Agency Priority Goal | Action Plan | FY 2022 – Q1

Strengthening America’s Safety Net for Workers

Goal Leaders:

Angela Hanks, Acting Assistant Secretary for Employment and Training

Jim Garner, Administrator, Office of Unemployment Insurance
Goal Team

**Angela Hanks**  
Acting Assistant Secretary for Employment and Training

**Jim Garner**  
Administrator, Office of Unemployment Insurance

**Michelle Beebe**  
Division of Legislation, Office of Unemployment Insurance,  
Employment and Training Administration (ETA)

**Kevin Stapleton (Acting)**  
Division of Fiscal & Actuarial Services, Office of Unemployment Insurance  
Employment and Training Administration (ETA)

**Stephanie Garcia**  
Division of Unemployment Insurance Operations, Office of Unemployment Insurance  
Employment and Training Administration (ETA)

**Suzanne Simonetta**  
Division of Performance Management, Office of Unemployment Insurance  
Employment and Training Administration (ETA)
Contents
Goal Leaders: .................................................................................................................. 1
Goal Team ........................................................................................................................ 2
Goal Overview ................................................................................................................ 4
Goal Strategies to Achieve Success ................................................................................ 6
Goal Targets/Key Indicators .............................................................................................. 8
Key Milestones ................................................................................................................ 9
Narrative – Fiscal Year 2022, Q1 .................................................................................... 13
Data Accuracy and Reliability ......................................................................................... 13
Contributing Programs .................................................................................................. 15
Overall Goal Status ....................................................................................................... 17
Goal Overview

Goal Statement

By September 30, 2023, the Department will 1) increase intrastate first payments of unemployment benefits made within 21 days by at least 10 percent towards the regulatory target of 87 percent and 2) reduce the estimated improper payment rate of unemployment benefits.

Problem to Be Solved

Since the pandemic began in the U.S. in early 2020, UI claims rose exponentially totaling 89.4 million initial claims from mid-March 2020 through the end of September 2021. The increase and magnitude of initial claims over this period were the highest since the Department began tracking UI data in 1967. Over the course of the pandemic since March 1, 2020, the UI system paid UI benefits to nearly 55 million workers, adding over $850 billion into states’ economies.

While states mobilized quickly to implement new temporary pandemic-related UI programs, because of years of low administrative funding, reductions in staff, outdated technology and a lack of resources, states were poorly positioned to provide quality services to the extraordinary numbers of claimants filing for unemployment compensation. States abruptly and unexpectedly faced a significant increase in claims, going from historic lows in weekly claims volume to dealing with unprecedented and unforeseen levels of claims -- processing about 200,000 initial claims for the week ending March 7, 2020 to processing over 6.1 million initial claims for the week ending April 4, 2020. The pandemic exposed longstanding operational and technological weaknesses in state UI systems, which have resulted in delays and obstacles that disproportionately affect workers of color and created potential racial and ethnic disparities in the percentages of unemployment applicants who received benefits during the pandemic. The following major challenges have been identified in the UI system due to COVID-19:

1. **Decline in State UI Program Performance:** The economic impacts of the pandemic resulted in an unprecedented increase in UI claims. States experienced significant backlogs in adjudications and appeals, reductions in core program performance (timeliness of payments, adjudications, and appeals) and reduced quality of determinations, which resulted in a decline in the states’ acceptable levels of program performance.

2. **Increase in Fraud:** The UI program has been especially vulnerable to increasing criminal fraud attacks and states had limited staffing resources and limited experience dealing with sophisticated identity fraud operations.

3. **Impact on Service Delivery to UI Claimants:** States struggled to provide timely and quality services due to the extraordinary numbers of claimants filing for unemployment compensation and the resulting backlogs, which impacted the quality of service delivery to UI claimants.

4. **Contributing Factors (not a comprehensive list):**
   a. Years of low administrative funding and reductions in staff prior to the pandemic;
   b. Unprecedented increase in claims volume during the pandemic;
   c. Implementing and operating a variety of new temporary UI programs in the midst of the pandemic;
   d. States’ antiquated and inflexible information technology systems were a major contributing factor in the states’ inability to provide quality services and benefits.
States struggled to program their UI systems and implement the new temporary pandemic-related UI programs;  
e. States found it necessary to quickly onboard new, inexperienced staff to respond to crushing workload demands;  
f. States also faced turnover in senior leadership;  
g. States had to adjust rapidly to remote work environments for all UI program functions; and  
h. Throughout the COVID-19 pandemic, the UI system was a major target for sophisticated and organized criminal fraud.

