

II. Program-Specific Recovery Plan for Recovery.gov (Q 2.8 of Guidance)	
DOL Agency MAX ID and name: Employment and Training Administration (ETA)	
Recovery Program: Unemployment Insurance – Extension of the Emergency Unemployment Compensation, 2008 (EUC08) and Federal Additional Compensation Program (FAC)	
Does this program align with an existing CFDA program?	17.225
1. Objectives:	
Program Purpose	The Federal-State Unemployment Insurance (UI) Program provides unemployment benefits to eligible workers who are unemployed because of a lack of suitable work, and meet other eligibility requirements. States operate UI programs under their own laws, which must conform to Federal law. DOL provides program leadership and technical assistance, allocates administrative funds, and exercises performance oversight of States' compliance with Federal UI laws and regulations.
Public Benefits	<p>The EUC08 program provides weekly UI benefits to individuals who have exhausted their regular State-financed UI benefits (or Unemployment Compensation for Federal Employees (UCFE) or Unemployment Compensation for Ex-Service Members (UCX)). The Federal Additional Compensation (FAC) program provides a weekly \$25 supplement to individuals receiving regular UI, Emergency Unemployment Compensation, Extended Benefits (EB), UCFE, UCX, Trade Readjustment Allowances (TRA), Disaster Unemployment Assistance Short-Time Compensation (STC), and Self-Employment Assistance (SEA).</p> <p>By temporarily replacing part of unemployed workers' lost wages, the Federal-State Unemployment Insurance program minimizes individual financial hardship resulting from unemployment and helps to stabilize the economy during economic downturns. The EUC08 programs and FAC further these purposes.</p>
2. Projects and Activities:	
Kinds and scope of projects and activities to be performed	<p>The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of the American Recovery and Reinvestment Act (Public Law No. 111-5), enacted February 17, 2009, made the following changes affecting the Unemployment Compensation (UC) program:</p> <ul style="list-style-type: none"> • Extended the Emergency UI program, commonly known as EUC08, through December 31, 2009 (Estimated cost over 2009-2014: \$23.7 billion) • Created a new federally-funded program which temporarily increases UI benefits by \$25 a week (Estimated cost over 2009-2014: \$8.7 billion)
Benefit Programs	The unemployment compensation extensions enacted under the Recovery Act have been since extended beyond the December 31, 2009 expiration date. Below are the Departmental actions taken regarding these extensions:

Emergency Unemployment Compensation (EUC08)

The EUC08 program was scheduled to expire for new applications on April 5, 2010, and for “phase-out” of benefits on September 4, 2010. On April 16, 2010, the Department issued Unemployment Insurance Program Letter No. 04-10, Change 2 advising States about the program, which was extended by Congress on April 15, 2010, as follows:

- The period during which an individual may initially establish eligibility for the First-Tier of EUC08 is extended to the week of unemployment ending on or before June 2, 2010.
- The end of the period during which an EUC08 account may be augmented is also extended. Individuals must exhaust First, Second, or Third-Tier EUC08 accounts on or before June 2, 2010 to qualify for the next higher EUC08 tier.
- The expiration date of the EUC08 program (the end of the “phase-out” period) is extended. Under the new expiration date, no EUC08 First, Second, Third, or Fourth-Tier EUC08 payments may be made for any week of unemployment beginning after November 6, 2010.

States will continue to draw down funds for benefit payments from the Extended Unemployment Compensation Account using the Automated Standard Application for Payment (ASAP) system and should include those amounts on the ETA 2112 (OMB No. 1205-0154), line 23 (currently labeled “Fed Emergency Compensation”), columns C and E. Administrative funds will be provided through the UI-3 (OMB No. 1205-0132) process.

Federal Additional Compensation

On February 23, 2009, the Department issued Unemployment Insurance Program Letter No. 11-09 to provide states with instructions for implementing and operating the new temporary FAC program.

The FAC program provides a \$25 weekly supplement to the unemployment compensation of eligible claimants. This \$25 supplement, as well as any additional administrative expenses incurred by the State in paying the supplement, is 100 percent funded from Federal general revenues.

FAC is payable to individuals who are otherwise entitled under state law to receive regular UI for weeks of unemployment. FAC is also payable to individuals receiving UCFE, UCX, EUC08, EB, TRA, DUA, STC, and payments under the SEA program. However, FAC is not payable as a supplement to state additional compensation.

The FAC program is administered through voluntary agreements between States and the U.S. Department of Labor. FAC is payable the week following the week in which the agreement is signed. In most states, where the week of unemployment ends on Saturday, the first week for which FAC may be paid is the week ending February 28, 2009.

