

Department of Labor
Pandemic Response Accountability Committee Spend Plan

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) requires each agency to submit to the Committee a plan describing how the agency will use covered funds. For the Department of Labor (Department), covered funds includes funds appropriated in both the Families First Coronavirus Response Act (P.L. 116-123) and the CARES Act.

Families First Coronavirus Response Act

Section 4102 of Division D of the Families First Coronavirus Response Act appropriated \$1,000,000,000 to the Department of Labor for emergency administration grants in fiscal year 2020 to state Unemployment Trust Fund accounts, which may be used to administer unemployment compensation programs.

To receive the first allotment, the Secretary of Labor must certify to the Secretary of the Treasury that states met the following statutory requirements:

- The state requires employers to provide notification of the availability of unemployment compensation to employees at the time of separation from employment.
- The state ensures that applications for unemployment compensation and assistance with the application process are accessible, to the extent practicable, by at least two of the following methods: in-person, by phone, or online.
- The state notifies applicants when an application is received and is being processed, and in any case in which an application is unable to be processed, provides information about steps the applicant can take to ensure the successful processing of the application.

To receive the second allotment, the number of unemployment compensation claims must have increased by at least 10 percent over the same quarter in the previous calendar year. In addition, the Secretary of Labor must certify to the Secretary of the Treasury that states meet the following statutory requirements:

- The state has expressed its commitment to maintain and strengthen access to the unemployment compensation system, including through initial and continued claims.
- The state has demonstrated steps it has taken or will take to ease eligibility requirements and access to unemployment compensation for claimants, including waiving work search requirements and the waiting week, and non-charging employers directly impacted by COVID-19.

Unemployment Insurance Program Letter (UIPL) No. 13-20 was published on March 22, 2020.¹ The UIPL instructed states on implementing provisions of the legislation and included the state-by-state share of the emergency administrative grant funding. UIPL No. 13-20, Change 1 was published on May 4, 2020, because the CARES Act modified one of the state requirements.²

¹ https://wdr.doleta.gov/directives/attach/UIPL/UIPL_13-20.pdf.

² https://wdr.doleta.gov/directives/attach/UIPL/UIPL_13-20_Change_1.pdf.

CARES Act, Division A

Division A, Title II, Subtitle A of the CARES Act authorized a number of Unemployment Insurance provisions. UIPL No. 14-20, published on April 2, 2020, summarizes the new provisions authorized by the CARES Act.³ These provisions and the current apportioned levels are summarized below.

Pandemic Unemployment Assistance (Section 2102)

Pandemic Unemployment Assistance (PUA) provides up to 39 weeks of benefits to individuals who are self-employed, seeking part-time employment, or otherwise would not qualify for regular unemployment compensation or extended benefits under state or federal law. PUA benefits, implementation costs, and administrative costs are federally funded. The PUA program is administered through a voluntary agreement between states and the Department. UIPL No. 16-20, published on April 5, 2020, provides additional details and instructions to states on the PUA program.⁴ UIPL No. 16-20, Change 1, published on April 27, 2020, provides further guidance to states on the PUA program.⁵

Congress appropriated such sums as necessary for the program. The Department's estimated costs for the PUA program are \$48,200,000,000 for benefit payments and \$761,000,000 for state administrative costs.

Partial Reimbursement Benefits for Government Entities and Non-Profit Organizations (Section 2103)

Section 2103(b) authorizes transfers from the Federal Unemployment Account to a state's account in the unemployment trust fund for one-half of the compensation the state paid to employees of state and local governmental entities, certain nonprofit organizations, and federally-recognized Indian tribes that opt to make payments in lieu of contributions. UIPL No. 18-20, published on April 27, 2020, provides additional details on this program.⁶

Congress appropriated such sums as necessary for the program. The Department's estimated costs for benefits under Section 2103 are \$3,870,000,000.

Federal Pandemic Unemployment Compensation (Section 2104)

Federal Pandemic Unemployment Compensation (FPUC) provides an additional \$600 per week to individuals who are collecting regular unemployment compensation, 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. FPUC payments, implementation costs, and ongoing administrative costs for this program are federally funded. The FPUC program is

³ https://wdr.doleta.gov/directives/attach/UIPL/UIPL_14-20.pdf.

⁴ https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20.pdf.

⁵ https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20_Change_1.pdf.

⁶ https://wdr.doleta.gov/directives/attach/UIPL/UIPL_18-20.pdf.

administered through voluntary agreements between states and the Department. UIPL No. 15-20, published on April 4, 2020, provides additional details and instructions to states on the FPUC program.⁷ UIPL No. 15-20, Change 1, published on May 9, 2020, provides additional guidance to states on the FPUC program.⁸

Congress appropriated such sums as necessary for the program. The Department's current estimated costs for the FPUC program are \$292,500,000,000 for benefit payments and \$100,000,000 for state administrative costs.

Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment (Section 2105)

Under Section 2105 of the CARES Act, a state is eligible to enter into an agreement with the Department if the state law provides regular unemployment compensation immediately (i.e., without a waiting week). States may enter into an agreement with the Department for full reimbursement of regular unemployment compensation for the first week of unemployment, as well as any administrative expenses.

Benefit costs and administrative costs are federally funded. UIPL No. 20-20, published on April 30, 2020, provides additional details and instructions to states on requirements for accessing the benefit funds and implementation costs.⁹

Congress appropriated such sums as necessary for the program. The Department's current estimated costs are \$15,400,000,000 for benefit payments and \$15,000,000 for state administrative costs.

