

GAO Highlights

Highlights of [GAO-22-104251](#), a report to congressional requesters

Why GAO Did This Study

In the wake of the COVID-19 pandemic and subsequent shutdowns, the nation experienced historic levels of job loss and an expansion of the UI system. The CARES Act created three new, federally funded temporary UI programs that expanded eligibility, enhanced benefits, and extended benefit duration. DOL has reported about \$658 billion in compensation paid as of April 30, 2022.

The CARES Act includes a provision for GAO to monitor federal efforts in response to the COVID-19 pandemic. This report examines (1) selected states' challenges with implementing the temporary UI programs and efforts to address those challenges; (2) DOL's support and monitoring of the programs, including efforts to address improper payments; and (3) the economic effects of expanding UI benefits in adverse times.

GAO interviewed DOL officials and met with officials in six states that were selected to include a variety of characteristics, such as their IT modernization, payment timeliness, and estimated improper payment rates. GAO held discussion groups with UI recipients in the selected six states; analyzed data DOL collects from states; reviewed relevant federal laws and program guidance; and reviewed economic literature.

What GAO Recommends

GAO is making two recommendations to DOL to identify and provide UI customer service best practices and assess lessons learned from the pandemic. DOL partially agreed with the first recommendation, and agreed with the second, and noted plans to address them.

View [GAO-22-104251](#). For more information, contact Thomas Costa, 202-512-4769, costat@gao.gov

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UNEMPLOYMENT INSURANCE

Pandemic Programs Posed Challenges, and DOL Could Better Address Customer Service and Emergency Planning

What GAO Found

State officials GAO interviewed in six selected states that varied across characteristics, such as IT modernization, described facing shortages of experienced staff and IT challenges in processing the surge in claims while implementing the CARES Act Unemployment Insurance (UI) programs. Challenges in implementing federal guidance and maintaining program integrity were also cited. Officials in all of the six states reported that they increased staffing. States also added functionality to their IT systems. Despite these efforts to respond to the challenges, claimants in GAO's discussion groups and advocates in the six states reported persistent customer service problems, such as long call wait times.

Unemployment insurance application

Source: Lane Erickson/stock.adobe.com. | GAO 22-104251

The Department of Labor (DOL) took steps to support and monitor states' implementation of the CARES Act UI programs. However, it could have better assisted states with customer service challenges and lacked a strategic approach when responding to the pandemic. DOL is responsible for ensuring customer satisfaction in the UI system, and has taken steps to incorporate customer service into its UI modernization efforts, including providing states with technical assistance and funding opportunities. However, it has not identified and provided states with comprehensive customer service best practices. Without sharing best practices, DOL may miss opportunities to assist states in improving service delivery during periods of high demand. In addition, while as of March 2022, DOL had not assessed its response to the pandemic, as generally recommended by the National Response Framework, in May 2022, DOL officials said DOL had begun to do so. Until such a review is completed, DOL and states may not be well positioned to address future emergencies.

The 30 empirical studies reviewed by GAO showed the effect of the expansion of UI programs during adverse times, such as the 2007-2009 recession and the COVID-19 pandemic. The expansions specifically helped to stabilize the economy, prevented detrimental outcomes from worsening, and had a limited effect on workers' incentives to return to work. Some of the studies also showed that UI expansion had other positive benefits such as an improved labor market.