Unemployment Insurance National Update

2023 National UI Issues Conference
June 28, 2023
Memphis, TN

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Office of Unemployment Insurance
Employment and Training Administration

American Rescue Plan Act (APRA) and the UI Program

American Rescue Plan Act (ARPA)

- Section 9032 of ARPA created Section 2118 of the CARES Act
- Congress provided $2 billion for the UI program towards achieving three goals:
  1. Detecting and preventing fraud;
  2. Promoting equity; and
  3. Ensuring the timely payment of benefits

Current Activities		
Grants to States	Tiger Teams	IT Modernization

ARPA Grants to States – Tiger Teams and Fraud Prevention

- Tiger Team Implementation Grants
  - Up to $200 million available to support implementation of the negotiated recommendations (UIPL No. 02-22 and its changes)
  - Completed consultations with 29 states; delivered 301 recommendations; awarded 18 states $37.8 million (as of June 15, 2023)
- Fraud Prevention Grants
  - Up to $140 million available to support states with fraud detection and prevention, including ID verification and overpayment recovery activities (UIPL No. 22-21)
  - Awarded $134 million to 50 states and territories

ARPA Grants to States – Equitable Access

- Equity Grants
  - Up to $260 million available to promote equitable access to UC programs (UIPL No. 23-21 and its changes)
  - Awarded $206+ million to 42 states (as of May 15, 2023)
  - Summary of approved grants: https://oui.doleta.gov/unemploy/pdf/AIR_ARPA_StateEquityGrantsSummaryMemo_Final.pdf
- UI Navigator Program Grants
  - Available for selected states to partner with community-based organizations for activities that include outreach, training, education, and general assistance, especially individuals in groups that are historically underserved, marginalized, and adversely affected by persistent poverty and inequality
  - Awarded over $18 million to 7 states in June 2022 (UIPL No. 11-22)

Recently Announced ARPA Grant Opportunities

- Recently, ETA issued a series of UIPLs announcing new additional ARPA grant opportunities
  - $200 million in new grants to ***strengthen ID fraud prevention*** and other fraud prevention purposes (UIPL No. 22-21, Change 2)
  - ***Accelerated Tiger Team implementation*** grants (UIPL No. 2-22, Change 3)
  - ***Additional UI Equity Grant*** opportunities (UIPL No. 23-21, Change 5)
  - $650 million to ***modernize state IT systems***, enabling faster responses to fraud, decreases in erroneous payments, and more efficient claims processing (UIPL No. 07-23)
    - Included $53 million to support state connection with ***National ID Verification Offering***
- All these are **ON HOLD** while USDOL revises and determines new spend plan for remaining ARPA funds after FRA.

Impact of Fiscal Responsibility Act (FRA)

- Fiscal Responsibility Act of 2023, Pub. L. 118-5, enacted on June 3, 2023.
- Reduces total ARPA funding for the UI program from $2 to $1 billion
  - Approximately $490 million in unobligated funds remain available
  - Goals unchanged: (1) preventing and detecting fraud; (2) promoting equitable access; and (3) ensuring the timely payment of benefits concerning the UI program
- USDOL is revising the spend plans announced in the recent suite of UIPLs and other ARPA-related funding allocations
  - Recently-published UIPLs announced funding opportunities & did not obligate or award funds -- We are pausing action with any submitted applications
  - USDOL is working to leverage these funds to maximize the transformative impact on the UI system and will provide additional guidance on future uses of the remaining ARPA funds

Impact of FRA cont'd.

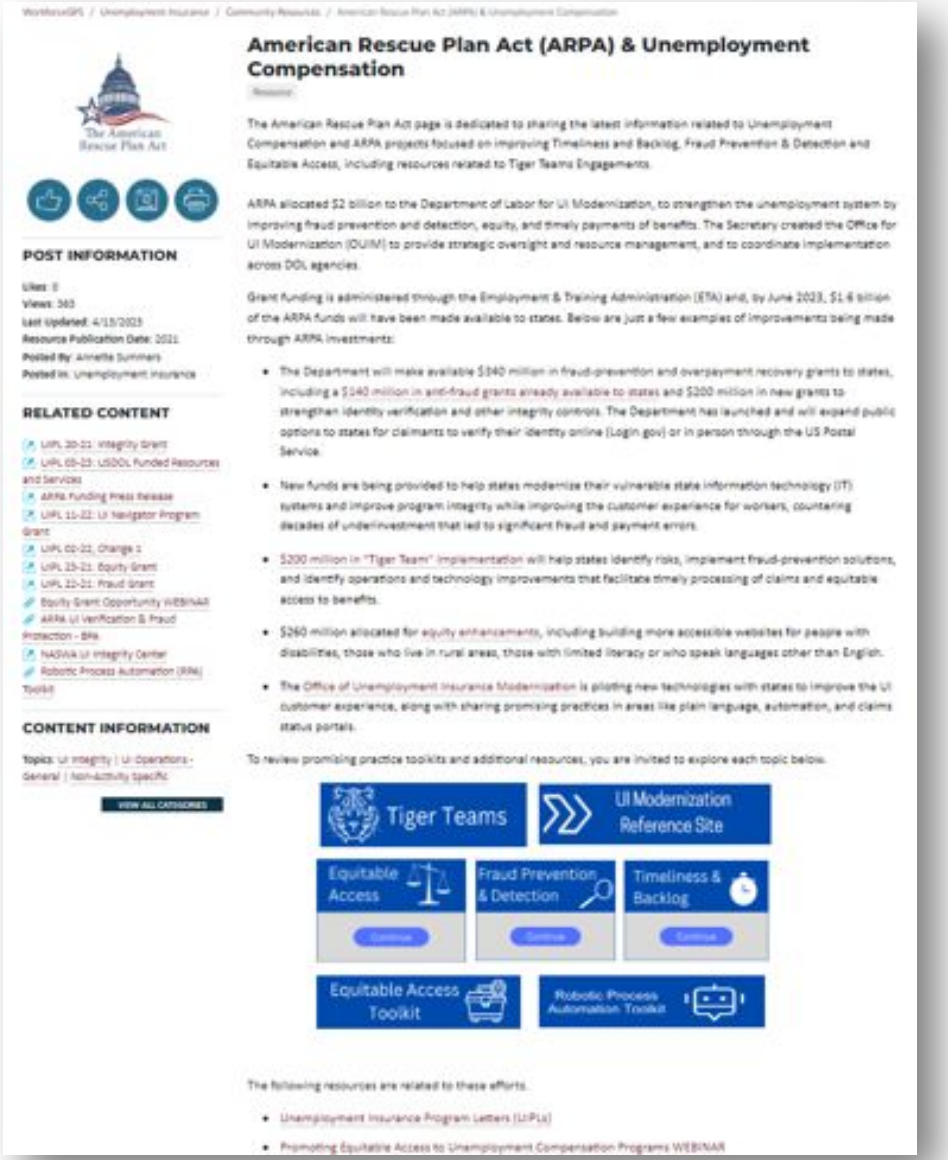
- FRA had other non-ARPA related UI program impacts
  - Reduces the FY 2024 and 2025 planned increases in RESEA program
  - Rescinds all unobligated funds for state Short-Time Compensation (STC) grants under the CARES Act, announced in UIPL No. 22-20.