Pandemic Emergency Unemployment Compensation (Section 2107)

Pandemic Emergency Unemployment Compensation (PEUC) is a temporary program that provides up to 13 weeks of federally-funded benefits to certain individuals who have exhausted their regular unemployment compensation. States may voluntarily enter into an agreement with the Department, which provides funding for PEUC benefits, implementation costs, and administration costs. UIPL No. 17-20, published on April 10, 2020, provides additional details and instructions to states.¹⁰ UIPL No. 17-20, Change 1, published on May 13, 2020, provides additional guidance to states on the PEUC program.¹¹

Congress appropriated such sums as necessary for the program. The Department's estimated costs are \$13,100,000,000 for benefit payments and \$236,000,000 for state administrative costs.

⁷ https://wdr.doleta.gov/directives/attach/UIPL/UIPL_15-20.pdf.

⁸ https://wdr.doleta.gov/directives/attach/UIPL/UIPL_15-20_Change_1.pdf.

⁹ https://wdr.doleta.gov/directives/attach/UIPL/UIPL_20-20.pdf.

¹⁰ https://wdr.doleta.gov/directives/attach/UIPL/UIPL_17-20.pdf.

¹¹ https://wdr.doleta.gov/directives/attach/UIPL/UIPL_17-20_Change-1.pdf.

Short-Time Compensation Program (Sections 2108 and 2109)

Section 2108 of the CARES Act provides temporary federal financing of Short-Time Compensation (STC) payments in states with STC programs. Section 2109 provides that states without such programs can enter into an agreement with the Department to operate a temporary program and receive federal reimbursement for one-half the benefit costs. The STC program is a layoff aversion program in which an employer, under a state-approved plan, reduces the hours for a group of workers who in turn receive a reduced unemployment benefit payment. Employer participation is voluntary. UIPL No. 21-20, published on May 3, 2020, provides additional details and instructions to states.¹²

Congress appropriated such sums as necessary for these two programs. The Department's estimated benefit payments under Section 2108 are \$1,000,000,000. The Department's estimated federally-reimbursed benefit payments under Section 2109 are \$250,000,000. The estimated administrative funding for states with STC agreements under Section 2109 is \$37,500,000.

Short-Time Compensation Grants (Section 2110)

Section 2110 of the CARES Act appropriated \$100,000,000 for the Department to award grants to states to implement or improve administration of an STC program, to promote the program, and to enroll employers in the program. As authorized under the law, the Department will reserve \$250,000 (0.25 percent of the \$100,000,000 appropriation) to provide outreach and to share best practices for STC programs. UIPL 21-22, published on May 10, 2020, provides guidance and instructions to apply.¹³ The application deadline is December 31, 2023.

Office of Inspector General (Section 2115)

Section 2115 of the CARES Act appropriated \$25,000,000 to the Office of Inspector General (OIG) to carry out audits, investigations, and other oversight activities of the unemployment provisions.

CARES Act, Division B

Title VIII of Division B appropriated supplemental resources to the Department.

Employment and Training Administration (ETA)

Congress appropriated \$345,000,000 for the Dislocated Worker National Reserve for Dislocated Worker Grants (DWGs). DWGs provide resources to states and communities to respond to and recover from unexpected events that cause large-scale job losses that exceed the capacity of the state or local area to address with their formula resources.

¹² https://wdr.doleta.gov/directives/attach/UIPL/UIPL_21-20.pdf.

¹³ https://wdr.doleta.gov/directives/attach/UIPL/UIPL_22-20.pdf.

On March 18, 2020, the Department issued Training and Employment Guidance Letter No. 12-19 to inform the state and local workforce development system of the policies and priorities that govern the award and use of DWG funds and explain how eligible applicants can apply for the funds.¹⁴ The Department is accepting applications on a rolling basis and reviews them in the order received. A list of the grants awarded to date is published on ETA's website.¹⁵

Departmental Management

Congress appropriated \$15,000,000 to the Departmental Management account to prevent, prepare for, and respond to coronavirus, including enforcement of worker protection laws and regulations, and oversight and coordination of activities related to the Divisions C, D, E, and F of the Families First Coronavirus Response Act. The Department was given the flexibility to transfer funds to the ETA Program Administration (PA), the Wage and Hour Division (WHD), the Occupational Safety and Health Administration (OSHA), the Employee Benefits Security Administration (EBSA), and was required to transfer \$1,000,000 to the Office of Inspector General (OIG).

The Department transferred \$5,500,000 to OSHA to develop industry-specific COVID guidance to help businesses adjust safety measures to local conditions, translate and disseminate COVID guidance publications, and distribute supplies and personal protective equipment to its employees.

The Department transferred \$4,000,000 to ETA PA for the Office of Unemployment Insurance, the Office of Grants Management, and the Office of Workforce Investment to manage and oversee the new unemployment programs and oversee the dislocated worker grants.

The Department transferred \$2,500,000 to WHD for implementation and enforcement of the WHD-related provisions in the Families First Coronavirus Response Act for compliance assistance, enforcement, public awareness, training, and outreach.

The Department transferred \$1,000,000 to EBSA for additional staff for enforcement activities, development of the regulations and guidance, and compliance assistance and outreach in connection with the new laws.

The Department left \$1,000,000 within the Departmental Management appropriation for the Office of the Solicitor for legal assistance related to the new requirements in the laws.

The Department transferred \$1,000,000 to OIG for oversight activities.

¹⁴ https://wdr.doleta.gov/directives/attach/TEGL/TEGL_12-19.pdf.

¹⁵ <https://www.dol.gov/agencies/eta/dislocated-workers/grants/covid-19>.