

# UI PERFORMS CY 2004 Annual Report

U.S. Department of Labor  
Employment and Training Administration  
Office of Workforce Security

February 2006



# **UI PERFORMS CY 2004 Annual Report**

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February 2006

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## ***UI PERFORMS ANNUAL REPORT CY 2004***

### ***INTRODUCTION***

**T**his CY 2004 report is the eighth comprehensive UI Performs Annual Report. It is intended to give an overview of Unemployment Insurance operational performance at the national level for the 12 months ending December 31, 2004. Thus, it presents the results of key indicators of the full range of UI operational performance—benefits, appeals, tax and cash management. At various times, the Department may supplement this report with reports in greater depth on individual areas, or present the same material using a different format. Individual state data are no longer presented in this report, as they can be found on-line. Refer to Appendix D for the website URLs and a list of reports that are available.

### ***UI PERFORMS***

UI Performs is the umbrella term adopted to designate the Department's closed-loop system for promoting continuous improvement in UI operational performance. The goal of UI Performs is to ensure that the system's ultimate customers—UI beneficiaries and subject employers—receive ever-increasing quality of services. The system's three principal performance measurement modules are the Tax Performance System (TPS) which assesses the timeliness, accuracy, and sometimes the completeness of the major tax functions; the Benefit Accuracy Measurement (BAM) program which assesses accuracy of benefit payments and decisions to deny; and Benefits Timeliness and Quality (BTQ) which embraces measurements of the timeliness and quality of benefit claims, payment and appeals operations. The performance indicators in this report are drawn from those systems.

In 1999, based on advice from stakeholders and input from the UI system, the Department promulgated key measures, called Tier I. Each measure had one or two criteria that defined acceptable minimum performance. States performing below a criterion were required to include a corrective action plan in their annual State Quality Service Plan (SQSP). Persistent performance below a criterion could result in various actions by the Department including the withholding of administrative grants. The last period for which states were required to meet Tier I criteria was the FY 2005 SQSP performance year (April 1, 2003 - March 31, 2004).

In December 2002, ETA began a review of UI Performs which addressed: (a) the performance measures; (b) the criteria used to gauge success against the measures; and (c) the administration of UI Performs. The review included substantial consultation directly with State Workforce Agencies (SWAs) and indirectly through the National Association of State Workforce Agencies' (NASWA) Subcommittee for UI Performs. Mathematica Policy Research, Inc., provided data analyses.

Two overarching themes emerged during the review: (1) the large number of measures to which the SWAs are held accountable diffuses management attention and (2) the administration of UI Performs is too complex and burdensome on the SWAs. The review resulted in a DOL proposal to streamline UI Performs in three ways:

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- a) Reduce the number of measures for which performance goals are set to a few “core” measures.
- b) Recognize remaining measures as management information for which no performance goals will be set.
- c) Streamline the State Quality Service Plan (SQSP) narrative.

The proposed changes, establishing 11 core measures, were issued for state comment in UIPL No. 21-04, “Proposed Changes to UI Performs,” and in 69 Fed. Reg. 33669 (2004), which published the UIPL for public comment.

Table 1 lists the measures and criteria that were in effect during CY 2004.

***THE MAIN UNEMPLOYMENT INSURANCE MEASUREMENT SYSTEMS***

Most of the UI performance measures use data from one of three measurement subsystems: Benefits Timeliness and Quality, Benefit Accuracy Measurement, and Tax Performance System. These were all developed to give a fuller view of state performance and thus better to permit the Department to exercise its role as a partner in ensuring that claimants and employers receive high-quality UI services.

The Department of Labor has the responsibility by law, as mandated in Title III of the Social Security Act, for assuring that State Workforce Agencies (SWAs) operate an effective and efficient unemployment insurance program. Various provisions of Federal law require that certain UI activities be performed promptly and accurately. Section 303(a)(1) of the Social Security Act requires, as a condition of a State's receiving UI administrative grants, “[s]uch methods of administration . . . as are found by the Secretary of Labor to be reasonably calculated to insure full payment of unemployment compensation when due.”

The UI Performs measures computed using data from the BTQ, BAM, TPS and other administrative data systems represent the Department’s continuing effort to provide ever more accurate and useful information on the functioning of all UI program activities. These systems are designed and managed with certain considerations in mind, primarily:

- ☛ *Uniformity.* Performance data are a major vehicle for program oversight. Thus the Department tries to ensure that all states adhere to standard methodologies and definitions so that results are statistically valid, are comparable from one state to another where possible, and present a consistent picture of state performance over time.
  
- ☛ *State and Federal Responsibilities.* The states have the primary responsibility not only for conducting UI operations but also for efficiently implementing and administering measurement systems. The Federal responsibility is to ensure data integrity and consistency through the establishment of definitions and procedures; approve any changes in measurement methodology;

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**TABLE 1:**

MEASURES	CATEGORY	CRITERIA
<b>First Payment Timeliness</b>		
% of 1st Payments within 14/21 days: IntraState UI, full weeks	Regulation	87
% of 1st Payments within 35 days: IntraState UI, full weeks	Regulation	93
% of 1st Payments within 14/21 days: InterState UI, full weeks	Regulation	70
% of 1st Payments within 35 days: InterState UI, full weeks	Regulation	78
% of All 1st Payments within 14/21 days	Core	87
<b>Nonmonetary Determinations</b>		
% of Nonseparation Determinations issued within 21 days of Detection Date	Tier I	80
% of Separation Determinations issued within 21 days of Detection Date	Tier I	80
% of Nonmonetary Determinations issued within 21 days of Detection Date	Core	80
% of Separation and Nonseparation Determinations with Quality Scores >80 points	Tier I	75
% of Separation Determinations with Quality Scores >80 points	Core	75
% of Nonseparation Determinations with Quality Scores >80 points	Core	75
<b>Appeals</b>		
% of Lower Authority Appeals decided within 30 Days of Filing	Regulation	60
% of Lower Authority Appeals decided within 45 Days of Filing	Regulation	80
Average Age of Pending Lower Authority Appeals	Core	TBD
% of Higher Authority Appeals decided within 45 Days of Filing	Tier I	50
% of Higher Authority Appeals decided within 75 Days of Filing	Tier I	80
% of Higher Authority Appeals decided within 150 Days of Filing	Tier I	95
Average Age of Pending Higher Authority Appeals	Core	TBD
% of Lower Authority Appeals with Quality Scores at least 85% of potential points	Tier I/Core	80
<b>Tax</b>		
% of New Status Determinations within 90 days of Quarter End Date	Tier I/Core	60
% of New Status Determinations within 180 days of Quarter End Date	Tier I	80
Tax Quality: Acceptance Sample Results of 13 tax functions reviewed under TPS	Core	No more than 3 failures in a year nor any single function failing for three consecutive years.
<b>Other</b>		
Detection of Overpayments	Core	TBD
Facilitation of Reemployment	Core	TBD

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establish monitoring procedures and operations; review the samples of cases investigated by the states; provide assistance and training to states; provide standard formats for data release; and evaluate results. The Federal responsibility also includes the analysis of data to diagnose problems with national implications or remedies and maintenance of a national database. The Federal partner provides technical assistance to states in case investigations, statistical theory, data analysis and use of applications software.

➤ *Program Improvement Orientation.* The major value of performance data is their usefulness in improving UI operations. They are designed to support state program improvement strategies and help states evaluate the effects of previous attempts to improve operations by identifying where and why errors occur, and their extent. Reported data frequently need to be supplemented by other information if program improvements are to be structured. For this reason, the Department has encouraged states to undertake program improvement studies--analyses and/or data gathering studies intended to lead to program improvement actions.

***Benefit Accuracy Measurement***

BAM is a diagnostic tool used to identify payment errors and measure the effect of previously initiated corrective actions. BAM is based on random samples of UI payments. The sampling procedures are designed to produce samples that are representative of a state's universe of paid or denied UI claims. Each sample represents one compensated week of benefits or one denial issue. The denial claims cases are separated into three issue related groups: monetaries, separations, and nonseparations: Each case in a sample is thoroughly reviewed for compliance with the state's UI laws, regulations, policies, and operating procedures. BAM investigators compile a data record on each case. Most elements pertain directly to UI eligibility, relating to the claimant's benefit history, base period work, monetary eligibility, reason for separation, ability to work, availability for work, and work search effort. Data on age, sex, and ethnic classification are gathered to verify the representativeness of the BAM samples. The data record concludes with elements related to error classification, including type of error (if any), amount of error, the responsible party, the cause, and the point of detection. Multiple errors can be detected in the course of one BAM case investigation and documented in the database.

The states completed investigations of 24,709 paid claims; 7,643 monetary denials; 7,781 separation denials; and 7,859 nonseparataion denials in CY 2004.

***Readers are strongly cautioned that it may be misleading to compare one state's BAM overpayment and underpayment rates with those of other states. No two states' written laws, regulations, or policies specifying eligibility conditions are identical, and differences in these conditions influence the potential for error. States with stringent, complex provisions will tend to have higher overpayment rates than those with simpler, more straightforward provisions, for example.***

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BAM's premise is that dollars overpaid and underpaid can be estimated by projecting the results from a state's BAM sample to its entire population of payments. The BAM program gathers information to assist states in developing program improvement plans to correct problems in their UI benefit payment systems and to enable them to measure the effects of implementing those plans. States also use this information in implementing policies to ensure accurate administration of their laws, regulations, and operating procedures.

#### *The Operational Overpayment Rate*

As part of its efforts to devise a payment accuracy measure for the Government Performance and Results Act goal of making accurate UI payments, in 2002 ETA developed an alternative to the "Annual Report" overpayment rate in constant use since 1987. Called the Operational Overpayment rate, it is a subset of the standard rate. It was designed to reflect the overpayments that states could expect to detect and recover with normal integrity procedures and thus relate to overpayments formally established for recovery. It removes from the annual report measure all non-recoverable overpayments as well as certain recoverable overpayments that are unlikely to be detectable. The most important of the latter are those due to base period wage errors, work search, and failure to register with the Employment Service. The "detectable and recoverable" overpayments that remain are in some respects the most tangible and least "technical" overpayments. Studies have shown that they are the overpayments states can deal with most cost-effectively—mostly by more intensive efforts to detect and recover, but also to prevent, e.g., through crossmatches with the State and National Directories of New Hires.

#### *Benefits Timeliness and Quality*

Measures based on samples are used to track the quality of SWA nonmonetary determinations and lower authority appeals.

##### *BTQ Methodology.*

- The samples are drawn by computer from the time lapse universes of nonmonetary determinations and lower authority appeals, ensuring that the sampling process is completely random.
- The universe of determinations includes all issues with the potential to affect the claimant's present or future benefit eligibility.
- In addition to the decision, the review instrument for assessing the quality of nonmonetary determinations gives additional weight to the quality of the written determination.
- The database for the quality scores is a micro database—enabling analysis of individual cases and individual quality elements.



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- Nonmonetary adjudications are subjected to a tripartite review each quarter. The third party serves as a tie-breaker if the other two reviewers disagree.
  
- The state automated system furnishes information about the records selected for review, including the date of the nonmonetary determination, the program, and the issue. The quality reviewer adds further information during the review process, including scores for quality criteria and the date that the result of the nonmonetary determination or appeal decision was applied to the claim. Completed review data is entered into the UI automated data base, which generates scores for individual records and overall scores for quarterly state performance.
  
- State sample sizes for nonmonetary determinations quality reviews are based on their nonmonetary activity levels reported in the preceding calendar quarter. States reporting fewer than 100,000 determinations draw quality samples of 60 each quarter; for others samples are 100 each quarter.

***Tax Performance System***

*Methodology.* The TPS approach divides tax operations into major functional components. For each function, it specifies key performance objectives based on three basic dimensions of quality: timeliness, accuracy, and completeness. There are performance indicators to measure the attainment of each objective. Measures and review techniques were selected to emphasize quality, cost-effectiveness, and reliance on data obtained as a by-product of ongoing program operations. The complete TPS “package” has these assessment components: (1) timeliness and completeness, Computed Measures; (2) accuracy, Program Reviews consisting of Systems Review and Acceptance Samples.

Table 2, page 10, shows the methodologies used to review the various tax functions. The combination of Computed Measures, System Reviews, and Acceptance Samples is shown in detail to present a well-rounded assessment of each function.

*Timeliness and Completeness.* Most of the information on timeliness and completeness of UI tax functions is taken from program data obtained from the key tax report, ETA 581. These indicators are termed “Computed Measures”.

*Accuracy.* Accuracy is determined by Program Review, a two-step methodology based on financial and program audits.

➤ Systems Review. Staff first review each tax function thoroughly to ensure that all internal controls are in place. Unless a problem is indicated, or a program change has been initiated, these reviews only take place once every four years.

➤ Acceptance Sample. To ensure that the internal controls are operating as intended to produce timely and accurate outputs, every year a sample of completed work is examined.

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**TABLE 2**  
**REVIEW METHODOLOGIES**

TAX FUNCTION	COMPUTED MEASURES	PROGRAM REVIEW Sys Rev & Sampling
STATUS DETERMINATION	○	○
CASHIERING		○
REPORT DELINQUENCY	○	○
COLLECTIONS	○	○
FIELD AUDIT	○	○
ACCOUNT MAINTENANCE		○

The reviewer extracts a small “Acceptance Sample” of sixty cases of each tax functions' output and examines it for accuracy. Failure of three or more cases out of the sample will cause the entire sample to fail, leading to the conclusion that there is not “reasonable assurance” the function is operating with an acceptable level of accuracy.

The combination of a thorough front-end review and a small acceptance sample efficiently establishes a reasonable assurance of accuracy, directly identifies any areas of program weakness, and immediately indicates where program improvements are needed. If there is a need to know the actual level of a particular tax function's problem, the Acceptance Sample can be readily expanded into a much larger Estimation Sample.

***Benefit Payment Control***

The Performance Measurement Review (PMR) initiative was originally intended to review Benefit Payment Control (BPC) measures, but they were deferred in Phase I. In 1996, a Federal-State workgroup developed 10 measures which were field-tested in three states. In 1998, the UIS circulated two of the tested measures for comment to the UI system but neither received strong support.

Then as part of the "5-year review" began in 2002, UIS developed a performance indicator which uses the BAM operational rate as a component. It measures the detection of recoverable overpayments, which is one of four UI goals for the Government Performance and Results Act (GPRA). This measure, detection of overpayments, is also a core measure for UI Performs, the UI performance management system.

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The detection of overpayments measure is the percentage of recoverable, detectable overpayments estimated by BAM that state Benefit Payment Control (BPC) operations establish for recovery.

$$\text{Overpayment Detection Measure} = \frac{\text{Overpayments Established (BPC)}}{\text{Estimated Overpayments (BAM)}}$$

The operational rate represents that portion of total overpayments that state BPC operations should be able to detect and establish for recovery. The operational rate was defined following an extensive analysis of BAM overpayment data. Because this is a new measure, DOL will assess the data for a year and explore possible adjustments to the measure before setting a performance level.

***Data Validation***

During the mid-1990s, as part of the Performance Measurement Review project, the Department of Labor began developing a Data Validation (DV) system to validate key benefit reports data. Its methodology was built on concepts used since the 1970s in the Workload Validation system that validated the “workload” report elements used to allocate UI administrative resources. The DV system was expanded in the late 1990s to include validation of tax report data. Unemployment Insurance Program Letter (UIPL) 22-05 (April 28, 2005) established a “validation year” cycle for the completion of UIDV. To facilitate the introduction of the new cycle, all DV results of UI reports for periods through March 31, 2005, were considered part of Validation Year 2005, the first validation year under the new cycle. This Annual Report includes the UI DV status report for Validation Year 2005.

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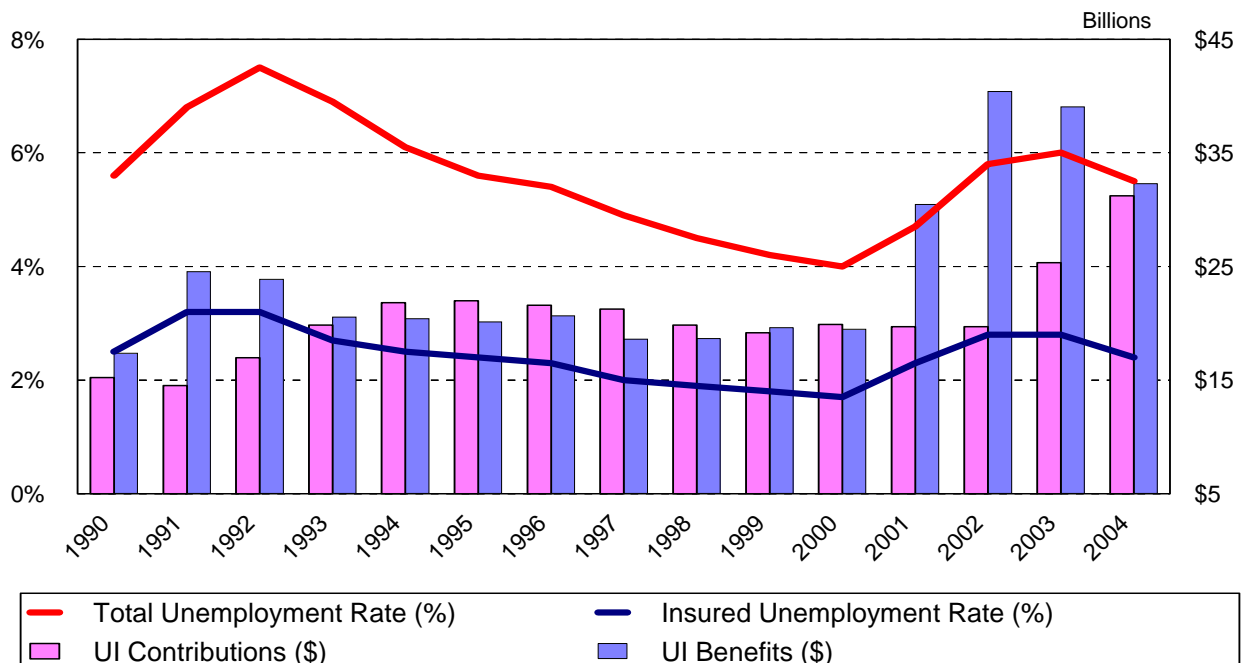
This chapter is divided into four main sections. The first section presents a brief overview of the recent economic conditions and the resultant movement in certain UI tax and benefit activities. The second shows the movement of major benefit payment activities and then reviews the national pattern of selected key benefit payment performance indicators. The third section approaches tax activities in the same way. The fourth section examines the data validation program.

