



**Nicole Galloway, CPA**

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**Missouri State Auditor**

**Federal Unemployment Funding  
for COVID-19 Response  
Through April 2021**

Report No. 2021-041

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## **NICOLE GALLOWAY, CPA** **Missouri State Auditor**

Honorable Michael L. Parson, Governor  
and  
Members of the General Assembly  
Jefferson City, Missouri

The primary objective of this report is to summarize the unemployment benefits and relief received by Missouri citizens, government entities, and nonprofit organizations related to the Coronavirus Disease 2019 (COVID-19) emergency from declaration of the emergency through April 2021.

In March 2020, Congress passed several legislative measures signed into law to provide assistance to citizens becoming unemployed due to the COVID-19 emergency. In August 2020, following expiration of a significant program in the initial legislation, the President issued an executive memorandum for a new short-term program. In December 2020, Congress passed another legislative measure signed into law extending provisions set to expire that month and establishing new or modified unemployment assistance programs. In March 2021, Congress passed another legislative measure signed into law extending provisions set to expire that month and establishing new or modified unemployment assistance programs. The unemployment assistance funding is processed through the state's Unemployment Insurance Trust Fund at the Department of Labor and Industrial Relations.

Through April 30, 2021, more than 600,000 Missouri citizens have received assistance totaling more than \$4.9 billion from at least one of the unemployment benefit programs. Also, through that date, approximately 1,700 government entities and nonprofit organizations have received \$30.2 million in emergency unemployment relief. In May, the Governor announced that Missouri would end participation in all pandemic-related unemployment benefits effective June 12, 2021.

A handwritten signature in black ink that reads "Nicole R. Galloway".

Nicole R. Galloway, CPA  
State Auditor

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# Federal Unemployment Funding for COVID-19 Response Through April 2021 Executive Summary

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## **Executive Summary**

Missouri citizens have received unemployment assistance under the following federal laws enacted or executive action taken in March, August, and December 2020 and March 2021:

- Families First Coronavirus Response Act (Public Law 116-127; H.R. 6201)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136; H.R. 748, as amended)
- Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019
- Consolidated Appropriations Act, 2021 (Public Law 116-260; H.R. 133)
- American Rescue Plan (ARP) Act of 2021 (Public Law 117-2; H.R.1319)

The Families First Coronavirus Response Act includes the Emergency Unemployment Insurance Stabilization and Access Act of 2020 (EUISAA).<sup>1</sup> That act provides, among other things, (1) emergency administrative grants to states; (2) emergency flexibilities to states related to temporarily modifying certain aspects of their unemployment compensation laws; (3) a short-term waiver of interest payments due and interest accrual on Title XII advances to states; and (4) full federal funding, under certain circumstances, of extended benefits (EB) paid through December 31, 2020. The EUISAA also requires the U.S. Department of Labor to provide technical assistance and guidance to assist states in establishing, implementing, and improving employer awareness of the Short-Time Compensation (STC) program, also known as Shared Work or Work Share. The Consolidated Appropriations Act extends certain EUISAA provisions and STC program benefits to March 14, 2021. The ARP Act extends that date to September 6, 2021.

The CARES Act authorizes the following provisions with changes and extensions authorized by the Continued Assistance Act (part of the Consolidated Appropriations Act) and the ARP Act:<sup>2</sup>

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<sup>1</sup> U. S. Department of Labor, *Advisory: Unemployment Insurance Program Letter No. 13-20*, pages 2-8, issued March 22, 2020. U. S. Department of Labor, *Advisory: Unemployment Insurance Program Letter No. 9-21*, pages 4-5 and 13, issued December 30, 2020. U. S. Department of Labor, *Advisory: Unemployment Insurance Program Letter No. 14-21*, pages 4 and 11, issued March 15, 2021.

<sup>2</sup> U. S. Department of Labor, *Advisory: Unemployment Insurance Program Letter No. 14-20*, pages 3-6, issued April 2, 2020. U. S. Department of Labor, *Advisory: Unemployment Insurance Program Letter No. 9-21*, pages 6 and 10-12, issued December 30, 2020. U. S. Department of Labor, *Advisory: Unemployment Insurance Program Letter No. 14-21*, pages 5-9, issued March 15, 2021.

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Pandemic Unemployment  
Assistance

The CARES Act authorizes the Pandemic Unemployment Assistance (PUA) program, which provides up to 39 weeks of benefits and is available starting with weeks of unemployment beginning on or after January 27, 2020, and ending on or before December 31, 2020.

The program covers individuals who are self-employed, seeking part-time employment, or whom otherwise would not qualify for regular unemployment compensation (UC) or EB under state or federal law or Pandemic Emergency Unemployment Compensation (PEUC). Coverage also includes individuals who have exhausted all rights to regular UC or EB under state or federal law, or PEUC.

