

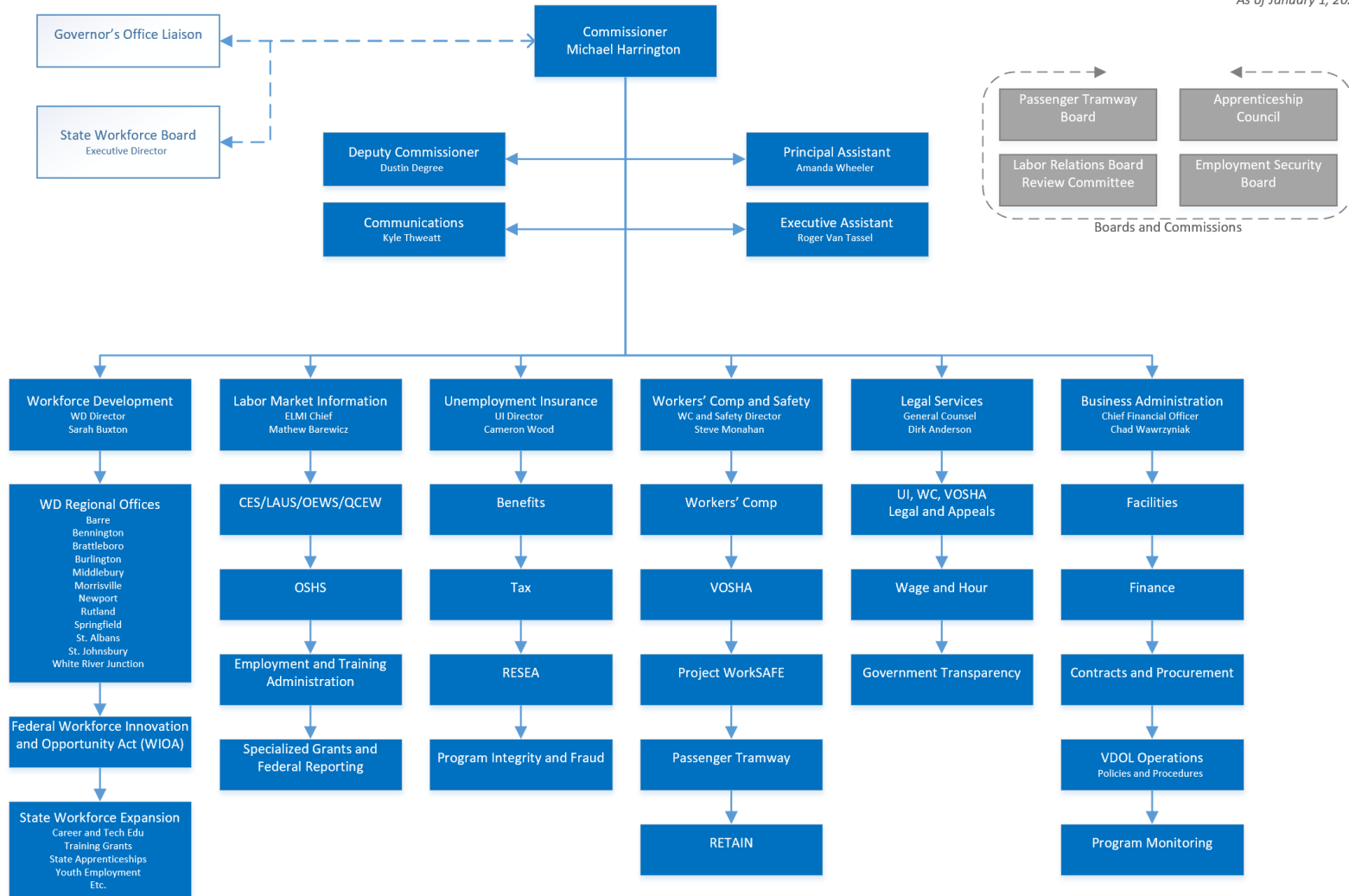


FY 22 BUDGET ADJUSTMENT REQUEST

January 5, 2022

DEPARTMENT FY22 OVERVIEW

As of January 1, 2022



FY 22 Department Base Budget Overview

Fiscal Year 2022 Budget Development Form - VT Department of Labor

	General \$\$	Transp \$\$	Special \$\$	Tobacco \$\$	Federal \$\$	Interdept'l Transfer \$\$	All other \$\$	Total \$\$
VT Department of Labor: FY 2021 Approp	4,898,964	0	6,922,539	0	31,264,367	1,109,000	0	44,194,870
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY21 budget]								0
FY 2021 After Other Changes	0	0	0	0	0	0	0	0
Total Approp. After FY 2021 Other Changes	4,898,964	0	6,922,539	0	31,264,367	1,109,000	0	44,194,870
Apprenticeship (State)			(500,000)					(500,000)
Apprenticeship - ASE (federal 2019; expires 6/30/22)					(636,991)			(636,991)
Apprenticeship - SAE20 (federal 2020; expires 6/30/23)					450,000			450,000
Apprenticeship- SAE (federal 2017, expires 9/30/21)					968,880			968,880
ICAN						(701,388)		(701,388)
Foreign Labor Certification					(10,058)			(10,058)
JVSG (DVOP/LVER)					3,643			3,643
Mine Safety Health Award (MSHA)					9,906			9,906
NEG - Apprenticeship Expansion					(600,000)			(600,000)
Unemployment Insurance Administration					(2,848,329)			(2,848,329)
Wagner-Peyser					22,402			22,402
WIOA - Youth					29,759			29,759
WIOA - Adult					27,399			27,399
WIOA - Dislocated Worker					(22,561)			(22,561)
Labor Exchange Tracking and System Implementation	500,000							500,000
Admin subsidies/Budget Allowances (ADS, DHR, FFS, VISION,Etc)	(4,810)							(4,810)
Subtotal of Increases/Decreases	495,190	0	(500,000)	0	(2,605,950)	(701,388)	0	(3,312,148)
FY 2022 Governor Recommend	5,394,154	0	6,422,539	0	28,658,417	407,612	0	40,882,722

