



LEGISLATIVE FINANCE
COMMITTEE

UI POLICY SPOTLIGHT
AGENCY RESPONSE

MAY 19, 2021

In the Beginning

March 12 & 24 – Emergency Declaration & Stay at Home orders are issued.

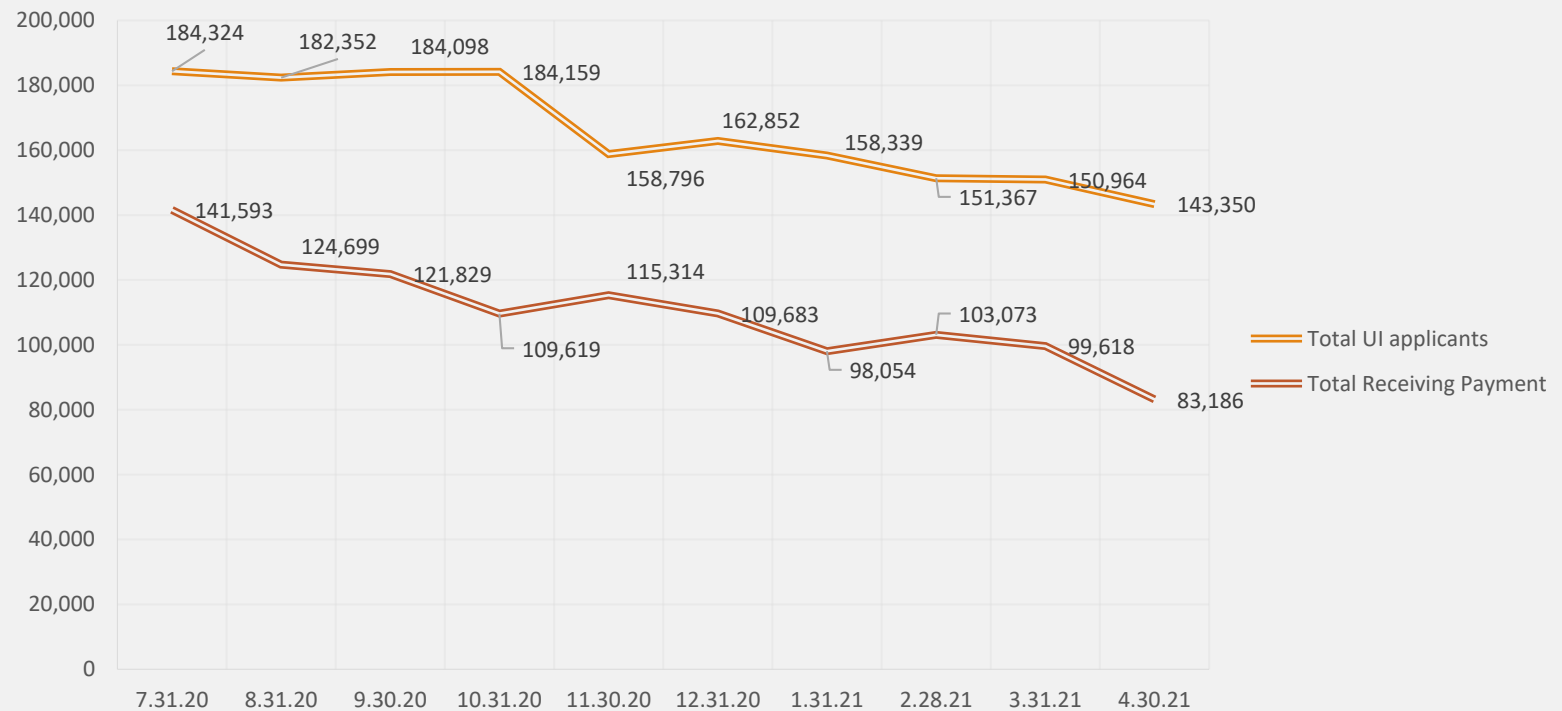
- ✓ Preparations for Emergency Response were in process
- ✓ Immediate need for teleworking – keeping our folks safe
 - More than 80% of staff moved to telework assignments
- ✓ Historic influx of Calls and Unemployment Claims
- ✓ Significant work impacts and volume of work increased
- ✓ Implement Federal Programs while ensuring infrastructure performance

Change in Claims Volume

Total active claims rose from 14,027 in February 2020 to 199,678 by mid-June 2020.