ARPA Activity: Tiger Teams

- 45 states expressed interest in participating in or committed to the Tiger Team consultative engagement, representing 85% of the UI system. Served 36 states through June 2023.
- Multidisciplinary teams engaging with states to analyze state UC systems and process challenges focused on the ARPA goals
- Supported by OUI's Central Response Division (Jeff Fitzgerald, Division Director)
- Engaged Contractor (Guidehouse – f/k/a Grant Thornton)
- Leveraging TA support from NASWA UI Integrity Center's State Intensive Services Team and DOL's Office of Chief Information Officer
- Completed consultations with 29 states; delivered 301 recommendations (as of June 15, 2023)
- Summary of cohort trends: https://oui.doleta.gov/unemploy/pdf/TigerTeamCohortTrendsJanuary2023.pdf

ARPA Activity: IT Modernization

- UI Modernization website: https://www.dol.gov/agencies/eta/ui-modernization
- Pilots available for national ID verification solutions
  - **Login.gov**
  - **US Postal Service (USPS)**
  - *(more info will be announced in upcoming UIPL)*
- Other examples of Department-led initiatives
  - **Plain language conversions**: Providing sample documentation and references for common notices and application questions; Hands-on assistance with direct implementation, workshops on content principles, and developing/reviewing/testing content directly
  - **Claimant insights**: Assistance and analytical support to states collecting claimant data to identify and prioritize pressing issues



American Rescue Plan Act (ARPA) & Unemployment Compensation

The American Rescue Plan Act page is dedicated to sharing the latest information related to Unemployment Compensation and ARPA projects focused on improving Timeliness and Backlog, Fraud Prevention & Detection and Equitable Access, including resources related to Tiger Teams Engagements.

ARPA allocated $2 billion to the Department of Labor for UI Modernization, to strengthen the unemployment system by improving fraud prevention and detection, equity, and timely payments of benefits. The Secretary created the Office for UI Modernization (OUIM) to provide strategic oversight and resource management, and to coordinate implementation across DOL agencies.

Grant funding is administered through the Employment & Training Administration (ETA) and, by June 2023, $1.6 billion of the ARPA funds will have been made available to states. Below are just a few examples of improvements being made through ARPA investments:

- The Department will make available $340 million in fraud-prevention and overpayment recovery grants to states, including a $140 million in anti-fraud grants already available to states and $200 million in new grants to strengthen identity verification and other integrity controls. The Department has launched and will expand public options to states for claimants to verify their identity online (Login.gov) or in person through the US Postal Service.
- New funds are being provided to help states modernize their vulnerable state information technology (IT) systems and improve program integrity while improving the customer experience for workers, countering decades of underinvestment that led to significant fraud and payment errors.
- $200 million in "Tiger Team" implementation will help states identify risks, implement fraud-prevention solutions, and identify operations and technology improvements that facilitate timely processing of claims and equitable access to benefits.
- $260 million allocated for equity enhancements, including building more accessible websites for people with disabilities, those who live in rural areas, those with limited literacy or who speak languages other than English.
- The Office of Unemployment Insurance Modernization is piloting new technologies with states to improve the UI customer experience, along with sharing promising practices in areas like plain language, automation, and claims status portals.

To review promising practice toolkits and additional resources, you are invited to explore each topic below.

Tiger Teams | UI Modernization Reference Site | Equitable Access | Fraud Prevention & Detection | Timeliness & Backlog | Equitable Access Toolkit | Robotic Process Automation Toolkit

The following resources are related to these efforts.

- Unemployment Insurance Program Letters (UIPLs)
- Promoting Equitable Access to Unemployment Compensation Programs WEBINAR

POST INFORMATION

RELATED CONTENT

CONTENT INFORMATION

[Accessible via the Community of Practice or publicly via Workforce GPS]

New WorkforceGPS ARPA Pages

Tiger Teams: An introduction to the Tiger Teams, the participating states, and testimonials

Equitable Access: Description of Equitable Access, promising recommendations to address Equitable Access, and information on the Equity and Navigator Grants

Fraud Prevention & Detection: Recommendations to mitigate risk and develop actionable data-driven strategies to support UI program integrity efforts, and information on the Integrity Grants

Timeliness & Backlog: Promising recommendations and actionable areas of improvement to reduce the backlog of UI claims and to improve the timeliness of benefit distribution

WorkforceGPS / Unemployment Insurance / Community Resources / Robotic Process Automation (RPA) Toolkit

RPA Toolkit

Robotic Process Automation (RPA) Toolkit

Resource

RPA refers to a software solution that makes it easy to build, deploy, and manage virtual robots (also known as "bots"). These bots mimic staff interactions with existing UI systems and software. Bots can do things like recognize what's on a screen, perform data entry, navigate systems, identify and extract data, complete non-discretionary tasks and perform a wide range of well-defined actions quickly and accurately.

Implementing RPA technology can reduce or eliminate manual processes performed by staff, allowing staff members to focus on performing more complex tasks that require human intervention. RPA has helped states reduce their backlogs and process claims quicker.

The U.S. Department of Labor (DOL) has produced an RPA Toolkit to help states learn more about the benefits of using RPA. The toolkit includes information on RPA, interviews with states using it, playbooks, tools and guides for UI managers and staff. The toolkit is intended to be a resource for UI agencies that are interested in starting an RPA program or further developing their existing programs. DOL invites states to explore the RPA Toolkit for more information on what RPA is, how to implement it and to see how other states are using this technology.

If you are interested in learning more about RPA, please contact your Regional Office. To learn more about other Timeliness related promising recommendations, click here.

How to Use the RPA Toolkit

- Click on the image below to learn more about the RPA toolkit, including which documents are most relevant for your role or your organization's current phase of the RPA journey.

The RPA Toolkit consists of 15 documents, which include a white paper on RPA, highlights from states that currently use RPA, playbooks, change management support, plug-and-play tools and an RPA demo video. You can explore the most relevant documents for your role or current phase of the RPA journey. You can also view the entire list of RPA Toolkit documents. Click on the buttons below to view the RPA Toolkit documents.

Explore the RPA Toolkit by Role or Phase

Role:

Executive Sponsor | UI Supervisors/ UI Managers | IT Team | RPA Program Manager/Team

Phase:

Discover | Build Infrastructure | Develop, Monitor & Improve

Explore all of the RPA Toolkit Documents

RPA Toolkit Documents

POST INFORMATION

Likes: 2
Views: 58
Last Updated: 4/13/2023
Resource Publication Date: 2023
Posted By: Annette Summers
Posted In: Unemployment Insurance

RELATED CONTENT

- UIPL 02-22 (Announcement of Tiger Teams and Funding Allocations)
- UIPL 02-22 Change 2 (Announcement of Date Extension)
- UIPL 20-21: Integrity Grant
- UIPL 03-23: USDOL Funded Resources and Services
- ARPA Funding Press Release
- UIPL 11-22: UI Navigator Program Grant
- UIPL 02-22, Change 1
- UIPL 23-21: Equity Grant
- UIPL 22-21: Fraud Grant
- Equity Grant Opportunity WEBINAR
- ARPA UI Verification & Fraud Protection - BPA
- NASWA UI Integrity Center
- American Rescue Plan Act (ARPA) & Unemployment Compensation