Submitted December 2020 | Approved June 2021

FY22 Department Budget Projection

VDOL State FY22 Budget	FY 21 As passed	FY22 Budget General Funds	FY22 Budget Special Funds	FY22 Budget Federal Funds	FY22 Budget InterDept Trans	FY22 Budget Total	Change	Source of Change
Alternative Trade Wage	\$245,000			\$245,000		\$245,000	\$0	
Administrative Services	\$137,701	\$137,701				\$137,701	\$0	
Apprenticeship (State)	\$1,299,858	\$799,858				\$799,858	-\$500,000	Special Funds
Apprenticeship - ASE (federal 2019; expires 6/30/22)	\$679,991			\$43,000		\$43,000	-\$636,991	Federal Funds
Apprenticeship - SAE20 (federal 2020; expires 6/30/23)	\$0			\$450,000		\$450,000	\$450,000	Federal Funds
Apprenticeship- SAE (federal 2017; expires 9/30/21)	\$0			\$968,880		\$968,880	\$968,880	Federal Funds
BLS OSHA/Census of Fatal Occupational Injuries (CFOI)	\$79,800		\$39,900	\$39,900		\$79,800	\$0	
Current Employment Statistics (CES)	\$91,576			\$91,576		\$91,576	\$0	
Child Support Reemployment	\$45,000				\$45,000	\$45,000	\$0	
Child Support Intercept	\$55,000				\$55,000	\$55,000	\$0	
Disabled Veterans (DVOP)	\$254,179					\$0	-\$254,179	Federal Funds
Domestic Abuse	\$30,000		\$30,000			\$30,000	\$0	
Employee Leasing	\$40,000		\$40,000			\$40,000	\$0	
ICAN	\$1,121,757	\$112,757			\$307,612	\$420,369	-\$701,388	InterDept Trans
Local Area Unemployment Statistics (LAUS)	\$196,480			\$196,480		\$196,480	\$0	
Foreign Labor Certification	\$140,058			\$130,000		\$130,000	-\$10,058	Federal Funds
Labor Market Information - ETA	\$284,871			\$284,871		\$284,871	\$0	
JVSG (DVOP/LVER)	\$232,865			\$490,687		\$490,687	\$257,822	Federal Funds
Mine Safety Health Awareness						\$420,000	-\$420,000	General Fund
Misclassification/Coverage								
NEC - Apprenticeship-E								
Occupational Employment Quarterly Census of Employment								
Read Act								
Reemployment Services								
RETAIN-Retaining Employment								
State Workforce Development								
Trade Adjustment Assistance								
Trade Readjustment Benefits								
Tramways	\$438,000		\$438,000			\$438,000	\$0	
Technology Infrastructure/ADS	\$428,000	\$428,000				\$428,000	\$0	General Fund
Unemployment Insurance Administration	\$12,648,329		\$800,000	\$9,000,000		\$9,800,000	-\$2,848,329	General/Federal
UI Administration Increases (CARES Act, etc)	\$3,334,682			\$3,334,682		\$3,334,682	\$0	Federal Funds
VT Relocation Assistance Program -VRAP	\$0	\$0				\$0	\$0	
VT Occupational Safety and Health Administration (VOSHA)	\$1,624,871	\$883,671		\$741,200		\$1,624,871	\$0	
Wage & Hour/Earned Sick Leave	\$354,846	\$354,846				\$354,846	\$0	
Wagner-Peyser	\$2,157,579			\$2,179,981		\$2,179,981	\$22,402	Federal Funds
Workers Compensation	\$4,757,626		\$4,757,626			\$4,757,626	\$0	
WorkSafe	\$661,405		\$238,705	\$422,700		\$661,405	\$0	