**ECONOMIC ACTIVITY AND MAJOR PROGRAM ACTIVITIES**

In 2004 the total unemployment rate (TUR) dropped to an average of 5.5%. The insured unemployment rate (IUR) experienced a similar down shift to 2.4%. Since the most recent recession high of 7.5% in 1992 the TUR had been in a steady decline, until experiencing an upswing in 2001. The movement in the IUR, which also peaked in 1991, has been similar but less pronounced.

Benefit payments continued to recede from their 2002 high to just over \$32 billion in 2004. Contributions continued to climb as states worked to offset the dramatic rise in benefits paid since 2001. States collected 97 cents for every dollar paid in benefits.

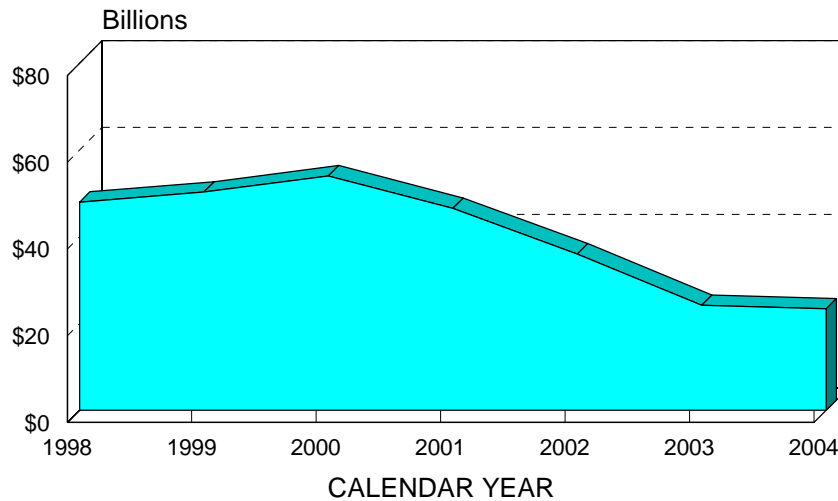
**ECONOMIC CONDITIONS**  
CYs 1990 - 2004



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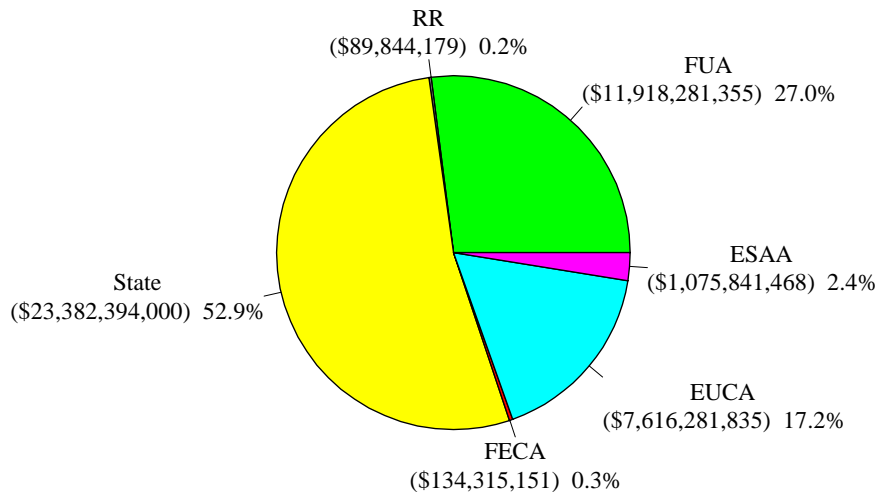
State trust fund balances peaked in 2000 at just over \$54B and declined steadily to \$24B in 2003, reflecting the surge in benefits paid since 2001. In 2004 the decline in state trust fund balances slowed as states took advantage of improving conditions to replenish their funds. However, as of December 31, 2004, balances in the state UI trust fund were down to \$23 billion.

**END OF YEAR STATE TRUST FUND BALANCE TOTAL**  
CYs 1998 - 2004



**END OF YEAR TRUST FUND BALANCES**  
As of December 31, 2004

State trust funds collectively account for 52.9% of all UI trust fund balances.



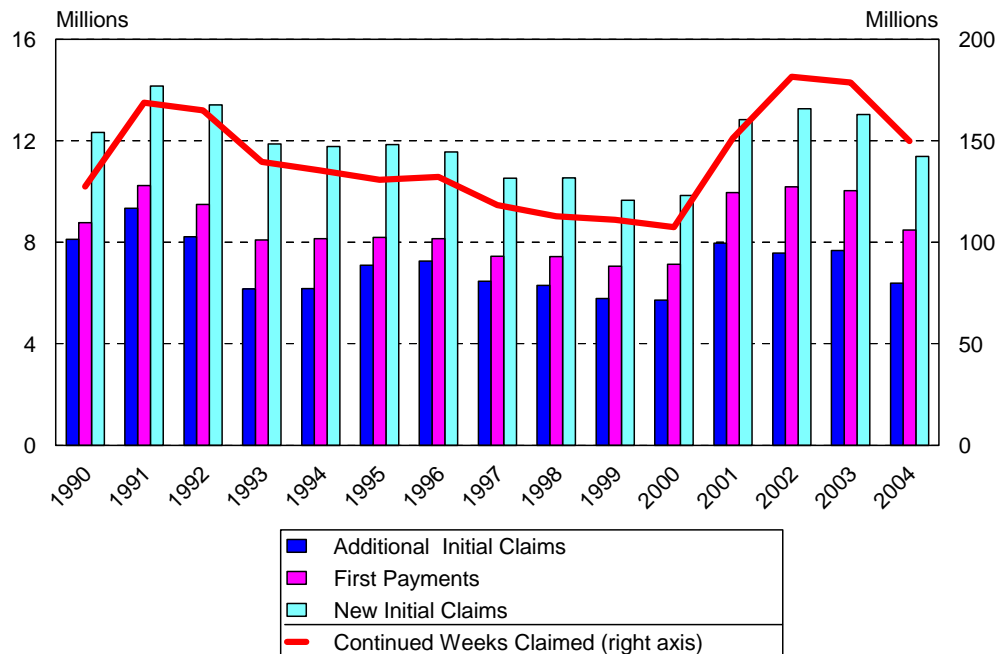
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**BENEFIT PAYMENT ACTIVITY**

In 2004, unemployment insurance offices handled approximately 11.4 million new initial claims under the regular State UI, UCFE, and UCX programs. Approximately 2.9 million claimants were determined to be ineligible for monetary or separation reasons, or found new jobs before filing a first week claimed, so that ultimately about 8.5 million claimants actually received a first payment. This compares with the 13.2 million new initial claims filed, and 10.3 million first payments made, in the recession year 1991. Additional initial claims, over the same period, track first payments closely because they represent occasions when claimants' benefit payment series were broken by intervening spells of employment. Each additional initial claim filed to resume benefit payments requires the agency to review the reason for separation (but not the monetary eligibility) and may lead to the identification and adjudication of a separation issue.

**CLAIMS ACTIVITY**

CYs 1990 - 2004

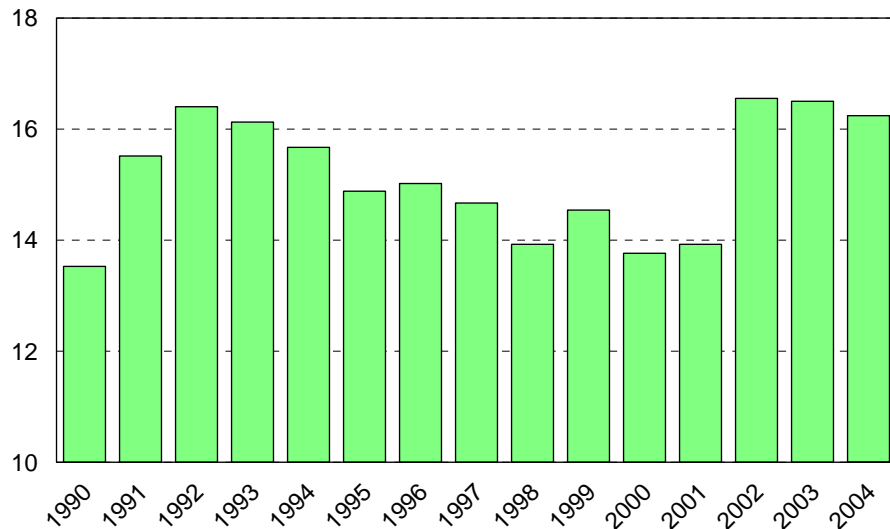


More striking than the movement in initial claims has been the path of continued weeks claimed. The level of continued weeks claimed depends both on the number of first payments and on the average number of claims filed per benefit year. Economic conditions drive both components of weeks claimed. After reaching 169 million weeks during 1991, the number fell sharply each successive year, reaching a low of 107 million in 2000. Then in 2001 the number of weeks

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claimed spiked to 151 million and peaked at 182 million in 2002. Since then the number of continued weeks claimed has continued to decline, dropping to 150 million in 2004.

**AVERAGE WEEKS OF DURATION**  
CYs 1990 - 2004



The average number of weeks paid to claimants for their current spells of unemployment -- that is, the average duration -- can be estimated by the ratio of total weeks

paid to total first payments. The average duration, after soaring to 16.6 weeks in 2002, continued its slight decline to 16.2 weeks in 2004.

The majority of claims filed, and payments made, in any year are intrastate made under the regular State UI program. Table 3 indicates the relative magnitudes of both first payment and continued weeks paid by program in 2004. Overall, interstate payments (State, UCFE, and UCX) constitute only about 3% of all first payments and about 4% of continued weeks paid. The

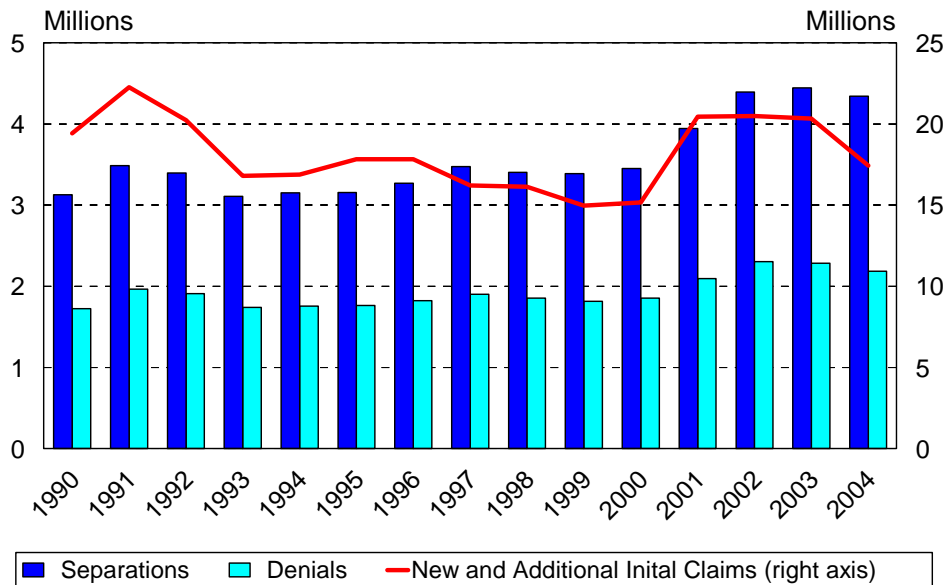
<b>Table 3</b>	<b>FIRST PAYMENT WORKLOAD</b>			<b>CONTINUED WEEKS WORKLOAD</b>		
	<b>FULL</b>	<b>PARTIAL</b>	<b>ALL</b>	<b>FULL</b>	<b>PARTIAL</b>	<b>ALL</b>
<b>INTRASTATE</b>	<b>7,059,626</b>	<b>886,098</b>	<b>7,945,724</b>	<b>114,419,317</b>	<b>9,738,364</b>	<b>124,157,681</b>
- State UI	6,953,237	880,920	7,834,157	112,597,985	9,633,662	122,231,647
- UCFE	41,979	2,512	44,491	702,579	51,650	754,229
- UCX	64,410	2,666	67,076	1,118,753	53,052	1,171,805
<b>INTERSTATE</b>	<b>245,836</b>	<b>12,648</b>	<b>258,484</b>	<b>4,933,008</b>	<b>254,218</b>	<b>5,187,226</b>
- State UI	239,325	12,439	251,764	4,788,331	247,241	5,035,572
- UCFE	3,964	119	4,083	68,412	3,511	71,923
- UCX	2,547	90	2,637	76,265	3,466	79,731
<b>TOTAL</b>	<b>7,305,462</b>	<b>898,746</b>	<b>8,204,208</b>	<b>119,352,325</b>	<b>9,992,582</b>	<b>129,344,907</b>

regular State UI first payments are about 99.1% of the total, UCFE 0.5%, and UCX the remaining 0.4%. About 11% of first payments, and 7% of continued payments, were made for partial and part-total weeks claimed. These shares differ little from one year to the next.

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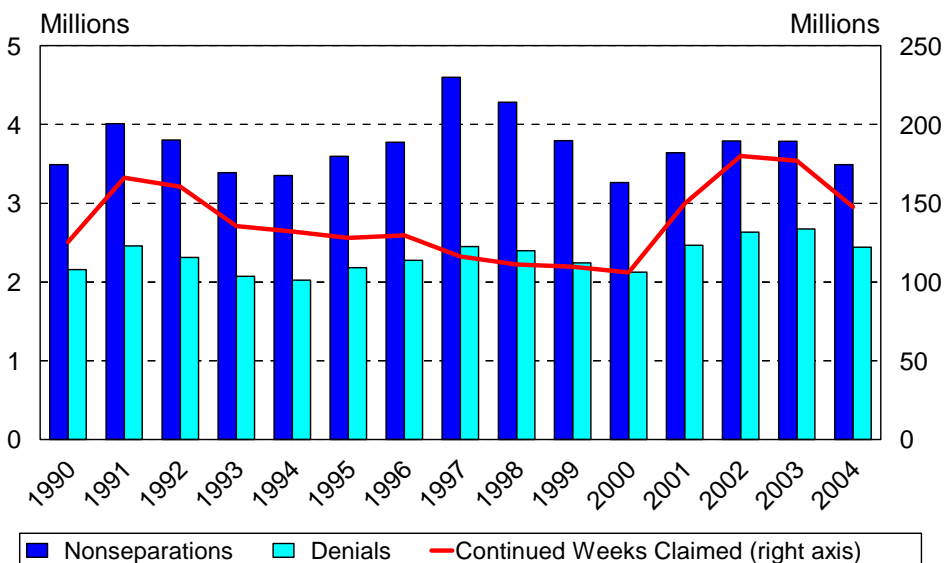
Although separation and nonseparation determinations both follow economic conditions, the relationship to their underlying claims series is not constant. Separation determinations are driven by the combination of new and additional initial claims.

**SEPARATION DETERMINATIONS AND DENIALS**  
CYs 1990 - 2004



The same general pattern may be seen for nonseparation determinations, which depend on the number of weeks of weeks claimed.

**NONSEPARATION DETERMINATIONS ACTIVITY**  
CYs 1990 - 2004



Denials due to separation issues have steadily declined from 56% in 1991 to 50% in 2004 of the number of separation determinations.



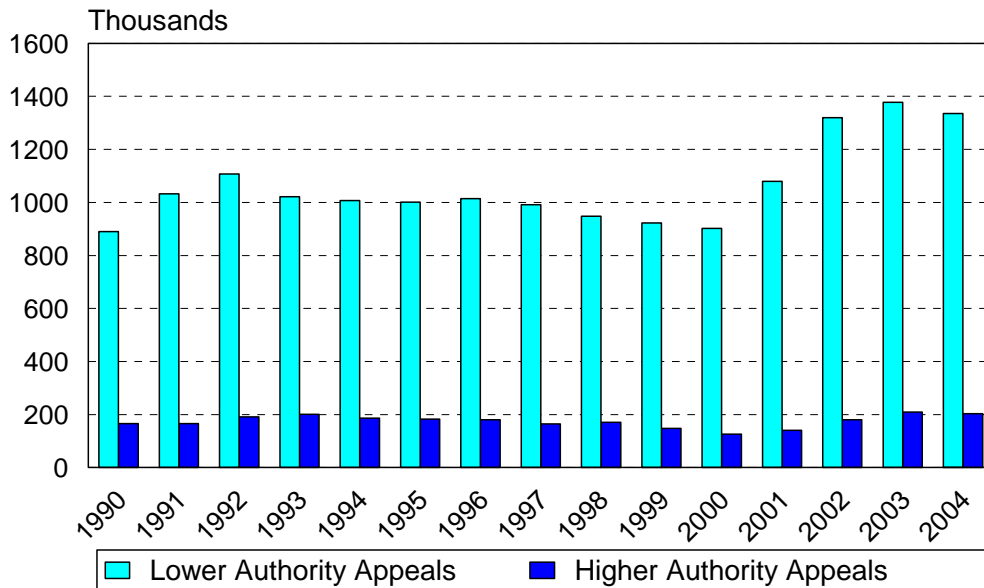
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For the last three years, the proportion of nonseparation determinations resulting in denials remained above 69%, far higher than the 15-year low of 53% in 1991.

Most appeals are filed by claimants, upon receiving a denial for either separation or nonseparation reasons. More than half of all nonmonetary determinations result in a denial. In 2004, 4.6 million nonmonetary determinations, about 59% of the total, were denied. Almost one in five denials went to a first-level appeal, and of those about 15% went to a higher-authority appeal. Between 1996 and 2000 the number of lower-authority appeals filed had been declining yearly. The number of lower-authority appeals in 2004 was 48% higher than in 2000, reflecting the rise in nonmonetary determinations.