**What Success Looks Like**

ETA has identified and highlighted in this APG the key strategies and milestones that support states’ ability to:  
1. Improve State UI Program Performance, including enhancing reemployment connections (Performance Improvement and Reemployment Connections);  
2. Strengthen Program Integrity by Preventing and Detecting Fraud, Reducing Improper Payments, and Facilitating Recovery of Overpaid Benefits (Program Integrity); and  
3. Improve Quality of Services Provided to UI Claimants (Quality Service).
Goal Strategies to Achieve Success

Performance Improvement and Reemployment Connections:
ETA will assist and support states to return to acceptable levels of program performance as quickly as possible by:
1. Developing standardized backlog tracking and reporting
2. Supporting States with targeted technical assistance (TA), in partnership with the Office of UI Modernization (OUIM)

ETA will also enhance reemployment connections by:
1. Revising the Reemployment Services and Eligibility Assessment (RESEA) State Plan Template and provide TA
2. Integrating RESEA Monitoring and Other Reemployment Programs
3. Continuing to Implement RESEA Performance Measures and Performance-Based Outcome Payments
4. Publishing Worker Profiling and Reemployment Services (WPRS) / RESEA participant selection Guidance, and provide TA

Program Integrity:
OUI continues to actively and aggressively address integrity and fraud in the UI program by:
1. Investing in Technology and Tools (notably, identity verification solutions) working in partnership with OUIM, the UI Integrity Center, the Office of the Chief Information Officer (OCIO), and the US Digital Service
2. Providing Grants to States – fraud prevention grants offered to states
3. Providing Targeted TA
4. Coordinating with Banks, Financial Institutions, and Law Enforcement
5. Requiring State Integrity Action Plans
6. Collaborating with UI Integrity Center
7. Partnering with OIG and Law Enforcement

Quality Service:
1. Tiger Team Initiative / Strategy: ETA will work in partnership with OUIM to improve the quality of service provided to claimants by funding multi-disciplinary teams to work in collaboration with the states to conduct an intensive discovery process to quickly pinpoint challenges and identify recommended solutions for states to implement
2. Grants to States: ETA will provide funding opportunities to states participating in the Tiger Team strategy to fund identified recommendations negotiated with ETA

Structural Barriers and Challenges
A number of statutory requirements impose challenges to reducing UI improper payments:
1. Federal-State Partnership: Each state administers the UI program according to its own laws and policies, which must conform to broad federal requirements. Improper payment rates often reflect differences in state laws. Additionally, states have bottom-line authority to set operational priorities. DOL has limited authority to ensure states use their administrative funding to pursue improper payment rate reduction activities.
2. Statutory requirements to pay “when due” and to provide due process prior to stopping benefit payments: Federal UI law includes structural, but essential, program features that substantially contribute to the UI improper payment rate. Section 303(a)(1) of the Social Security Act requires UI benefit payments to be made “when due” and prohibits
states from suspending payments until an official determination has been made that payments are no longer due. This statutory structural feature legally requires states to make payments based upon available evidence that may be later detected as improper as a result of obtaining new information. When a claimant has been initially determined eligible and is in continued claims status, there is a presumption of continued eligibility until a claimant is provided due process, which requires notice and the opportunity to be heard prior to stopping payment of benefits.
## Goal Targets/Key Indicators

<table>
<thead>
<tr>
<th>By Sept. 30, 2023, we will…</th>
<th>Name of Indicator</th>
<th>Target Value (FY 2023 Target)</th>
<th>Starting Value (FY 2021 result)</th>
<th>Current Value(^1)</th>
<th>Update Cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the percent of all intrastate first payments of unemployment benefits made within 21 days</td>
<td>First Payment Timeliness</td>
<td>87%</td>
<td>60.4%</td>
<td>TBD</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Reduce the estimated improper payment rate of unemployment benefits</td>
<td>Improper Payment Rate</td>
<td>TBD</td>
<td>23.51%(^2)</td>
<td>TBD</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

\(^1\) Results for these measures lag by one quarter. Q1 results will be provided with the Q2 update.