WIOA - Youth	\$2,212,652			\$2,242,411		\$2,242,411	\$29,759	Federal Funds
WIOA - Adult	\$2,103,446			\$2,130,845		\$2,130,845	\$27,399	Federal Funds
WIOA - Dislocated Worker	\$965,748			\$843,187		\$843,187	-\$22,561	Federal Funds
Work Opportunity Tax Credit (WOTC)	\$66,000			\$66,000		\$66,000	\$0	
Workforce Expansion (Includes Former Next Gen)	\$1,335,900	\$1,335,900				\$1,335,900	\$0	General Fund
Training Funds	\$0	\$0				\$0	\$0	
Administrative	\$0	\$0				\$0	\$0	
WETF Corrections Training	\$0	\$0				\$0	\$0	
Vermont Internship Program	\$0	\$0				\$0	\$0	
Adult Career and Technical Education Grants	\$0	\$0				\$0	\$0	
Vermont Returnship Program	\$0	\$0				\$0	\$0	
Youth Employment Program	\$150,000	\$150,000				\$150,000	\$0	
Labor Exchange Tracking and System Implementation	\$0	\$500,000				\$500,000	\$500,000	
Admin subsidies/Budget Allowances (ADS, DHR, FFS, VISION, Etc)	\$170,007	\$165,197				\$165,197	-\$4,810	
Total All	44,194,870	\$5,394,154	\$6,422,539	\$28,658,417	\$407,612	\$40,882,722	-\$3,312,148	
Funding by Percent of Total		13.19%	15.71%	70.10%	1.00%			

FY22 Budget Total

Change From Prior Year

Technology Infrastructure/ADS	\$420,000	\$420,000				\$420,000	\$0	General Fund
Unemployment Insurance Administration	\$12,648,329		\$800,000	\$9,000,000		\$9,800,000	-\$2,848,329	General/Federal
UI Administration Increases (CARES Act, etc)	\$3,334,682			\$3,334,682		\$3,334,682	\$0	Federal Funds
VT Relocation Assistance Program -VRAP	\$0	\$0				\$0	\$0	

UI Administration = Federal Funding Allocation

UI Administration Increase = Other Fed Funds (CARES ACT, FEMA, Etc.)

Unemployment Program Overview

- The Unemployment Insurance program was established through the Social Security Act of 1935. All 53 states and territories have laws or provisions for their respective UI program.
- The objective of unemployment insurance is to “provide partial wage replacement to individuals who become unemployed through no fault of their own.”
- Eligible individuals must be able and available to work, and be actively seeking employment.
- Claimants must certify for benefits following each week they are unemployed. A claimant’s benefit amount is calculated based on prior earnings.
- All employer tax contributions are deposited into the UI Trust Fund to pay benefits to eligible claimants. Employees do not contribute to the UI program.
- An employer’s tax rate is calculated using their total payroll amount, prior claims against their account, and how they rank against other employers in the system.
- Prior to 2020, Vermont’s UI program had been predominantly federally funded; however, not at a sustainable rate.
- Employers receive a federal tax credit as long as the state program remains in good standing.

