

NATIONAL UNEMPLOYMENT INSURANCE PROGRAM UPDATE

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UI NATIONAL UPDATE

- ❖ Program Highlights
- ❖ Quick Look at the Data
- ❖ Strategic Investments/Initiative
- ❖ The New Permanent RESEA
- ❖ FY 2018 Budget
- ❖ What's Next?

PROGRAM HIGHLIGHTS

- ❖ Lowest workload since the 60s
- ❖ States experiencing constrained funding, limiting staff capacity
- ❖ States continue to struggle with meeting performance standards and integrity measures, and to successfully implement data validation
- ❖ Many , if not most, states are not ready for the next recession
- ❖ IT modernization still needed in a majority of states
- ❖ Disaster preparedness highlighted by 2017 hurricanes
- ❖ RESEA is now codified in the Social Security Act

2017 HURRICANES

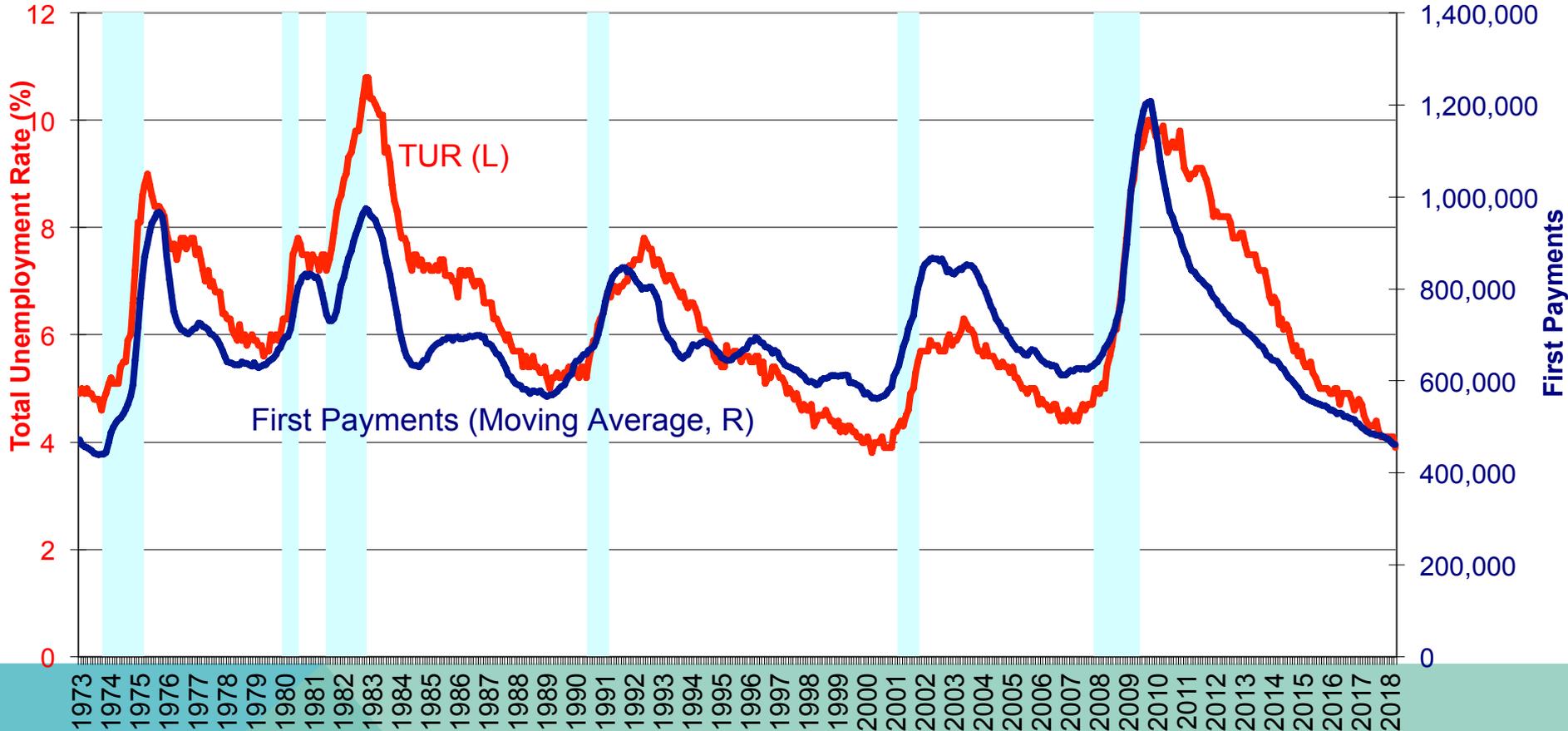
State/ Territory	FEMA Funding	Disaster Related Claims		
	Total	# DUA Claims	# Regular UI Claims	# Total Claims
Puerto Rico	\$14,349,978	---*	---*	11,592
Florida	\$6,747,422	7,237	35,160	42,397
Texas	\$25,488,162	26,284	143,068	169,352
Georgia	\$331,085	314	2,410	2,724
Virgin Islands	\$2,825,640**	1,493***	2,462***	

HURRICANE TAKEAWAYS

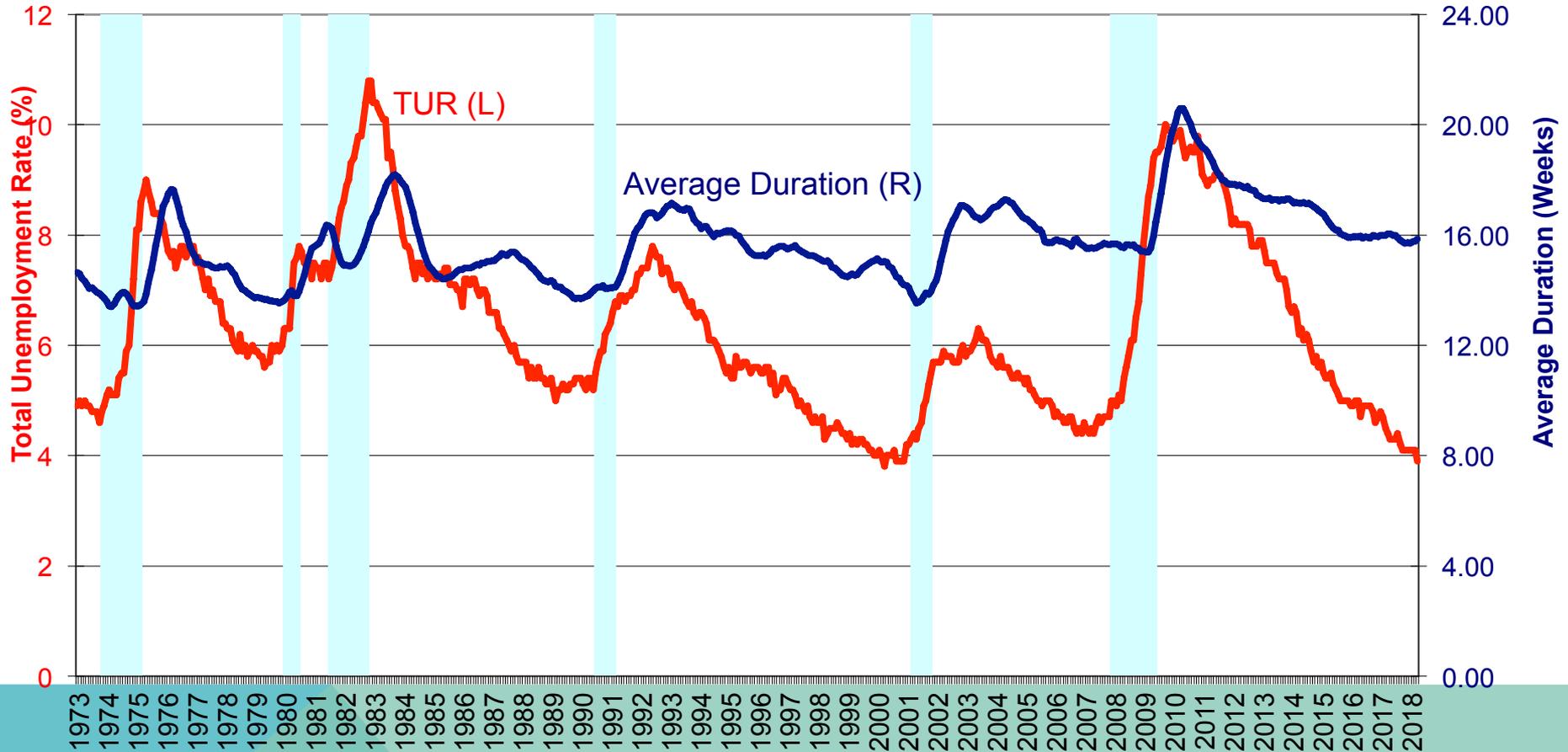
- ❖ Many/most, states have not automated the DUA program
- ❖ State redundant systems are not sufficient
- ❖ Alternative solutions for supporting states with significant damage are needed
 - Ex: Ability for “helper” state(s) to access the disaster state’s system to support claims taking
- ❖ And hurricane season is upon us once again