CONTENT INFORMATION

Topics: UI Operations - General

VIEW ALL CATEGORIES

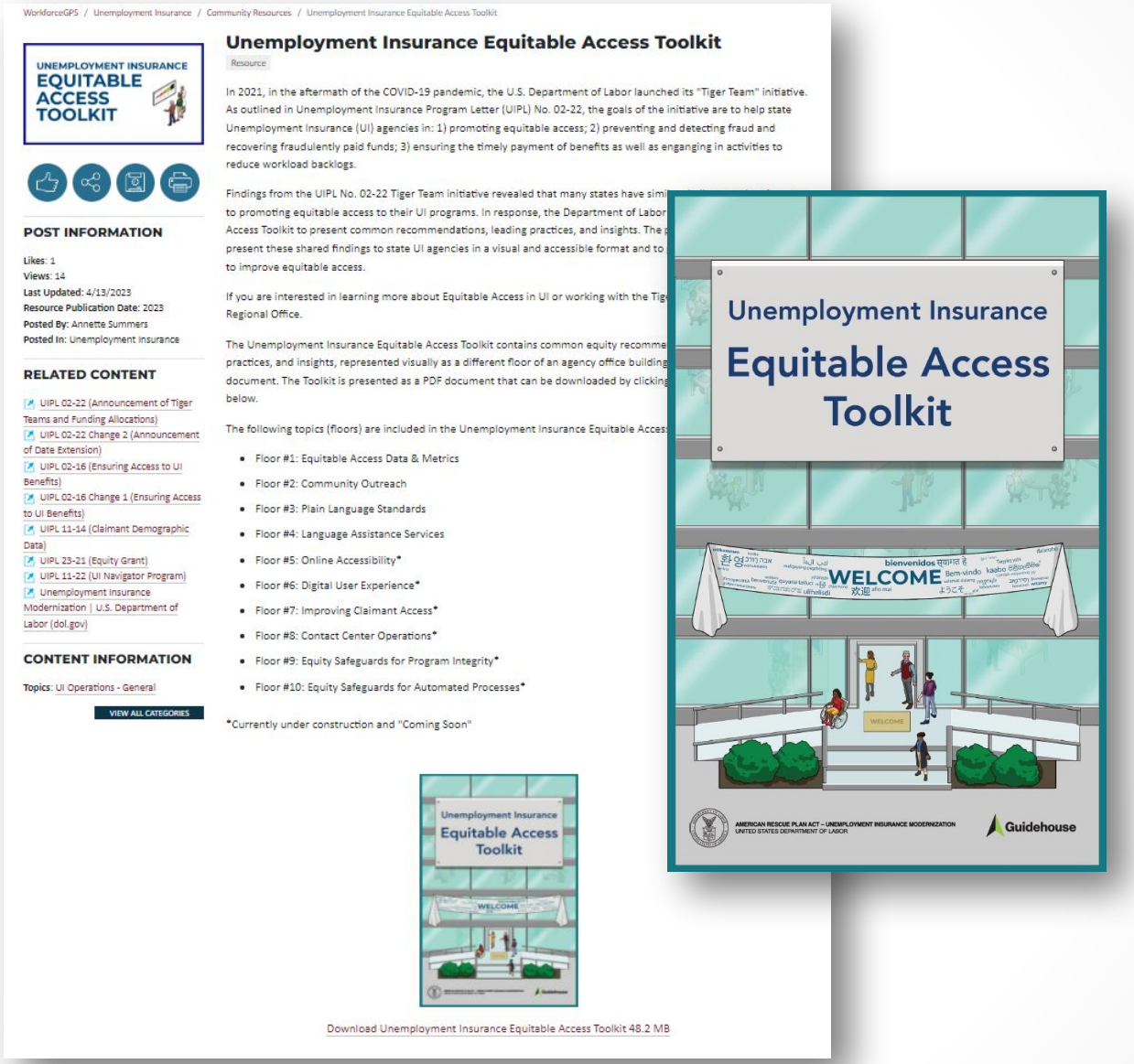
Accessible via the Community of Practice or publicly via Workforce GPS

New WorkforceGPS RPA Toolkit

The Robotic Process Automation (RPA) toolkit informs states about the benefits of implementing RPA and provides resources for starting an RPA program or further developing an existing RPA programs.

The RPA Toolkit includes:

- A White Paper with state use cases
- Information from states with existing RPAs
- Playbooks
- Change Management Support
- Plug-and-Play tools
- A demo video



Accessible via the Community of Practice or publicly via Workforce GPS

New WorkforceGPS UI Equitable Access Toolkit

Can help guide states' actions to improve equitable access in a step-by-step approach.

This release covers the topics of:

- Equitable Access Data & Metrics
- Community Outreach
- Plain Language Standards
- Language Assistance Services
- More to come . . .

State Unemployment Insurance and Employment Service Operations (SUIESO) Budget Matters

FY 2023 Enacted Appropriations

- Consolidated Appropriations Act, 2023, P.L. 117-328, was enacted on December 29, 2022
  - Funding for State Administration -- Requested $2,809,635/Approved $2,759,635,000
    - $50 M under requested level
  - Funding level allows use of updated formula factors (Salary rates and Claims Processing)
  - $9.0 M for UI Integrity Center
  - National Activities Funding
    - Requested $168 M (included $150 M Program Integrity for ID verification and IT improvements)
    - Approved amount $23 M (increase of $5 M)
    - $6.0 M for continued modernization of ICON
  - Reemployment Services and Eligibility Assessments (RESEA) Program
    - $375 M (increase of $250 M in FY 2022)

FY 2024 Proposal

- President's Proposed FY 2024 Budget released on March 9, 2023
  - State Administrative Funding -- Requesting $2,956,318,000
  - Using updated formula factors (Salary rates and Claims Processing)
  - $9.0 M for UI Integrity Center
  - National Activities Funding -- $173 M
    - $6.0 M for continued modernization of ICON
    - $150 M Program Integrity (including ID verification and IT improvements)
  - RESEA Program
    - $550 M (Proposed increase of $175 M from FY 2023)
    - Fiscal Responsibility Act 2023 authorized level is $382 million for FY 2024

Reference "State Unemployment Insurance and Employment Service Operations" (SUIESO) at https://www.dol.gov/general/budget

State UI Administrative Funding – FY 2024 Proposed

	FY 2023 Appropriation (1.778M AWIU request 1.726M AWIU approp.)	FY 2024 President's Budget (2.365M AWIU)	Change: Proposed vs. FY 2023 Appropriation
State Admin	$2,759,635,000*	$2,956,318,000	+ $196,683,000
RESEA	$375,000,000	$550,000,000**	+ $175,000,000
National Activities	$23,000,000	$173,255,000	+ $150,255,000
Total	$3,157,635,000	$3,679,573,000	+ $521,938,000

*FY 2023 State Administration Funding was $50 million below request
** Fiscal Responsibility Act 2023 authorized level is $382 million

UI Integrity Legislative Proposal

- FY 2024 President's Budget includes UI Integrity Legislative Proposal
- Requires States to use:
  - National UI Integrity Center's Integrity Data Hub (IDH) functionalities
  - State Information Data Exchange System (SIDES)
  - National Directory of New Hires (NDNH)
  - SSA's Prisoner Update Processing System (PUPS) or other prisoner cross-match

UI Integrity Legislative Proposal contd.

- Allows states to retain up to 5% of recovered fraudulent UI overpayments for program integrity purposes
  - Historical data shows states have an ROI of nearly 5 times the cost of ongoing benefit payment control (BPC) activities*
    - Budget estimates were scored at $3 recovered for every additional $1 devoted to BPC activities.
  - Integrity focused administrative funding is an ongoing need while falling workload activity leads to lower funding available for states' BPC efforts

*Based on latest cost-benefit analysis of state BPC operations: https://oui.doleta.gov/unemploy/integrity/cb_ada.asp

UI Integrity Legislative Proposal contd.

