EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION UI
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ADVISORY: **FIELD MEMORANDUM NO. 1-12**

TO: REGIONAL ADMINISTRATORS

FROM: GERRI FIALA /s/
                 Acting Administrator
                 Office of Regional Management

SUBJECT: Issuance of the Employment and Training (ET) Handbook No. 412, Unemployment Insurance (UI) Data Validation (DV) Monitoring Guide

1. Purpose. To provide Regional Office (RO) staff instructions on how to verify that states are properly implementing the DV program for Benefits and Tax.

2. References. ET Handbook No. 361, "UI Data Validation Handbook" (Benefits, November, 2009 and Tax, July 11, 2008), and ETA Operations Guide 411, "Unemployment Insurance Data Validation Operations Guide".

3. Background. States are required to file a series of standardized reports on their UI operations with the U.S. Department of Labor, Employment and Training Administration. UI DV is necessary to ensure that data reported by states that are used to measure performance, for administrative funding allocations, for economic analysis, and for other purposes are accurate and comparable across states. RO staff must periodically examine DV results, to verify that states are in compliance with UI DV program requirements and procedures.

4. UI DV Monitoring Guide 412 Summary. The UI DV Monitoring Guide provides RO staff instructions for assessing the accuracy of states' DV results. The task of assessing the accuracy of states' DV results will occur in three-year cycles. The UI DV Monitoring Guide instructions contain monitoring tasks that are to be completed during the monitoring cycle. RO staff will complete the monitoring tasks for each state in their assigned region once during the three-year monitoring cycle, and states will be monitored every three years. RO staff must complete the monitoring tasks during the monitoring period, which runs from June 11 of the previous year and June 10 of the current year. DV monitoring tasks focus on examining passing DV results from the most recent Validation Year (VY).

5. Implementation Schedule. The UI DV Monitoring Guide is effective immediately. The guide instructions contain various methods for assessing states' DV results. ETA will begin implementing the guide instructions by requiring RO staff to apply some of the methods to a select number of DV results during an introductory period.

RESCISSIONS None	EXPIRATION DATE Continuing

To allow RO staff and state staff to acquaint themselves with the various monitoring methods, and to gradually implement the monitoring process, DV monitoring will begin with a three-year Introductory Monitoring Cycle. The first year of the Introductory Monitoring Cycle will begin with the effective date of the UI DV Monitoring Guide, and end June 10, 2012. The second year of the Introductory Monitoring Cycle will begin June 11, 2012, and end June 10, 2013 and the third year will begin June 11, 2013 and end June 10, 2014. The UI DV Monitoring Guide section *II. Administering the Monitoring Process* provides additional information regarding the timelines for DV monitoring.

At the conclusion of the introductory cycle, DV monitoring is considered to be fully implemented. Beginning June 11, 2014 the standard monitoring cycles begin, and RO staff will follow all of the instructions and apply all of the methods in the UI DV Monitoring Guide to all states within their assigned region.

6. Introductory Monitoring Cycle

State Selection
Each year of the Introductory Monitoring Cycle, RO staff will select one to two states to participate in monitoring, as demonstrated in the introductory monitoring cycle example below.

Three-year Introductory Cycle for Region AA

States Monitored in 1st Yr. (Feb. 2012 – June 2012)	States Monitored in 2nd Yr. (June 2012 – June 2013)	States Monitored in 3rd Yr. (June 2013 - June 2014)
State A	State D	State H
State B*	State E (+ State B)*	State I (+ State B)*

* If only one state can be monitored during the first year, the Region should schedule an additional state during years two or three.

