

# Supplemental Info re: DOL's federal funds and UI work

During DOL's work session on Monday, there were some questions regarding the decline in federal funds for the Unemployment Insurance (UI) program administrative expenses as well as the volume of claims being handled by UI staff, and how it compares to pre-pandemic levels. OFA met with DOL to get some clarification. Please see below summary.

Every federal fiscal year (October 1<sup>st</sup> to September 30<sup>th</sup>), the US DOL Employment & Training Administration (ETA) announces the state UI allocation amounts to states based on their projected workload and staffing needs for administrative purposes (this funding does not directly correlate with the state unemployment rate). After award amounts are announced, there are reductions that take place mid-year (sequestration).

## Declining Federal Funds

Federal Funds Available to Administer Unemployment Insurance (UI)			
	Announced Award	Actual Amount (Base)	Sequestration Amount
FFY 25	\$49.8 M	\$47.1 M	\$(2.7 M)
FFY 26	\$44.8 M	\$42.3 M	\$(2.5 M)
Year to Year Change		\$(4.8 M)	

In addition, some grants previously awarded to DOL for technology and staff support were terminated and the agency lost \$2.35 million.

- Unemployment Insurance Program Letter (UIPL) ~\$664K loss: Integrity Grant - used for fraud detection and prevention.
- Unemployment Insurance Program Letter (UIPL) ~\$1.6M loss: Equity Grant - used by to evaluate barriers and improve upon equitable access to UI benefits.
- Unemployment Insurance Program Letter (UIPL) ~\$82K loss: Fraud Grant - used for fraud detection and prevention.

## Comparison to Pre-Pandemic Workload / Staffing

In terms of workload before and after the pandemic, the agency provided the attached excel file that breaks down unemployment and unemployment claim levels. Initial and continued unemployment claims seem to be back at and better than pre-pandemic levels, respectively, though the labor market is cooling (shown by the increase in the last couple of years compared to their record lows).

As of a couple of weeks ago, DOL noted there were 348 full-time employees for the UI program, out of which 50 were funded by the state.