- Other provisions:
  - Require use of penalty and interest collections for administration of the program
  - Provide meaningful enforcement authority for the Secretary of Labor
  - Require states to disclose state UI data for audits and investigations to DOL's Office of Inspector General
  - Allow states the use of formal warnings & requires certain good cause exemptions for work search requirements
    - Eliminates financial punishment for claimants' first work search failure to properly understand requirements (Data shows states using formal warnings more likely involve claimants with less than a high school level of education)
  - Removes barrier to state use of Treasury Offset Program (TOP) to recover UI overpayments by allowing use of contractor support

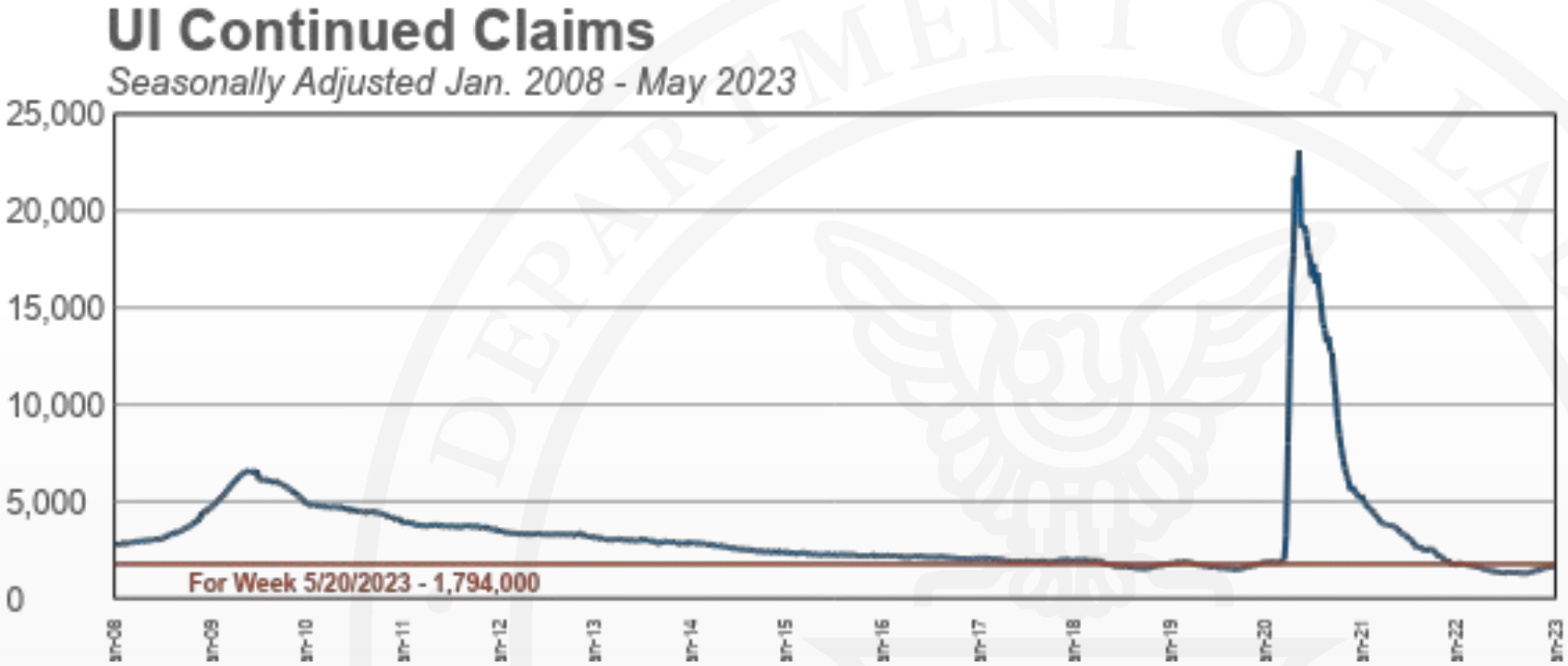
Principles of UI Reform

- The FY 2024 President's Budget includes key principles of UI Reform. The pandemic highlighted the need for UI Reform as noted in recent GAO Report.*
- We welcome opportunity to work with Congress on UI Reform
- The Principles of UI Reform include:
  - Ensuring adequate level of UI benefits in all states
  - A UI system that is scalable and responsive to economic downturns
  - A UI system that reflects the modern economy and labor force
  - Improving state and federal trust fund solvency
  - Expanding reemployment services
  - A UI system that is accessible for workers and operates with integrity

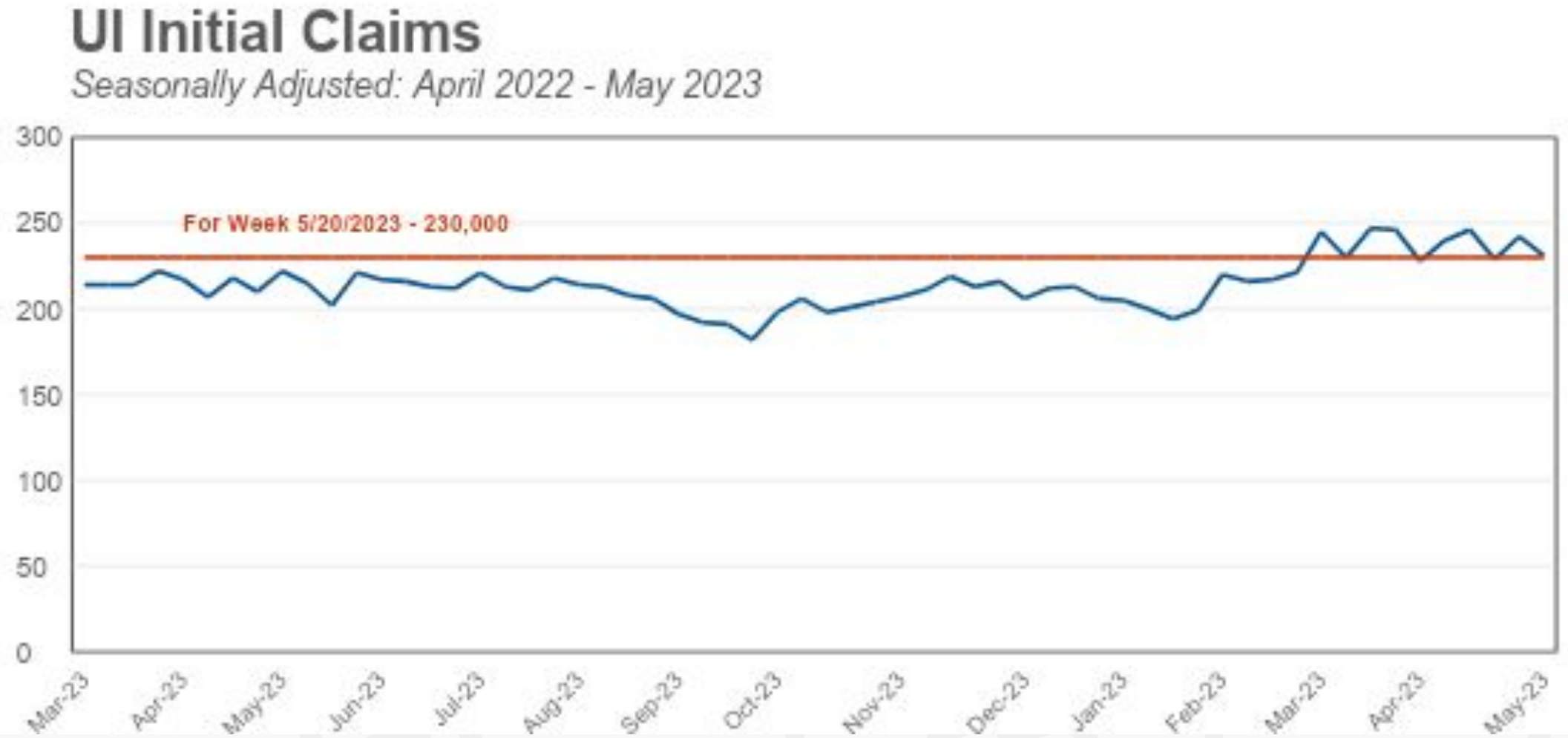
*Link to June 7, 2022 GAO Report
https://www.gao.gov/products/gao-22-105162?utm_campaign=usgao_email&utm_content=daybook&utm_medium=email&utm_source=govdelivery