**APPEALS ACTIVITY**

Number of Single and Multi-Claimant Appeals Filed  
CYs 1990 - 2004



**BENEFIT PAYMENT PERFORMANCE**

*First Payment Timeliness*

One of the UI system’s critical measures is first payment time lapse. Criteria, set on a measure of the timeliness of full weeks of unemployment only, have been established to implement the Secretary’s Standards for first payments made within 14/21 days and 35 days for both intrastate

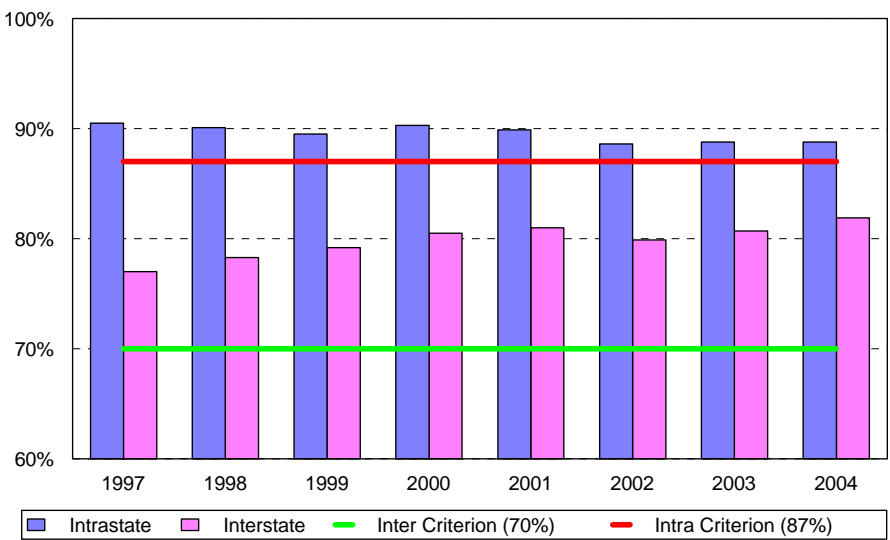
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and interstate payments since 1978. Although the 14/21 day level national timeliness performance remained unchanged from 2003 at 88.8%, it has experienced a general down trend since 1997.

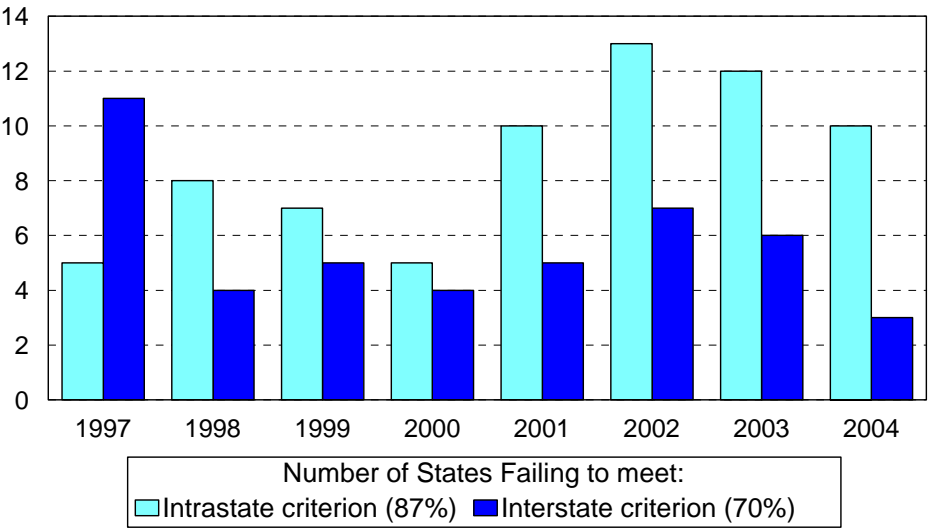
Interstate performance on the other hand, has been on a rising trend since 1997 and reached 81.9% in 2004.

Aggregate performance can be a misleading indicator of individual state performance because the number of states failing to meet the Secretary's criteria fluctuates much more widely than the aggregate. For example, while the number of states failing to meet the 14/21-day intrastate criterion doubled from 2000 to 2004, the aggregate performance declined only slightly.

**FIRST PAYMENT TIMELINESS**  
SQSP Measures -14/21 Days



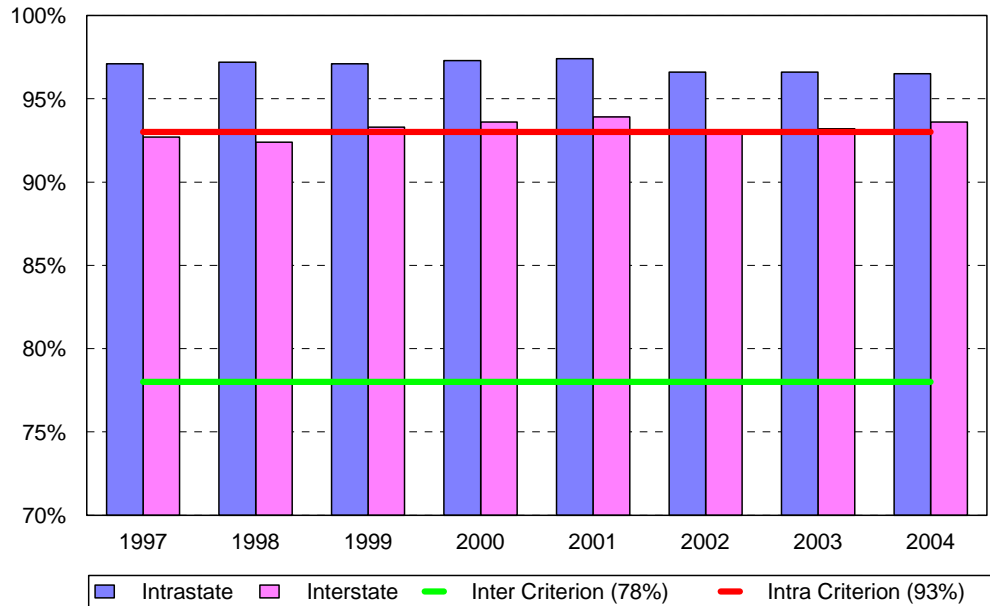
**FIRST PAYMENT TIMELINESS**  
SQSP Measures - 14/21 Days



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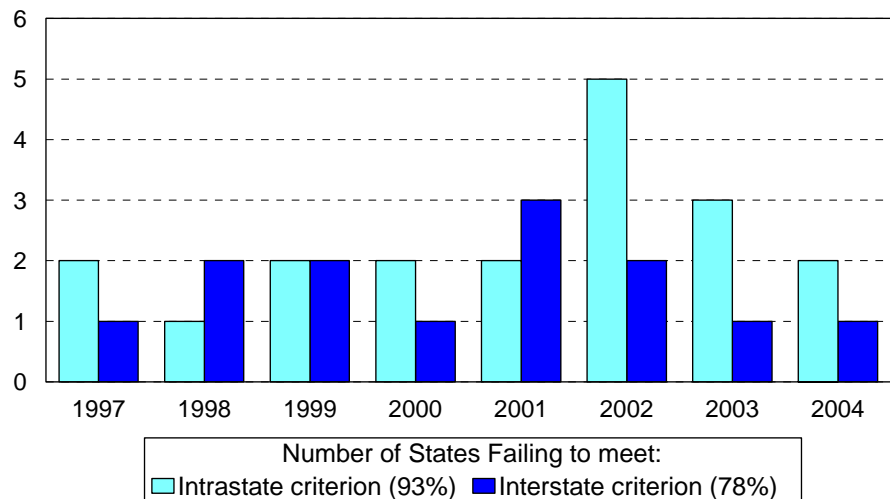
National performance for both interstate and intrastate first payments exceeds the criteria. Interstate performance, at 93.6%, is more than 15 points above the criterion, while intrastate performance, at 96.5%, is more than 3 points above the criterion.

**FIRST PAYMENT TIMELINESS**  
SQSP Measures - 35 Days



**FIRST PAYMENT TIMELINESS**  
SQSP Measures - 35 Days

While 35-day time lapse remained steady over the years, the number of states failing to meet the 35-day criterion for intrastate payments dropped by sixty percent from 2002.

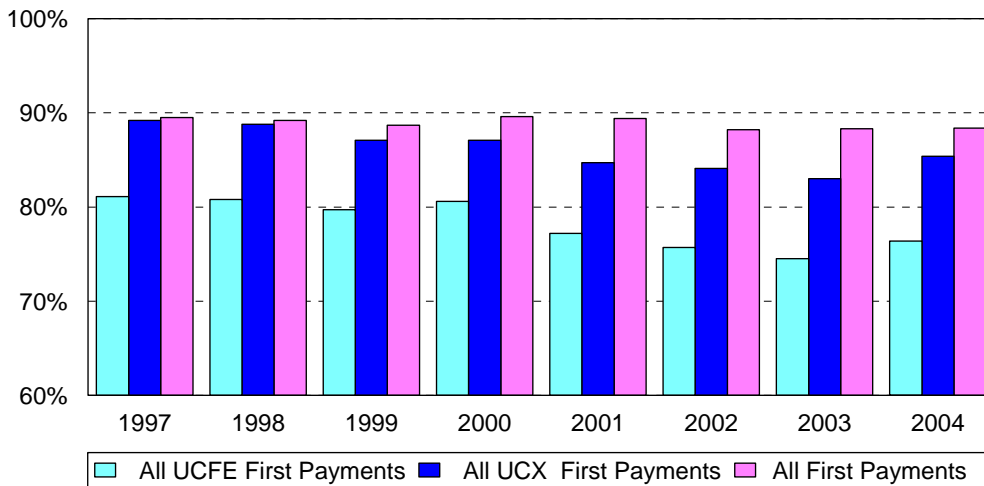


**UI PERFORMS ANNUAL REPORT CY 2004**  
**NATIONAL REPORT**

National performance in the timeliness of UCFE and UCX first payments reversed its decline since 1997, improving more sharply than the timeliness of the combined intrastate and interstate first payments. In particular, the percent of UCX payments made within 14/21 days rose from 83.0% in 2003 to 85.4% in 2004. UCFE performance rose from 74.5% in 2003 to 76.4% in 2004.

**FIRST PAYMENT TIMELINESS**

1997-2004 Trend, 14/21 Days



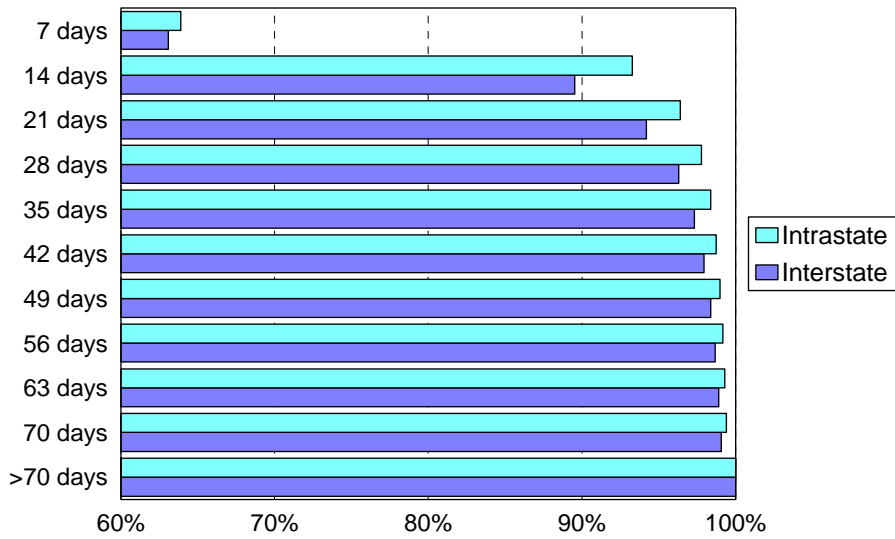
*Continued Weeks Timeliness*

Overall, states paid about 64% of intrastate continued claims within 7 days in 2004, and over 93% within two weeks. Interstate performance is a bit lower, at 63% in 7 days and 89% in 14 days. National timelapse performance for all continued payments has drifted upward from 1997 to 2004 in the 7-day category.

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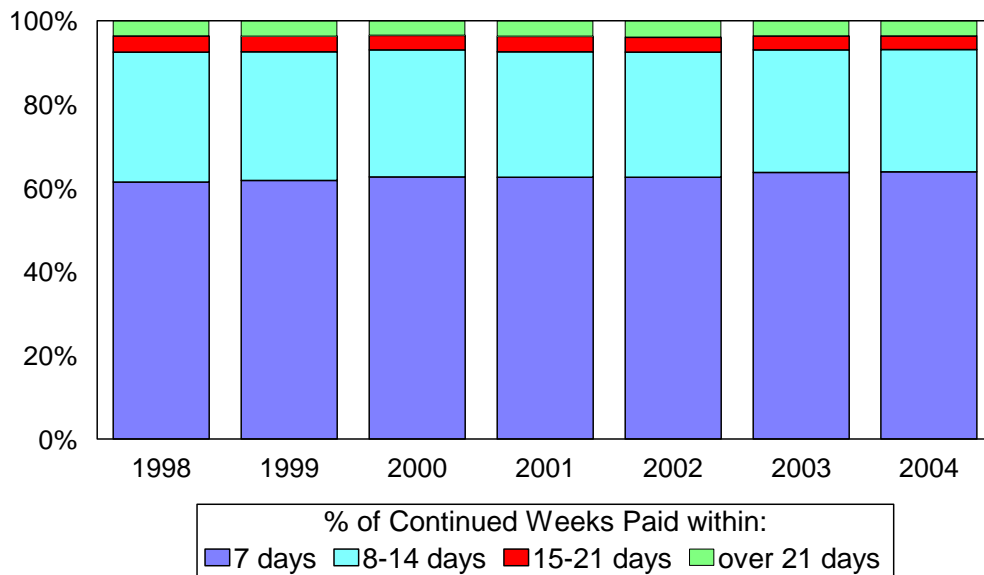
**CONTINUED PAYMENT TIMELINESS**

CY 2004



**CONTINUED PAYMENT TIMELINESS**

CYs 1998 - 2004



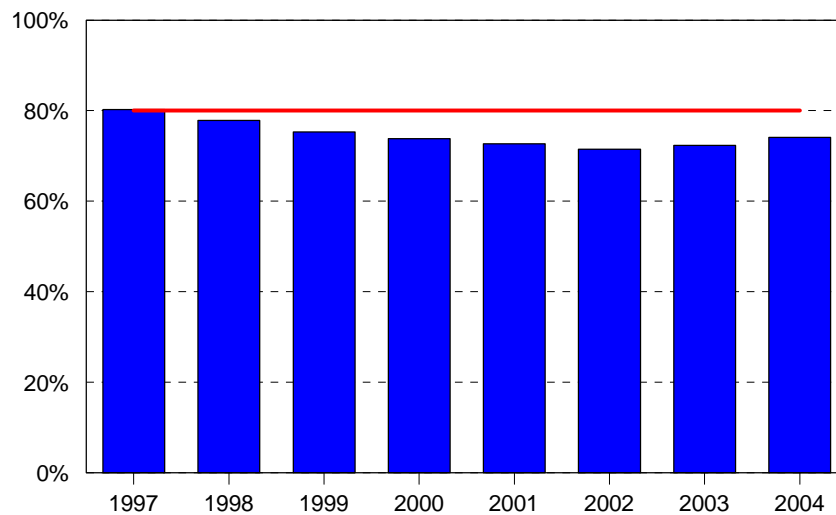
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*Nonmonetary Determinations Timeliness*

Aggregate nonmonetary determination timeliness performance--the percent of separation and nonseparation determinations made within 21 days of the date the state detected an issue--lay below the 80% criterion since 1998. National performance improved from 2003 but still lies 6% below the criterion.

**NONMONETARY DETERMINATIONS  
DECISION TIMELINESS**

Separations and Nonseparations - 21 Days

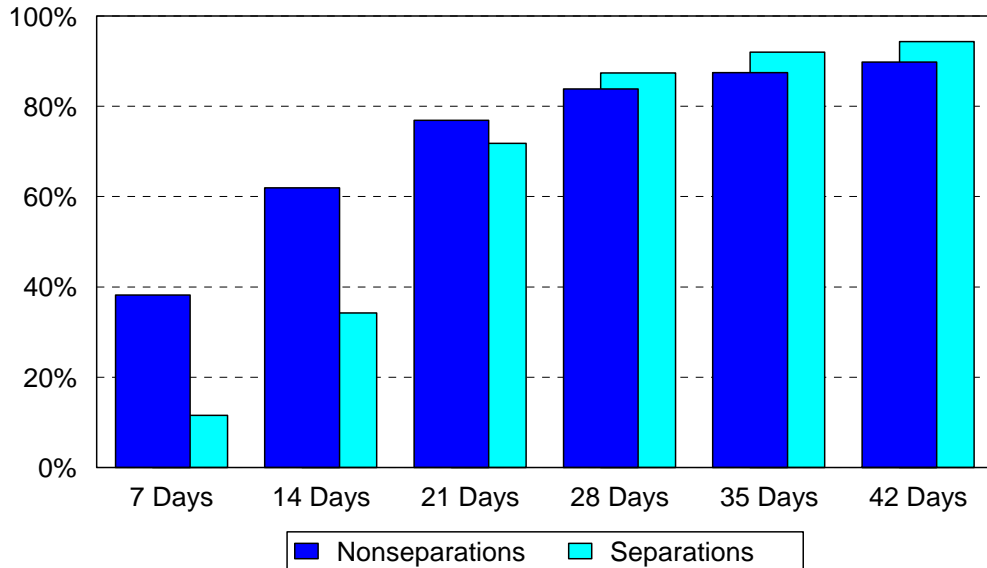


The next chart shows the pattern of decision time lapse for issuing both kinds of determinations at different intervals in 2004. Over 38% of nonseparation issues were decided within the first week after detection, versus only 11.5% of separations (nearly all separations require obtaining information from employers). The percentage of nonseparation determinations issued exceeded those for separations at both the 14-day interval and 21-day interval. At 28 days and longer, however, states had issued a higher percentage of separation than nonseparation determinations.