\(^2\) This figure reflects the rate for the year ending September 30, 2021. The official reported DOL 2021 rate, based on the established July 1, 2020 to June 30, 2021 Payment Integrity Information Act (PIIA) calendar period, is 18.71%
## Key Milestones

### Performance Improvement and Reemployment Connections

<table>
<thead>
<tr>
<th>Owner</th>
<th>Key Milestone</th>
<th>Milestone Due Date</th>
<th>Milestone Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETA</td>
<td>Leverage current workstreams (Tiger Teams, Equity Grants, Technical Assistance) to establish appropriate baseline state-level demographic data metrics, collections, and reports to identify equity-based metrics and to develop future targets.</td>
<td>09/30/2023</td>
<td>On Schedule</td>
<td>ETA-OUI-24</td>
</tr>
<tr>
<td>ETA</td>
<td>Develop and submit for public comment an ICR concerning equity performance data for the UI program.</td>
<td>9/30/2023</td>
<td>On Schedule</td>
<td>ETA-OUI-25</td>
</tr>
<tr>
<td>ETA</td>
<td>Revise existing Information Collection Request to collect enhanced/expanded demographic data elements.</td>
<td>9/30/2023</td>
<td>On Schedule</td>
<td>ETA-OUI-26</td>
</tr>
<tr>
<td>ETA</td>
<td>Identify 18 states to receive services of Unemployment Insurance (UI) Response/Tiger Teams to help address backlogs and recommend actions to improve the timeliness of UI benefit payments.</td>
<td>12/31/2021</td>
<td>Complete</td>
<td>ETA-OUI-02</td>
</tr>
<tr>
<td>ETA</td>
<td>ETA will develop and issue new reports that state UI agencies will be required to submit to ETA on the backlogs of claims adjudications and appeals</td>
<td>06/30/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-03</td>
</tr>
<tr>
<td>ETA</td>
<td>Identify and share with states, throughout the UI Community of Practice and Webinars or Webcasts, best practices for reducing backlogs or for improving timeliness of UI benefit payments</td>
<td>09/30/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-05</td>
</tr>
<tr>
<td>Owner</td>
<td>Key Milestone</td>
<td>Milestone Due Date</td>
<td>Milestone Status</td>
<td>Comments</td>
</tr>
<tr>
<td>-------</td>
<td>--------------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>-----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>ETA</td>
<td>Publish Worker Profiling and Reemployment Services (WPRS) guidance and conduct related webinar for state agencies.</td>
<td>03/31/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-20</td>
</tr>
<tr>
<td>ETA</td>
<td>Publish a revised Reemployment Services and Eligibility Assessment (RESEA) state plan template.</td>
<td>12/31/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-21</td>
</tr>
<tr>
<td>ETA</td>
<td>Complete implementation of new RESEA monitoring requirements.</td>
<td>06/30/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-22</td>
</tr>
<tr>
<td>ETA</td>
<td>Revise National RESEA performance plan and develop timeline for full implementation</td>
<td>09/30/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-23</td>
</tr>
</tbody>
</table>
## Program Integrity

<table>
<thead>
<tr>
<th>Owner</th>
<th>Key Milestone</th>
<th>Milestone Due Date</th>
<th>Milestone Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETA</td>
<td>Research and compile list of state fraud prevention and detection laws and tools, including ID verification services, and identify opportunities to provide enhanced technical assistance aimed at strengthening UI program integrity and fraud management operations.</td>
<td>06/30/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-27</td>
</tr>
<tr>
<td>ETA</td>
<td>Develop and issue updated identity (ID) verification guidance setting baseline expectations for State Workforce Agencies (SWAs) regarding ID proofing/verification requirements</td>
<td>09/30/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-28</td>
</tr>
<tr>
<td>ETA</td>
<td>Increase the number of SWAs using National Institute of Standards and Technology (NIST) – compliant digital authentication technology to strengthen SWAs’ UI systems with the goal of 30 SWAs using such technology</td>
<td>09/30/2023</td>
<td>On Schedule</td>
<td>ETA-OUI-06</td>
</tr>
<tr>
<td>ETA</td>
<td>Complete implementation with a minimum of 30 states to use the Bank Account Verification (BAV) services deployed through the UI Integrity Center’s integrity Data Hub, and onboarding additional states</td>
<td>06/30/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-07</td>
</tr>
<tr>
<td>ETA</td>
<td>Onboard 30 SWAs to work with the Social Security Administration (SSA) and the Interstate Connection Network (ICON) team to access the newly developed incarceration data exchange that uses SSA’s Prisoner Update Processing System (PUP)</td>
<td>06/30/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-08</td>
</tr>
<tr>
<td>ETA</td>
<td>Provide assistance and monitor states’ progress and use of Fraud Prevention grants</td>
<td>09/30/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-14</td>
</tr>
</tbody>
</table>
### Quality Service

