Goal: Getting Payments Right

DOL
Unemployment Insurance
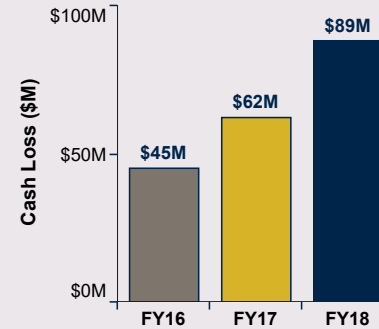
Brief Program Description:
The UI program provides temporary, partial wage replacement to eligible workers. States set benefit requirements that conform to Federal law, including that the person be involuntarily unemployed, and be able, available, and actively seeking work.

Key Milestones

		Status	ECD
1	Finalize cash loss estimation methodology	Completed	Nov-18
2	Identify cash loss amount for FY 2018	Completed	Nov-18
3	Identify true root causes of cash loss	Completed	Nov-18
4	Develop mitigation strategies to get the payment right the first time	On-Track	Nov-19
5	Evaluate the ROI of the mitigation strategy	On-Track	Nov-19
6	Determine which strategies have the best ROI to prevent cash loss	On-Track	Sep-20

Change from Previous FY ($M) | $26M   ⬆

Cash Loss by FY ($M)

FY16	FY17	FY18
$45M	$62M	$89M

Quarterly Progress Goals

			Status	Notes	ECD
1	Q4 2018	Develop revised guidance to provide states with enhanced NDNH recommended operation procedures.	On-Track	N/A	Mar-19
2	Q4 2018	Identify states to work with contractor to support behavioral insights messaging development.	On-Track	N/A	Mar-19

Recent Accomplishments

		Date
1	State engagement to assess the feasibility of the development of messaging for work search using behavioral insights.	Oct-18
2	DOL developed a methodology for identifying states with a high-rate/high-impact on the national UI improper payment rate.	Nov-18
3	Statement of Work developed for work search study.	Nov-18

FY18 Amt($)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
$72M	Program design or structural issues	Most of these IPs are work search errors, which occur when a claimant fails to provide verifiable or acceptable work search evidence. These errors generally cannot be prevented because a timely payment must be made under Federal law.	Developing claimant and employer messaging strategies and a toolkit for states to improve compliance with work search requirements. UI is conducting a study to capture information on state laws and policies, to inform additional strategies.	The reduction of work search improper payments.
$12M	Administrative or process errors made by: state or local agency	Administrative errors at the state-level due to the lack of adequate UI program integrity controls, which are under the purview of state workforce agencies.	Holding states accountable through performance measures and requiring corrective action for not meeting targets; providing oversight and technical assistance to poorest performing states; sharing best practices; and proposing legislative reforms.	The reduction of improper payments due to administrative errors.
$4M	Failure to verify: other eligibility data	To address this root cause, it is critical for states to identify as quickly as possible that a UI claimant has returned to work and to ensure that claimants understand their responsibility to report when they return to work.	Promoting state strategies to improve use of the National Directory of New Hires data and providing enhanced operating procedures for states to follow when cross-match hits are received.	The reduction of BYE improper payments.