The Pandemic's Impact on the UI Program

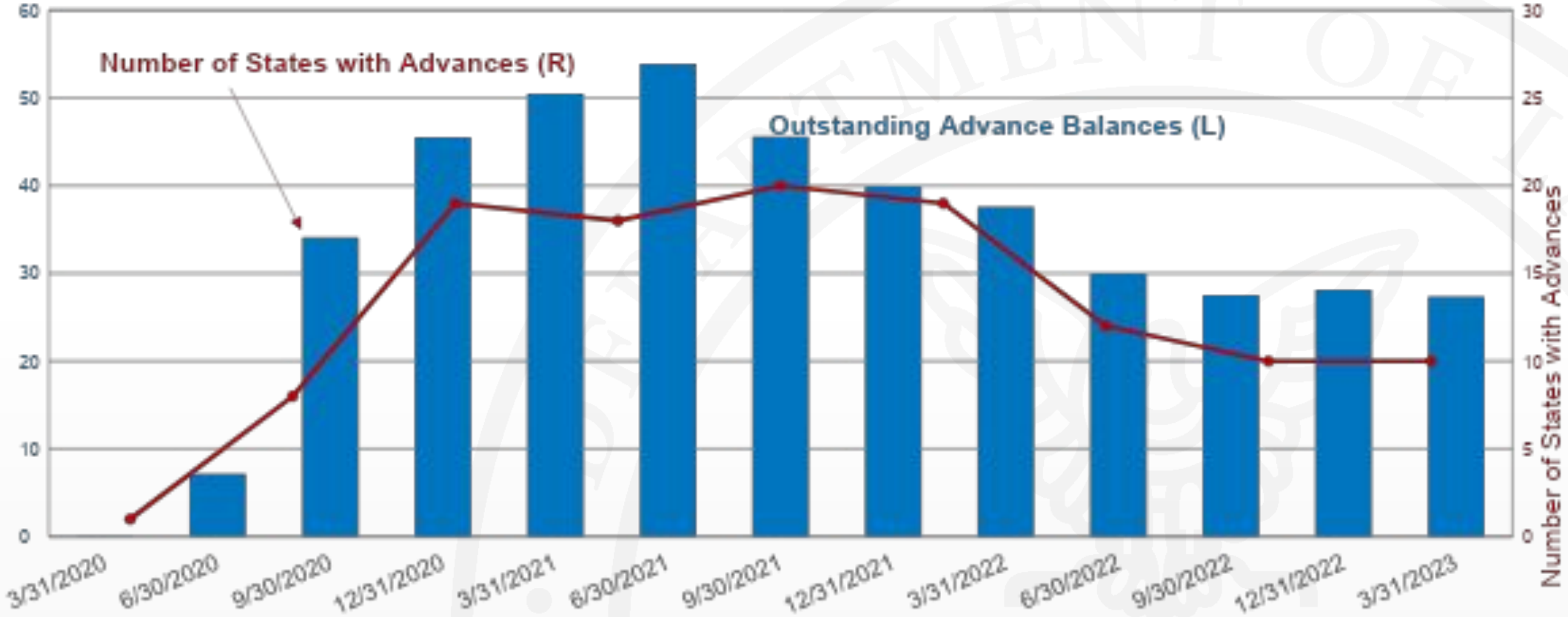
Perspective: The Last Few Years



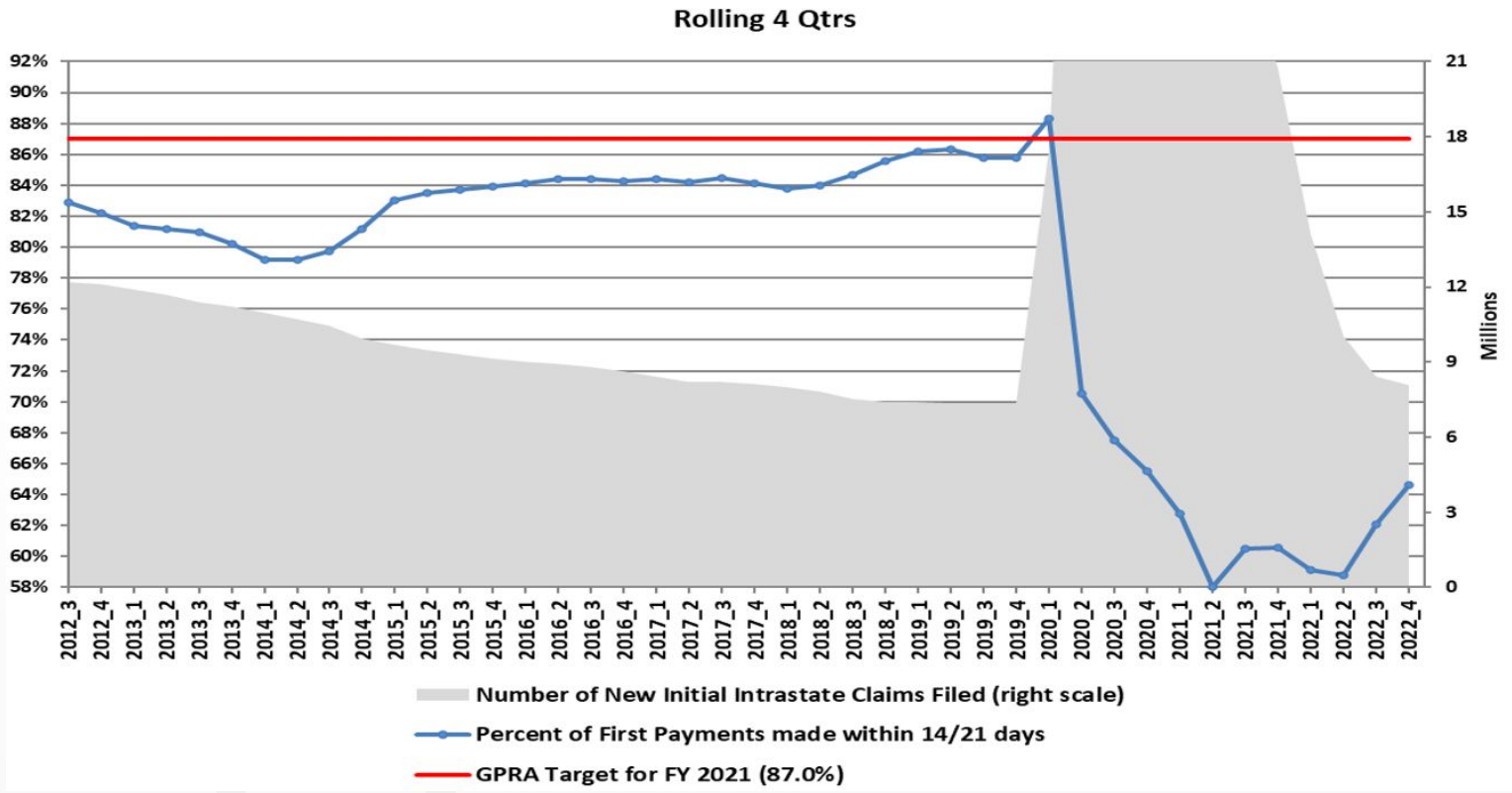
The Recent Past (initial claims Regular UI)