A Quick Look at the Data

First Payments in the Regular Program

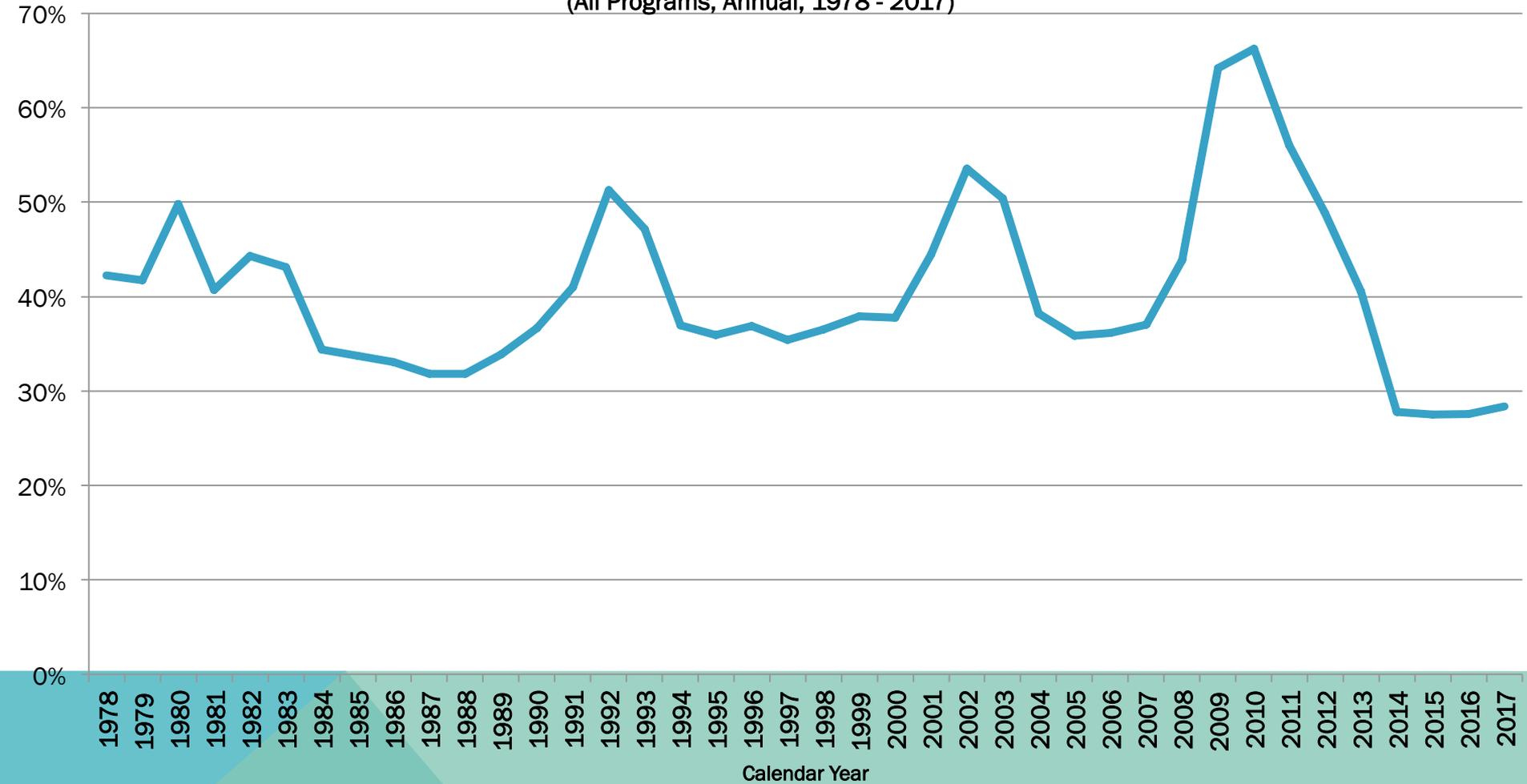


Average Duration on UI in the Regular Program

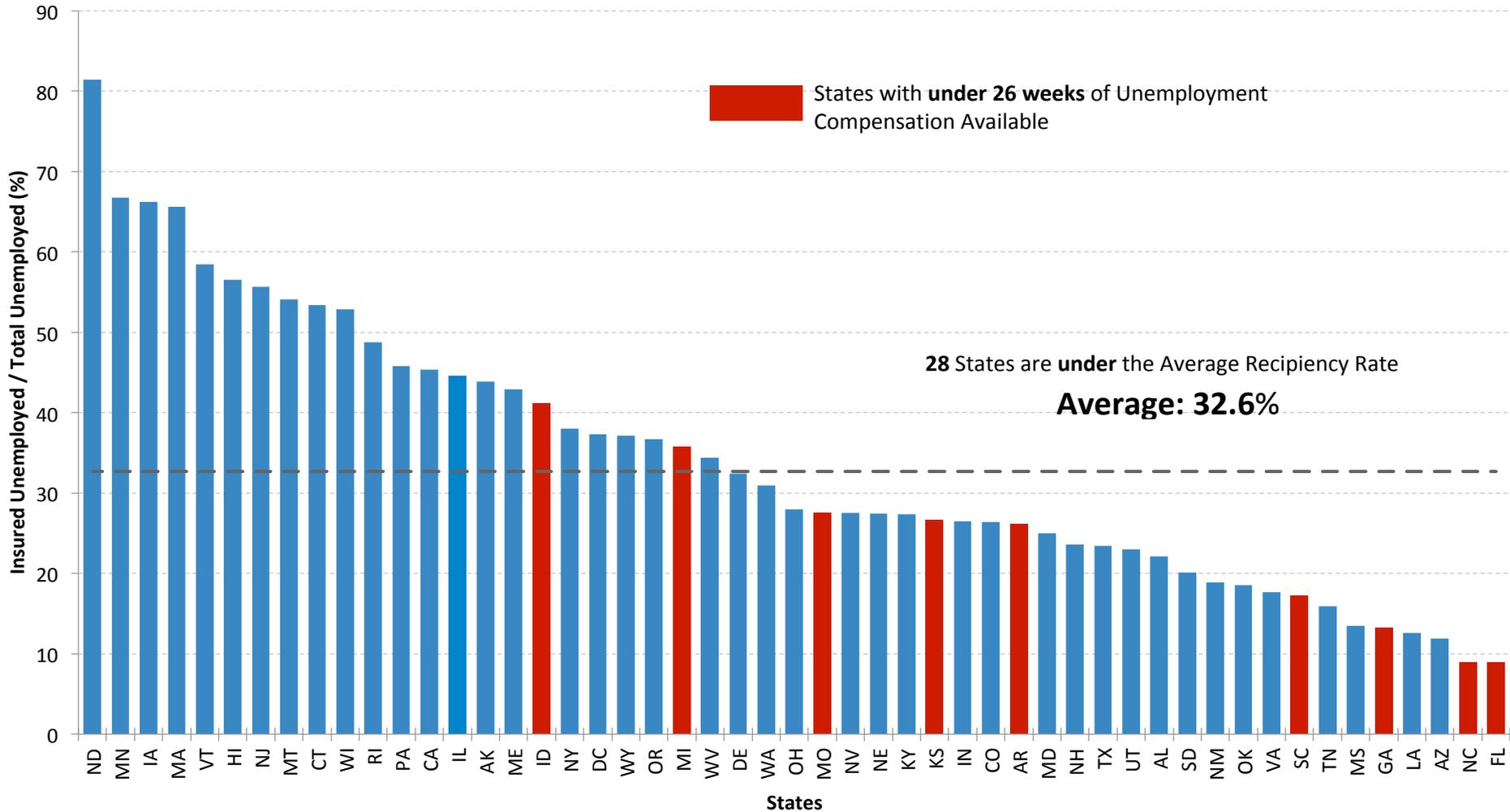


U.S. Reciprocity Rates

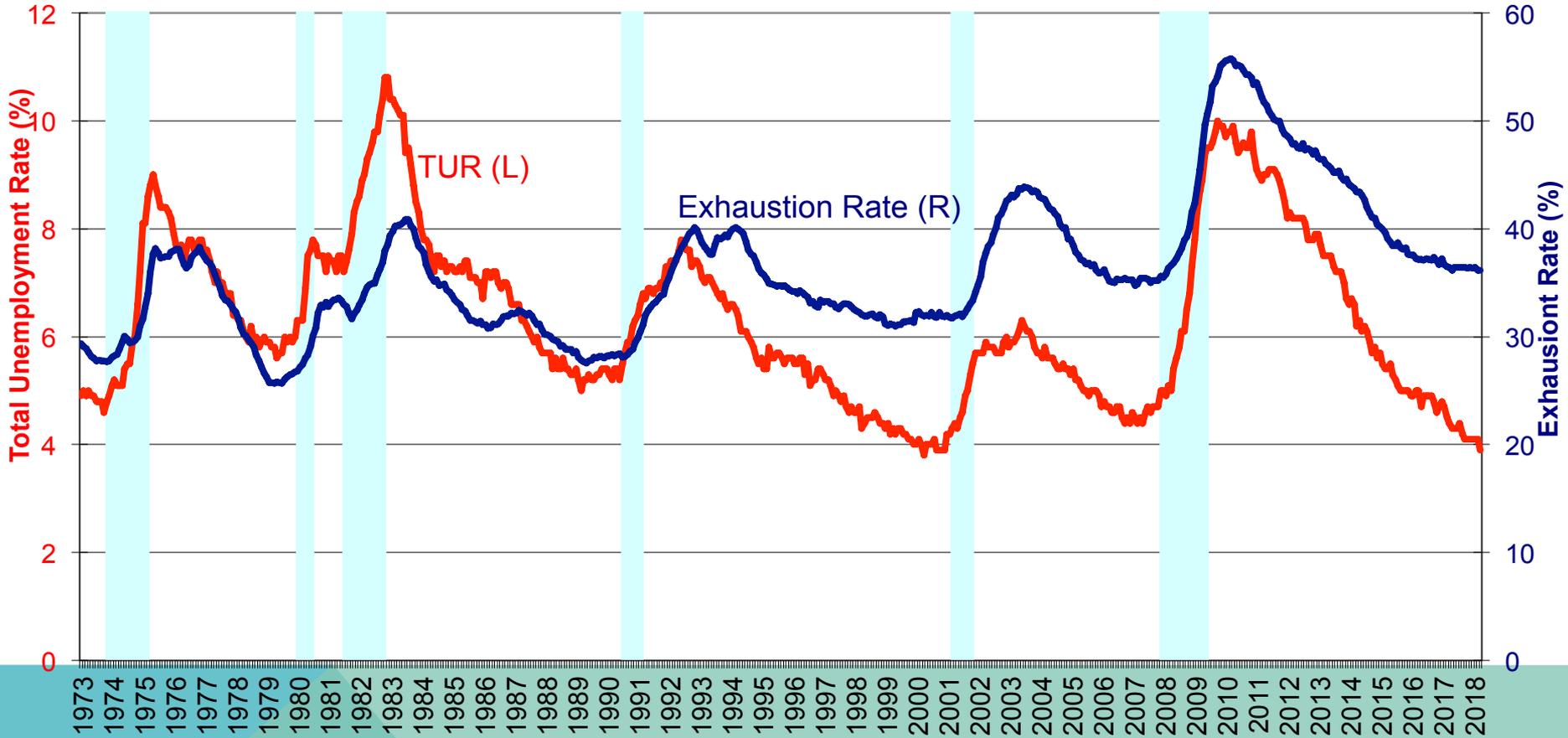
(All Programs, Annual, 1978 - 2017)



First Quarter 2018 Reciprocity Rate (Insured Unemployed / Total Unemployed)



