



## **DEPARTMENT OF LABOR**

### **Employment and Training Administration**

Comment Request for Information Collection for Unemployment Insurance (UI)

Benefit Accuracy Measurement (BAM), extension without revisions.

**AGENCY:** Employment and Training Administration (ETA), Labor.

**ACTION:** Notice.

**SUMMARY:** The Department of Labor (Department), as part of its continuing effort to reduce paperwork and respondent burden, conducts a preclearance consultation program to provide the public and Federal agencies with an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995 [44 U.S.C. 3506(c)(2)(A)]. This program helps ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed.

ETA is soliciting comments concerning the continuation of collection of data about the accuracy of paid and denied UI claims, which is accomplished through the BAM survey.

The Department's BAM information collection authority, under Office of Management and Budget (OMB) number 1205-0245, is scheduled to expire on 11/30/2012.

**DATES:** Written comments must be submitted to the office listed in the addresses section below on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

**ADDRESSES:** Submit written comments to Andrew Spisak, Office of Unemployment Insurance, Room S-4524, Employment and Training Administration, U.S. Department of

Labor, 200 Constitution Avenue NW, Washington, DC 20210. Telephone number: 202-693-3196 (this is not a toll-free number). Individuals with hearing or speech impairments may access the telephone number above via TTY by calling the toll-free Federal Information Relay Service at 1-877-889-5627 (TTY/TDD). Fax: 202-693-3975. E-mail: spisak.andrew@dol.gov. A copy of the proposed information collection request (ICR) can be obtained by contacting the office listed above.

## **SUPPLEMENTARY INFORMATION:**

### **I. Background**

Since 1987, all State Workforce Agencies (SWAs) except the U.S. Virgin Islands have been required by regulation at 20 CFR Part 602 to operate BAM programs to assess the accuracy of their UI benefit payments in three programs: State UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-servicemembers (UCX). Beginning in 2001, BAM was modified to include the sampling and investigation of UI claims denied for monetary, separation, or nonseparation issues.

BAM is one of the tools the Department uses to measure and reduce waste, fraud, and abuse in the UI program. By investigating small representative weekly samples of both paid and denied UI claims, each state is able to estimate reliably the number and dollar value of proper and improper payments; the number of proper and improper denials of claims for UI benefits; the rates of occurrence of these proper and improper payments and denials; and the error types, error causes, and the parties that are responsible for the errors.

Paid Claims Accuracy (PCA). Each week SWAs select random samples of both intrastate

and interstate original payments (including combined wage claims) made for a week of UI benefits under the State UI, UCX or UCFE programs. A sample of 360 cases per year is pulled in the ten states with the smallest UI program workloads (defined as the average annual UI weeks paid during the last five years) and 480 cases per year in the other states. State BAM staff audit each selected claim, examining all aspects of a claimant's eligibility to receive UI benefits during the sampled week. The findings are entered into an automated database that is maintained on a computer located in each state.

Denied Claims Accuracy (DCA). Each week states select random samples from three separate sampling frames constructed from the universes of UI claims for which eligibility was denied for monetary, separation and nonseparation reasons. All states sample a minimum of 150 cases of each denial type in each calendar year. State BAM staff review agency records and contact claimants, employers, and all other relevant parties to verify information in agency records or obtain additional information pertinent to the determination that denied eligibility for UI benefits. Unlike the investigation of paid claims, in which all prior determinations affecting claimant eligibility for the compensated week selected for the sample are evaluated, the investigation of denied claims is limited to the issue upon which the denial determination is based. The findings are entered into an automated database that is maintained on a computer located in each state.

The Department maintains a database of each state's BAM paid and denied claims cases, minus any personally identifying information. The Department uses BAM data to measure state performance with respect to UI payment integrity and to meet the Department's

reporting requirements of the Improper Payments Information Act of 2002 (IPIA), the Improper Payments Elimination and Recovery Act of 2010 (IPERA), and the Government Performance and Results Act (GPRA). The Department also relies heavily on BAM data for information on UI operations, such as claims filing method, UI wage replacement rates, and claimant characteristics. The results of the BAM survey are reported annually on the ETA web site at the following link: <http://oui.doleta.gov/unemploy/>.

## **II. Review Focus**

The Department is particularly interested in comments which:

- evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- enhance the quality, utility, and clarity of the information to be collected; and
- minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submissions of responses.

## **III. Current Actions**

Type of Review: extension without changes

Title: Unemployment Insurance Benefit Accuracy Measurement

OMB Number: 1205-0245

Affected Public: State Workforce Agencies (Primary), individuals, businesses, and not-for-profit institutions

Form(s): BAM State Operations Handbook (ET Handbook 395, 5th edition)

Total Annual Respondents: 179,145.2

Annual Frequency: BAM samples are selected weekly; the BAM data collection instrument is updated continuously as the audits are conducted

Average Time per Response: 10.09 hours. This estimate is a weighted average.

Estimated Total Annual Burden Hours: 476,013.2

Total Annual Burden Cost for Respondents: \$18,870,582.59

**BAM PCA / DCA Data Annual Collection Burden per State Workforce Agency**

	Paid Claims	Monetary Denied Claims	Separation Denied Claims	Non-separation Denied Claims	Total
Cases	457*	150	150	150	907
Respondents/Case	4.65	3.10	3.10	2.6	
Hours/Case	12.59	7.85	7.85	6.97	
Total Respondents	2125.1	465	465	390	3445.10
Total Hours	5753.6	1177.5	1177.5	1045.5	9154.1

\* Average for all 52 State Workforce Agencies (SWAs). The 10 smallest states in terms of UI weeks paid sample at the rate of 360 cases per year; the other 42 states sample at the rate of 480 cases per year.

52 SWAs X 3,445.1 respondents = 179,145.2 respondents

52 SWAs X 9,154.1 hours = 476,013.2 hours

**Annual PCA/DCA Total Cost by Respondent**

Cost Summary	Paid Claims	Denied Claims	Cost Per State	Cost - 52 SWAs
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SWA Staff	\$201,186.02	\$130,515.84	\$331,701.86	\$17,248,497
Claimants	\$3,313.25	\$2,463	\$128,076	\$300,365
Employers + 3rd Parties	\$20,402.67	5,015.34	\$25,418.01	\$1,321,720.67
Total All Costs	\$224,901.94	\$137,994.18	\$485,195.87	\$18,870,582.59

Comments submitted in response to this comment request will be summarized and/or included in the request for OMB approval of the ICR; they will also become a matter of public record.

DATED: Signed in Washington, D.C., on this 29<sup>th</sup> day of August, 2012.

SIGNED:

**Jane Oates,**

Assistant Secretary for Employment and Training, Labor.

**BILLING CODE 4510- FW-P**

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