As of May 16, total claimants = 138,059

TOTAL CLAIMANTS VS RECEIVING PAYMENTS



Change in Call Volume

In February 2020, the Operation Center received about 75,00 calls. Two months later, the Center received more than 75,000 calls daily. In partnership with other state agencies, more than 100 surge staff were added to the operations center.

UI Operations Call Data						
Call Type	November 2020	December 2020	January 2021	February 2021	March 2021	April 2021
Calls Offered	1,223,674	2,042,179	1,600,699	1,897,393	1,505,973	2,827,874
Unique Phone number	134,869	196,095	186,602	181,503	169,358	194,926
Calls Handled	62,566	61,088	58,851	58,494	66,096	53,721

Over the above period, an average of 35% of unique calls were handled.

CONGRESSIONAL ACTION OVERVIEW

The Federal Government is enacting a series of bills to stabilize the economy and respond to the COVID-19 pandemic. Congress has passed six bills to date: HR6074, HR6201, HR748, HR266, HR133, and HR1319

CV#1 -

Coronavirus Preparedness and Response Supplemental Appropriations Act

- [HR6074](#)
- Enacted 3/6/20
- \$8.3 billion Emergency Appropriations for COVID-19 Response



CV#2 -

Families First Coronavirus Response Act

- [HR6201](#)
- Enacted 3/18/20
- Guarantees free coronavirus testing, establishes paid leave, expands Unemployment Insurance, enhances food security initiatives, and increases federal Medicaid funding



CV#3 -

Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

- [HR748](#)
- Enacted 3/27/20
- Provides approximately \$2 trillion of financial aid to federal agencies, nonprofit organizations, individuals, businesses, and state and local governments



CV#3.5 -

Paycheck Protection Program & Health Care Enhancement Act

- [HR266](#)
- Enacted 4/24/20
- Provides \$310 billion for the Paycheck Protection Program, \$75 billion for hospitals and \$25 billion for COVID-19 testing



CV#4 -

Consolidated Appropriations Act

- [HR133](#)
- Enacted 12/27/2020
- Provides \$900 billion for additional COVID-19 support to address vaccinations, testing, contact tracing, and Unemployment Insurance



