



BRIEFLY...

ETA DID NOT ENSURE STATES SUFFICIENTLY IMPLEMENTED THE MIXED EARNERS UNEMPLOYMENT COMPENSATION PROGRAM

WHY WE DID THE AUDIT

The Continued Assistance for Unemployed Workers Act of 2020 created the Mixed Earners Unemployment Compensation (MEUC) program. The program provided an additional, supplemental weekly benefit payment to individuals covered by an unemployment insurance (UI) program other than the Pandemic Unemployment Assistance program and who had significant self-employment income. The Department of Labor's Employment and Training Administration (ETA) was required to oversee the state workforce agencies' (SWA) implementation of the MEUC program.

Based on prior Office of Inspector General (OIG) pandemic audits, we were concerned about ETA's ability to deploy the \$1.5 billion provided to the MEUC program. We contracted with the independent certified public accounting firm of Regis & Associates, PC (Regis) to conduct a performance audit to answer the following question:

Did ETA ensure SWAs implemented the MEUC program for the benefit of eligible unemployed individuals, pursuant to the intent of the Continued Assistance for Unemployed Workers Act of 2020 and the American Rescue Plan Act of 2021?

For this audit, Regis performed in-depth testing on 6 SWAs, surveyed an additional 24 SWAs, reviewed policies and procedures, and interviewed ETA and SWA officials.

WHAT WE FOUND

Regis determined the six SWAs reviewed generally met the MEUC program requirements and used the related funds as intended by pandemic-related legislation. However, Regis found ETA did not ensure SWAs sufficiently implemented the MEUC program. Specifically, MEUC benefit payments were significantly delayed, there was low participation in the program, and benefits did not reach a large population.

For the six audited SWAs, some claimants waited as long as 8 months after the start of the program for their first payment. The six SWAs took between 78 to 273 days to make their first MEUC payments to claimants, and 79 percent of the surveyed SWAs took between 63 to 378 days. Regis determined that the six SWAs paid only 707 claimants under MEUC, and two SWAs served only 21 claimants each. Although the initial MEUC allotment for these SWAs totaled \$79.3 million, as of September 6, 2021, only about \$1.4 million had been paid to the 707 claimants. Furthermore, despite discontinuing their participation in the MEUC program in 2021, \$1.3 million in MEUC funds remained available for drawdown in these SWA accounts, as of September 30, 2023.

In addition, Regis noted that the funds obligated for MEUC were appropriated by Congress without fiscal year limitation. This requires ETA to set aside pandemic funds to reimburse SWAs for eligible MEUC claims years after the conclusion of the program.

The lack of time for ETA to develop and administer a new benefit payment program for mixed earners, as well as competing priorities, resulted in the delayed payments and the underutilization of funds for the six audited SWAs. The SWAs also experienced a lack of lead time for preparation, an inadequate number of staff, IT constraints, and a lack of information on mixed earners. If these challenges are left unresolved, ETA and SWAs may again struggle to provide timely and useful assistance to this population during future emergencies.

WHAT WE RECOMMENDED

Regis made four recommendations to improve ETA's and Congress' knowledge of the mixed earners population and to monitor SWAs' levels of benefit payment activity to better meet the future needs of mixed earners. ETA agreed to take corrective actions for three recommendations. ETA stated it would be unable to address one recommendation due to current funding limitations.

READ THE FULL REPORT

For more information, go to:

<https://www.oig.dol.gov/public/reports/oa/2024/19-24-005-03-315.pdf>.