<table>
<thead>
<tr>
<th>Owner</th>
<th>Key Milestone</th>
<th>Milestone Due Date</th>
<th>Milestone Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETA</td>
<td>Educate and provide technical assistance to policy makers concerning the need for enhancements to state administrative funding as set in President’s FY 2022 budget</td>
<td>12/30/2021</td>
<td>On Hold</td>
<td>ETA-OUI-12</td>
</tr>
<tr>
<td>ETA</td>
<td>Provide assistance and monitor states’ progress and use of Equity Innovation grants</td>
<td>09/30/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-13</td>
</tr>
<tr>
<td>ETA</td>
<td>On a rolling basis, cohort by cohort, Unemployment Insurance (UI) Response / Tiger Teams will provide recommendations to 18 states on improving customer experience / service</td>
<td>09/30/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-15</td>
</tr>
<tr>
<td>ETA</td>
<td>On a rolling basis, after states have completed the Tiger Team assessment process and have submitted applications for funds, issue grants to states to support implementation of recommendations</td>
<td>09/30/2022</td>
<td>On Schedule</td>
<td>ETA-OUI-16</td>
</tr>
</tbody>
</table>
Narrative – Fiscal Year 2022, Q1

Progress Update:
In Q1, FY 2022, ETA received and started reviewing equity grant applications from 49 states; provided Tiger Team recommendations to three states in the first cohort of Tiger Team engagements; started assessments in the six states in the second cohort; and obtained commitments from a total of 18 states to participate in the Tiger Teams initiative.

ETA also successfully established and announced new processes through the UI Interstate Connection Network (ICON) to provide state UI agencies with access to prisoner data from the Social Security Administration’s Prisoner Update Processing System (PUPS) to use for eligibility purposes. UI Program Letter 01-22.

ETA did encounter challenges regarding this goal. Specifically: Progress on the proposal to provide enhanced administrative funding to states as set out in the President’s FY 2022 Budget was stalled due to the continued use of continuing resolutions and inaction on the provisions provided in the proposed budget. This has kept states underfunded so far in FY 2022. In addition, States continue to struggle with backlogs of adjudications and appeals, and addressing issues identified in monitoring reports in the aftermath of the pandemic-related UI programs and the unprecedented claims volume. States, in general, are not currently in a place to focus totally on rebuilding program performance. Finally, at the requests of many states, ETA extended the deadline for submitting Equity Grant applications as states needed more time to develop applications. This reflected the novel nature of these types of grants but delayed the timing of awarding these grants to states and delayed states taking action to address equity in the UI program. Additionally, ETA has found that many state submissions required additional follow-up in negotiating proposals that focus specifically on promoting equitable access.

Next Steps:
In FY 2022, Q2, ETA will review and approve Equity Grants to states; will announce the opportunity for states to participate in a pilot through Navigator Grants to engage community-based organizations to help underserved populations navigate and access the UI program; and finally, will support the UI Integrity Center to launch a new Bank Account Verification (BAV) resource for states to use to validate bank accounts into which UI benefits are deposited.

Data Accuracy and Reliability

First Payment Timeliness
1. **Means used to verify and validate measured values:** Data is validated by USDOL by utilizing an established data validation program
2. **Sources for the data:** First payment timeliness measures are based on data reported by the states monthly
3. **Level of accuracy required for the intended use of the data:** These data are generally highly accurate and valid data
4. **Limitations to the data at the required level of accuracy:** These data do not have significant limitations, though we note that states may have reporting challenges on occasion.

5. **How the agency has compensated for such limitations, if needed, to reach the required level of accuracy:** The Office of Unemployment Insurance works with states on a case-by-case basis to address any reporting challenges.