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**NATIONAL REPORT**

**NONMONETARY DETERMINATIONS  
DECISION TIMELINESS**

CY 2004



*Appeals Timeliness*

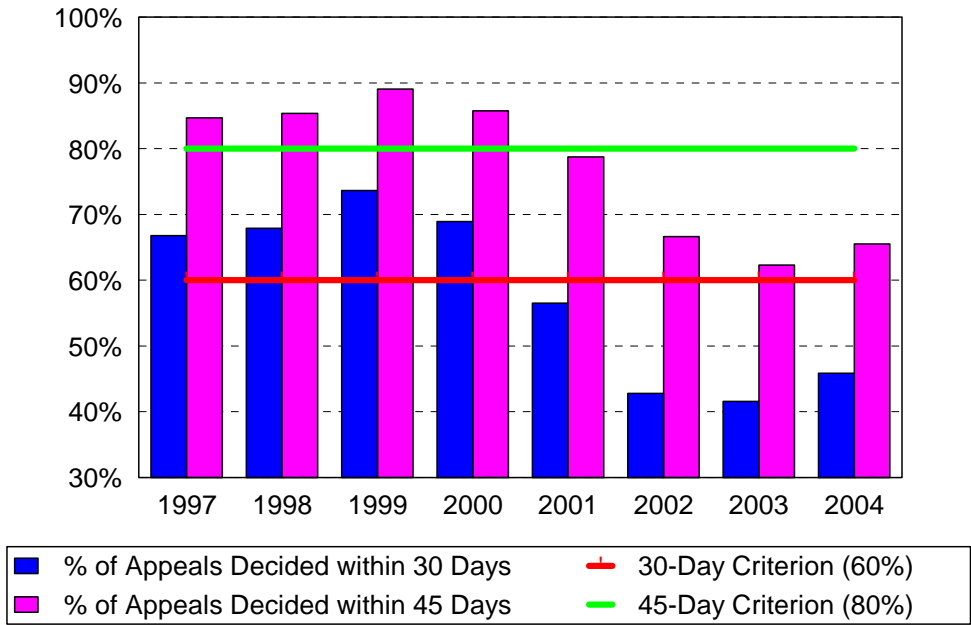
Lower authority appeals timeliness continued to be a trouble spot in 2004. Although performance improved somewhat from 2003, the national percentages of lower authority appeals decided within 30 and 45 days remained 14% below their respective criteria.

Between 1994 and 2000 the number of states failing the Secretary's criteria showed a down trend in keeping with the improvement in economic conditions. However, since 1999, the number of states failing the two criteria jumped significantly each successive year and peaked in 2002. Although fewer states failed in 2004, still twenty-one failed to meet the 30-day criterion and eighteen failed the 45-day criterion. As in earlier years, more states are failing to meet the 30-day criterion than the 45-day criterion.

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**LOWER AUTHORITY APPEALS TIMELINESS**

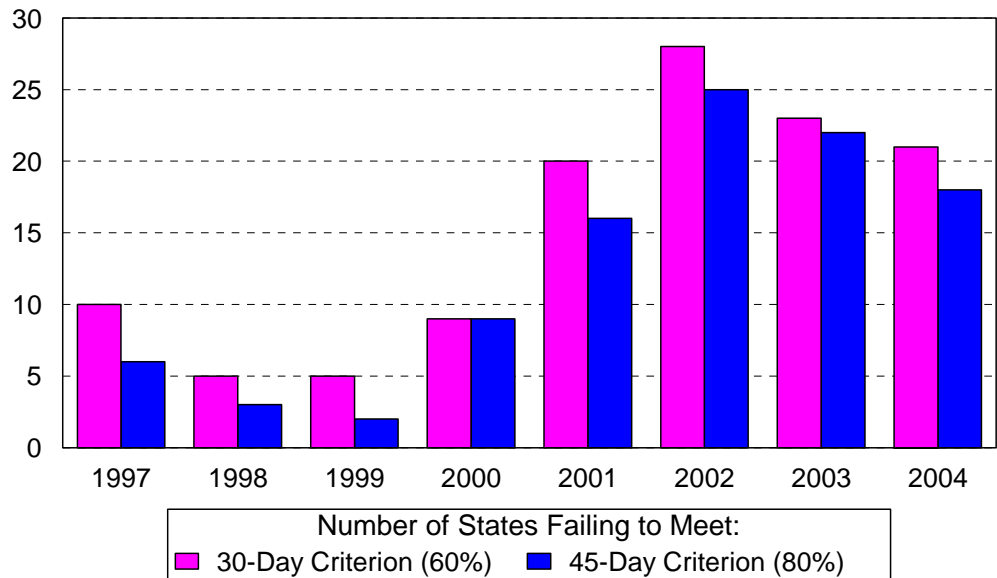
CYs 1997 - 2004



Supplementing the measures of how quickly states decide appeals is the age of undecided or pending appeals at the end of the year. The chart to the right shows that at the end of 2004, over 50% of all

**LOWER AUTHORITY APPEALS TIMELINESS**

CYs 1997-2004



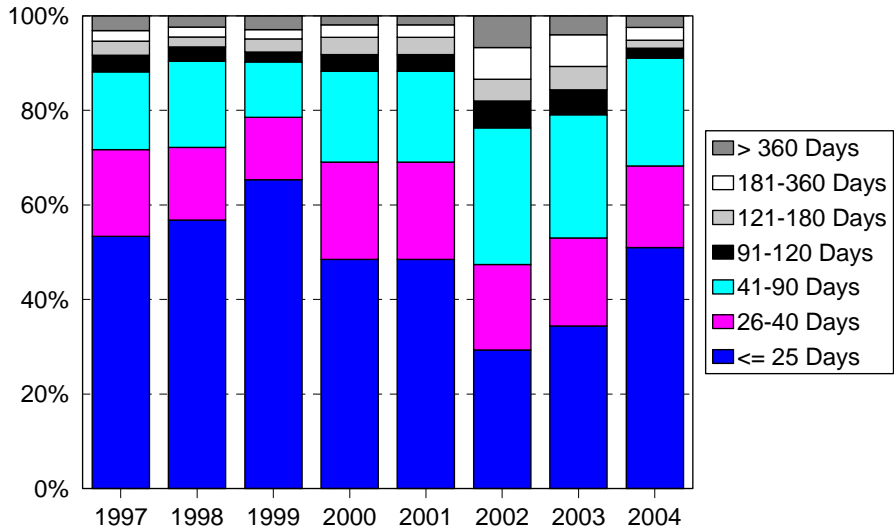


**UI PERFORMS ANNUAL REPORT CY 2004  
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undecided Lower Authority appeals were less than 25 days old (and hence were still likely to be decided within the first time lapse interval of 30 days). In 2004, States showed improvement in working through appeals backlogs as the proportion of appeals pending that were more than 40 days old fell to 31%. A new core measure the average age of pending appeals will address the performance issue of states maintaining significant appeals backlogs.

**LOWER AUTHORITY APPEALS CASE AGING**

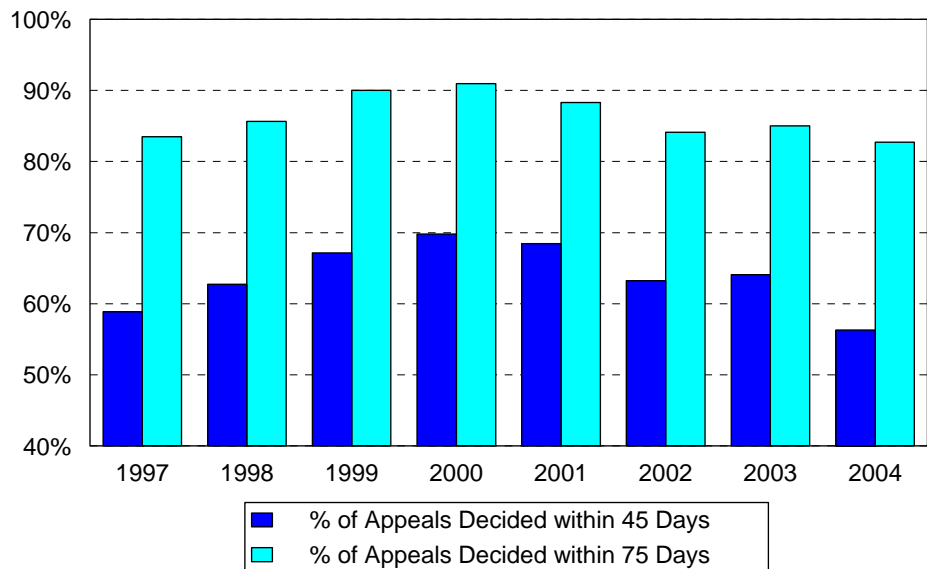
Age of Appeals Pending at End of Calendar Year



In the last few years Higher Authority time lapse performance had seen continuing improvement until 2001 when performance in both categories declined.

**HIGHER AUTHORITY APPEALS TIMELINESS**

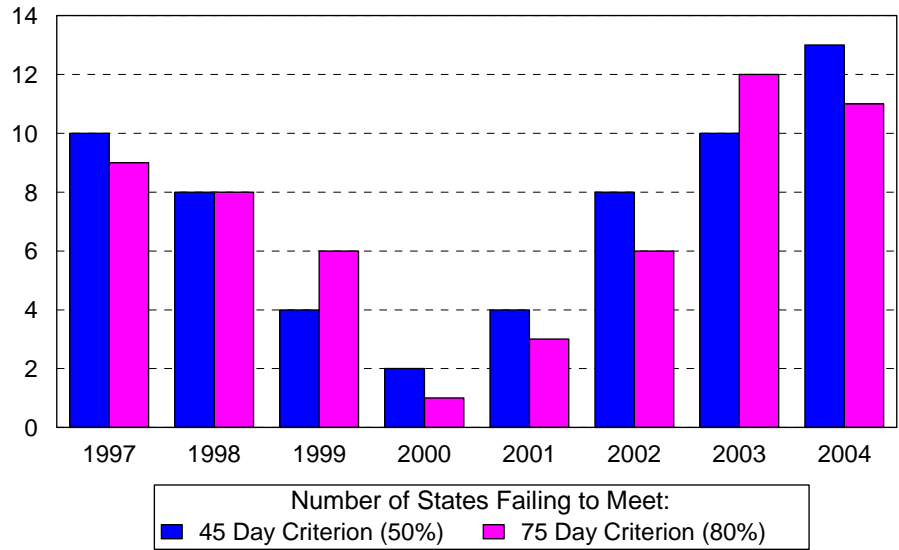
CYs 1997-2004



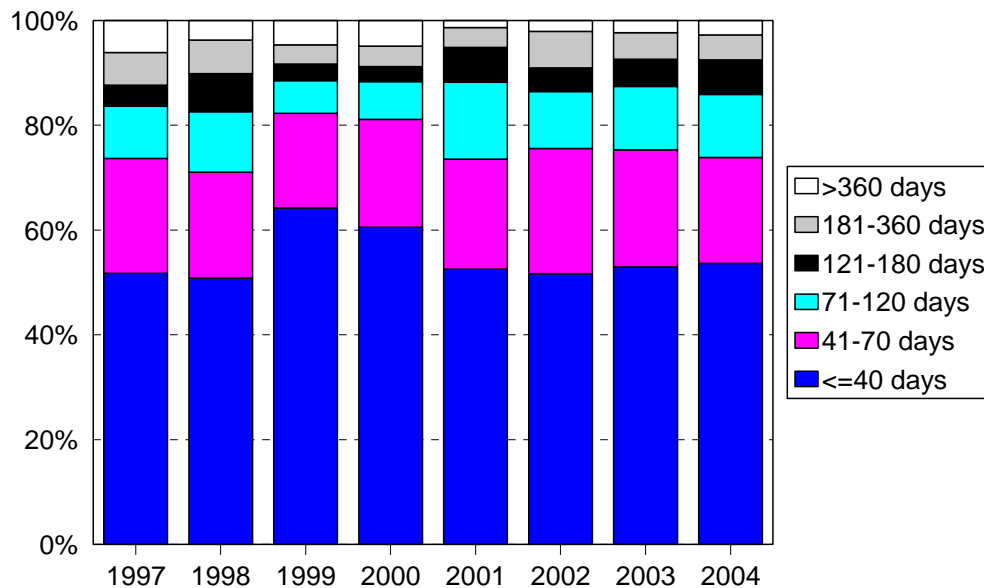
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**HIGHER AUTHORITY APPEALS TIMELINESS**  
CYs 1997-2004

The decline in national time lapse has been more than matched by the rise in the number of states that have failed to meet the 45-day Tier I criterion.



**HIGHER AUTHORITY APPEALS CASE AGING**  
Age of Appeals Pending at End of Calendar Year



The share of Higher Authority Appeals pending, at the end of 2004, that were less than 40 days old, dropped to 53.6% from 64% in 1999.

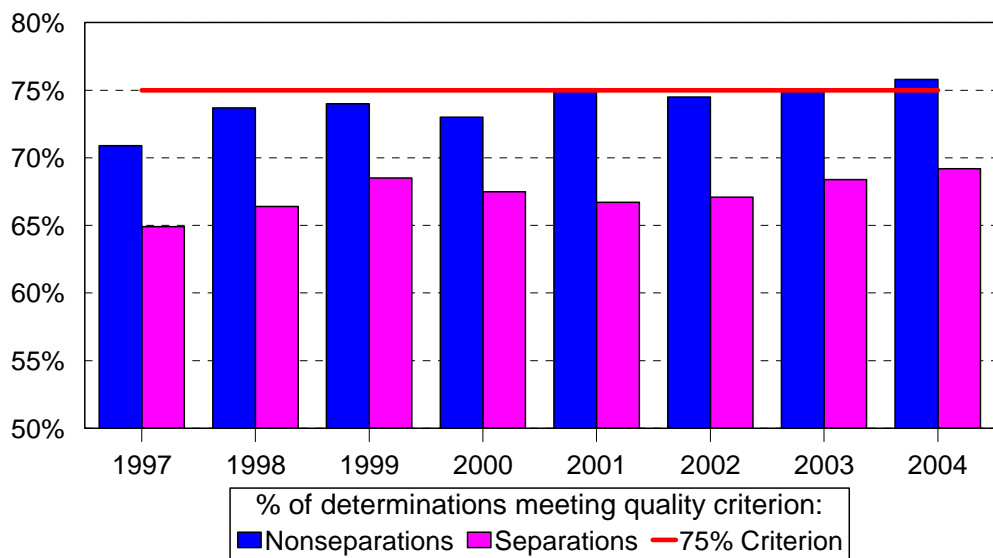
**UI PERFORMS ANNUAL REPORT CY 2004  
NATIONAL REPORT**

*Nonmonetary Determinations Quality*

Nationally, the upward trend in the percentage of determinations meeting quality continued into 2004, as performance reached an eight-year high for both types of nonmonetary determinations.

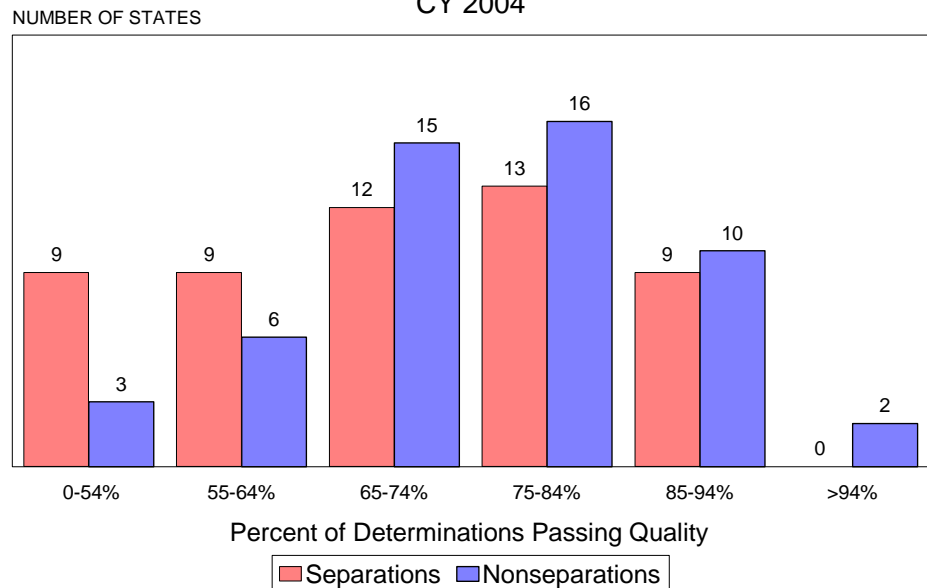
**QUALITY OF NONMONETARY DETERMINATIONS**

National Averages



**QUALITY SCORES**

CY 2004



In 2004 only 22 of 52 states met the criterion for separation determinations quality (75% or more of their cases have scores over 80 points), and 28 states met the criterion for nonseparation determinations.

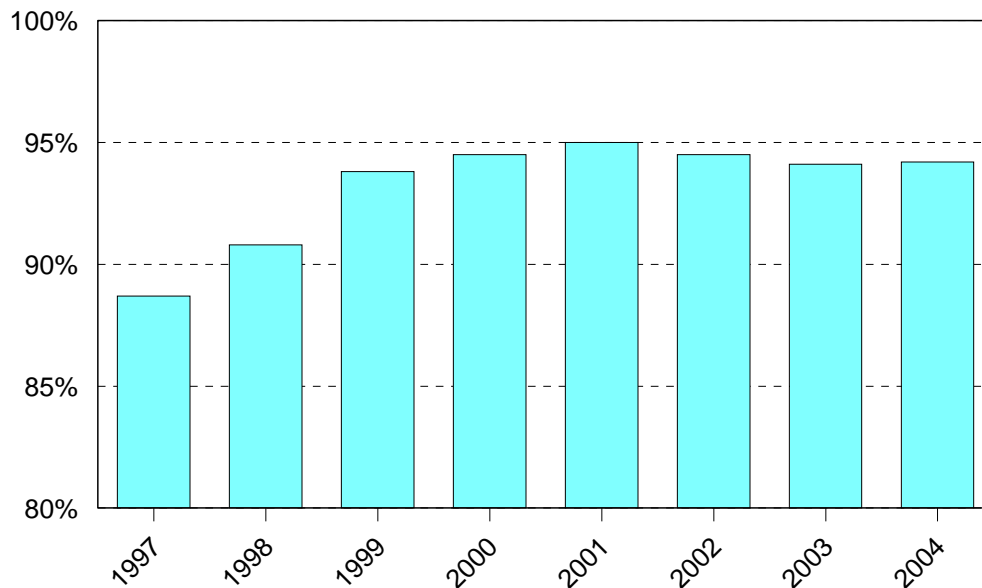
**UI PERFORMS ANNUAL REPORT CY 2004  
NATIONAL REPORT**

*Lower Authority Appeals Quality*

Lower Authority Appeals quality is one of thirteen core measures. The acceptable level of performance is that 80 percent of appeals must pass with at least 85% of potential points. The percentage of appeals passing quality nationwide peaked in CY 2001 at 95%. Since then the

**Percent of Lower Authority Appeals Passing Quality**

National Aggregate  
CYs 1997 - 2004



percentage has fallen slightly to 94.2% in CY 2004.