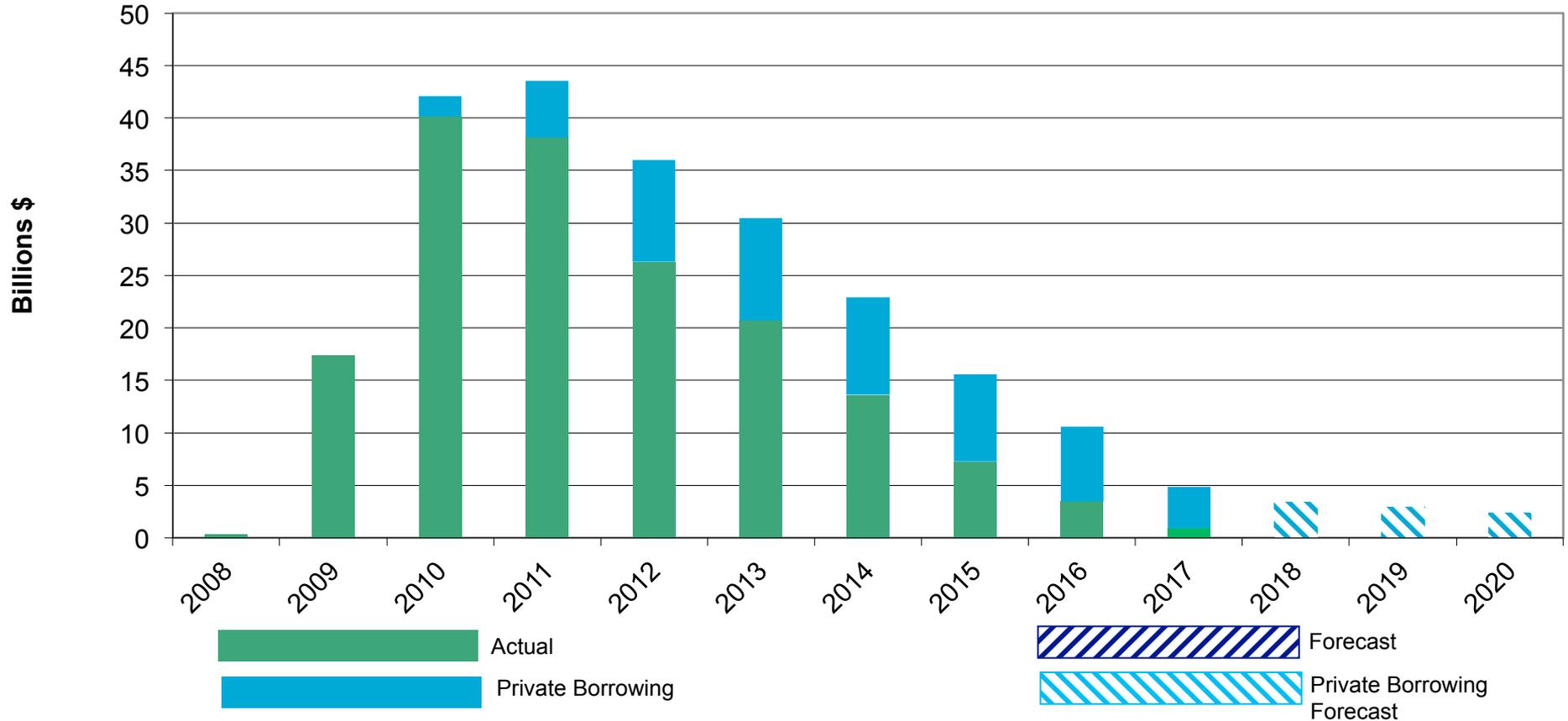
Exhaustion Rate in the Regular Program



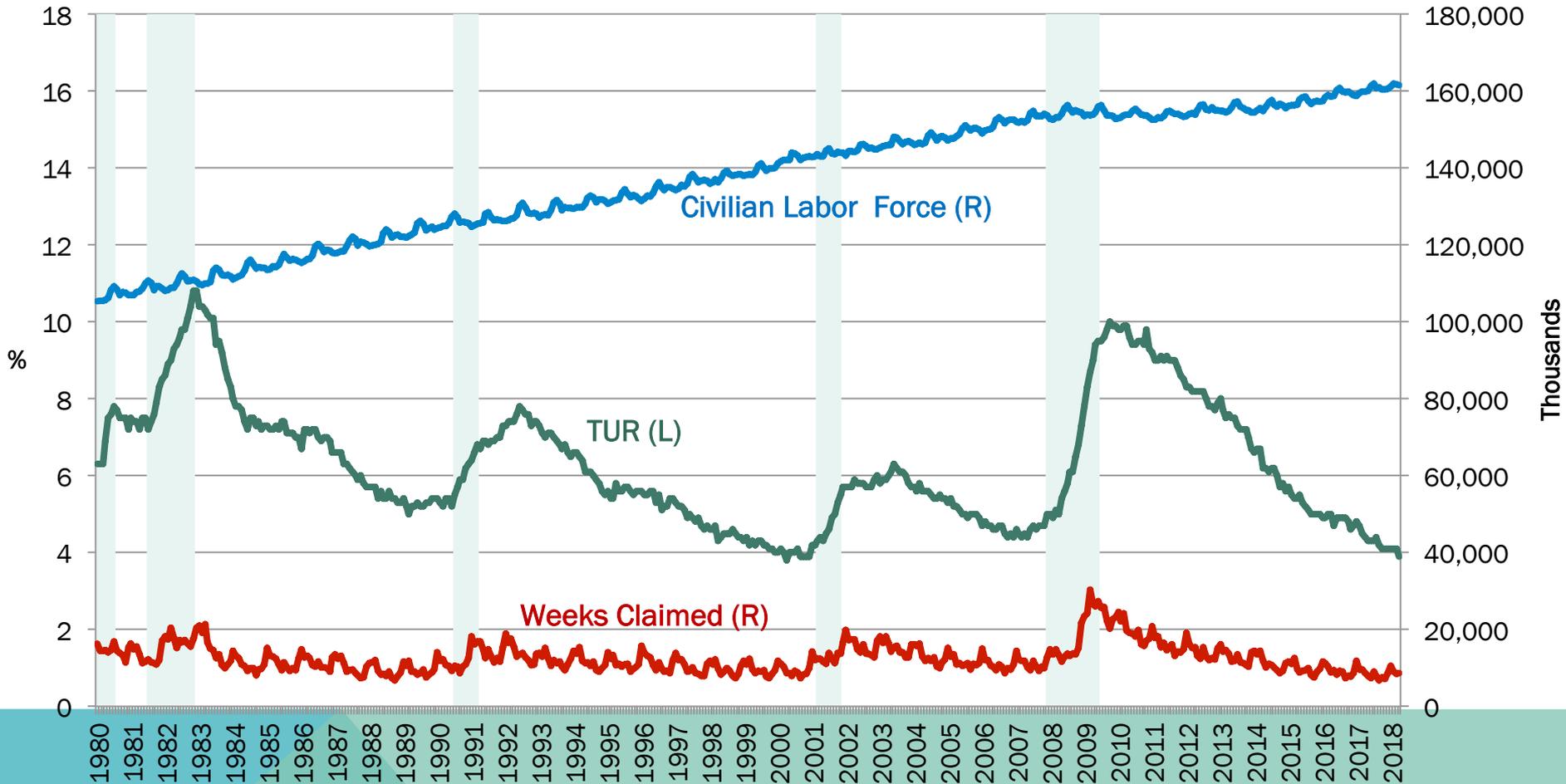
Source: US DOL/BLS and US DOL/Office of Unemployment Insurance

TOTAL BORROWING OVER TIME AND PROJECTED BORROWING THROUGH END OF FY 2020

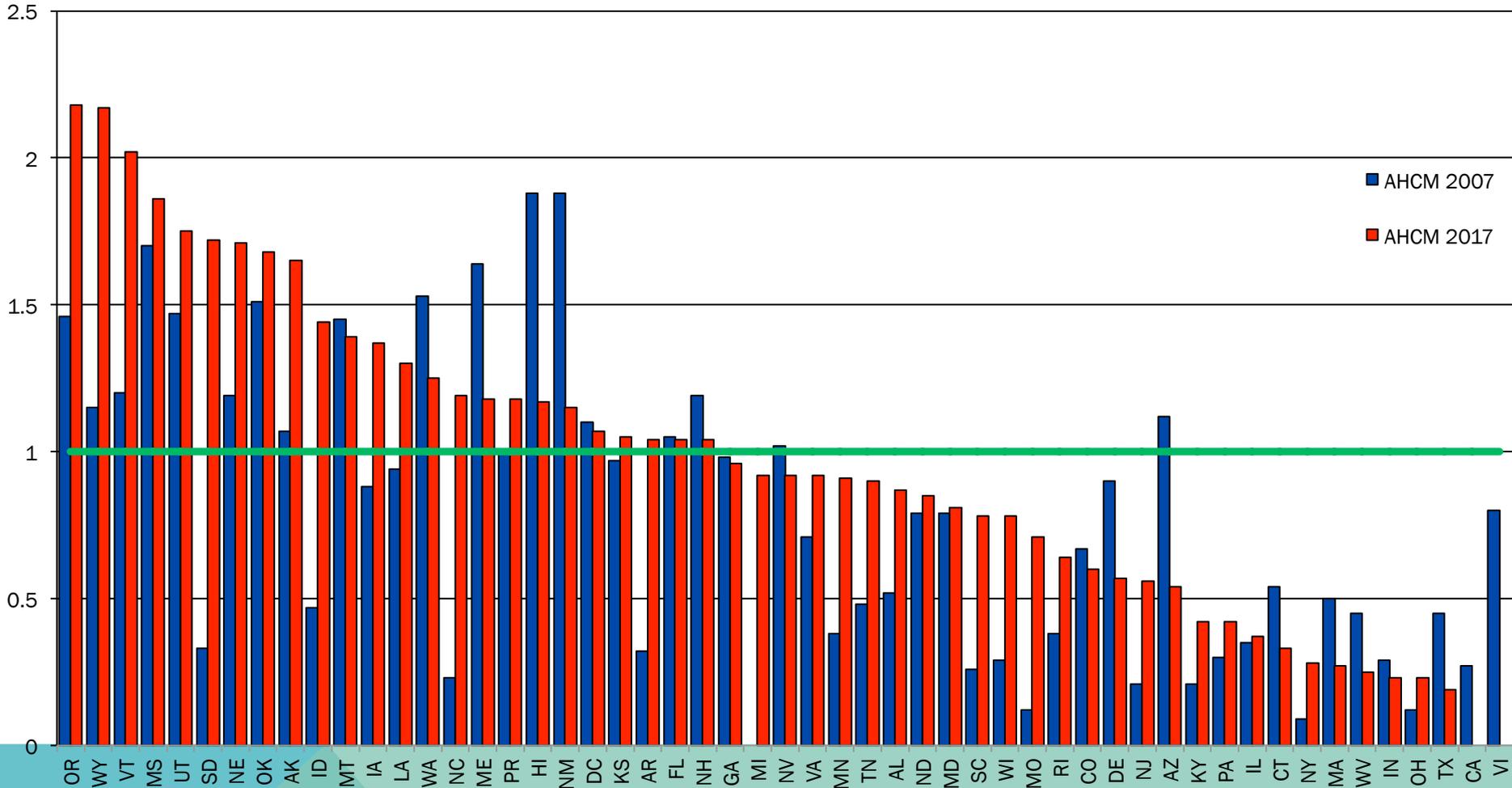
End of FY Borrowing



Weeks Claimed, Civilian Labor Force, and TUR



Average High Cost Multiple, 2007 & 2017*



Source: DOL/OUI

* 2017 AHCM is Preliminary

Trust Fund Solvency Report

This annual publication provides an opportunity to evaluate and compare each state's Unemployment Insurance trust fund reserve. Highlights from the 2018 report include:

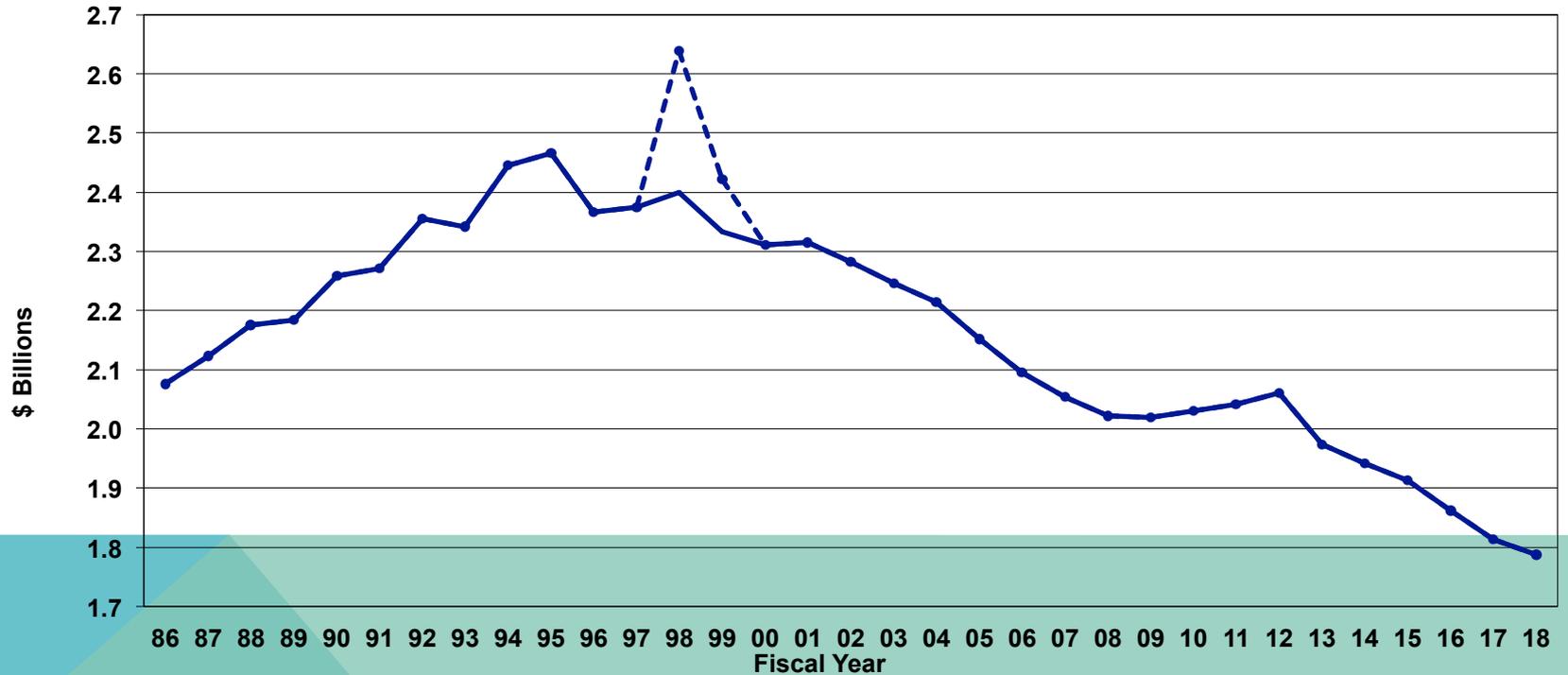
- 24 states have reached what is considered the minimal level of adequate solvency
- As of Dec 2017, one state and one jurisdiction still had outstanding Federal loans and face a potential FUTA credit reduction in 2018
- Three states have outstanding private borrowing of over \$3.9 Bil.
- For 2018 thirty states meet the eligibility criteria for interest-free borrowing
- The report can be found here:

<https://oui.doleta.gov/unemploy/docs/trustFundSolvReport2018.pdf>

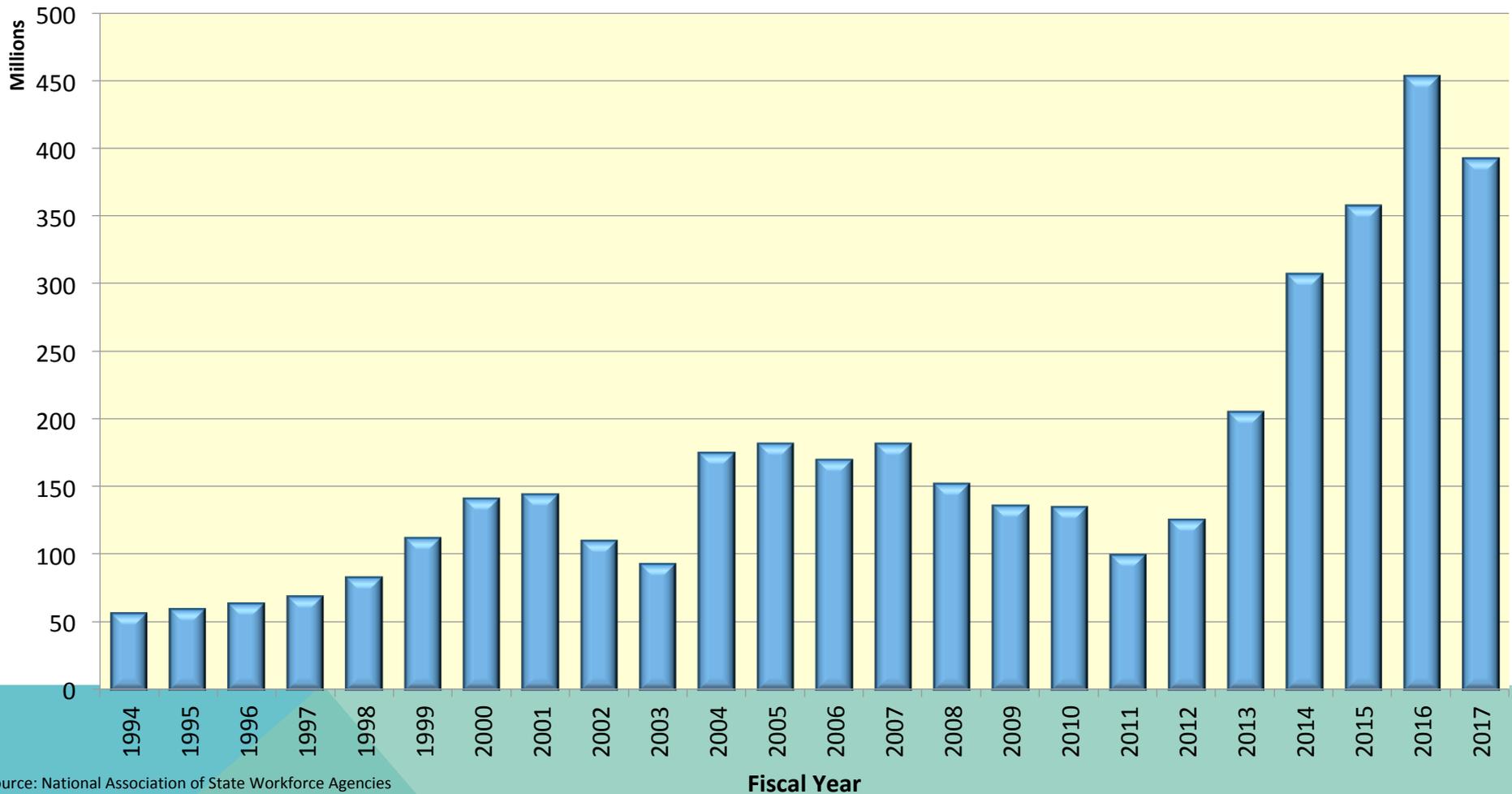
APPROPRIATIONS FOR STATE UI ADMINISTRATION PER 2.0 MILLION AWIU

Adjusted into constant 2005 dollars

Dashed Line displays inclusion of Y2K funds in FY98 and FY99



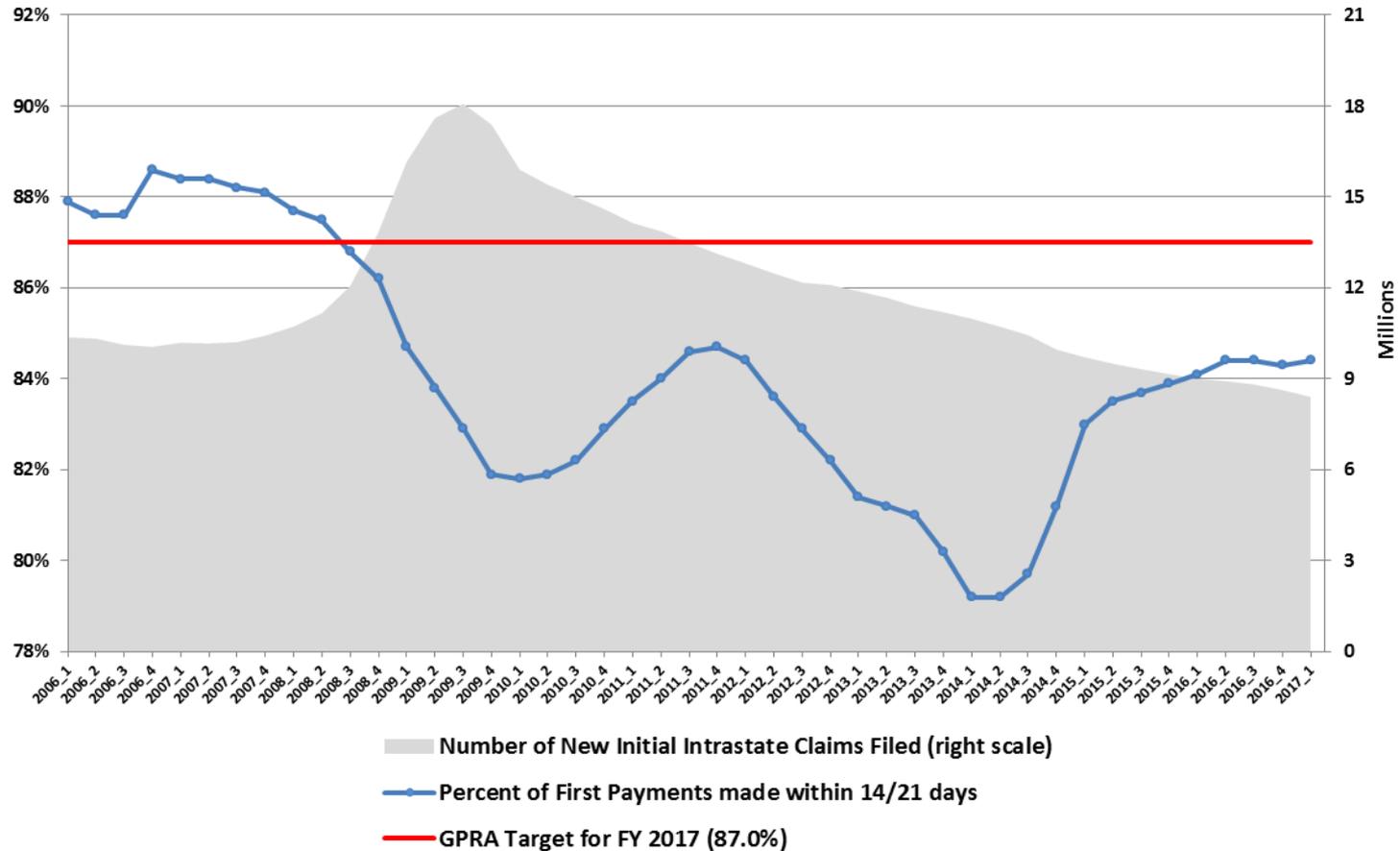
State Supplemental Funding for UI



Source: National Association of State Workforce Agencies

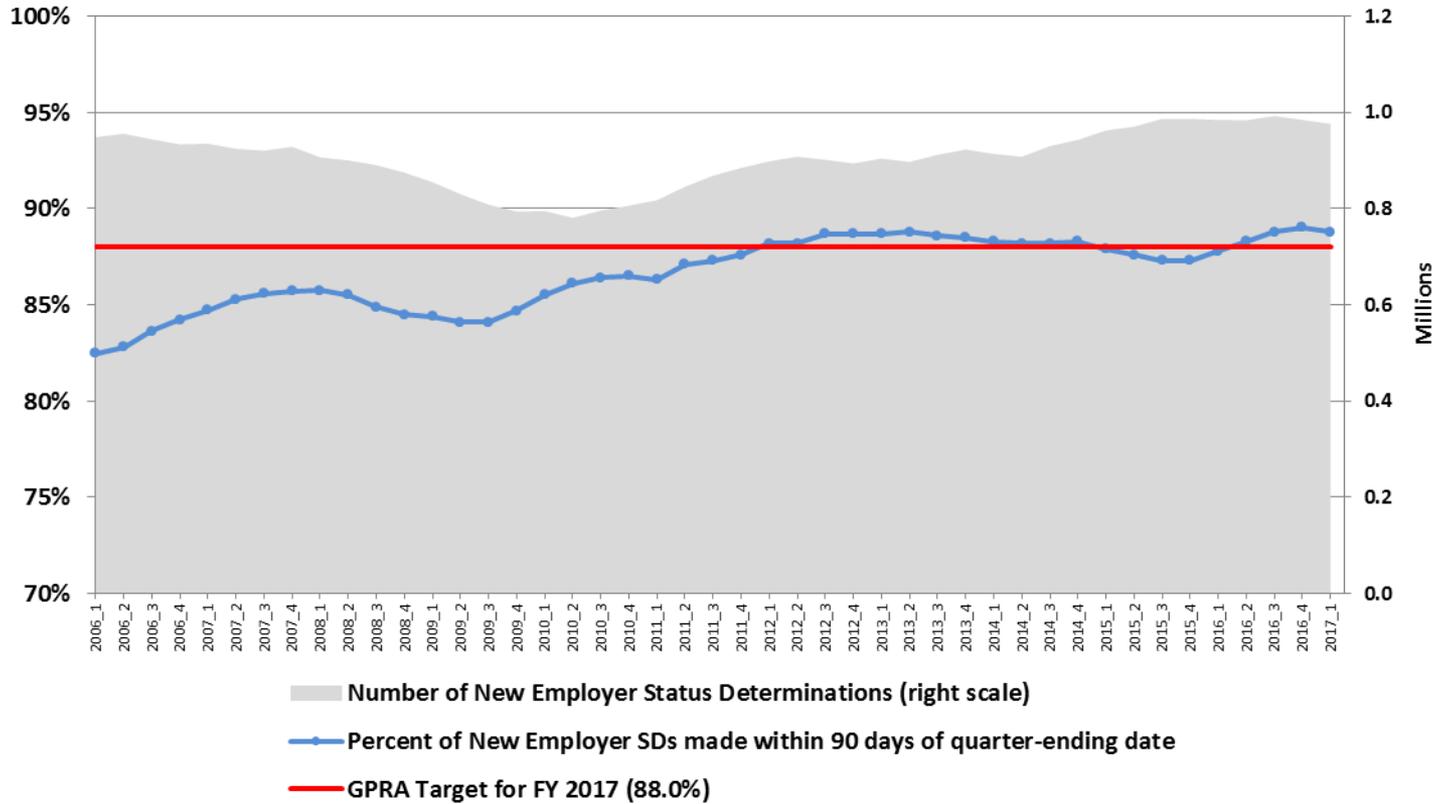
First Payment Timeliness

Rolling 4 Qtrs