FY 22 Budget Adjustment Request

<i>VT LABOR FY 2022 Budget Adjustment</i>		FY22 Q1 (Jul-Sep)	FY22 Q2 (Oct-Dec)	FY22 Q3 (Jan-Mar)	FY22 Q4 (Apr-Jun)	Total
<i>VDOL UI Staff & Indirect Costs</i>	A	\$2,375,000	\$2,375,000	\$2,375,000	\$2,375,000	\$9,500,000
<i>Overhead/Incidentals (telecom, printing, utilities, etc.)</i>	B	\$750,000	\$750,000	\$750,000	\$750,000	\$3,000,000
<i>ADS Demand Support Staff (SysDev, PM, BA)</i>	C	\$350,000	\$350,000	\$350,000	\$350,000	\$1,400,000
<i>New Technology Systems/Services/Licenses</i>	D	\$900,999	\$900,999	\$900,999	\$900,999	\$3,603,996
<i>VDOL Modernization Effort (Business)</i>	E	\$75,000	\$75,000	\$75,000	\$75,000	\$300,000
<i>Contracted Call Center Services</i>	F	\$2,450,000	\$1,950,000	\$1,550,000	\$750,000	\$6,700,000
<i>Contracted Adjudications Support</i>	F	\$650,000	\$400,000	\$350,000	\$300,000	\$1,700,000
<i>Subtotal</i>		\$7,550,999	\$6,800,999	\$6,350,999	\$5,500,999	\$26,203,996
<i>Less Anticipated Federal Funding</i>	G					(\$7,900,000)
<i>Less CRF Additional</i>	H					(\$5,500,000)
TOTAL FY22 BAA REQUEST						\$12,803,996

FY22 BAA Request

- A** The Department reviewed all personnel charges to the UI program and determined an expected annual expense which was then divided over four quarters.
- B** The Department identified all incidental and departmental overhead charges related to the UI program and developed a conservative estimate for an annual expense, which was then divided over four quarters.
- C** The Department identified all ADS demand staff charges related to the UI program and developed a conservative estimate for an annual expense, which was then divided over four quarters.
- D** This cost was much harder to quantify given that new technology was and is still being constructed and deployed to assist with the administration of the program. This includes identify protection services, an online initial claims intake system, the PUA administration and program integrity system, a global document retention system, and others.
- E** Phase one of the UI modernization effort, which has already been approved, will require two-three dedicated resources during the initial development and implementation. This line represents the cost of these department resources.
- F** The Department has an existing vendor contract with MAXIMUS Inc. to provide support for both the UI call center as well as the adjudications unit. This cost was developed using Q1 actual expenses and then projecting a tapering of services of the following three quarters.
- G** The UI Programs federal allotment is determined using the federal calculation known as the Resource Justification Model. This model is based on the approximate time and effort it took to process a paper claim. Funding for each state is based off the RJM, which also looks at the number of claims being processed within a given state. For the FY21 federal program year, which runs from Oct 1, 2021 – Sep 30, 2022, the U.S. Department of Labor has decided to fund states at 75.5% of their calculated RJM.
- H** This line represented additional CRF funding remaining that is being allocated to the Department's 2021 costs.

FY21 In/Out Overview

July 1, 2020 – June 30, 2021

	FY21 received	FY21 spent	Balance	Allowable Use
CRF for Admin	\$30,179,803.96	\$30,179,803.96	-	
Initial federal COVID funds	\$1,837,515.00	\$1,837,515.00	-	
Reg UI Admin F21 (Fed)	\$6,802,868.00	\$6,802,868.00	-	
UI Above Base (Fed)	\$5,324,284.00	\$4,683,921.37	640,362.63	Spent in Fed PY21
Fed Pandemic Program Funding	\$9,443,551.78	\$4,148,531.28	\$5,295,020.50	Remaining
TOTAL	\$53,588,022.74	\$47,652,639.61	\$5,935,383.13*	

*The remaining balance of unspent funds (\$5,295,020.50 - \$640,362.63) has specific federal allowable uses (e.g., fraud mitigation and prevention) and cannot be used for general program administration.