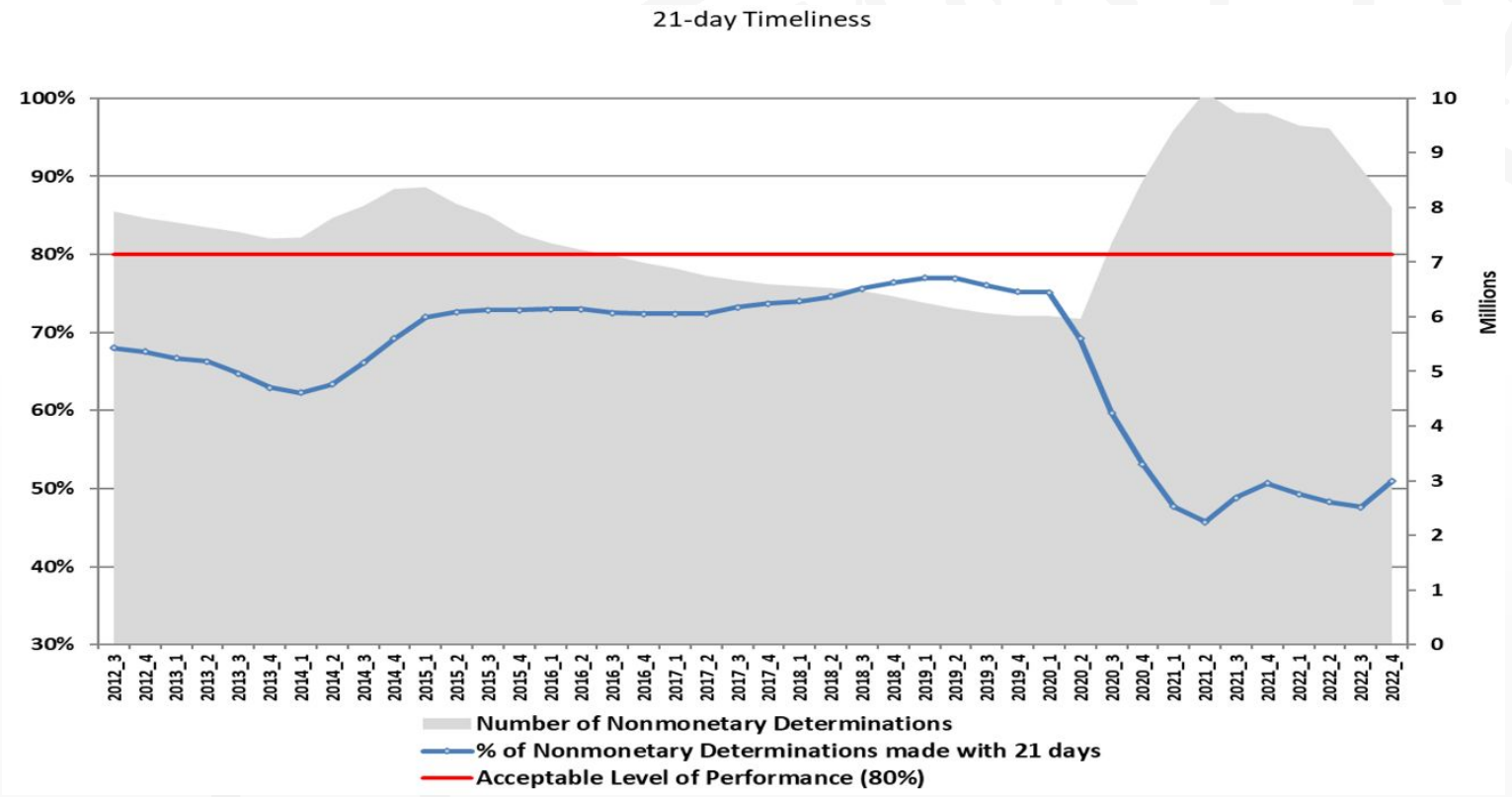
Outstanding Advance Balances



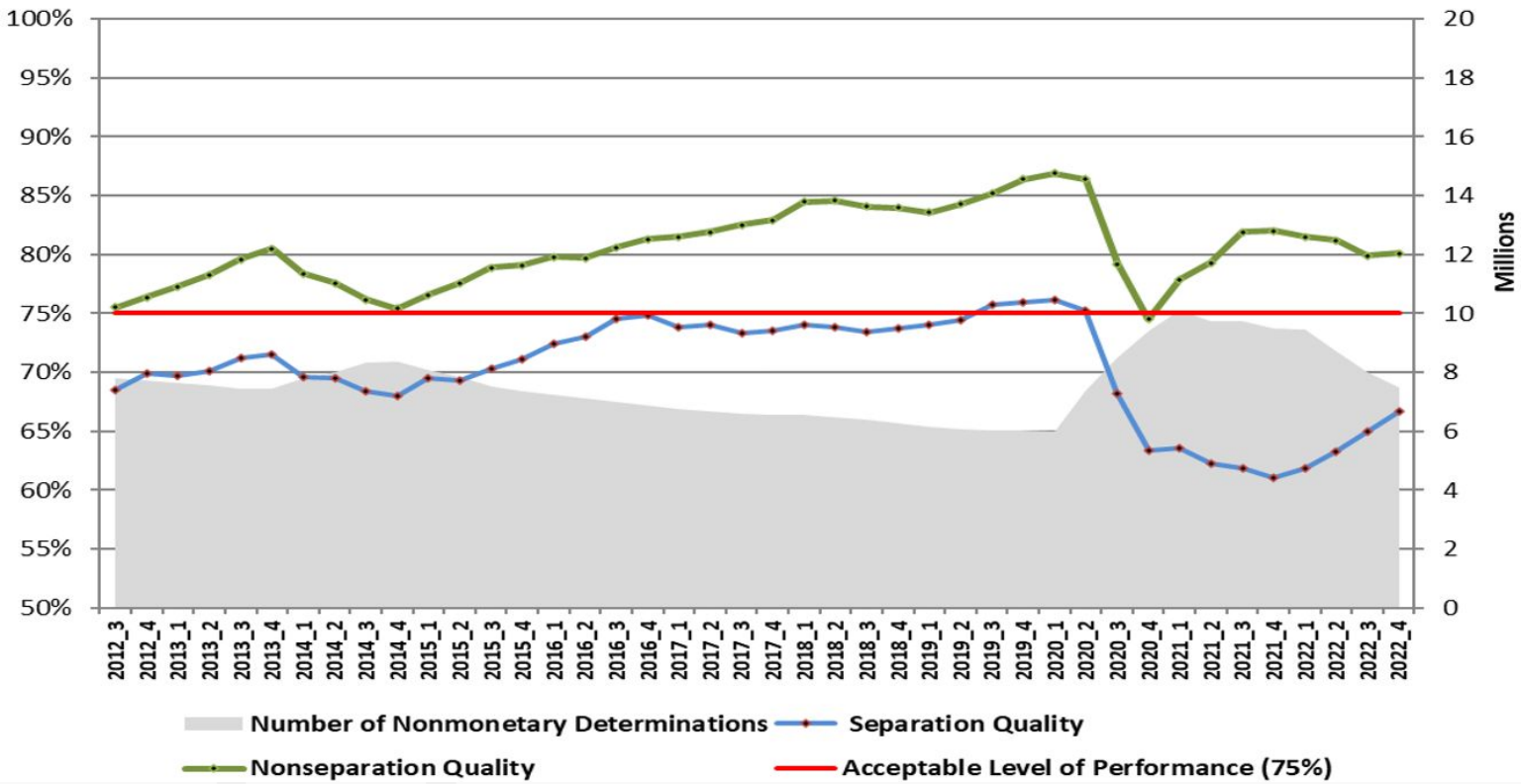
First Payment Timeliness



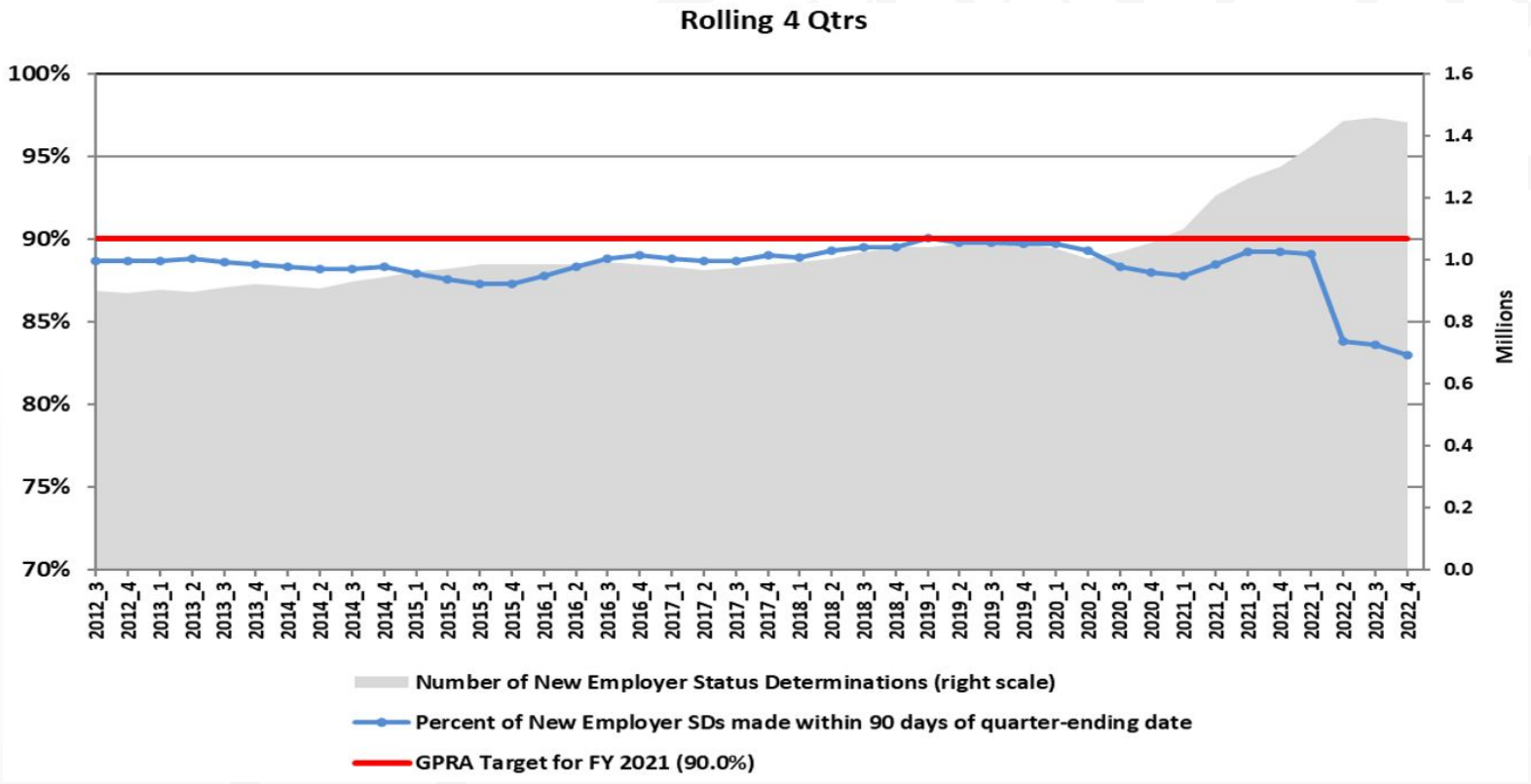