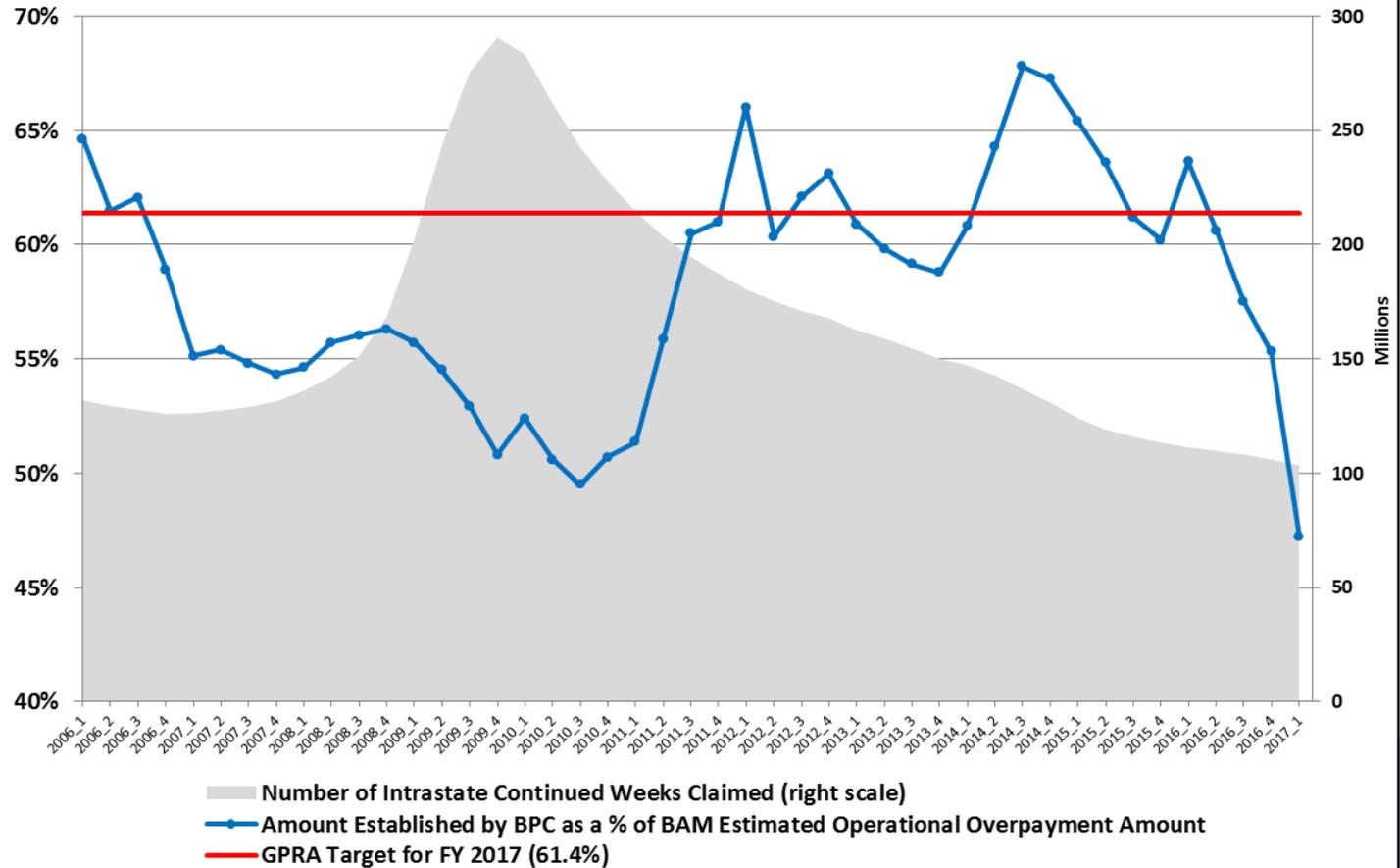
Timeliness of New Employer Status Determinations

Rolling 4 Qtrs



Detection of Overpayments

Rolling 4 Qtrs



IPIA UI IMPROPER PAYMENT RATE

Improper Payments Information Act (7/1/2016 – 6/30/2017)

Estimated Overpayment Rate (OP) 12.11%

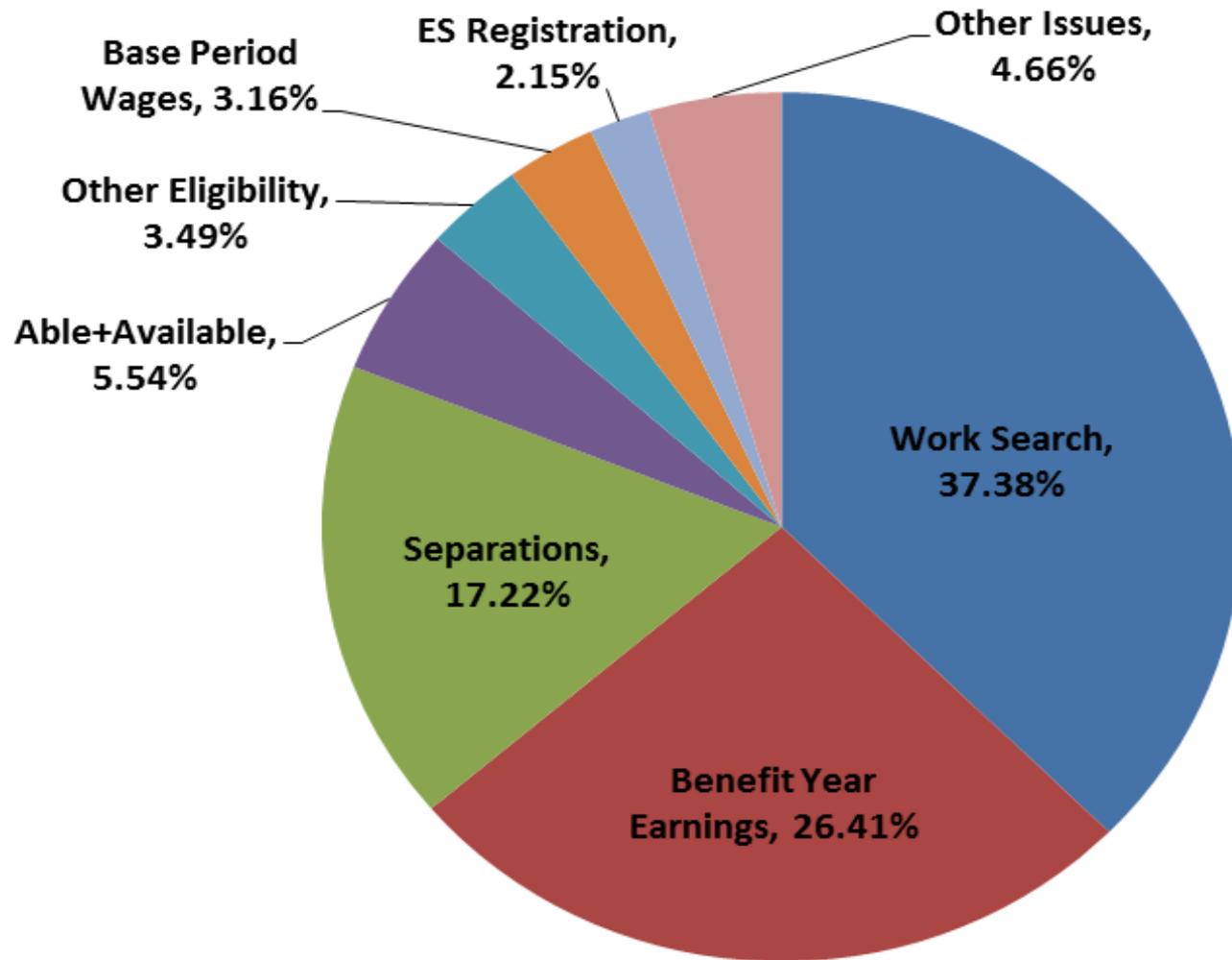
Estimated Underpayment Rate (UP) 0.39%

Total Improper Payment Rate (OP + UP) 12.50%

Total Estimated Amount Improperly Paid \$4.066 B

Dollar amounts are in billions.