*Benefit Accuracy Measurement Paid Claims Error Rates*

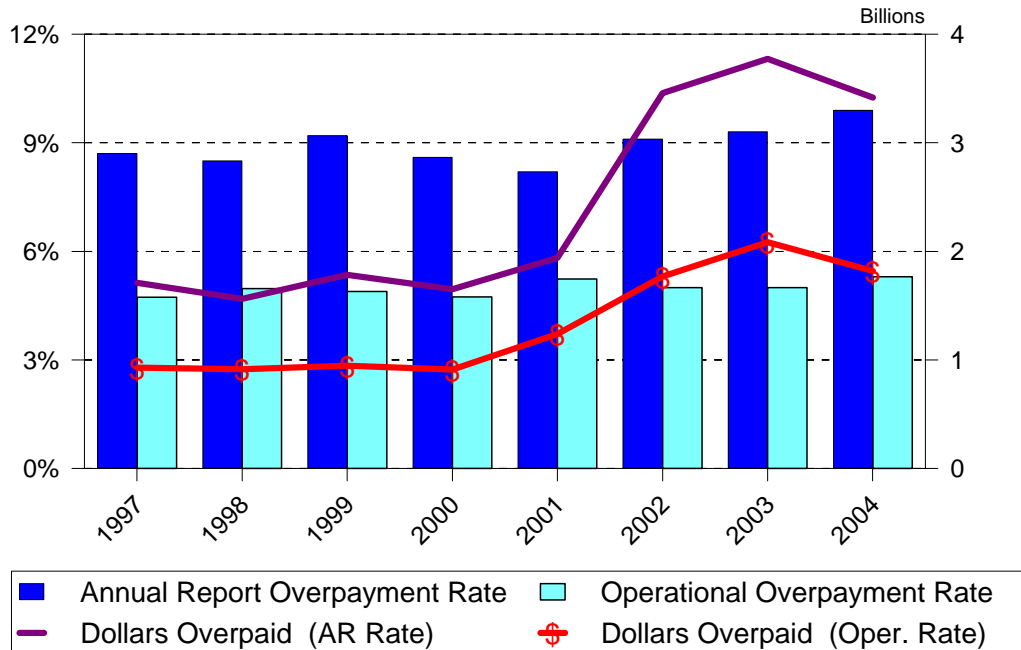
In CY 2004, the weighted BAM Annual Report overpayment rate was 9.9%, and the operational overpayment rate was 5.3%, of benefits paid. The operational overpayment rate, a subset of the Annual Report rate, includes those overpayments that the states are reasonably expected to detect and establish for recovery — fraud and nonfraud recoverable overpayments, excluding work search, employment service (ES) registration, base period wage issues and miscellaneous causes, such as benefits paid during a period of disqualification, redeterminations, and back pay awards. The following chart plots the BAM Annual Report rate and the operational rate for the last ten years. Because the operational rate is more narrowly focused than the Annual Report rate, it is

**UI PERFORMS ANNUAL REPORT CY 2004  
NATIONAL REPORT**

less likely to fluctuate from year to year. Since 2001 the Annual Report rate has trended upward to a highpoint of 9.9% in 2004, and dollars overpaid advanced to \$3.4B. The much less variable operational overpayment rate has hovered around 5% and, for CY 2004, overpayments were estimated to have been about \$1.8B.

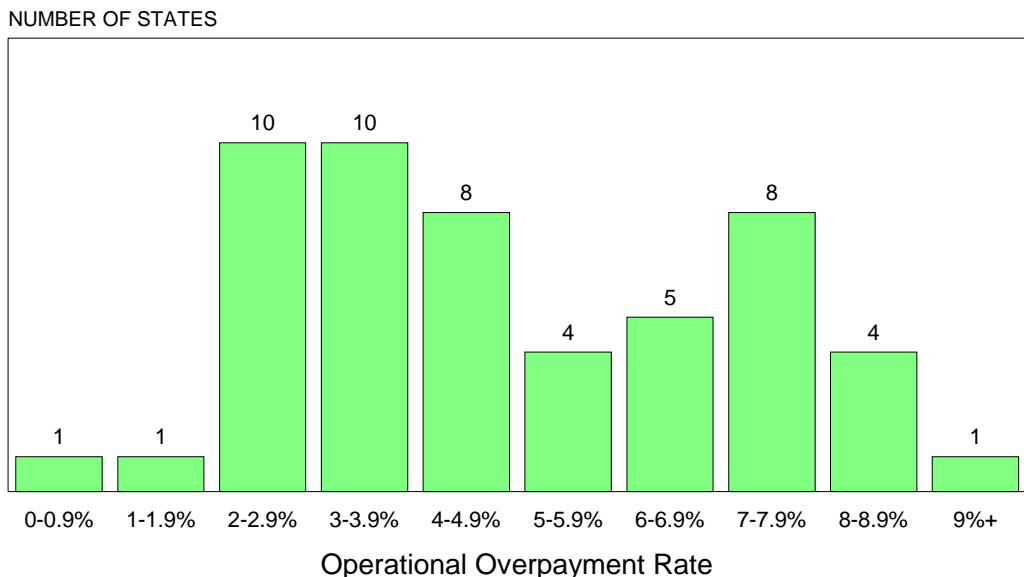
**BENEFIT ACCURACY MEASUREMENT**

National Estimates  
CYs 1997 - 2004



**DISTRIBUTION OF BAM  
OPERATIONAL OVERPAYMENT RATES**

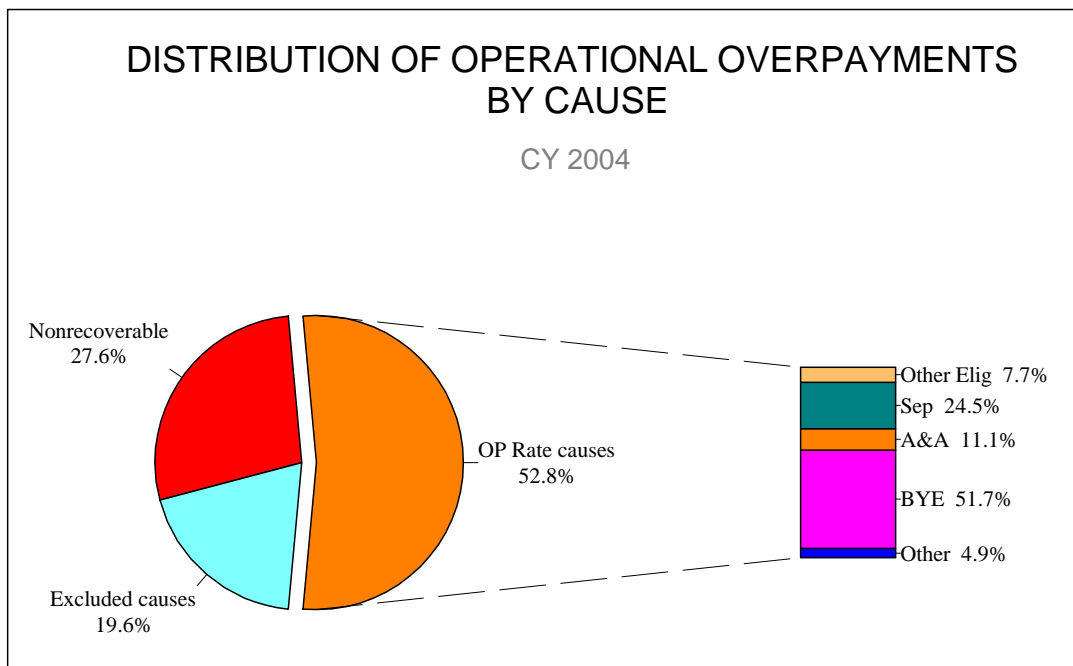
CY 2004



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In 2004, thirty of fifty-two states reported operational overpayment rates of less than 5%.

The following two charts, displaying the causes and responsibilities of Operational overpayments, illustrate the relationship between Annual Report overpayments and Operational overpayments. In CY 2004—as in nearly all years for which we have data—operational overpayments were slightly over half of Annual Report overpayments. Most of the overpayments excluded from the Annual Report definition—about a quarter of the Annual Report overpayments—represent nonrecoverable overpayments. The other excluded overpayments are recoverable, but related to

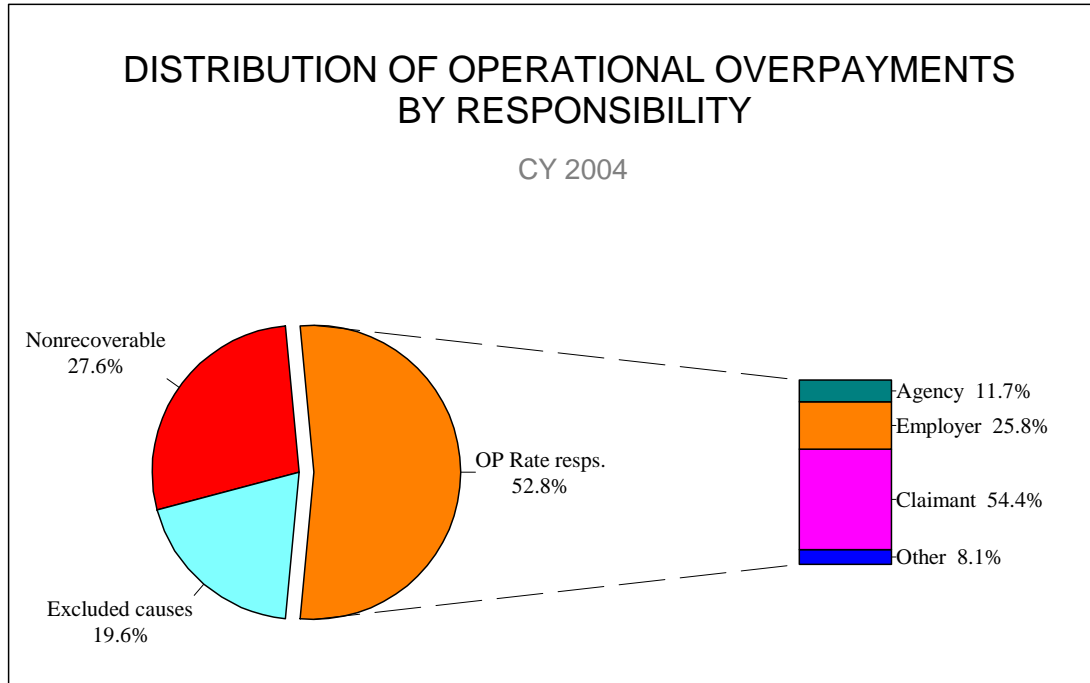


causes such as work search violations that the Operational overpayment definition excludes because normal state integrity procedures are unlikely to detect them.

The largest cause of dollars overpaid in 2004 was Benefit Year Earnings (BYE) violations--failing to report all or part of moneys earned or received from earnings while claiming benefits during the key week--followed by separations and then able and available (A+A) issues.

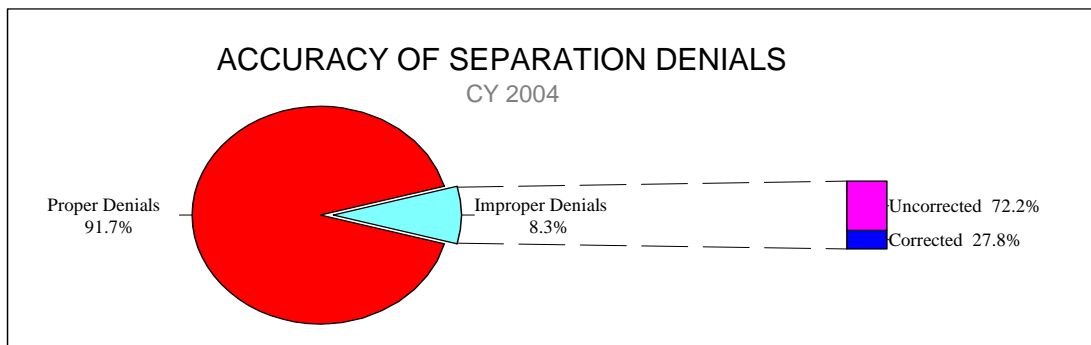
**UI PERFORMS ANNUAL REPORT CY 2004  
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Claimants alone were responsible for nearly 55% of the dollars projected, from the operational overpayment rate, to have been paid in error.



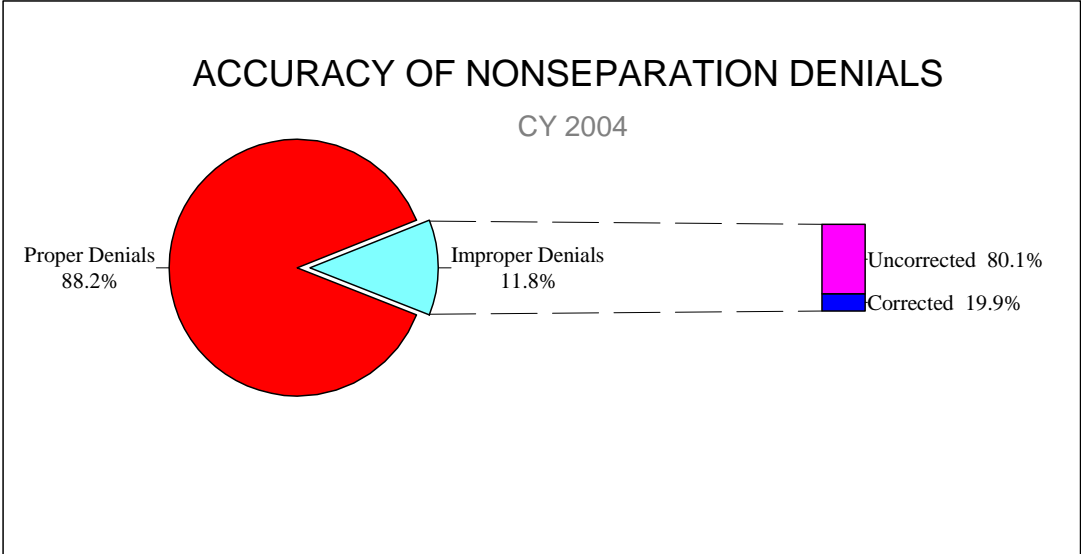
*Benefit Accuracy Measurement Denied Claims Error Rates*

Almost 92% of separation denials were found to be accurate, the highest accuracy among the three sample types. Over 27% of the erroneous denials were corrected by the agency before the DCA unit completed the case.

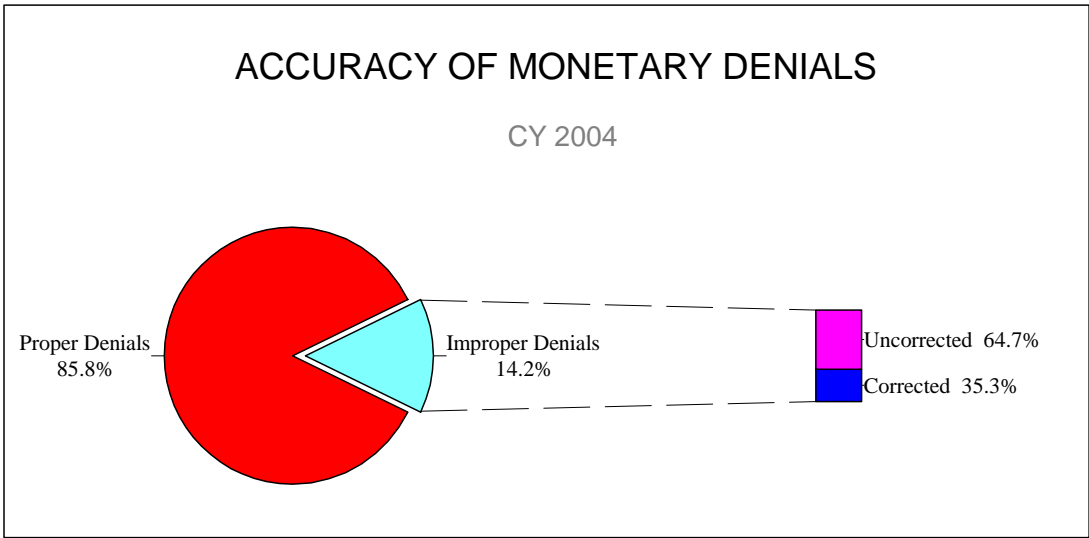


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Over 88% of nonseparation denials were found to be accurate. Nearly 20% of the denials considered in error at the time of the BAM review were corrected by the agency before the DCA unit completed the case.



Almost 86% of monetary denials were found to be accurate. Of the three sample types, monetaries had the highest error rate of 14.2%. Over 35% of those were corrected by the agency before the DCA unit completed the case.