Department Fiscal Accountability

Financial Standards

- 2 CFR 200 (omni-circular)
- Annual Cost Allocation Plan
- DOL and ETA Directives (UIPL's, SQSP, BAM, etc)
- All UI program/award terms and conditions
- Continuing Appropriations Act terms and conditions
- Title 3 Social Security Administration

Audits and Reviews

(Prior 12-months)

- FY20 State Single Audit
- FY20 State ACFR audit
- FY21 State Single Audit
- FY21 State ACFR audit
- US DOL CARES Act audit review
- CLA 1099 audit (x2)
- Office of inspector General CARES act audits (1 formal, questionnaire starts on 4 others)
- Resultant fraud and overpayment review
- Social Security audit

Unemployment Landscape

PRE

Total UI Benefit Programs: 1
(Traditional)

Highest # of weekly claims (2019): ≈ 5,700
Total # of claimants served (2019): ≈ 16,000

Total Dedicated UI Staff: ≈ 55

- Customer Service Reps ≈ 7
- Adjudicators ≈ 8
- Fraud Investigators ≈ 0
- Appeals Referees ≈ 3

Federal Fiscal Year 2020 (Oct. '19 – Sept. '20)

***Federal Base ≈ \$6,759,969**

***Additional Base ≈ \$4,456,660**

PANDEMIC

Total UI Benefit Programs = 9
(Traditional, PUA, PEUC1, PEUC2, PEUC3, EB, LWA, VSTS, FPUC)

Highest # of weekly claims (2020): ≈ 92,000
Total # of claimants served (2020): ≈ 98,000

Total Dedicated UI Staff: ≈ 139

- UI Customer Service Reps ≈ 45
- Adjudicators ≈ 32
- Fraud Investigators ≈ 3
- Appeals Referees ≈ 6

MAXIMUS CSRs ≈ 317 (Max)
MAXIMUS Fact Finders ≈ 25 (Max)

Between Mar 2020 – Jun 2021 more than 130 individuals from different divisions, agencies, department, and organizations assisted the UI Program.

Federal Fiscal Year 2021 (Oct. '20 – Sept. '21)

***Federal Base ≈ \$6,633,858**

***Additional Base ≈ \$1,669,294**

POST

Total UI Benefit Programs = 9
(Traditional, PUA, PEUC1, PEUC2, PEUC3, EB, LWA, VSTS, FPUC)

Highest # of weekly claims (2021): ≈ 35,000
Total # of claimants served (2021) ≈ 60,000

Total Dedicated UI Staff: ≈ 120

- Customer Service Reps ≈ 16
- Adjudicators ≈ 11
- Fraud Investigators ≈ 5
- Appeal Referees ≈ 12

MAXIMUS CSRs Tiers 1&2 ≈ 50 (Max)
MAXIMUS Fact Finders ≈ 20 (Max)

Federal Fiscal Year 2022 (Oct. '21 – Sept. '22)

***Federal Base ≈ \$7,953,968**

***Additional Base ≈ 0**

**Budget numbers above only indicate the federal UI base administration funding Vermont received for each federal fiscal year (October – September)*

