



July 10, 2023

MEMORANDUM FOR: BRENT PARTON
Acting Assistant Secretary
for Employment and Training

A handwritten signature in blue ink that reads "Carolyn R. Hantz".

FROM: CAROLYN R. HANTZ
Assistant Inspector General
for Audit

SUBJECT: Tracking the Department of Labor's
Unemployment Insurance Response to Local
Communities During the Pandemic
Report Number: 19-23-007-03-315

The Pandemic Response Accountability Committee (PRAC)¹ led a two-phased review to identify the federal pandemic funds distributed to local communities² across the United States as of September 30, 2021, and determine if the spending of the funds aligned with program goals. In support of this review, the Office of Inspector General (OIG) conducted an evaluation of the Department of Labor's (DOL) unemployment insurance (UI) response to the COVID-19 pandemic.

We specifically evaluated the DOL programs that expanded UI benefits for workers who were impacted the pandemic. The programs were initiated by the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020, and concluded on September 6, 2021. Our evaluation included any benefits that claimants received from these programs, as reported by the states. These programs were selected based on federal spending research and program funding amounts.

¹ The PRAC was created by the CARES Act to support and coordinate independent oversight of more than \$5 trillion in pandemic relief programs and spending. For more information, visit: <https://www.PandemicOversight.gov/>.

² The PRAC selected six locations for review across three types of geographic areas (two small-to-medium sized cities, two rural counties, and two Tribal areas).

To conduct this review and measure the federal government's pandemic response, the PRAC selected³ six communities of different sizes and geographic areas from across the country: Springfield, Massachusetts; Coeur d'Alene, Idaho; Marion County, Georgia; Sheridan County, Nebraska; White Earth Reservation in Minnesota; and Jicarilla Apache Reservation in New Mexico.

To complete our review, we evaluated the CARES Act, Continued Assistance to Unemployed Workers Act of 2020, the American Rescue Plan Act of 2021, Employment and Training Administration (ETA) guidance, Federal Emergency Management Agency (FEMA) guidance, and state agreements. We analyzed DOL pandemic-related UI program funding to the designated communities based upon USAspending.gov data, PandemicOversight.gov data, ETA – Office of Unemployment Insurance public data, state-reported data, and correspondence with ETA. We also analyzed summary data available from the states on UI claims and funding. Additionally, we assessed UI payments to individuals in the designated communities based upon UI claims data transfers from State Workforce Agencies to the OIG. The OIG conducted this review in accordance with the “Quality Standards for Inspection and Evaluation” issued by the Council of the Inspectors General on Integrity and Efficiency.

This memorandum applies only to our work conducted in the first phase of the PRAC review, which focused on identifying the UI program funding provided to local communities to help them respond to the pandemic. For additional information on federal pandemic funds provided to the 6 communities from DOL and 9 other participating federal agencies,⁴ see the PRAC's report, “Tracking Pandemic Relief Funds that Went to Local Communities Reveals Persistent Data Gaps and Data Reliability Issues,” issued on July 6, 2023.⁵

Identified Pandemic Funds for UI Programs

On March 27, 2020, the CARES Act was signed into law with the intent of providing expanded UI benefits to workers who were unable to work as a direct result of the COVID-19 pandemic. The pandemic-related UI programs were later extended by the Continued Assistance to Unemployed Workers Act of 2020 and the American Rescue Plan Act of 2021, which ended on September 6, 2021.

³ To select the six local communities in the three geographic area definitions/types in the review, the PRAC employed a random selection process using several data sources.

⁴ In addition to the Department of Labor, the other participating agencies were the Department of Agriculture, Department of Education, Department of Health and Human Services, Department of Homeland Security, Department of Housing and Urban Development, Department of the Interior, Department of Transportation, Department of the Treasury, and the Small Business Administration.

⁵ PRAC, Tracking Pandemic Relief Funds that Went to Local Communities Reveals Persistent Data Gaps and Data Reliability Issues, Report No. PRAC-2023-04 (July 6, 2023), available at: <https://www.pandemicoversight.gov/media/file/practracking-pandemic-relief-fundsimpact-phase-i0pdf>.