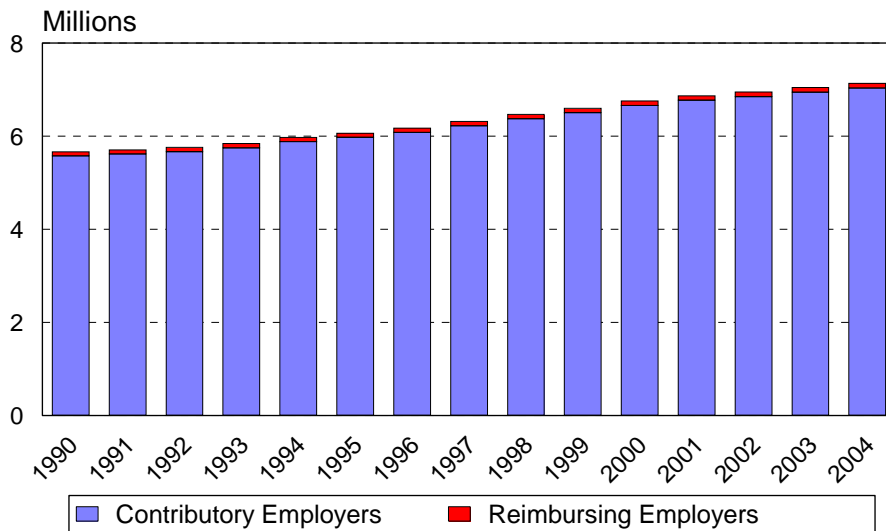


**UI PERFORMS ANNUAL REPORT CY 2004  
NATIONAL REPORT**

**TAX PROGRAM ACTIVITY AND PERFORMANCE**

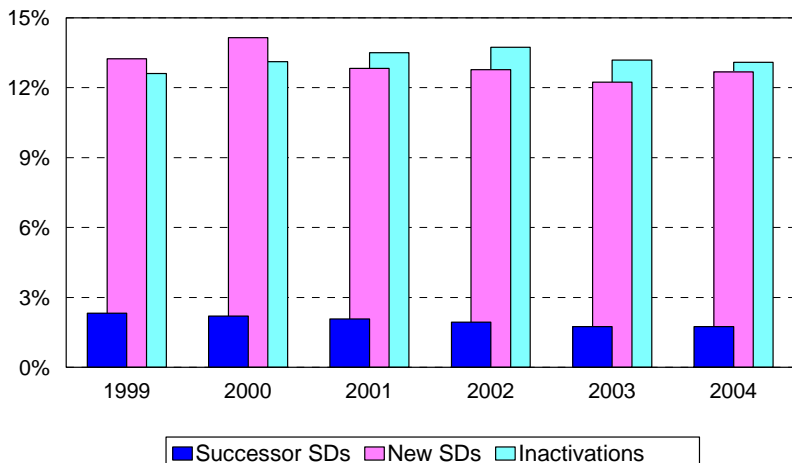
The number of subject employers has grown fairly steadily at a rate of about 2% a year since 1989 to a total of 7.1 million in 2004. Of these, about 7.0 million, or 99%, were contributory.

**NUMBER OF SUBJECT EMPLOYERS**  
CYs 1990 - 2004



The slow, steady annual growth in the number of subject employers conceals considerable turnover. Measured by status determination activity, turnover is quite high. Each year since 1999, new accounts and inactivations/terminations each amounted to about 13% of liable employers, and successorships close to 2%.

**TURNOVER IN EMPLOYER POPULATION**  
Status Determinations (SDs) as % of Subject Employers  
CYs 1999 - 2004



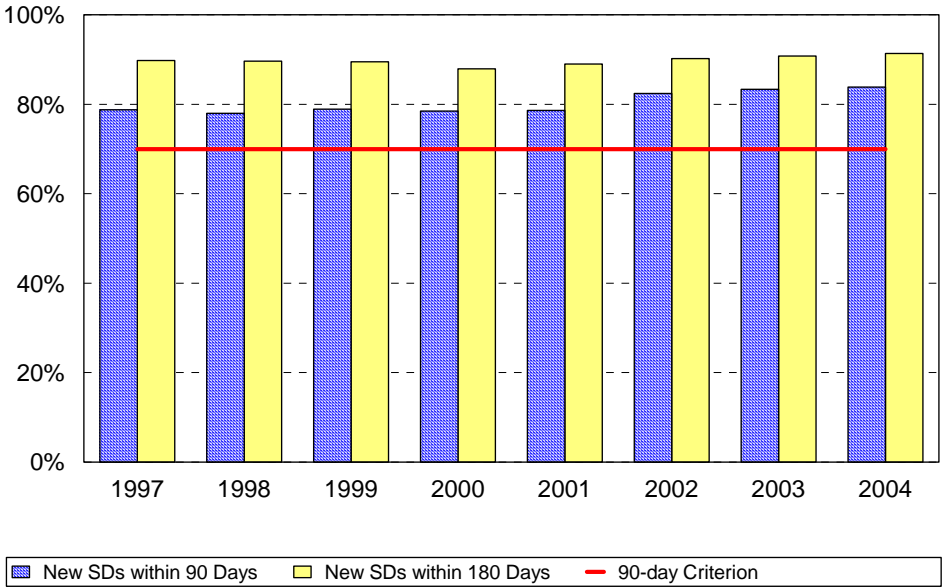
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*Status Determinations*

State performance on new status determinations for both the 90-day and 180-day intervals reached all-time highs of 83.8% and 91.3%, respectively.

**TIMELINESS OF STATUS DETERMINATIONS**

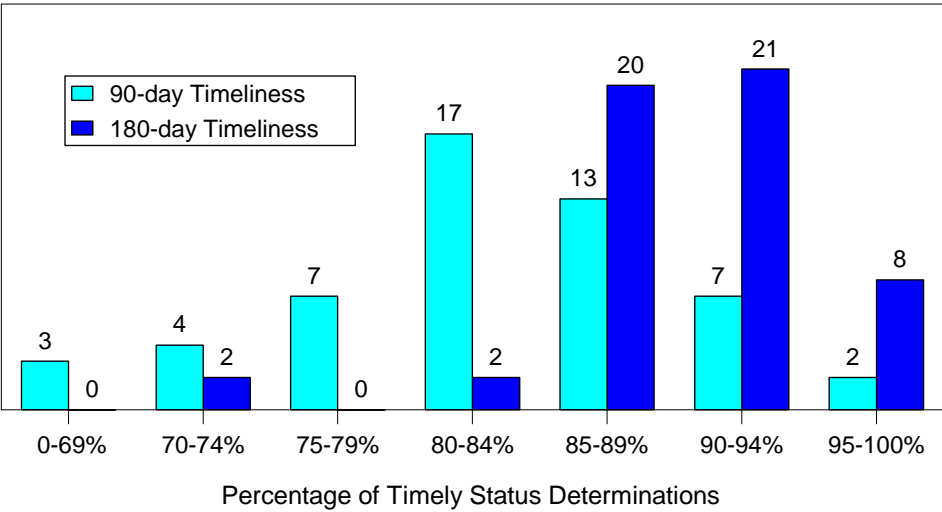
CYs 1997 - 2004



**TIMELINESS OF STATUS DETERMINATIONS**

New Employers - CY 2004

Number of States

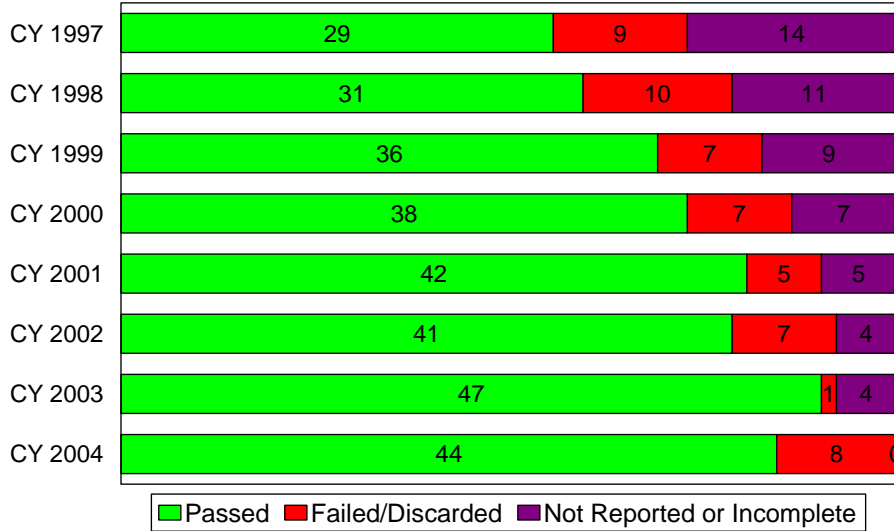


In 2004, all but three states met the 90-day criterion of 70%.

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**ACCURACY OF NEW EMPLOYER STATUS  
DETERMINATIONS**

Number of States Passing/Failing Acceptance Sample  
(New SDs pass with  $\leq 6$  failures)



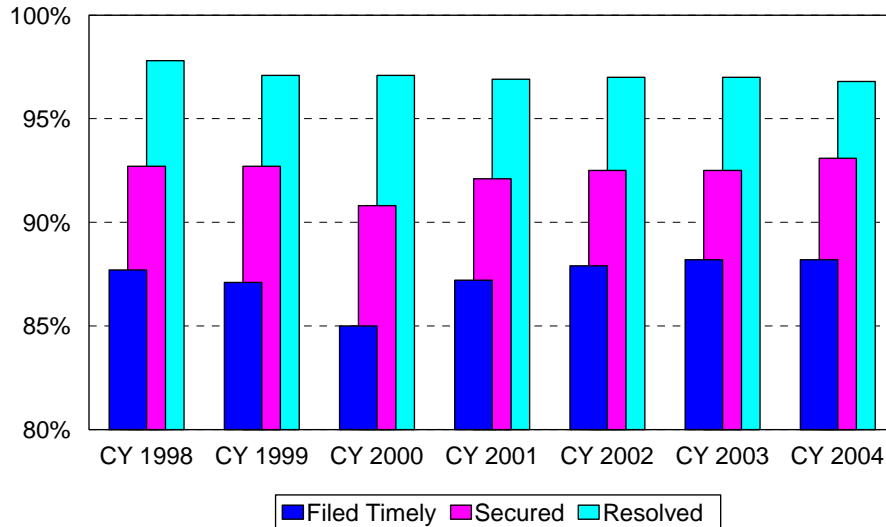
In 2004, forty-four states passed their acceptance samples for the accuracy of new status determinations. For the first time since the program began in 1997 all states reported results.

*Report Delinquency*

In 2004, states received 88.2% of employers' reports on time, unchanged from 2003. The

**REPORTS FILED TIMELY**

Contributory Employers  
CYs 1998 - 2004

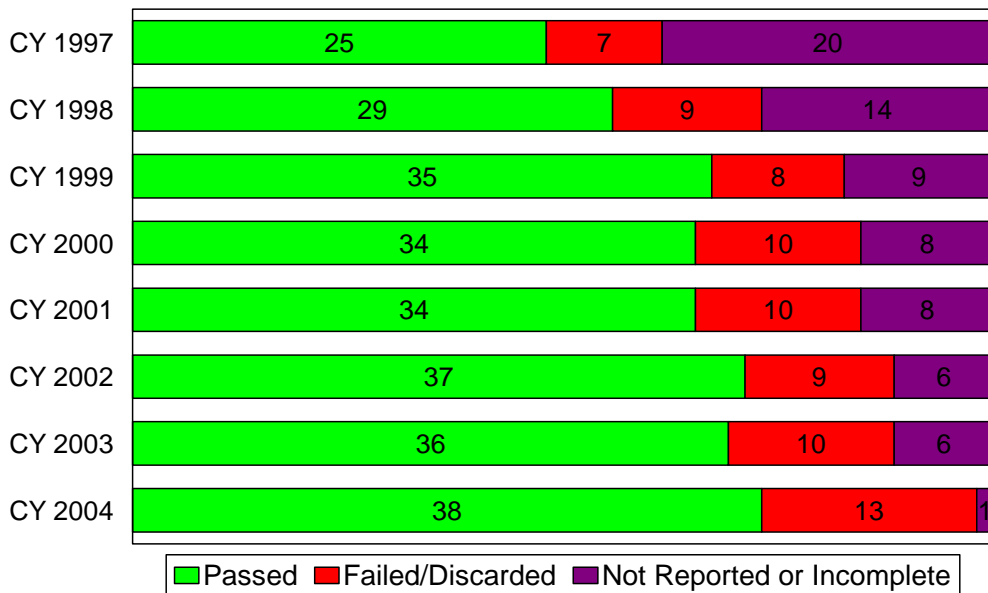


percentage of employers whose reports were secured by the end of the quarter following the report quarter and the percentage of employers whose reports were resolved by the end of the second quarter following the report quarter both changed little from 2003 at 93.1% and 96.8%, respectively.

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**RESOLUTION OF REPORT DELINQUENCIES**

Number of States Passing/Failing Acceptance Sample



The number of states passing the acceptance sample for quality in delinquent reports operations reached an all-time high of 38. States' completion rates have improved dramatically from the program's inception in 1997 when 20 states failed to submit results.

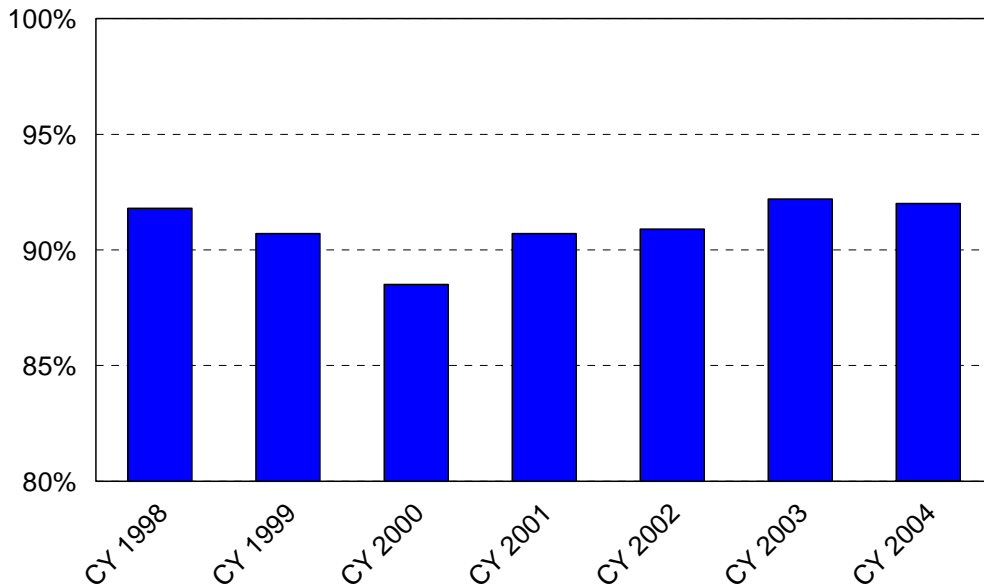
**UI PERFORMS ANNUAL REPORT CY 2004  
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*Collections*

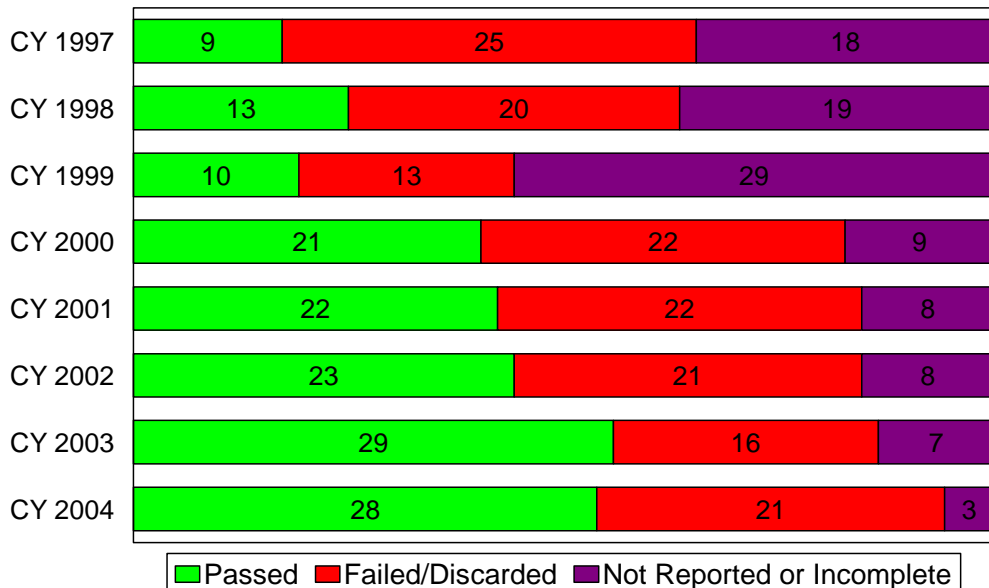
The proportion of total contributory employers' taxes due that were paid timely heald steady at about 92%.

**AMOUNTS PAID TIMELY**

Contributory Employers  
CYs 1998 - 2004



Over half of the states reporting acceptance sample results for quality operation of the collections function passed in 2004.



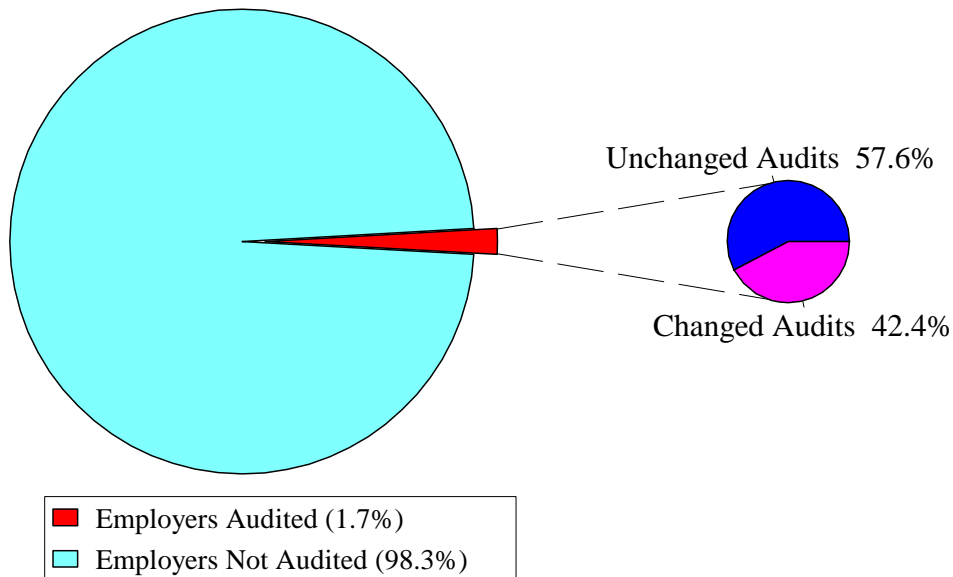
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*Field Audit*

In 2004, states audited about 1.7% of contributory employers, a level that has varied little since 1997. About two in five audits resulted in some change in the audited employer's liability or taxes due.

