

<b>TRAINING AND EMPLOYMENT NOTICE</b>	<b>NO.</b> 2-11
	<b>DATE</b> July 14, 2011

**TO:** STATE WORKFORCE AGENCIES

**FROM:** JANE OATES /s/  
Assistant Secretary

**SUBJECT:** Selected Unemployment Insurance (UI) Tax Data from the Employment and Training Administration (ETA) 581, Contribution Operations Reports for the Calendar Year (CY) Ending December 31, 2010

1. **Purpose.** To provide a summary of selected ETA 581 data with associated charts and tables for CY 2010.

2. **References.**

- Employment and Training (ET) Handbook No. 401, 4<sup>th</sup> Edition, Section II, Chapter 2, *ETA 581 Contribution Operations*;
- ET Handbook No. 407, 4<sup>th</sup> Edition, *Tax Performance System Handbook*;
- Unemployment Insurance Program Letter (UIPL) No. 14-05, *Changes to UI Performs*; UIPL No. 14-05, Change 1;
- UIPL No. 02-11, *Changes to the Employment and Training Administration (ETA) 581 Contribution Operations Report, and Related Handbooks*;
- UIPL No. 03-11, *Implementation of the Effective Audit Measure*; and
- Form ETA 581, Contributions Operations (OMB Approval No. 1205-0178).

3. **Background.** The Tax Performance System (TPS) is intended to assist state administrators in improving their UI programs by providing objective information on the quality of their contribution (tax) operations. An important element of the TPS is the calculation and evaluation of computed measures (CMs). CM percentages are based on aggregate information taken from the quarterly ETA 581 Contribution Operations reports, the monthly ETA 2112 UI Financial Transaction Summary reports (OMB Approval No. 1205-0154), and the quarterly wage data from the Quarterly Census of Employment and Wages (OMB Approval No. 1220-0012) that is compiled by the Bureau of Labor Statistics. CMs indicate the timeliness and completeness with which basic and essential UI tax transactions occur.

Aggregate national CMs provide a basis for comparing individual state performance with national performance. National CMs are aggregate percentages rather than an average of individual state scores. Therefore, large states and small states each affect the national scores in direct proportion to the volume of transactions reported.

UIPL No. 03-11, Implementation of the Effective Audit Measure, established two new CMs. The new CMs are: (1) Average Number of Misclassified Workers Detected per Audit, and (2) Effective Audit Measure. This Training and Employment Notice and the National Summary Tables for CY 2010 on the ETA Web site at <http://www.ows.doleta.gov/unemploy/tax.asp>

provide data on the new CMs for CY 2010. The data for CY 2010 is provided only for information purposes.

The Effective Audit Measure has been designated as a new Core Measure in the UI Performs performance management system. Full implementation of the Effective Audit Measure will occur for the Fiscal Year (FY) 2015 State Quality Service Plan (SQSP) using CY 2013 audit data. A state that fails the measure will be required to write a Corrective Action Plan for the FY 2015 SQSP. Additional information on the Effective Audit Measurement is available in UIPL No. 03-11 at [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2971](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2971).

- 4. Information.** National values for CMs are summarized on Attachment A - Summary of National Computed Measures for CY 2010 and CY 2009. State, regional and national CM percentages for each of the measures, along with much of the raw data used for computation of the percentages, are displayed in National Summary Tables on the ETA Web site at: <http://www.ows.doleta.gov/unemploy/tax.asp>. Click the specific year of the National Summary Tables under "Tax Performance Systems' (TPS) Computed Measures" to view the desired information.

The ETA Web site at <http://www.oui.doleta.gov/unemploy/tps.asp> also provides CM information by state. CM values by state may differ slightly from the CM values on the National Summary Tables because the state values may change due to occasional ETA 581 report adjustments made by states after the National Summary Tables were prepared. "As of" dates on the National Summary Tables show when the tables were prepared.

Attachment B – Analysis of Employment Training Administration 581 Report Data for Calendar Year 2010 provides additional information on contribution operations data for CY 2010. Attachment B is based on data as of May 2, 2011. Therefore, data on Attachment B may differ slightly from data presented in the National Summary Tables and CM Information by State on ETA's Web site.

- 5. Action Requested.** State Administrators are requested to distribute this notice to appropriate UI tax and TPS staff.
- 6. Inquiries.** Inquiries should be directed to the appropriate Regional Office.
- 7. Attachments.**  
Attachment A - Summary of National Unemployment Insurance (UI) Tax Performance Computed Measures for Calendar Year (CY) 2010 and CY 2009

Attachment B - Analysis of Employment Training Administration 581 Report Data for Calendar Year 2010