Timeliness of Nonmonetary Determinations



Quality of Nonmonetary Determinations



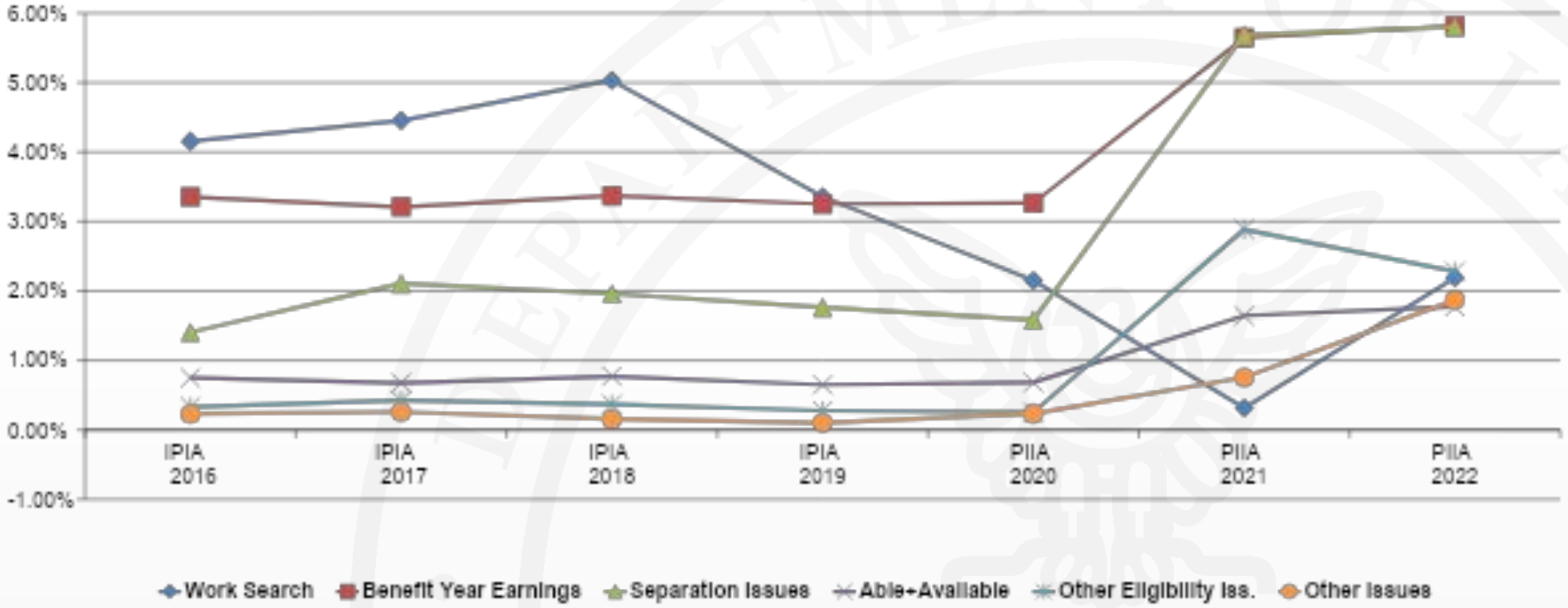
Timeliness of New Employer Status Determinations



