



DEPARTMENT OF LABOR AND INDUSTRY – AMERICAN RESCUE PLAN ACT of 2021 (ARPA)

UNEMPLOYMENT INSURANCE

UI Pandemic Unemployment Assistance (PUA) – Section 9011

This program is available for unemployed workers who are not eligible for the traditional UI benefit program that have lost jobs due to the pandemic. These benefits are paid by 100% federal funding. These include self-employed, independent contractors or gig workers. The ARPA has extended the program end date from March 14, 2021 to September 6, 2021.

Department Request: Statutorily Appropriated

ARPA restrictions: These funds are restricted for UI PUA benefits only.

Committee Action Needed: Benefits are statutorily appropriated and restricted in MCA 39-51-103, 39-51-301, 39-51-401 and 39-51-402. No action is needed from the committee.

Pandemic Emergency Unemployment Compensation (PEUC) – Section 9016

This program is available for unemployed workers who have exhausted their traditional UI program benefits. These benefits are paid by 100% federal funding. The ARPA has extended the program end date from March 14, 2021 to September 6, 2021.

Department Request: Statutorily Appropriated

ARPA restrictions: These funds are restricted for UI PEUC benefits only.

Committee Action Needed: Benefits are statutorily appropriated and restricted in MCA 39-51-103, 39-51-301, 39-51-401 and 39-51-402. No action is needed from the committee.

Federal Pandemic Unemployment Compensation (FPUC) – Section 9013

This program adds an additional \$300 per week to each benefit payment including traditional UI, PUA and PEUC. These benefits are paid by 100% federal funding and have been extended through September 6, 2021.

Department Request: Statutorily Appropriated



ARPA restrictions: These funds are restricted for UI benefits additional compensation only.

Committee Action Needed: Benefits are statutorily appropriated and restricted in MCA 39-51-103, 39-51-301, 39-51-401 and 39-51-402. No action is needed from the committee.

All Above Benefits Request estimate = \$286,000,000

UI Federal Funding for Governmental and Non-Profit – Section 9012

Governmental and Non-Profit employers who are reimbursable are responsible for full payment of the traditional UI benefits paid to their employees. The CARES Act allowed for 50% relief with these entities only paying the other 50% until March 31, 2021. Under ARPA these entities will receive 75% relief until September 6, 2021 with these entities paying 25%.

Department Request: Statutorily Appropriated

ARPA restrictions: These funds are restricted for charging relief to government and non-profits only

Committee Action Needed: Contributions are statutorily appropriated in MCA 39-51-1103. No action is needed from the committee.

UI Administrative Implementation Funds – Unemployment Insurance Program Letter No. 14-21

Funding is being granted for implementation of the ARPA funds. This includes computer programming and technology costs, business process implementation, training and travel, notices and overhead related to implementation.

Department Request: \$275,000

ARPA restrictions: These funds are for UI administrative implementation costs only.

Committee Action Needed: These funds will need to be appropriated by the Committee.

UI Administrative Funds – Section 9031

This is funding authorized to the U.S. Department of Labor for fraud detection and prevention, and to promote equitable access and ensure timely payment of benefits to eligible workers. It is undetermined at this time what amount would come to the state Department of Labor and Industry.

Department Request: Amount unknown, \$5,000,000 placeholder

ARPA restrictions: These funds are restricted for UI administration only.

DLI uses: This funding will assist with processing claims by allowing overtime of staff, hiring temporary state and contract workers. This will assist in catching up the backlog and claims that will be processed in the future. This will also be used for fraud prevention.

Committee Action Needed: These funds will need to be appropriated by the Committee. Suggestions might include making this contingent on the funds received as the \$5,000,000 is an estimate.

Coordination with HB 630:

The funding in HB 630 are funds we have already received through the CARES Act and are seeking appropriation to spend for the work done to process claims through June 30, 2021.

Department Request: \$5,251,366

CARES Act Restrictions: These funds are restricted for UI administration only

DLI uses: Currently we are using regular UI funds to pay for processing claims by allowing overtime of staff, hiring temporary state and contract workers. This is necessary to process current incoming claims and the large influx of claims that are backlogged. These regular funds will run out and without use of these funds we will need to scale back staffing and will have a shortage of regular UI administrative federal funds that can be carried to September 30, 2021.

We have received modifications from the U.S. Department of Labor of \$5,251,366 and additional funds are anticipated. Although we have received these funds, we need the appropriation to be able to spend them.

Committee Action Needed: No action is required by this committee, although passage of HB 630 will be needed to appropriate funds already received, and amendments may need to be made for additional funds that may be received.