**Improper Payment Rate**

1. **Means used to verify and validate measured values:** State Benefit Accuracy Measurement (BAM) staff investigate the accuracy of each paid week sampled to determine if all eligibility requirements are met and the claim is properly paid. These investigation outcomes are further validated by state BAM supervisors. Additionally, ETA UI staff (Regional and National) conduct state peer reviews of state audits to ensure the accuracy of the state BAM audit results.

2. **Sources for the data:** The BAM statistical survey is used to estimate the improper payment rate at the national and state levels. State BAM samples are randomly selected from the population of State UI, Unemployment Compensation for Federal Employees, and Unemployment Compensation for Ex-Servicemembers payments issued by the state each week. Based on the results of the state BAM audits, the estimated improper payment rates are computed nationally and by state. The amounts that were paid, overpaid, and underpaid are coded for each sample payment and weighted to represent the population of UI claims for all 52 weekly samples in all 52 state workforce agencies participating in BAM (U.S. Virgin Islands is excluded due to its size).

3. **Level of accuracy required for the intended use of the data:** ETA waits until states complete 99 percent of the sampled cases prior to generating the annual improper payment results. Additionally, as required by the Office of Management and Budget, ETA follows the requirement of a 95 percent confidence interval of no more than +/- 3 percent for the estimated improper payment rate.

4. **Limitations to the data at the required level of accuracy:** Estimates based on BAM data are subject to sampling and non-sampling errors that can affect survey data. Sampling error reflects the variability of the estimate due to the fact that only a portion of the population is sampled and audited. Non-sampling error includes operational issues such as failure to include all UI payments in the sampling frame, misapplication of UI law and policy by the BAM auditors, and data entry errors.

5. **How the agency has compensated for such limitations, if needed, to reach the required level of accuracy:** ETA has implemented several quality assurance procedures within the BAM program for reducing non-sampling errors, such as alerts for incomplete or improper sampling frames, system edits to identify interpretation, and/or data entry errors to end users recording audit results into the system.
Additional Information

**Contributing Programs**
Employment and Training Administration (ETA)

**President’s Management Agenda**
Delivering excellent, equitable, and secure Federal services and customer experiences through Strategies 1, 3, and 4, and Managing the business of Government to Build Back Better through Strategies 1, 2, and 5

**Program Activities**
ETA collaborates with the UI Integrity Center to collect and disseminate state best practices, develop tools and resources to support reduction of the UI improper payment rate. The UI Integrity Center provides consultative services to states to develop strategies to reduce fraud and improper payments, operate the IDH that provides states with access to data sources to increase prevention and detection of improper payments and fraud, and provide on-line integrity training for state staff.

**Legislation and Regulations**
Under the Social Security Act and the Federal Unemployment Tax Act, the UI program is established as a joint federal-state program. States are required to administer the UI program in conformity with federal requirements including the prevention, detection, and recovery of improperly paid UI benefits.

The requirement to reduce improper payments in the UI program is established in the following laws, policies, and guidance:

1. Payment Integrity Information Act of 2019
4. Improper Payments Elimination and Recovery Improvement Act of 2012, 31 U.S.C. 3321; and
5. Office of Management and Budget (OMB) Memorandum M-18-20, Requirements for Payment Integrity Improvement, Appendix C to OMB Circular 123 (June 26, 2018).

**Policies**
The $2 billion as a part of the American Rescue Plan Act grants broad authority to the Department of Labor to help states to prevent and detect fraud, promote equitable access, and ensure timely payment of benefits.

The Department of Labor has begun to spend this funding by carrying out work on four tracks to address systemic shortcomings in access, based on proven strategies:

1. Direct assistance to the states through “Tiger Teams”
2. Tools to states to help address immediate fraud concerns by facilitating more effective ID verification
3. Developing IT solutions to modernize antiquated state technology by centrally developing open, modular technology solutions that can be adopted by states as needed; and
4. Providing direct grants to states to promote timeliness and equity and fight fraud
Many states had stopped or significantly reduced operation of the RESEA program during the pandemic. Also, states have had to revamp the operation of RESEA to new remote offerings of these services.

**Stakeholder / Congressional Consultations**
Agencies regularly consult stakeholders including DOL Leadership, Congress, and federal partners on implementing and coordinating outreach and engagement related to the activities mentioned in this APG. DOL will strengthen outreach efforts to stakeholders that serve historically underserved and marginalized communities.