Improper Payments

- OMB released 2022 improper payment information on November 23, 2022
- The 2022 Improper Payment data is now live on paymentaccuracy.gov https://www.paymentaccuracy.gov/payment-accuracy-the-numbers/
- UI Improper Payment rate = 21.52% (up from 18.71% in 2021).
- Root Causes (next slide)

Improper Payments – Root Causes



Resolving Pandemic-Related Workload and Other Priorities

Resolving Pandemic-Related Workload

- Addressing outstanding activities, such as:
  - Working through backlogs;
  - Addressing issues identified in ETA Monitoring Reviews;
  - Applying expanded eligibility under UIPL No. 16-20, Change 5;
  - Checking for UI eligibility of individuals that were paid PEUC and PUA; and
  - State reporting.
- Funding to resolve outstanding items from the expired CARES Act UC programs, including reporting and detection/recovery of overpayments (UIPL No. 28-20, Change 4)

Resolving Pandemic-Related Workload contd.

- PUA SBR opportunity for additional administrative costs (UIPL No. 16-20, Change 7)
- Overpayments, including the establishment, collection, and waiving recovery (where appropriate) (UIPL Nos. 23-20; 20-21; and 20-21, Change 1)
  - Eligibility criteria for waiving recovery: (1) Payment of such compensation was without fault on the part of any such individual; and (2) Such repayment would be contrary to equity and good conscience.
  - ETA response letters on WorkforceGPS to states requesting blanket waivers: https://ui.workforcegps.org/resources/2022/04/08/18/06/ETA-Responses-to-Requests-for-Blanket-Waivers-of-Recovery-of-CARES-Act-UC-Program-Overpayments

Continued Oversight Activities: OIG

- ETA and States responding to OIG requests (18 active audits in progress)
- ETA addressing 25 open recommendations from prior reports
- The Department's OIG received $26 million to carry out audits, investigations, and other oversight activities for the UI-related provisions of the CARES Act
  - OIG FY 2023 Audit Workplan: https://www.oig.dol.gov/public/reports/oa/2023/FY_23_OIG_Office_of_Audit_Workplan.pdf
  - More expected, including Alert Memos
    - Recent facial recognition technology Alert Memo (https://www.oig.dol.gov/public/reports/oa/2023/19-23-005-03-315.pdf)
    - OIG-analyzed state claims data distributed this month (related to $46 M potential fraud report at https://www.oig.dol.gov/public/reports/oa/2022/19-22-005-03-315.pdf) – *need to treat these as tips/leads*
- Providing requested data under the Inspector General Act does not conflict with federal UC regulations under 20 CFR Part 603 (TEN No. 05-22)

Continued Oversight Activities: GAO

- ETA and States responding to GAO Activities (six active studies in progress)
  - Review of UI Assistance and Recoveries (GAO #106696)
  - COVID-19 and Overpayment Recoveries (GAO #106199)
  - Estimating the Level of Fraud in UI programs (GAO #106556)
  - Relief Funding to US Territories (GAO #106050)
  - Cyber Security Grants to States (GAO #106223)
  - Periodic CARES Act reviews/updates with the most recent being GAO #105523)
- ETA addressing 12 open recommendations from prior reports

RESEA Remains a Big Deal

RESEA: Opportunity to Better Connect UI and Workforce

- Since the RESEA program was permanently authorized in 2018, we have been in a period of transition and implementation as new program provisions were implemented, tools and resources developed, training conducted, and internal and external challenges were successfully addressed.
- In FY 2023, RESEA is funded at its full authorized level of $375 million. This is a 67 percent increase from FY 2022 and a 220 percent increase since RESEA's permanent authorization in FY 2018.
- This funding represents an opportunity for significant investments in the expansion and further integration of RESEA into states' broader workforce and reemployment strategies and service delivery. This is especially significant for states that have historically operated smaller scale RESEA programs.

RESEA Examples of Expanded Activities

- Dedicated RESEA staffing
- Reimbursement for Reemployment Service Costs
- Broadened eligibility
- Case-Management/Intensive Services
- Subsequent RESEAs
- Staff training
- Infrastructure costs
- Hybrid/In-Person services
- Mobile/pop-up RESEA services
- Rapid Response collaboration

RESEA Funding

- **Outcome Payments**: In March 2023, ETA made available approximately $25 million in outcome payments to 35 states that met or exceeded their outcome goals for FY 2022 (TEN No. 22-22)
- **Carry-over Clarification**: Adjustments to states' allocations based on funding carried into FY 2023 exceeding the 60% carry-over limit will be applied to FY 2024 allocations (TEN No. 23-22) and additional guidance is forthcoming.
- **Redistribution Allowance**: In December 2022, the Department implemented a change to the RESEA formula that allows for redistribution of any unobligated base-funds among states that request additional funds. We anticipate a redistribution of approximately $68 million in FY 2023 funds later this summer.
- **Fiscal Responsibility Act 2023:** Reduced RESEA discretionary funding cap adjustments for FYs 2024-25 resulting in maximum funding authorizations of $382 and $388 million, respectively—These revised levels still allow for robust RESEA programs.
- **Evidence-Based Funding Requirement**: Beginning in FY 2023, states must devote at least 25% of their RESEA funds to interventions with a high or moderate causal evidence rating that shows demonstrated capacity to improve employment and earnings outcomes for program participants.

Other Important Items

Disclosure of Confidential UC Data

- Considering comprehensive updates to 20 C.F.R. Part 603
  - See USDOL Regulatory Agenda at https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202210&RIN=1205-AC11
    - Considering an update that would incorporate a requirement for states to provide ongoing access for USDOL's OIG to state UC data. Considering addressing several other items that states and stakeholders have raised over the years, including addressing questions around sharing information across the workforce system (including with local workforce boards), the permissibility of sharing information with federally-recognized Indian tribes, data warehousing, and the use of contractors/subcontractors.
  - Existing regulation took effect in 2006 and underwent minor updates in 2016 in response to WIOA. Stakeholders include state agencies, state and local workforce boards, worker advocates, employer advocates, and private sector entities (e.g., research institutions and third-party vendors).
  - Anticipate publishing a Request for Information (RFI) soon
- Proposed amendments to State Wage Interchange System (SWIS) Agreement
  - Proposed amendments are under review with additional detail available on SWIS website at https://www.dol.gov/agencies/eta/performance/swis/amendments

Additional Resources

- **UI Directors' Guide:** https://oui.doleta.gov/unemploy/docs/ui_directors_Mar2020.pdf

- **Federal-State Partnership Paper:** https://oui.doleta.gov/unemploy/pdf/partnership.pdf

- **Division of Legislation Publications:** https://oui.doleta.gov/unemploy/statelaws.asp#RecentStatelaw
  - Comparison of State UI Laws
  - Significant Provisions of State UI Laws
  - Report on State Legislation

Additional Resources -- Continued

- **ARPA Pages:** WorkforceGPS - American Rescue Plan Act (ARPA) and UnemploymentCompensation

- **Tax Measures Report**: https://oui.doleta.gov/unemploy/sig_measure.asp

- **FY 2023 UI Trust Fund Solvency Report**: https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2023.pdf

Thank You!