

## PROGRAM DESCRIPTION

Department of Labor and Industrial Relations

HB Section(s): 7.880

Program Name: Unemployment Insurance Programs (Benefits)

Program is found in the following core budget(s): Employment Security Administration

### 1a. What strategic priority does this program address?

Growth: Foster a business environment to support economic development.

Pay unemployment benefits to eligible claimants allowing them to maintain economic security while they seek employment.

### 1b. What does this program do?

- Processes Unemployment Insurance (UI) claims which provide temporary financial assistance for eligible workers allowing them to maintain financial security during economic changes and natural disasters.
- Audits claims for potential fraud to preserve the integrity of the UI program.
- Establishes and collects overpaid UI benefits to help maintain the solvency of the UI Trust Fund.
- Reviews, identifies, and resolves issues to determine eligibility, verify information, and prevent fraud.

### 2a. Provide an activity measure(s) for the program.

	FY 2020		FY 2021		FY 2022		FY 2023	FY 2024	FY 2025
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Projected	Projected
Total regular unemployment insurance (UI) benefits paid <sup>1, 4</sup>	\$250M	\$867M	\$900M	\$700M	\$340M	\$226M	\$250M	\$250M	\$250M
Initial, renewed & reopened claims filed <sup>1, 2, 4</sup>	190,000	828,289	300,000	522,656	200,000	253,236	220,000	220,000	220,000
Individuals receiving regular UI benefits <sup>3, 4</sup>	75,000	328,758	200,000	139,596	100,000	54,756	60,000	60,000	60,000
Fraud overpayments assessed against individuals <sup>5</sup>	6,000	4,113	15,000	969	12,000	5,132	6,000	6,000	6,000
Amount of fraud overpayments recovered <sup>6</sup>	\$5.0M	\$5.98M	\$8.0M	\$4.22M	\$12.0M	\$2.35M	\$6.0M	\$6.0M	\$6.0M

<sup>1</sup> Projected figures for the number of initial, renewed and reopened claims filed are based upon the most recent USDOL UI Data Summary Publication.

<sup>2</sup> Actual figures are from the USDOL UI Data Summary Publication, which includes only state Regular UI claims.

<sup>3</sup> Projected figures represent Regular UI only and are based on the most recent information available in the USDOL UI Data Summary Publication.

<sup>4</sup> The increase in claims filed and benefits paid in FY 2020 & FY 2021 is attributed to the unprecedented number of unemployment claims received as a result of the COVID-19 pandemic.

<sup>5</sup> The increase in the projections for FY 2022 fraud overpayments assessed is attributed to the unprecedented number of unemployment claims received as a result of COVID-19 pandemic. The projections for FY 2023, FY 2024, and FY 2025 have adjusted to pre-pandemic projections. The Division experienced an increase in overpayments as a result of the COVID-19 pandemic, however the majority were non-fraud overpayments.

<sup>6</sup> The increase in the projections for FY 2022 fraud overpayments recovered is attributed to the Treasury Offset Program (TOP). Fraud overpayments have to be at least a year old in order to be certified for TOP. The projections for FY 2023, FY 2024, and FY 2025 have adjusted to pre-pandemic projections. Since March 15, 2020, the agency has paid out over \$7.0 billion in state and federal unemployment benefits.

