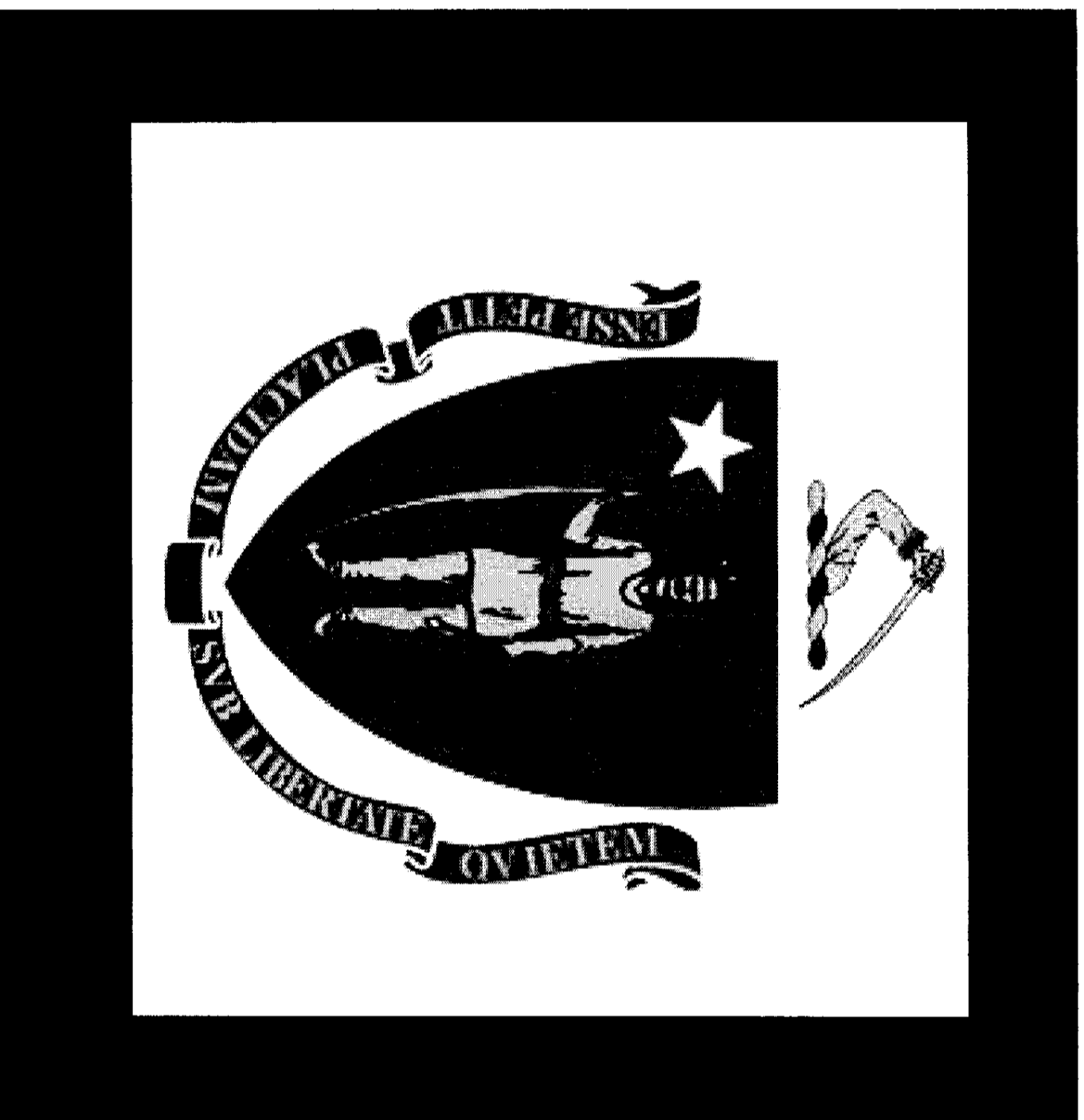


Workforce Partners' Meeting December 1, 2010



UI--Our Roots

- ⌘ UI is 75 years old! MA was the first state to introduce a UI bill in 1916!
- ⌘ Social Security Act enacted August 14, 1935
- ⌘ MA UI safety net is strong: since Jan 2009 DUA has paid over \$9 Billion in UI and \$250 Million in MSP benefits
- ⌘ UI generates between \$1.70 to \$2.90 in economic activity per CBO



At a Glance: UI at 75

- Approximately \$900 billion in regular UI benefits across the US have been paid since 1935.
- Approximately 500 million unemployed workers have been paid regular UI benefits since the program began.

The Great Recession

- Longest in duration since WWII
- Deepest in job losses at over 6 percent
- 1 in 5 jobless workers in New England were “permanently laid off”
- Less educated, roughly 35 times more likely to be unemployed
- More men than women: 85.6% men, 53% women
- Dramatic increase in **duration** that jobless workers are collecting UI across programs
- **Exhaustion rate** at historical high of 56%

UI BEYOND 75

- UI Trust Fund Solvency: as of Nov. 29, 2010
 - States have borrowed: **\$41,264,195,701.12**
- Integrity: UI in TOP 3 of all programs Overpayments
- RE-employment and RE-training
- RE-affirmation of strong connection between UI and ES (employment service)

US DOOL's UI Priorities

Performance and Accountability:

- ties with DUA's core principles
- Initial Claims reengineering
- Appeals reengineering
- Focused efforts and increased reporting
- Change management

US DOOL's UI Priorities

- Integrity
 - UI program responsible for nearly \$12 Billion annually in improper overpayments
 - Performance improvement
 - Reinvigorate integrity programs
 - BPC
 - New audit measure for identifying misclassified workers

US DOOL's UI Priorities

- Reform
 - UI Trust Fund
 - State Trust Funds—new federal rule
 - Federal Trust Fund
 - Administrative Funding
 - UI infrastructure needs: IT and training
 - Federal-State Extended Benefits
 - Inadequate triggers: obligation to maintain full employment

US DOOL's UI Priorities

- Reemployment
 - UI and ES programs must be more collaborative
 - REA and Profiling (RES)
 - Workshare
 - New Workforce Connections Model: Roll-out at Reemployment Summit this month in Washington, DC

The Fundamental Principle of Linking UI and Reemployment

- Early UI Leaders stated:

“Nothing could be of greater benefit to the Unemployment Insurance [Program] than to have the [public] employment exchange places place promptly as large a proportion as possible of those registering unemployed. Offering the applicant employment will both test his [or her] desire to work, and if the placement is made, will also conserve the resources of the fund by eliminating the need for benefits.”

Latest Update on Federal Front

- Unemployment Stabilization Act of 2010
 - Senator Baucus introduced on Nov. 29
 - Extends EUC and EB through Jan. 3 2012 with a phase-out through June 9 2012
- NASWA, Governors and Businesses submitted letters to extend interest free borrowing for 2 years