The FAC program was scheduled to expire for new applications on April 5, 2010, and for “phase-out” of

	<p>benefits on October 5, 2010. On April 16, 2010, the Department issued Unemployment Insurance Program Letter No. 04-10, Change 2, advising States about the program, which was extended by Congress on April 15, 2010, as follows:</p> <ul style="list-style-type: none"> • The period during which an individual may initially establish eligibility for FAC is extended to weeks of unemployment ending on or before June 2, 2010. • The expiration date of the FAC program (the end of the “phase-out” period) is extended. FAC is not payable for any week beginning after December 7, 2010. <p>States are required to submit a separate financial status report (ETA 9130) for administrative grants and cost associated with the FAC program.</p> <p>The Department provides oversight, technical assistance, and training to state and regional office staff on the FAC and EUC08 programs as well as the related EB program. Additionally, Federal staff monitors States’ implementation and subsequent operations of FAC and EUC08 programs. Staff also develops program review guides, conducts program reviews of states’ operations, and provides ongoing technical assistance where needed. In FY 2009 and FY 2010, the Department is dedicating \$1,725,000 of Recovery Act funds towards Federal administrative activities.</p>
3. Characteristics:	
Types of Financial Awards to be used	Direct Payments with Unrestricted Use
Type of Recipient	State
Type of Beneficiary	State, Individual
4. Major Planned Program Milestones:	
Issue Guidance(s)	Unemployment Insurance Program Letter (UIPL) No. 23-08, Change 4 advised States about the extension of the EUC08 program. This document is available at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2716 .
	Completed March 4, 2009
	Unemployment Insurance Program Letter No. 11-09 provided States with instructions for implementing and operating the new temporary FAC program. This document is available at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2713
	Completed: February 23, 2009
	Unemployment Insurance Program Letter No. 13-09 informed States of the opportunity to submit Supplemental Budge Requests (SBR) for costs associated with the implementation of the FAC program. This document is available at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2714
	Completed: February 24, 2009

Tracking FAC Agreements	The FAC program is administered through voluntary agreements between states and the Department. FAC is payable in a State the week following the week in which the agreement is signed. In most States, where the week of unemployment ends on Saturday, the first week for which FAC may be paid is the week ending February 28, 2009. The Department has been tracking the completion of agreements with States. All States have executed FAC agreements.
	Completed: February 21, 2009
Availability of Funds	EUC08 Program: States will continue to draw down funds for benefit payments from the Extended Unemployment Compensation Account using the Automated Standard Application for Payment (ASAP) system and should include those amounts on the ETA 2112 (OMB No. 1205-0154), line 23 (currently labeled "Fed Emergency Compensation"), columns C and E. Administrative funds will be provided through the UI-3 (OMB No. 1205-0132) process. No First, Second, Third, or Fourth-Tier EUC08 payments may be made for any week of unemployment beginning after November 6, 2010
	Expected Completion Date: Ongoing through November 6, 2010
	FAC Program: Each State that has entered into an agreement to pay FAC receives monthly allotment projected to equal 100 percent of the estimated amount of FAC to be paid to individuals by the state under the agreement and in full accordance with the Act and these instructions. States' drawdowns of allotments are monitored, and monthly amounts adjusted, as needed. States request funds from a general fund account established by the U.S. Treasury to pay FAC. All requests go through the ASAP system. Drawdown requests must adhere to the funding mechanism stipulated in the Treasury-State Agreement executed under the Cash Management Improvement Act of 1990. Requests are funded in the same manner as all ASAP transactions elected by the States (FEDWIRE or ACH to the state benefit payment account). An agreement entered into under this program applies to weeks of unemployment – (A) beginning after the date on which such agreement is entered into; and (B) ending before January 1, 2010.
	Expected Completion Date: Ongoing through December 7, 2010
Tracking of EUC08 Payments	The Department continues to monitor the Total Unemployment Rate (TUR) and the Insured Unemployment (IUR) of States to determine when States may begin paying Second-Tier EUC08 benefits.
	Expected Completion Date: November 6, 2010
Technical Assistance	The Department provides other technical assistance on UI program policy and operations upon the request of the State agency. Outreach is provided through the routine monitoring activities conducted by the Regional and National Offices.
	Expected Completion Date: Ongoing through November 6, 2010
5. Monitoring and Evaluation:	
Funding for these programs is currently available to States.	
The Department ensures that States implement the various activities included in the Recovery Act, including the use of the funding for these programs according to various operating instructions/guidance provided to the states. ETA conducts program reviews in each of the States. These comprehensive State reviews include:	

- Activities related to the EUC08 program;
- Activities related to the new federally-funded program – FAC, which temporarily increases UI benefits by \$25 a week;
- Adherence to federal reporting guidelines, as well as ensure accuracy in the reporting process as required by the Recovery Act;
- Overpayment detection and prevention activities, including the state's implementation of the National Directory of New Hires in Benefit Accuracy Measurement (BAM) program and their Benefit Payment Control operations the new Federally-funded programs created by the Recovery Act;
- Follow-up on corrective action plans (if applicable) in their FY 2009 State Quality Service Plan that affect the new Federally-funded program created by the Recovery Act.

