

<b>II. Program-Specific Recovery Plan for Recovery.gov (Q 2.8 of Guidance)</b>	
<b>DOL Agency MAX ID and name: Employment and Training Administration (ETA)</b>	
<b>Recovery Program: Unemployment Insurance – Special Transfer for Administration (\$500 Million)</b>	
Does this program align with an existing CFDA program?	17.225
<b>1. Objectives:</b>	
Program Purpose	The Federal-State Unemployment Insurance (UI) Program provides unemployment benefits to eligible workers who are unemployed through no fault of their own (per State law), and meet other eligibility requirements. States operate UI programs under their own laws, which must substantially comply with Federal law. DOL provides program leadership and technical assistance, allocates administrative funds, and exercises performance oversight of States' compliance with Federal UI laws and regulations.
Public Benefits	By temporarily replacing part of unemployed workers' lost wages, the Federal-State Unemployment Insurance system minimizes individual financial hardship resulting from unemployment and stabilizes the economy during economic downturns.
<b>2. Projects and Activities:</b>	
Kinds and scope of projects and activities to be performed	The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of the American Recovery and Reinvestment Act (Public Law No. 111-5), was enacted February 17, 2009, which provides for a special administrative transfer to all States totaling \$500,000,000 within 30 days of the date of enactment. States need to take no action to receive their share of the distribution.
Special Administrative Transfers	<p>On March 2, 2009, the Department made a special administrative transfer to all States and territories totaling \$500,000,000. Unemployment Insurance Program Letter No. 14-09 (dated February 26, 2009) lists the activities for which the administrative transfer may be used. These are listed in the section, "Special Administrative Transfers".</p> <p>States may use the administrative transfer only for:</p> <ul style="list-style-type: none"> <li>• Implementing and administering the provisions of State law that qualify the State for incentive payments;</li> <li>• Improved outreach to individuals who might be eligible by virtue of these provisions;</li> <li>• The improvement of unemployment compensation (UC) benefit and tax operations, including responding to increased demand for UC; and</li> <li>• Staff-assisted reemployment services for UC claimants.</li> </ul> <p>Under the Recovery Act, each State's share is calculated based on its proportionate share of FUTA taxable wages multiplied by the \$500,000,000.</p> <p>The Department provides other technical assistance on UI program policy and operations upon the request of the State agency. Outreach is provided through the routine monitoring activities conducted by the Regional and National Offices.</p>

<b>3. Characteristics:</b>	
Types of Financial Awards to be used	A Formula Grants
Type of Recipient	State
Type of Beneficiary	State, Individual
<b>4. Major Planned Program Milestones:</b>	
Issue Guidance	Unemployment Insurance Program Letter (UIPL) No. 14-09 advised States of the special administrative transfer of funds. This document is available at <a href="http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2715">http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2715</a> .
	Completed: February 26, 2009
Availability of Funds	A memorandum from Labor Secretary Hilda L. Solis to Treasury Secretary Timothy F. Geithner was issued on February 26, 2009, informing Treasury of the amounts to be transferred from its Employment Security Administration Account (ESAA) to each State's account in the Unemployment Trust Fund as its share of the \$500 million. The Bureau of Public Debt was also provided with a copy of the letter and made funds available in the State accounts on March 2, 2009.
	Completed: March 2, 2009
Special Administrative Transfers	Special administrative transfer funds are available for States to draw-down from their UTF account as necessary. This is on-going until funds are expended, as needed by the State. There is no date by which States must draw down these funds.
	Expected Completion Date: Ongoing
<b>5. Monitoring and Evaluation:</b>	
<p>The funding provided through this special administrative transfer is currently available for draw-down by States. The Treasury Department provides to the Department, on a weekly basis, the amounts drawn-down by each State from their UTF accounts.</p> <p>The Department ensures that States implement the various activities included in the Recovery Act, including the use of this special administrative transfer according to various operating instructions/guidance provided to the States. ETA conducts program reviews in each of the States. These comprehensive State reviews include:</p> <ul style="list-style-type: none"> <li>• Activities related to the Emergency UC program, commonly known as EUC08;</li> <li>• Activities related to the new federally-funded program which temporarily increases UC benefits by \$25 a week;</li> <li>• Adherence to federal reporting guidelines, as well as ensure accuracy in the reporting process as required by the Recovery Act;</li> <li>• Overpayment detection and prevention activities, including the State's implementation of the National Directory of New Hires in Benefit Accuracy Measurement (BAM) program and their Benefit Payment Control operations the new federally-funded programs created by the Recovery Act;</li> <li>• Follow-up on corrective action plans (if applicable) in their FY 2009 State Quality Service Plan that affect the new federally-funded program created by the Recovery Act.</li> </ul> <p>Currently underway is a review of state workforce development and unemployment insurance policy responses to the current economic recession and the Recovery Act. Specifically, the review is examining the types of policy actions states take in their workforce development and</p>	