**FIELD AUDIT PENETRATION AND CHANGE**

CY 2004



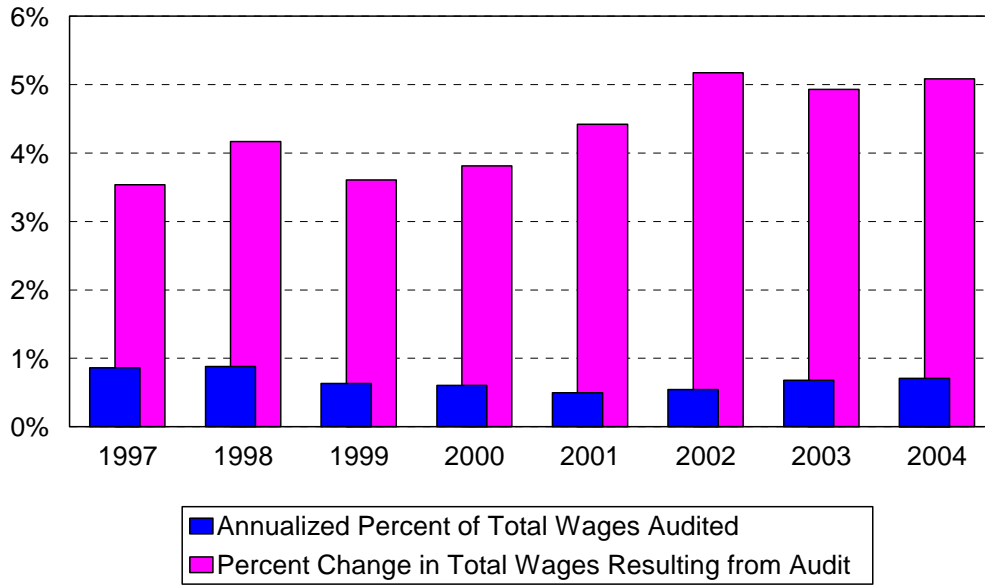
The aggregate penetration of wages (about .7%) is lower than that of employers. This suggests that on the whole, many smaller-than-average firms are selected for audit. For the country as a whole, these audits resulted in a change of about 5.1% in aggregate wages in 2004, up slightly from the previous year, and well above the 1997-2004 average of 4.3%.

For the first time, all states reported acceptance sample results for CY 2004. However, five fewer states passed the Field Audit acceptance sample than last year.

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**FIELD AUDIT RESULTS**

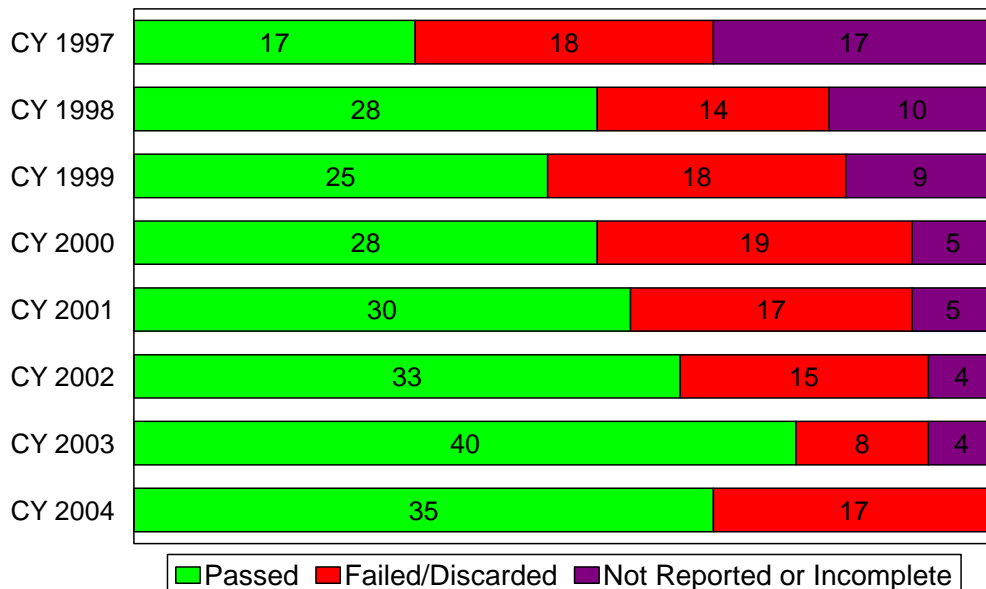
Wages Audited vs. Change in Wages  
CYs 1997 - 2004\*



\*CA excluded

**QUALITY OF FIELD AUDITS**

Number of States Passing/Failing Acceptance Sample



In 2004, about 67% of reporting States passed the acceptance sample for satisfaction of Employment Security Manual audit requirements.

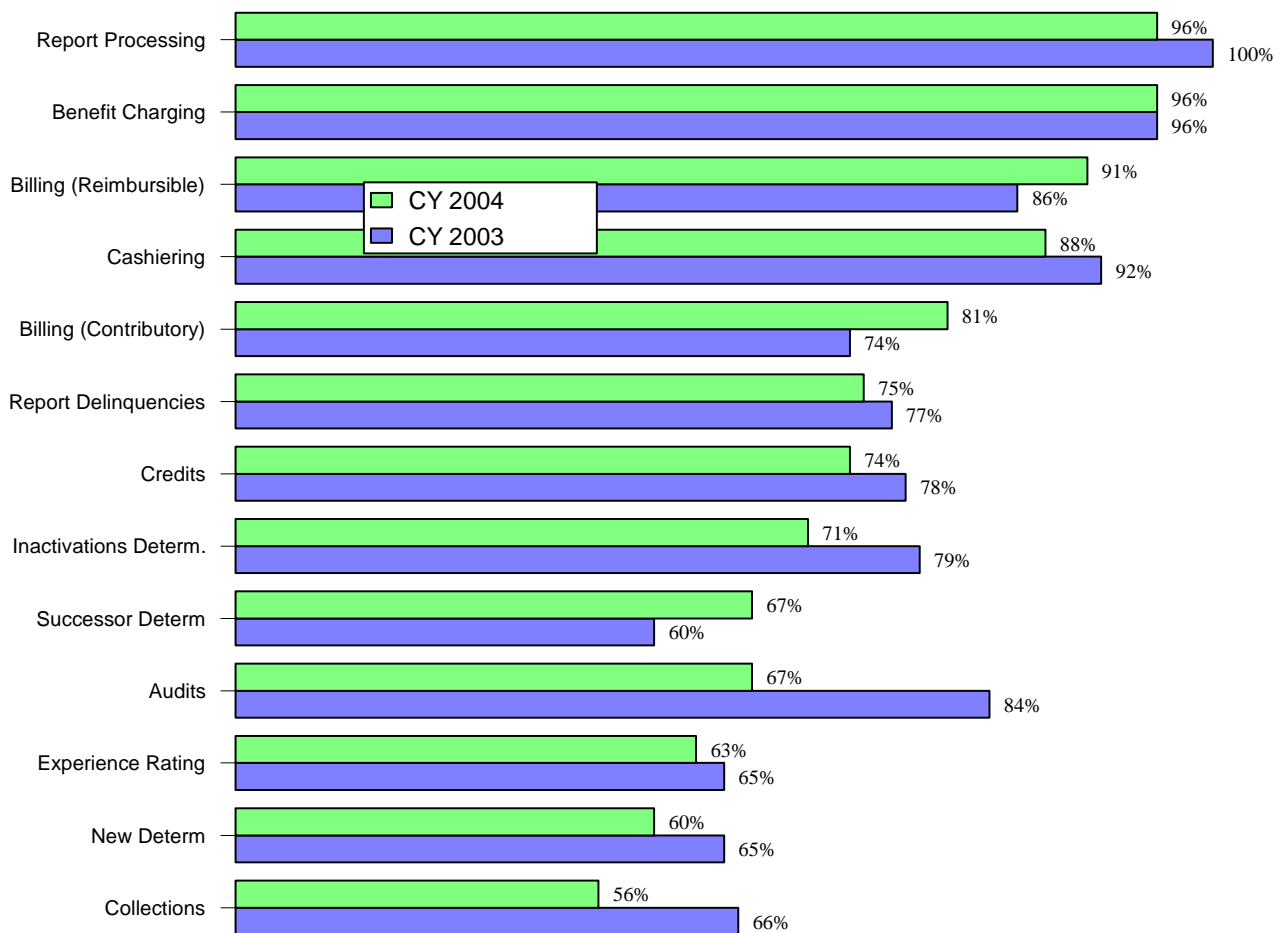
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*Account Maintenance*

CY 2004 acceptance sample results show improved performance in the accuracy of only three of thirteen tax functions. The greatest performance increase occurred in the accuracy of successor status determinations where the percent of states passing the acceptance sample rose from 60% in 2003 to 67% in 2004. The greatest drop in performance occurred in the accuracy of field audits where the percent of states passing the acceptance sample fell from 84% in 2003 to 67% in 2004.

**ACCEPTANCE SAMPLE RESULTS**

Percent of States Passing





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**STATUS OF UI DATA VALIDATION**

*Summary of Results*

Table 1 shows that states submitted about 53% of all required validations. States submitted a higher percentage of DV results for benefits (53.7%) than for tax (49.8%). Of the submitted results, the percentage of results with a pass score was also higher for benefits (64.4%) than for tax (44.7%).

**Table 1  
Summary Validation Results for Validation Year 2005**

		<b>Benefits</b>	<b>Tax</b>	<b>Total</b>
<b>Total Results Due</b>		1631	265	1896
<b>Submitted</b>	Number	876	132	1008
	% of Due	53.7%	49.8%	53.2%
<b>Not Submitted</b>	Number	755	133	888
	% of Due	46.3%	50.2%	46.8%
<b>Passed</b>	Number	564	59	623
	% of Due	34.6%	22.3%	32.9%
	% of Submitted	64.4%	44.7%	61.8%
<b>Failed or Incomplete</b>	Number	312	73	385
	% of Due	19.1%	27.5%	20.3%
	% of Submitted	35.6%	55.3%	38.2%

*Methodology and Scope of Data Validation*

Every year, each state is required to submit 40 reports on its UI program activity and status. The reports are submitted at weekly, monthly or annual intervals, and consist of over 2,500 report cells. Most of this information is aggregate counts. These counts may refer to transactions that occurred during the report period—e.g., new initial claims filed, status determinations made—or the status or balances at the beginning or end of the period, e.g., the dollar value of overpayments outstanding or the number of active employers. Data validation assesses the accuracy of these aggregate counts in two phases. In one of the phases, a systematic reconstruction of the reported counts is done to ascertain whether counting is being done correctly. This is called Report Validation (RV). The other phase is a series of sample-based tests—Benefits and Tax Validation apply them somewhat differently—to determine whether what is being counted conforms to Federal reporting definitions and whether the file used in the RV stage is built properly. This phase is termed Data Element Validation (DEV). If reported counts are within a certain tolerance (generally  $\pm 2\%$ ) of reconstructed counts in RV, and tests in DEV indicate that the correct things are being counted, one can conclude that the reported count is accurate.

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Through Data Validation, states evaluate the data reported on 1,275 of these report cells: the ones that are used for most important reporting and workload functions. However, DV uses a different conceptual structure to organize data than the one used in most UI required reports. Whereas a UI report can contain data of different types of transactions, DV organizes data in “populations” that contain only one type of transaction, for example all final payments transactions (Benefits Population 2). For each population, DV examines whether the state reports the transactions accurately, and whether it counts them properly when it produces its required UI reports. It has identified 15 populations of unique Benefit transactions and five populations of Tax transactions. Each population is subdivided into smaller groups called subpopulations, which are the basis for reconstructing report cells. In all, data validation uses 395 subpopulations to reconstruct and validate over 1,275 cells of 11 UI required benefits reports and the ETA 581 report for tax. The Appendix shows the number of subpopulations in each of the benefits and tax populations, and the UI reports and number of report cells that are validated.

*Validation Cycle*

The basic validation cycle is three years, and a “year” includes any validation done of UI reports submitted within the 12-month or 4-quarter period that ends March 31 (the “validation year.”) A population that passes validation, e.g., during the year ending March 31, 2005, need not be revalidated for three years, i.e., within the year ending March 31, 2008. A revalidation must be performed within the following year if: (1) there is a validation failure within the population; or (2) the state installs new reporting software or significantly revises their automated system; or (3) the population includes the data from which Government Employment and Results Act (GPRA) indicators are calculated. The GPRA indicators are produced using data from Benefits Population 4 (Payments) and 12 (Overpayments Established); and Tax Population 3 (Status Determinations.) These populations must be validated annually.

*Pass-Fail Criteria*

Report Validation (RV). Passing and failing for both Tax and Benefits is determined by whether or not the reported values for a group of report cells (a pass/fail group) are within the set tolerance limits of the reconstructed “validation” count for that group. This tolerance is  $\pm 1\%$  for GPRA groups and  $\pm 2\%$  for other groups. If any group of report cells within a population fails this test, the population must be revalidated in the next year.

Data Element Validation (DEV). (a) For Validation Year 2005, all states were expected to submit Benefits DEV results for 16 random samples (15 random samples were expected from HI, NE, and VI, which lack Higher Authority Appeals). In the DV redesign announced in UIPL 22-05, an additional random sample for all states was added for validation years 2006 and beyond. If any random sample fails—i.e., it indicates that more than 5% of the transactions in the underlying universe do not meet Federal reporting standards—the sample fails and must be repeated and resubmitted within the following year, along with the RV for the population. Benefits validation

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has many small analytical samples as well but these are not statistically valid for making pass and fail decisions. (b) The tax validation design has no random samples but applies a variety of DEV tests, including “File Integrity Validation” samples of size two for each subpopulation, to determine whether the files used for Tax RV are built properly. Although passing and failing of Tax populations is determined formally on the basis of the RV results, unless the files used for RV have passed all DEV tests, the population cannot pass and must be revalidated within the following year.

*Status of Benefits Validation*

Tables 2 and 3 show summaries of Benefits validation results by state for Validation Year 2005.

Table 2 shows a summary for Report Validation results. Most states must validate 15 benefits populations. Three states—Hawaii, Nebraska, and Virgin Islands—have no Higher Authority Appeals and thus have no reports or validations for populations 7

State	Populations Due	Pass	Fail or Incomplete	Total Submitted	Not Submitted
AK	15	10	5	15	0
AL	15	11	3	14	1
AR	15	10	5	15	0
AZ	15	0	8	8	7
CA	15	7	8	15	0
CO	15	0	0	0	15
CT	15	2	0	2	13
DC	15	0	0	0	15
DE	15	13	2	15	0
FL	15	11	4	15	0
GA	15	11	3	14	1
HI	12	11	1	12	0
IA	15	6	5	11	4
ID	15	0	0	0	15
IL	15	9	3	12	3
IN	15	0	0	0	15
KS	15	6	0	6	9
KY	15	0	0	0	15
LA	15	6	3	9	6
MA	15	10	5	15	0
MD	15	4	5	9	6
ME	15	11	4	15	0
MI	15	1	4	5	10
MN	15	6	8	14	1
MO	15	9	1	10	5
MS	15	5	2	7	8
MT	15	6	9	15	0
NC	15	8	4	12	3
ND	15	8	6	14	1
NE	12	9	3	12	0
NH	15	8	7	15	0
NJ	15	6	5	11	4
NM	15	0	0	0	15
NV	15	0	0	0	15
NY	15	5	2	7	8
OH	15	0	0	0	15
OK	15	4	11	15	0
OR	15	0	5	5	10
PA	15	0	0	0	15
PR	15	0	15	15	0
RI	15	5	10	15	0
SC	15	8	7	15	0
SD	15	3	2	5	10
TN	15	0	0	0	15
TX	15	7	1	8	7
UT	15	0	0	0	15
VA	15	9	3	12	3
VI	12	0	0	0	12
VT	15	7	5	12	3
WA	15	9	1	10	5
WI	15	6	0	6	9
WV	15	11	4	15	0
WY	15	5	3	8	7
<b>U.S. Totals</b>	<b>786</b>	<b>283</b>	<b>182</b>	<b>465</b>	<b>321</b>

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(Higher Authority Appeals Filed), 9 (Higher Authority Appeals Decisions), and 11 (Higher Authority Appeals Case Aging).

Sixteen states have submitted RV results for all populations, and 11 states submitted none. Delaware had the greatest number of populations that obtained a pass score (13). Six states obtained a pass score for 11 of their populations. The average number of populations submitted by state was approximately nine.

Table 3 summarizes the DEV results of the 16 benefits random samples (15 in the three states without Higher Authority Appeals). Completion rates for the benefits random samples were lower than for the Report Validation. Only five states completed all random samples; 15 states submitted none. Delaware had the greatest number of random samples that obtained pass scores (15). Three other states obtained pass scores for 14 of their random samples. The average number of random samples submitted by state was approximately eight.