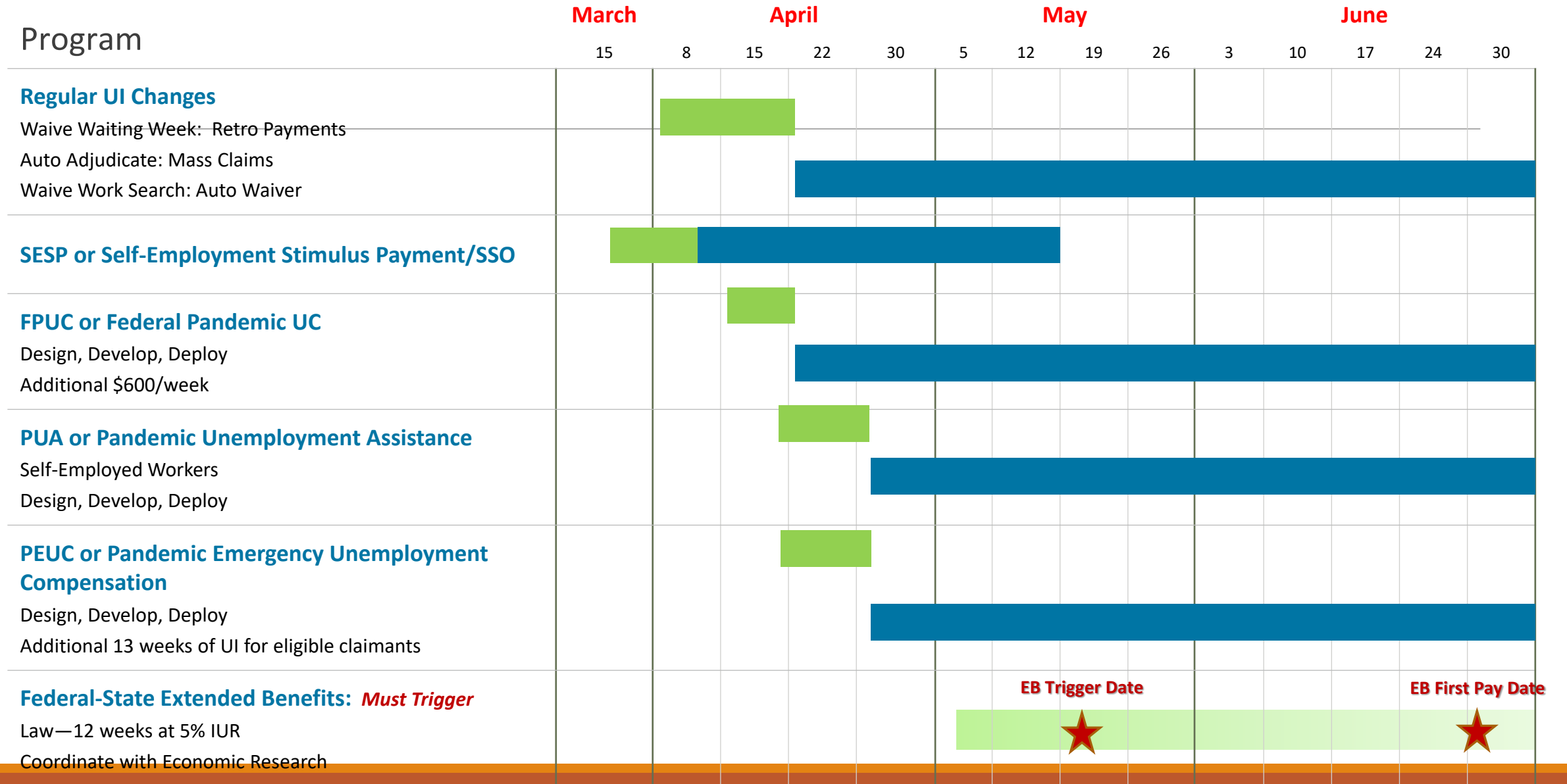
CV#5 -

American Rescue Plan (ARP Act)

- [HR1319](#)
- Enacted 3/11/2021
- Provides approximately \$1.9 trillion of financial aid to federal agencies, individuals, businesses, and state and local governments