Currently underway is a review of state workforce development and unemployment insurance policy responses to the current economic recession and the Recovery Act. Specifically, the review is examining the types of policy actions states take in their workforce development and unemployment insurance systems to meet the challenges of the recession and implementation of the economic stimulus legislation.

6. Measures:

Measure Text (EUC08)	EUC08 Claims filed since April 1, 2009
Measure Type	Output
Measure Frequency	Monthly
Direction of Measure	Increasing
Unit of Measure	Claims
Explanation of Measure	Cumulative number of claims filed since April 1, 2009. The actual reported below is cumulative through March 2010 and measured in millions.
Year	2009 - 2014
Original Program Target	N/A
Revised Full Program Target	N/A
Targeted ARRA Increment	0
Actual (in millions)	124
Goal Lead	Gay Gilbert, Administrator, Office of Unemployment Insurance
Measure Text (EUC08)	EUC08 benefits paid since April 1, 2009
Measure Type	Output
Measure Frequency	Monthly
Direction of Measure	Increasing
Unit of Measure	Dollars
Explanation of Measure	Cumulative UI Benefits paid to claimants as part of the EUC08 Program since April 1, 2009. The actual reported below is cumulative through March 2010 and measured in millions of dollars.
Year	2009 - 2014

Original Program Target	N/A
Revised Full Program Target	N/A
Targeted ARRA Increment	0
Actual (in millions)	\$35.8
Goal Lead	Gay Gilbert, Administrator, Office of Unemployment Insurance
Measure Text (FAC)	UI Benefit Payments that include the Federal Additional Compensation
Measure Type	Output
Measure Frequency	Monthly
Direction of Measure	Increasing
Unit of Measure	Payments
Explanation of Measure	Number of UI Benefit Payments that include the Federal Additional Compensation. The actual reported below is cumulative through February 2010 and measured in millions.
Year	2009 – 2014
Original Program Target	N/A
Revised Full Program Target	N/A
Targeted ARRA Increment	0
Actual (in millions)	465.9
Goal Lead	Gay Gilbert, Administrator, Office of Unemployment Insurance
Measure Text (FAC)	Benefits paid to individuals as part of the Federal Additional Compensation Program.
Measure Type	Output
Measure Frequency	Monthly
Direction of Measure	Increasing
Unit of Measure	Dollars
Explanation of Measure	Amount of Benefits paid to individuals as part of Federal Additional Compensation Program. The actual reported below is cumulative through February 2010 and measures in millions of dollars.
Year	2009 - 2014
Original Program Target	N/A
Revised Full Program Target	N/A
Targeted ARRA Increment	0
Actual (in millions)	\$11.65
Goal Lead	Gay Gilbert, Administrator, Office of Unemployment Insurance

7. Transparency and Accountability:
<p>Consistent with the transparency and accountability objectives of the Recovery Act and specific reporting instructions issued by ETA, the States are expected to report to the Department on a monthly basis on activities related to the EUC08 and FAC programs. The Department continuously collects and publishes extensive operational and financial data on the UI program. These data are available on the ETA Web site: http://workforcesecurity.doleta.gov/unemploy/finance.asp.</p> <p>The Department provides other technical assistance on UI program policy and operations upon the request of the State agency. Outreach is provided through the routine monitoring activities conducted by the Regional and National Offices.</p>
8. Federal Infrastructure Investments:
N/A
9. Barriers to Effective Implementation:
<p>Several States have indicated they must complete modifications to their Information Technology systems. In addition, States must hire and train new and existing staff to accommodate the unprecedented numbers of new claims and extensions to eligible claims that have severely impacted the UI system. ETA has proposed the following solutions:</p> <ul style="list-style-type: none"> • Work through ETA's regional offices to advise States that Unemployment Insurance Program Letter 09-98 expresses the Department's position concerning the application of state-wide personnel actions such as hiring freezes, shutdowns, and furloughs to the UI program. • Work with States to determine what technical assistance is needed to help States develop new and innovative ways to train staff, and provide on-site assistance as needed. • From funds already appropriated to ETA, provide supplemental budget funds to support States in upgrading their claims processing technology systems to handle the increased claims.
10. Environmental Review Compliance:
N/A