Current State Unemployment

WEEKLY UNEMPLOYMENT INSURANCE CLAIMS SUMMARY

Week of December 25, 2021

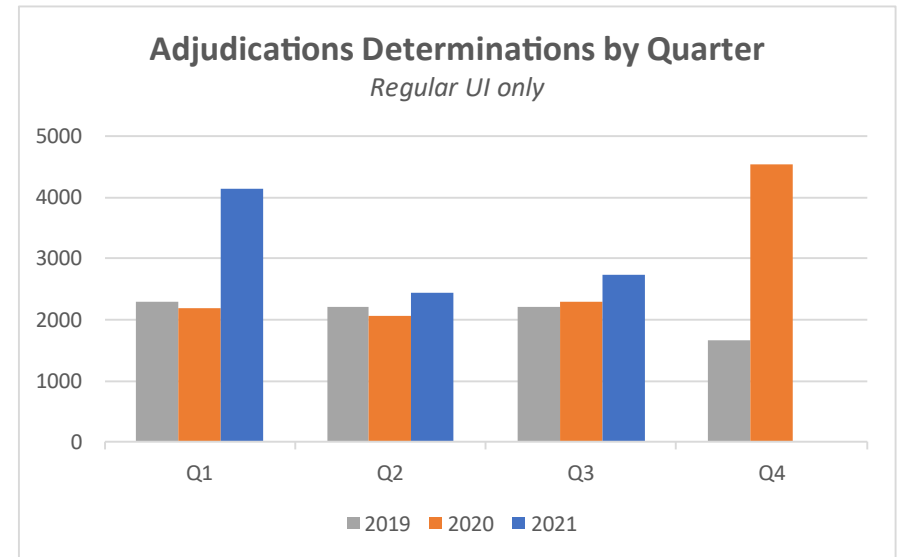
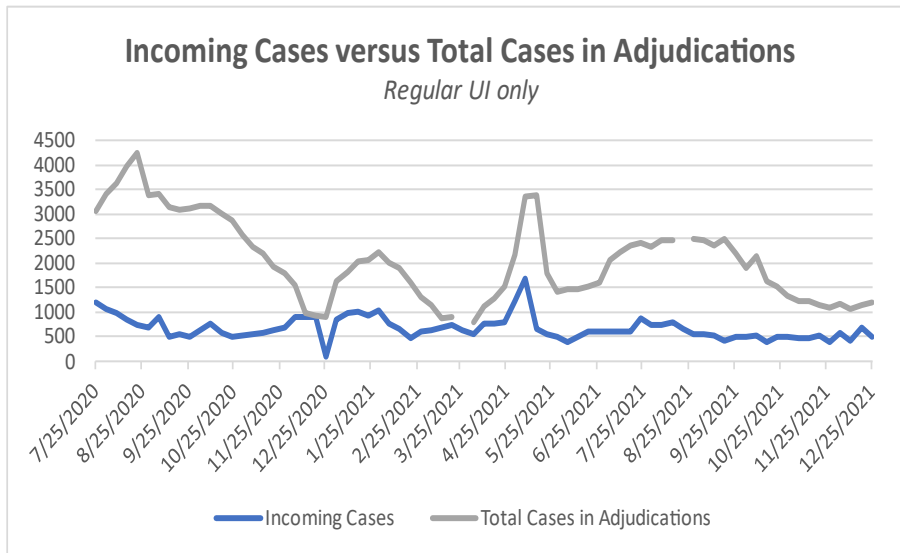
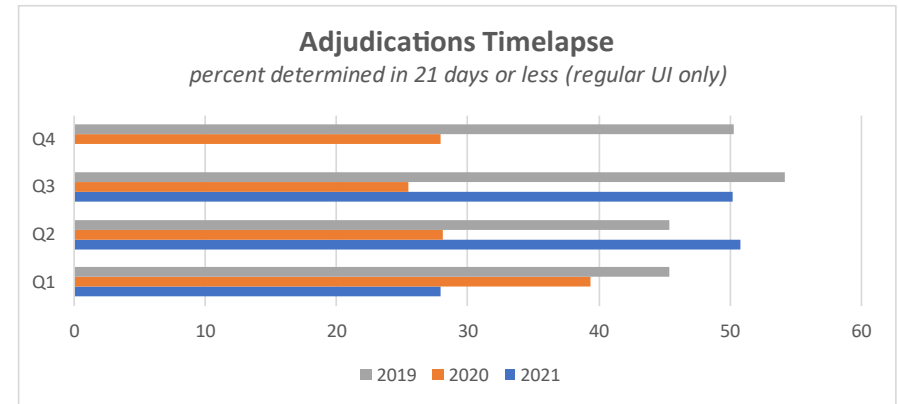
Claim Types	Benefit Programs	Current Data ^{2/}		Last Year	Change From:	
		12/25/2021	12/18/2021	12/26/2020	Last Week	Last Year
Initial Claims ^{1/}	Regular UI	804	525	1,097	279	-293
	Federal PEUC Tier I	3	2	419	1	-416
	Federal PEUC Tier II *	N/A	N/A	N/A	N/A	N/A
	Federal PEUC Tier III *	N/A	N/A	N/A	N/A	N/A
	State Extended Benefits	0	0	3	0	-3
	PUA	0	0	38	0	-38
Continued Claims	Regular UI	2,952	3,071	10,088	-119	-7,136
	Federal PEUC Tier I	3	63	8,711	-60	-8,708
	Federal PEUC Tier II	8	86	0	-78	8
	Federal PEUC Tier III	0	0	0	0	0
	State Extended Benefits	1	1	909	0	-908
	PUA	0	0	8,390	0	-8,390
Totals	Regular UI	3,756	3,596	11,185	160	-7,429
	Federal PEUC Tier I	6	65	9,130	-59	-9,124
	Federal PEUC Tier II	8	86	0	-78	8
	Federal PEUC Tier III	0	0	0	0	0
	State Extended Benefits	1	1	912	0	-911
	PUA	0	0	8,428	0	-8,428
	Total All Programs	3,771	3,748	29,655	23	-25,884