NM UI Pandemic Programs

Initial, SESP, FPUC, PUA, PEUC, EB

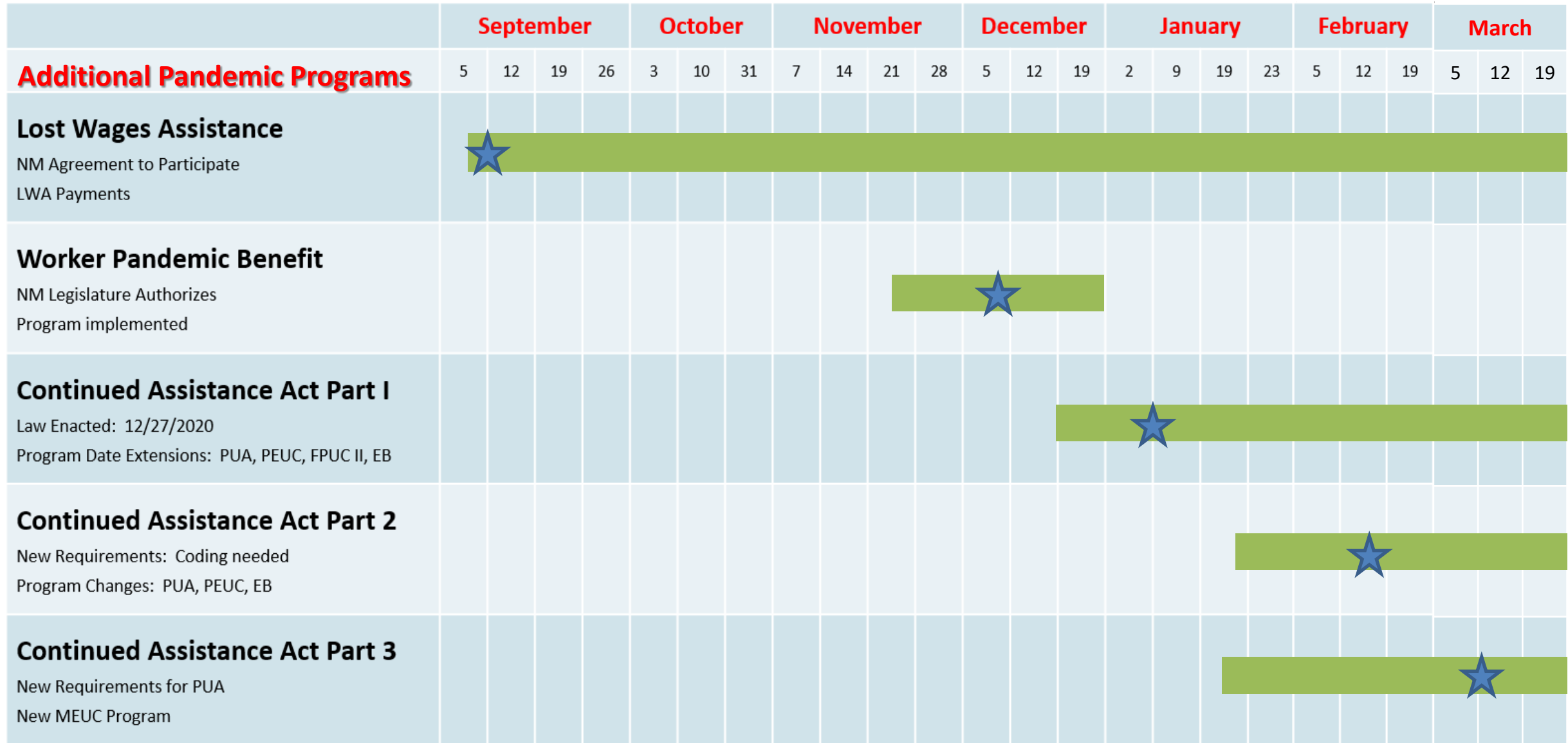


Post Implementation changes, monitoring and reporting

Project Timeline

NMDWS Pandemic UI-Related Programs

LWA, WPB, CAA, ARP



Mar Apr May June July Aug Sep Oct Nov Dec Jan Feb Mar

Pandemic UI Program

Families First Act



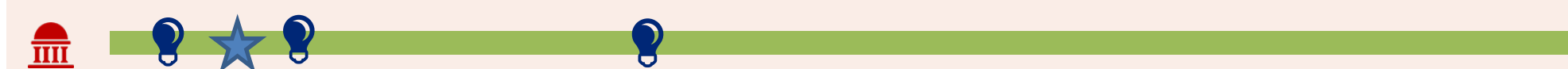
Self Employment Stimulus Payment



CARES Act - FPUC 1



CARES Act – PEUC 1



CARES Act - PUA



Federal-State Extended Benefits



Lost Wages Assistance



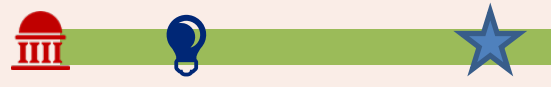
Worker Pandemic Benefit



Continued Assistance Act Part 1