The Continued Assistance Act extends the end of the period of applicability for the program, without interruption, to weeks of unemployment ending on or before March 14, 2021. The act increases the maximum number of weeks of PUA benefits from 39 weeks to 50 weeks. The number of weeks available continues to be reduced by any weeks of regular UC and EB that the individual receives with respect to the pandemic assistance period. Individuals may only collect these additional 11 weeks of benefits with respect to weeks of unemployment beginning on or after December 27, 2020.

The ARP Act extends the end of the period of applicability for the program, without interruption, to weeks of unemployment ending on or before September 6, 2021. The maximum number of weeks of PUA benefits increases from 50 weeks to 79 weeks. The number of weeks available continues to be reduced by any weeks of regular UC and EB that the individual receives with respect to the pandemic assistance period. Generally, an individual must have exhausted all entitlement to regular UC, PEUC, and EB before being eligible for PUA. However, the ARP Act provides a "hold harmless" provision for an individual who previously exhausted PEUC and is now receiving PUA, but, because of Section 9016(b), the ARP Act, becomes eligible for additional amounts of PEUC beginning on or after March 11, 2021. States may temporarily continue paying PUA to an individual currently receiving PUA who is newly eligible to receive PEUC due to the additional weeks of PEUC.

Pandemic Emergency  
Unemployment Compensation

The CARES Act authorizes the Pandemic Emergency Unemployment Compensation program, which provides up to 13 weeks of benefits and is available for weeks of unemployment beginning after the date on which the state enters into an agreement with the U.S. Department of Labor and ending with weeks of unemployment ending on or before December 31, 2020.

This program covers individuals who: have exhausted all rights to regular UC under state or federal law; have no rights to regular UC under any other state or federal law; are not receiving compensation under the UC laws of Canada; and are able to work, available for work, and actively seeking work. However,

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states shall offer flexibility in meeting the "actively seeking work" requirement if individuals are unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.

Among the requirements of this program is a non-reduction rule, which prohibits states from changing the computation method governing regular UC law in a way that results in the reduction of average weekly benefit amounts or the number of weeks of benefits payable (i.e., maximum benefit entitlement).

The Continued Assistance Act extends the end of the period of applicability for the PEUC program, without interruption, to weeks of unemployment ending on or before March 14, 2021. Individuals receiving PEUC as of the end of the program could continue to collect PEUC if they have remaining entitlement and are otherwise eligible to receive these benefits. However, no PEUC is payable for any week beginning after April 5, 2021. The maximum amount of PEUC benefits increases from 13 times the individual's average weekly benefit amount (WBA) to 24 times the individual's average WBA. Individuals may only collect the additional amount, 11 times their average WBA, with respect to weeks of unemployment beginning on or after December 27, 2020.

The ARP Act extends the end of the period of applicability for the PEUC program, without interruption, to weeks of unemployment ending on or before September 6, 2021. The maximum amount of PEUC compensation that may be established in an individual's account for the benefit year increases from 24 times the individual's average WBA to 53 times the individual's average WBA. No amount of benefits is payable by virtue of the amendments made by the ARP Act with respect to any week of unemployment ending on or before March 14, 2021.

Federal Pandemic Unemployment Compensation

The CARES Act authorizes the Federal Pandemic Unemployment Compensation (FPUC) program, which provides an additional \$600 per week to individuals who were collecting regular UC (including Unemployment Compensation for Federal Employees and Unemployment Compensation for Ex-Servicemembers), PEUC, PUA, EB, STC, Trade Readjustment Allowances, Disaster Unemployment Assistance, and payments under the Self Employment Assistance program. The program is available for weeks of unemployment beginning after the date on which the state enters into an agreement with the U.S. Department of Labor and ending with weeks of unemployment ending on or before July 31, 2020.

The Continued Assistance Act reauthorizes the FPUC program and modifies it to provide \$300 per week in supplemental benefits for weeks of unemployment beginning after December 26, 2020, and ending on or before March 14, 2021. FPUC is not payable with respect to any week during the

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gap in applicability, that is, weeks of unemployment ending after July 31, 2020 through weeks of unemployment ending on or before December 26, 2020. The ARP Act extends the program at the same weekly benefit level through the week ending on or before September 6, 2021.

**Mixed Earners Unemployment Compensation**

The Continued Assistance Act authorizes the Mixed Earners Unemployment Compensation (MEUC) program for states that elect to participate. The program provides \$100 each week, in addition to FPUC, to individuals with \$5,000 or more in self-employment income in the previous tax year who are receiving unemployment benefits from a program other than PUA. MEUC is payable beginning with weeks of unemployment no earlier than week ending January 2, 2021, through the week of unemployment ending on or before March 14, 2021. The ARP Act extends that date to September 6, 2021.

**Emergency Unemployment Relief for Governmental Entities and Non-profit Organizations**

The CARES Act provides for transfers to a state's account in the unemployment trust fund from the Federal Unemployment Account to provide partial reimbursements (generally 50 percent of the amount of payments in lieu of contributions) to state and local governmental entities, certain nonprofit organizations, and federally recognized Indian tribes for weeks of unemployment between March 13, 2020, and December 31, 2020. These partial reimbursements apply to all payments made during this time period, even if the unemployed individual is not unemployed as a result of COVID-19.