UI ADJUDICATIONS

	2019	2020	2021
Average number of cases per week	N/A	701	658
Average total in adjudications (at any given time)	N/A	2693	1773
Average Timelapse (percent of cases decided in 21 days)	48%	30%	42.9%

****Data in this table above does not include PUA adjudications.**

Current Adjudication Cases Pending = 812
Current Avg. Timelapse ≤ 30d

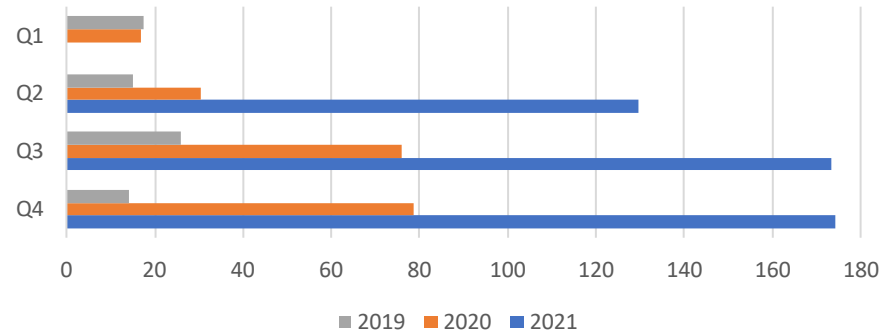


UI APPEALS

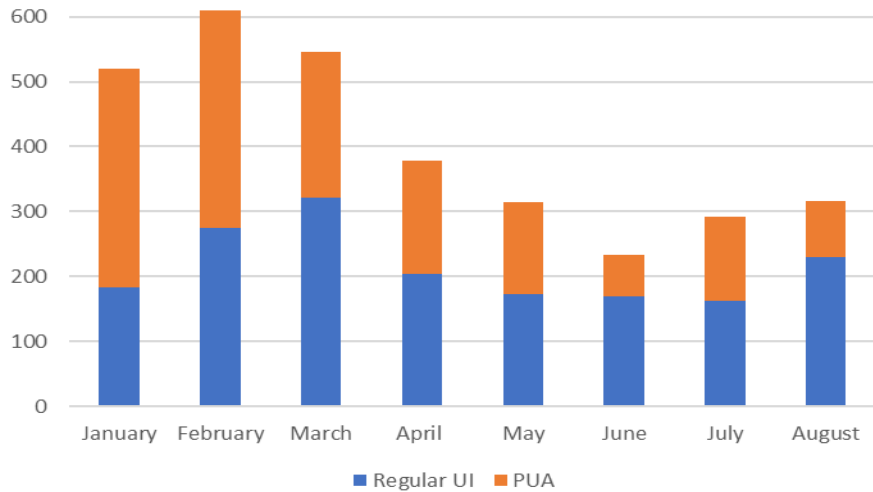
	2019	2020	2021
Determinations per Month <i>(on average)</i>	92	162	156
Timelapse <i>(average days to determination)</i>	18 days	55 days	159 days
<i>**Data included in this table does not include PUA appeals.</i>			
Current Appeals Pending = 810 Current Avg. Timelapse ~ 5mo			

Average Number of Days to Appeal Decision

Regular UI only



2021 Unemployment Insurance Appeals Filed



Appeal Determinations by Month

Includes Regular UI and PUA