State	Random Samples Due	Pass	Fail or Incomplete	Total Submitted	Not Submitted
AK	16	4	12	16	0
AL	16	7	9	9	7
AR	16	11	3	14	2
AZ	16	8	4	12	4
CA	16	10	4	14	2
CO	16	0	0	0	16
CT	16	0	0	0	16
DC	16	0	0	0	16
DE	16	15	0	15	1
FL	16	10	6	16	0
GA	16	3	12	15	1
HI	15	12	0	12	3
IA	16	6	1	7	9
ID	16	0	0	0	16
IL	16	14	0	14	2
IN	16	0	0	0	16
KS	16	0	2	2	14
KY	16	0	0	0	16
LA	16	0	6	6	10
MA	16	6	8	14	2
MD	16	10	4	14	2
ME	16	14	2	16	0
MI	16	1	8	9	7
MN	16	1	2	3	13
MO	16	3	6	9	7
MS	16	8	1	9	7
MT	16	14	0	14	2
NC	16	9	1	10	6
ND	16	11	1	12	4
NE	15	11	1	12	3
NH	16	10	6	16	0
NJ	16	13	0	13	3
NM	16	0	0	0	16
NV	16	0	0	0	16
NY	16	7	1	8	8
OH	16	0	0	0	16
OK	16	10	3	13	3
OR	16	3	1	4	12
PA	16	0	0	0	16
PR	16	0	0	0	16
RI	16	6	8	14	2
SC	16	10	6	16	0
SD	16	1	0	1	15
TN	16	0	0	0	16
TX	16	0	1	1	15
UT	16	0	0	0	16
VA	16	3	8	11	5
VI	15	0	0	0	15
VT	16	11	1	12	4
WA	16	2	7	9	7
WI	16	0	0	0	16
WV	16	14	1	15	1
WY	16	3	1	4	12
<b>U.S. Totals</b>	<b>845</b>	<b>281</b>	<b>130</b>	<b>411</b>	<b>434</b>

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*Status of Tax Validation*

As noted above, a tax population cannot pass Report Validation unless its extract file has passed all data element validation checks. Table 4 summarizes joint RV and DEV Tax results for Validation Year 2005. A pass score means that a population obtained a pass score in both RV and DEV; a fail score means that either DEV or RV did not pass, or both.

As noted in the summary, the percentage of submitted tax results that were due was lower in tax than in benefits. Seventeen states submitted tax validation results for all populations and 20 states submitted none. Only three states obtained a pass score for all five tax populations. The average number of tax populations submitted by state was approximately 2 per state.

*Conclusion*

In June 2005, the Office of Workforce Security released new Web-based validation software to the states that replaces the validation software

Table 4 Status of Tax Validation by State for Validation Year 2005					
State	Populations Due	Pass	Fail or Incomplete	Total Submitted	Not Submitted
AK	5	0	0	0	5
AL	5	1	4	5	0
AR	5	0	2	2	3
AZ	5	3	2	5	0
CA	5	0	0	0	5
CO	5	0	0	0	5
CT	5	1	1	2	3
DC	5	0	4	4	1
DE	5	0	5	5	0
FL	5	3	2	5	0
GA	5	0	1	1	4
HI	5	1	4	5	0
IA	5	3	1	4	1
ID	5	0	0	0	5
IL	5	5	0	5	0
IN	5	0	0	0	5
KS	5	0	0	0	5
KY	5	0	0	0	5
LA	5	4	0	4	1
MA	5	1	4	5	0
MD	5	2	1	3	2
ME	5	2	3	5	0
MI	5	1	4	5	0
MN	5	0	5	5	0
MO	5	0	0	0	5
MS	5	0	1	1	4
MT	5	0	0	0	5
NC	5	2	2	4	1
ND	5	3	0	3	2
NE	5	2	3	5	0
NH	5	4	1	5	0
NJ	5	0	0	0	5
NM	5	0	0	0	5
NV	5	0	0	0	5
NY	5	1	2	3	2
OH	5	0	0	0	5
OK	5	0	0	0	5
OR	5	5	0	5	0
PA	5	0	0	0	5
PR	5	0	2	2	3
RI	5	0	4	4	1
SC	5	0	0	0	5
SD	5	1	4	5	0
TN	5	0	0	0	5
TX	5	0	2	2	3
UT	5	2	3	5	0
VA	5	2	2	4	1
VI	5	0	0	0	5
VT	5	1	3	4	1
WA	5	5	0	5	0
WI	5	0	0	0	5
WV	5	4	1	5	0
WY	5	0	0	0	5
<b>U.S. Totals</b>	265	59	73	132	133

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developed by Mathematica Policy Research. In conjunction with the release of that software, as explained in UIPL 22-05, some pass-fail groups in benefits validation were reconfigured and an additional random sample was added. The design and configuration of Tax validation was unchanged. UIPL 22-05 also emphasized the need for states to complete validation of the universes and sampling methods used in quality samples for the Benefit Timeliness and Quality (BTQ) nonmonetary determinations and appeals, and in acceptance samples for Tax Performance System (TPS); and validation of Wage Items (an original workload item). Data Validation results presented in next year's report will reflect the new benefits data validation configuration and will be generated using the new DV software. They will also include results for BTQ, TPS and wage item validations.

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**APPENDIX A: CORE AND SQSP MEASURES**

Benefit Measures	Table Cells
First Payment Time Lapse 14/21 days Intrastate UI full weeks	{sum(ar9050.c10+ar9050.c18-ar9050p.c10-ar9050p.c18) for States with ww + sum(ar9050.c26-ar9050p.c26) for States w/o ww} / sum(ar9050.c2-ar9050p.c2); from ar9050 and ar9050p
First Payment Time Lapse 14/21 days Interstate UI full weeks	{sum(ar9050.c14+ar9050.c22-ar9050p.c14-ar9050p.c22) for States with ww + sum(ar9050.c30-ar9050p.c30) for States w/o ww} / sum(ar9050.c6-ar9050p.c6); from ar9050 and ar9050p
First Payment Time Lapse 14/21 days Interstate and Intrastate UI, UCFE, and UCX full and partial weeks	{sum(c9+c17+c13+c21) for States with ww + sum(c29) for States w/o ww}/sum(c1+c5); from ar9050
First Payment Time Lapse 35 days Intrastate UI full weeks	{(ar9050.c10+ar9050.c18+ar9050.c26+ar9050.c34+ar9050.c42) - ar9050p.c10+ar9050p.c18+ar9050p.c26+ar9050p.c34+ar9050p.c42} / (ar9050.c2-ar9050p.c2) from ar9050 and ar9050p
First Payment Time Lapse 35 days Interstate UI full weeks	{sum(ar9050.c14+ar9050.c22+ar9050.c30+ar9050.c38+ar9050.c46 - ar9050p.c14+ar9050p.c22+ar9050p.c30+ar9050p.c38+ar9050p.c46)} / sum(ar9050.c6-ar9050p.c6); from ar9050 and ar9050p
Lower Authority Appeals Quality	number of appeals where c40 > 0.85 and c37 equals "OK" or "DM" divided by the total number of appeals; from ar9057
New Status Determinations Time Lapse 90 days	sum(c61)/sum(c11); from ar581
Facilitate Reemployment	Not Yet Developed
Lower Authority Appeals 30-day Timeliness	sum(c4)/sum(c1); from ar9054l
Lower Authority Appeals 45-day Timeliness	sum(c4+c7)/sum(c1); from ar9054l
Average Age of Pending LAAs	sum(c9*c1)/sum(c1); from ar9055l
Average Age of Pending HAAs	sum(c8*c1)/sum(c1); from ar9055h
Measure of Tax Quality	State passes if it fails no more than 3 tax functions in the calendar year and failed no single tax function for three consecutive years.

**UI PERFORMS ANNUAL REPORT CY 2004**  
**APPENDIX A: CORE AND SQSP MEASURES**

<b>Benefit Measures</b>	<b>Table Cells</b>
Nonmonetary Separation Determinations Quality	Internet Core Ranking Report
Nonmonetary Nonseparation Determinations Quality	Internet Core Ranking Report
Nonmonetary Determinations Timeliness	$\text{sum}(c9+c17+c25+c13+c21+c29+c105+c113+c121+c109+c117+c125)/\text{sum}(c1+c5+c91+c101)$ ; from ar9052
Detection of Overpayments	Overpayments established by BPC/ recoverable overpayments estimated by BAM



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**APPENDIX B: MANAGEMENT INFORMATION MEASURES**

Benefit Measures	Table Cells
First Payment Time Lapse 14/21 days, Partial Payments Intrastate+Interstate UI	{sum(c10+c14+c18+c22) for sts with ww + sum(c26+c30) for sts w/o ww} / sum(c2+c6); from ar9050p
First Payment Time Lapse 14/21 days, All weeks Intrastate+Interstate UCFE	{sum(c11+c15+c19+c23) for sts with ww + sum(c27+c31) for sts w/o ww} / sum(c3+c7); from ar9050
First Payment Time Lapse 14/21 days, All weeks Intrastate+Interstate UCX	{sum(c12+c16+c20+c24) for Sts with ww + sum(c28+c32) for Sts w/o ww} / sum(c4+c8); from ar9050
First Payment Time Lapse 14/21 days, All weeks Intrastate UI	{sum(c10+c18) for Sts with ww +c26 for Sts with w/o ww} / sum(c2); ar9050
First Payment Time Lapse 14/21 days, All weeks Interstate UI	{sum(c14+c22) for Sts with ww +c30 for Sts with w/o ww} / sum(c6); from ar9050
First Payment Time Lapse 14/21 days, All workshare weeks	{sum(c2+c3) for Sts with ww + c4 for Sts with w/o ww} / sum(c1); from aw9050
First Payment Time Lapse 35 days, Interstate and Intrastate UI, UCFE, and UCX full and partial weeks	sum(c9+c17+c25+c33+c41+c13+c21+c29+c37+c45) / sum(c1+c5); from ar9050
Continued Claims Time Lapse 14 days, All weeks Intrastate+Interstate UI/UCFE/UCX	sum(c9+c13+c17+c21) / sum(c1+c5); from ar9051
Continued Claims Time Lapse 21 days, All weeks Intrastate+Interstate UI/UCFE/UCX	sum(c9+c13+c17+c21+c25+c29) / sum(c1+c5); from ar9051
Continued Claims Time Lapse 28 days, All weeks Intrastate+Interstate UI/UCFE/UCX	sum(c9+c13+c17+c21+c25+c29+c33+c37) / sum(c1+c5); from ar9051
Continued Claims Time Lapse 14 days, All partial weeks Intrastate+Interstate UI/UCFE/UCX	sum(c9+c13+c17+c21) / sum(c1+c5); from ar9051p
Higher Authority Appeals 75-day Timeliness	sum(c4+c7+c10) / sum(c1); from ar9054h
Higher Authority Appeals 150-day Timeliness	sum(c4+c7+c10+c13+c16+c19) / sum(c1); from ar9054h

**UI PERFORMS ANNUAL REPORT CY 2004**  
**APPENDIX B: MANAGEMENT INFORMATION MEASURES**

Benefit Measures	Table Cells
Continued Claims Time Lapse All partial weeks, 21 days Intrastate+Interstate UI/UCFE/UCX	$\text{sum}(c9+c13+c17+c21+c25+c29) / \text{sum}(c1+c5)$ from ar9051p
Continued Claims Time Lapse All partial weeks, 28 days Intrastate+Interstate UI/UCFE/UCX	$\text{sum}(c9+c13+c17+c21+c25+c29+c33+c37) / \text{sum}(c1+c5)$ from ar9051p
Continued Weeks Time Lapse All workshare weeks, 14 days	$\text{sum}(c2+c3) / \text{sum}(c1)$ ; from aw9051
Nonmonetary Determinations Detection to Decision Time Lapse Intrastate Separations, 21 days	$\text{sum}(c9+c17+c25) / \text{sum}(c1)$ ; from ar9052
Nonmonetary Determinations Detection to Decision Time Lapse Interstate Separations, 21 days	$\text{sum}(c13+c21+c29) / \text{sum}(c5)$ ; from ar9052
Nonmonetary Determinations Detection to Decision Time Lapse Intrastate Nonseparations, 14 days	$\text{sum}(c105+c113) / \text{sum}(c97)$ ; from ar9052
Nonmonetary Determinations Detection to Decision Time Lapse Interstate Nonseparations, 14 days	$\text{sum}(c109+c117) / \text{sum}(c101)$ ; from ar9052
Nonmonetary Determination Time Lapse Separations within 21 Days Interstate and Intrastate UI, UCFE, and UCX	$\text{sum}(c9+c17+c25+c13+c21+c29) / \text{sum}(c1+c5)$ ; from ar9052
Nonmonetary Determination Time Lapse Nonseparations within 14 Days Interstate and Intrastate UI, UCFE, and UCX	$\text{sum}(c105+c113+c109+c117) / \text{sum}(c97+c101)$ from ar9052
Lower Authority Appeals Pending Cases Aged 25 Days or Less	$\text{sum}(c2) / \text{sum}(c1)$ ; from ar90551
Lower Authority Appeals Pending Cases Aged More than 40 Days	$\text{sum}(c1-c2-c3) / \text{sum}(c1)$ ; from ar90551
Lower Authority Appeals Pending Cases Aged More than 120 Days	$\text{sum}(c6+c7+c8) / \text{sum}(c1)$ ; from ar90551
Lower Authority Appeals Pending Cases Aged More than 360 Days	$\text{sum}(c8) / \text{sum}(c1)$ ; from ar90551

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**APPENDIX B: MANAGEMENT INFORMATION MEASURES**

Benefit Measures	Table Cells
Average days to implement LAAdeterminations	sum(c36-c35); from ar9057
Lower Authority Appeals Quality Percent of Decisions Passing Due Process	Number of cases where none of {c9,c13,c14,c22,c25,c26,c28,c29} equal "U" divided by the number of cases where c39>0 from ar9057t
Months Worth of Pending Lower Authority Appeals	ar9055l.c1 for the latest month divided by avg(ar5130.c51) over the last 6 months
Higher Authority Appeals Pending Cases Aged 40 Days or Less	sum(c2) / sum(c1); from ar9055h
Higher Authority Appeals Pending Cases Aged More than 70 Days	sum(c1-c2-c3) / sum(c1); from ar9055h
Higher Authority Appeals Pending Cases Aged More than 120 Days	sum(c5+c6+c7) / sum(c1); from ar9055h
Higher Authority Appeals Pending Cases Aged More than 360 Days	sum(c7) / sum(c1); from ar9055h
Months Worth of Pending Higher Authority Appeals	ar9055h.c1 for the last month of period divided by avg(ar5130.c52) over the last 6 months period
CWC Wage Transfer Time Lapse: 3-Day	sum(c84) / sum(c26) from ar586
CWC Billing Timeliness: 30-Day	sum(c72+c74) / sum(c70) from ar586
CWC Reimbursement Timeliness: 30-Day	sum(c73+c75) / sum(c71) from ar586
Benefit Payment Control, Nonfraud Collections	for CY≥2002, sum(c208+c209) / sum(c29+c61-c69+c30+c62-c70); for CY<2002, sum(c41+c45)/ sum(c29+c61-c69); from ar227
Benefit Payment Control, Fraud Collections	for CY≥2002, sum(c206+c207) / sum(c3+c59-c67+c4+c60-c68); for CY<2002, sum(c39+c43)/ sum(c3+c59-c67); from ar227
Lower Authority Appeals 90-day Timeliness	sum(c4+c7+c10+c13+c16) / sum(c1); from ar9054l
Higher Authority Appeals 45-day Timelines	sum(c4) / sum(c1); from ar9054h

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**APPENDIX C: DATA VALIDATION**

**Relationship of Data Validation Populations and UI Required Reports**

<b>Data Validation Populations and Subpopulations, and How They Relate to Validated Reports</b>			
<b>Benefits</b>			
Population	ETA Report	Number of Report Items	Number of Subpopulations
<b>1</b> Weeks Claimed	5159	9	10
<b>2</b> Final Payments	5159	3	5
	218	14	
<b>3/3a</b> Claims and Claims Status and Monetary Determinations	5159	19	54
	218	20	
	586	4	
<b>4</b> Payments	5159	14	53
	9050	204	
	9051	204	
	586	32	
<b>5</b> Nonmonetary Determinations and Redeterminations	207	36	70
	9052	228	
	9053	228	
<b>6</b> Appeals Filed, Lower Authority	5130	2	2
<b>7</b> Appeals Filed, Higher Authority	5130	2	2
<b>8</b> Appeals Decisions, Lower Authority	5130	17	55
	9054	24	
<b>9</b> Appeals Decisions, Higher Authority	5130	10	23
	9054	45	
<b>10</b> Appeals Case Aging, Lower Authority	9055	8	7
<b>11</b> Appeals Case Aging, Higher Authority	9055	7	6
<b>12</b> Overpayments Established	227	39	16
<b>13</b> Overpayment Reconciliation Activities	227	38	34
<b>14</b> Age of Overpayments	227	16	16
<b>Tax</b>			
Population	ETA Report	Number of Report Items	Number of Subpopulations
<b>1</b> Active Employers	581	3	2
<b>2</b> Report Filing	581	6	16
<b>3</b> Status Determinations	581	7	8
<b>4</b> Accounts Receivable	581	22	16
<b>5</b> Field Audits	581	11	4
Wage Items	581	1	NA
<b>TOTAL</b>		<b>1,275</b>	<b>395</b>

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**APPENDIX D: UNEMPLOYMENT INSURANCE DATA**

Unemployment Insurance data can be found at: <http://www.ows.doleta.gov/unemploy/performance.asp>

The following web reports provide CY 2004 data:

[Benefits Timeliness and Quality Reports of State Workforce Agency](#) (BTQ and Appeals data)

[Government Performance Results Act](#) (Detection of Overpayments, First Payment timeliness and New Status Determination timeliness)

[State Performance Ranking - Year Ending 12/31/2004](#) (Excel spreadsheet of most Core and Management Information Measures)

[Benefit Accuracy Measurement](#) (BAM paid and denied claims data)  
CY 2004

[BAM Data Summary](#)

[BAM Paid Claims Annual Report Overpayment Rate in Detail](#)

[CY 2004 Overpayment and Underpayment Rates By State](#)

[Payment Accuracy Rates By State for CY 2004 and CY 2003](#)

[Payment Integrity Measures - UI Benefits Paid Rates By State for CY 2004](#)

[Payment Integrity Measures - UI Weeks Paid Rates By State for CY 2004](#)

[Denied Claims Accuracy Rates By State for CY 2004](#)

[BAM State Contacts](#)

[BAM Background and Methodology](#)

[Tax Performance System \(TPS\) - Computed Measures](#)