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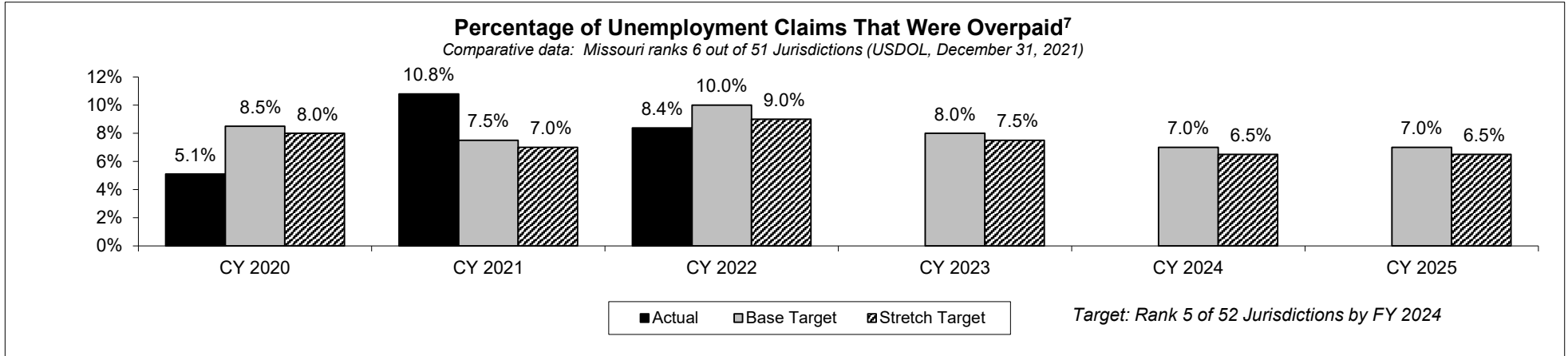
Department of Labor and Industrial Relations

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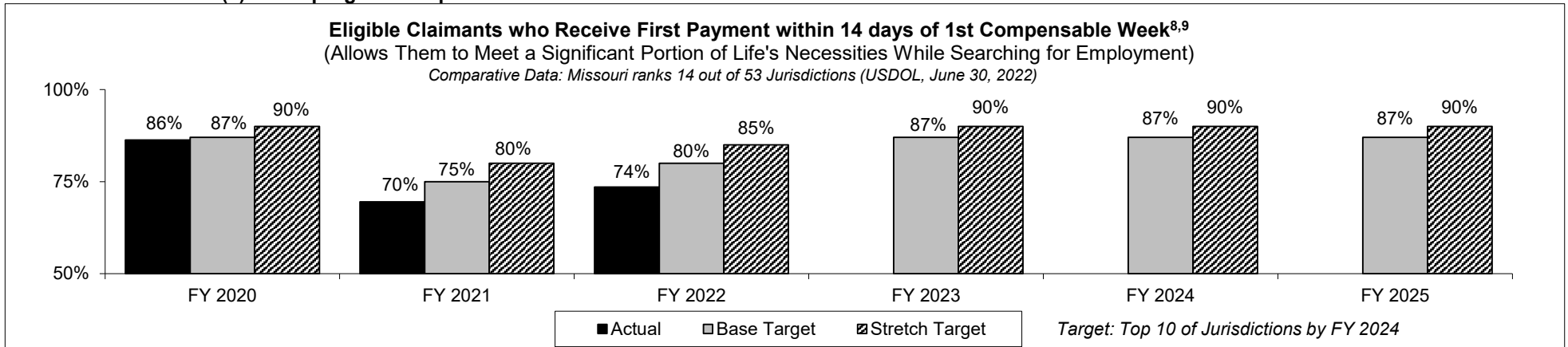
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### 2b. Provide a measure(s) of the program's quality.



<sup>7</sup> The increase in percentage of unemployment claims improperly paid during FY 2021 is due to the unprecedented number of individuals filing unemployment claims during the COVID-19 pandemic, which resulted in work backlogs that prevented the agency from timely processing information needed to make a proper determination. The unemployment claims improperly paid percentage is based on a random sample of 480 regular state unemployment claims. Federal emergency unemployment benefit claims are excluded from the calculation.

### 2c. Provide a measure(s) of the program's impact.



<sup>8</sup> The Division attempts to make timely payments and determinations while striving to hold the number of improper payments to a minimum. However, payments can sometimes be delayed since there may be barriers to collecting information needed to make proper determinations.

<sup>9</sup> The increase in unemployment claims received as a result of the COVID-19 pandemic resulted in a decrease in the percentage of claimants receiving payments within 14 days of the first compensable week in FY 2020, FY 2021, and FY 2022.