FPUC 2, PUA Ext., PEUC 2



Continued Assistance Act Part 2
MEUC

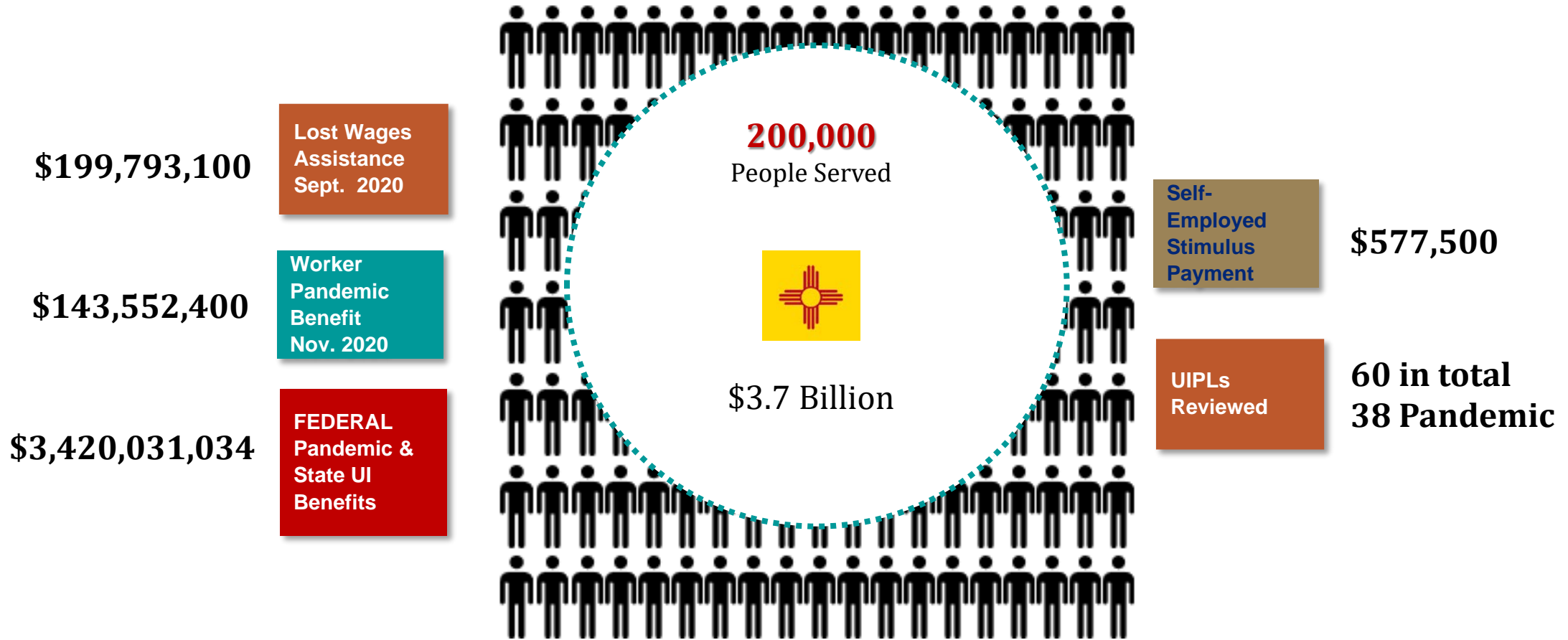


American Rescue Plan Act



Law/Federal Action
 Federal Guidance
 Timeline
 Implementation Date

IMPACT



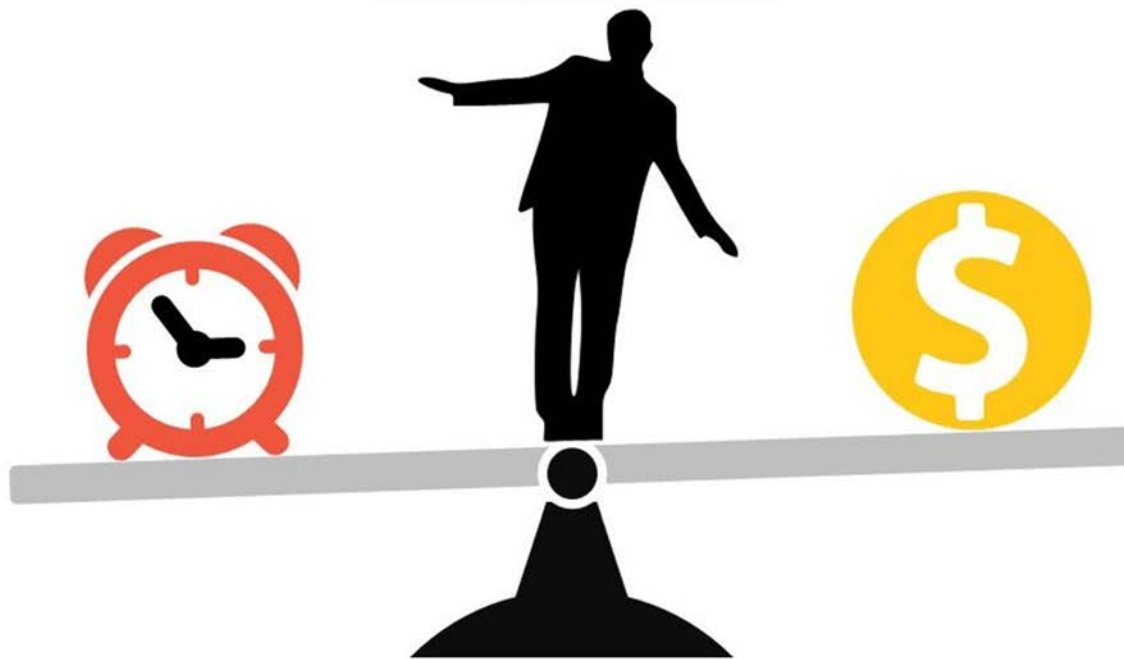
In 2010, at the height of the Great Recession, NMDWS paid out nearly \$815 million for the year.

Agency Response

Over the past year, the agency has pivoted in several directions based on claimant need and data review

- ✓ Chatbot and Live Chat
- ✓ Surge support -- internal, other agency resources and contract staff
- ✓ Five new hire cohorts
 - March 2020 Staffing: 103
 - May 2021 Staffing (Includes Contract Support): 270
- ✓ Extended hours of operation
- ✓ Proactive communication on known workflow issues
- ✓ Implementation of Reason Codes
- ✓ Identify mass and auto adjudication opportunities
- ✓ Deploy call center operations support
- ✓ Tie “Calls Offered” to claim-related issues
- ✓ Prioritize workflow priorities

The Balancing Act Consequences of UI Fraud



The agency works to balance the mitigation of fraud with timely allocation of benefits.

Consequences:

- Increased call volume
- Minimized opportunities for mass and auto adjudications
- Loss/delay of benefits
- Diverted resources

