Teams" as part of the implementation of the ARPA to provide enhanced technical assistance to individual states. These efforts will be aimed at helping states prevent and detect fraud, improve equitable access to UI programs, and achieve more timely delivery of benefit payments. More information regarding the use of UI Tiger Teams will be provided in separate/future guidance.

10. **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 2022 SQSP into the Combined State Plan upon ETA's approval of the SQSP, but no later than October 31, 2021.

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

    a. **DOL-ETA National and ROs.**

    b. **UI Information Technology Support Center (ITSC).**

       ETA created 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 IT for efficient administration of the UI program. Since 2009, 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.

    c. **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 to prevent, detect, and recover improper payments, and to reduce fraud in the UI program. NASWA's CESER operates the UI Integrity Center through a cooperative agreement with ETA.

    d. **"Tiger Team" Consultations.**

       Under the direction of ARPA, the Department has made available to states access to consultative services through vendor supported “Tiger Team” state assessments. These consultations will focus on operations, communications, process flows, and technologies that support timeliness of benefit distribution, reduction of backlogs, equity of benefits access and awareness, and fraud prevention and detection. States have the opportunity to work with the Tiger Teams to develop customized recommendations for their states focused on quick wins as well as potential access to funding to implement those recommendations.

e. ARPA Funded Efforts.

The Department issued UIPL No. 22-21, which made up to $140 million available for grants to states to support states with fraud detection and prevention, including identity verification and overpayment recovery activities, in all UC programs. The Department is also making additional funding available for activities that promote equitable access to UC programs.

ETA is committed to supporting states by providing funding and investing in the most innovative and successful tools and resources to stay ahead of fraud schemes, which includes providing states with options to access National Institute of Standards and Technology (NIST)-compliant[6] Identity Assurance Level 2 (IAL2) and Authenticator Assurance Level 2 (AAL2) identity proofing. This includes Blanket Purchase Agreements (BPAs) awarded by the Department that provide the Department with a procurement vehicle to enhance identity proofing in the state’s UI programs. In the near future, the Department plans to issue guidance to states on the BPAs and the procedures for the Department to issue orders under those BPAs, in accordance with federal procurement regulations. As part of that ordering process, the Department anticipates working with states to identify particular requirements applicable to a state UI program and to provide for the payment for services ordered using grants made available under UIPL Nos. 22-21 and 28-20, Change 2, or another funding source identified by the state subject to requirements of federal appropriations law.

12. **Funding Period.** The Department’s proposed FY 2022 appropriation language for State UI and Employment Service Operations allows for obligation of UI allocations by states through December 31, 2022, 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 2022 UI funds through September 30, 2024, 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. 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 2022 grant terms and conditions are not available at this time. This information will be provided through ETA’s ROs at a later date and also posted at the webpage indicated above.

[6] NIST Special Publication (SP) 800-63 provides technical requirements for implementing digital identity services. The publication includes: an overview of identity frameworks; using authenticators, credentials, and assertions in a digital system; and a risk-based process to select assurance levels at https://pages.nist.gov/800-63-3/sp800-63-3.html.

13. **<u>Data Availability</u>.** ETA's 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).

14. **<u>SQSP Submittal Deadlines</u>.** Each ETA RO will set a date and inform states of the deadline to submit their SQSPs for FY 2022.

15. **<u>Electronic Submission of the SQSP</u>.** 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.

16. **<u>Inquiries</u>.** Please direct inquiries to the appropriate ETA RO.

17. **<u>References</u>.**

    - 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;
    - Payment Integrity Information Act of 2019 (PIIA), Pub. L. 116-117;
    - 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;
    - 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;
    - Consolidated Appropriations Act, 2021, including Division N, Title II, Subtitle A, the Continued Assistance for Unemployed Workers Act of 2020;
    - American Rescue Plan Act of 2021, Pub. L. 117-2;
    - Executive Order 13985 of January 20, 2021; 86 FR 7009, page 7009-7013, https://www.federalregister.gov/documents/2021/01/25/2021-01753/advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government;
    - 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;