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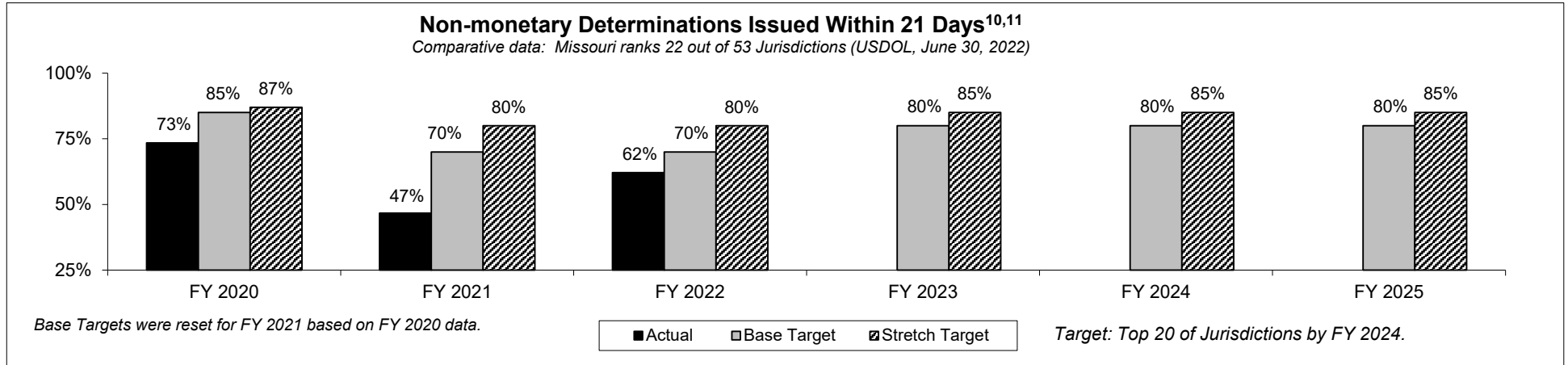
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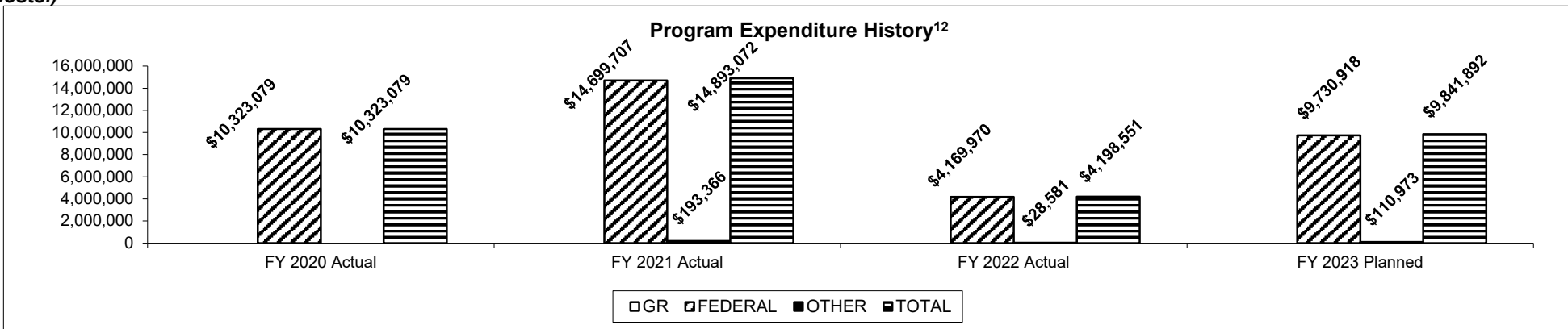
2d. Provide a measure(s) of the program's efficiency.



<sup>10</sup> The division attempts to make timely payments and determinations while striving to hold the number of improper payments to a minimum. However, payments can sometimes be delayed since there may be barriers to collecting information needed to make proper determinations.

<sup>11</sup> The increase in unemployment claims received as a result of the COVID-19 pandemic resulted in a decrease in the percentage of non-monetary determinations issued within 21 days in FY 2020, FY 2021, and FY 2022.

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



<sup>12</sup> FY 2023 planned program expenditures based on 3 year prior average.

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**4. What are the sources of the "Other " funds?**

Special Employment Security Fund (0949)

**5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

Title III of the Social Security Act and Chapter 288, RSMo.

**6. Are there federal matching requirements? If yes, please explain.**

No.

**7. Is this a federally mandated program? If yes, please explain.**

Yes. This program is mandated under Title III of the Social Security Act and chapter 288, RSMo., and is 100% federally funded.