The Players Involved in UI Fraud

Employers

Benefit Charges

Citizens

ID Theft

Claimants

Service delays and claim-takeover

DWS
Resources

Prevention, Detection and Enforcement

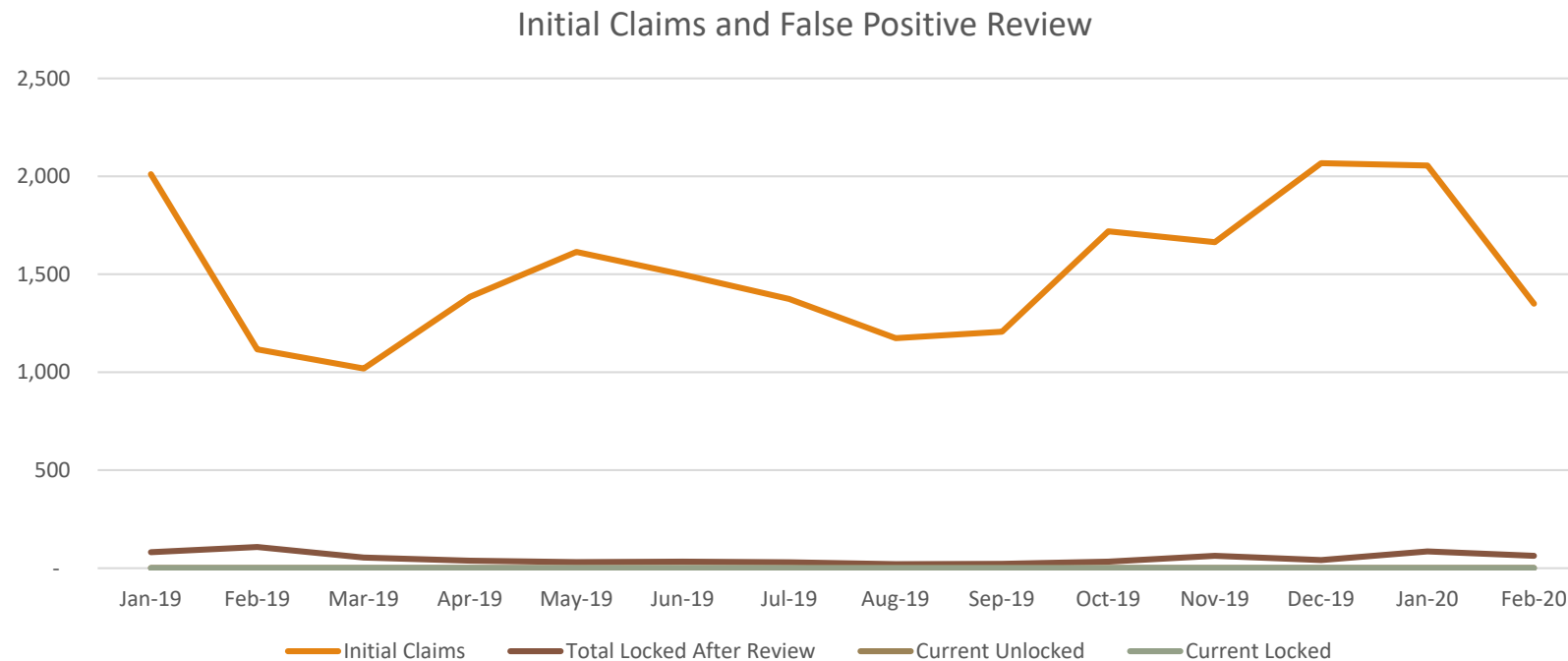
US DOL

Administration of federal benefit dollars

Fraudsters

Criminals

Pre-Pandemic Locked Claim Data (1/2019 – 2/2020)



NOTE THE HIGHEST CLAIM VOLUME DATA POINT FOR THIS TIME SPAN IS 12/1/2019: 2067. ADDITIONALLY, THE “CURRENT LOCKED” AND “CURRENT UNLOCKED” DATA IS ALMOST THE SAME AND THE VARIANCE IS OFTEN LESS THAN 5 CLAIMANTS. (HENCE, THE GRAPH LINES ARE VISUALLY INDISTINGUISHABLE.)

Locked Claim Data (3/2020 – 2/2021)

Month/Yr	Initial Claims	Total Locked for ID Verification	Current Unlocked from Column C Total Following ID Verification		Estimated Fraud Detection Workflow
	Count		Count	(%)	Count
Mar-20	22,065	2,418	328	13.56%	2,090
Apr-20	91,113	7,327	1078	14.71%	6,249
May-20	51,468	717	113	15.76%	604
Jun-20	35,599	2,431	697	28.67%	1,734
Jul-20	45,908	4,589	1342	29.24%	3,247
Aug-20	37,371	4,636	1234	26.62%	3,402
Sep-20	20,697	4,327	512	11.83%	3,815
Oct-20	37,209	6,137	1310	21.35%	4,827
Nov-20	28,727	5,052	1045	20.68%	4,007
Dec-20	22,513	4,507	1368	30.35%	3,139
Jan-21	40,259	6,172	1676	27.15%	4,496
Feb-21	19,989	5,193	851	16.39%	4,342