- UIPL No. 22-21, *Grant Opportunity to Support States with Fraud Detection and Prevention, Including Identity Verification and Overpayment Recovery Activities, in All Unemployment Compensation (UC) Programs*, issued August 11, 2021, https://wdr.doleta.gov/directives/corr_doc.cfm?docn=4240;
- UIPL No. 20-21, *State Instructions for Assessing Fraud Penalties and Processing Overpayment Waivers under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as Amended*, issued May 5, 2021, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=6830;
- UIPL No. 13-21, *Fiscal Year (FY) 2021 Funding Allotments and Operating Guidance for Unemployment Insurance (UI) Reemployment Services and Eligibility Assessments (RESEA) Grants*, issued January 19, 2021, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=6686;
- UIPL No. 07-21, *Performance Measures for Reemployment Services and Eligibility Assessments (RESEA) and Unemployment Insurance (UI) participants*, issued December 17, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3854;
- UIPL No. 28-20, Change 2, *Additional Funding to Assist with Strengthening Fraud Detection and Prevention Efforts and the Recovery of Overpayments in the Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) Programs, as well as Guidance on Processes for Combatting Identity Fraud*, issued August 11, 2021, https://wdr.doleta.gov/directives/corr_doc.cfm?docn=7207;
- UIPL No. 28-20, Change 1, *Additional Funding for Identity Verification or Verification of Pandemic Unemployment Assistance (PUA) Claimants and Funding to Assist with Efforts to Prevent and Detect Fraud and Identity Theft as well as Recover Fraud Overpayments in the PUA and Pandemic Emergency Unemployment Compensation (PEUC) Programs*, issued January 15, 2021, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9897;
- UIPL No. 28-20, *Addressing Fraud in the Unemployment Insurance (UI) System and Providing States with Funding to Assist with Efforts to Prevent and Detect Fraud and Identity Theft and Recover Fraud Overpayments in the Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) Programs*, issued August 31, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8044;
- 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*, issued May 11, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4621;
- UIPL No. 09-20, *Unemployment Insurance (UI) State Quality Service Plan (SQSP) Submittal Schedule*, issued February 6, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7801;
- UIPL No. 08-20, *Fiscal Year (FY) 2020 Funding Allotments and Operating Guidance for Unemployment Insurance Reemployment Services and Eligibility Assessments (RESEA) Grants*, issued January 30, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4214;

- UIPL No. 13-19, *National Directory of New Hires (NDNH) and State Directory of New Hires (SDNH) Guidance and Best Practices*, issued June 7, 2019, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5373;
- UIPL No. 07-19, *Fiscal Year (FY) 2019 Funding Allotments and Operating Guidance for Unemployment Insurance (UI) Reemployment Services and Eligibility Assessment (RESEA) Grants*, issued January 11, 2019, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8397;
- UIPL No. 18-17, *Unemployment Insurance Benefits Operations Self-Assessment Tool*, issued July 28, 2017, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9282;
- UIPL No. 03-17, Change 1, *Fiscal Year (FY) 2017 Unemployment Insurance (UI) Reemployment Services and Eligibility Assessment (RESEA) Grants*, issued September 22, 2017, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=6557;
- UIPL No. 03-17, *Fiscal Year (FY)2017 Unemployment Insurance (UI) Reemployment Services and Eligibility Assessment (RESEA) Grant*, issued December 8, 2016, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5218;
- UIPL No. 19-16, *Unemployment Insurance (UI) Supplemental Funding Opportunity for Improved Operations*, issued August 2, 2016, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=6982;
- UIPL No. 17-16, *Reengineering Unemployment Insurance (UI) Benefits Program Accountability Process: High Priority Designation of States with Sustained Poor Performance*, issued July 13, 2016, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3910;
- UIPL No. 02-16, Change 1, *State Responsibilities for Ensuring Access to Unemployment Insurance Benefits, Services, and Information*, issued May 11, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5491;
- UIPL No. 02-16, *State Responsibilities for Ensuring Access to Unemployment Insurance Benefits*, issued October 1, 2015, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4233;
- UIPL No. 01-16, Change 1, *Federal Requirements to Protect Claimant Rights in State Unemployment Compensation Overpayment Prevention and Recovery Procedures – Questions and Answers*, issued January 13, 2017, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7706;
- UIPL No. 01-16, *Federal Requirements to Protect Individual Rights in State Unemployment Compensation Overpayment Prevention and Recovery Procedures,* issued October 1, 2015, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5763;
- 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"*, issued July 7, 2014, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9690;
- UIPL No, 09-13, Change 1, *Integrity Performance Measure for Unemployment Insurance*, issued January 27, 2015, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7422;
- UIPL No. 09-13, *Integrity Performance Measures for Unemployment Insurance (UI),* issued January 29, 2013, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8922;

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- UIPL No. 03-07, Change 1, *Use of National Directory of New Hires (NDNH) in Unemployment Insurance (UI) Benefit Accuracy Measurement (BAM) Audits*, issued February 27, 2008, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2597;
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- UIPL No. 22-05, Change 2, *Unemployment Insurance Data Validation (UI DV) Program Activities during Validation Years (VY) 2008 and Beyond*, issued March 14, 2008, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2611;
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- UIPL No. 22-05, *Unemployment Insurance Data Validation (UI DV) Program Software and Policy Guidance*, issued April 28, 2005, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2074;
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- TEN No. 17-19, *Model Unemployment Insurance State Work Search Legislation*, issued February 10, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4227;
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- 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).