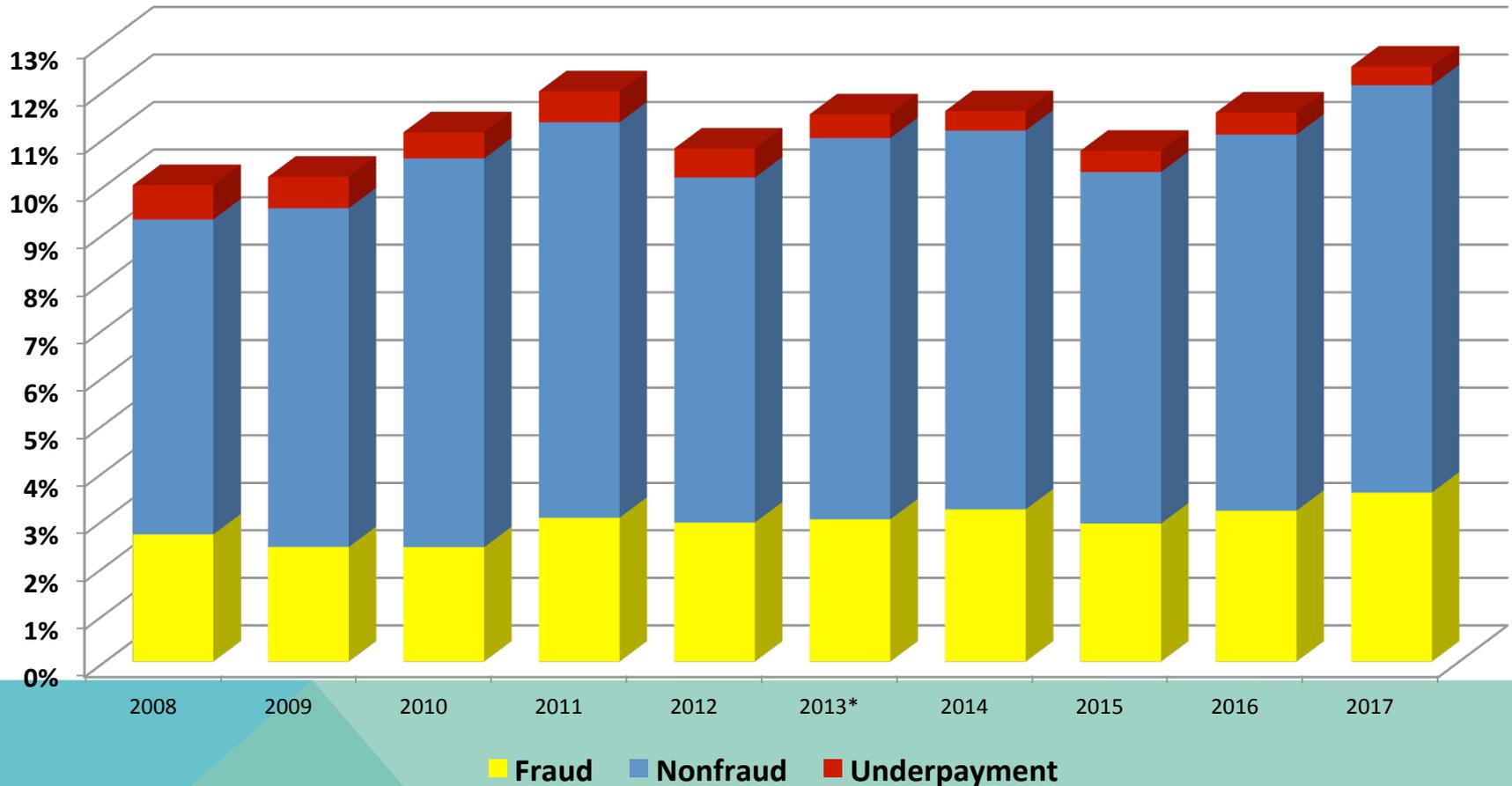
Reported in the 2017 DOL Agency Financial Report



**Overpayment Root Causes by
Percentage of Dollars Overpaid
July 1, 2016 – June 30, 2017**

UI IMPROPER PAYMENT RATE

Fraud and Nonfraud Overpayments, and Underpayments



IPIA 2013 adjusted rate for recoveries = 9.32%

UI INTEGRITY CENTER

- ❖ National Integrity Training Academy
- ❖ Integrity Knowledge Exchange
 - ❖ Best/Promising Practices
 - ❖ Model BPC Operations Blueprint
 - ❖ State Integrity Services/Business Process Analysis
- ❖ Integrity Data Hub
 - ❖ Suspicious Actor Repository
 - ❖ External Data Cross-match (Identity Verification)
- ❖ Data Analytics Tool
- ❖ State Consultation/Business Process Analysis
- ❖ Behavioral Insights Messaging Tools

STATE INFORMATION DATA EXCHANGE SYSTEM (SIDES)

❖ SIDES Employer Response Study (November 2017)

- Evaluated the quality of employer responses to initial requests received via SIDES to those not using SIDES
- Five states participated in the Study
- Quality scores were significantly higher for SIDES (91.75 percent) and E-Response (94.64 percent) compared to initial claims using non-SIDES methods (63.34 percent)
- Employer response rates higher for SIDES (100 percent) and E-Response (99.73 percent) versus non-SIDES methods (81.35 percent)

❖ Commitment to Continuous Improvement

- April 2018 Symposium Sessions for States and Employers
- April 2018 SIDES messaging toolkit released
- June 2018 national webinar for states planned

UI INTEGRITY LEGISLATIVE PACKAGE

- ❖ In ETA's FY2018 and FY 2019 Budgets
- ❖ Require States to use SIDES
- ❖ Require cross match with SSA's/other prisoner database
- ❖ Allow the Secretary of Labor greater authority to require UI corrective actions
- ❖ Allow States to retain up to 5 percent of UI over-payments for program integrity use
- ❖ Require States to use penalty and interest collections solely for UI administration

REEMPLOYMENT SERVICES & ELIGIBILITY ASSESSMENT PROGRAM (RESEA)

Codified in Section 306 of SSA, Bipartisan Budget Act (PL 115-123)

Summary: RESEAs are in-person meetings between a UI claimant and appropriately trained AJC Staff Member intended to:

1. Reduce UI claim duration through improved employment outcomes by providing labor market and career information, a reemployment plan, providing information and access to reemployment services through American Job Centers, and, as needed, referrals to training and education
2. Ensure UI program integrity by assessing and confirming the continued UI eligibility of RESEA participants.

Availability: This voluntary program currently operates in 52 states and jurisdictions.

MEASURING SUCCESS FOR RESEA

- ❖ Improving employment outcomes of individuals receiving UI and to reducing the average duration of receipt of benefits
- ❖ Strengthening program integrity and reducing improper payments through detection and prevention of improper payments
- ❖ Promoting alignment with the broader vision of WIOA of increased program integration and service delivery
- ❖ Establishing RESEA as an entry point for UI claimants into other workforce system partners programs.

NEW PROVISIONS IN THE RESEA LAW

- ❖ **Requirement for a State Plan**
 - Assurances of proper notice & consequences for non-participation, reasonable scheduling, description of RESEA activities, how the state's program will meet the evidence requirements in the statute, and information from evaluations conducted
- ❖ **New Funding Formula to be developed with State consultation**
- ❖ **Requirement to Use Interventions/Service Delivery Strategies that are Evidence-based**
- ❖ **Use of a percentage of the funds to reward states with strong performance in reducing**

RESEA EVIDENCE REQUIREMENTS

- ❖ Modeled after legislation for HHS home visiting program.
- ❖ States must use grant funds only for interventions/service delivery strategies demonstrated to reduce claim duration by improving employment outcomes for participants.
- ❖ To expand the scope of evidence-based interventions, beginning in 2023, states must use a certain percentage of funds (the % ratchets up in future years) for interventions with a high or moderate causal evidence ratings that show demonstrated capacity to improve employment and earnings outcomes for participants.
- ❖ Also, beginning in 2023, any state interventions without a high or moderate causal evidence rating must be under evaluation at the time of use. States may use up to 10% of their funding for this purpose.

FUNDING PROVISIONS

- ❖ For Fiscal Years 2022 – 2027, Congress is authorized to make adjustments to the discretionary spending limits, the allocations to the Committees on Appropriations, and the appropriate budget aggregates to reflect additional new budget authority. Adjustments may not be made in excess of:
 - ❖ FY 2022 - \$133 million
 - ❖ FY 2023 - \$258 million
 - ❖ FY 2024 - \$433 million
 - ❖ FY 2025 - \$533 million
 - ❖ FY 2026 - \$608 million
 - ❖ FY 2027 - \$633 million
- ❖ Through use of a “cap adjustment,” authorizes (but does not necessarily appropriate) significant funding increases (from \$117 million baseline) overtime as result of expected savings due to reduced duration
 - ❖ FY 2019 - \$33 million increase
 - ❖ FY 2020 - \$58 million increase
 - ❖ FY 2021 - \$83 million increase

OTHER REEMPLOYMENT STRATEGIES

- ❖ My Reemployment Plan

https://rc.workforcegps.org/resources/2016/10/03/05/28/My_Reemployment_Plan

- ❖ Workforce Connect Tools Next Steps

http://itsc.org/Pages/WF_Connect.aspx

- ❖ My Reemployment Plan Online
- ❖ Case Management Module

- ❖ Pathway to Reemployment Framework – Improving State Work Search Requirements

https://rc.workforcegps.org/resources/2016/10/03/05/36/Pathway_to_Reemployment_Framework

FY 2019 PRESIDENT'S BUDGET

- ❖ Administrative Funding
- ❖ Integrity Center
- ❖ Integrity Proposal
- ❖ Paid Parental Leave

WHAT'S NEXT?

- ❖ RESEA Implementation
- ❖ Continued focus on UI improper payments
- ❖ New NPRM on Drug Testing Expected Soon
- ❖ Work Search Guidance
- ❖ UI ITSC under new leadership (Ben Peirce) and refocusing on ways to support UI IT modernization
- ❖ Work to modernize the Interstate Connection Network (ICON) Hub

???QUESTIONS**???**
COMMENTS