Fraud performance Metrics

- ✓ To date we have 4,216 reported ID fraud cases for which DWS processes stopped/saved \$172,952,984 (No payment cases)
- ✓ To date, DWS has protected approximately \$23 million from a combination of prevention of benefits going out to fraudulent individuals and recovery of fraudulent benefit payments
- ✓ There are currently 646 pending cases under investigation that represent approximately 10,538 individual claimants
- ✓ The passage and implementation of the American Recovery Act in March/April coincided with the highest number and percentage of locks and fraud claims.
- ✓ CARES ACT Programs BYE (Benefit Year End) and Change of Quarter (1st/2nd 2021)
 - Claims from post-pandemic UI programs that are locked and will need to complete a new application: 5,849
 - All other programs claimants that are on extensions that need to complete a new application: 2,788

Employer Tax rates

Small Business Recovery Act of 2020 provisions the following:

The Secretary shall omit data for March 1, 2020 through June 30, 2021 from calculations of an employing enterprise's experience history, excess claims premiums and excess claims rates. The secretary shall use the 2019 computation date reserve factor from January 1, 2020 through June 30, 2021.

Experience History means the benefit charges and payroll experience of the employing enterprise.

- ✓ November 2020 – Agency issues rates for 2021
- ✓ April 2021 – Agency conducts rate re-run for all employers
 - Extends payment deadline
- ✓ May 22 – Agency re-issues rates to all employers
- ✓ May 23 – Reimbursement period for OP commences

Work Search Requirement Resumes

As of 5.9.21, all claimants required to conduct work search activities:

Searching for jobs on www.jobs.state.nm.us and using the Virtual Recruiter tool to receive alerts about new jobs that match your skills

- Applying for a job for which you are reasonably qualified.
- Interviewing for a job for which you are reasonably qualified.
- Taking a skills assessment required as part of the application process for a new job for which you are reasonably qualified.
- Contacting an employer, who you reasonably believe may have available suitable work, to inquire as to whether the employer is hiring.
- Being referred to a job by a state workforce center or other entity which provides similar services.

Top 25% of UI Claimants by Occupation

Detailed Occupation	Claimants as of 5/3/2021	Percent of Total
Personal Care Aides	2,595	3.2%
Waiters and Waitresses	2,389	2.9%
Maids and Housekeeping Cleaners	2,351	2.9%
Cashiers	2,167	2.7%
Construction Laborers	2,119	2.6%
Customer Service Representatives	2,050	2.5%
Retail Salespersons	1,616	2.0%
Maintenance and Repair Workers, General	1,476	1.8%
Landscaping and Groundskeeping Workers	1,328	1.6%
Cooks, Restaurant	1,159	1.4%

Enhancing Employment services

New Mexico Department of Workforce Solutions, New Mexico Higher Education Department, and New Mexico Workforce Connection have joined forces to provide a single, statewide system for both individuals and businesses across New Mexico with easy access to training, education, and employment resources.

- ✓ Develop a website dedicated to short and long-term educational and work pathways
 - Connect the dots between vacancies, employers, min. qualifications and trainings
- ✓ Develop a statewide campaign promoting the project
- ✓ Create a central chat and phone line for DWS Employment Services staff
- ✓ Develop Boot Camp Trainings for In-Demand Occupations
- ✓ Create centralized resources that address other (non-training) barriers to employment.

Takeaways

The pandemic, and associated economic downturn, presented unprecedented challenges for all UI systems across the nation. The agency looks forward to formalizing its experience such a storm.

- ✓ The balance between timely benefit payments and fraud mitigation is an ongoing battle
- ✓ Sudden surge in claim volume impacted performance

- ✓ Pandemic created circumstances outside existing recession readiness plan
 - Pandemic provided no indicators
- ✓ Agency is dedicated to evaluating re-employment efforts
- ✓ Agency is committed to partnering with other stakeholders to assess what worked and what didn't
- ✓ New program implementation continues to present program administration challenges