State selection will be based on recently validated DV items of a certain type that passed validation. RO staff should use the following criteria to select states for each year of the Introductory Monitoring Cycle:

1. Select one to two states that passed DV for Benefits Population 4, 12, and/or Tax Population 3 during VY 2012, with states passing more than one of these populations ranked highest for selection; or,

2. If no states in the region have yet submitted and passed Benefits Population 4, 12, and/or Tax Population 3 for VY 2012, select one to two states that passed DV for Benefits Population 4, 12, and/or Tax Population 3 during VY 2011. States passing more than one of these populations should rank highest for selection; or,

3. If no states meet the criteria described under number 1 or 2, select one to two states that passed DV for Benefits Populations 1, 2, 3, 3a, 5, 8, 9, and/or Tax Population 1, and Module 5 during VY 2012. States passing more than one of these populations should rank highest for selection; or,

4. If no states meet the criteria described under numbers 1 - 3, select one to two states that passed DV for Benefits Populations 1, 2, 3, 3a, 5, 8, 9, and/or Tax Population 1, and

Module 5 during VY 2011. States passing more than one of these populations should rank highest for selection; or,

5. If no states meet the criteria described under numbers 1 - 4, select one to two states that passed DV for Benefits Populations 1, 2, 3, 3a, 5, 8, 9, and/or Tax Population 1, and Module 5 during VY 2010 or 2009. States passing in 2010 should be selected before states that passed in 2009, and states with more than one of these populations should rank highest for selection.

During the second and third year of the introductory cycle, RO staff should use the same state selection criteria, but the most recent VYs would apply, i.e., for the second year of the cycle, VY 2013, 2012, 2011, and 2010 would apply, and for the third year of the cycle, VY 2014, 2013, 2012, and 2011 would apply.

RO staff can obtain passing DV results by accessing the DV reports software, located in the *Applications Menu* under *Data Validation* on the Office of Unemployment Insurance Web page (http://www.uis.doleta.gov/apps.php), and the DV summary status information (pass, fail, not submitted), which is available in spreadsheets found on the DV Web page at http://oui.doleta.gov/dv under *In This Section, Results Due and Submitted*.

Monitoring Tasks
During the introductory cycle, monitors will complete some of the tasks/steps described in the UI DV Monitoring Guide, section *IV. Monitoring Tasks*. The DV items monitored in the introductory cycle were selected based on the DV program priorities described in the UI DV Monitoring Guide, section *II. Administering the Monitoring Process*. The monitoring tasks/steps that must be completed during the introductory cycle are:

- Task 1, Steps 1 and 2, for all DV items, i.e., all benefits and tax populations and Modules 4 and 5.

- Task 2, Steps 1, 2, 3, and 4 for Priority I items; i.e., Benefits Population 4, Benefits Population 12, and Tax Population 3.

RO staff may find that the Task 2, Steps 1 – 4, cannot be completed because the states in their region did not pass or did not submit the DV items described above. If RO staff cannot monitor any of their states for this reason, an alternative monitoring task must be completed. The alternative monitoring task and corresponding steps are:

- Task 2, Steps 1, 2, 3, 4, and 7 for Priority II items; i.e., Benefits Populations 1, 2, 3, 3a, 5, 8, and 9, Tax Population 1, and Module 5.

The alternative task may also be completed if a monitor determines that there is sufficient time and resources to accomplish additional monitoring. The alternative task is optional and would be completed in conjunction with the required introductory cycle tasks/steps.

As the monitoring process is implemented, additional monitoring tasks/steps will be incorporated in subsequent monitoring cycles, as described in the monitoring guide.

Monitoring Schedule
States that were selected for the introductory cycle must continue to be monitored in same order for all subsequent monitoring cycles. For example, State A and State B were monitored during the first year of the introductory cycle, and they will continue to be monitored the first year of every cycle.

RO staff must add remaining states in their region to this monitoring schedule so that each state in their assigned region is monitored every three years. As demonstrated below, this will create the DV monitoring schedule.

DV Monitoring Schedule for Region AA

States Monitored in 1st Yr. (June 2011 – June 2012)	States Monitored in 2nd Yr. (June 2012 – June 2013)	States Monitored in 3rd Yr. (June 2013 – June 2014)
State A	State D	State H
State B	State E	State I
State C	State F	State J
--	State G	--

 7. **Actions Requested**. Regional Administrators are requested to distribute this handbook to appropriate staff.

8. **Inquiries**. Direct inquires to Ericka Parker at (202) 693-3208 or via e-mail (Parker.Ericka@dol.gov).

9. **Attachment(s)**. ET Handbook No. 412