unemployment insurance systems to meet the challenges of the recession and implementation of the economic stimulus legislation.	
<b>6. Measures:</b>	
Measure Text	Payment timeliness – Percentage of intrastate UI first payments made within 14 days in States with a waiting week and 21 days if no waiting week.
Measure Type	Outcome
Measure Frequency	Quarterly
Direction of Measure	Increasing (+)
Unit of Measure	UI Payments
Explanation of Measure	<p>Prompt payment of benefits to eligible unemployed workers is central to the mission of the unemployment insurance program. This measure reflects the percent of beneficiaries whose first check is issued within 14 days of the first compensable week in waiting week states and within 21 days in non-waiting week states. (A waiting week is an unpaid week for which the claimant must meet UI eligibility requirements before a compensable week can be claimed.) This period of time is adequate, in most cases, for States to calculate benefit amounts and determine whether individuals meet all eligibility requirements.</p> <p>Making timely payments to unemployed workers is critical to fulfilling the UI system's key statutory objective of making full payment of unemployment compensation "when due." This measure, which includes nearly 90% of all State UI intrastate payments, is a good indicator of overall payment timeliness.</p> <p>The target was set using a regression model based on past program results and the unemployment rate. Because of the unprecedented workload on States due to high unemployment and a contracted economy, ETA does not expect this Recovery Act funding to improve performance relative to the target set for this measure in the short term.</p> <p>The percent of payments made on time fell by about four points due to the unprecedented volume of claims filed. Initial claims for all programs increased by 61% and continued claims increased by 130%.</p>
Year	2009
Original Program Target	85.7%
Revised Full Program Target	85.7%
Targeted ARRA Increment	0
Actual	81.9%
Goal Lead	Gay Gilbert, Administrator, Office of Unemployment Insurance
Measure Text	Establish overpayments – Dollar amount established for recovery as a percentage of estimated overpayments that States can detect and recover under State law.
Measure Type	Outcome
Measure Frequency	Quarterly
Direction of Measure	Increasing (+)
Unit of Measure	Dollars

Explanation of Measure	<p>Ensuring that benefits are paid only to those who meet eligibility requirements and that erroneous payments are detected and recovered are critical to the integrity of any benefit payment program.</p> <p>This measure was developed in 2003 to gauge States' effectiveness in detecting and establishing recoverable overpayments. Certain overpayments, attributable to individual behavior such as those resulting from individuals continuing to claim benefits after returning to work, are difficult to prevent. However, detection of these types of overpayments is not only more feasible but also cost effective. This measure sets a standard of comparing the overpayments each State actually establishes for recovery against an estimate of total recoverable overpayments, which are determined to be detectable through the States' normal integrity practices. (States' actual overpayment rates cannot be compared meaningfully, because these rates combine the effects of different eligibility conditions with the States' effectiveness in administering them).</p> <p>The target was set using a regression model based on past program results and the unemployment rate. States are expected to implement overpayment detection and prevention activities within their benefit payment operations. Because of the unprecedented workload on States due to high unemployment and a contracted economy, ETA does not expect performance to improve relative to the target in the short term.</p> <p>The detection of recoverable overpayments rate also did not meet its target. Although the overpayment rate decreased, the amount of overpayments increased 65% due to the sharp increase in benefits paid. The decline in performance can also be attributed to diversion of staff to claims processing from integrity operations.</p>
Year	2009
Original Program Target	51.8%
Revised Full Program Target	51.8%
Targeted ARRA Increment	0
Actual	51.0%
Goal Lead	Gay Gilbert, Administrator, Office of Unemployment Insurance
<b>7. Transparency and Accountability:</b>	
<p>Consistent with the transparency and accountability objectives of the Recovery Act, the Department is reporting weekly financial activity related to the Unemployment Insurance Administration State grants. This information is captured by the Department of Treasury's Bureau of Public Debt (BPD) and transmitted to the Department. The weekly financial activity reports are posted on ETA's recovery website, the DOL recovery webpage and on Recovery.gov.</p> <p>Additionally, the Department continuously collects and publishes extensive operational and financial data on the Unemployment Insurance program. These data are available on the ETA Web site: <a href="http://workforcesecurity.doleta.gov/unemploy/finance.asp">http://workforcesecurity.doleta.gov/unemploy/finance.asp</a>.</p>	
<b>8. Federal Infrastructure Investments:</b>	
N/A	

**9. Barriers to Effective Implementation:**

Several States have indicated they must complete modifications to their Information Technology systems. In addition, States must hire and train new and existing staff to accommodate the unprecedented numbers of new claims and extensions to eligible claims that have severely impacted the UI system. ETA has proposed the following solutions:

- Work through ETA's regional offices to advise States that Unemployment Insurance Program Letter (UIPL) 09-98 expresses the Department's position concerning the application of state-wide personnel actions such as hiring freezes, shutdowns, and furloughs to the unemployment insurance (UI) program.
- Work with States to determine what technical assistance is needed to help States develop new and innovative ways to train staff, and provide on-site assistance as needed.
- From funds already appropriated to ETA, provide supplemental funds to support States in upgrading their claims processing technology systems to handle the increased claims.

**10. Environmental Review Compliance:**

N/A