All six communities implemented at least four pandemic UI programs that sought to assist workers impacted by the pandemic, including workers not usually eligible for benefits: Federal Pandemic Unemployment Compensation (FPUC), Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), and Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment (TFFF). One community also received funding from the Mixed Earner Unemployment Compensation (MEUC) program. These programs and provisions are defined as follows:

- **Federal Pandemic Unemployment Compensation.** Under the CARES Act, the FPUC program provided a supplemental payment of \$600 per week to individuals with at least one (\$1) of underlying benefits from designated unemployment compensation programs⁶ until July 31, 2020. The program resumed under the Continued Assistance to Unemployed Workers Act of 2020 with supplemental payments of \$300 per week and extended by the American Rescue Plan Act of 2021 until September 6, 2021.
- **Pandemic Unemployment Assistance.** The PUA program extended UI benefits to individuals who were not traditionally eligible for UI benefits. This included self-employed workers, independent contractors, those with limited work history, and those who otherwise did not qualify for regular unemployment compensation or extended benefits under state or federal law or PEUC. With all the legislative extensions, claimants could receive up to 79 weeks of PUA payments.
- **Pandemic Emergency Unemployment Compensation.** The PEUC program provided additional weeks of unemployment compensation to individuals who: exhausted their regular unemployment benefits under state or federal law; had no rights to regular unemployment compensation under any other state law or federal law; were not receiving compensation under the UI laws of Canada; and were able to work, available to work, and actively seeking work, while recognizing that states must provide flexibility in meeting the “actively seeking work” requirement. With all the legislative extensions, claimants could receive up to 53 weeks of PEUC payments.
- **Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment.** The TFFF provision provided federal funding for the first week of benefits if states did not have a waiting week provision in

⁶ UI programs eligible for FPUC were regular UI, Unemployment Compensation for Federal Employees, Unemployment Compensation for Ex-Servicemembers, Pandemic Emergency Unemployment Compensation, Pandemic Unemployment Assistance, Extended Benefits, Short-Time Compensation, Trade Readjustment Allowances, Disaster Unemployment Assistance, and payments under the Self-Employment Assistance program.

their existing state UI laws or if states with a non-compensable waiting week agreed to waive the waiting week. Although states provided the total amount of UI benefits for claimants, the data provided by the states was insufficient to calculate the amount of TFFF benefits paid to individuals.

- **Mixed Earner Unemployment Compensation.** MEUC provided an additional \$100 per week in supplemental benefits to individuals who (1) were receiving certain UI benefits and (2) received at least \$5,000 of self-employment income in the most recent taxable year ending prior to the individual's application for regular unemployment compensation. Individuals receiving PUA were not permitted to receive MEUC benefits.

Under an agreement with DOL, State Workforce Agencies made UI payments to claimants, and DOL made funding available to cover the cost of the additional payments, ongoing administrative needs, and reasonable implementation costs. For the period of March 27, 2020, through September 6, 2021, the OIG identified more than 33,400 UI beneficiaries across the 6 communities; collectively, they received over \$516 million⁷ (see Table 1).

**Table 1: Total Pandemic-Related UI Benefits in the Six Communities
(March 27, 2020, through September 6, 2021)**

Program	Total Benefits Paid	Total Claimants	Average Benefit Per Claimant
FPUC	\$323,248,650	33,329	\$9,699
PUA	\$118,434,214	7,893	\$15,005
PEUC	\$74,352,092	10,192	\$7,295
MEUC	\$13,900	4	\$3,475
Total	\$516,048,856	33,433 ⁸	\$15,435

Source: OIG Data Analysis of State Workforce Agency Claims Data.

We appreciate the cooperation of ETA, state, local, and reservation officials involved in this evaluation. If you have any questions regarding this memorandum, please contact Betty Norwood, Audit Director, via email at norwood.betty@oig.dol.gov.

cc: Lenita Jacobs-Simmons, Deputy Assistant Secretary for ETA
Laura Watson, Deputy Assistant Secretary for ETA
Jim Garner, Administrator, Office of Unemployment Insurance

⁷ Although states provided the total amount of UI benefits for claimants, the data provided by the states was insufficient to calculate the amount of TFFF benefits paid to individuals.

⁸ Individual claimants could receive benefits from multiple pandemic-related UI programs.

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