The Continued Assistance Act extends the relief to weeks of unemployment ending on or before March 14, 2021. The ARP Act extends that date to September 6, 2021. With this extension, the amount of emergency relief for weeks of unemployment beginning after March 31, 2021, increases from 50 percent of compensation paid to 75 percent.

**Waiting Week**

Under the CARES Act, states that provide compensation to individuals for their first week of unemployment (i.e., states that do not require a waiting week) and that enter into an agreement with the U.S. Department of Labor will receive 100 percent federal funding for the total amount of regular UC paid to individuals for their first week of regular UC. This funding is available for weeks of unemployment beginning after the date on which the state enters into the agreement and ends with weeks of unemployment ending on or before December 31, 2020.

The Continued Assistance Act extends this benefit through weeks of unemployment ending on or before March 14, 2021. The amount of federal funding for reimbursement under this provision decreases from 100 percent to 50 percent for weeks of unemployment ending after December 31, 2020.

The ARP Act extends this benefit through weeks of unemployment ending on or before September 6, 2021. The act also retroactively re-establishes the

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amount of federal funding for reimbursement at 100 percent for weeks of unemployment ending after December 31, 2020.

Other Needs Assistance Program<sup>3</sup> Through a Federal Emergency Management Agency (FEMA) administered grant for lost wages assistance from the Disaster Relief Fund, a state can provide eligible recipients a \$400 payment per week, which shall reflect a \$300 federal contribution, to eligible claimants from the week of unemployment ending August 1, 2020. The state is responsible for \$100 of the weekly benefit. The President issued the memorandum on August 8, 2020.

This program was available until the Disaster Relief Fund balance reached \$25 billion or for weeks of unemployment ending not later than December 6, 2020, whichever occurred first, at which time the lost wages assistance program would terminate. In Missouri, this program ended in early September 2020. The program allowed states 90 days following the period of assistance for a period of performance to resolve outstanding program issues. Missouri received a 6-month extension for this work in March 2021. The extension expires September 27, 2021.

Assistance Provided  
Through April 2021

Through April 30, 2021, more than 600,000 Missouri citizens have received assistance totaling more than \$4.9 billion from at least one of these programs. Also, through that date approximately 1,700 government entities and nonprofit organizations have received \$30.2 million in emergency unemployment relief. In May, the Governor announced that Missouri would end participation in all pandemic-related unemployment benefits effective June 12, 2021.

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<sup>3</sup> Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019, August 8, 2020, <<https://trumpwhitehouse.archives.gov/presidential-actions/memorandum-authorizing-needs-assistance-program-major-disaster-declarations-related-coronavirus-disease-2019/>>, accessed June 28, 2021.



Appendix

Federal Unemployment Funding for COVID-19 Response  
Benefits and Employer Refunds or Credits  
Through April 30, 2021

Program Name	Benefits/Employer Refunds or Credits Through April 30, 2021 <sup>1</sup>	Number of Citizens Impacted	Start Date <sup>2</sup>	End Date <sup>2</sup>
Benefits:				
Federal Pandemic Unemployment Compensation	\$ 3,630,424,756	607,330	3/28/2020	9/6/2021
Pandemic Unemployment Assistance	482,085,638	141,019	1/27/2020	9/6/2021
Pandemic Emergency Unemployment Compensation	431,714,881	122,553	3/28/2020	9/6/2021
Temporary Federal Funding of the Waiting Week <sup>4</sup>	45,413,982	343,335	3/28/2020	9/6/2021
Short-Time Compensation	27,528,366	50,937	3/27/2020	9/6/2021
Federal Funding of Extended Benefits	12,981,048	8,442	5/31/2020	9/6/2021
Mixed Earners Unemployment Compensation	825,810	634	12/27/2020	9/6/2021
Lost Wage Assistance <sup>3</sup>	305,765,016	213,795	7/26/2020	9/27/2021
Total Benefits Programs	4,936,739,497			
Refunds or Credits:				
Emergency Relief for Government Entities and Nonprofit Organizations	30,207,154	1,680	3/13/2020	9/6/2021
Total all Programs	\$ 4,966,946,651			

<sup>1</sup> Benefits paid are reported on a cash basis, net of cancellations and recoupment of any overpayments.

<sup>2</sup> The start and end dates for benefit programs refer to the week of unemployment that is reported by the claimant after the week is over. If a claim is under review because of an issue, the payment for the week will be delayed until the issue is resolved. Issues may include reason for termination, other wages received, availability for work, etc. In May, the Governor announced that Missouri would end participation in all pandemic-related unemployment benefits effective June 12, 2021.

<sup>3</sup> The state's portion of this program is not included in the total.

<sup>4</sup> The number of citizens impacted was incorrectly list in the previous report as 565,783.

Source: Missouri Department of Labor and Industrial Relations