18. Attachment.

Measures/Programs to be Addressed in the Fiscal Year (FY) 2022 State Quality Service Plan (SQSP)

Measures/Programs to be Addressed in the Fiscal Year (FY) 2022 State Quality Service Plan (SQSP)

Core Measures	Measurement Period	Criteria	FY 2022 Requirement
First Payment Promptness	Apr 1, 2020 – Mar 31, 2021	87%	No new CAPs; Continue on Existing Biennial CAP
Nonmonetary Determination Time Lapse	Apr 1, 2020 – Mar 31, 2021	80% (combined score)	No new CAPs; Continue on Existing Biennial CAP
Nonmonetary Determination Quality – Nonseparations	Apr 1, 2020 – Mar 31, 2021	75%	No new CAPs; Continue on Existing Biennial CAP
Nonmonetary Determination Quality – Separations	Apr 1, 2020 – Mar 31, 2021	75%	No new CAPs; Continue on Existing Biennial CAP
Detection of Overpayments	BPC: Apr 1, 2018 – Mar 31, 2021; BAM: Oct. 1, 2017 – Sept. 30, 2020 If the rate is a result of improper administration of BAM and/or BPC	≥50%	No new CAPs; Continue on Existing Biennial CAP
		≤95%	Narrative
		>95%	No new CAPs; Continue on Existing Biennial CAP
Average Age of Pending Lower Authority Appeals	Apr 1, 2020 – Mar 31, 2021	30 days	No new CAPs; Continue on Existing Biennial CAP
Average Age of Pending Higher Authority Appeals	Apr 1, 2020 – Mar 31, 2021	40 days	No new CAPs; Continue on Existing Biennial CAP
Lower Authority Appeals Quality	Apr 1, 2020 – Mar 31, 2021	80%	No new CAPs; Continue on Existing Biennial CAP
New Employer Status Determinations Time Lapse	Jan 1, 2020 – Dec 31, 2020	70%	No new CAPs; Continue on Existing Biennial CAP
Tax Quality – Part A	Jan 1, 2020 – Dec 31, 2020	No more than 3 tax functions failing Tax Performance System (TPS) in a year	No new CAPs; Continue on Existing Biennial CAP
Tax Quality – Part B	Jan 1, 2020 – Dec 31, 2020	The same tax function cannot fail for 3 consecutive years	CAP required for failed performance; Continue on Existing Biennial CAP

Effective Audit Measure	Jan 1, 2020 – Dec 31, 2020	Score ≥7;and pass all 4 factors	No new CAPs; Continue on Existing Biennial CAP
Improper Payments Measure	BAM batches 201927 through 202026	< 10%	CAP required for failed performance; Continue on Existing Biennial CAP
UI Overpayment Recovery Measure	July 1, 2019 – June 30, 2020	68%	No new CAPs; Continue on Existing Biennial CAP

Secretary's Standards in Regulation	**Measurement Period**	**Criteria**	**FY 2022 Requirement**
First Payment Promptness (Intrastate 14/21 Days)	Apr 1, 2020 – Mar 31, 2021	87%	No new CAPs; Continue on Existing Biennial CAP
First Payment Promptness (Intrastate 35 Days)	Apr 1, 2020 – Mar 31, 2021	93%	No new CAPs; Continue on Existing Biennial CAP
First Payment Promptness (Interstate 14/21 Days)	Apr 1, 2020 – Mar 31, 2021	70%	No new CAPs; Continue on Existing Biennial CAP
First Payment Promptness (Interstate 35 Days)	Apr 1, 2020 – Mar 31, 2021	78%	No new CAPs; Continue on Existing Biennial CAP
Lower Authority Appeals (30 Days)	Apr 1, 2020 – Mar 31, 2021	60%	No new CAPs; Continue on Existing Biennial CAP
Lower Authority Appeals (45 Days)	Apr 1, 2020 – Mar 31, 2021	80%	No new CAPs; Continue on Existing Biennial CAP

UI Programs, etc.	**Measurement Period**		**FY 2022 Requirement**
Data Validation – Populations & Modules	Apr 1, 2020 – Mar 31, 2021	Results not submitted by August 10, 2020	No new CAPs; Continue on Existing Biennial CAP
		Failing/ incomplete submission by August 10, 2020	No new CAPs; Continue on Existing Biennial CAP

Compliance with NDNH matching requirements for BAM	Status as of March 31, 2020		No new CAPs; Continue on Existing Biennial CAP
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 30, 2021		CAP required for failed performance; Continue on Existing Biennial CAP
Incorrect recording of the Issue Detection Date and/or Determination Date	Apr 1, 2020 – Mar 31, 2021		Narrative
Reporting Deficiencies			Narrative
TPS Sample Reviews	Jan 1, 2020 – Dec 31, 2020		CAP required for failed performance; Continue on Existing Biennial CAP
UI Program Integrity			To be addressed in the UI Integrity Action Plan